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# 2020 FORECASTING REPORT

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# THE U.S. OUTDOOR CONSUMER SEGMENTS

	PERCENT OF THE U.S. OUTDOOR CONSUMER POPULATION	SPEND PER YEAR ON OUTDOOR EQUIPMENT	HOURS SPENT OUTSIDE PER WEEK
 <b>THE ACHIEVER</b> <i>Everything Outdoors   Performance-driven   Engagement at its fullest</i>	10%	\$799	27
 <b>THE OUTDOOR NATIVE</b> <i>Highly Involved   Experience-driven   Established</i>	12%	\$637	22
 <b>THE URBAN ATHLETE</b> <i>Athletic   Competitive   Stressed</i>	20%	\$781	24
 <b>THE ASPIRATIONAL CORE</b> <i>Adventure Seeking   Aspirational   Moderate engagement</i>	14%	\$476	20
 <b>THE ATHLEISURIST</b> <i>Low-Intensity   Enjoyment   Emotionally Driven</i>	20%	\$284	19
 <b>THE SIDELINER</b> <i>Lessened Involvement   Inhibited   Interested</i>	12%	\$162	13
 <b>THE COMPLACENT</b> <i>Excluded   Unmotivated   Unfit</i>	14%	\$143	11

# THE FUTURE OF THE OUTDOOR CONSUMER

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The outdoor consumer landscape is evolving, shifting in response to economic, social and demographic changes. As part of the OIA ConsumerVue segmentation research, this report examines the significant impact and opportunities that five macro-shifts will continue to have on the outdoor industry, as well as the seven segments of U.S. outdoor consumer population. Looking toward 2020, the outdoor industry is expected to face unprecedented disruption, induced by the perfect storm of shifting demographics, urban migration, the rise of obesity and a heightened emphasis on healthy living.



## 1. Rise of Millennials and Aging Boomers

According to the U.S. Census Bureau, the youngest Millennials will have reached adulthood by 2020 and will account for 28 percent of the U.S. population, as well as 50 percent of the working population. Meanwhile, every single day, more than 10,000 Boomers reach the age of 65.



## 2. Urban Migration

The U.S. Census Bureau projects the urban population to account for 82.5 percent of the total U.S. population by 2020.



## 3. Obesity

If the obesity trend continues on its current trajectory, 42 percent of the U.S. population will be obese by 2020.



## 4. Heightened Attention on Health

Instigated in part by the obesity epidemic and the rising cost of healthcare, there is a push toward creating a healthier America. Health initiatives aim to reduce the proportion of obese adults to 30.9 percent and increase the proportion of healthy adults to 33.9 percent by 2020.



## 5. Hispanic/Latino Growth

The U.S. Census Bureau projects that the Hispanic/Latino population will grow from 17 percent to represent 19.4 percent of the total U.S. population by 2020 whereas Caucasians will drop to 60.1 percent over that time period.





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# RISE OF MILLENNIALS AND AGING BOOMERS

*Millennials and their Boomer parents and grandparents represent the world's largest consumer groups. Consumers within these two generations diverge significantly in how they relate to the outdoors, as well as in their attitudes, goals and purchasing habits. As these demographic groups expand and change, so will the size and makeup of the seven U.S. outdoor consumer segments.*

# Millennials: An Idealist Tribe

## Who they are

The U.S. is home to approximately 85 million Millennials, a demographic group born between 1980 and 2000. By 2020, the youngest Millennials will have reached adulthood; they will account for



**28%**  
OF THE TOTAL  
POPULATION



**50%**  
OF THE WORKING  
POPULATION

They control an enormous \$1 trillion in spending power each year. Currently, 11.8 million Millennials live in U.S. households with annual incomes exceeding \$100,000.

Millennials are more likely than members of other generations to be single, and they are also the most ethnically diverse adult generation.

**58%** (compared with  
72% of Boomers and  
62% of Gen Xers)  
CAUCASIAN

**20%**  
HISPANIC

**14%**  
AFRICAN-  
AMERICAN

**5%**  
ASIAN

## What they value

As a whole, Millennials demonstrate an emerging combination of idealism and self-esteem. They have been raised to believe strongly in their own abilities and are convinced that by collaborating with their peers they can achieve anything, including social changes on a global scale. These young consumers crave shared, authentic experiences rather than the accumulation of material things. They seek out brands that help them nurture their relationships and find fulfillment on a broader scale.

## How they experience the outdoors

Millennial consumers believe in the power of the crowd and feel a strong need to be together. The notion of belonging to a tribe defines them, with community goals trumping individual wants. They embrace community events and small groups, such as adult camps, Insta meet-ups, camping festivals and running clubs.



“The Millennial generation has larger buying power than other generations, and they are looking for an experience.”

*Rich Harshbarger, CEO of Running USA*

In addition, Millennials also want to participate in multiple activities. Broadly known as “slashies,” they are true hybrid outdoorists, passionate about many different genres. Millennials often combine multiple activities into one outing, leading to the recent bikepacking phenomenon, as well as the rise of backcountry splitboarding and powder surfing.

## How Millennials will shape the outdoor consumer segments

The Achiever, The Urban Athlete and The Aspirational Core segments skew young, which means Millennials are more likely to be found in these segments, and as they enter adulthood, they are more likely to age through these segments as well. Although Millennials are a diverse demographic, the majority’s mindset tends to mirror that of The Urban Athlete segment, whose main motivations for outdoor activities are social connection with others, thrill-seeking and competition. Also, like The Urban Athlete and The Achiever, Millennials enjoy a broad variety of outdoor activities and are likely to live in urban settings.



# Boomers: Active Individualists

## Who they are

America's 50+ demographic consists of nearly 100 million consumers, growing to 161 million by 2050.



They represent

**40%**

OF TOTAL U.S.  
CONSUMER DEMAND



Own

**80%**

OF THE NATION'S  
FINANCIAL ASSETS



Are responsible for

**1/2**

OF THE COUNTRY'S  
DISCRETIONARY SPENDING

With an average household income of \$67,000, they spend around \$284 per year on outdoor-related products.

Boomers are anywhere between the ages of 52 and 70, born between 1946 and 1964. Every day, more than 10,000 Boomers will reach the age of 65. They are more likely than other generations to be empty nesters, female, Caucasian and living in suburbs or rural areas.

## What they value

Unlike Millennials, Boomers don't worship the power of the crowd, instead they favor individuality. They believe in their earned wisdom and know they have something to contribute, both to society at large and within their family circles. After a lifetime of challenging conventional views of the generation before them, Boomers are not receptive to traditional marketing, preferring personalization and customization that leads to sensible products with clear functions and practical utilities.

“The new face of old age is increasingly healthier, wealthier and more educated.”

*Joseph F. Coughlin, founder of Massachusetts Institute of Technology, "The Upside of Aging"*

Boomers also enjoy engaging younger generations in outdoor activities. They find pleasure and escape in the outdoors, and they want to share that with their children and grandchildren. They believe their best years are ahead of them, and they emphasize family time and exploration.

## How they experience the outdoors

Boomers embrace custom experiences that prove their distinctive voices are being heard. They enjoy both traditional and non-traditional outdoor activities and are often open to learning new skills. Nature tourism is a popular pastime, as Boomers relax outside or explore the natural world in RVs or via prefab luxury-camping experiences.

