



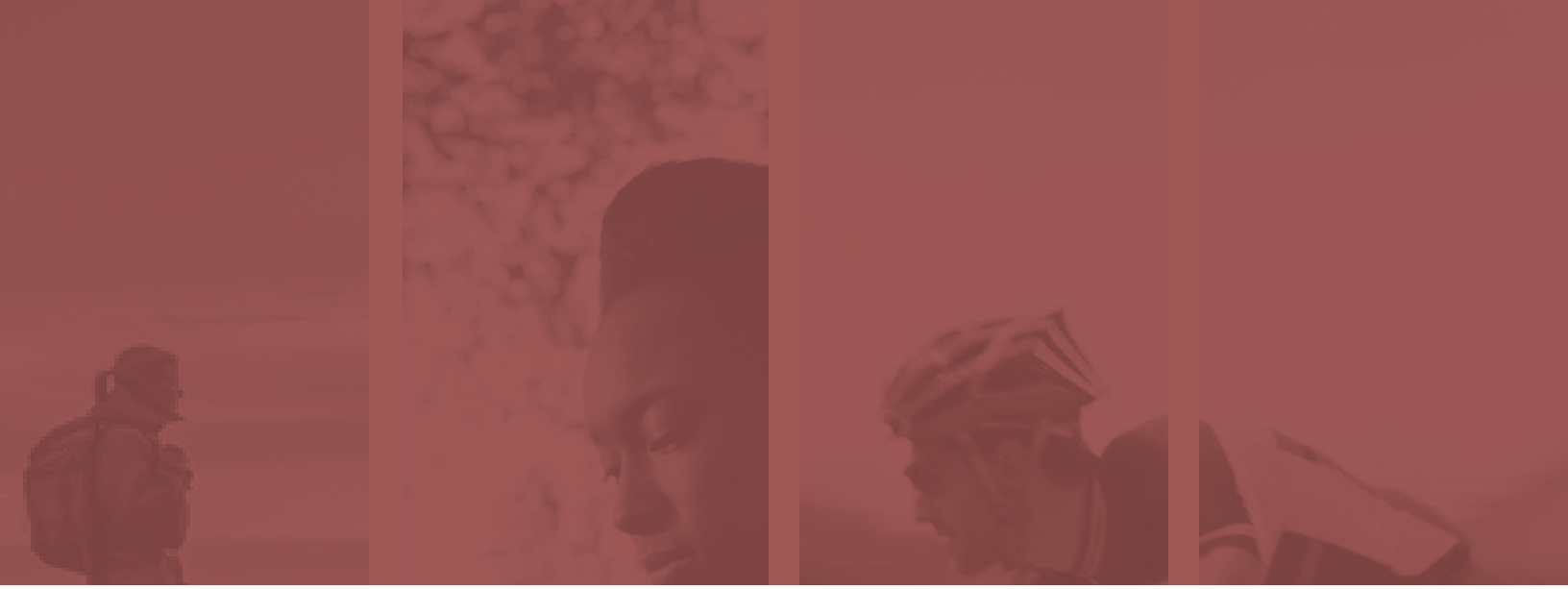
MADE IN AMERICA:

The consumer point of view and what it means for outdoor

MAY 2015 // SOCIAL MEDIA LISTENING ANALYSIS

market
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01

MADE IN AMERICA AND OUTDOOR

American-made products are by no means new to the outdoor industry. In fact, member brands like United By Blue, New Balance, Sterling Rope, Farm to Feet, Red Wing, Pendleton, and others have been producing in the U.S. for many years. Made in America embodies the heritage, culture and entrepreneurial spirit of the outdoor industry, with many companies whose humble beginnings started in garages, living rooms and on kitchen tables across America.

Today, the outdoor industry conversation around Made in America is often focused on key business challenges such as sourcing, labeling and cost. However, there is another conversation out there of importance to the industry – what consumers think about the concept of Made in America and the products created through this business approach.

In this report, we explore the nature of the consumer conversation online about Made in America, as well as include insights from Outdoor Industry Association's (OIA) ConsumerVue segmentation study conducted in 2014. Both shed some interesting light on what Made in America means to consumers and how businesses can develop relevant product and marketing strategies to effectively position their Made in America products to consumers.



DESPITE GLOBALIZATION, DESPITE ONLINE, PLACE STILL MATTERS. WHETHER DRIVEN BY A SENSE OF PRIDE, AUTHENTICITY, CONVENIENCE AND/OR ECO-CONCERNS, CONSUMERS WILL CONTINUE TO EMBRACE 'LOCAL' PRODUCTS, SERVICES AND KNOWLEDGE."

Trendwatching.com

02

MADE IN AMERICA OVERVIEW

Consumers are taking a more active interest in where the products they use and consume are sourced and how they are made, as well as their environmental and economic impact. In the last two years, there have been over 3 million consumer mentions online related to Made in America. The conversation primarily focuses on consumer preference for brands that are built on a Made in America philosophy, as well as its impact on their purchase behavior. In reference to the concept, consumers often use “Made in America” interchangeably with “American-made” and “locally made” in online conversation.

Outdoor consumers in particular, especially those who are most active, tend to show more interest in the origin and production of products and are often willing to pay more for things that are reflective of their personal values or priorities. According to OIA ConsumerVue research, 30 percent of U.S. outdoor consumers are willing to pay more for products that are Made in America. These consumers also spend more on outdoor apparel and footwear annually compared to the average outdoor consumer.



30%

of U.S. outdoor consumers are willing to pay more for products that are Made in America.”

23%

are willing to pay for a brand that aligns with my personal values.”

 **CONSUMERVUE**



DON'T DENY PLACE, EMBRACE IT. CONNECTING YOUR PRODUCTS OR SERVICES TO SPECIFIC LOCALES WILL MAKE THEM MORE RELEVANT, MORE EXCLUSIVE AND CORRESPONDINGLY MORE EXCITING AND DESIRABLE. THE AGE OF MASS, UNIFORM, GLOBAL SAMENESS HAS PASSED. BECAUSE WHO WANTS WHAT EVERYONE ELSE HAS ANYWAY?"

