Spring 2016

INSIDE OUTDOOR MAGAZINE

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CAMPING GETS RE-DEFINED

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FREE WI-FI ROI

MANAGING MARKDOWNS

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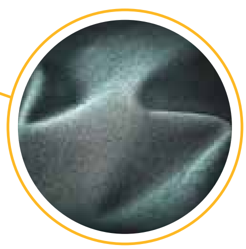

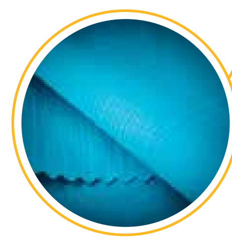

5. CORDURA® UltraLite fabric:
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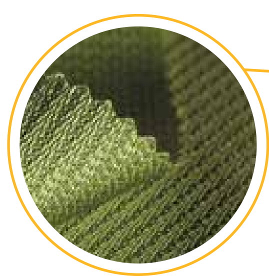
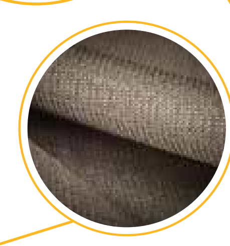
2. CORDURA® Canvas fabric:
Featuring an intimate blend of durable nylon fibers and comfortable cotton, the addition of CORDURA® Canvas fabric to any product design recipe offers a savory and naturally soft texture without sacrificing abrasion resistance.



6. CORDURA® Lite Plus fabric:
Inspired by airbag technology and constructed to provide lightweight performance with a wide variety of styling options, CORDURA® Lite Plus adds a heavenly taste to sturdy technical packs, day packs, luggage and footwear.

3. CORDURA® Denim fabric:
Four times more abrasion resistant than equivalent weight 100% cotton denim*, CORDURA® Denim fabric's alchemy is carefully crafted to provide toughness and style.



4. CORDURA® Classic fabric:
As any CORDURA® product chef's core fabric choice, this classic material represents a rich 45-year heritage of proven ability to create world-class durability for a variety of gear and apparel concoctions.

7. CORDURA® 4EVER™ Fleece fabric:
Power knits and fleeces blended with care, CORDURA®4Ever™ Fleece comes in a variety of cotton, nylon and polyester blends, combining power, comfort and durability.

* Martindale testing based on 13.75 oz denim fabric

CONTENTS

REPORTS

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Camping's Wide Appeal

It's hard to not get excited about the camping business heading into its peak selling season. As presented in our annual spring analysis of the camping market, the past few years have seen some encouraging numbers as far as camping-oriented product sales and participation. There are also some long-term trends that suggest increases may not be just cyclical blips in the market.

As if that's not enough, right after our annual camping feature was filed, a survey from KOA hit the wires showing how camping also is doing well for outdoor industry efforts to increase diversity among participants. According to the survey executed by Cairn Consulting Group for KOA, "not only is there an increase in African-American, Hispanic and Asian-American representation overall, but among new campers for 2015, representation closely matches overall population (i.e., census) figures, indicating that this new generation of campers is truly multicultural."

That certainly has not always been the case. During the last two years, non-whites have accounted for less than a quarter of overall campers, show KOA figures. OIA's last count in 2013 had that number at less than 20 percent. Among new campers in 2015, however, 40 percent were listed as non-white, Cairn researchers found. Nearly one in five new campers were listed as African American/Black. More than 10 percent identified as Hispanic, and one in 10 were of Asian descent.

A big push behind this bump in diversity has to do with camping's success in attracting Millennial-aged consumers back to the activity. Millennials made up 44 percent of new campers, Cairn researchers found (which is good news in itself), and the high number of Millennials caused a "flattening effect" on participation numbers, says the study, "as many of the differences observed between ethnic groups are much less pronounced among these younger campers."

We also can't discount the efforts by the National Parks Service to promote our lands in celebration of their upcoming 100th birthday. Indeed, park visitations exploded in 2015, and with it the proportion of camper nights spent at park campgrounds in 2015 increased 7 percentage points among African-Americans (from 26 percent in 2014 to 33 percent in 2015), 5 percentage points among Hispanics (40 percent to 45 percent), and 10 percentage points among Asian-American campers (from 47 percent to 57 percent).

Arguably the biggest promoter of diversity in the activity, however, is camping itself. Respondents to the KOA survey also showed that regardless of the box checked on a form, we all camp for the same reasons. It turns out the desires to connect with family and nature, to feel healthier and to escape everyday stress by poking a stick at an open fire are shared equally among all.

If only these benefits could sell themselves.

–MV

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DATA POINTS
Numbers Worth Noting

By **Martin** Vilaboy

Three Strikes

Despite the recent attention paid to mid-foot striking, the vast majority of runners can be counted as heel strikers, according to 500,000 miles worth of real-time data collected by MilestonePod wearable devices. In other words, running shoes made for heel strikers should still be dominating retailer assortments.

Email's Youthful Appeal

Teens and Millennials still use email a lot, especially when it comes to communicating with brands and organizations, says a report from marketing technology firm Adestra. Nearly 68% of teens and 73% of Millennials said they prefer to receive communications from a business via email. In addition, more than half rely on email to buy things online. Not surprisingly, the same holds true for Gen Xers and Baby Boomers.

I Have an Email Address Because (All that Apply)...

Email Use	All Respondents	Age of Respondent	
		14-18	19-24
Everyday life	74%	73%	77%
Buy things online	51%	49%	59%
Communicative with friends/family	45%	44%	47%
Work	41%	39%	48%
My parents got me one	11%	13%	5%
I don't know, I rarely use it	5%	5%	3%

