

The Outdoor Industry Compass

News and analysis of the international market



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Boundaries were redefined at the EOS in Interlaken

One of our senior editors, **Wolfgang Greiner**, introduced an interesting roster of speakers at the **European Outdoor Summit (EOS)** that took place in the Swiss city of Interlaken last month. As the only European business publication in the sector, we have decided to deliver a special issue of the **Compass** to summarize some of the highlights of the convention, inviting our subscribers and other outdoor industry managers to the next EOS, which will be held in the French city of Annecy one year from now.

The organizers of the EOS stated that its seventh edition in Interlaken was "a resounding success," although the number of delegates declined to just

over 200 from 300 a year ago, when the highly dynamic **Scandinavian Outdoor Group (SOG)** played host. There is no similar industry association in Switzerland to pull local industry officials to a big international event like this one.

The 200-plus managers who attended the EOS in Interlaken came from 13 countries, led by Germany, the U.K., Italy and Switzerland. Many of them said they liked what they heard, the setting and the opportunity to meet and exchange information and ideas with their peers – the kind of "networking" that is difficult to do during a trade show. Some of them enjoyed their participation in side events such as the morning running sessions with **On** or the **Vibram Tai Chi**.



The conference room at Interlaken's casino.

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- Special Interlaken EOS Issue -

As promised in our last issue of **The Outdoor Industry Compass**, here is a special issue of our international business publication with a detailed coverage of nearly all of the interesting speeches and breakout sessions of the latest **European Outdoor Summit (EOS)**, which took place last month in Interlaken, Switzerland. It comes with pictures that were taken by **We Are MERCI**.

In contrast with the regular issue of the **Compass**, which is only reserved for paying subscribers, we allow you to circulate this one widely within your company and outside for three main reasons:

- to convince more managers to attend the EOS in the future, including the next one in Annecy;
- to expand the circle of our subscribers and thus help finance a major re-engineering of our news service;
- and to do help our planet:

For any new subscription orders collected between now and the end of this year (excluding subscription renewals), we shall donate 20% of the proceeds to the **European Outdoor Conservation Association**.

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Mark Held, president of the EOG, with Wolfgang Greiner, moderator from the *Outdoor Industry Compass*.

This time, the delegates were also treated to a beautiful selection of interesting films extracted from the rich library of the **Kendal Mountain Festival** in England, with extraordinary footage on a variety of individual and collective outdoor sports activities from different parts of the world. As indicated by the presenter, **Steve Scott**, they highlighted the pioneers, the change-makers, the creatives and the disruptors in the outdoor world.

“Redefining boundaries” was the central theme chosen by the **European Outdoor Group (EOG)** for this year’s EOS, and it was reflected in many of the speeches that we are summarizing here below. **Mark Held**, president of the EOG, said at the outset of the convention that redefining boundaries and the development of new messages have become necessary because of the tremendous change that the sector is undergoing, with many companies introducing new, disruptive technologies.

From More to Better

This was the title of the energizing opening keynote speech delivered at the **European Outdoor Summit (EOS)** in Interlaken last month by a leading futurist, **Anne Skare Nielsen**, to explain “why the next 10 years will be amazing.”

She suggested looking at the future as “a game” where we can change the rules established by society. We are no longer living in a world where we are looking for “more” because we are afraid of running out of resources, she noted.

If we continue to operate in “tribal mode” like prehistoric humans, she said, our victories will automatically lead to someone else’s defeat. We ourselves will lose the game, she added, by trying to “get stuff under control,” and soon find ourselves in chaos and apathy.

Skare Nielsen proposed that we should stop craving for more money, more customers and more employees, and switch to a planetary “better” mode where we would seek to conquer ourselves rather than the world around us, questioning our role in society and longing to make a positive impact. By breaking the rules, we would dream a better future, she said.

On the other hand, she admitted, the “game of the future” is becoming increasingly complex because of the progress of technology. Eventually, she said, the rewards will be given to “rebels with ideas and passion.” We would add key words such as “innovation” and “creativity,” which are often lacking in the current offer of products in the outdoor market and the ways in which they are presented to the customer.

As we are smarter than robots, we should concentrate on things to do that robots can’t do, said the Danish futurist.

The EOS convention was about “breaking boundaries.” Appropriately, Skare Nielsen said that we should break the stupid established rules of the past and improve on them through a game where “visionaries” and “rebels” experiment with better solutions together with other members of a team or community. The result will be “a game where we can all win without anyone losing.”

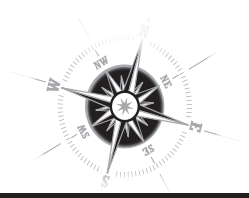
The rebellious and visionary attitude toward the game of the future will require a sense of “magic” to respond to very annoying and irritating situations, like the breakdown of a computer during the broadcast of a football game. “Find your magic and the irritation that you can cope with, and you will be unstoppable,” said the speaker, showing images of strong men full of muscles.

She proposed that we should take a neutral attitude about the future, going for “the magic” and looking for fun instead of worrying about what we should do next. “Don’t plan your mindset and be open to new challenges,” said Skare Nielsen.

She also insisted that we should share the “magic” with other people as part of the “game of the future.” In addition, she pointed out that the team spirit she advocates is in tune with the “hyper-connectivity” that is characteristic of communication through the



Anne Skare Nielsen.



internet. Skare Nielsen, whose consultancy is called **Universal Futurist**, drew an interesting parallel with the movement of the universe, which is constantly expanding, creating chaos.

So, she argued, the trick is to be a rebel and break the rules of the game of the future by being a visionary and a “technology booster,” especially when we find something to be really annoying, instead of getting infuriated and smashing things.