This older generation is becoming increasingly health and fitness conscious, joining fitness programs, taking advantage of fitness-tracking technologies, such as Fitbit and Lumo Lift, and using the internet to discover or learn new outdoor activities.

## How Boomers will shape the outdoor consumer segments

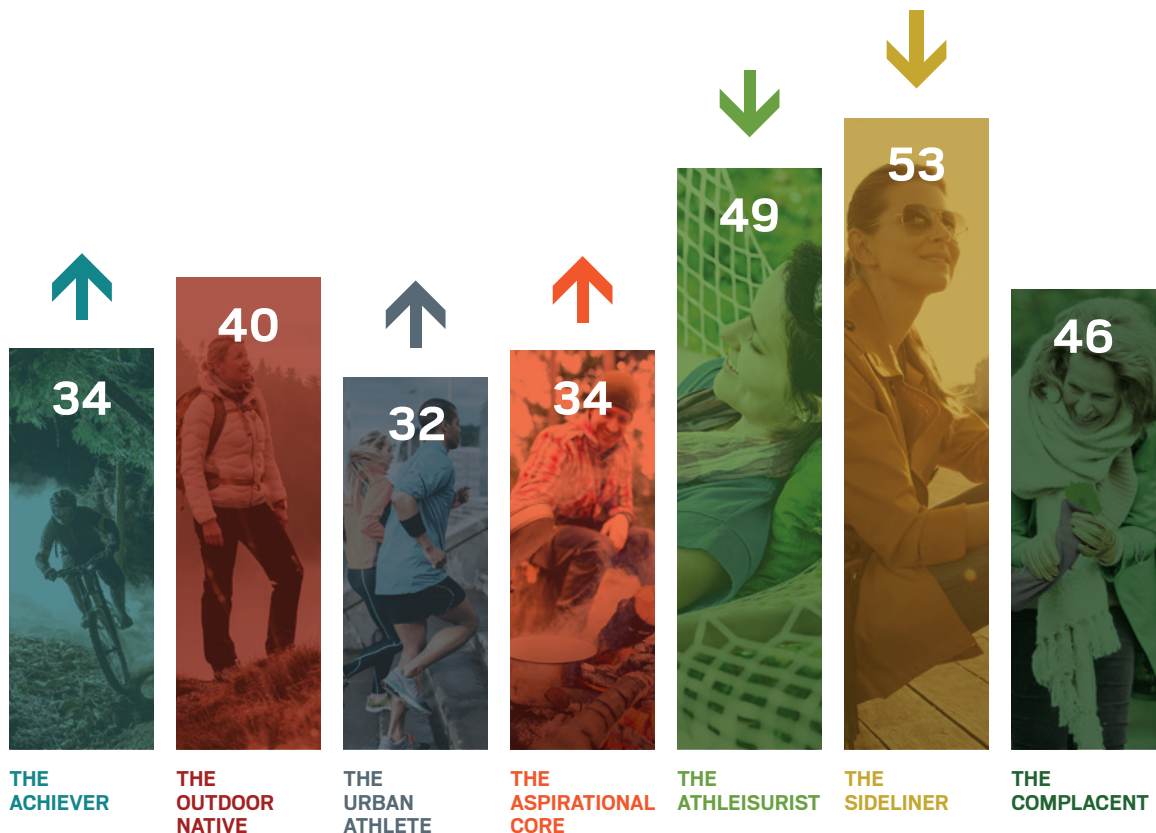
Research shows that 61 percent of Boomers feel younger than their actual age, typically by an average of nine years. That statistic coincides with other findings that middle age now lasts nine years longer than traditionally thought, thanks to the increased age of average life expectancy. It also suggests that today's Boomers plan to stay active longer than previous generations of seniors. Because Boomers currently account for a large portion of outdoor consumer segments that skew older—The Athleisurist, The Sideliner and The Complacent segments—as they grow older and their physical abilities decline, it will lead to a decline in the sizes and impacts of these segments on the larger outdoor industry by 2020.





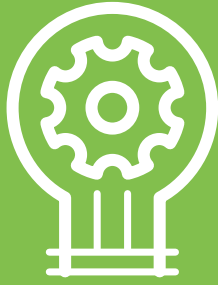
# SEGMENT MEDIAN AGE

- The Achiever, The Urban Athlete and The Aspirational Core segments skew young, which means as Millennials enter adulthood, they are more likely to age through these segments as well.
- The Athleisurist and The Sideliner have the oldest median age - as they grow older and their physical abilities decline, it will lead to a decline in the segment size and impact.



The arrows show an increase or decline in the segments size based on median age. No arrow means the segment in 2020 will not be as heavily impacted by this macro shift and will remain close to the same.





# The Future of Innovation

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*Keeping up with generational and consumer behavior shifts is a perpetual challenge. The following brands and retailers have tuned in to the mindset of Millennials and Boomers, tailoring their approach to the groups' unique values.*

## **Millennials**

**The North Face.** After sponsoring a successful series of events for Hipcamp called “Under the Stars,” The North Face will launch a line targeted to car campers, featuring a cooking shelter for groups, throwback A-frame tents and two-person sleeping bags. These products strive to furnish a social gathering space for everyone to hang out by the fire.

**GetOutfitted.** Offering a streamlined approach to renting outdoor gear, GetOutfitted taps into multiple Millennial-friendly trends: the use of mobile devices and other technology, a willingness to rent versus buy and a willingness to try a variety of sports and activities.

**Under Armour.** Their tenacity and overall brand repositioning has captured the attention of Millennials in the fitness sector, and now their sights are set on the outdoor industry. By aligning with diverse, contemporary athletes and amassing an impressive portfolio of wearable tech start-ups, they are looking to engage future influencers and early adopters while encouraging crossover between team sports loyalists and outdoor enthusiasts.

## **Boomers**

**Tentrr.** Providing customized, curated camping experiences ideal for Boomers, Tentrr takes the work out of camping by scouting new locations, arranging activities and allowing customers to camp in total comfort on platforms with canvas tents, while still immersing themselves in the outdoors.

**Filson.** Continuing to cater to its loyal customer base, Filson takes its online approach to storytelling and iconic merchandise offline in its new flagship location in Seattle. A measured mix of Pacific Northwest heritage and American-made goods, Filson attracts Boomers with authenticity and commitment to quality manufacturing.

**Roadtreking.** More than a million Americans are currently living in a recreational vehicle or motor home, but it is the “gray nomads” who are driving the big bounce in the R.V. industry and have increased ownership rates by 20 percent, to 3.6 million. The Roadtreking blog and forum “celebrates the RV lifestyle” and offers an online community to share stories and connect with on the road.



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# URBAN MIGRATION

*Urban areas are more attractive than ever before, and even in countries where the population is edging downward, urban areas continue to grow. As of 2007, the majority of Americans were city dwellers, and by 2020, 82.5 percent of the U.S. population is predicted to be urban. With 34 percent of outdoor consumers currently living in cities, a growth in this population will likely foster significant changes in the outdoor the consumer segments.*

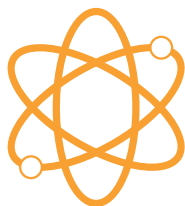


**ur·ban** \ˈər-bən\  
An urban area has a population of 50,000 or more,

according to the U.S. Census Bureau

### Who they are

Urban outdoor consumers tend to be young, ethnically diverse and active. They are outside for 25 to 30 hours per week and spend the most of any consumer on outdoor gear. These city dwellers are also market influencers, providing product recommendations to friends and family.