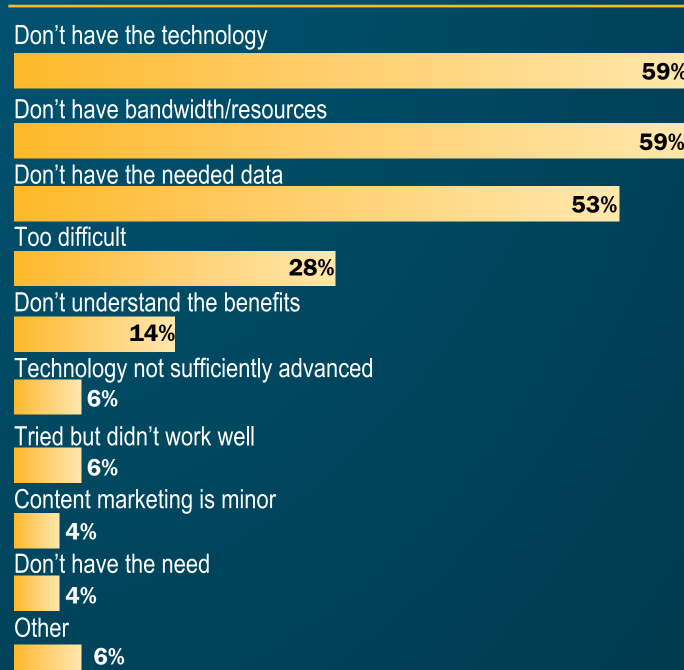
Source: Adestra Consumer Adoption & Usage Study, April 2016

Getting Personal

More than half of senior marketers worldwide said that using enriched or personalized content and digital interactions brings higher response and engagement rates, according to the CMO Council, but six in 10 U.S. marketers surveyed by Demand Metric and Seismic simply don't have the technology and resources in place to take advantage of personalization.

Reasons that US Marketers do not Personalize Content, Feb 2016

% of respondents



Source: Demand Metric

Specialty Retail Needs Specialty Product

Naturals that WORK

Marine

Aerobic

High Elevation

Active Kids

Activity Specific Sun Protection

Naturals that WORK

Displays that SELL

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5.5%

Expected compound annual growth rate of global trail running shoe market between 2017 and 2022, says Research and Markets. Global sales hit $2.37 billion in 2015, with North America accounting for a quarter of sales.

Lights, camera, inaction

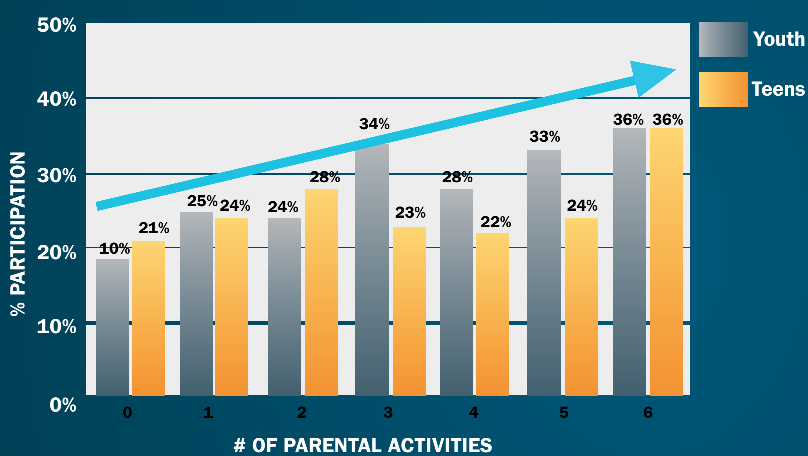
Action video camera sales finished an about-face in 2015, having gone from an exploding market to imploding numbers last year, presumably due to saturation. Though we'll likely start to see typical CE replacement cycles moving forward, action video camera sales tumbled a whopping 30 percent in 2015, according to sales figure from NPD Group.

Tough Year for Action Camera Sales

2013 Outdoor Market Sales	2014 Outdoor Market Sales	2015 Outdoor Market Sales	2014 % Change (YoY)	2015 % Change (YoY)
$88,123,319	$98,662,047	$69,520,869	12%	-29.5%

Source: NPD Group

Families with Youth Participating in Sporting Activities



Source: SGMA; ACTIVE Network

Family Affair

Apparently, the best way to get kids interested in sporting activities is to make sure parents keep participating. According to research from SGMA and ACTIVE Network, as parents become more active, the more motivated youth and teens are by the family. In other words, "the active family makes sports participation a priority for the entire family," says the study.

Dimming Flashlights?

Hand-held flashlights may be feeling the smartphone effect. NPD Group's sales numbers through outdoor channels during in the past two years certainly shed some light on category losses. So far, headlamps, which are reported separately, may be immune.

Flashlights Sales Highlight Tough Two Years

	Dollar % Change (Jan '14 – Dec '14)	Dollar % Change (Jan '15 – Dec '15)
Hybrid flashlights	-11.2	-0.7
LED flashlights	-4.9	-1.5
Standard flashlights	-19.0	-21.8
Flashlights total	-6.7	-3.5

Source: The NPD Group

10 Billion

The minimum number of apparel and footwear products from large fashion and performance brands that are going to be created with unique digital identities built in, due to a deal between packaging and labeling giant Avery Dennison and Evrythng, the IoT platform company backed by Samsung and Cisco, to add special tagging on products that consumers can interact with via smartphone.

Eagle Creek recently announced the awarding of **Clear Creek Reps** as its 2015 Rep Agency of the Year. Handed out annually, the Eagle Creek Rep of the Year Award is an opportunity for Eagle Creek to recognize a rep or agency that delivers outstanding results along with superior customer service. Clear Creek was selected for its double-digit revenue growth, account and channel expansion, business acumen, pre-booking success, planning/forecasting, and help servicing national accounts, said the travel wares company. Always inspired by travel, the Eagle Creek Rep of the Year award includes a trip for two to a dream destination, and 2015 is no exception: choice of Croatia, Italy or Iceland.

The Clear Creek Group team includes Principal **Owen Dennehy**, associate **Chapman Stewart**, and the freshly retired **Smoky Anderson**, who has been representing Eagle Creek since 1977. The group directs sales in the Rocky Mountain region. Clear Creek also represents complementary outdoor brands, Katadyn Group, Topo Athletic Footwear, Garmont Footwear, Berghaus and Selk'Bag.

SCARPA North America has retained **Ground Up Sales** to direct its sales efforts in the Southeastern U.S. Founded by veteran sales representative **Heath Rowland**, the new agency will represent SCARPA effective immediately in Virginia, West Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi and Arkansas. Ground Up Sales is based in Kentucky and also represents Rab, Lowe Alpine and Metolious. The firm can be reached at heath.rowland@equipuk.com or (502) 682-0252.