Trendwatching.com

03

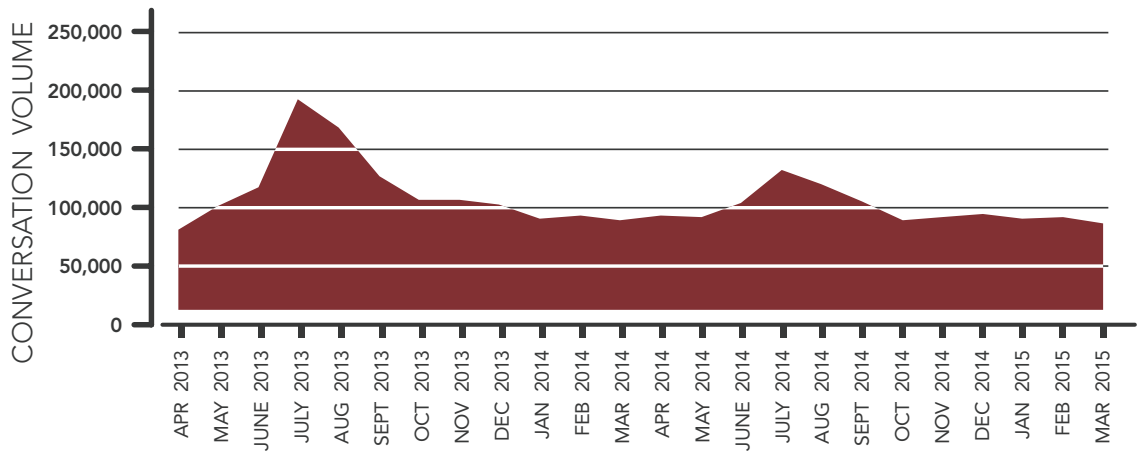
SOCIAL MEDIA CONVERSATION METRICS



TRENDING CONVERSATION

Volume

(April 1, 2013 - March 1, 2015)



The Made in America online conversation is highly seasonal, with the majority of mentions happening in conjunction with the 4th of July, as consumers look to embrace their patriotism and support America-based companies. Conversation also spikes around the winter holidays when consumers are looking for unique locally made gifts for friends and family.

Supporting Sound Bites

"This July 4th Let's make this promise to ourselves... Let's buy American made products as much as possible and whenever we can."



"Buying Local is important for any day of year, but more important on those special gifting holidays. Remember Buying Local is where it is at ;)."

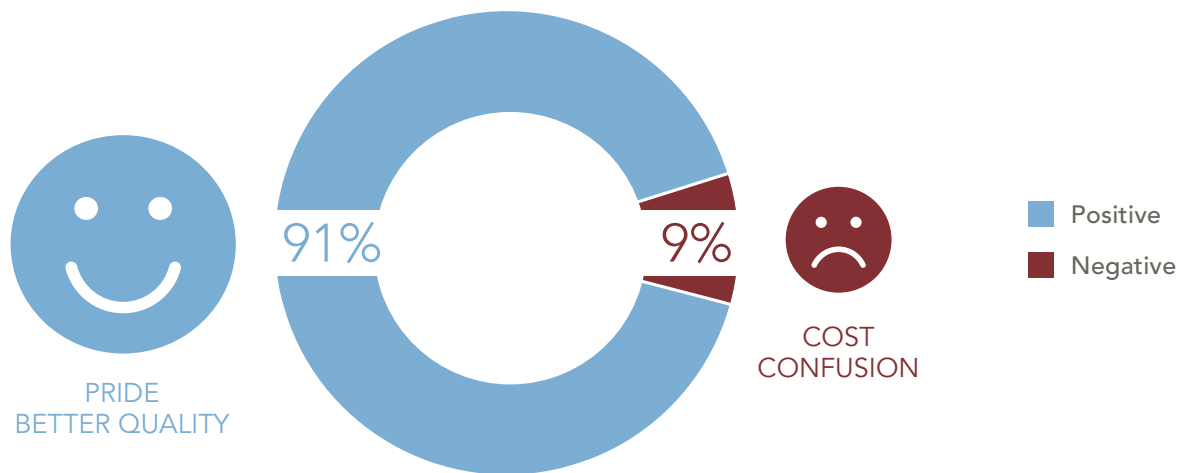
"I'm about to begin the holiday craziness. Buying local is so important- and such a wonderful way to find a unique gift."



SENTIMENT

A highly positive conversation online, consumers most commonly reference pride in supporting a company or product that helps the local economy. There is also a positive perception that American-made products are better quality because the people making them take more pride in their work and craftsmanship versus employees in a large quick-turn overseas factory.

On the negative side, price point is a consistent topic of contention among many online consumers. To some extent, consumers expect to pay more for a better quality product but, at the same time, voice confusion over why something made in their “backyard” needs to cost more than something shipped in from another country.



Supporting Sound Bites

"I would buy "Made in the US" clothing but they are 2-3x more expensive than their imported counterparts."



"Amazing attention to detail! Love American Made goods!"



"Lower your prices and then I'll buy local!"

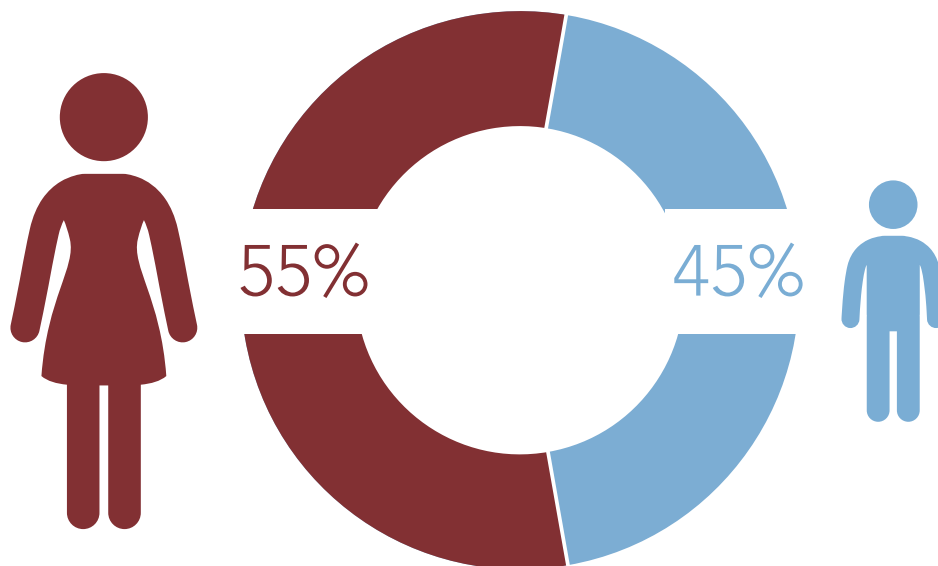
"It is quite refreshing to see a resurgence in the "Made in America" mentality. After years of Free Trade and the deterioration of the manufacturing base in our country, it gives me a glimmer of hope."



