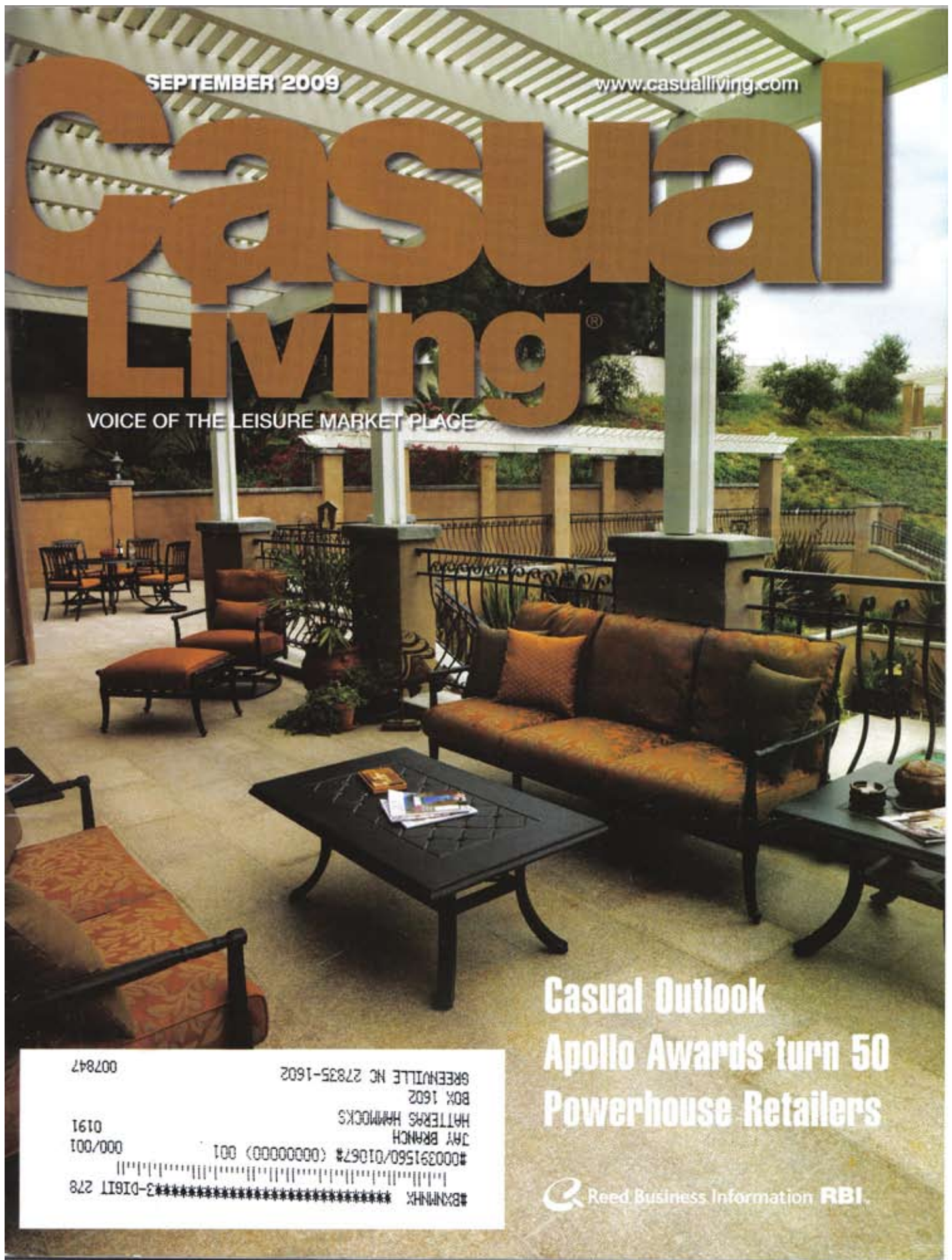


SEPTEMBER 2009

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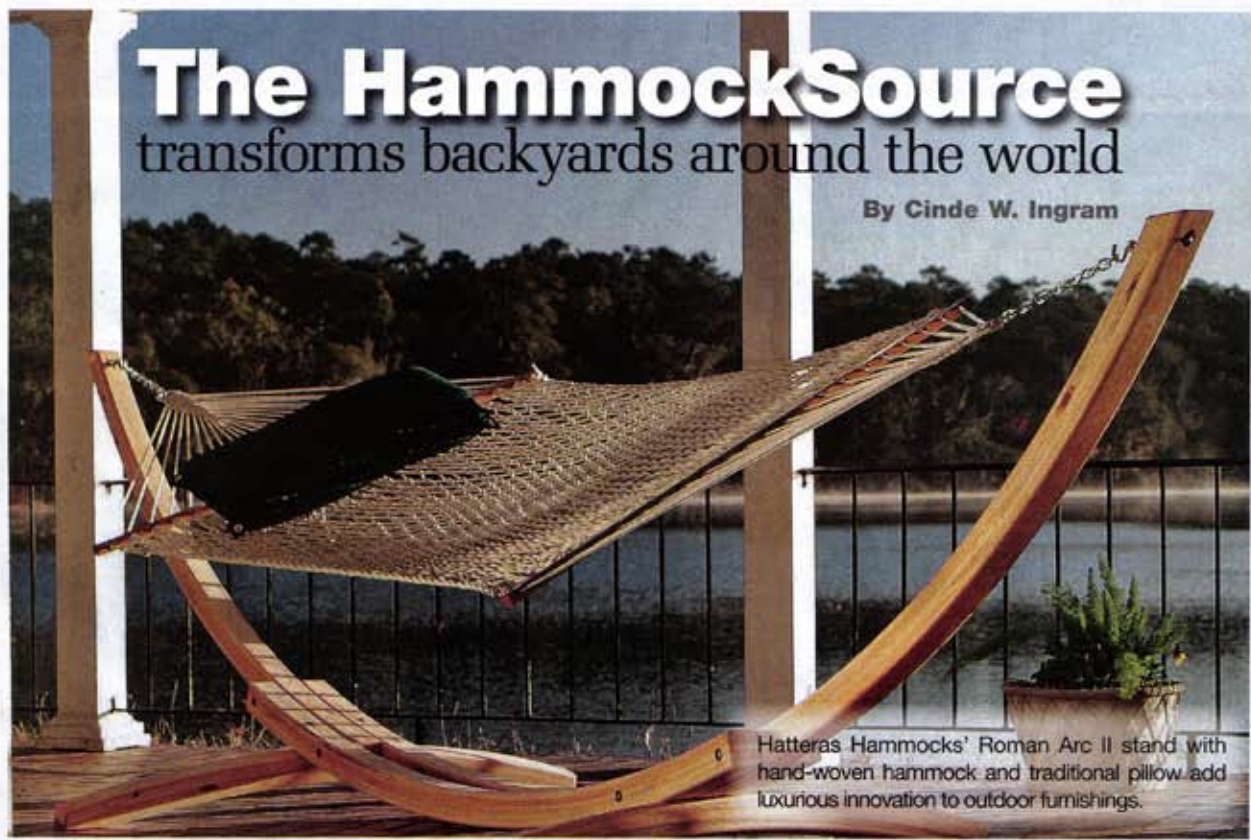
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The HammockSource

transforms backyards around the world

By Cinde W. Ingram

Hatteras Hammocks' Roman Arc II stand with hand-woven hammock and traditional pillow add luxurious innovation to outdoor furnishings.

HAMMOCKS FOSTER images of laid-back comfort and luxurious relaxation.

Inside The HammockSource, employees work hard to maintain that ideal image around the world.

Under the lead of founder Walter R. Perkins Jr., employees are empowered to come up with creative ways to better the centuries-old handcrafted product, whether in the Hatteras Hammocks brand's Right Connection weld of its supportive stand or the dense hardwood of its spreader bars, its weather resistant finish, hand-woven rope bed or quilted DuraCord fabric bed.