Spenco recently appointed **Agnes Nowak** as sales manager of Spenco Canada. Prior to her position with Spenco, Nowak worked in sales and marketing for Abbott Molecular Diagnostic, Johnson & Johnson, Medela Canada and LifeCell. Her experience with large Fortune 500 companies and smaller organizations spans the healthcare, regenerative product and medical device industries, and includes executing sales for new product and technology launches.

Spenco Canada, which operated independently for more than 20 years, recently came under the umbrella of the North American headquarters as a wholly owned subsidiary. Nowak will be based in the company's Mississauga office.

Chums and **Beyond Coastal** have hired Colorado-based sales agency **Redline Sports Group (RSG)** to oversee their territories in Colorado and Nebraska. Founded in 2001, Redline Sports Group is comprised of founder **Tim Hattrup**, Utah-based representative **Matt McKay** and Colorado-based representative **Sara Gillers**. The sales agency covers the Rocky Mountain region from the Canadian to Mexican borders and specializes in the outdoor, ski, footwear, general sporting goods and action sports channels. The deals has two brothers working together, as **Mike Hattrup** serves as sales manager at Chums.

"Redline Sports Group brings a deep understanding of the Rocky Mountain region and is a natural fit for the Chums and Beyond Coastal brands," said Mike Hattrup. "Additionally, I've been telling my younger brother, Tim, what to do for most of his life, but without much success. Now, as his boss, he's going to have a tougher time ignoring me."

Bridgedale North America, a division of OSC Inc., has signed up **Pacific Rep Works** to represent both Bridgedale and **Hilly** socks in the outdoor, ski, trail and running sectors in the Pacific Northwest. PRW will cover the states of Washington, Oregon, Idaho, Montana and Alaska. **Bob Westler** of PRW will cover Washington; **Jeff Nelson**, Washington and North Idaho; **Christ Gutmann**, Montana and South Idaho; **Matt Gaudet**, Oregon; and **Dave Goulet**, Alaska. Pacific Rep Works has more than 50 years of agency sales, training and service experience. The agency can be reached at (425) 608-0972 or info@pacificrepworks.com.

Garmont North America has named **Specialty Sports Reps** as its rep team for the Great Lakes region. Specialty Sports Reps is led by **Chris Rounds**, who brings more than 40 years of experience in specialty brands and retailers, and continues to represent some of the top lines in the industry. On his team and also representing Garmont is **Daniel Miller**, who has worked in the outdoor industry for more than nine years. Prior to his work as a sales representative, Miller had a seven-year career as an outdoor hardgoods buyer and sales associate.

To date, the Garmont sales team includes: **Clear Creek Reps** in the Rocky Mountains; **South Sales** in the Pacific Northwest; **The Road North, LLC** in New England; **Eastern Outdoor Sales** in the Southeast; the **Arete Sales Group** in the Mid-Atlantic region; **Specialty Sports Reps** in the Great Lakes; and **Midcoast Outdoors** in the South Central.

Picky Bars, the Oregon-based energy bar company, expanded its reach to Canada through an exclusive distribution deal with **Ryeka Sport**. Ryeka Sport was founded in 1999 to bring new, innovative products to the

Canadian marketplace. The company provides sports nutrition products to select retailers, including brands such as Skratch Labs, Simple Squares, Endruance Tap Energy Gel, Perfect Fuel and others.

Ibex Outdoor Clothing welcomed **Bill Schmid** and **Parallel 33 Sales Group** to its sales rep team. Parallel 33 Sales Group's territory will cover the states of California, Nevada and Arizona. Headquartered in Southern California, the three-member Parallel 33 Sales Group team has more than 18 years of sales experience with a highly diversified customer base and specializes in the outdoor and fitness markets. During the past five years, Parallel 33 has focused more on electronics and accessory product lines for the outdoor specialty market, but the agency is looking to expand its business to include what specialty retailers are selling more of and asking for – which is new and different apparel lines that truly make them specialty retailers. In addition to Ibex, Parallel 33 Sales Group represents Suunto, Goal Zero, Nemo Equipment and Topo Athletic. To contact Parallel 33 Sales Group, email Schmid at parallel33sales@gmail.com.

The Italian mountaineering, hiking, trekking and lifestyle footwear brand AKU has chosen to partner with **The Mountain Lab** to drive U.S. business efforts. The Mountain Lab will drive marketing and sales efforts to push the current technical lines, as well as introduce U.S. consumers to AKU's lifestyle offerings.

Nathan announced an updated sales leadership structure designed to strengthen support of the brand's partners within the run specialty channel. After four years of driving growth in Nathan's specialty retailer channel as the western regional sales manager, **Lindsay Cousley** has been promoted into the newly created role of national specialty sales director. Cousley is responsible for the strategic specialty channel sales direction of Nathan, and is supported in this role by two regional account managers. The newly created position of regional account manager will be responsible for supporting Nathan's specialty retailers and independent reps within their region. They will lead the effort to provide additional hands-on support to the entire specialty retailer base, and strategically drive sales and profitability in the essentials category through planning, dedicated space, and educational programs. **Dan Suher** is stepping into the role of regional account manager – East, after a successful stint as the specialty sales coordinator for the brand this past year. Former Nathan tech rep, **Sablle Scheppmann,** assumes the role of regional account manager – West.

Photo courtesy of Arborwear

GAME CHANGERS

Anyone who has been in the outdoor retail industry for more than a few years realizes after a while that there is not a whole lot of truly "new" under the sun – that is, technologies or marketing that actually moves the dial, and with it the whole industry, at times to a new paradigm. As editors in the outdoor media, we are subjected to this reality on a regular basis.

We are frequently baited with promises of trailblazing new products and designs that, in actuality, end up being little more than "new technology" posing as colorways, a few grams of weight reduction or a serif removed from a corporate logo. Of course, big shake-ups such as what nylon did to the outdoor industry can't be expected to come around regularly, but there are always new rebels hiding in the aisles of every Outdoor Retailer show that add to the canon of innovation. You just have to look pretty hard.

Following are a few profiles of companies we found hiding in the shadows of the mega-booths of major brands at the most recent OR Winter Market. They may not have gotten a lot of attention at the show, but we believe they are poised to make some real noise.

