

Driving Sustainable Revenue through High Impact Customer Relationships

A BRAND-DRIVEN GROWTH PLAYBOOK

The necessity for outdoor recreation brands to build direct relationships with their consumers has accelerated. Brands that take swift action to identify, sell to, and support as many existing product owners as possible will realize a market advantage.

The pandemic has had a lasting impact for all brands by accelerating direct-to-consumer eCommerce trends by 5+ years. During 2020, the world of outdoor recreation and fitness saw unexpected success from the fundamental changes brought on by the pandemic. Consumers took up new hobbies as they sought respite from quarantine and socially distanced safe spaces in nature. Many of these hobbies required the purchase of new gear, leading to a spike in outdoor recreation equipment sales and an increased reliance on outdoor fitness. Now, outdoor brands must figure out how they can continue to thrive as consumers become more comfortable returning to pre-pandemic habits.

Outdoor brands need to focus on meeting consumers at the digital intersection to build direct, virtual relationships like their long-term sustainability depends on it. Because ultimately, it does.

What's key to this growth playbook? **Curating personalized, meaningful ownership experiences for your product owners.**



80% of your company's future revenue will come from just 20% of your existing customers.
(Gartner)



7.1 million more Americans participated in outdoor recreation in 2020 than in 2019. (Outdoor Industry)



In 2020, 53% of Americans ages 6 and over participated in outdoor recreation at least once.
(Outdoor Industry)

There isn't a single playbook that fits all, but there are strategic avenues that all brands should consider. Below we've answered a few questions we're hearing from leading outdoor brands that can help you strategically think about the ownership experience your brand provides. We've supported our thinking with data based on our work with over 300 brands of all sizes and across product categories.

1 How can we sell more direct without disrupting existing distribution channels?

Every brand that sells a physical product has the opportunity to create a new sales channel by tapping into a highly responsive audience: their product owners. In fact, 80% of your future revenue could come from just 20% of this audience (Gartner).

Consider how to best capture your owners' attention in the early stages of ownership and how to connect with them over digital channels. For example, redesign product registration from being a transactional event to an experience-centric event which opens the door to more sales. When done correctly, brands can include personalized offers to owners such as accessories, subscriptions, or product protection during the registration experience. At the same time, you also collect self-reported data (leads) to power marketing campaigns and bolster other direct sales efforts.

 **Sales of subscriptions or accessories during digital onboarding experiences grew by 50% during 2020.** This generates an ongoing revenue stream and proves consumers value convenience and personalization.


 **The probability of successfully selling to an existing customer is 60–70%**, while the probability of selling to a new prospect is only 5-20%. (Marketing Metrics)

2 How can we increase customer lifetime value?

An ownership experience begins the moment a customer purchases a product and continues through the lifetime of ownership.

Every ownership moment is an opportunity to provide value to your customers based on what they own—how to use the product, warranty status, unique promotions, and recommendations on when they are in market, to name a few. Precision, relevancy and timing are key and are made possible with actionable owner data. You'll earn their trust and influence subsequent purchases from your brand.

 **A leading fitness brand increased customer lifetime value 5x** with personalized campaigns based on the product(s) owned and length of ownership.

 **An outdoor recreation brand sees 17% CTR** on personalized accessory offers presented during registration.

3

What are proven ways to increase brand affinity and improve customer loyalty?

According to Gartner, 64% of customers are willing to pay higher prices to ensure better experiences. Consider how you can take better care of your product owners.

- **What value does your brand provide to owners post-purchase?** Evaluate the experiences you provide after a successful sale to make sure they are frictionless and high value for owners.
- **How are you incentivizing owners to continue engaging and connecting with your brand? Do these incentives meet the needs of the modern consumer?** Examine incentives that consumers don't value, such as dated warranty coverage that have a negative connotation and are often priced to make money.
- **Are owners satisfied with the service experience your brand provides?** Collectively, positive ownership moments build loyalty and dramatically improve brand sentiment.



In a recent consumer study, we found that **over 80% of owners who rated their overall ownership experience valuable or very valuable would buy the brand again.**



55% of owners prefer to purchase directly from the brand than multi-brand retailers (Salesforce)

4

What are the capabilities we should focus investments on?

While there is no single "silver bullet." Retaining customers through a great ownership experience has the power to create a "rising tide" effect across all aspects of a brand.

Start by identifying as many product owners as possible and offer a superior onboarding experience. Make a significant and consistent effort to capture owner data and insights to build virtual relationships with every customer. Doing this effectively can be a steppingstone to fueling your direct sales channels – whether you're building from scratch or accelerating your current program. It will also increase owner loyalty and trust as your brand becomes adept at meeting owner needs.



5% increase in customer retention can increase a company's profitability by 75% (Bain & Company)



A consumer durable goods brand realizes an incremental \$7 million in sales for every 1% of additional product owners they identify.

Interested in more insights or a complimentary assessment of your brand's ownership experience?

Reach out to demo@registria.com.