GENDER

Women drive the majority of conversation online about Made in America, talking about the uniqueness of American-made products and the thrill of finding or buying it first and then sharing the story with friends.

Men prefer the craftsmanship of American-made products. They like to know how products are made, with what materials and by whom. They also tend to have stronger opinions around price point.



Supporting Sound Bites

"great find :) thanks for the heads up! it's hard to find made in USA these days..."



"I've been wearing it ever since! Love that it is made in the USA too. Very unique and well made and very pleased with this purchase."

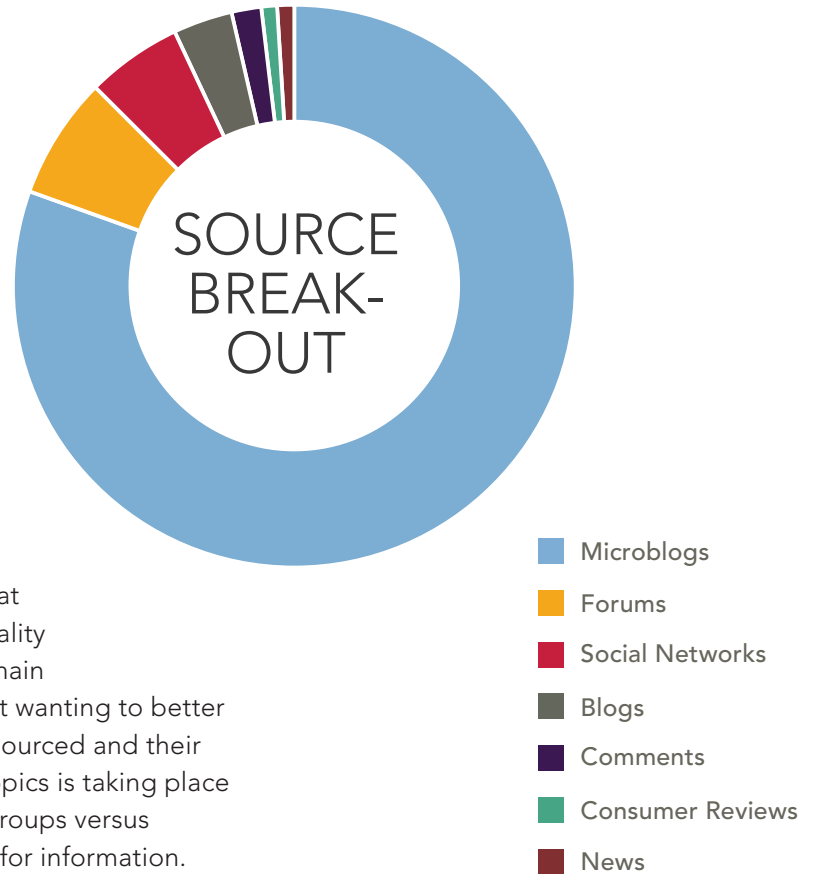


"I look for the Union label and I been lookin' for it for a long time now! MADE IN THE USA is my 4 favorite words! Anyone in this country that out sources jobs over seas and then imports the goods to America's shores is a traitor to this land and the workin' folks and Union folks too!"



SOURCE

Even though the majority of conversation is made up of simple brand or product sharing on Twitter, there is a rich blog and forum conversation taking place online that is focused on American-made product quality and pricing, as well as interest in supply chain transparency. Consumers talk online about wanting to better understand from where the products are sourced and their sustainable impact. Education on these topics is taking place in the form of conversation among peer groups versus turning to more credible industry sources for information.



Supporting Sound Bites

"I tend to put my money where my mouth is with regard to certain things. I try to buy american-made and locally made products from locally owned businesses. I want to know if they pay their employees a good wage."



"American Made products are pretty important to me. So, I was a googling to get more information about this company..."

