

5 Things Smart Industries Are Doing to Engage Consumers

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Outdoor sports sales have been relatively flat year over year.

As I prepared for my industry trends presentation at Outdoor Retailer Summer Market, our team at NPD decided to take a look toward other industries we track to see what's working well, to identify tactics outdoor brands should tap into. Read on for five things the apparel, accessories, books, beauty, food, office supplies, retail, and travel industries are doing well to connect with consumers. See which outdoor retail brands are innovating on these fronts and how you can join them to grow sales.

1 Engaging with Micro-influencers

The concept of micro-influencers is still fairly novel to the outdoor sports world. For years, the industry has been influenced by pinnacle athletes like professional climbers and paddlers. But “rent-a-celebrity” is starting to play itself out in sports, as athletic endorsers no longer produce significant retail results.

Today, consumers are relying less on celebrity endorsements, viewing them as paid to play and not genuine or transparent. One industry that has successfully embraced the peer-to-peer influencer movement is prestige beauty — an \$18.5 billion industry in the U.S. Prestige beauty grew 9.4 percent in the 12 months ending in March 2018 — the second-highest growth rate of the more than 20 industries we track. I chatted with our Beauty Industry Analyst, Larissa Jensen, who [explained](#) influencers play a big role here. “We have seen in our data how influencer collaborations typically generate more sales than the more traditional celebrity collaborations,” she said.

■ **Tatcha, a Japanese skincare brand**, is one example of an emerging beauty company that’s been strategically [building relationships with influencers](#) since before it was cool, skipping the celebrities and sending products to YouTube personalities to review — and even [sending some fans to Japan](#) to connect with the brand’s roots. These efforts have clearly paid off; Tatcha is the number-two Japanese brand in the U.S. prestige market, based on our point-of-sale **BeautyTrends®** data.

■ **Another success story is the skincare brand Glossier**, which doesn’t pay celebrities to wear its products. Instead, it leverages digital channels to empower individual customers by focusing on *their* stories rather than those of paid spokespeople. The result: Glossier has organically achieved a cult-like following on social media, filled with fans who do marketing for Glossier by sharing content with their networks.

In the outdoor sports world, Yeti is one brand that has been a leader in influencer marketing. Yeti has truly built an army of evangelists by shining a light on real people, from ice fisherman to barbecue pit masters. Yeti creates [short videos](#) that tell the stories of these people, rather than focusing on its products. And this relative newcomer has seen its efforts pay off in growth from where sales stood just a few years ago.

As the consumer has shifted, outdoor brands should look to increase their relationships with “everyday influencers.” Peers remain the most important influencers, and brands that can harness this trend will win.

2 Focusing on Sustainability

Outdoor apparel and equipment brands were among the first to truly blend sustainability with business. In the years since Patagonia and other outdoor gear companies innovated in sustainability, other industries have followed their lead and embarked on their own corporate social responsibility (CSR) path. Today, top consumer brands across all industries are thinking about sustainability to improve all aspects of the triple bottom line, including profits. [A recent NPD survey](#) found 3 out of 10 U.S. apparel consumers are willing to pay more for sustainable brands. Given that nearly everyone buys apparel, the market for sustainable products is massive.

In order to bolster the triple bottom line, we recommend the following:

LEVERAGE BRAND PARTNERSHIPS

We find consumers who value sustainability are often consistent in their purchasing across categories. Our [Checkout E-commerce](#) Tracking service shows when a Patagonia buyer purchases portable beverageware, he or she is nearly twice as likely to purchase from a sustainable brand (for example, Hydro Flask or Klean Kanteen) than the average portable beverageware buyer. Sustainable outdoor brands should consider brand partnerships with sustainable brands in other industries — co-branding CSR initiatives or advertising campaigns. And finding a partner may not be so difficult; outdoor brands can gain a foothold in much larger industries that seek to legitimize their own CSR efforts.

PROMOTE SUSTAINABLE LIFESTYLES

Beyond supporting sustainable sourcing efforts, outdoor brands might consider promoting sustainable *lifestyles*. In today's world, that means disengaging from technology and focusing on one's well-being. Office Supplies Industry Analyst Tia Frapolli recently shared with me how “[digital detoxing](#)” has influenced office supplies sales. She explained “consumers are increasingly reducing their digital usage by getting back to basics and using pens and planners to schedule their daily routines instead of their smart devices.” This trend is reflected in sales of appointment and planner books and organizers, [which grew](#) by nearly \$10 million year-over-year as of February 2018. In addition, NPD BookScan™ shows books on topics like nutrition and healthy living saw sales jump in the 12 months ending in June 17, 2018, reflecting the strive for healthier lifestyles.