In sending out an optimistic message at the beginning of the convention, Skare Nielsen said that it’s all a matter of getting organized to do things better. She said that we should aim at getting better things rather than more things, such as better food and better television, or climbing up a mountain without a smartphone. We must get rid of useless products to be happier, she added.

In our view, the search for a better life rather than the quest for more money and more products has already begun among the younger generations, judging from research reports recently conducted in the U.K. and the U.S., influencing consumption trends and the general economy. Members of Generation Z like to share experiences, and they would rather rent equipment or a house than own it, also in the name of a circular economy.

Elevating customer experience and creating communities

Consumer trends are changing rapidly, due in part to the increasing use of the internet, leading brands to redefine the boundaries of consumer engagement. As **Pippa Goodman** of the **Foresight Factory** pointed out at the beginning of her speech at the **EOS**, recent research commissioned by her London-based consultancy has shown that 52 percent of European consumers prefer to spend their free time inside rather than outside - which is not good for our sector.

They prefer to be cocooned unless there is something really engaging that attracts them outside their homes. We

would add that this syndrome, which is particularly acute among Danish youngsters, according to the research, may explain in part why the outdoor market has been relatively flat in Europe lately.

In reality, people want the best of both worlds – inside and outside. They want an omni-channel experience. While they have a tendency to browse the internet to find the best possible product or service, 44 percent of Generation Y consumers still go shopping downtown at least once a week. Furthermore, 66 percent of European customers of all ages plan to go on holiday at least once in the course of the year.

On the other hand, the internet has led more and more people, particularly Spaniards, to conclude that they need to have better ways of evaluating the quality of products and services before they buy them. They have become more cautious in their spending. No less than 58 percent of Generation Y consumers tend to check the reviews made by other consumers online about products and services at least once a week, compared with 43 percent of Generation X consumers and 29 percent of Baby Boomers.

As they are placing more value than before in terms of time and money on their own physical presence in any stores, consumers are becoming more selective about them as well as other places and any kinds of leisure activities. They have to feel that going to a store is worth their personal engagement by meeting people, cultivating values and responding to their personal needs. The experience must be rewarding.

Goodman suggests that brands should strive to “elevate” the customer’s experience in many different ways, as more of a person’s daily life is moving online in these days. Brands should also make use of advanced technology to sell “real things.”

Goodman also proposed that brands should create “communities for consumer engagement in the age of peer power” through special internet apps and otherwise – for example, with the help of influencers. She pointed out that 43 percent of European consumers like it when brands comment on posts about them in the social media, reaching ratios of more than 50 percent in Poland and the Netherlands.

Furthermore, 69 percent of Gen Y customers like that they are getting exclusive benefits from brands by being part of a community of like-minded people.

While 45 percent of European consumers feel that their personal data should remain secret, the others are willing to give them away – as a form of currency— if they can get a discount or a more personalized experience that is really meaningful for them.

Nike does this very well with its experience store in Los Angeles, where only the members of its community can shop, finding products that are “reserved for you.” In India, **Flipkart** offers specific products based on the age of the consumer.

Goodman stressed the importance of “gamification” to better connect with consumers and keep them loyal. The experience being offered to them should be new and intriguing as well as rewarding, she added, indicating as an example what **REI** does for the members of its retail cooperative in the U.S. to recognize physical effort and achievement.



Pippa Goodman.



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Goodman also said that 71 percent of European consumers feel that companies should be penalized if they fail to care for the environment.

Speaking about the Baby Boomers, who are now over 60 and will represent 28 percent of the European population by 2025, Goodman said that they tend to engage in anything related to sustainable living, everyday activism and “moderation mantra.”

In any case, Goodman pointed out, the experiences offered to “ageless consumers” must be real, inspiring, genuine, relevant and meaningful.

Become a Change-maker in the Sharing Economy

The “Sharing Economy” has been the biggest revolution since the Industrial Revolution, according to **Benita Matoska**. It consists in going beyond commercial values by including social and environmental values in which companies operate, contributing to a circular economy in the face of pressing problems such as poverty and climate change.

She said that such a major change in a company’s culture can double its revenues in one year by becoming part of the communication with consumers.

Her speech at the EOS was about the ability and willingness to change and to share, adopting a “brave” and positive mindset. She encouraged managers to “put love at the heart of the business,” indicating that they are certain to receive a payback in the future. She said they should strive to bring “sustainable change,” taking into account the impact on future generations.

Matoska has studied this new business model by interviewing 200 entrepreneurs in various countries and sectors, and found that it is generally based on a collaborative approach to finding solutions to existing problems. The cases she mentioned include:

- The **Lena** fashion library in Amsterdam, where people can borrow clothing and build a community around it, accessing a shared resource and contributing to sustainability
- The **Mutterfly** platform in India, which allows people to borrow second-hand products
- A repair shop in Barcelona where amateurs can also share their skills with others
- **REI**’s rental program in the U.S.
- A “Good Karma” program that connects consumers with ethical brands
- The **Trust Café** in Amsterdam, where people only “pay as you feel,” based on their income

Matoska has written a book about these and other cases, called **Generation Share**. The paper of the book is made of commercial waste. Financed through crowd-funding, it will generate proceeds that will be used to plant trees and to help girls living in slums to attend a school in Mumbai.

The book is available on **Amazon**, and **Andrew Denton**, the chief executive of the **Outdoor Industries Association** of the U.K., ordered a copy during Matoska’s speech.

Industry managers discuss climate change with youngsters

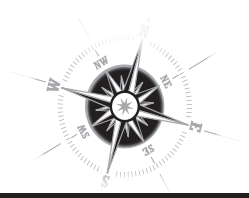
The emotional pitch made by **Greta Thunberg** at the United Nations in New York on Sept. 23, begging political leaders to stop climate change, made the front page of the issue of our **Outdoor Industry Compass**, which came out just before the **European Outdoor Summit**. The young Swedish girl, who went on strike from school every Friday to plead her cause, has started an international movement called **#FridaysForFuture (FFF)**, rallying more than 10 million young people all over the world around the same cause. They have staged more than 50,000 events, including 49,000 strikes, in 6,300 cities in 215 countries.