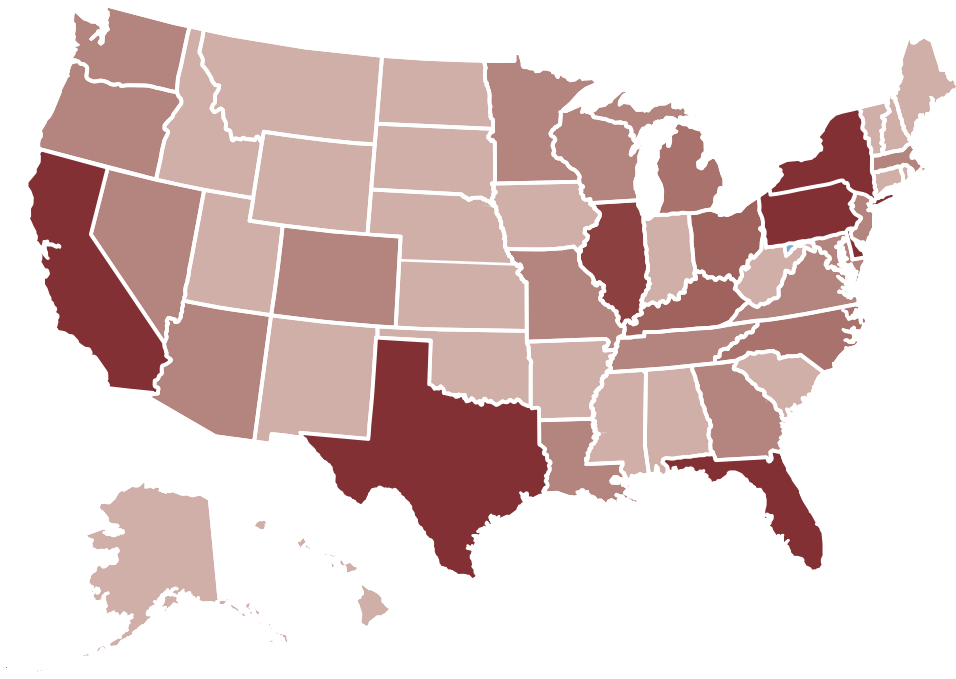


"These companies employ hard working, tax paying Americans! American made products are superior in quality, and are surprisingly price competitive versus imported products. American made products provide an overall better value than lesser quality imports."



GEOGRAPHY

The Made in America online conversation is very geographically diverse, however there is a strong East Coast influence from consumers in states such as Pennsylvania, Kentucky, Ohio and New York, who are embracing local companies and products and promoting their preferences online.



OIA | CONSUMERVUE

U.S. OUTDOOR CONSUMERS
WILLING TO PAY MORE
FOR MADE IN AMERICA
PRODUCTS ARE:

More likely than the average U.S.
outdoor consumer to live in a city

26% vs. 21%

Supporting Sound Bites

"The style is classic and they wash well. They are made in Brooklyn NY, so it's good to support locally made merchandise."



"Excellent Quality, made in America Pros: quality Cons: none whatsoever. Model Number: Wilson (made in Ohio)" Bought two- one for me and one for a gift."



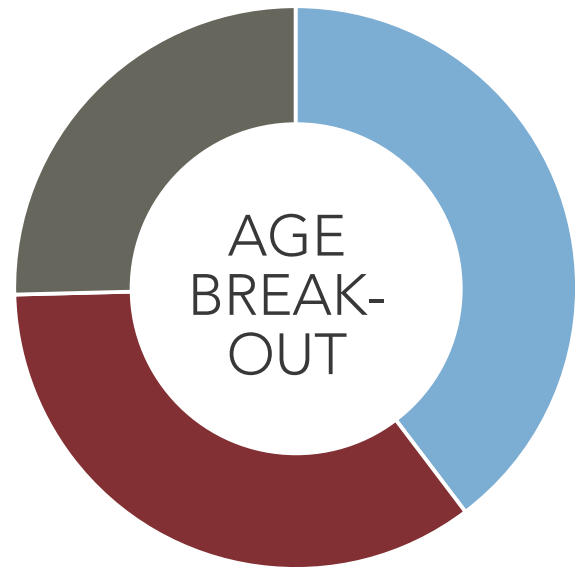
"I've been on the hunt for eco-friendly fashion brands, and stumbled upon Study New York. I found some super cute basics in their line, and love the fact that all their clothing is locally made in Brooklyn, NY, from sustainable resources."



DEMOGRAPHICS

The appeal of Made in America crosses generations, however the motivations for supporting local manufacturing and products vary by values or needs. Millennials drive the majority of conversation, followed by Generation X and Baby Boomers.

- Millennials
- Generation X
- Baby Boomers



Millennials: Born between 1977 and 1994 (ages 20 to 37)

Generation X: Born between 1965 and 1976 (ages 38 to 49)

Baby Boomers: Born between 1946 and 1964 (ages 50 to 68)



MILLENNIALS: BRINGING IT EVEN CLOSER TO HOME

Millennials do not embrace Made in America in the same way as their elders. They voice a preference for “locally made” versus “American-made” in the products they support. Brands and products with an independent and closer to home connection (e.g., made in Brooklyn or made in Philly) resonate stronger with these consumers. For many, the product’s origin contributes to the unique story behind its production, making it a core purchase driver.

Factors like who made it, where the ingredients or materials were sourced and how it was made all differentiate the product from its more mass-produced counterparts, making it a special story and a badge of honor that Millennial consumers can share with their peers.

of CONSUMERVUE



24% of Millennial outdoor consumers would be willing to pay more for products that are Made in America.”

24% want to know how and/or where products they buy are made.”



GENERATION X : LIVING AN AMERICAN LIFESTYLE

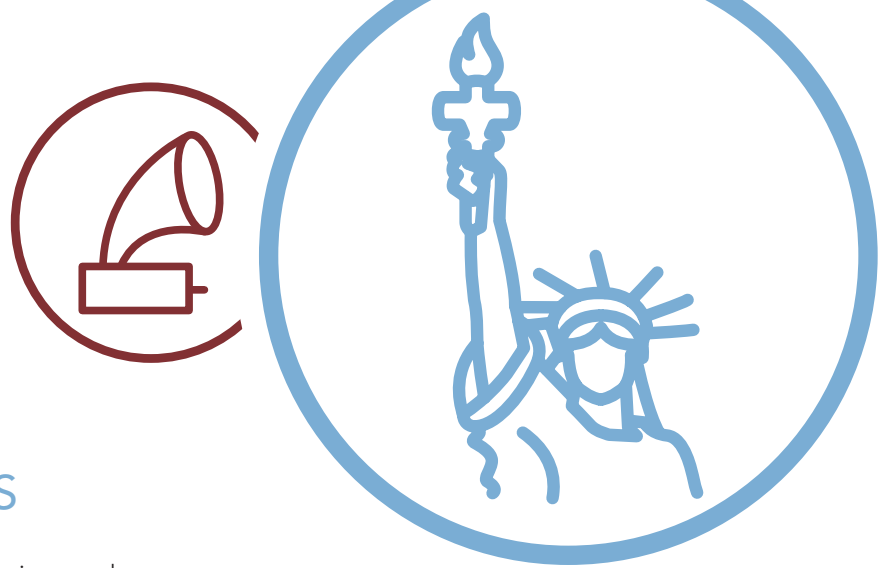
Generation X is more cognizant of the higher cost implications of buying American-made products, and they have a greater long-term vision of the economic benefits to supporting local. Those that can afford it have even gone as far as to commit to a holistic Made in America lifestyle. Only buying products made locally, they incorporate this philosophy into various aspects of their lives, such as food, apparel, technology and home furnishings. For many Gen Xers, it's about wanting to live the brand's philosophy and support businesses close to home.