With consumers increasingly taking note of the drawbacks of always being connected, the great outdoors can be a refuge from an always-connected lifestyle. REI has recently embarked on “[rewild](#)” efforts to reconnect city-dwellers with nature. Outdoor brands that make disconnection a core pillar of their value propositions may resonate with a large segment of the population seeking refuge.

3 Tapping into the Travel Bug

Experience is winning over material possessions these days, and there's no experience more powerful than travel. From air travel, to cruises, to concert festivals—the data shows that experiences and travel are up.

National parks attendance has steadily increased since 2013, with over [300 million people](#) visiting U.S. national parks in 2017. Cruising is on the rise — more than 27 million people globally are expected to take a cruise in 2018, up 42 percent from 2010. And passenger traffic at the world's 20 busiest airports grew by more than 5 percent in 2017; almost 1.5 billion passengers passed through their terminals in 2017.

[Brands and products that help facilitate travel, experiences, and creating memories are doing well:](#)

TRAVEL GUIDES

Travel books are on the rise, increasing 2 percent in the 12 months ending in June 17, 2018, shown by **NPD BookScan™**. Travel guides for foreign countries have grown, while guides for U.S. destinations have declined.

BEAUTY

The [beauty industry](#) has profited the most from increased airport travel around the world, contributing nearly \$5 billion to duty-free travel retail growth from 2015 to 2017. That's more than twice the sum of all other categories combined over this two-year period, as shown by [Counter Intelligence Retail](#), an NPD Group company.

APPAREL

In the apparel category, swimwear sales are on the rise. My colleague Marshal Cohen, chief industry advisor, describes swimwear as one of few sources of consistent, long-term growth in today's apparel market. Online selection, fit solutions, travel, festival, and the one-piece trend are all playing into in-store — and even faster online — growth.

ACCESSORIES

While accessories industry sales have dipped year-over-year, bright spots exist in the most functional end of the spectrum, explained our footwear and accessories analyst, Beth Goldstein. In the 12 months ending in April 2018, luggage was the fastest-growing accessories category, per our Consumer Tracking Service. Music festivals are also driving the demand for hands-free: cross-body bags surpassed totes as the largest women's bag category during festival season (March through May). Sales increased for fanny/waist packs (up triple digits) and fashion backpacks (up almost 100 percent), as shown by our Retail Tracking Service.

FOOTWEAR

Beth Goldstein added she's even seen the travel influence in footwear, with brands marketing to needs like comfort and lightweight attributes that make travel easier. Cole Haan, for example, uses travel-themed product messaging like "walkable" and "packable." [UGG launched a collection of fluffy slides](#) targeted to festival attendees, followed by strong brand sales. Nike just launched a [fanny pack men's slide](#) in June 2018, tapping into both travel and festival functions.

I've been harping on the travel opportunity in the outdoor sport world for a while now. This is a key miss for the industry. While several brands teamed up with the National Park Foundation to commemorate the anniversary of the National Parks Service in 2016, I haven't seen outdoor sports brands find ways to tap into the continuing trend of increased national park and foreign travel.

4 Carving out Smaller, Craft Spaces

In the words of AT Kearney's Michael Dart, the brand landscape is evolving "from Kraft to craft." Consumers increasingly want unique products from brands and retailers with diverse personalities. As a result, brands across industries that appeal to market niches have gained share.

- In skincare, [brands outside the top 20](#) hold the majority dollar share and are growing faster than their bigger peers.
- In food and beverage, the idea of "craft" or "artisanal" is widespread across the landscape, as consumers seek a new or elevated experience with well-established foods and drinks, confirmed our Food Industry Advisor, David Portalatin.

Across several outdoor categories, smaller brands are growing in share, especially in performance footwear and sportswear. Since 2016, brands outside the top 3 have gained 7 and 9 share points respectively, driven by the rise of e-commerce, DTC, and social media.