At the European Outdoor Summit, outdoor industry executives were invited to measure “the temperature of the street” by confronting their views on what should be done about climate change with those of four students from the **University of Zurich** and the **Swiss Technical University** who are members of the Swiss chapter of the international **#FridaysForFuture (#FFF)** movement.

Decision-makers participating in the EOS were able to gain valuable insights into the attitudes of a highly connected Generation Z community around a theme in which the outdoor industry is also deeply involved. It’s a community of youngsters who are committed to preserving nature and who could be their customers as well as their future employees.



Benita Matoska (right) picks future “change-makers” from the audience.



The breakout session with #Fridays ForFuture.

Organized and presented by **Kai Landwehr** of **myclimate**, this particularly interesting interactive breakout session involved four round-table discussions with the four students that lasted almost two hours instead of one hour as originally scheduled. The participants were relatively calm and thoughtful, with nobody arguing or trying to impose a particular point of view without considering the others. Questions were asked, answers were sought, options were considered and possible solutions were discussed.

As Landwehr put it afterwards, “there was no blame or shame,” and “students and managers could really feel that they were sitting in the same boat.” The managers realized that the members of the #FFF were “not just raging kids,” but “serious people dealing with serious problems.”

A young girl who is studying agriculture as a science said: “We are scared, and you should be scared, too.” Landwehr came away with the impression that the managers who joined in the session had realized that they are part of the problem through their supply chain, and that they should put sustainability higher up on their agenda.

For the students, it was good to learn what some of the companies in the outdoor sector are doing against climate change. “The first meeting with the students of #FFF was very posi-

tive. Now we should take the next step and continue to build awareness on both sides to find solutions,” said **Michael Jacob** of **Primaloft**, which is committed to going fully sustainable.

He noted that #FFF is intent for the moment on building awareness about the global warming problem, although there are plans for #FFF to start working with the different industries to understand the processes better. He said that Primaloft is very open to joining such working groups, but felt that it should be the role of the **European Outdoor Group** to act as a mediator and a driving force.

Myclimate's work and its vision

Myclimate is a foundation that works with many clients worldwide. Based in Zurich, it has a total of 80 employees, some of whom operate out of Germany and Austria, provide consulting services and education about climate control, helping companies to develop carbon offset projects. At the **EOS**, **Kai Landwehr** told the audience about its vision of working toward a “net-zero society” where each person would generate a maximum of 0.6 tons of CO₂ per person per year.

Landwehr introduced one of myclimate's clients, **Oberalp**. An official of the Italian company in charge of sustainability, **Marta Pellegrino**, showed how 85 percent of its environmental impact comes indirectly from its sup-

pliers and the balance from business travel and the operations of the company's offices and retail stores.

Starting in 2017, Oberalp has made use of the myclimate **smart 3** software solution, complemented by tailor-made extensions and add-ons, to collect data annually and then evaluate and manage its efforts in the area of sustainability. The software has enabled the company, which owns **Salewa** and other brands, to continuously monitor key

performance indicators and trends, while benchmarking its various facilities and highlighting hotspots.

Last year, for example, the software enabled Oberalp to show the facilities that needed improvement in electricity consumption at its Italian stores, and to monitor the positive effects of new policies and projects.

Myclimate started to engage with the outdoor industry in 2010 through a pilot project on performance fabrics with **Odlo**, which eventually led the brand to put out a climate-neutral first layer, **Ceramicool**, two years ago. Myclimate has also been working with **Vaude** and is talking to other companies in our industry. It is partnering with the **European Outdoor Group** in offsetting all its business travel, and it is the “official climate partner” of the **EOS**.

Landwehr pointed out that better management of a company's environmental impacts can help make useful business decisions about its operations. It can foster customer loyalty, setting it apart from the competition, while motivating the staff.

In this context, **David Ekelund**, chief executive of **Icebug**, called on other brands in the outdoor sector to follow its example. As we have already reported in the **Compass**, the Swedish firm is probably the first producer of outdoor shoes to have become climate-neutral. It fulfilled this objective



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Richard Leedham.

early this year – in only six months and one year ahead of schedule – with the help of a Taiwanese manufacturer that is one of its shareholders (see the *Compass* Vol. 12 N° 11+12 of June 28, 2019).

Outdoor Gear for Good

Richard Leedham, who recently left as president of **Berghaus**, presented a new British program, called “**Outdoor Gear for Good**,” that will take the outdoor apparel industry’s excess inventory at no charge from its warehouses, freeing up space. The inventory will be recycled and the proceeds will be redistributed to charities. The participants will get a special label that can be used for positive communication to the public.

The program has just been approved by regulators. **Equip Outdoor**, the parent company of **Rab** and **Lowe Alpine**, has agreed to participate in the pilot project, whose results will be shared with the **Outdoor Industries Association** of the U.K. and the **European Outdoor Group** for replication in other countries.

Leedham described the program as “an outdoor industry solution to managing our unwanted inventory in the

most effective and environmentally friendly way.”

The project is also a response to a growing demand for the establishment of a circular economy in a market where **Greenpeace** and other pressure groups are asking the outdoor industry to “detox now” by eliminating PFC’s and other toxic substances from their products, he said.

Leedham noted that, every second, the equivalent of one garbage truck of textiles is put in a landfill or burned. That includes the waste produced by the apparel companies themselves in the form of sales samples, faulty returns, test products or outdated inventory.