CONSUMERVUE



31% of Gen X outdoor consumers would be willing to pay more for products that are Made in America."

31% want to know how and/or where products they buy are made."



BABY BOOMERS: NOSTALGIC ABOUT HOME-BASED PRODUCTS

Boomers reflect on the day when Made in America products were the only option and talk about the superior quality of those products which lasted forever. Much of their online conversation revolves around how products used to be made compared to how they are made now, what shortcuts are being taken, international and domestic competition, and the positive economic impact of buying American.

Online, Boomers' mentions are much more patriotic in nature, as they talk about buying local to support the U.S. economy and independent businesses. With the strongest willingness across the three generational groups to pay more for Made in America products, emotion and nostalgia are often at the heart of what drives their purchase decisions.

CONSUMERVUE



40% of Boomer outdoor consumers would be willing to pay more for products that are Made in America.”

40% want to know how and/or where products they buy are made.”



04

CONVERSATION THEMES

Five common drivers of why consumers choose to support or purchase Made in America products emerged in social conversation.



EMOTIONAL —————> RATIONAL



LIFESTYLE – STORYTELLING – TRANSPARENCY – LOCAL SUPPORT – PRICE & QUALITY

PRICE & QUALITY

A large portion of the consumer-driven conversation is about price and it being one of the biggest deterrents to buying American. Consumers have a limited understanding of why Made in America products are more expensive to source and manufacture in the U.S. versus overseas.

More savvy consumers can better rationalize the cost difference between overseas and domestic production, as they believe U.S. products are more likely to have better craftsmanship and last longer since they are made with better materials and under better standards. However, at the same time, they feel that the brands should do a better job of promoting their point of difference and providing a more distinct product to justify the additional costs over a similar product made overseas.

06 | CONSUMERVUE



42% of U.S. outdoor consumers are willing to pay more for a product they perceive as being higher quality."

Supporting Sound Bites

"I usually don't pay more because it's local - I pay more because it's better quality."



"Although a little more expensive, I recommend this high quality made-in-USA product."

"Personally I try to balance made in America with reasonably priced. I won't always pay more for US made, but for something like this, which would probably last me at least 10 years, why not spend a bit more and support a full US supply chain?"



LOCAL/COMMUNITY SUPPORT

Some consumers want the ability to give back to their local community and play a role in its economic growth. To many, supporting American-made brands is not enough. They want to make a more localized effort when possible.

The ability to buy a product made next door gives consumers a strong sense of pride and ownership. By supporting local versus national, consumers can see the difference their purchase has made. Those living in big cities seem to identify closely with their city's culture, brand and heritage and want to support brands that deliver products reflective of their city's personality.

Supporting Sound Bites

"Buying local gives us those connections to our community ... relationships and friendships which enhance our lives."



"There's much to be said for the value of doing business with people who know us and whose success is intimately tied to the well-being of the community."



"We want products which support our local economy. Buying local means that our money stays in the community. We can see it at work when our favorite farmer can afford to buy new equipment after a successful harvest or when a local restaurant expands because business has been good. On a more personal level, perhaps contributing to a healthy local economy is rewarded by higher personal income, giving meaning to the phrase 'what goes around, comes around.'"

SUPPLY CHAIN TRANSPARENCY & SUSTAINABILITY

Consumers perceive America-based manufacturing as a way to have more control over how and by whom the products are made and what materials are used. As consumers become more educated about product sourcing and the manufacturing process, they passionately voice a desire to better understand the origin, material sourcing and manufacturing conditions of their products. Based on the online conversation, consumers want to buy products they can track from design through production or that offer a smaller environmental footprint.

CONSUMERVUE



24% of U.S. outdoor consumers want to know how things they buy/wear are made."

Supporting Sound Bites

"I too try to buy fairly traded and/or union made garments--but it is difficult. Even if your garment is made locally--where did the fabric come from? Was it made/grown by someone earning a fair market price for the material? In the USA if you buy union made from American sourced cotton--I think you might be okay."



"There's a lot of growing consciousness in how we grow our food, but there still wasn't that shift in retail. It's definitely a lot of education. ... In a small boutique setting you're able to have that conversation with customers, show them how a piece of clothing is made."

STORYTELLING

Some consumers talk online about being tired of uniform, impersonal, throwaway products and crave a stronger connection with what they buy. Millennials, in particular, are increasingly seeking out authentic, storied products that are made and consumed locally. Unlike mass-produced products, consumers feel that local products—everything from the product design and production to where they are purchased—offer a personal story for the person who finds it and buys it.



Consumers are learning about brands in a fundamentally new way. They are telling friends about it. They are communicating via social word-of-mouth. Print ads are being replaced, people are pulled in not by huge full-page ads, but by word-of-mouth. Consumers are saying that they are increasingly trusting their peers to tell them about what's happening out there."

BAYARD WINTHROP, FOUNDER OF AMERICAN GIANT

Supporting Sound Bites

"Consumers are seeking a closer connection to the brands they support, they are interested in a company's story and how ethically it's run."



"I buy American whenever possible. I buy local whenever possible and share with my neighbors."



"So this year, we made a great effort to buy local. It was easier than I thought, but it made me really think about what I wanted to give and what our family wanted to share with those people receiving our gifts."

LIFESTYLE

Although a small portion of the online conversation, some consumers have taken buying American or local beyond a purchase preference to a full-blown lifestyle—from the food they eat, to what they wear, drive and live in. Similar to the rise of eating organically, some consumers are living a locally made lifestyle. Online conversation shows that buying local makes consumers feel better about their purchases based on the alignment this has with their personal values.



Made in America will succeed for the same reason organic has succeeded, just like people didn't want to eat food that was poisoning them, they want to live in a better economic climate."

