

HOW OUTDOOR RETAIL CAN KEEP THE MOMENTUM



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COVID-19 turned much of retail upside down, especially the apparel subset. Consumers traded fast fashion and trend pieces for outerwear and **athleisure**. The rises in **outdoor activity**, gym closures, and overwhelming amounts of working and working out-from-home allowed sporting goods retailers to thrive while the rest of the industry faced immense challenges. Though much of the **home gym**, sport, and adventure retail category is currently selling itself given the unique circumstances, there are some best practices that will ensure this space sustains its success.

Sustainability

Connecting to sustainability and humanitarian efforts ensures your brand is invested in the resources it leverages, while aligning with your target customers' values. Given fitness and outdoor enthusiasts' likely overlapping interests in self and environmental improvement, it is imperative that adventure retailers actually practice what they preach. Few outdoor brands understand and embody this better than Patagonia, REI, and Lululemon.

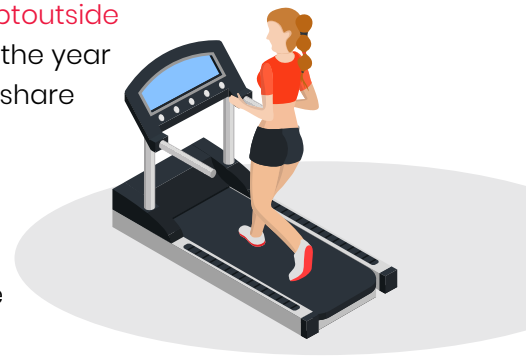
Patagonia has a deep and constantly-evolving history of committing to more eco-friendly and compassionate employment practices and sourcing. The brand's impressive **4% employee turnover rate** (significantly lower than industry average) is a testament to its commitment to empowering workers and ensuring an admirable culture is at the root of its operating model. In addition to highlighting sustainable sourcing practices (e.g., materials, manufacturing), the Patagonia Worn Wear **site** does a detailed job of explaining how its resale

business significantly reduces the brand's environmental impact. REI is another outdoor retailer with an extensive **sustainability** plan and a commitment to land protection. In 2019, the retailer invested

70% of its profits in the outdoor community, while the brand's famous **#optoutside** campaign, launched in 2015, closes all its stores on retail's busiest day of the year to encourage employees and shoppers to instead get outdoors (and to share their experiences on social media to encourage others). While we watch **Lululemon** make the switch to completely sustainable fabrics over the next few years, the retailer has been a vocal advocate for employees' **mental health**. Clearly it's become table-stakes for brands in this space to associate themselves with social causes, but now that consumers are more informed and scrutinizing than ever, approach matters greatly.



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94%

of consumers report caring the same or more, in comparison to a year ago, about brands being sustainable

– CI&T's Sustainability Survey, 11/2020

The North Face recently experienced **backlash** for refusing an order from an oil and gas company. The brand was accused of hypocrisy via the

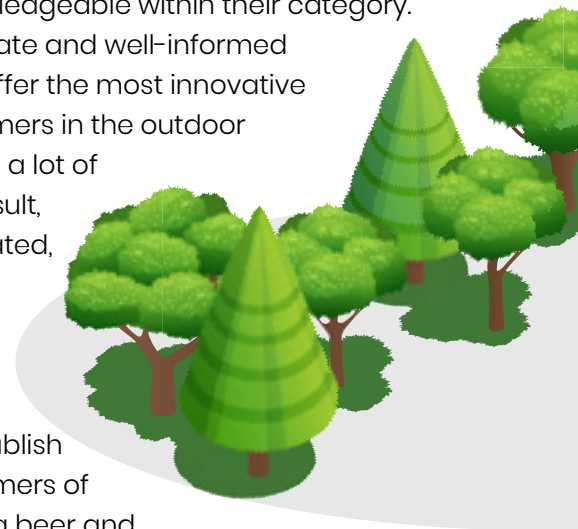


argument that some of its products are made from petroleum products. Considering that CI&T's Sustainability Survey uncovered that 94% of consumers report caring the same or more, in comparison to a year ago, about brands being sustainable, it's important that these retailers get it just right.

Category Expertise

In addition to the expectation that outdoor retailers are cause-conscious, there's an expectation that they will be extremely knowledgeable within their category. Since niche retailers cater to extremely passionate and well-informed consumers, so the bar is exceptionally high to offer the most innovative products and accommodating services. Customers in the outdoor sector are spending significant time (and often a lot of money) on the adventure lifestyle, and as a result, they are highly likely to appreciate a differentiated, expansive assortment and an exceptionally

informative sales force. Orvis is highly-regarded in the fishing community because of its commitment to providing value via educational **content**. Other large specialty retailers could take a page out of **The Hub's** book, where sales associates are encouraged to establish their role as trusted advisor and friend to individual customers. Customers of The Hub are encouraged to return after their outdoor adventures for a beer and debrief with staff. One of CI&T's most successful retail partnerships leveraged this same strategy—where store employees began providing personalized recommendations to previous shoppers via WhatsApp messages based on their purchase history and conversations they had while shopping. Not every customer will be open to having such a close relationship with a retailer, but providing this



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type of tailored value is what builds trust between brands and customers. Digital assistants, machine learning, and creative, top-tier loyalty programs are additional ways to ensure that this already-engaged shopper remains attentive.



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Experiential Retail

The last piece to the outdoor retail puzzle is experiential. Outerwear and active gear should be fun purchases that tap into the customer's desire to adventure and explore. Being able to test these types of products in creative ways furthers the excitement surrounding usage occasions. The fact that you can walk on a treadmill or rock climb to trial a potential shoe purchase at Dick's Sporting Goods allows the retailer to be a desirable destination versus a mere fulfillment center. Nike stores are well-known for their by-appointment customization sessions, and Bass Pro Shops brilliantly hold golf, fishing, and hunting events on its properties. But experiential doesn't and shouldn't only pertain to brick and mortar.

While physical stores certainly have a leg up on e-commerce when it comes to their ability to provide interactive, personalized experiences, the recent, extreme uptick in e-commerce requires more creativity of digital platforms. Women's cycling apparel brand Machines for Freedom "Build Your Kit" feature gives shoppers a chance to customize their ensemble by mixing and matching sizes. The collaborative fit calculator goes beyond

your average size chart by making itemized sizing suggestions based on the unique measurements you plug in. Another winner in the cycling space, Rapha, built a strong sense of

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community among patrons by hosting epic virtual events. The annual "Festive 500," where cyclists complete 500km between Christmas Eve and New Year's Eve garners thousands of participants. A robust Social Media strategy, inclusive of Instagram Lives with pro athletes and plenty of opportunities for user-generated content, combined with a Strava partnership that encourages participants to log every kilometer of the journey, further strengthen brand loyalty. Canada Goose has also been investing in its e-commerce experience. The brand recently launched a 3-D site where shoppers can build avatars decked out in the brand's latest designs to virtually wander around Southern California. The retailer also dedicates ample virtual space to inspiring shoppers pre-in-store customization visit via tastemaker stylings and edits of different signature pieces.

If the recent over-indexing on parkas and puffers, home gym equipment, and athleisure wasn't enough to convince you that the future is bright for outdoor retailers, then certainly Rihanna's talks of entering the athleticwear market will validate the hypothesis. Now that there's a universal appreciation for this specialty space, consumers will be extra-receptive to connecting with outdoor retailers at a values-based level and to engaging with these brands in fun, new ways. The bar has been raised when it comes to being cause-oriented, knowledgeable, and engaging in the outdoor retail world, but there's also never been a better time to push the limits.



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