From top right, Oros aerogel jacket gets hosed with liquid nitrogen, page 20; RXBar provides a lesson in transparency, page 24; APX re-thinks rubber, page 18; Kovea's backpacking stove cooks clean, page 26

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RUBBER CYCLES UP

Austin Footwear Labs wants you to leave a better footprint

By **Ernest** Shiwanov

In the near future, Austin Footwear Labs' Tredagain game-changing technology is going to be everywhere due, in part, to the large-scale problem this technology addresses. The issue here is the appropriate disposal of post-consumer and industrial rubber waste. More specifically but not limited to, a landscape littered with used automobile and truck tires.

Until now, there has been no cost-effective, scalable and non-environmentally egregious method to handle pre- or post-consumer or industrial rubber waste. The reason is, once batches of rubber are created, they are virtually impossible to separate back into the original components. That limits rubber's reusability or recyclability. This chemical impasse, in some measure, can be attributed to a one Charles Goodyear.

Goodyear, an impoverished inventor, tenaciously worked on improving gum rubber even during stints in debtor's prison. He saw the material's upside potential despite its two well-known flaws. During the summer, gum rubber products would morph into glue-like blobs and in the winter turn to inflexible stone. Undeterred by setback after setback, he utilized his engineering savvy from manufacturing agricultural implements and his auto-didactic approach to solve problems befitting a chemist. The year was 1839 and as with many notable discoveries, the solution was found accidently, but not according to Goodyear. In any event, adding sulfur and heat to the gum dramatically changed its physical characteristics to what we now take for granted.

APX, 100% devulcanized rubber ready to be added or upcycled into a rubber master batch as virgin rubber (image courtesy of Tredagain).

The process of adding sulfur and heat, later named vulcanization by one of Goodyear's competitors, is what makes rubber so difficult to recycle or reduce back to simple compounds. Think of it like baking a cake. When the cake finally comes out of the baking pan, there are always crumbs remaining in the pan. However, like rubber, those crumbs cannot be gathered together and reduced back to flour, sugar, butter, baking powder, eggs, salt and milk.

That is not to say individuals have not attempted to do so. During the years, there have been efforts to utilize waste rubber from tires and other waste-stream rubber with limited success. Yet it took another accident, this time by a professor and research engineer at Kansas State University, to unlock the devulcanization code. Liang-tseng (LT) Fan, distinguished professor at KSU, and Shahram R. Shafie, a veteran process/chemical

Tired of tire waste, Austin Footwear Labs and Tredagain sandals are reconstructing rubber engineer in both government and industry, were looking for a spot remover for organic-based fabric, relates Fitz Lee, president of Tredagain.

"At one point they kept thinking they had defective rubber stoppers," says Lee, "until they realized this was pretty special, and they spent the following few years isolating the phenomenon and optimizing the process."

Their proprietary Fan Process, named in honor of the late Dr. Fan, uses rubber crumb from tires to devulcanize into APX, a 100 percent virgin rubber or virgin rubber substitute. A patent application was applied for in 2006 and later issued.

In 2007, Fan, Shafie, Lee and a few other colleagues went on to form Green Source Holding Company, a business dedicated around "opportunities that use technology to solve resource efficiency issues." Austin Rubber Company and Austin Footwear Labs are two of the core businesses. Fan and Shafie's breakthrough technology is what powers Austin Rubber Company's bread-and-butter product APX.

APX, in turn, is used by Austin Footwear Labs' Tredagain footwear, Green Source Holding's demonstration platform for APX. Which is why Austin Footwear Labs' Tredagain is so special: it is the first use of APX in what is to be a revolution in the upcycling of waste rubber to high-performance second, third or potentially innumerable product reincarnations. The other plus side of APX is its affordability. It is cheaper than virgin rubber with no performance downsides, says the company.

"The best part about our story is that consumers can't tell we are using APX since quality, durability and performance are not compromised," says Lee. "Our goal with Tredagain was making fashion, sustainability and affordability come together."

Lee is quick to emphasize that this product is not recycled. It is upcycled.

Tredagain's hand-stitched Woman's Classic Sandal (sand)

"No longer is a token 1 to 3 percent of factory scraps as filler (i.e. non-functional component in the rubber master batch) going to cut it with the educated consumer. Upcycle not recycle is the new industry standard, and 50 percent is the new sustainability goal," says Lee.

On the quality and durability side of the equation, Lee's numbers on APX seem to bear things out. For those familiar with Shore hardness nomenclature, an outsole rubber sample and one with 50 percent APX have about the same value (see table).

What's the maximum amount of APX used in a given master batch?

"Depending upon the specific physical and dynamic qualities you are targeting, there are upper limits for each compound," Lee explains. "Since APX comes from tires, there will be some physical properties it will not provide on its own, so different virgin materials will need to be added to achieve them."

Tredagain sandals carry 50 percent loads of APX (with load being the weight percentage of total rubber compound), "but Austin Rubber has hit 80 percent loads on other compounds that do not require the same dynamic properties," continues Lee. "We have in-house polymer compounding capabilities to help our customers to select the correct compound for their application."

For now, Tredagain is focused on men's and women's sandals, but Lee promises new urban rain boots for Fall 2016. Consumers who purchase online will be glad to see Tredagain ships using recycled packaging, stamped not printed shipping labels and recyclable shape-holding inserts. It's all part of that better footprint.

	Specs/ Targets	0% APX	25% APX	50% APX	Test Method
Durometer	60-65 Shore A	62-64 Shore A	63-64 Shore A	60-62 Shore A	ASTM D2240

Comparison between Austin Rubber APX at 25% and 50% concentrations versus typical rubber used for footwear outsole applications (Courtesy of Fitz Lee, Tredagain)

A QUANTUM LEAP IN INSULATION

Oros tames aerogel for use in apparel

By **Ernest** Shiwanov

Referring to Oros' SolarCore as "out of this world" is fairly apropos. That's because SolarCore proprietary insulation for apparel utilizes aerogel, and NASA uses aerogel regularly in space: from insulation on the Mars Pathfinder Rover vehicles and space suits to the capturing of Comet Wild 2's dust by the Stardust space probe.

The outdoor industry has been using aerogel for some time too. The Vasque Radiator double boot, Pacific Outdoor Equipment's Hyper Elite camping pad and Camelbak's Podium Ice bike bottle all use aerogel insulation. Yet aerogel's use in apparel up to now has been minimal. There are several reasons why, one of which has to do with the nature of this highly intriguing material.

