SNEWS® OUTDOOR » retailer survey

RETAILERS OFFER THEIR TAKES ON THE GOOD, THE BEST AND THE WORST OF 2005.

Here it is—a summary of the 2005 SNEWS® Outdoor Retailer Survey. Unlike past years, GearTrends® is publishing only select results from the survey. To view the full survey—per usual, complete with detailed analysis of each category result—you'll need to be a SNEWS® subscriber. Full analysis and results are available at www.snewsnet.com/surveys. As always, there's a lot of information packed into both this summary and the full survey results on SNEWS®, offering the industry plenty to digest, discuss, ponder and take pride in.

Keep in mind that although SNEWS® surveys hundreds of outdoor specialty retailers all over the country, this survey is by no means scientific in its approach. We do believe the results are quite representative of the outdoor specialty retail market as a whole, and those taking part are consistent from year-to-year, so comparing answers to past surveys presents a useful picture of trends, market conditions and retailer moods.

The survey was available for retailers to fill out online from mid-October through Dec. 1. Those returning the surveys represent over $2.3 billion in outdoor specialty sales. At no time do we include sporting goods chains, discounters, department stores or big boxes in our survey. The vast majority of those responding to our survey represent businesses with three or fewer storefronts. Every state with the exception of Hawaii is represented by stores in our survey. Results are representative of the U.S. market in 2005. Although surveyed, Canadian stores were not included in the final tally and results.

Also, take note: Our retail survey friends asked us to simplify our survey form, so we changed our methodology slightly, asking retailers to provide us with only the store's "best-selling" brand, rather than the top three best sellers as we have in the past. While that made the survey easier to fill out, it also meant that brands which consistently appeared as the No. 2 and No. 3 best-selling brands in the past, scored no points this year and, as a result, fell down in the rankings—sometimes significantly.

Finally, despite regularly receiving some truly amazing financial offers, which we appreciate, we never disclose who responded to the survey, since that is the promise we make our retailers in return for their honesty. One final point of importance: SNEWS® only poses the questions and does not predispose retailer answers by providing a list of choices.

For a summary look at some of the cheers and jeers from retailers this year, read on...

WHO DO YOU RATE AS THE "BEST" SUPPLIER IN THE BUSINESS?

Patagonia	23%
Cascade Designs	12%
The North Face	11%
Mountain Hardwear	8%
Icebreaker	4%
Arc'Teryx	4%
Aqua-Bound	4%
Marmot	3%
Black Diamond	3%
Montrail	2%

Also receiving multiple votes were: Werner, Gregory, Western Mountaineering, Adventure 16, Osprey, Lowa, Big Agnes, Northwest River Supplies, MontBell and Royal Robbins.

Wow! If we had a "gush-meter" for positive vibes and retailer commentary, Patagonia would have red-lined the sucker. In all cases, retailers singled out the manufacturer's commitment to the environment. In most cases, retailers applauded the company for its product quality, its commitment to open and honest communication with its dealers, its on-time delivery record, and its commitment to distribution control. Only two other times since 1999 has this category seen a winner garner more than 20 percent of the vote. Patagonia did it in 2001 capturing 24 percent, and Mountain Hardwear managed the feat in 2000 with a whopping 27 percent. Kudos to Cascade Designs, vaulting from a less than satisfying eighth position on the poll last year to No. 2 this year, improving 7 percentage points. Cascade Designs management told SNEWS® last year that the company would be back at or near the top, and the team was as good as its word. After appearing on the survey for the first time last year, Aqua-Bound continues to amaze us by clinging to a position higher than much bigger industry companies—a tribute to the fact that this company continues to listen and respond to its retailers. Icebreaker deserves recognition for breaking not only into the top 10 in the survey this year, but also for grabbing onto a top five position as well—recognition of the company's commitment to its specialty distribution as well as quality of product. The North Face slipped a bit, but still retained a very solid showing in the No. 3 spot. Retailers gave TNF strong recognition for vastly improved on-time delivery and excellent customer service.

