Executive Summary

Your business will soon depend on Millennials, whether you are ready or not. By 2017, Millennials (currently in their mid-teens to mid-30s) are estimated to have more spending power than any other generation. By 2030, Millennials will outnumber other demographics by a whopping 22 million (See Exhibit 1).

The future is bright for outdoor brands and retailers that understand how to connect with Millennials. Outdoor brands have an opportunity to help Millennials “curate” their identities. Their inclusive worldview means that, more than with any other generation, outdoor brands and retailers should engage with Millennials both as individuals and as part of a wider group. Even if they’re on their own, you are never selling to just one Millennial.

This report, the second in a four-part series that examines the Millennial consumer and the outdoor industry, provides insight into Millennials’ attitudes toward outdoor brands and activities. Don’t miss these valuable research tools, available at no charge to OIA members:

1. Path to Purchase — August 31, 2012
2. Attitudes Toward Outdoor Activities and Brands — September 28, 2012
3. The Importance of Authenticity — October 31, 2012
4. Use of Technology — November 30, 2012

These reports are based on a 10-week qualitative study by Outdoor Industry Association, the premier trade association for companies in the outdoor recreation business, and TRU, the global leader in youth research and insights, focusing on teens and twenty-somethings. For study methodology details see page 7.

Study results were previewed at two live-panel sessions at Outdoor Retailer in August 2012, during the Summer Market Industry Breakfast and a dynamic Q&A breakout session. At these sessions, our Millennial panelists discussed in their own words how they discover outdoor products and build relationships with outdoor brands and retailers. Slide presentations from these events are available to OIA members at outdoorindustry.org.
Throughout Millennials’ lives, brands have been presenting themselves as a means of self-expression and self-definition. For Millennials this is not a good or a bad thing – it is just a thing. Being open-minded, Millennials accept that brands can play this role and have come to define themselves in part through the products they buy. They are, however, demanding consumers who want to thoroughly understand and engage with the brands that want to represent them. This give-and-take is the grand bargain inherent in the idea that brand expresses me.

Armed with social media and multiple viewpoints, Millennials are adept at cutting through marketing clutter to find a brand’s core truth. This matters because Millennials use outdoor brands to identify, express and support what they find personally important.

In product terms, when compared to those 35 and older, Millennials are more likely to base purchases on attributes that are abundant in the outdoor space: innovation, esthetics, popularity and prestige. In fact, Millennials are five times more likely to purchase products perceived as prestigious and more than twice as likely to buy products they consider popular or esthetically appealing.
While concern about status is clearly involved, the underlying driver is not braggadocio, but rather external validation of personal progress and self-expression. According to Resonate Networks, a market research firm, “These young adults are finding their place in the world and looking for products that can help communicate what they stand for. Many define success as growing and maturing as a person, and they tend to view brands as a means of expressing themselves.”

Supporting an outdoor brand (especially when it’s a personal statement) can be precarious, so nothing matters more to Millennials than authenticity, integrity and an ability to deliver. It all comes down to trust, and brands and retailers must recognize that today’s version of trust is much more dynamic than in years past. It is deeper and more intense, and the greater availability of information can destroy it faster. When a Millennial loses trust or respect in a brand, the majority will tell their family and friends not to purchase the company’s products.

As a result, a company’s reputation can matter as much as the performance of its products. While 30 percent of Millennials cited product quality and reliability as factors that led them to trust and respect a brand, nearly one-quarter indicated that they would lose respect for a company because of concerns about its operating practices or services. Similarly, a 2010 Pew Research survey found that 34 percent of Millennials bought a product or service because of the social or political values of the company that provides it. The opposite was also true: an equal number will not buy for the same reasons.

NEXT STEPS: Outdoor marketers looking to attract and build loyalty with Millennial consumers should do the following:

- Align your brand’s values with the values of Millennial subsegments (See Exhibit 2)
- Use messaging that spotlights outdoor attributes that are perceived to enhance a consumer’s image and prestige, but also highlight product value
- Focus primary messaging on personal achievement attributes and value, rather than price point
- If possible, include secondary messaging that mentions corporate responsibility initiatives

**Participation is not a prerequisite**

For Millennials, using an outdoor brand (either for the intended activity or casually) demonstrates that they are connected to what that brand stands for, know what they’re doing, are serious about the sport, or are simply interested in a healthy lifestyle. Millennials want to align themselves with what a brand represents and feel competent, prepared or associated with their activities.
Participation in a sport or activity, however, is not a prerequisite to owning outdoor products. Millennials commonly purchase a product first and then, later, choose to engage in the intended activity. This reality is turning outdoor industry wisdom on its head, as activity participation has long been viewed as a primary driver of product purchase.