#### WHAT SCIENCE HAS TO SAY

*Studies have found that urban residents who visit natural environments have lower levels of stress hormones immediately afterward than people who have not recently been outside.*

### What they value

Urban consumers don't see themselves as traditionally outdoorsy; rather, they get outside because the activities they enjoy require them to go outside. The majority weren't raised on typical outdoor activities like hiking or climbing but on team sports, and their participation in outdoor endeavors is as much about fitness, competition, socialization and intensity as it is about connecting with nature. They are style-conscious and seek multifunctional items that fit seamlessly into their lifestyles. A growing contingent of city apartment renters are skipping urban home ownership, choosing to make their first purchase a more rural house, an important gateway to staying active outside, while maintaining their urban address and lifestyles.

### How they experience the outdoors

Busyness is an urban epidemic. Even so, fitness-conscious urbanites are dedicated to staying active to maintain both physical and mental health. They make time to exercise and get outdoors before and after work, as well as midday. Urban residents embrace activities that they can integrate into daily life, like running clubs and organized races, especially those that emphasize socializing. Bike commuting and bike-sharing programs continue to gain momentum, as do indoor climbing and bouldering gyms.



“Although I love to plan big, adventurous outings, some of them are often just around the corner and right under our noses—even in one of the biggest cities in the world.”

*Bill Ulfelder, New York executive director of The Nature Conservancy*

City dwellers are also engaging in micro-adventures, choosing quick hits of nature that are easily accessible via public transportation or a short drive, recognizing that simply walking in nature has been linked to heightened physical and mental energy. Also, high-impact experiences, like Tough Mudder, that are just as tough as the city itself provide a significant outlet for urban populations. Mirroring the daily hustle of living in a packed metropolis, these aggressive, rapid and social indoor and outdoor outlets are on the rise.

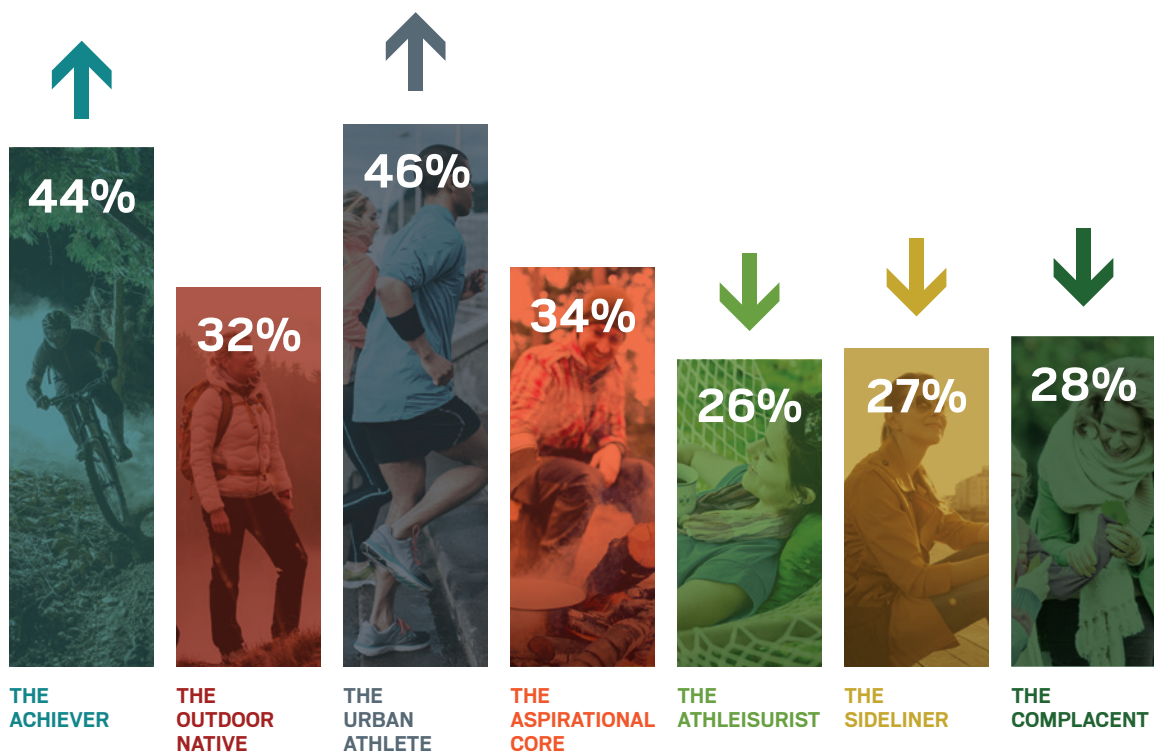


### How urban migration will shape the outdoor consumer segments

The migration of the U.S. population toward urban environments is likely to have the biggest impact on The Achiever and The Urban Athlete segments, which already draw from an urban population. Approaching 2020, this shift is likely to reduce the size of The Athleisurist, The Sideliner and The Complacent segments, which tend to favor small town and rural environments.

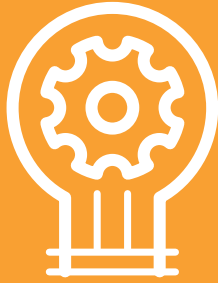
# SEGMENT PERCENTAGE IN CITY CENTERS OR OUTSKIRTS

- The Achiever and The Urban Athlete segments are anticipated to grow since they currently have the largest percentage of urban outdoor consumers.
- The Athleisurist, The Sideline and The Complacent segments tend to favor small town and rural environments and are more likely to decline.



The arrows show an increase or decline in the percentage of the segment that lives in/near city centers. No arrow means the segment in 2020 will not be as heavily impacted by this macro shift and will remain close to the same.





# The Future of Innovation

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*The urban mindset can shift as rapidly as an urbanite's fast-paced lifestyle. The following companies are keeping their fingers on the pulse of change.*

**Fjällräven.** Bringing a Scandinavian approach to outdoor living to the market, Fjällräven has successfully established itself as one of the go-to brands in the U.S. for dependable, long-lasting products. With locations in New York, Chicago and Seattle, as well as in key resort towns including Jackson Hole and Banff, they are successfully bridging the gap between urban and mountain living.

**The KinderBox.** Ingeniously accommodating both hectic metropolitan schedules and the male urban consumer's thirst for adventure, The KinderBox provides monthly deliveries of manly gear, much of it outdoor-inspired. Its slogan—"Be bold. Be brave. Be ready."—reflects the urban outdoor consumers' aim to flow seamlessly from urban to natural settings at any time.

**Outdoorfest.** A multifaceted yearly festival in NYC, Outdoorfest also publishes local trip guides that prove you can live in a city and still enjoy the outdoors. The event has also fostered outdoor enthusiast communities in Washington, D.C. and Calgary, Alberta.

**Outlier.** Hybrid travel, everyday and performance wear that emphasize both function and style is an ideal fit for active city dwellers, as is the company's direct-to-consumer approach.