One small brand winning in the outdoor craft space is Cotopaxi, whose signature neon backpacks offer consumers a bright way to show they support a brand that's making a positive impact. Our Market Intelligence Manager for Sports and Outdoor, Bruce Dotterrer, shed light on this brand's success: "Cotopaxi's differentiation is not just evident in its products; it's in all aspects of its branding." This brand's marketing strategy involves nationwide outdoor and charity-based competitions, called "Questivals", where participants share their triumphs and tribulations on social media. Questival participants in Boise will have a different experience than those in Burlington. Cotopaxi's hyper-local marketing efforts speak directly to enthusiasts regardless of their locale, multiplying its reach with over 30,000 social media posts for its first event alone.

CONSIDER PRIVATE LABEL:

One strategy that has allowed other industries to win in niche markets is private label. Increasingly, private brands and labels are catering to a [premium segment of consumers](#) that seeks out these unique brands' differentiated offerings across various categories. There are now substantial opportunities for retailers to launch their own private labels focused on quality and value, and to market their proprietary offerings as if they are a brand.

Though it's more difficult for smaller retailers to play in private label, these players can still get in the game. Products like t-shirts and water bottles that are more accessible to design, manufacture, and distribute may be a good entry point. Or rather than launching their own label, smaller, community-focused retailers can differentiate themselves by forming partnerships with and showcasing locally-sourced brands.

Brands should be prepared to protect themselves if a retailer partner closes its doors or invests in its own private-label lines. Create a product that retailers can't afford to drop, and consider building up your own DTC, online channel to fortify yourself against the ebb and flow of retailer private-label dynamics. If you get dropped, be prepared to flourish elsewhere.

5 Staying True to Their Audiences

It's not news that many trends are [consumer-born](#), and that consumers are increasingly calling the shots. [Younger consumers](#), especially, believe communities that come together can solve all problems, making them intensely collaborative. And they expect the same from their brands. Companies that listen to their audiences will come out on top.

BRANDS ACROSS BEAUTY, APPAREL, VIDEO GAMES, TOYS, AND OTHER INDUSTRIES ARE DOING A GOOD JOB AT THIS:

- Part of staying true to your customers means listening to what they care about. No longer can brands remain agnostic; they must state their values and work to appeal to their tribes. American Eagle is an apparel retailer that takes prominent stances on social issues and engages with its community.

The company active promotes acceptance of LGBTQ youth and [positive body image](#) in social media and branding initiatives, contributing to a [high share of apparel wallet among Gen Z consumers](#).

- **Beauty** brand Glossier also demonstrates a dedication to its core audience by taking influencer marketing one step further and tapping into its communities to crowd source new ideas. CEO [Emily Weiss](#) urges that every *single one* of Glossier's customers is an influencer, and that brands of the future will be co-created.
- The **toys industry** has enjoyed healthy sales, up 5 percent in the 12 months ending in March 2018. [Walmart](#) has listened closely to its toys customers, inviting hundreds of children to convention centers to play with new toys and using their feedback to curate its top toy lists and inform the products purchased for store shelves.

Sports brands have also leveraged communities in product decisions. Dick's Sporting Goods announced it would no longer sell guns to customers younger than 21 in the wake of the Parkland school shooting in February 2018. The retailer stopped the sale of assault rifles at its Field & Stream stores and destroyed all guns pulled from stores. While this bold move led gun enthusiasts to threaten to boycott the retailer, [Dick's has had subsequent strong sales](#), making up for any lost in-store sales with its e-commerce and private-label business. In this case, listening to its broader audience has benefited the retailer.

The industry should take a page from these examples. Remaining transparent, authentic, and honoring your communities' wants and needs is essential to building a long-term following.

Moving Beyond the Outdoor Sales Trend

From micro-influencers to sustainability, to craft spaces and communities, industries beyond outdoor have tapped into innovative techniques that have led to sales growth. Each of these approaches has legs in the outdoor world, as evidenced by select leaders in the space. Are you among them? And if not, what will it take for you to get beyond the outdoor industry's lackluster performance?

[Learn More](#)

This is a snapshot of our cross-industry insights for outdoor retail. For more on how to ramp up your strategy for your categories, visit our [LinkedIn page](#), contact your NPD account representative, call 866-444-1411, or email contactnpd@npd.com.

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