A sign inside the company's 280,000-sq.-ft. plant in Greenville, N.C., speaks to its underlying philosophy: Quality is when our customers come back and our products don't.

Company leaders think of hammocks as playing on the fringes of the outdoor furniture market, but their hammock-inspired chairs and swings cross dividing lines.



Sawgrass Mills' Bella outdoor rug adds a splash of color and cool poolside comfort.

"Over the years, hammocks have always been a great accessory item during the hard economic times," said Perkins' son, HammockSource CEO Walter R. Perkins III. "People won't always buy a

\$1,000 dinette set, but they can put in a Roman Arc with a hammock and spend half as much money to transform their backyard."

Hammock customers sometimes say they have worked so hard they deserve a luxury – an inexpensive luxury. To tap into those consumer desires, The HammockSource has developed a range of hammock products sold through various distribution channels under different brands.

Added to round out the manufacturers' offerings were outdoor rugs and, most recently, Real Deal Brazil hats, bags and personal accessories made from recycled canvas tarps used to covered Brazilian cargo trucks. Look for actor Woody Harrelson to sport one of those hats in Columbia Pictures' horror-comedy film "Zombieland," opening in theaters Oct. 9. With the former Cheers star wearing the canvas hat that sold out of its most-popular sizes

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after it appeared in *Reader's Digest*, The HammockSource has likely hit another homerun retailers will want to catch.

Reflecting on how the company has spread since his father first started fiddling with hammocks in



Founder Walter R. Perkins Jr. with son Walter R. Perkins III in the rope shop at the original Hatteras Hammocks facility.



Jean Strickland, supervisor of weaving and canvas, joined Hatteras Hammocks over 25 years ago.

the early 1970s, the younger Perkins said, "He's a dynamo and he's endowed with personality."

During those days, Perkins' dad bought tobacco for American Tobacco Company and in the off-season would travel to sell cigarettes. When his mother asked him to

go to Pawleys Island and buy a hammock, Perkins bought two. Using tobacco-curing sticks for the spreader bars and heavier chain for safety's sake, he began figuring out how to make a good hammock better. In 1971, he launched Hatteras Hammocks by selling his first handmade hammocks out of the trunk of his old Toyota station wagon on a corner in Washington, D.C., on later beach trips and on work trips across the Southeast.

"It was the perfect example of a hobby becoming a business," said the elder Perkins, affectionately known as Mr. P by company employees, who number more than 250 in peak season.

Before long, Mr. P couldn't keep up with the demand for his hammocks so family members pitched in. His wife was keeping the books while other family members were helping weave ropes in a second-story room above a gift shop in downtown Greenville. His son, now HammockSource CEO, proved his own

ability as a tinkerer by showing Mr. P how to tie a ring knot, which is central to hammock design, on the rung of a chair. As customers' orders were completed, hammocks were tossed out the upstairs window onto a mattress positioned below. The younger Perkins remembers it was considered "a right of passage" 35 years ago for college students at nearby East Carolina University to spend summers making hammocks and earning extra spending money.

By 1987, the Perkins' Hatteras Hammocks company had grown into the world's top hammock producer. Now part of The HammockSource, Hatteras Hammocks products are sold through specialty retailers and specialty-goods catalogs, and extensively online, throughout the United States and Canada.

In 1997, the HammockSource bought the Original Pawleys Island Rope Ham-

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Marisol Espinoza weaves hammock ring knot, also known as a clew knot.



Mary Harris sews bindings on the top of a quilted-fabric hammock.



Erika Jimenez applies grommets to edges for hanging a quilted fabric.



Amelia Meneses tacks the binding ends as quilted fabrics are created.