# OBESITY

*Although obesity rates show some signs of slowing, if they continue at the present rate, 42 percent of the U.S. population will be obese by 2020. The reasons for this trend go beyond overeating and sedentary lifestyles, with research suggesting that modern realities such as poor sleep, exposure to pesticides and other chemicals, antibiotic use and hereditary factors also play a role.*

## Obesity statistics

Over the last 40 years, the collective BMI (body mass index) of the American public has shot up dramatically. Childhood obesity has more than doubled in children and quadrupled in adolescents in the past 30 years.

Approximately

**34.9%**

OF U.S. ADULTS ARE CURRENTLY OBESE

with higher rates  
among Hispanics

**52%**

and African-  
Americans

**47.8%**



Overall, the population struggling with obesity tends to be lower income and live in small towns or rural areas. The Midwest is leading the epidemic, accounting for 30.7 percent of the obese population. There is no significant relationship between obesity and education among men. Among women, however, there is a trend: those with college degrees are less likely to be obese, compared with less educated women. Obese or plus-size groups who are active in the outdoors tend to be highly engaged on social media, with an emphasis on Instagram, Facebook and Twitter.

## The obesity mindset

Obese Americans are a complex group, with widely varying levels of activity and outdoor engagement. Some have been more active in the past, but are now hindered by physical limitations, such as injuries or weight issues. Many participate in non-traditional outdoor activities, like simply relaxing outside, barbecuing, picnicking or walking for enjoyment.

But even if this group is not traditionally seen as engaging in performance-based activities, it is clear many overweight people are as interested in getting outside with family and friends as other groups. More than 30 percent of outdoor consumers, including this demographic, want to try new outdoor activities and are making a considerable effort to spend more time outside. Building a sense of self-worth is seen as an important gateway to their ultimate goal of overall health and happiness, and they feel strongly that every person, regardless of size, matters. The obese population doesn't want to be told they can't do something nor have their bodies judged as an automatic indication of how athletic they are.



“Some women believe that because they have curves they can't run or shouldn't run. Running is for every body anytime.”

*Erica Schenk, Women's Running August 2015 cover model*

Plus-size consumers are very supportive of each other, extending their own body awareness to a general sympathetic respect for social issues and other people who have been marginalized by society. They have a group mentality when it comes to their fitness activities and overall lifestyles. They are highly engaged online and find motivation by interacting and sharing information with people who face similar challenges.

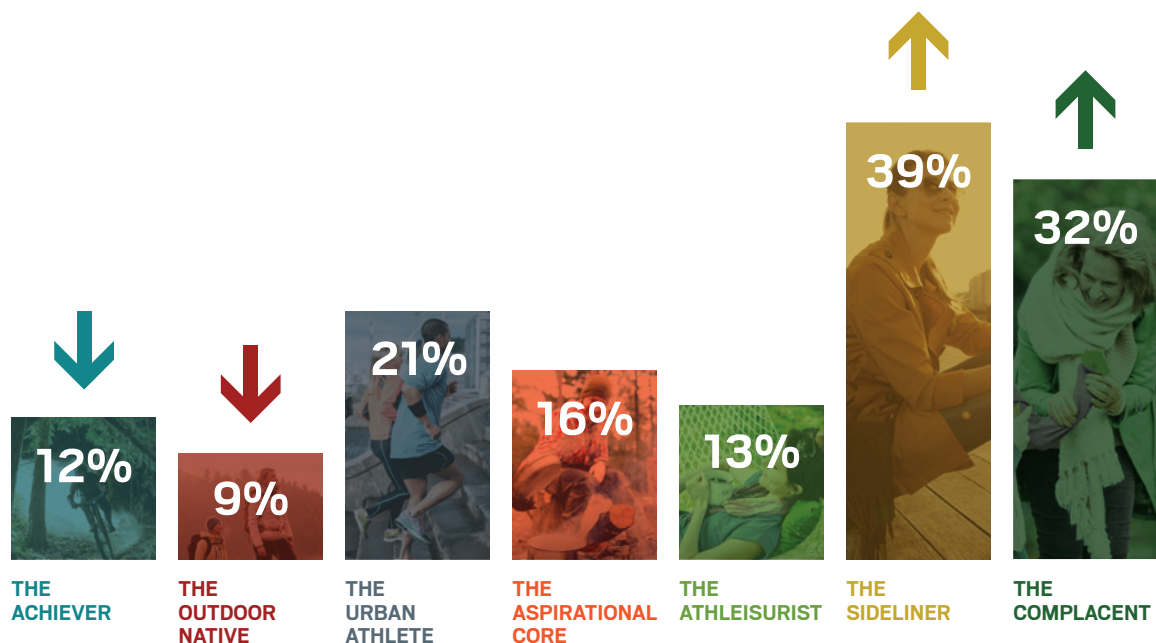


## How obesity will shape the outdoor consumer segments

Those in The Sideliner and The Complacent segments are more likely to see themselves as less healthy than their peers, even if they are involved in athletics or a fitness program, a pattern that is reversed among members of The Achiever and The Outdoor Native segments. Rising obesity rates will likely contribute to the growth of The Sideliner and The Complacent segments.

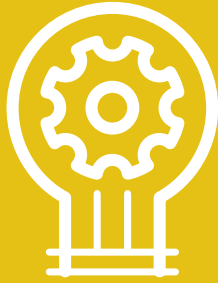
# SEGMENT PERCENT THAT FEEL THEY'RE SOMEWHAT OR LESS HEALTHY THAN THEIR PEERS

- The Sidelineer and The Complacent segments are more likely to see themselves as less healthy than their peers so a potential rise in obesity rates will contribute to the segments growth.
- A rise in obesity rates will have a declining effect on The Achiever and The Outdoor Native segments.



The arrows show an increase or decline in the percentage of the segment that feels they're somewhat or less healthy than their peers. No arrow means the segment in 2020 will not be as heavily impacted by this macro shift and will remain close to the same.





# The Future of Innovation

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*The plus-size outdoor consumer gravitates toward companies with positive, inclusive messages, as well as toward products that accommodate the needs and concerns of people with larger body sizes. The following companies' open-arms mindset and messaging further inspire people to action.*

**Buddha Body Yoga.** Self-described "fat yoga" studios, like Michael Hayes' Buddha Body Yoga in New York City, strive to fight the industry's skinny-person stereotype, while proving that those struggling with obesity can be both able and active. The studio adapts traditional yoga poses for people who are larger or injured, enabling everyone to succeed and improve.

**#FitCurvesChallenge2016.** Kymberly Nichole, plus-size owner of the holistic wellness coaching service Well Fit Curves, is demonstrating social media savvy with her #fitcurveschallenge2016. Each month, Nichole delivers a new health or fitness challenge, buoyed by the support of an online community and access to Nichole's expertise.

**Penningtons.** This Canadian retailer has become an advocate for body diversity and size acceptance, specifically for active, plus-size women. For example, their ActiveZone brand helps consumers select clothing to suit their shape. Other initiatives include the yoga-focused #iwontcompromise campaign and the Step Forward walking groups, which consist of three organized, 20-minute group walks with a goal of 10,000 steps taken with friends.

**Juno Active.** Anne Kelly founded this specialty retailer after realizing the plus-size market wasn't able to find quality, high-performance activewear. The company gives special consideration to innovative fabrics and performance tailoring, alongside stay-in-place fits, which have resonated with larger consumers.



