



Gearing Up for Growth:

How Outdoor Retailers Can Leverage
Employee Incentives and Rewards to
Drive Revenue and Increase Retention

Outdoor retailers are currently living through A Tale of Two (Somewhere Outside of the) Cities - it's the best of times, it's the worst of times. Employee recruitment and retention remain a challenge, and many retailers are still recouping losses from pandemic-era store closures. Yet some experts say the industry is amidst a historic boom, driven by scores of new customers taking up outdoor hobbies for the first time.

The surge of new outdoor activity participants is a growth opportunity for outdoor retailers, and they'll need to find, keep and get the most out of their sales staff to capitalize on it. Employee incentive and rewards programs can help outdoor retailers address their recruitment and retention challenges, while simultaneously driving revenue growth. To do so though, they'll need the right platform to manage and execute incentive programs efficiently and effectively.



Eager to get outdoors, customers flock to stores

In 2020, close to 70% of Americans wanted to spend time outdoors, an almost 20% increase over the past 10-year average. More than 10 million American households became first-time campers in 2020, growing the total number of active campers by 3.9 million, according to the 2021 North American Camping Report. Retail Touchpoints estimates that participation in outdoor activities has increased by 25 million people in the past decade, with a significant portion of that growth occurring in the past year.

The Outdoor Industry Association (OIA) released a special report detailing the kinds of outdoor activities these new participants engaged in since the onset of the pandemic. The two most commonly reported activities for newcomers were walking and running, but sizable percentages of new participants also tried fishing (15%), camping (10%), paddleboarding (9%), backpacking (8%) and climbing (7%). In other words, activities that prompt the purchase of specialized gear.

The influx of new outdoor participants has increased the pool of potential customers for outdoor retailers, even as other pandemic-related pressures have hindered business activity over the past 18 months. Companies on the Outdoor Business Journal's Outdoor Index saw shares grow an average of 15.8% in the first quarter of 2021, while many recognizable outdoor retail brands posted losses for 2020. The outdoor retail sector was hit hard by COVID, as was just about every other retail sector, but it has a greater opportunity to grow going forward.

Outdoor recreation growth by the numbers

- 20% more Americans want to spend time outdoors
- +10 million first-time camping households in 2020
- +25 million people participated in outdoor activities over the past decade
- 41% of outdoor activity participants earn \$100k+/yr

Every shopper needs a trusted guide. That's your sales associate

That high growth potential is driven in part by the nature of the outdoor retail consumer experience. In a pre-COVID (2017) consumer survey, the OIA found that the average outdoor consumer spends \$465 annually on apparel, footwear, equipment, and electronics for their activities. That same survey found that significant percentages of outdoor consumers are willing to pay more for products if they are durable (46%), high-quality (42%) or make them feel comfortable (42%). That makes intuitive sense – a hiker on the trail wants to feel supremely confident that their boots will hold up, their jacket will keep them warm, and that their thermos won't spring a leak.

An experienced hiker or backpacker might have preferred equipment and go-to brands. A novice, however, will be confronted with an array of unfamiliar product options with hyper-specific feature sets. The same applies to fishing or climbing gear, kayaking and canoeing equipment, and camping provisions. If those novice consumers turn to an ecommerce site to outfit themselves, they'll have to navigate their own research. But in a brick-and-mortar setting, they can turn to a sales associate to guide their decision-making process. And that is a significant advantage for outdoor retailers.

According to a consumer survey conducted by Mindtree, 91% of consumers interacted with a sales associate while shopping for sporting equipment, a category that encompasses most non-apparel products sold by outdoor retailers. That same survey found that 58% of shoppers at specialty retailers (including outdoor retailers) consider the sales associate's primary role as being a "source of information," rather than someone who simply facilitates a purchase. This indicates that not only do consumers shopping for outdoor recreation products prefer to shop in-store versus online, they tend to trust the staff they encounter when they do.

How to leverage the specialized knowledge and perceived expertise of your workers

The level of trust consumers place in sales associates at major outdoor retailers is partly a function of brand reputation and partly based on the staffer's expertise. A customer shopping at REI is more likely to give weight to the sales associate's recommendation than a customer shopping for a similar product at a big-box retailer. The fact that the outdoor retailer is specialized lends authority to the staff. Likewise, a staff member at REI is far more likely to have experience with outdoor activities and the in-store merchandise that's most relevant or helpful.

The incentive-retention relationship by the numbers

- 66% of employees are motivated to stay on by an incentive program
- 31% lower voluntary turnover rates enjoyed by retailers with clear, formal sales goals
- A 5% increase in employee retention can generate a 25% to 85% increase in profitability
- \$11 billion is lost every year due to employee turnover

Outdoor retailers are well-positioned to take advantage of the perceived expertise of their sales teams. Positive first-time experiences build trust and brand loyalty among new outdoor recreation participants. Frequent customers can forge relationships with long-tenured employees that add to the perception of the brand. Sales incentives, brand-funded initiatives and sales gamification can harness employees' expertise and the trust they forge with customers to boost revenue and reduce employee turnover.

Incentivizing engagement and enthusiasm in a sustainable way

Incentives help with employee retention, something the outdoor retail industry (really all retail sectors) sorely needs help with these days. Simply having an incentive program in place motivates 66% of employees to stay on. At SparkPlug, we found that retailers who set clear and formal goals for employees saw 31% lower voluntary turnover. In an environment where sales personnel are counted on to provide recommendations and advice to consumers, sales incentives can be even more effective.

