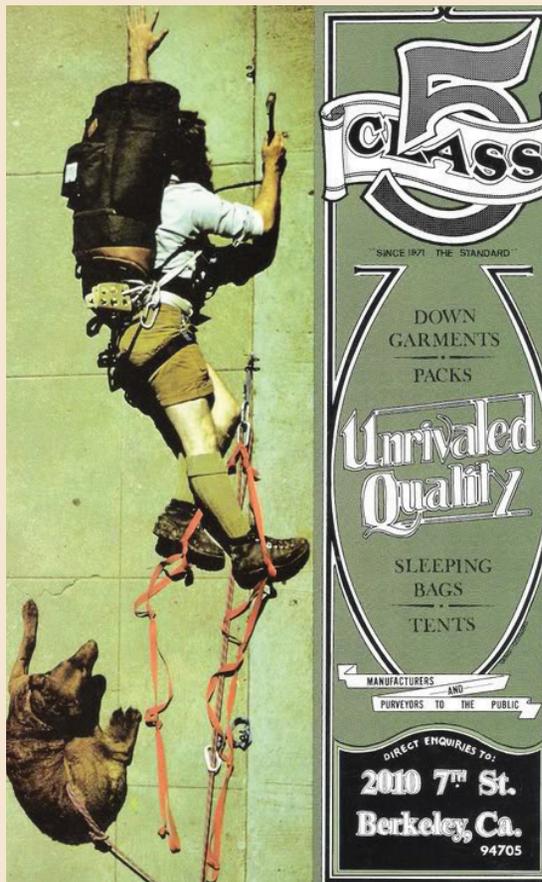


The Evolution of Outdoor Distribution



It is 30 years since product began moving offshore, and again the market is being disrupted. The Internet distribution chaos, coupled with changing shopping habits, social networking and price pressure, is reconfiguring the very geography of retail. The once solid bedrock of brick and mortar has morphed into a liquid environment where the structure of distribution follows the whim of the market. Google, Amazon and Facebook are leveling the playing field in unexpected ways. Factories can now sit at the virtual table directly across from consumers and brands and retailers. Product champions can reach through the clutter of their culture to connect with like-minded others. Enthusiasts have become more important than marketers and increasingly product is imbued with meaning while being pitched against the status quo.

How did we get here? The history of manufacturing in the Outdoor Industry started with a group willing to get their hands dirty, figure things out and have a little fun. They came along about 60 odd years ago; a cluster that included

people like Gerry Cunningham and Alice Holubar who weren't content to wander around the hills in clothing designed for the hunting, fishing and the lowland camping crowd. Influenced by the 10th Mountain Division, these individuals offered a climbing/skiing sensibility that craved lighter, better, more efficient gear for high mountain vacations. The same scenario played out in various regions across the country as others like Cunningham set up little shops and began to make and sell innovative outdoor product from the new materials brought forth by WWII.

The second wave of entrepreneurs was different; they were merchants at heart. Originating from the manufacturing skunkworks of their elders, these outdoor companies were bigger with more people and resources, and while still anchored to regional loyalties, each aspired to a national audience. Companies like The North Face and Alpine Designs leveraged the social awakening of the '60s by making sure you understood they were not delivering your father's old soiled hunting duds, nor was there a whiff of fatigues and OD canvas. Rather, they presented a youthful, enjoyable and mindful experience anchored in the outdoor world. Lighter and faster merged with California cool. Outdoors became sexy, and the word 'backpacking' entered the lexicon.

These new guys changed the business formula by taking advantage of the disruptive technology of the day: They made great catalogs. Success came easily; season after season outdoor product was produced, photographed, and printed in more color and style than ever before. For some, their brick and mortar beginnings spread into little chains of specialty shops. Others almost immediately began selling through the tiny family of mountain shops that were springing up across the country. Selling direct, wholesale, and retail; it was all there in the beginning.

Price and availability limited this early market. The complicated American-made product was difficult to produce

and ridiculously expensive on the street. The heritage companies thinned, many of the outdoor brands became conglomerates, while fledgling 'mountain shops' grew in number and size. Names like Camp 7, Yak Works and Class-5 disappeared as the market favored bigger and more homogenized retail.

The discovery of Chinese manufacturing, and the resulting impact on the cost structure of outdoor product, i.e. margin dollar increases for both retailers and brands, came just as our culture began to embrace adrenalin sports, in particular climbing. (I will always remember sitting on the couch, slack-jawed, watching the first TV ad with a climber in it.) "Outdoor Lifestyle" took off. The product margins generated enough cash to attract the venture capital world, and the conglomerates were slowly replaced with big money corporations backed by some kind of 'fund.' This transition to foreign sourcing, the growth, and the profits, were all fueled by cheap labor in a far away country.

This brings us back to the present, where the paradigm waits to shift again. The same margin expectation that has for so long been enjoyed by the brands and the retailers is now there for the people who make the product to take. The small scale American factory, hybridized with specialty clubhouse style retail front end, looks pretty much like The SkiHut/Trailwise did in the 1950s. Connecting directly to their customers, dedicated outdoor artisans can create, sell and ship product that is made on a short production schedule with homegrown materials and talent. By putting their heart into the product, they highlight those that have done nothing but take money out. ●

Disclaimer: Kurt Gray is old and cranky because he doesn't get out much anymore. His opinions and musings are not endorsed or comprehended by the publisher and should probably be kept to himself. Don't blame us if you find him sophomoric.