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# HEIGHTENED ATTENTION ON HEALTH

*A personal wellness mindset is at the forefront of current fitness and health trends. Consumers are spending record amounts, with categories such as healthy food and nutrition seeing 108 percent growth since 2010. Health and wellness is now a \$3.4 trillion business, backed up by actionable data on the benefits and necessity of achieving an optimal state of health—physically, mentally, emotionally and spiritually. Fitness has become an aspirational, total lifestyle pursuit, impacting people’s associations with what they wear, where they travel—even how they parent their children.*

*Specifically, the concept of “innertainment” is being led by enterprising visionaries taking control of their own destinies, providing the holistic blueprints for living a simple, more balanced life. This change in thinking influences the industry by bringing a focus to brain fitness and the strategies to achieve it, raising awareness of how physical workouts benefit the brain and recognizing that simply getting outside, in any way, can boost mental performance.*

### Health-minded statistics

Nearly three-quarters of consumers think wellness is going to become more important in the future, and more than half of consumers wish they had more support in leading a healthy life. Globally, the optimal age to achieve wellness is 34, and people are twice as likely to agree that it is easier for women to achieve wellness than men, a result of females being predominantly used as the face of this movement. Women say health and wellness goals are of ongoing importance to them and are something they plan to continue to invest in as they move through life.



WOMEN MAKE UP THE MAJORITY OF THE WELLNESS MOVEMENT ADOPTERS



Women are forecasted to control

**75%**

OF ALL DISCRETIONARY SPENDING WORLDWIDE BY 2028

### What the health-minded value

Wellness as a total concept is shifting from a perceived luxury to a fundamental human right. Holistic wellness devotees seek to live healthier, more balanced lives, emphasizing mindfulness, meditation and periodic digital detoxification. They embrace communities of like-minded individuals who practice together to help each other become more self-actualized.



**Scientific studies have shown that natural environments can have remarkable benefits for human health. Natural environments are more likely to promote positive emotions; walking in nature has been associated with heightened physical and mental energy.”**

*Eva M. Selhub, M.D., and Alan C. Logan, N.D., authors of “Your Brain on Nature”*

Millennials who embrace the wellness movement expect their employers to provide more health benefits and place higher value on companies that support a healthy workplace. Regardless of age, health- and wellness-oriented people are highly educated regarding general medical information and take an active role in monitoring their physical conditions. They favor holistic treatments whenever possible, from beauty and personal care products with 100-percent natural ingredients to juicing and exploring Eastern medicines.



Although they prioritize healthy living, this group also embraces technology through new health and fitness tracking apps, which 17 percent of all outdoor consumers use. Devotees of wellness practices are also very active on social media, and one-quarter of all females 13 to 32 years old, follow a “fitness guru” on social media. Demonstrating their wellness efforts—green juicing, destination yoga retreats or meditation events, for example—is a sign of status on social media, as well as a genuine opportunity to share tips, recipes and strategies.



### How the health-minded experience the outdoors

Creative systems designed for hitting pause and engaging in “me time” are increasingly popular, and these outlets encompass a broad range of activities. Popular approaches include personal meditation apps, short nature breaks integrated into the workday and sensory immersion using sound baths, floatation tanks, breathing sanctuaries and color-infused sleep pods.

New mindfulness training communities have emerged that are not about competition or even exercise. This type of group wellness often takes the form of organized meditation groups. Urban retreats and pop-ups offering meditation, alcohol-free evening events, participatory art therapy, sensory baths and yoga in public spaces, instead of private studios, are all new parts of this communal wellness trend.

“I think the whole country needs meditation. I don’t think it’s as much a question of who needs more or less—I just think it’s an important thing for people to be aware of, and to understand that you can have a practice in your busy, modern lifestyle.”

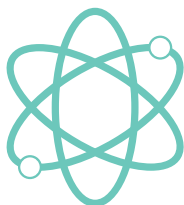
*Jesse Israel, founder of The Big Quiet*

Many wellness enthusiasts embrace eco-therapy, in which they find mental healing and growth through interaction with nature. Destination “fitcations,” close-to-home forest bathing and far-flung eco-camps are all built on the knowledge that simply getting outside is the cornerstone of human fitness. Destination wellness retreats, a \$440 billion industry that currently accounts for 14 percent of profits from tourism, will continue to grow as people look for more than basic vacations. Hotels are already introducing mid-meeting yoga sessions, meditation zones and stress-management therapy for business travelers who understand that emotional health directly affects work performance. Some companies offer employees a cash reimbursement when they go on a morning run or bike ride.



### How the health-minded will shape the outdoor consumer segments

An increased focus on creating a healthy U.S. population has led to a series of health initiatives to reduce the proportion of obese adults and increase the proportion of adults at a healthy weight. If these initiatives are met with success and more people move toward a healthier lifestyle, the larger obesity shift could be offset—as those who make this commitment would likely lead to the growth of The Achiever and The Outdoor Native segments and the decline of The Sideline and The Complacent segments.