Outdoor retailers can reward the enthusiasm and expertise their staff members naturally bring to their customer interactions through targeted sales incentive campaigns. When outdoor retailers have a platform to implement the right kind of incentives, sales teams can leverage their expertise to earn rewards while building trust with their customers.



Three types of outdoor retail incentives that work

Many outdoor retail sales associates aren't just workers, they're active participants and hobbyists. The best incentive programs harness their expertise and enthusiasm while providing transparency, relevance and simplicity. Here are three kinds of incentives that keep employees engaged and boost sales:

Store-sponsored category sales goals

The store sets a monthly or quarterly sales goal for the entire hiking and backpacking product category, and if it's reached, all employees receive a bonus. If each sales associate has access to the collective sales metrics and can monitor the team's progress, this incentive will encourage collaboration and boost goodwill among staff while also increasing sales.

Brand-sponsored commissions on specific items

In this incentive structure, an outdoor brand offers individual employees a \$5 commission on the sale of a particular model of sleeping bag. While the store isn't funding this incentive, it needs an automated way to track each employee's sales of the eligible items and report that back to the brand for reimbursement.

Multi-location sales contests

A brand-sponsored contest where the sales associate in each of the retailer's locations that sells the most of that brand's ski boots wins a free pair for themselves. The key to this initiative is having a way for employees to compare their performance to other contest participants across multiple locations.



A way for brands to contribute to your workers' success

There's no reason outdoor retailers need to shoulder the entire cost of funding sales incentives for their workers. Few industries enjoy the level of alignment between retailers and brands on their mission and corporate ethos. That makes brand-funded rewards and incentives a natural fit for outdoor retailers; more often than not, they can feel confident that the brands offering incentives to their staff share their values and commitment to quality.

That said, managing brand-sponsored initiatives, reporting sales back to participating brands and distributing rewards to employees can be time- and resource-intensive. Setting up campaigns often involves a tangle of email threads between brand and store, and exporting reports from POS systems to attribute sales to individual employees can take brain-numbing hours. Employees themselves rarely have visibility into their progress or where they stand in the contest, and getting brands to pay out monetary bonus or prizes at the end of the campaign always seems to take longer than it should.

With a retail incentive management platform like SparkPlug in place, these headaches can disappear. Outdoor retailers can automate the back-end processes associated with brand-funded initiatives while retaining the ability to deploy only approved incentives to their sales teams.

Top 5 Brand-sponsored Spiff Headaches

1. Coordinating campaign setup with multiple stakeholders
2. Manually exporting POS sales reports
3. Daily or weekly reporting to brands
4. Apprising staff of their progress and standings
5. Getting brands to disburse prizes or rewards and campaign end

Offer visibility and transparency

While it's important for the managers of outdoor retail outlets to control their sales incentives and employee reward programs, it's equally important for staff members to have a convenient way to monitor their progress or get alerted to new opportunities. Our data shows that more than three quarters (76%) of sales associates say access to their sales metrics has significantly improved their ability to provide a superior customer experience.

Outdoor retailers that implement the SparkPlug platform give their employees visibility into their performance, encouraging participation in the incentive or rewards program. At the same time, managers also can measure campaign results at any point in the process and gain insights into the sales process they might not have had otherwise. That level of transparency and control can only be achieved with a centralized, managed system for both brand-funded and store-sponsored sales initiatives.



Empower employees while maintaining brand integrity

The SparkPlug platform can revolutionize how outdoor retailers think about sales incentive programs and reward their sales teams. Because the platform integrates directly with retailers' POS systems, many of the processes associated with incentive and rewards programs can be automated, including reporting on brand-sponsored initiatives. Sales associates gain visibility into their standings, and new contests or goals can be pushed to them instantly.

Incentive programs executed through the SparkPlug platform create a connection between employees' expertise, their ability to build trust with customers and the outdoor retailer's desired outcome – sales. The SparkPlug platform also allows outdoor retailers to share in the sales incentive process with their partner brands, multiplying their efforts and contributing to a common goal.

Most importantly, SparkPlug gives outdoor retailers an effective tool to capitalize on the industry's growth potential. By increasing employee retention, giving customers the best possible in-store experience, and working together with brands, outdoor retailers can carry their successes into the coming year.

Discover how SparkPlug can help your company engage frontline workers, increase in-store sales and reward top performers who might be thinking about going elsewhere.

Visit sparkplug.app or email us at

to learn more.

About SparkPlug

SparkPlug is an employee rewards and campaign management platform built specifically for consumer goods companies, retailers, and restaurants to reward frontline retail employees and restaurant workers for the sales they generate and increase brick-and-mortar revenues. Companies that use SparkPlug can incentivize frontline workers and sales staff to influence purchasing outcomes by launching goals-focused sales campaigns and promotions. The SparkPlug platform delivers real-time campaign data to CPGs and retailers about which products and promotions are performing while providing an additional revenue stream for workers. Launched in March 2020, SparkPlug has already delivered over \$500k in supplemental income to frontline hourly employees, all sponsored by the consumer brands whose products those in-store workers put directly into consumers' hands.