

Brand Management - Brand Audit

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EXECUTIVE SUMMARY**A. Purpose of the Report**

Cabela's, the Worlds Foremost Outfitter has been in the news recently as a new shareholder has entered into the picture. The Cabela's brand now has a question mark over its continued success in the outdoor equipment market. The purpose of this audit is to identify the brand as it has been established over the years as well as explore future opportunities.

B. Brand

Cabela's has established itself as a supplier of both goods and services for the enjoyment of outdoor activities. Their tagline of "The Worlds Foremost Outfitter" is a succinct and clear proclamation on their ability to deliver. Cabela's is synonymous with quality and availability of items you may not find elsewhere. The company started with a mail order catalog and has quickly grown into an empire of both traditional catalog and brick and mortar retail stores. From the professional expedition to the backyard camper the Cabela's logo is sure to be on some if not all of the gear involved.

I. INTRODUCTION**A. Brief History and Background**

Cabela's started with a simple ad for hand tied flies. In 1961 Dick Cabela on his way back from a furniture show in Chicago thought he could make some extra money and placed an ad in a Casper WY newspaper that read "12 hand-tied flies for \$1." ("Cabela's History," 2016, para. 2). Somewhat ironically the ad generated one response. The company has literally grown from a

kitchen table in a small rural town in Nebraska to a global reach of over 125 countries. The Cabela's website went live in 1998 and has been continuously updated to include new products as they arrive. Cabela's has even began to offer its own credit card and bank. The Worlds Foremost Bank, N.A. went live in 2001 and supports the Cabela's credit card. Cabela's went public on the NYSE on June 25 2004. The brand equity was so high at the time the stock surged 40% in the opening minutes of trading. ("Cabela's History," 2016, para. 13) Currently Cabela's has 60 brick and mortar locations and growing each year.

II. Marketing Mix

A. Product

Cabela's produces a wide range of products under its name. The largest of them all is the stores themselves. The stores always include displays of wildlife from around the area and around the world. The promotion of conservation and respect for the environment is a critical message from the Cabela's brand. The stores have become destination locations for the consumers of the Cabela's products. With the global reach of the catalog and the internet the ability to see the products in "real life" is a luxury. The stores can be found dotted across the US and Canada outside of major cities. The stores are stocked with staff that share the same passion for the various activities supported within. Within each specialized are you can find a mix of products with name brands as well as Cabela's licensed equipment.

B. Price

Everything found in a Cabela's store can be found either in the printed catalog or the online version of the store. There are very few price differences between the in store items and the

online versions. The products where you see the greatest price difference is specialty items, which aren't frequently stocked in most locations, much less Cabela's. Larger items such as heavy equipment or boats are only found in the retail stores, as they would be cost prohibitive to ship. Cabela's also offers a rewards card that tracks your purchases and gives you cash back. In theory the rewards from a single trip could equip you for your second (smaller) trip. The addition of a Cabela's bank also means the rewards card is an effective tool for helping customers gain points and save on their purchases in the long run. Prices found in the stores are in line with what you would expect on some brands. When a special is being run on a particular item, typically a seasonal item, there are items that are heavily discounted and stocked in bulk.

C. Promotion

Cabela's does a great job of offering promotions that fit into the various seasons for the sports and activities they support. During hunting season the store changes its look to represent the interests of hunters of the different types of game. Items found on the end caps of the displays are filled with impulse items and other merchandise of interest. These seasonal specials offer deals which are user specific. Immediately following the close of a season you will find additional discounts and deals for closeouts. Each section of the store is featured at least once during the course of a year and the more specialized segments even get their own circulars. For example you can request a boating specific catalog to be mailed to your home. The items found in this catalog are relatively useless if you don't have a boat so to be able to tailor your information to fit your needs is welcome to these specialty enthusiasts.