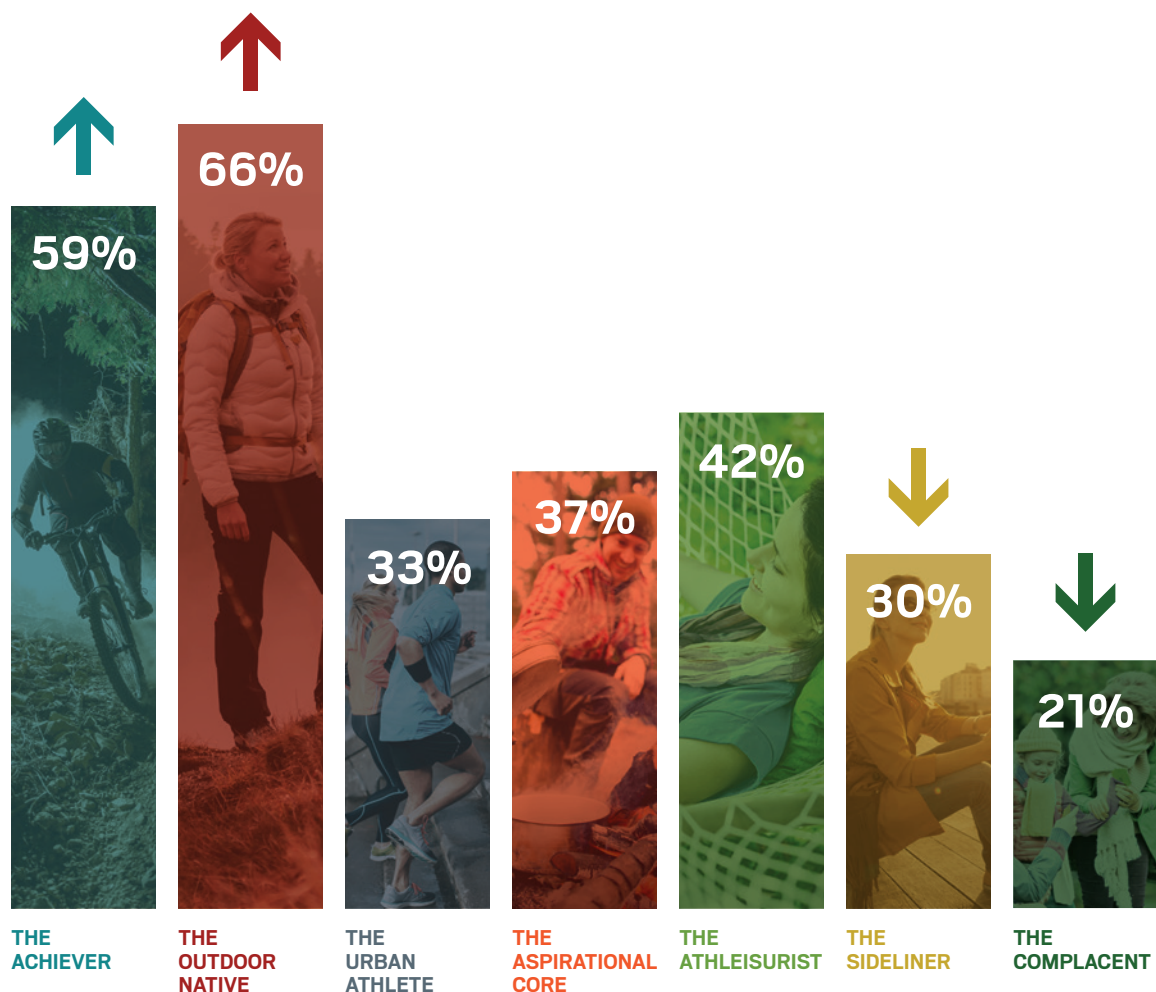
#### WHAT SCIENCE HAS TO SAY

*Studies in the International Journal of Neuroscience and by the American Heart Association have concluded that meditation can help you feel younger, decrease your risk for heart disease and stroke, help you lose weight and make workouts more focused.*

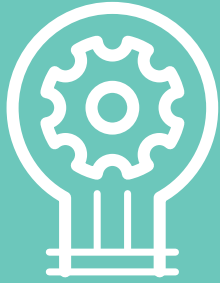


# SEGMENT PERCENT THAT FEEL THEY'RE MAKING A STRONG COMMITMENT TO A HEALTHIER LIFESTYLE

- Strong adopters of a healthier lifestyle, *The Achiever* and *The Outdoor Native* segments are anticipated to grow.
- Committing to a healthier lifestyle will be more difficult for *The Sideliner* and *The Complacent* segments, leading to a potential decline.



The arrows show an increase or decline in the percentage of the segment that feels they're making a strong commitment to a healthier lifestyle. No arrow means the segment in 2020 will not be as heavily impacted by this macro shift and will remain close to the same.



# *The Future of Innovation*

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*Many wellness consumers employ technology judiciously, using it in a variety of ways to achieve health and mindfulness goals, but also conscientiously seeking opportunities to unplug. The following companies achieve a similar balance that appeals to health-minded outdoor consumers.*

**87 Degrees.** This innovative program combines surfing lessons, life and business coaching and yoga to push the boundaries of personal and professional development. Participants strive to connect with like-minded people seeking holistic personal growth.

**Restival.** An ideal fit for those who want to unplug, Restival is a five-day, luxury eco-camp wellness festival in the Sahara desert. The gathering bans digital devices in favor of writing workshops, morning raves, sound baths, stargazing and guided meditation.

**Thync.** The first consumer wearable that enables swift shifts in mental states, Thync allows wearers to feel more calm or energized in minutes. The technology brings together innovations in neuroscience and engineering so wearers can better access their own abilities, as well as improve their lives.

**Wanderlust.** Recently opened as a brick-and-mortar arm of the Wanderlust Festival—a conscious gathering of yogis, meditators, sages and artists—is a fusion of classes and experiences, from yoga to nutrition, meditation to film screenings, wine tastings to jewelry making.



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# HISPANIC/ LATINO GROWTH

*The population of the U.S. Hispanic community is rising rapidly; in fact, 17 percent of outdoor consumers are Hispanic, making it one of the nation's fastest-growing demographics. This population powerfully influences mainstream culture, from food and music to the economy, health and wellness trends and environmental activism.*

## Who they are

Hispanics will make up 19.4 percent of the total population by 2020, whereas Caucasians will drop to 60.1 percent over the same time period.



IN 2015  
THIS GROUP  
YIELDED

# \$1.5 TRILLION

IN AMERICAN BUYING POWER

On average, they currently spend \$592 per year on outdoor apparel, footwear, electronics and gear, compared with \$465 spent by the average outdoor consumer. With a high annual spend and a growing population, Hispanic outdoor consumers will become an increasingly coveted and profitable segment.

At a median age of 28, U.S. Hispanics are young, with Millennials making up 21 percent of their demographic. Although the median household income is 30 percent lower among Hispanics, the gap will shrink as the working-age population increases. In the last decade, the number of Millennial Hispanic households earning between \$50,000 and \$100,000 increased by 89 percent. Female Latinas are the primary purchasers in 86 percent of households and are highly educated, recently exceeding non-Hispanic women in college enrollment. Hispanics are 50 percent more likely to buy new apparel for a new athletic activity, paying up to \$87 for the perfect athletic outfit.

Overall, this group is more likely to live in cities, particularly in California, Arizona, Nevada, Colorado, Texas, Florida and New York, where the majority of the population resides.



**How Latinos are already eating, traveling and shopping is having a big impact on mainstream culture. Understanding Latino attitudes and behavior today is a window into how Americans will think, feel and act in the future.”**

*Holly McGavock, planning director of the Wing Division of Grey Advertising*

As the Hispanic population grows, their levels of obesity are also rising, and they now rank second among the most obese populations. Over 60 percent of all Hispanic populations are either overweight or obese. According to the American Medical Association, the problem is growing in younger generations: 38.2 percent of Hispanic kids are struggling with weight issues, compared with 31.7 percent of all children in the general population. Only one-third of Latinos live within walking distance of a park, as compared with almost half of all white populations.

## What they value



Although Hispanics are likely to engage with environmentalist movements, they often simply associate green choices with a higher quality of life and pleasure, which motivates them to participate in outdoor activities. The Hispanic community overall has a strong focus on family, interacting with a wide range of ages and valuing the knowledge of past generations. In fact, Hispanics are less about conquering nature and instead passing down the value of getting outside to socialize and exercise to younger generations.

More than half of U.S. Hispanics ages 50 and older are foreign-born and have a strong affinity to the cultures of their birthplace, and three-quarters of these Hispanic adults speak at least some Spanish. They appreciate mainstream efforts to incorporate the Spanish language, acknowledge their culture and include the voices of Hispanic influencers in brand messaging and storytelling.





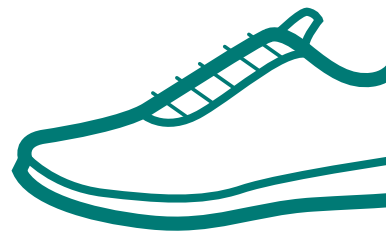
Throughout all of the channels they use to make lifestyle decisions, Hispanics are more ethically and holistically minded than other segments. Sixty-nine percent say it is important for a company to act ethically in their business practices, especially in terms of sustainability. They expect a more holistic approach to beauty, sports and nutrition, preferring alternative medicine to standard medical practices.