Aerogel, in a typical iteration, is a very inflexible solid. It starts as a gel, hence the name, but through special processing, the liquid is dried out often using supercritical CO2 drying (see "Dyeing to Be Clean," Inside Outdoor Summer 2014 on supercritical CO2). This leaves behind a solid that is extremely rigid with a lightweight nano-sized pore structure. Even though its density is that of air, it is still extremely strong. However, when stressed to a breaking point, it shatters like glass. For apparel, the trick is to get this uncooperatively stiff material to conform to the compound curves of a human body without leaving shards.

Despite that giant hurdle, the Oros crew was determined to harness aerogel's formidable insulating prowess that knows no insulator remotely as effective. The key to its amazing insulating properties lies in its nanoporous structure. With pore sizes that small, gases cannot easily move from pore to pore, a major cause of heat loss through convection. Again, due to the minuscule size of the pores, aerogel is virtually all gas and, as nature would have it, gases do not conduct heat well. That characteristic magnifies its ability to insulate tremendously. Additionally, most aerogel is made with silica (silicon dioxide), the main component of beach sand, which is also a poor heat conductor (as an added bonus, silica, one of the most abundant compounds on earth, is also eco-friendly).

Women's Oros Orion Jacket (MSRP $400) with hood, removable powder skirt and pit zips

Oros co-founders and college students, Mark Markesbery and Massimiliano "Max" Squire, similar to many other inventor/entrepreneurs before them, started down the path of a better mousetrap as a result of a less-than-perfect outdoor experience. While on Santis, a mountain in Northeast Switzerland, Markesbery and Squire were cold.

As Markesbery recalls, "with all the layers of gear, we looked like the Michelin man. Even worse, we were still cold. We got to thinking, why does anybody put up with this shit?"

Aerogel is so light, in some cases is less dense than air, composed of 99.8% gas (courtesy NASA/JPL-Caltech)

Back in school a few months later, Markesbery landed a NASA scholarship while conducting research on possible cancer treatments. It was through this award he became aware of aerogel.

"A big lightbulb went off in my head. 'Hey! Just a few months ago, I had a miserable time summiting this mountain because of the bulky layers and intense cold. You're telling me there's this aerogel stuff that could fix all my problems?'" declares Markesbery. With that, Markesbery, Squire and other Oros co-founder Rithvik Venna jumped down the R&D rabbit hole, sourcing aerogel and experimenting with its properties.

They saw a fourfold problem with aerogel use in apparel.

"One, it was incredibly expensive, not leaving a whole lot of margin for the brand," Markesbery recounts. "Two, the aerogel particles were embedded in a fiber. With movement, the aerogel particles would come

SolarCore polyfoam infused aerogel, cold rated to -58F or -50C

loose from the fiber (meaning, every time you'd move, you'd lose thermal performance from your garment). Three, if these particles came in contact with your skin, it would dry it out like you wouldn't believe. To prevent this, manufacturers put aerogel through a process called encapsulation. But encapsulation cut down heavily on the garments breathability. Four, if the encapsulation was ever ripped, aerogel particles would

Oro's gloves are part of the Orion line of gloves, jackets and pants.

go everywhere, ruining the garment in the process. Between the expensive nature of aerogel, the consistent loss of insulation, the lack of breathability, and lack of durability, aerogel wasn't suited to disrupt the apparel space."

Their efforts finally paid off with the development of SolarCore, a flexible, aerogel-infused closed cell polyfoam. Markesbery and his partners succeeded in addressing all of the issues listed above with a material only 3 millimeters thick and cold rated to -50C/-58F. Despite its thin profile, SolarCore still maintains 95 percent of its insulating capacity at a pressure of 15 pounds per square inch/104 KPa. Under the same conditions, down or any synthetic insulation would lose most of its insulating ability. It is also hydrophobic, unlike untreated down, which is famously not. SolarCore also has four-way stretch, important for garment performance, and can be machine washed and dried.

With Oros' unmatched high-performance insulation and apparel design, Markesbery believes layers are redundant. For that reason, Oros apparel is true-to-size versus a traditional, sized-for-layering fit.

"Our philosophy is centered around thinner, lighter and warmer. We want to give our customers the ability to boldly go where they haven't gone before," he says.

In other words, do not choose your size for layering unless you are doing the Iditarod or a winter ascent of Mt. Everest. Everyone else goes by street size: one and done.

Oros' 2016 Orion line is a complete, head-to-toe, outdoor environmental protection system. This competitively priced ensemble has all the bells and whistles high-end shell garments are expected to have. Beanies, gloves, jacket and pants for men and women make up the range.

The Orion jacket has been improved to have 100 percent SolarCore insulation throughout, 33 percent lighter, a media pocket and a removable powder skirt. The helmet-compatible hood was dropped per customer input – definitely not climbing customers. With the jacket, gloves and pants, all feature 20,000mm waterproofed shell material with DWR for its first line of defense.

RAISING THE RXBAR

Transparency has never been so delicious

By **Ernest** Shiwanov

If one was to follow the seven guidelines for healthy eating put forth by Michael Pollan, author of "The Omnivore's Dilemma," RXBARs would fit right in. A world renowned critic of U.S. agricultural and food policies, Pollan's manifesto includes, "Don't eat anything with more than five ingredients, or ingredients you can't pronounce."

It appears Peter Rahal and Jared Smith of Chicago are on Pollan's frequency. So much so, their RXBAR packaging excludes any fancy artwork, catchy slogans or ingredients requiring a degree in chemistry to comprehend. The RXBAR speaks for itself: three egg whites, six almonds, four cashews, two dates and no B.S. This brilliant marketing is a bold stroke of simplicity not unlike the kind that belies nature. How the company got here was also quite organic.

Like so many garage start-up stories, Rahal and Smith started not far from the garage but in Rahal's parent's kitchen. As college athletes and later wellness and fitness buffs with full-time jobs, grabbing a protein bar on the go was part of the natural order of things. The problem was the protein bars and the wellness parts of their lifestyle somewhat contradicted each other. That's because protein bars made with natural ingredients did not exist.