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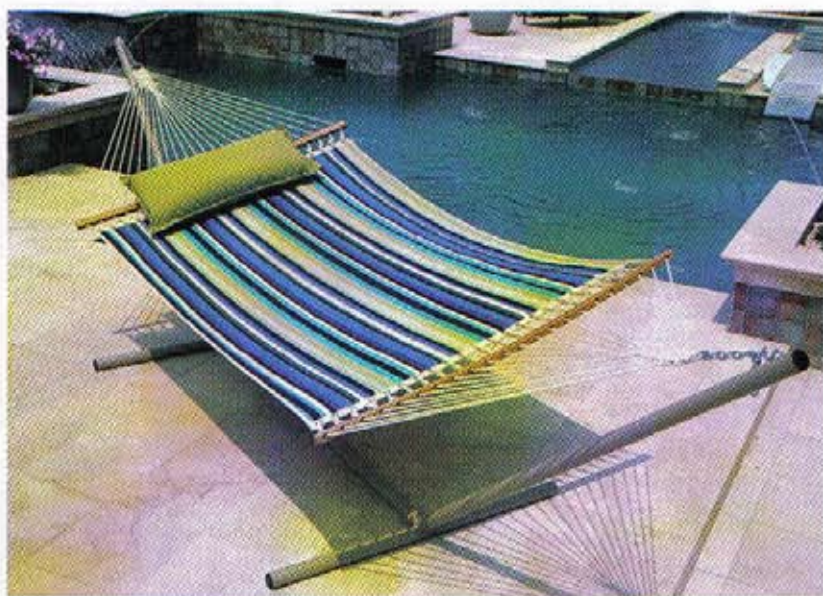
mock company. This year marks the 120th anniversary of South Carolina riverboat captain Josh Ward essentially reinventing the hammock, crafting a more stable and comfortable lattice-like woven hammock design and adding a wooden spreader bar where none had been before. Ward also was trying to stay cool as he slept on his boat while he ferried rice and other cargo to port near his Pawleys Island home.

With the addition of the Pawleys Island company, The HammockSource adapted to better serve the home improvement channel where Pawleys Island hammocks were being sold. Those also are sold online along with the Pawleys Island Castaways brand, developed for the mass merchant channel.

Jean Strickland, supervisor of weaving and canvas, described The HammockSource mindset of continuous improvement she has been part of for the past 25 years. She noted better quality of rope and wood, including Brazilian teak (also know as cumaru) for the Hatteras Hammocks brand, harvested from managed South American forests. "We're always improving to make it better and stronger," Strickland said. "We used to just make cotton rope and polyester rope; we didn't do quilted hammocks or chairs. Now there's more variety in our production."

Knowing its products sell well through its biggest catalog dealers, I.L. Bean and Brookstone, and seeing the success of specialty retailers who devote floor space to the category, The HammockSource continues to look for ways to help independent dealers succeed.

"We've tried to do everything we can to make it easier for dealers to carry our line," said Reid Roney, vice president, sales and marketing. "We work at it, we think about it and we go visit dealers. We have Nags Head Hammock retail stores on the Outer



Recycled canvas tarp from Brazilian cargo trucks creates Real Deal Brazil hats.

Banks so we *are* retailers. We know what it takes when a customer walks in; we know what kind of signage to have and we have

Pawleys Island Beaches Stripe quilted hammock, above, and Hatteras Hammocks' Watermark Cool Springs quick-dry comfort hammock, left, are among the choices for consumers seeking an affordable luxury.

the experience to drive business."

Some specialty retailers look for ways not to sell hammocks because they require floor space to show. "So we have to come up with ways to make it a little bit easier and a little bit smarter to show and sell," Roney said.

In addition to offering special discounts and terms for booking orders early, The HammockSource continues to develop displays with smaller footprints. For example, showing 12 folded hammock styles in a maximum 4x4-foot space or a hammock fabrics display pole on the wall in about the size of an umbrella base. While quality and durability are part of the hammocks story, customers' ability to touch and feel the ropes or fabrics remains a strong selling point for specialty retailers.

"The downside for the retailer is the footprint, but that's the upside for the consumer," CEO Perkins said. "See what they did for their backyard? By putting in a hammock, they can improve the look and create a destination.

"It's hard to argue with success." 