Having higher incomes and being early adopters of technology, 80 percent of Hispanic adults are on social media, compared with roughly 72 percent of non-Hispanics. Highly influenced by friends and family, 14 percent share information about a product via a social network, compared with 6 percent of non-Hispanics, and 46 percent take social shopping to the next level, buying products via Facebook on the advice of friends and family.

### **How they experience the outdoors**

There is a rising movement within the Hispanic community to return to a cultural tradition of getting outside together—both as families and with like-minded peers. Hispanics appreciate activities that allow them to be active and spend time with family and friends, whether simply going for a walk or playing with their kids at the park.

Running is the number one outdoor activity among Hispanics for both older and younger generations, and the number of Hispanic runners is up 56 percent in about the last ten years, according to the National Sporting Goods Association. Hispanics and Latinos also embrace biking, dance, soccer, hiking, camping and conservation activities.



“**If women are the current boom of running, are minorities the next boom? As a sport, we absolutely need to be looking at and concerned with and working toward a more multicultural balance.**”

*Rich Harshbarger, CEO of Running USA*

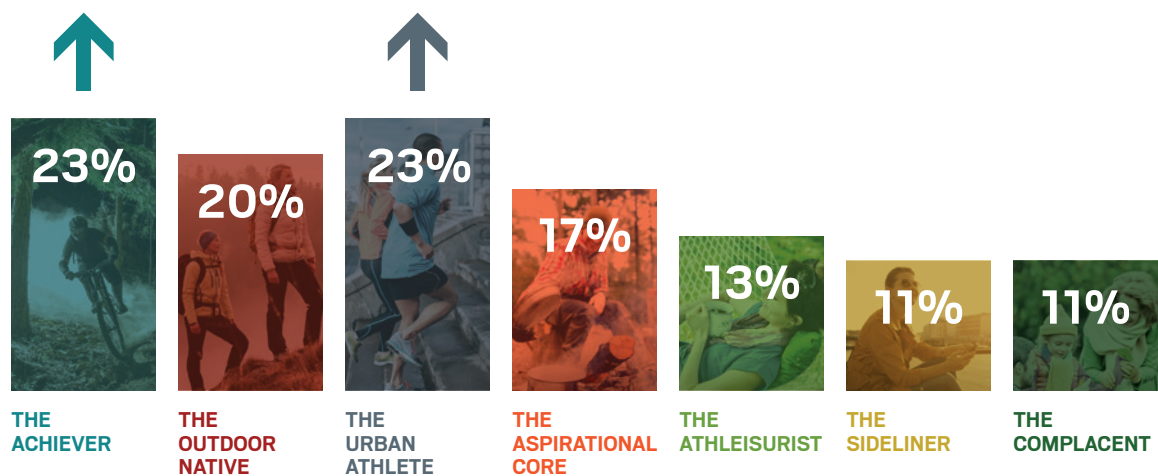


### **How Hispanic/Latino growth will shape the outdoor consumer segments**

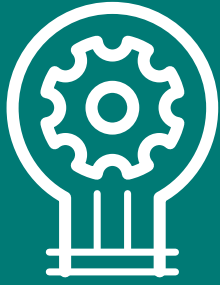
Currently, The Achiever and The Urban Athlete segments have the highest proportion of Hispanics, based on their youthful skew and urban influence, whereas The Sideliner and The Complacent segments have the lowest proportions. As the Hispanic population continues to grow, this will likely impact the segments that already have a larger proportion of Hispanics, as well as in segments that skew younger (Hispanics have a median age six years younger than the average outdoor consumer). Taken together, these trends suggest growth for The Achiever and The Urban Athlete segments.

# SEGMENT PERCENTAGE OF HISPANICS/LATINOS

- The Achiever and The Urban Athlete segments have the highest percentage of Hispanics, so Hispanic growth will most likely impact these segments the most.



The arrows show an increase or decline in the percentage of Hispanics/Latinos within the segment. No arrow means the segment in 2020 will not be as heavily impacted by this macro shift and will remain close to the same.



# The Future of Innovation

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*Companies that appeal to Hispanic cultural values, such as family and sustainability, find success with this demographic.*

**Latinas in Motion.** Inspired by organizations such as Black Girls Run and the National Black Marathoners Association, Elaine Gonzalez Johnson founded the Philadelphia-based group Latinas in Motion, which has grown from her five friends to 2,000 members with chapters in ten states.

**Latino Outdoors.** California-based Latino Outdoors has expanded into an international volunteer network, putting families and youth in touch with outdoor activities and empowering local communities to explore and contribute stories defining their identity as outdoor consumers.

**REI.** A true leader in motivating underserved demographics in the outdoor industry, REI has emerged as a sponsor of multiple Hispanic efforts such as #LetsCamp, in which they worked with well-known chef Aarón Sánchez, who also blogs about his childhood memories of family camping in Mexico, to create campfire cooking contests, blogs, tweets and Instagram posts.

**JC Penney.** By launching an emotional, high-profile campaign tied to last year's World Cup, the retailer focused on Latina shoppers with a multichannel media push targeting female sports titled "Soccer is for girls."