DAVE SCHIFF, MADE MOVEMENT

Supporting Sound Bites

"I specifically look for Made in America products. If a product says such I am much more likely to buy it even if its a higher price because thats how much I love and believe in America and in American workers. Not only do I feel we are the best and most trustworthy but it makes me feel good to support fellow citizens jobs and families. Manufacturing is the American economy. Manufacturing is America



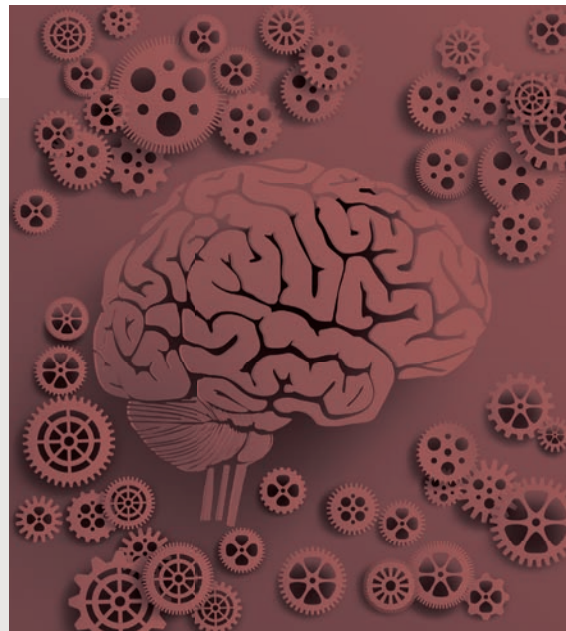
*"people want to reconnect to the source of food and fiber and apparel, food led the way, now apparel is coming on strong."
-Imperial Stock Ranch Owner (Wool)*

"I actively seek "Made in America" items and if I find them to be outside a reasonable cost structure, rather than simply settle for something else, I rethink my need and purpose and either save for the opportunity to purchase that item or do without."



05

OIA CONSUMERVUE AND MADE IN AMERICA





OUTDOOR CONSUMER SEGMENTS

Across all seven of the OIA ConsumerVue segments of outdoor consumers, those who are “more likely than the others to pay more for Made in America products” fall primarily into two segments—The Achiever and The Outdoor Native. These segments, comprised of the most traditionally core outdoor consumers, have the strongest appreciation for sustainable business practices and tend to support brands that employ them.

OIA | CONSUMERVUE



THE ACHIEVER:

47% percent are willing to pay more for products that are Made in America.”

39% want to know how/where products they buy are made.”

THE OUTDOOR NATIVE:

42% percent are willing to pay more for products that are Made in America.”

37% want to know how and/or where products they buy are made.”



THE ACHIEVER

Performance driven in their outdoor activities

Willing to invest in technical, quality gear

Actively research and are very knowledgeable about outdoor products

Like to support brands with a social mission

Feel it's important that brands are very transparent in their sustainability efforts

THE OUTDOOR NATIVE

Value the experiential aspects of the outdoors, both mental and physical

Seek functional, versatile and durable gear

Actively research and invest in quality gear for activities

Believe it's important that this nation conserve its natural resources

Feel it's important that brands are very transparent in their sustainability efforts



To learn more about these and other outdoor consumer segments, OIA members can visit the ConsumerVue digital research tool on the OIA website.

OIA | **CONSUMERVUE**

OUTDOOR FROM THE CONSUMER POINT OF VIEW

06

KEY FINDINGS



In Summary

Consumers who support Made in America tend to do so more for the emotional values it embodies than the rational aspects

Made in America most commonly represents authenticity, quality, community and patriotism to consumers

While many people see no distinction between American-made and locally made, younger consumers often recognize the distinction and favor locally made, as it allows them to more clearly see the impact of their actions within their community

Price is the most commonly discussed barrier to buying Made in America products, but it is less about unwillingness to pay more than the lack of understanding around why domestic production costs more

Core motivations for buying Made in America vary across generations—patriotism, nostalgia and perception of higher quality drive Boomers to purchase; for Generation X, it supports their commitment to a responsible lifestyle and personal values; Millennials are drawn by the community connection and personal story of products that are uniquely made

The gender conversation around Made in America differs in that women tend to talk more about the shopping process of finding a unique product, while men focus on the craftsmanship and pricing of the product itself

More active outdoor consumers tend to have a higher appreciation for sustainable business practices and are more willing to pay more for things, like Made in America products, that support them



07

OPPORTUNITIES FOR OUTDOOR



INDUSTRY



INSIGHT

Most consumers don't understand why it costs more to manufacture products domestically than overseas.



IMPLICATION

The lack of education around the Made in America story is a barrier to consumers understanding the inherent value of those products. While the Made in America story may be a complex one to tell, consumers want to hear it.



OPPORTUNITY

- 1 **Tell brand stories** in a more personalized way that goes beyond the functional attributes of products or the logistics behind production.
- 2 **Tap into the emotional values** that consumers identify as justification for paying a higher price—citizenship, authenticity and community.

RETAIL



INSIGHT

Today's consumers, particularly Millennials, want unique, personalized products and will often pay more for them, however they need to see tangible value that convinces them it is worth the investment.



IMPLICATION

Differentiation is critical for driving adoption. Consumers need to see a clear distinction of how a Made in America product is different from other similar mass-produced options; if they don't, they often cannot justify the cost.



OPPORTUNITY

- 1 Differentiate through curation.** Make a difficult shopping experience much easier for customers by curating Made in America products and merchandising them in store in a way that is educational, as well as easy to identify.
- 2 Curate an offering of locally made products.** Build a community connection with customers interested in supporting closer to home businesses.
- 3 Make your product offering unique.** Differentiate from what others are selling in your market.

MANUFACTURING



INSIGHT

The appeal of Made in America products differs across the Boomer, Generation X and Millennial generations.



IMPLICATION

Marketing efforts of Made in America products should be aligned to the personal values and key motivations of the target audience.