If you're wondering how your company can get on this coveted list next year, it really isn't that hard. Retailers tell us that simply delivering product on time, as ordered, is the first item of business. Ensure solid quality control; be sure your customer service staff is friendly, honest and knowledgeable in all aspects of communication with the retailer; and then, finally, do what you say you are going to do and stop coming up with lame excuses for failure to follow through should something not go as planned.

...more on next page »

WHO DO YOU RATE AS THE MOST DIFFICULT SUPPLIER TO WORK WITH IN THE BUSINESS?

Crocs	17%
Old Town	11%
Confluence	9%
The North Face	7%
Yakima	6%
Too Many To List	5%
Keen	5%
Black Diamond	2%
Mountain Hardwear	2%
Cascade Designs	2%

Also receiving multiple votes were: Bell, Marmot, Arc'Teryx, Life is Good, Eureka, Salomon and Western Mountaineering.

If there is one bright spot, it is that the "Too Many To List" category actually slipped this year, dipping from 16 percent in 2004 to 5 percent this year. In large part, though, that is because Crocs was getting far more attention this year than it did last, vaulting 11 percent to the top spot in a survey recognition no company wants any part of—the best at being the most difficult. We don't have the space to include all the retailer diatribes regarding Crocs here, but suffice it to say that specialty retailers are blasting the company for lying about deliveries, lying about availability, having an absolutely awful customer service department, maintaining no sense of loyalty to existing dealers, and having a distribution plan that appears to say the company will open anyone with a pulse.

Notable also this year is the fact that paddlesport companies own two of the top three spots, with Old Town remaining in the No. 2 spot as it did last year, though climbing 2 percent, and Confluence leaping ahead to grab No. 3, jumping 7 percent from its 2004 position. In both cases, late deliveries and quality control issues topped the list. However, Old Town repeatedly garnered special notice for being the most difficult boat company to deal with, and one that apparently had no cohesive vision for its boat line other than to make as many boats as possible and sell them into as many points of distribution as possible.

Overall, what we said in last year's survey apparently needs repeating: Manufacturers who earned a "Most Difficult to Deal With" acknowledgement are continuing to fail specialty retailers. Breaking promises, not taking responsibility for actions or inactions, being very difficult to deal with, not delivering, delivering poor quality product, not communicating, and not showing respect—all of those top the increasingly long list of retailer complaints.

If there is one exception to the above paragraph, it is The North Face. Try as it might—and believe us, it is trying—The North Face just can't seem to get itself off this list, nudging up 5 percent from last year. What was interesting to us though is that in nearly every case where TNF received a vote this year, commentary also included positives—a first. Retailers were consistently saying vast improvement had been noticed, but more needed to be done before each would no longer put TNF on its ballot. Most notable were the comments stating TNF was still far too complex a company to deal with efficiently.

WHAT ARE THE TOP-SELLING HARDGOODS CATEGORIES?

Backpacks (includes hydration packs)	32%
Rec Kayaks	13%
Footwear	13%
Sleeping Bags	10%
Climbing	10%
Tents	8%
Touring Kayaks	8%
Travel (luggage and bags)	7%
Paddles	6%
Backcountry Skiing	4%

WHAT ARE THE TOP-SELLING SOFTWEAR CATEGORIES?

Women's Sportswear	39%
Underwear / Base Layers	19%
Socks	15%
Men's Sportswear	12%
Men's Outerwear	11%
Technical Apparel	11%
Fleece	9%
Shells / Outerwear	8%
Sportswear (men's and women's)	6%
Women's Technical Apparel	6%

WHAT WERE THE FASTEST-GROWING PRODUCT CATEGORIES THIS YEAR?

Footwear	14%
Paddlesports (especially rec kayaks)	9%
Women's Sportswear	6%
Underwear / Base Layers	5%
Merino	5%
Travel	5%
Men's Sportswear	3%

WHAT IS YOUR TOTAL SALES VOLUME YEAR TO DATE?