Companies like **REI** and **Patagonia** are reacting with “re-use” or “worn wear” programs that are benefiting their environmentally friendly image, Leedham noted.

We might add the “**Clothes the Loop**” program launched by **The North Face** last year or the older “**Gift Your Gear**” program pursued by **Sarah Howcroft**, a co-founder of the British **Rohan** chain of outdoor and adventure travel stores, which provides second-quality clothing to people in need to support their participation in outdoor activities.

The store as a medium

The physical store has a future, according to one of the speakers at the conference, **Magnus Ohlsson**. It can stand up against the “apocalypse” created by the internet and e-commerce as just another type of media, creating a halo effect around its banner and becoming a brand.

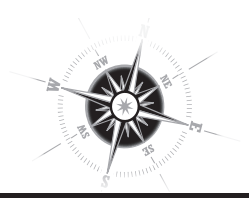
Furthermore, he indicated, “bricks impact clicks” in today’s growing omnichannel environment. The Stockholm-based retail strategist and headhunter cited research which shows that the overall traffic to a retailer’s website tends to increase on average by 37 percent after it opens a new physical store in a specific market. For brands that are less than ten years old, new store openings drive an average 45 percent increase in web traffic. Conversely, web traffic can drop by 50 percent after the shutdown of a store operating under the same brand name.

Offline retailers are struggling, and their customers are confused, because “we entering an age of acceleration” where everything is happening faster, he noted, with lots of information overload, information pollution, instant messaging, “internet data smog,” delayed decisions, stress, distractions and other factors.

The time needed to reach the customer has shortened, said Ohlsson, and the use of artificial intelligence has made it easier for customers to shop online. He added that the pace of disruption has increased exponentially with the smartphone and many other devices,



Magnus Ohlsson.



compounded by the increasing reliance on social networks, **Amazon's** deployment across all kinds of sectors and the advent of many new online retail players. The main victim has been what he called "the retail zombie – the living dead that still stumbles towards an uncertain future."

Ohlsson spoke at the **EOS** against a trend toward constant promotions designed to attract customers, which are sucking the retailers' margins. He spoke in favor of a new approach to marketing and branding in retailing in the digital age, with more effective communication of its values.

The effectiveness of marketing initiatives has declined in recent years, but Ohlsson suggested that it can increase with the added notion of "activation." Furthermore, the brick-and-mortar retailer should capitalize on the relation with the consumer, which distinguishes it from other types of retail channels focused on information and transactions.

According to the speaker, there are eight different ways to differentiate the physical store and to build up its brand image: lifestyle, entertainment, ethics, esthetics, escapism, education, shoppability and navigation across different channels.

Many stores are ugly, said Ohlsson, but others are beautiful and attractive. He showed images of many retail brands that are doing things correctly, including **Starbucks**, **Toms**, **Tommy Bahamas**, an "experiential" food store in Shanghai and another "sensorial store" in China. One of them depicted a store that sounded an ethical message with a sign that read: "We're in business to help improve lives." Another model of ethics is **Arkivet**, a store in Stockholm that sells second-hand luxury handbags and clothing.

Redefining a faster supply chain

The supply chain has been getting faster and faster. The process that goes from the design and development to the distribution of a product for a

particular season has been shortened in the last few years, taking only about 11 months instead of 18 months.

Many fashion companies have reacted to this system of seasonal collections by introducing a process of fast fashion. The result is the constant new offer of trendier products, but a British consultant, **Malcolm Newbery**, pointed out that it forces the company to work with quick-response manufacturing plants and to transport the goods by road or by air.

Newbery suggested that such a process is more difficult to implement for the outdoor sector because it is weather-dependent, reducing the accuracy of the forecasting. Besides, the use of special fabrics and the production of highly technical products necessarily reduces the choice of the manufacturers.

He recommended using some standardized fabrics for quick response to new market trends, but warned that manufacturers in countries like Bangladesh and Vietnam are generally unable to adopt the faster mode.

In any case, he said, brands must redefine their supply chain because consumers are demanding. They can go elsewhere to buy the products they want, and they can shop on alternative sales channels, particularly e-commerce.

Newbery suggested changing the way in which companies work with fabric and garment suppliers, on the one hand, and with retail clients and end customers, on the other. He contrasted what he called the previous "egg-timer" model, where everything goes through a traditional buyer-seller relationship, with a more modern "kite" model, where all collaborators work with their opposite number. While the "egg-timer" requires that everything go through a single point of contact, the "kite" model calls for collaboration inside the company.

Pricing, sourcing and stock control should all be inter-connected, he said during a break-out session after his keynote speech. It has become a must

in today's new omni-channel world, he indicated. However, he noted, different prices tend to be offered in different channels, leading consumers to "cherry-picking" on price comparison websites. Newbery suggested seven different ways to get around the problem of omni-channel sourcing and pricing. For example, wholesale clients may be asked to make forward orders earlier to allow for longer lead times that will help reduce costs, or they can take short in-season orders for production in Turkey or North Africa, which would require shorter lead times than manufacturing in the Far East.

On the other hand, a brand can obtain higher margins from placing items on its website or a third-party online store only when they arrive from low-cost manufacturers in the Far East that require longer lead times. The same goes when it comes to deciding who should stock the merchandise and when, but in this case, the highest margins can be obtained by allocating the stock first to the brand's own physical and online stores.

Spiders and silkworms have led to Biosteel

A German company founded in Munich in 2008, **Amsilk**, showed at the **European Outdoor Summit (EOS)** in Interlaken last month how it has been able to continuously spin a highly sustainable skin-friendly, lightweight fiber that is tough and elastic at the same time, called **Bio-steel**, by copying the process by which spiders and silkworms extrude their silk. The process relies on bacterial fermentation and uses renewable energy.