D. Place

By having a finite number of stores across the United States the access to the brand varies depending on where you live. Locations with a local store are still exciting to the users but when you are void of a physical location the arrival at the store location is a journey. Because of the distances some people travel to go to the store the brand has focused on staying outside major cities with easy access from the interstate system. This way the brand can remain a destination location for the casual road trip without taking you into a major city with congestion and traffic. There is ample parking for cars and trucks as well as spaces for people to park RV's or trucks towing boats. The layout of the parking lot is such that even a novice towing a boat or trailer for the first time can easily navigate the location without incident.

The arrangement of the store is based on activity. Many of the activities represented have supporting segments represented in the same store. The layout of these segments is, by design, adjacent to the supporting activities. For example: the camping equipment is found in the middle and flanked by hunting on one side and boating/fishing on the other. Both hunting and fishing can include a camping element or at the very least have some peripheral gear that would be found in the camping department. Because most of the stores are laid out with the segments in a horseshoe around the central clothing element you're always within eyesight of clothing. The clothing near each segment is activity specific as well. For example: near the hunting department you will always find camouflage and near the boating department you will find swimwear and warm weather gear. Items such as home décor and shoes are located in the back of the store to help customers pass by multiple sections and possibly trigger an impulse buy in a particular segment.

III.COMMUNICATION

A. Website

The main website for Cabela's is a well organized mix of categorically sorted segments and information. ("Cabelas Main Website," 2016, p. 1)Cabela's offers additional services such as a credit card and guide services. All of the information for anything and everything Cabela's can be found on their main portal. The branding mirrors the information found in their traditional catalogs and the information is able to be cross referenced if needed. The website also contains items which are too specialized to be found in a store. These items can be shipped directly to the users home or delivered to the store for no additional charge.

B. Other Forms of Communication

Cabela's produces over 100 different catalogs per year. These include the main catalog as well as other specialized versions which represent sub segments in their consumer base. Some avid users of the brand have been known to keep the catalogs as some do with National Geographic's in years past. Cabela's also sends out limited edition hard bound catalogs. In years past they have been close to 2" thick and include everything available through their stores. ("Cabela's Limited Fall Edition 2010 Catalog ," 2016, p. 1)

IV. BRAND INVENTORY

A. Brand Attributes

As mentioned before the Cabela's brand is known for all things outdoors. Chances are there is a Cabela's branded equivalent for just about any kind of equipment or clothing you would need

when outside. The value proposition is the diverse background of experiences and knowledge represented by a company like Cabela's. The statement "Worlds Foremost Outfitter" is an acknowledgement that any item bearing their logo has met their standards and is "worthy" of use by its consumers.

B. Brand Portfolio

Inside the main Cabela's portfolio of segments you can find the following key areas: hunting, shooting, fishing, boating, camping, auto&ATV, clothing, footwear, home & cabin, hobbies, Cabela's credit card, Cabela's Guides, and conservation. Within each segment there is a mix of Cabela's branded merchandise and name brand equipment. Frequently there are name brands which are feature the Cabela's logo as part of a license agreement. For example: In 2009/2010 Ford released Cabela's Edition F250/F350 trucks. They were limited edition and featured the Cabela's throughout the vehicle and signature elements such as a rear seat compartment for your gun. ("2010 Cabelas F250 - Carfax Listing," 2016, p. 1)

C. Brand Line Extensions

The core brand is essentially the expertise and understanding of the activities found inside the catalog offerings. From there the brand extends into the various products and supporting elements of each segment. Cabela's is not afraid to place their logo on a new product if it meets their standards in that given segment.