"There wasn't a protein bar that was made with real food and an ingredients list you could comprehend. So we set out to make a whole, real-food protein bar, a bar with no bullshit basically and really high value ingredients," said Rahal.

Their first order of business, Rahal remembers: "What is the most natural way to hold the product together? Typically, it is a carbohydrate of some sort, so we started with that." They eliminated binders typically seen in the industry such as brown rice or tapioca syrups, glucose or engineered Frankenfibers. Instead, they chose dates, a natural binder high with dietary fiber, antioxidants, potassium and other essential nutrients.

Next up was vetting the protein. After looking at the vegetable-based proteins, dairy-based wheys and soy, it was decided to go with egg whites. What Rahal and Smith did not know at the time, hardly anyone making bars used egg whites because of the high cost (or vegan constraints).

Again Rahal: "We didn't formulate the cost like a lot of other manufactures do nowadays" he says. "We just started with the highest-quality ingredient and figured how to make the best product possible."

Besides the protein's muscle building bioavailability, egg whites are a well-known source of choline, essential for endurance athletes.

Finally for nuts, Rahal and Smith were looking for flavor, antioxidants and fats. They chose almonds and cashews to satisfy those requirement, plus all the other benefits almonds and cashews are known to offer. For chocolate, they choose 100 percent cacao, with no added sweeteners or lecithin.

With the bar recipes done and the selling in full swing, both Rahal and Smith had time to sit and think about their marketing. One selling point they found themselves repeating to people was their short, clean list of ingredients on the back of the packaging. This value proposition, they reasoned, is unique, and should be embraced. With that, the ingredient list, in a much larger font, was printed on the front of the packaging.

In keeping with its health and wellness ethos, RXBAR opened a manufacturing plant close to its date sources in Coachella Valley, Calif., and almonds in the nearby Central Valley. Additionally, both founders are committed to ensuring the individual ingredients are the best possible, starting with the growers straight up to the packing houses. That includes keeping soy, dairy, GMOs and gluten out of these delicious protein bars.

As Rahal restates, "Our mission is pretty simple. We're in the bar business so we focus on making the best product possible and understand the way we think about our products, going back to the origin of why we created it. Staying true to that really empowers people to focus on the why we do what we do."

BRINGING THE HEAT

Kovea tackles the orphan gas canisters problem littering the landscape

By **Ernest** Shiwanov

A spark of nationalism ignited Dong Sook Kim's journey into making a backpacking stove. At the time, Korean mountaineers and outdoor enthusiasts such as Kim used the widely popular Swedish Svea stove. Leveraging his engineering skills, he created a backpacking stove for the Korean market and with a nod to Svea named the company Kovea.

Thirty-some years later, Kovea group is running three different businesses, the domestic arm Vision Kovea, Kovea LTD for manufacturing and export and climbing gear manufacturer Trango. Today, Kovea's stove line can be seen everywhere under the Kovea brand or by OEM partners in seven countries including the United States.

A great deal of Kovea's success can be attributed to its in-house initiatives. Its research and development teams continue to drive the brand amid a crowded market. That has helped the company win international recognition, such as the 2014/15 ISPO Gold Award for Asian Products for the GigaSun heater. The following year, Kovea struck ISPO Gold again in the much larger Outdoor category with the introduction of the Alpine Pot EZ-ECO.

The author's personal collection of partially used gas canisters, marked by weight and/or percentage of remaining fuel. These canisters screw onto the appliance by a Lindal threaded nozzle (©2016 adrenalinshots)

The EZ-ECO, however, is more than just an innovative product. It represents the vision of Kovea, and its fellow progressive outdoor companies, toward a smaller environmental footprint. This, despite the inadvertent contributions to unforeseen problems Kovea had a hand in creating.

Herein lies the irony. Korea manufactures 80 percent of camping gas canisters, according to John Park, Kovea's Americas sales manager (Kim had a direct role in the shape of the canister). Kovea and its OEM major-market partners also have been very successful in bringing products to the market that lower the barrier to outdoor participation. Of late, that success has paid off to the tune of around $150 million with Kovea alone. Between all those sales by Kovea and its manufacturing partners, an unanticipated issue arose: improperly discarded gas canisters.

"Not only do you see this in national parks, but you also see


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it at base camps like on Everest, where there are piles and piles of gas canisters because there is no one to take the trash; take the litter where it's supposed to be properly disposed of," states Park. "With that in mind, Kovea felt like there was a need, as a company of the outdoors who's somewhat responsible for these types of gas canisters, to showcase something to the rest of world that says, 'Hey we're not just building a product, but we are also thinking about the environment.'"

While working with the research and development department in Bucheon, Park noticed, "they had this EZ-ECO prototype from awhile back, and I was like, 'Why aren't we doing anything like this?' It's a great concept."

The initial reason was, the EZ-ECO was designed for the Korean outdoor market where day hiking is the norm, similar to the done-in-a-day crowd here in North America. Because of that, the fuel tank was designed to brew up 500ml/18oz of water six to eight times, not sizeable enough for the backcountry gourmet who might be cooking real meals on overnight trips.

Yet that is not what really got Park's attention. It was the fact the EZ-ECO can safely and easily be refilled by the consumer.

"If you ask any backpacker out there how many gas canisters they have in their garage, they'll probably say they have over 20 or 30 half-empty gas canisters," says Parks. "They keep them stored in the garage because they don't know how much fuel is left. They don't know whether or not they can use it for a day trip to just boil some water for coffee or to have a quick hot meal." The EZ-ECO solves that problem and one more. For one, it uses up the remaining fuel in orphaned gas canisters. Secondly, it makes it safer to recycle empties for everyone involved.

Alpine Pot EZ-ECO with a duel fuel refillable canister, integrated windscreen and 1100ml/1.2 qt pot

The business end of the EZ-ECO

The novel design of the EZ-ECO operates on two types of fuel and can be filled by two different canister types. Filling the stove is easy. Simply insert the slender, bayonet-mounted butane cartridge, commonly used with portable tabletop cookers sold at Asian markets, directly into the stove. There is an adapter supplied with the EZ-ECO for filling with threaded canisters. Knowing the status of the fuel supply is straight forward too. The fuel reservoir is made of a translucent plastic so visually checking the fuel level is not unlike checking the fuel on a BIC lighter, albeit a giant one.

