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Knowledge, information and preference

shaping the future

***part three* | OIA | Market Report 2010**

£399+VAT (FREE to OIA Members)

foreword

Corry Taylor
Chairman
OIA

This is the third volume of Shaping the Future, the report that captures the essence of the ongoing Outdoor Industries Association (OIA) research programme. As in the previous two years, we have canvassed the opinions of thousands of outdoor consumers, testing their habits and attitudes relating to key issues that affect organisations operating in our sector.

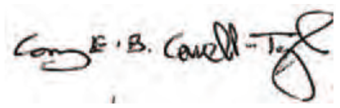
This year, the focus of our research has progressed to the retail journey in the broadest sense, from the purchase of products, to the provision of outdoor experiences and skills development. The theme of this report is 'knowledge, information and preference' and in it we take a detailed look at what drives key purchase decisions, and the factors that influence consumer purchases, both before they visit an outdoor retailer and while they are in store. We also asked those who we surveyed what they thought of outdoor centres and activity holidays, sectors that have a close synergy with the other significant parts of our industry.

I believe that the results that we present in this report offer an invaluable insight into the evolving outdoor market. However, the key to the true value of Shaping the Future is in effectively interpreting those results and using them when developing business plans.

To that end, we have this year produced a concise companion supplement for the full series of Shaping the Future reports.

Tracking the Customer Journey looks at all three reports and offers an insight into how best to use the wealth of data that has been amassed to make well informed business decisions.

Like its predecessors, Shaping the Future III does not offer answers to all of the challenges that our industry is facing at this time. However, I do believe that the information contained in the report is of great value and used well, can be of huge benefit to OIA members. This report will play a major role in influencing the direction of the association's strategy, as we continue to promote the appeal of the outdoors to the general public, and build and support our sector for the benefit of everyone who operates within it.



Corry Taylor
Chairman, OIA

Introduction

The Outdoor Industries Association (OIA) created the Shaping the Future reports to provide useful data and direction to its members.

The annual report is published for members as well as anybody interested in the dynamics of the outdoor leisure industry, helping those to understand and adapt to changing demands.

The theme for this year is 'Knowledge, information and preference' and is intended to gain insight into consumers' depth of knowledge of outdoor products, identify what drives key purchase decisions and understand outdoor user views and perceptions of the use of outdoor centres and activity holidays.

Methodology

Shaping the Future III is based on consumer research conducted by Profile Outdoors, commissioned by the OIA in partnership with Berghaus, Camping and Caravanning Club, Hi-Tec, TGO and Trail Magazine. With their support, the OIA was able to establish valuable insight from a representative cross-section of today's outdoor participants. During May/June, individuals completed an online survey which was included as part of either an e-newsletter and/or placed as a 'banner' link on one of the afore-mentioned company websites. A total of 3,095 completed replies were received by the cut-off date of 27th June 2010. The figure offers a representative sample of the UK outdoor market. Please note that all percentages have been rounded. The total on each question will vary depending on the number who answered. The source of all data in this report, unless otherwise stated, comes from the OIA survey.

Cover photograph by Ross Woodhall Photography.

summary

Participation: frequency of level of activity

In terms of demographics, the UK outdoor (walking) market is generally described as an 'older market' with a strong following in terms of both commitment and frequency. Walking has one of the highest rates of participation, which is also more likely maintained with age than any other recreational activity.
The level of frequency of activity among those surveyed is high, with just under half (48%) participating a minimum of 4+ times a month, a further 24% 2/3 times a month and 14% once a month.

Understanding consumer behaviour

Ongoing research by the OIA has shown that, despite the economic downturn, consumers have remained loyal and continued to invest in outdoor products, illustrated by this research which reveals a relatively high level of consumer activity during the past 12 months.

People buy for all sorts of reasons - a combination of desire or sheer necessity; in excess of three-quarters (79%) of respondents said 'replacement (wear and tear)' was their primary reason for their last few purchases during the 12 months prior to the survey. The second most popular reason was 'new kit/didn't have one before' with just over a quarter (28%) of those surveyed.

The search for information

Assuming consumers are motivated to satisfy their needs, they will undertake a search for information on possible solutions. The OIA survey revealed that two-thirds of respondents research products prior to purchase. This is highest among men.

Of those that did research product prior to purchase 82% (and in excess of half all respondents) chose websites as their favourite resource. In-store information was the second most popular source listed, followed by magazines (product reviews), then catalogues, with 'opinion of friends and family' fifth.

Evaluating options; influencing factors in choice of product

The OIA survey suggests the start of an increasing demand for greater value. The research revealed that price was the most influential factor when respondents chose products, coming just ahead of brand name with 'quality' a close third and 'technical features' fourth.
Shop staff were fifth followed by recommendations from magazines, websites and friends.

Those that chose brand name were almost equally split with just under half (49%) saying 'brand bought before' and 49% saying 'brand reputation'.

Growing in importance by the week let alone the year, the full impact of social media in terms of consumer marketing has yet to be understood and embraced in the outdoor sector. This area is the subject of a separate OIA project, which OIA members can access through the members zone on www.oia.co.uk.

Retail channels

The former clear-cut lines between specialist and non-specialist and, indeed, between suppliers and retailers have become blurred as new angles and partnerships are being explored. In particular, the opportunities afforded by the internet have influenced consumers' perceptions of brand offerings, making limited availability through traditional retail channels difficult to justify in the face of demand.

Recent years have seen an accelerating trend in the number of outlets in multiple outdoor retail chains and the arrival of aggressive new retail brands. The primary focus of most is on apparel and footwear, resulting in a change in perception of the term 'specialist' depending on whether viewed from within or outside the industry.

OIA research suggests that outdoor consumers make purchases at a variety of outlets rather than focussing on one specific channel.

Outdoor centres

Historically, outdoor centres have been defined as 'places where individuals and groups can participate in challenging activities organised by qualified instructors as either part of a learning experience or skills course.'

They retain a close association with outdoor education involving residential or trip-based experiences in which participants take part in outdoor activities ranging from walking, climbing and canoeing, to ropes course and group games.

This survey suggests that outdoor centres suffer from a lack of understanding of their roles and opportunities offered. The wide variation in standards, facilities and styles has resulted in a rather fragmented sector of the outdoor industries that has yet to define a significant voice and profile. That is, of course, excepting the National Centres (i.e. Glenmore Lodge and Plas Y Brenin) which offer an unparalleled provision of expertise in outdoor pursuits instruction and participation.

Most people surveyed felt indifferent or ambivalent about outdoor centres. They exist, it appears, in a sort of parallel universe where recollections of school visits for those uncommitted to outdoor activities haunt memories plus current and future plans. This has resulted in centres being perceived as rather intimidating places for 'serious' activities, as well as being places to experience occasionally or, even, just once. Drawing people, particularly individuals, to participate must be backed up by incentives to continue involvement.

Activity holidays

Activity holidays offer a different style of outdoor experience where individuals, families, children, friends and other groups can participate in a variety of activities organised by guides or self-led. Activities can include everything from walking and kayaking to birdwatching and photography over a day, weekend or week(s) though the outdoor industries usually focus on muscle-powered activities.

Unlike the perception of outdoor centres, activity holiday providers have successfully engaged with a wider market than that of committed outdoor enthusiasts, communicating accessibility and fun as key elements alongside comfort and safety. As the emphasis is on recreation, the focus is the customers' satisfaction through an enjoyable experience rather than the more 'worthy' and demanding approach characterised by outdoor centres.