The presentation was in line with the central theme of the convention, which focused on different ways in which the outdoor sector can "redefine boundaries." The speaker, **Martin Lankes**, indicated that "bio-fabrication" processes like that of Amsilk are opening new frontiers in sustainability by making use of biomass to obtain new materials that are biodegradable, as the production of wool, leather and algae does naturally.



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While spiders and silkworms are the closest examples, the process used in the production of Biosteel follows the same general pattern as sheep eating grass to produce wool. First developed with a proof of concept in 2011, it is a material that is spun out of protein, following a process that imitates the amino-acid sequence. The product is also vegan, anti-bacterial and odor-free.

Amsilk started its pilot plant in 2014. Two years later, **Adidas**, a sports brand whose head office is not far away from that of Amsilk, presented the prototype of a sports shoe whose upper is made of Biosteel. However, Lankes indicated that Amsilk has only recently started to spin the material continuously from its new pilot plant in Munich, and it is now aiming to produce significant volumes for the commercial needs of this and other brands.

Lankes, who joined Amsilk in the spring of 2017 as senior product manager for its fiber business, previously worked for Adidas, as well as for **Helly Hansen**. He started his career as a textile engineer in the development department of **Patagonia** more than 20 years ago. Prior to joining Amsilk, he served as brand manager for **Gentic** at **Skylotec**. Lankes is capitalizing on his experience as a former employee of **W.L. Gore & Associates** in presenting Biosteel as a new ingredient brand.

The first serial production model using Biosteel was a bracelet marketed by **Omega**. It was launched by the Swiss watchmaker earlier this year as its first item carrying the label of an ingredient brand. Amsilk has also been working with **Airbus** on the use of Biosteel in certain components. Applications are also envisaged in the automotive, medical and other sectors.

According to Lankes, bio-fabricated materials like Biosteel will be a strong topic for the outdoor industry by 2023. In his presentation at the EOS, he said that it could be an excellent alternative to plastics, whose production, if current trends are maintained,

is expected to grow from 311 million tons in 2015 to 1,120 million tons by 2050, according to a study by **McKinsey & Co.** presented at the **World Economic Forum** in 2017.

By the way, Amsilk is not the only company to have taken its inspiration from the natural way in which spiders extrude their web in the development of a new biodegradable fiber.

Spinnova, a Finnish textile fiber start-up that is partnering with **Bergans of Norway**, has followed a similar process, as we have already reported in our last issue of the *Compass*.

Spinnova, which has just gone through a new round of financing, has developed a mechanical process rather than a chemical one to obtain cellulose fibers from wood, straw and waste products, thus eliminating the risk of using damaging chemicals, as in the process generally used to obtain viscose fibers.

Spinnova was founded by **Juha** and **Janne Poranen** in early 2015, after obtaining a patent and conducting a European research project inspired by research carried out by **Juha Salmela**, an expert in the production of paper and nanocellulose, as head of biomaterials at the **Technical Research Center of Finland (VTT)**. Janna Poranen was serving as head of biomaterials research at the institute, which was also one of the early investors in Spinnova.

The inspiration for the project came to Salmela in 2009 when he attended a presentation made in Oxford by a leading researcher on spiders, explaining the similarities between nanocellulose and the protein used by spiders in web building.



Tomas Vucurevic.

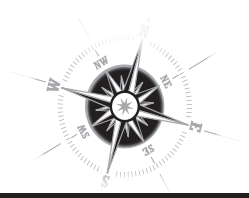
Ingredient brands add purpose to performance

Ingredient brands have enabled vendors to build up trust in their products as a quality label through their functional characteristics. They have helped stimulate sell-through and repeat purchases at full price.

Tomas Vucurevic of **Braind**, a Slovenian expert on the subject who has conducted over 30 projects with ingredient brands, said at the convention that ingredient brands continue to drive customer demand, citing a study made by **Ispo** according to which 75 percent of consumers pay attention to quality labels and product awards in outdoor products.

Also, brands like **Visa** and **Recco** have become symbols of safety.

Introducing the notion of “next-generation ingredient branding,” Vucurevic listed labels such as **Fairtrade**, **bluesign**, **Reach** and **Ökotest**, noting that they are competing with each other. He said that they are becoming important because consumers also want to know



today what a brand stands for and what it is doing on top of delivering performance.

He pointed to a shift from a focus on building trust through “what” a brand does to “how and why” it does it. Consumers want transparency, as in the case of the **SpinDye** process. They want to be assured of the purpose and the sustainability of the process and the product, as with **Adidas’** partnership with **Parley for the Oceans**.

In this context, ingredient branding will become bigger and different in the future.

Adventure travel is replacing old-style mass tourism

The era of mass tourism in its present form is coming to an end, stated **Chris Doyle**, who runs the European unit of the **Adventure Travel Trade Association (ATTA)**, at the **European Outdoor Summit (EOS)** in Interlaken. Instead, growth in adventure tourism is accelerating worldwide, responding to a growing need by people to reconnect with nature and their increasing pursuit of experiences versus the ownership of objects.

Doyle said that ATTA is working with tourism boards in many countries to face this behavioral change by getting customers more involved in adventure travel experiences. In an aside

alluding to Darwinian theories, he noted that the global environment is changing rapidly and that the species that survive are those that manage to adapt to a changing environment.

Repeating a message already sounded at the recent new **OutDoor by Ispo** show in Munich, Doyle exhorted the outdoor industry to “forge new paths together.” ATTA and organizations like the **European Outdoor Group (EOG)** are, he said, like “sisters separated at birth” – to quote **Arne Strate** of the EOG – and should work together to “extract people out of their couches.” Their collaboration, he continued, could have an “exponential impact” on adventure travel and on environmental issues.