Although EZ ECO has not yet been slated for production, Park has been lobbying hard to get it into the U.S. market.

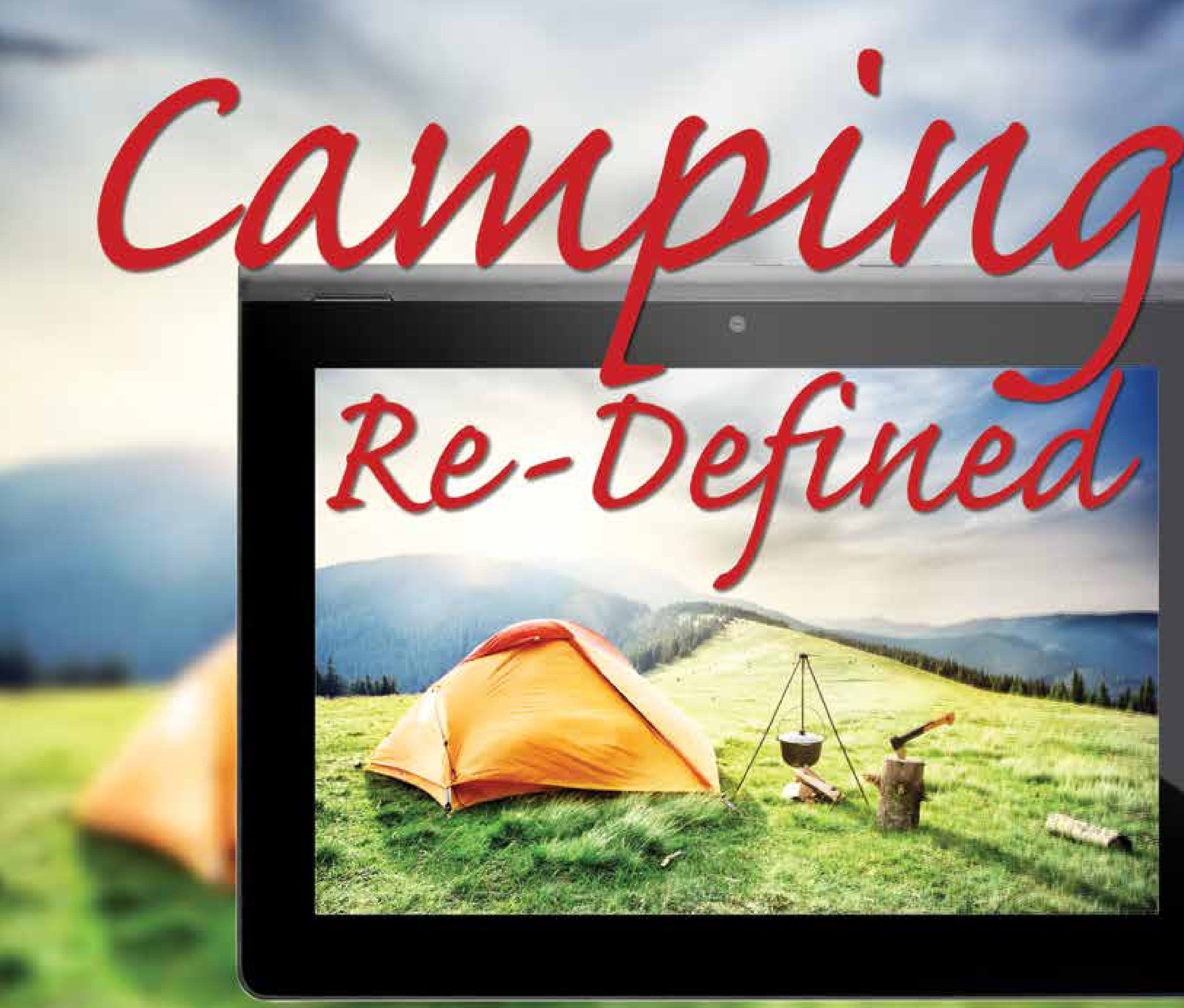
"So a lot of this design and production of the EZ ECO was more like a concept car at auto shows," explains Park. Similar to how those cars aren't made for the general public but rather to showcase what can be done, Kovea is looking to show what it can do and what other companies should be doing for the outdoor industry, explains Park.

"It shouldn't be just about selling their product but making products that will change the way people think about going out into the outdoors," he continues. "If the EZ-ECO gets out into the market, even though people might not buy it, maybe they will think twice about throwing the canister out."

Although Park admits the EZ-ECO is a niche product, Toyota also considered the Prius a niche product when it was introduced. Similar to the Prius, a bridge technology to electric cars, the EZ-ECO could be serving as a gateway to stoves requiring no gas.

"Kovea's vice chairman's vision has the company getting away from conventional fuel sources, something that will really limit your footprint when the products are being used," says Park.

Until then, the EZ-ECO will help ease the burden of partially depleted gas canisters, make canisters safer to recycle, initiate conversations on the responsible consequences of product design and pave the way to Kovea's first portable induction backpacking stove. Dong Sook Kim would be so proud.



Camping Re-Defined

Camping market re-emerges as a driver of industry growth

By **Martin** Vilaboy

Don't call it a comeback, but the camping market is re-establishing itself as an engine for outdoor retail sales. Once left for dead, or at least flat-lined, this large and mature market has experienced very little good news since the late 1990s, at least in terms of participation numbers. More recently, however, overnight camping has been injected with a new, youthful energy that could lead to years of sustained growth, and one would be hard pressed to find better news for the outdoor market.

After all, this trend is a lot bigger than a pair of innovative shoes, a cool new electronic device or a new board and a few accessories. Rather, several product categories throughout the outdoor retail sales floor that fall under the camping umbrella have enjoyed robust sell-through the past few years, from backpacking tents, camp chairs and mummy bags, to stoves, lanterns and coolers. Excuse the mixed metaphor, but camping's rising tide lifts a lot of boats.

Let's also not forget how overnight camping has proven itself to be a gateway to other outdoor

activities, and the last few years have brought about newer, less-rugged forms of camping and new attitudes about what it means to camp. That represents a captive audience of new potential participants. In other words, there are lots of opportunities for those looking in the right places.