Less than $499,999	4%
$500,000 to $1 million	19%
$1 million to $2 million	13%
$2 million to $3 million	15%
$3 million to $4 million	2%
$4 million to $5 million	6%
$5 million to $6 million	3%
$6 million to $7 million	0%
$7 million to $8 million	3%
$8 million to $9 million	0%
$9 million to $10 million	3%
$10 million to $20 million	11%
$20 million to $50 million	2%
Over $50 million	6%

HOW ARE YOUR SALES THIS YEAR COMPARED TO LAST YTD?

Up between 1% and 10%	48%
Up between 11% and 20%	15%
Up between 21% and 30%	5%
Way Up! (over 50% up)	1%
Down between 1% and 10%	14%
Down between 11% and 20%	2%
Even	9%

After gaining strength in 2004, the market slipped a bit overall this year, in large part because of weather-related and economic impacts. This year, only 69 percent of respondents were reporting numbers up, compared to 75 percent in 2004. However, there is a bright spot—the same percentage (20 percent) reported sales up over 11 percent from 2004. Unfortunately, sales declines for stores increased from 13 percent in 2004 to 16 percent in 2005. Fewer stores were reporting flat sales, with 9 percent in 2005 compared to 11.5 percent in 2004. Retailers told SNEWS® that profits were up in a vast majority of cases, indicating inventory management and the sale of higher margin goods were becoming the rule, rather than the exception.

WHAT IS THE AVERAGE AGE OF YOUR CUSTOMER?

18 to 24	5%
25 to 34	17%
35 to 44	51%
45 to 54	17%
We have no idea	5%

Just a few subtle shifts in the picture from last year. The vast ma-

...more on next page »

* *All answers have been rounded to the nearest .5 percent, and since we don't name every single company name with a percent, the percentages may not total 100%.*

jority of sales continue to be going to the 35 to 44 age group. Sales in the 18 to 34 category dipped slightly. While the 18 to 24 group nudged up a percent, retailers responding to the survey indicated sales to the 25 to 34 group slipped just over 2 percent. Notable is the fact that retailers reported sales to the 45 to 54 age group represented 17 percent of business—an age group that didn't even register on our survey in 2004. We are very happy this year that only 5 percent of retailers responding to our survey continue to answer this question by indicating they have no idea what the average age of their customer is. For those still without a clue, we repeat our message from last year: This seems like a major disconnect with your customer to us. We'd suggest, gently, that this year those of you who really have no idea what your customer demographic is take a moment to FIND OUT! You might actually see your sales go up as a result of better information which could lead to more educated purchases—just a thought, mind you.

WHERE ARE THE FULL SURVEY RESULTS?

To read all the results of the 2005 SNEWS® Outdoor Retailer Survey—including more detailed analysis from the summary results printed here, as well as all the best-selling brand results from climbing, Nordic skiing, paddlesports and camping—go to www.snewsnet.com. Yes, you must be a subscriber, and if you are not yet, simply go to www.snewsnet.com/subscribe. If you are a salesperson for an outdoor specialty retail store, you may qualify for a free SNEWS® subscription. Simply email us at freesnews@snewsnet.com to find out if you qualify, and if you do, your one-year free subscription is but a click away.

THE FINE PRINT

» All answers have been rounded up to the nearest 0.5%, and since we don't name every single company name or category with a percent, the percentages may not total 100%.

» The SNEWS® Retailer Survey may not be reproduced for redistribution of any kind, in whole or part, including for promotional or sales purposes of any kind, to consumers or the trade, without the written consent of SNEWS® LLC. Contact SNEWS® at survey@snewsnet.com for reprint details and restrictions.

GearTrends® Ad Index

Find GearTrends® member advertisements at a glance, complete with page numbers. For more information on a member's new products, simply go to its manufacturer page at www.geartrends.com.

PRODUCT ZONE INDEX