

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Rocky Brands, Inc., Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. We will now be conducting a question-and-answer session. (Operator Instructions) The first question is from Reed Anderson with D. A. Davidson. Please go ahead with your question.

Reed Anderson - D. A. Davidson

Good afternoon. Mike, I was curious, how are you feeling in terms of pricing in this environment, have you been able to kind of maintain kind of pricing integrity, are you feeling pressure to offer little incentive, what's your thought on pricing at this point?

Mike Brooks

Reed, we are fortunate that we have multiple brand, and we have price segment of those brand, and we have not had price pressures that we have reduced our wholesale selling price, we are generating some interest through freight from time-to-time and some additional incentives, some in-store marketing, but we have not felt to need to break price.

And if that is your question, and especially with the new product that we are offering that they have signed up for and our backlog is, started in the second half over last year, there is nothing price pressure. David may be you have something.

David Sharp

At the end of this year we took about a 1.5%, 2% price increase.

Reed Anderson - D. A. Davidson

Okay.

David Sharp

And our retail customer seems to be settled into that pretty well.

Reed Anderson - D. A. Davidson

That's good. And then in terms of the other side of that the cost side, is your sense that maybe later as this year moves on you might see a little benefit on the cost side of things or is too early to tell.

David Sharp

Well.

Reed Anderson - D. A. Davidson

I am talking about ending up the souring production not the SG&A side. I am sorry.

David Sharp

Yes I understand the question and, a year ago there was inflation with the cost side almost runaway inflation that's been reversed and factories are not full. And there are some opportunities not break, but there are some opportunities or volume orders so we are trying to take advantage of that.

Reed Anderson - D. A. Davidson

Okay. And then you talked a little bit about trend, the early stages of migrating some of the Lehigh business to the web and that sort of thing, so you've gotten lot of people looking at that. What's the thinking there in terms of to provide them an incentive whether it's a volume discount, or is that where the freight piece comes in, how would we think about the benefits of the customer. How would you position that?

Copyright © 2009 CBS Interactive, Inc. All Rights Reserved.