Given that nearly half of all Millennials do not participate in any outdoor activities, outdoor brands and retailers can play an increasingly important role in breaking down participation barriers. For example, the Outdoor Foundation’s 2012 Outdoor Participation Report indicated that among 18-24 year olds, a lack of time, money and people to participate with are among the leading reasons not to participate in outdoor activities. By serving as meeting hubs, activity experts and training centers, brands and retailers can help Millennials overcome all these limitations. For more on building a community and becoming the experts that consumers seek out, see the first report in this series, Path to Purchase.

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“"I have a pair of race shoes that I wear casually all the time but never to race in. I bought them in the hope to maybe one day race. I totally think owning items intended for something would give you the one up to try it.”

- Jonathon H., Chicago
But how can brands serve two masters — core enthusiasts and those on the outside looking in — when open engagement of both the expert and the newbie may at first seem contradictory? The answer: authenticity. When a brand stays closely aligned and true to its core culture, offering products that appeal to both core users and casual ones is seen by Millennials as a plus.

NEXT STEPS: Even for enthusiasts, authentic brands can step outside their area of expertise, as long as they stay true to their original focus. Several outdoor brands that have made this ever-popular transition were top of mind for Millennials. Adidas, The North Face, prAna, Vans and Burton were all mentioned as companies that have branched out from their activity-centered focus but continued to represent expertise and quality in their lifestyle lines.

Be sure to review The Importance of Authenticity, the third report in this four report series on Millennials, to learn more.

Inclusivity trumps exclusivity

Millennials generally value inclusivity over exclusivity and therefore welcome increased interest in both their product purchases and outdoor activities. It is okay (and even cool) when brands cross-over into the mainstream and bring more people to an activity and more attention to the brand. This inclusive worldview means that, more than with any other generation, outdoor brands and retailers should engage with Millennials both as individuals and as part of a wider group.

Even if they are on their own, you are never selling to just one Millennial. This approach is quite different from speaking, for example, to Baby Boomers, who find tremendous value in being able to engage with brands that other consumers cannot afford. Boomers use exclusivity to illustrate their achievement. In short, they think of brand exclusivity as the ability to say ‘I can and you can’t.’

Millennials, however, have a pack mentality. For them, it’s less about ‘I can and you can’t’ and more about “I can and you should come along.” They see brand value as derivative of how many people want something, whether or not they can afford. This means that Millennials demand a very different kind of exclusivity from their brands — call it “inclusive exclusivity.”
By creating an inclusive platform for brand engagement (and cultivating relationships with aspirational consumers), outdoor brands can effectively increase their appeal among consumers who can actually afford their products. Outdoor brands that want to remain valuable among Millennials will tailor tactics to attract aspirational and actual consumers alike. By enhancing their inclusive exclusivity, greater brand equity will result.

NEXT STEPS: When communicating with Millennials, ‘optimistic plus realistic’ is a smart way to begin. An upbeat tone corresponds with their optimistic feelings about their prospects in the world. They feel in tune with outdoor brands that mirror their can-do confidence without resorting to hype and inflated claims. Going over the top risks insulting their intelligence and marketing savvy.

“I like wearing ‘technical outerwear’ casually, too. It makes me feel like I know what I’m doing and that I play hard outdoors.”
- Lindsay B., Maine
Methodology

Attracting and retaining the Millennial consumer is a mission-critical task across the outdoor industry. With that in mind, OIA partnered with TRU — the global leader in youth research and insights, focusing on teens and twenty-somethings — to better understand Millennials' attitudes toward outdoor brands and retailers.

For this 10-week qualitative study, we recruited Millennials between the ages of 20 and 28. About two dozen carefully screened Millennials were selected from hundreds of applicants. Roughly half considered themselves to be active outdoor enthusiasts, our “core” group, while the other half had less interest outdoor activities, a group titled “non-core.” Respondents hailed from Chicago, Boston, Atlanta and Salt Lake City. Each group joined a private group on Facebook based on their interest in the outdoors. Both then completed a series of video assignments that documented their experience with and perceptions of the outdoor industry, lifestyle, products and brands.

An overview of the results were presented during two live panel sessions at Outdoor Retailer in August 2012, during the Summer Market Industry Breakfast and a dynamic Q&A breakout session. Video recordings and slide presentations from both these sessions are available at for OIA members at outdoorindustry.org.

Endnotes


Bibliography


Millennials Modify the American Dream. TRU Insight. The TRU Report, June 2012.


What Will Your Company Look Like When Millennials Call the Shots? Mr. Youth and Intrepid. 2012.