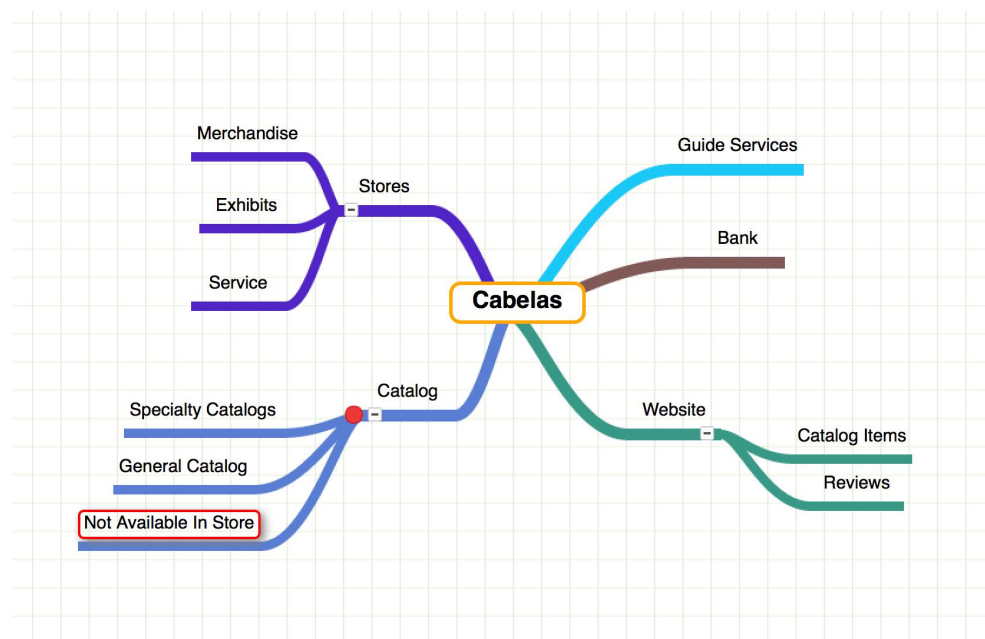
Inventory

V.BRAND EXPLORATORY

A. Customer Knowledge

Consumers of outdoor products are always looking for equipment to keep them in the outdoors for longer or in more comfort than the last trip. With the company providing anything and everything outdoors for over 50 years the chances of an outdoor enthusiast encountering a Cabela's logo is fairly high. Pair this with the kind of brand loyalty found in other industries where a family only buys one particular brand (ex Ford vs Chevy) and the consumer knowledge of the brand is very high.

B. Mental Map Graph



C. Sources of Brand Equity

Cabela's builds its brand equity with its users by the staff and other people who use their products. The concept of “field tested” is something that means a lot when you’re in a remote part of the world with limited access to creature comforts. The knowledge that the item you purchased is going to work the way it was intended is a comforting thing. Every time a product

used purchased from Cabela's operates the way it was intended the value of the brand increases. Typically these activities are shared with family members or others who the user is close with. This sense of value is then conveyed to the others in the group and possibly a desire to acquire that item grows inside them.

D. Marketing Activities (Endorsements and other)

As mentioned earlier Cabela's isn't afraid to put their name on something that fits their brand and their corporate culture. Cabela's offers a great deal of equipment for hunting and fishing. Therefore they sponsor personalities and other "professional" hunters/fishermen. ("Cabelas Endorsements," 2016, p. 1) These endorsements also help with product testing and development as the users are highly demanding on their equipment. Furthermore Cabela's is a champion of conservation and can be found donating goods to various non-profits that benefit this cause.

E. Points of Parity and Points of Difference

VI. CBBE PYRAMID

A. Customer Brand Resonance

Cabela's is one of the most well known suppliers of outdoor goods in North America and throughout the world. There are smaller, regional, suppliers of these same goods who often coexist with Cabela's but they are a fraction of the revenue. Consumers of the Cabela's brand are often fiercely loyal and this drives repeat purchases. The overall perception of the brand is a market leader with great stability and a wide range of offerings.

B. Customer Judgment

The Cabela's logo and name are highly recognizable in the market place and can be found on just about anything outdoors. There is a reputation for a high level of customer service and availability to the consumer also drives a high repeat customer level. The commitment to high quality branded goods and availability to other trusted brands reassures buyers they are making a quality purchase.

C. Customer Feelings

Customers of Cabela's can feel a connection to the brand heritage. Many of the users are from small towns and connect to the back story of how the company started. The images and the overall feeling of the brand is one of family ties and somewhat nostalgic. Many of the activities supported by Cabela's are the kinds of activities which are passed down generationally within a family. Cabela's branded equipment from the early days of the company can still be found being used in the field with a second or third generation owner.