# SUMMARY AND OPPORTUNITIES

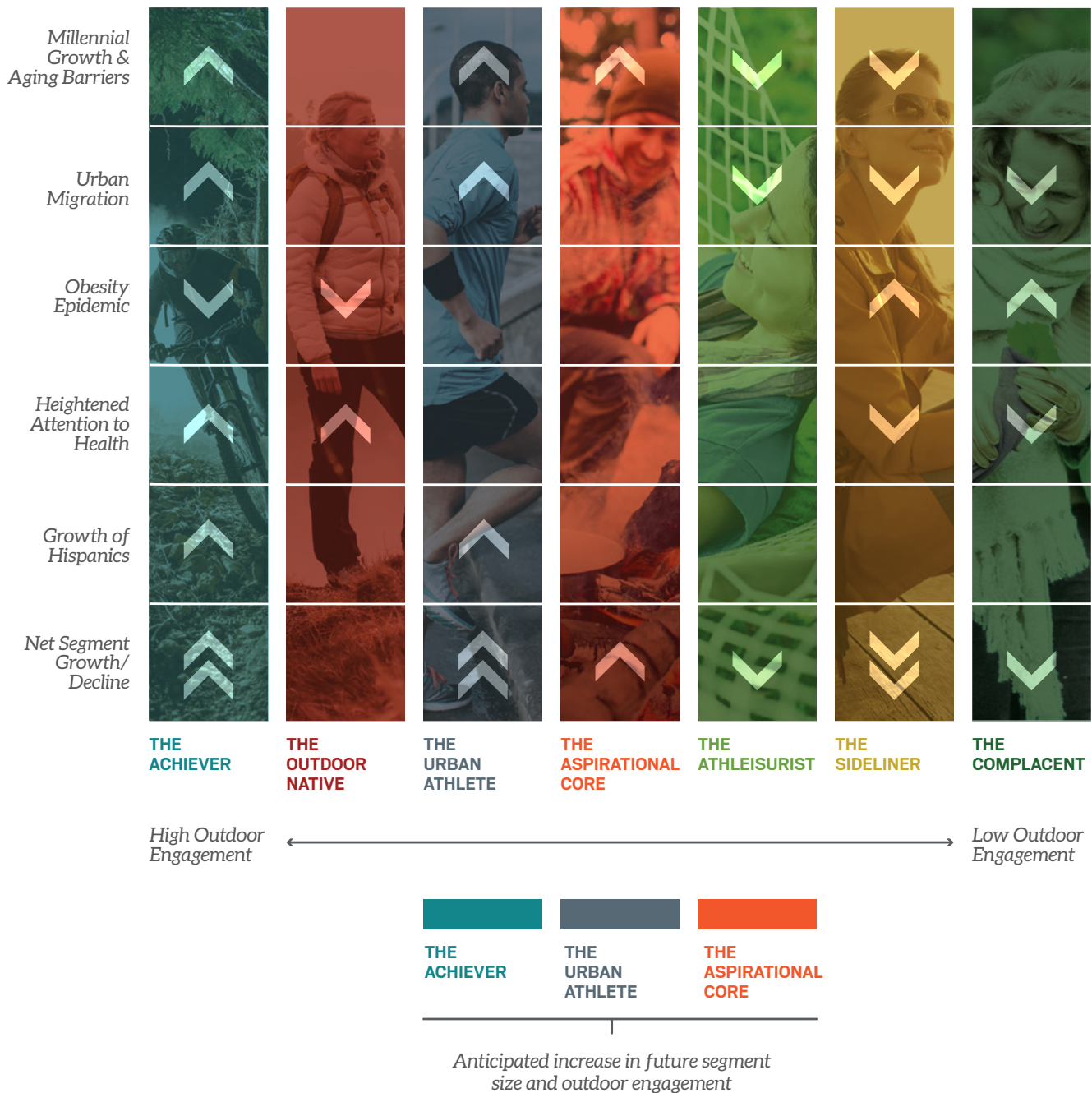
*Looking toward 2020, a fundamental challenge for the outdoor industry is that today's core outdoor consumer is not the same as tomorrow's. Understanding and adapting to the shift in values and behaviors of these diverse consumer segments will drive tremendous change and opportunity in both the manufacturing and retail business environments, as these consumers look to have a greater influence on the production, distribution and consumption of goods to meet their needs. The industry must also embrace the impact of technology across all aspects of their consumer's lives, it is intrinsically changing the way they shop, communicate and recreate.*

*The key demographic, economic and social changes facing the U.S. in the next several years are likely to impact the outdoor consumer population and the size of the segments within it. Looking forward to 2020, we expect to see significant increases in the size of The Achiever and The Urban Athlete segments—thanks to the influences of Millennials, urban migration, a growing Hispanic population and a heightened focus on healthy lifestyles—as well as a modest increase in the size of The Aspirational Core, attributed to the rise of the Millennial population. On the other end of the spectrum, we are likely to see significant decreases in the size of The Sideliner segment and moderate decreases in the size of The Athleisurist and The Complacent segments—in connection with the influence of Millennials, urban migration and an expanding emphasis on health. Rising obesity rates will likely shrink the numbers of The Achievers and The Outdoor Natives and increase The Sideliner and The Complacent segments, but these effects are expected to be offset by the other four aforementioned shifts.*



# Looking Towards the Future: Macro Shifts

## NET IMPACT ON SEGMENT SIZE



Arrows show an increase or decline in segment size based on the five macro shifts. The more arrows, the greater the anticipated impact in 2020. No arrows means the segment is not expected to be as heavily impacted by the macrosifts and remain close to the same size in 2020.

## **Methodology**

In the summer of 2014, both qualitative and quantitative research was conducted by Egg Strategy. One-on-one interviews, as well as outdoor participation videos from outdoor consumers were analyzed and used to inform the development of the quantitative survey. A total of 2,563 online surveys were completed by a national sample of outdoor consumers ages 18 to 65. Quotas were set for particular ethnic groups to ensure representation similar to the distribution of those groups in the U.S. population (e.g., Blacks/African Americans, Hispanics, Asians). To qualify, respondents were required to meet the following criteria:

- *Spent at least one hour outside per week*
- *Participated in a variety of outdoor activities at least once in the past 12 months (out of 24 traditional outdoor activities and 24 nontraditional activities )*
- *Purchased apparel, footwear or equipment for use in outdoor activities*

Although all surveys are subject to sampling error, the sample of 2,563 provides a high degree of statistical accuracy (plus or minus 1.9 percent at a 95 percent level of confidence). For example, if we estimate that 62 percent of outdoor consumers participated in swimming at least once in the past 12 months, actual participation could be as low 60.1 percent or as high as 63.9 percent. Note that accuracy varies by segment depending on the sample size within each segment.

A weighting technique was used to balance the data to represent the eligible U.S. population ages 18 to 65. The weighting process was designed to ensure that the final sample of completed respondents accurately reflects the population of qualified consumers on key demographic characteristics.

The segment forecasts were yielded through a four-step process:

1. Data were collected from a variety of sources to assess demographic, economic and social shifts expected to happen through 2020.
2. Variables related to these shifts were correlated with segments to provide insight into which variables are likely to be related to changes in segment size over time.
3. The distributions of variables likely to be related to changes in segment size and value over time were examined to identify which segments are most likely to be impacted by which demographic, economic and social shift.
4. Based on all of these analyses, a holistic evaluation was conducted to assess how these macro shifts are likely to impact the size of each consumer segment over time.

## **Acknowledgements**

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## **About the Outdoor Industry Association**

Based in Boulder, Colo., with offices in Washington, D.C., Outdoor Industry Association (OIA) is the leading trade association for the active outdoor lifestyle industry and the title sponsor of Outdoor Retailer. OIA supports the growth and success of more than 4,000 manufacturers, distributors, suppliers, sales representatives and retailers of outdoor recreation apparel, footwear, equipment and services. For more information, go to [outdoorindustry.org](http://outdoorindustry.org) or call **303.444.3353**.

<sup>i</sup>Traditional activities included: trail running, running/jogging (outdoors), mountain biking, bicycling (on a road/paved surface), rafting, bird watching/wildlife viewing, fishing/fly fishing, skiing (alpine/downhill), skiing (cross-country), snowboarding, rock climbing (outdoor), boating/sailing, kayaking, canoeing, stand-up paddle-boarding/windsurfing, surfing, day hiking (not overnight), car camping, camping (e.g., walk-in, hike-in), backpacking (overnight), hunting, water skiing/wakeboarding, swimming (in a pool, lake, ocean, etc.), participating in a running race (e.g., 5K, 10K, marathon, triathlon)

<sup>i</sup>Nontraditional activities included: walking for enjoyment (e.g., around a city, neighborhood), walking for a specific purpose (e.g., walk the dog, run errands), commuting to work/school by bicycle, playing outside, relaxing outside, going to the beach, going to a park or playground, golfing, doing drills, boot camps, etc. outside, outdoor yoga (e.g., on the beach, in a park), horseback riding, geocaching, playing team sports outside (e.g., basketball, soccer, volleyball, frisbee), barbecuing or picnicking, gardening/doing yard work, attending outdoor concerts or festivals, attending community activities (e.g., farmers' markets, fairs, parades), tailgating or spectating an outdoor sporting event, participating in an obstacle race (e.g., Tough Mudder), parkour, paintballing, sightseeing, scenic-driving/road-tripping, skateboarding

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