OPPORTUNITY

- 1 Messaging around attention to craftsmanship** and superior quality, as historically associated with Made in America products, will resonate with Boomer consumers.
- 2 Transparency and articulation of the longer-term benefits** of investing in Made in America products will have relevance to Generation X consumers.
- 3 Storytelling around how a product came to be** and the local community it was created in will help deliver the level of personalization that Millennial consumers expect from brands.

08

APPENDIX



WHAT IS IT?

Social media listening is a research methodology that identifies and filters conversation in social media on individual topics and analyzes it from a quantitative and qualitative perspective.

In order to identify relevant conversation around a particular topic, complex queries are built to filter out discussions across a wide range of social platforms. The identified data is then cleansed and refined for optimal accuracy and reliability.

With a clean data set, the analysis process begins by using quantitative metrics to identify opportunity areas for deeper exploration from a qualitative perspective. As key themes begin to emerge around consumer behaviors, preferences, needs and expectations, the data is aggregated and synthesized into relevant consumer/market findings and actionable business opportunities that are strategically revealed through these insights.



SOCIAL MEDIA LISTENING PROCESS

SOCIAL MEDIA LISTENING DATABASE

Offers real-time access, as well as five years of historical data, to over 250 million global sources and several hundred billion consumer sound bites found within.

TOPIC DEVELOPMENT AND DATA CLEANSING

Define detailed topics through inclusion and exclusion filters, as well as disambiguation tactics.

Leverage natural language processing technology for 90% data output accuracy.

DATA EXPLORATION AND ANALYSIS

Review quantitative metrics (volume, impressions, sentiment, gender, geography, sources, passion intensity, etc.) to identify high-level conversation themes.

Annotate consumer sound bites to determine preferences and behaviors, as well as key motivators and barriers.

DATA INTERPRETATION

Use quantitative and qualitative data findings to uncover actionable insights, implications and opportunities.

THE VALUE OF SOCIAL MEDIA LISTENING

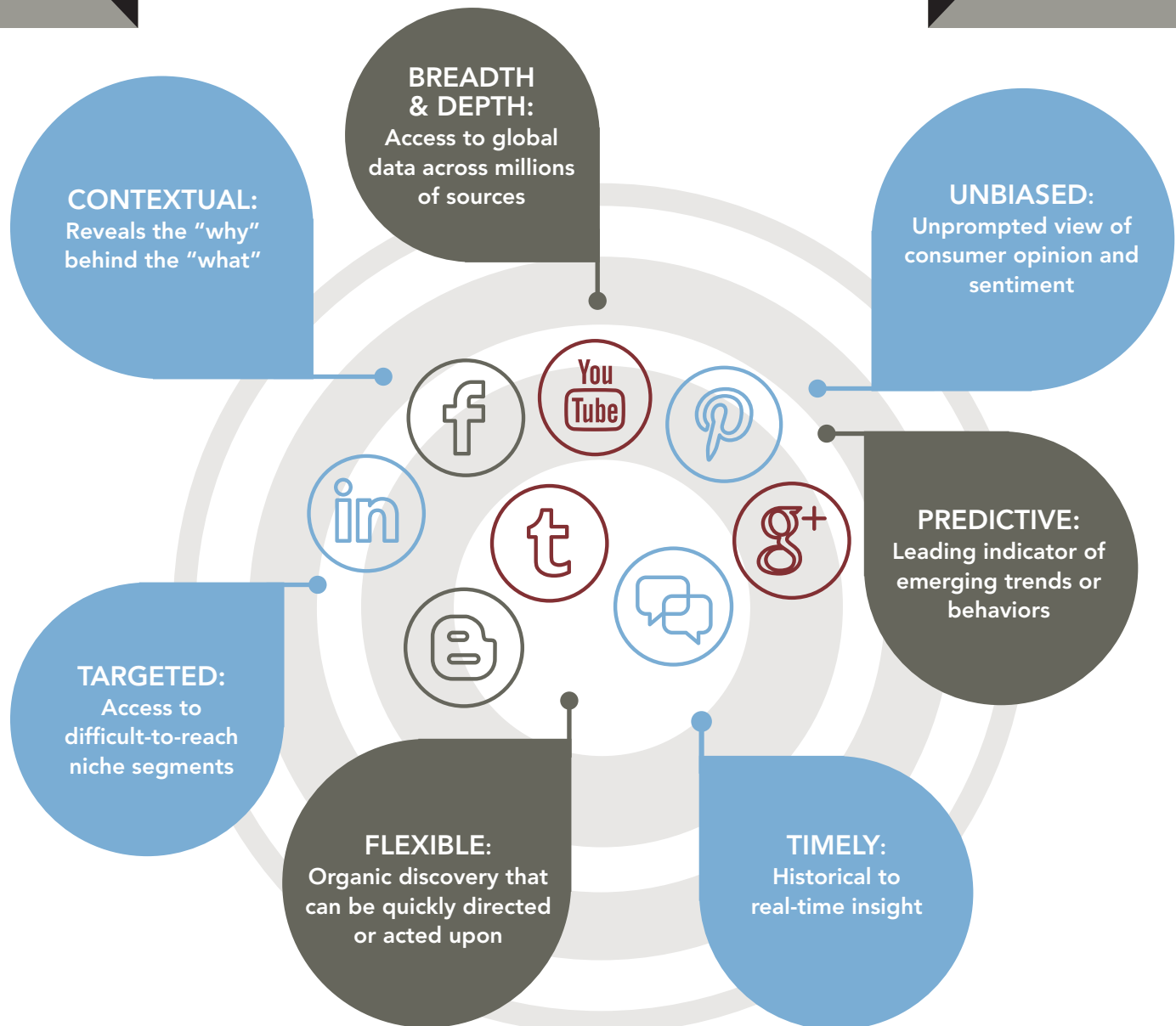
As a research methodology, social media listening provides a unique and unbiased view into consumer perceptions and sentiment in real-time that is often limited in traditional research. Unlike other research approaches, which ask opinion or observe behavior in controlled environments, social media listening provides a window into consumer opinion and behaviors expressed authentically to peers within social media.

