

Why gear costs so much

By Graham Averill, Outside

I'm a sucker for thumbholes. Those little empty spaces on the cuffs of hoodies and base layers that showed up maybe a dozen years ago—those things make me swoon. And I'm not the only one.

According to a recent Nike investor meeting, Nike's customers are willing to pay a premium for clothing with seemingly benign features like thumbholes. During the past several years, Nike has performed analyses that looks at the value customers attribute to specific features on technical clothing in hopes of getting more “scientific” about its pricing.

“[We] had them tell us, what do you think this one's worth versus this one? What details on the shorts make it worth more?” explained Jeanne Jackson, president of product and merchandising at Nike, to investors during the meeting. “We discovered in tops that if a top has a thumbhole in it, the consumer perceives it as a premium top. So we're getting a little bit more scientific about what those features and benefits are that the consumer will perceive as worth more money.”

We reached out to Nike and a handful of large outdoor brands, all of which refused to comment about their pricing strategies or any internal consumer analysis.

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