ATTA is still working on a legal template that would help frame contractual regulations for the sale or rental of outdoor apparel and equipment directly to any of the 1,300-odd members of ATTA around the world, including many leading tour operators and their guides. Doyle suggested that this would be a smart move in the current period of “disruption, disintermediation and morphing of the traditional supply chain.”

He also mentioned the possibility of striking pro deals, product seeding and testing programs with adventure travel guides, media and influencers. Some interesting discussions on these topics were held during the **Adventure Travel World Summit (ATWS)**

held in Gothenburg, Sweden, just before the EOS. As reported in a recent regular issue of the **Outdoor Industry Compass** (Vol. 12 N° 17+18 of Sept. 24), about 20 suppliers of outdoor equipment, footwear and apparel participated in the convention, and about ten of them exhibited their products there for the first time with the collaboration of **Ispo**.

Beyond Boundaries

Jamie Andrew’s incredible and inspiring story of personal achievement was the icing on the cake at the EOS in Interlaken, capping the convention in a similar way as the speech made by a fantastic former **Paralympic** champion, **David Lega**, at the last year’s summit in Malmö, Sweden.

Andrew captured the sympathy and admiration of the audience by showing how he recovered from a terrible accident in the Alps 20 years ago, which led him to lose his arms and legs due to frostbite. Seven years later, he was nevertheless able to climb up the Matterhorn. He managed to “redefine his own boundaries” by making the most of the things he had and by motivating people around him to help him.

He said he was just “an ordinary person” with a passion for mountaineering 25 years ago in Scotland. Then, in 1999, just before reaching the summit of a mountain, he was caught by a terrible storm that lasted for five days and nights. The storm caused the death of one of his best friends, but Andrew was able to survive. Rescued by helicopter, he was taken to a hospital in Chamonix, where he suffered blood poisoning, fell into a coma and underwent amputations.

The survivor spoke of a “terrible uncertainty about the future,” accompanied by feelings of anger and frustration. But, after several months of reconstructive surgery and rehabilitation, he realized that he had been given a second chance, unlike his friend, and decided that things would become better for him. Swallowing his pride, he accepted being helped.

Also, instead of lying in bed all the time, he got up every morning and set himself a goal to make small achievements such as brushing his teeth without external help or feeding himself with a strap and a spoon in his pocket, rather than with a bionic arm.



Chris Doyle.



News and analysis of the international market



Jamie Andrew.

Putting on prosthetic legs, he was able to walk again after three months, one step at a time, giving a big boost to his self-confidence. He continued to progress by setting short-term goals and one long-term goal that would lead to it. "I got addicted to this process," he admitted.

Only four months after the accident, Andrew managed to climb a little mountain 300 meters high. Only one year later, he went up the biggest hill in Scotland, followed by a crew of photographers and journalists, and then married his friend **Anna**. They now have three children.

Andrew managed to engage again in cross-country skiing in Norway as well as snowboarding. A couple of years after the accident, he ended up downhill skiing better than before. He ran a marathon in the **London Olympics**, he sailed together with two other handicapped people, and he ended up engaging in a 24-hour triathlon.

With the collaboration of **DMM** and other suppliers, which provided him with specially designed gear, Andrew then took to rock climbing and ice climbing, preparing himself for the impossible challenge: the ascent of the Matterhorn with two guides in August of 2016.

"When you have a dream, it's a lot easier to realize it," said Andrew, "making use of what you have learnt and keeping things simple....Start small and

go one step at a time with what you have."

Everybody has enormous potential, according to Andrew. He concluded that the greatest boundaries we face in our lives are the ones that we impose upon ourselves, fear-

ing that we are incapable of moving

forward in difficult periods. He said that 95 percent of the challenges we face are in fact mental, indicating that they can be overcome by being more positive and realistic.

The Silkeborg project in Denmark

The city of Silkeborg has decided to stand out as the self-appointed "outdoor capital of Denmark," making investments since 2016 in facilities such as mountain-bike trails, new lake resorts, new hiking paths and natural shelters for the welfare of its 50,000 inhabitants and to attract outdoor-minded visitors and companies.

Jepp Thøgersen, who has been carrying out this project with the help of a local outdoor company, **Nordisk**, and other stakeholders, explained the benefits of an outdoor development strategy for a city in terms of health, education, tourism and the general economy. He expressed the hope that other outdoor companies will set up new operations in the area, creating a new outdoor industry cluster.

The strategy has led the local municipality to solve some welfare

challenges such as offering faster recovery for people with cancer in an outdoor environment. In a country where less than 20 percent of children are active outdoors, it has helped to reconnect them with nature through a new public school where the lessons are conducted inside and outside.

Silkeborg is also setting new standards in urban planning by placing a priority on the development of infrastructures for walking and cycling rather than car traffic in mapping out a new residential area for 7,000 people.

We would not be surprised if Silkeborg is chosen as a venue for the **European Outdoor Summit** in the near future.

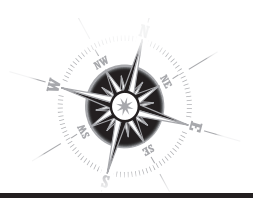
Burton cultivates its values

After the **European Outdoor Summit**, **Burton Snowboards** announced that it has become the first snowboarding company to obtain **B Corporation** certification from the **B Lab**, showing that it is using its business "as a force for good" around the world.

At the EOS in Interlaken, **Donna Carpenter** – co-founder and co-owner of Burton together with her hus-



Jepp Thøgersen.



Donna Carpenter.

band, **Jake Burton** – stated that the company has been embracing the principles of inclusiveness and sustainability from the very beginning, defining its values in writing.