While traditional research can be limited by existing knowledge of consumer behavior or market dynamics, social media listening can give insight into “what’s coming” and help companies anticipate trends or behaviors emerging with consumers.

And, it provides a cost-effective way to mine intelligence from a large-scale audience with easy access to niche segments that are often difficult and expensive to access through other qualitative methodologies like focus groups and ethnography.

value

OF SOCIAL MEDIA LISTENING



APPLICATIONS FOR SOCIAL MEDIA LISTENING

CONSUMER, MARKET OR BRAND INSIGHT
Understand perceptions, attitudes, behaviors,
needs and trends

CUSTOMER SERVICE
Quick response to
customer needs or issues

BRAND MANAGEMENT
Monitor brand performance
and reputation

**RESEARCH AND
DEVELOPMENT**
Identify new
product or market
opportunities

INNOVATION
Reveal untapped consumer
or market opportunities

**MARKETING AND
PUBLIC RELATIONS**
Inform strategy, messaging
and tactics



Companies are using social media listening intelligence to inform many aspects of business from strategy to marketing to product development and innovation.

When used in conjunction with other market research efforts, social media listening can enhance your consumer and market understanding at many different stages of the research process. Whether it's to formulate a hypothesis, track or monitor a current situation, or validate and measure activities, social media listening is a valuable piece of the puzzle for gaining a holistic view and understanding of today's consumers.

OIA'S SOCIAL MEDIA LISTENING PROGRAM

Outdoor Industry Association, as part of its strategic focus to understand changing consumer behaviors and shifting market dynamics impacting the outdoor industry both now and in the future, has added social media listening to its portfolio of research products it delivers to members.

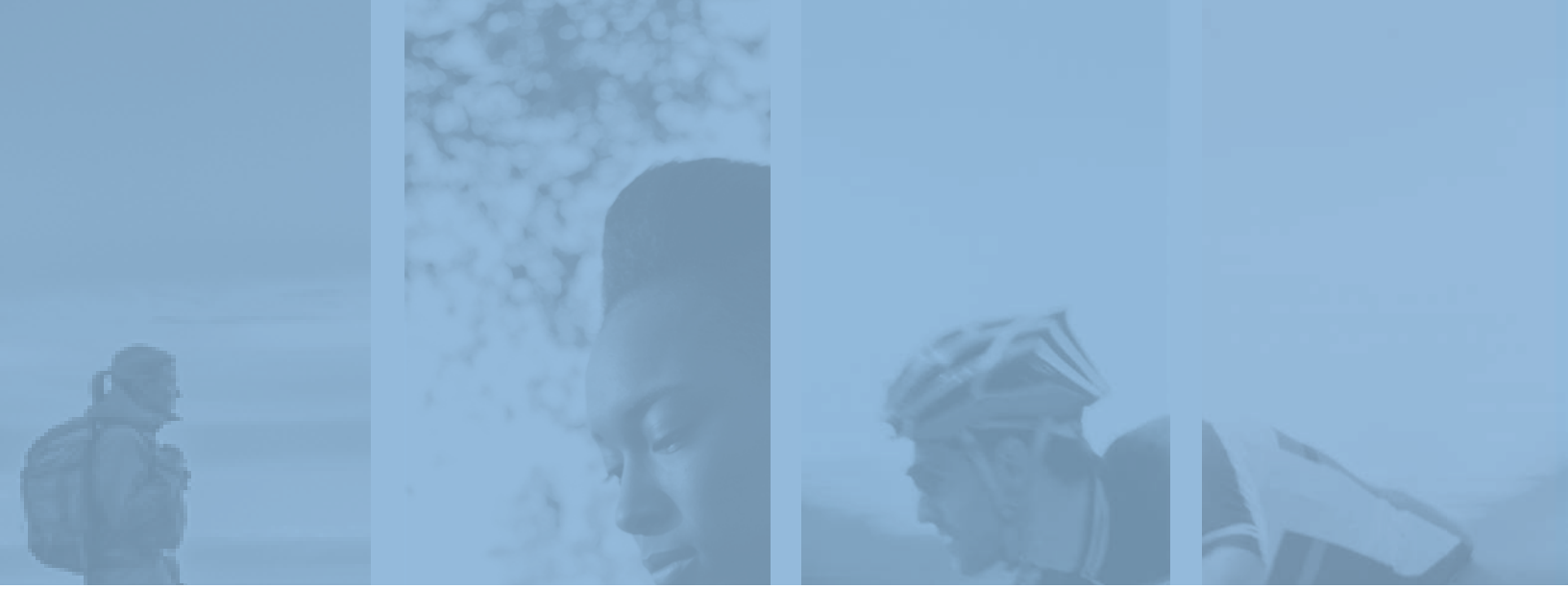
From macro-level trend identification to deeper-dive analysis on key topics relevant to the industry, OIA will provide ongoing consumer and market insights through social media listening that will help members build proactive business strategies and quickly react to changes and shifts in the marketplace.

OTHER SOCIAL PRODUCTS

"Social Buzz™," a bi-weekly email available to members, will feature insights about consumer conversations happening online around topics of relevance such as technology, retail, diversity and lifestyle.

If you are a member and interested in receiving "Social Buzz," please visit our website at www.outdoorindustry.org/research to sign up.





market
+ consumer
insights

ABOUT OUTDOOR INDUSTRY ASSOCIATION

Outdoor Industry Association® (OIA) was founded in 1989 by a group of visionary outdoor industry professionals who realized that “outdoor” could be much more than a passing consumer trend. Today, OIA is the leading trade association and voice of the outdoor recreation industry, serving more than 4,000 manufacturers, distributors, suppliers, sales representatives and retailers in the active outdoor lifestyle.

With offices in Boulder, CO and Washington, D.C., OIA is the title sponsor of Outdoor Retailer and the trade voice representing a \$646 billion industry. OIA supports the growth and success of the outdoor industry through its focus on government affairs, sustainability, outdoor consumer insights, industry trends and youth participation. OIA hosts an annual industry leadership forum and delivers on-demand and in-person education, tools and resources to help its members grow and succeed in the dynamic and ever-changing outdoor recreation marketplace.



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