D. Brand Performance

The Cabela's brand is multi faceted and able to support many different activities. The brand is just as “at home” in a duck blind in the back woods of Minnesota as it is on a boat off the coast of Belize salt water fishing. The brand is durable in nature and the users have come to expect a level of performance from the equipment which bears the logo.

E. Brand Imagery

The Cabela's brand imagery changes based on the activity being showcased. However the main elements of the brand image are: tradition, conservation, family, heritage, confidence, professionalism, and durability. These elements also lend themselves to a strong connection to the family elements of the brand where family members participate in these activities together.

F. Salience

Cabela's stores share the same look as the brand in many ways. The north woods lodge look of the stores is replicated by the use of wood, leather, bronze, and other durable materials found in use on the equipment offered. The green and yellow stand out when not adapted to meet the needs of a particular application. (ex: camouflage clothing may be a muted version of the same color scheme)

VII. BRAND ANALYSIS

A. Core Competencies and Sustainable Competitive Advantages

Within the Cabela's brand there are many elements that help maintain its brand integrity. The continued use of new products as they enter the marketplace helps keep the brand relevant. As the regulations and technology advances in a particular activity Cabela's keeps up to date with these changes. With the addition of the Worlds Foremost Bank Cabela's has entered the realm of banking and gains from the financial stability that can be found there.

B. SWOT Analysis

a. Strengths

Cabela's has done a great job of building a “legacy” brand to date. Their use of everything from font, colors, and styling are a direct link to their start in the mid 1960's. The nostalgic element of their brand, while somewhat fabricated, is a tie to historic trips with family members as a child to their users.

b. Weaknesses

The biggest weakness in the Cabela's brand is the news regarding their new “activist investor”. Essentially the rumors of a liquidation and termination of the brand have caused some to question the integrity of the brand. ("More coverage: New Cabela's investor pushes for big change," 2016)

c. Opportunities

To date Cabela's has mainly focused on the core sports of hunting and fishing. This includes the peripheral elements such as camping and a generalized outdoor lifestyle. However, this does not include additional recreational activities outside of these core elements. With access to financing Cabela's could easily offer “big ticket” outdoor items such as RV's with in house financing.

d. Threats

The biggest threat for Cabela's currently is the uncertainty of what will happen with the new investor. The track record for this investor is to acquire and liquidate to extract value. If this is the case then the company stands to be sold or closed forever.

C. Long Term Brand Value

Brand Mantra

“The Worlds Foremost Outfitter”

VIII. Competition

The biggest competition for Cabela's is Bass Pro Shops. Quite often, as is the case in the Omaha area, you can find both a Cabela's store and a Bass Pro Shop within a few hours of each other.

Bass Pro does a similar job of offering the same types of products and private label elements as Cabela's. Bass Pro shops goes a step further and offers more products in the “supporting” roles such as watercraft sports. Bass Pro is not as dedicated to the hunting and fishing elements and is strictly an outdoor sports store.

IX. Recommendations

Assuming the new investor doesn't liquidate the company I have the following suggestions for Cabela's. Firstly, expand their offering to include other items and leverage their bank. This could include RV sales or using their partnerships in real estate financing the purchase of land. Many outdoors people own property for the sole purpose of using it for an outdoor activity. To purchase it through Cabela's, and maybe gain points, would be a win win. Secondly, expand the brand to include a small deli of sorts. Many people who hunt and fish take their game to be processed at specialty shops. By offering these services at a Cabela's location it's a point of contact for the consumers. In addition someone who wants to purchase a “specialty” item such as elk or alligator now has a place to purchase it. (Could include fine dining establishments)

*The meat from game processing is not allowed to be sold legally so the meat being sold would be farm raised to be legal. Finally, building on the “legacy” of the brand begin to offer services that help solidify those memories with consumers. This could include services such as

taxidermy or even photo processing. With today's technology a digital photo of a father and son holding their catch on a lake could be turned into a framed memory on canvas with ease.

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