It became inclusive because snowboarding was originally banned from ski resorts, and women were not engaging in the sport as much as they are now. Burton has been pushing the boundaries of inclusiveness: The proportion of women in her company has risen from less than 10 percent to over 40 percent in the last 15 years, with nearly 50 percent of those in leadership positions being women.

Carpenter, who now lives in Zurich, said that Burton started to tackle the issue of climate change seriously eight years ago, making big changes across the supply chain, including the use of raw materials. It is targeting 100 percent **bluesign** certification for all its softgoods, up from 91 percent at present.

Carpenter said that Burton started off with a sense of humility and deference when snowboarding was in its infancy and the company began to sell its Austrian-made snowboards to German retailers. She admitted that the company had become somewhat arrogant at one point, but then changed its act in the face of growing competition in the market.

The European Outdoor Forum is now the European Outdoor Summit

Going back to its roots in the French Alps, the next **European Outdoor Summit** will be hosted in Annecy by **Outdoor Sports Valley (OSV)** on Oct. 15 and 16, 2020.

It was back in 2010 that OSV launched the **European Outdoor Forum**, in partnership with the **European Outdoor Group (EOG)**. The goal was to take a look at the big trends shaping the outdoor

industry, provide the opportunity to learn in a larger context than one's own company, share ideas, broaden everyone's network, and work to-

gether to shape the outdoor industry of tomorrow.

For three years, this international event took place in the French city, in an industrial cluster which is home to many large and small outdoor companies. It thrived and matured along the shores of the breath-taking alpine lake that bears the same name. In 2012, the third and last edition to be held in the city included speakers from such far-off places as Russia, Brazil and the United States.

A year later, the EOG renamed the forum the **European Outdoor Summit**, starting with a session held in Stockholm in cooperation with the **Scandinavian Outdoor Group (SOG)**. Like the former **OIA Rendez-Vous** in the U.S., the event then hopped from one country to another: Germany, the U.K., Spain, Italy and Switzerland. Next year, it will be back where it was born.

Outdoor Sports Valley

Outdoor Sports Valley (OSV) is the French trade association for the outdoor industry. It is committed to growing the outdoor sports market, promoting participation in outdoor sports and preserving the great outdoors. Created by manufacturers and local authorities in 2010 in Annecy, a thriving lakeside town located in the Northern French Alps, OSV holds as its core mission to provide existing companies and start-ups with the support and tools they need to grow in an ever-changing business environment.

OSV provides this support in three areas:

- Creation and development
- Services and resources
- Networking and promotion

Today, OSV federates more than 470 companies, forming a vast network and a community that shares common values and goals - creativity, commitment and sustainability - and where companies grow together in an entrepreneurial spirit of innovation. It operates with the contributions of hundreds of committed professionals - from employees to company managers, as well as retirees from the industry - who volunteer and band together to face the economic and environmental challenges of tomorrow. OSV became an official "Auvergne-Rhône-Alpes Industry Cluster" in



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Published since 1989, *Sporting Goods Intelligence Europe* comes out 40 times per year at least and is the ideal complement to *The Outdoor Industry Compass* for outdoor companies that want to have a broader vision of their market, and more frequent news. In particular, they will find in SGI Europe more information about the multi-sport players (retailers but also distributors and brands), more exclusive statistics on general sports participation and market size (etc.), as you can see in the summaries of our last three issues here below.

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- The state of sports apparel p 1
- **Intersport** moves in U.K. and Portugal p 2
- **Sport 2000** enters Greece p 3
- **JD** reports great H1 results p 4
- **Decathlon** moves on many fronts ... p 5-6
- **Lululemon** is going strong p 7
- **Zumiez** expands in Europe p 8
- **Apex** diversifies **Hi-Tec** p 8
- **WePulse** signs two deals p 9

Corporate

Alibaba, Anta, Cole Haan, Diana, Masco Bidco Oy, Nike, Signa, Sports Direct, Wolverine, Zalando, etc.

Management & Distribution

Aqua Lung, Daily Sports, Dorel, Fischer p 7, Garneau, Hohenstein, Kant p 6, Lacoste, Life Fitness, Li-Ning, NHS, Pentland, Sportmaster p 6, Wolverine, etc.

Product & Marketing

Asics, Intersport, K2, Nike, Oakley, Quiksilver, Speedo, Spektrum, Sympatex, Vans, Wilson, etc.

Others

Afydad, Arena, Assosport, Callaway, Canterbury, Colmar, Ellesse, Eurobike, Fibo, Foot Locker, Ispo, Lego, Lenzing, Levi's, Lululemon, Macron, Moncler, Puma, Salomon, Sport 2000, Sportswear Pro, Stöckli, TBS, TNF, VF, Zalando, etc.

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- **Nike** beats forecasts p 1-2
- Fast-growing **Anta** reorganizes p 3
- **Kathmandu** buys **Rip Curl** p 4
- **Boardriders** launches initiatives p 5
- **VF** adopts a new strategy p 6
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- **Signa** may be eyeing **SportScheck** .. p 7
- **Sport 2000** develops in Germany, France and Italy p 8-9
- Anti-trust probe for **JD Sports** p 10
- **Stadium** moves into Norway p 10
- Russia tags bikes as well as shoes p 11
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Corporate

Adidas, Clarus p 10, Columbia, Head, Kering, Puma, SDI, Sport Voswinkel p 8, Velomotors p 11, Wolverine, etc.

Management & Distribution

Asics, Head, Intersport, Lacoste, Nidecker, Puma, Pyua, Rapala, Salming, Tenson, Vans, etc.

Product & Marketing

Adidas, Amazon, Asics, Atomic, Craft, Elan, Keen, Nike, Opro, Polartec, Prana, Puma, Reebok, etc.

Others

Arena, Asics, Courir, DBU, EBM, Fibo, Ispo, Lycra, Mammüt, Moncler, New Balance, Nike, Patagonia, Skechers, Torey, Uniqlo, Vans, Veja, etc.

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- New moves at **Sport 2000 Austria** . p 5
- **Humanic's** parent hires an expert p 5
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Corporate & Management

Accell, Asics, Fitbit, Hervis, Hudora, Kathmandu/Rip Curl p 6, Moncler, Nike, Pentland, Stadium, Tyr, Wolverine, Zalando, etc.

Distribution & Retail

Buff, Dakine p 8, Decathlon, Go Sport France & Poland p 6, Rossignol, Signa, Vans, etc.

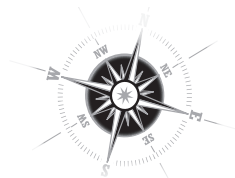
Product & Marketing

Asics, Adidas, BASF, Buff, Eastpak, Inov-8, Macron, New Balance, North Sails, Polygiene, Puma, Scarpa, Schoeller, Speedo, Umbro, etc.

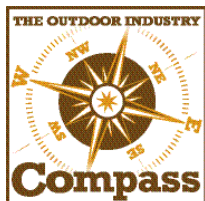
Others

Adidas, DSF, EOS, Eurobike, Fesi, Finisterre, GoPro, Lululemon, Nike, Patagonia, Skechers, WFSGI, etc.

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- Breaking boundaries at the **EOS** p 1
- Twin transactions for **Tecnica** p 2
- A flattish Chinese outdoor market p 2
- **Sanfo** goes for events + big stores p 3
- **VF** raises its guidance p 4
- Record results for **Columbia** p 4
- **Wolverine** banks on H2 p 5
- Sales up, losses down at **Mammut** p 6
- **Jack Wolfskin** lifts **Callaway** p 6
- **Black Diamond** makes less in U.S. p 7
- **Eoca** makes the Platic Pledge p 11

Management & Distribution

Canada Goose, Grayl, Icebreaker, Montane, Newell, Ortholite, Prana, Schöffel p 8, Sport 2000, Vans, etc.

Retail

Au Vieux Campeur, Arc'teryx, Yeti, Mammut, Norrøna, Salomon, The North Face, Yeti

Results & Statistics

Amer, Canada Goose p 9, Deckers p 10, Garmin p 11, GoPro p 10, Johnson p 10, Kathmandu, Lafuma p 8, Lenzing, Moncler p 9, Newell, Norrøna p 6, Tacx p 11, Vista

Others

Anta, Bestard, Buff, Camelbak, Canada Goose, Columbia, Eoca, Inov-8, Ispo, Karpos, Lenzing, Messe München, Napapijri, Ortlieb, Popia, Polartec, OTS, Radici, Saucony, Sharma Climbing, TNF, etc.

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Management & Distribution

5.11 Tactical, Adidas, Camelbak, HDWool, Hohenstein, Johnson, McTrek, Oase, Pentland, Pyua, Tenson, Vasque, Wolverine, etc.

Retail

Canada Goose, Naturkompaniet, Nordiska, Sport 2000, Woolrich

Product & Marketing

Ascend, Bear Paw, Berghaus, Craft, Keen, Lorpen, Merrell, Montane, Osprey, Polartec, Prana, Salomon, Scarpa, Sherpa, Sympatex, Teijin, Viking, etc.

Other Companies

Amer, Bridgedale, Buff, Columbia, DBU, Ecco, EOFT, EOS, Gregory, Hestra, Kathmandu, Lenzing, Lycra, Macpac p 4, Mammut, McTrek, Moncler, Mund, OIA, Patagonia, SOG, Sherpa, TMC, TNF, Uniqlo, Vaude, VF, Yeti, etc.

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Corporate & Management

Acai, Hydro Flask, Lifestraw, Mammut, Marmot, Moncler, Patagonia, Pentland, Trangoworld, Wolverine

Distribution & Retail

Baqueira, Bergzeit, Buff, La Sportiva, Tentree, Trekoon

Product & Marketing

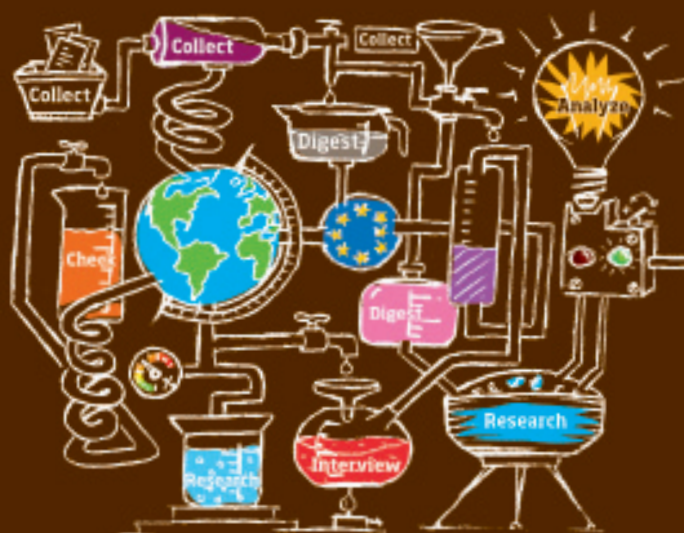
Buff, Canada Goose, Eastpak, Ferrino, Inov-8, Polygiene, Schoeller

Others

American Outdoor Brands, Archroma, Blacks, Chiruca, Clean Kanteen, Craghoppers, Equip Outdoor, Fesi, Finisterre, Fjällräven, Garmont, Gerber, Ispo, Keen, Lenzing, Mammut, OIA, Paragonia, Pertex, Smartwool, SOG, Ternua, Vaude, VF

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