So how big are the opportunities? According to the latest figures from The NPD Group, camping sales through outdoor retail channels jumped 12 percent in 2015, and that's coming off 7 percent growth in 2014. Camping category manufacturer sales increased 4.3 percent in 2015, according to counts by the Sports and Fitness Industry Association, which is more than double the increases seen in SFIA's overall sporting goods numbers. Camping manufacturer sales are up 32.7 percent since 2010. Those are pretty respectable rates for any market but especially for what's become a large and mature one. NPD's growth rates, after all, are coming off more than $1 billion in sales.

On the demand side, our National Parks hosted more overnight tent and backcountry campers in 2015 than they have since the 1990s. The increase in total camping visits in 2015 (concessionaire, RV, tent, backcountry) doubled recent annual growth fluctuations, reaching more than 9.3 million total camping visits. And that came after pretty solid growth in 2014. On public lands managed by the Bureau of Land Management, camping accounts for an additional 25 million or so visitor days annually, representing more than a third of BLM total visitor days.

So what's behind the recent upswing? For 2015, in particular, warmer winter temperatures had lots to do with the increases, say NPD researchers. Quite simply, spring-like low temperatures in November and December provided interested parties with more opportunities to pack up and sleep outside, as well as more time to purchase or replace gear. And many folks did just that. Although colder months aren't typically associated with camping gear sell-through, camping sales through outdoor channels jumped 13 percent in the fourth quarter of 2015 over the same period prior year.

Remaining at a more macro level, the plodding economic recovery also plays to camping's advantage. Real or not, camping has always been seen as "cheaper than a hotel" for multi-day outings and out-of-town adventures. But camping's use as affordable traveling accommodations has never been more widespread.

National Park Service Camping Visits by Year

Year	Recreation Visits	Tent Camping Visits	Total Camping Visits
2000	285,891,275	3,395,816	8,832,151
2001	279,873,926	3,326,852	8,773,196
2002	277,299,880	3,357,513	8,740,763
2003	266,230,290	3,303,365	8,546,852
2004	276,908,337	3,128,014	8,141,127
2005	273,488,751	2,974,269	7,998,069
2006	272,623,980	2,882,297	7,829,493
2007	275,581,547	3,003,270	8,114,397
2008	274,852,949	2,956,761	7,992,069
2009	285,579,941	3,184,255	8,504,934
2010	281,303,769	3,277,151	8,575,006
2011	278,939,216	3,229,241	8,309,940
2012	282,765,682	3,203,413	8,397,553
2013	273,630,895	2,993,845	7,914,373
2014	292,800,082	3,246,320	8,451,990
2015	307,247,252	3,680,809	9,382,288

Source: NPS

The compact two-burner Onja stove from Primus speaks to the social element of campfire cooking and has a sleek, retro design that speaks to Millennial and urban campers. Once unfolded the body becomes a stable cooking unit.

The past several years has brought about the emergence of "festival campers" or, possibly more accurate, "event campers." This includes fans and participants of music and sports festivals and competitions who make overnight camping a part of their experience at a multi-day concert, run or competition. Again, not exactly a new phenomenon, but today this demographic of camping participants has access to unprecedented numbers of festivals, mud runs, climbing competitions, triathlons, bike and trail races, and cultural gatherings and ritual burnings – almost on a weekly basis.

And it's not just large, public events driving the trend, says Matt Powell, vice president and sports industry analyst for The NPD Group. Event camping also includes an increasing number of family and social gatherings, says Powell. In these cases, camping can be a central part of a wedding or family reunion or simply an affordable accommodation option for a kids' club sports team traveling to an out-of-state tournament. Of course, "these are hardly Spartan activities," says Powell. Event campers are not necessarily looking for the "outdoor experience," and are not willing to sacrifice for the sake of roughing it. Their days are likely long and filled with activity, so they want camping to be relatively comfortable and convenient, and there's as good a chance the night entails cocktails under the stars as it does smores.

This more-practical, more-social style of camping is important to another emerging group of users. It's no secret, since the late 2000s, camping has had some trouble attracting younger adults. Between 2007 and 2012, the 18- to 24-year-old camping market (car, backyard, backcountry and RV) was down nearly 900,000 potential customers, according to participation estimates from the Outdoor Industry Association. The 6- to 24-year-old segment went from 17.2 million participants in 2007 down to 15.7 million in 2013.

Youth Camping Participation by Year (000s)

Demographic	2007	2008	2009	2010	2011	2012	2013
Ages 6 to 17 years old (within ¼ mile of vehicle)	9,267	9,012	9,252	8,779	9,147	8,065	8,046
Ages 6 to 17 years old (car, backyard, backpacking & RV)	12,230	11,583	11,917	11,559	12,170	10,734	10,994
Ages 18 to 24 years old (within ¼ mile of vehicle)	3,862	3,739	4,004	3,463	3,896	3,478	3,611
Ages 18 to 24 years old (car, backyard, backpacking & RV)	5,002	4,879	5,274	4,489	5,175	4,396	4,710

Source: Outdoor Industry Association

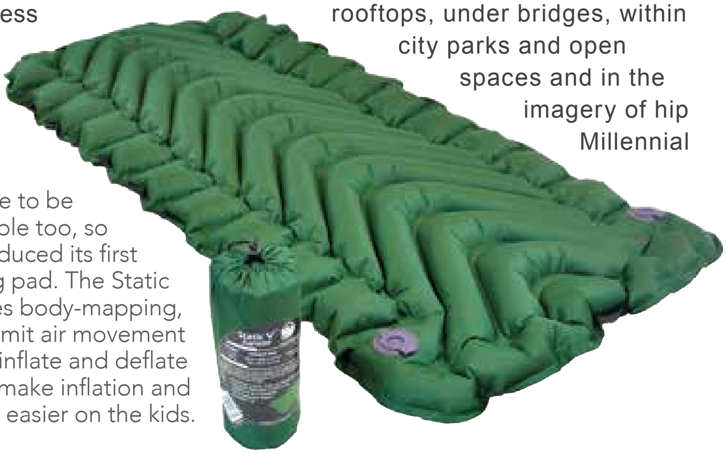
Since 2013, however, there's been a renewed interest among younger participants, says Powell. Quite simply, the campsite setting aligns well with the Millennial milieu.

Assuming Millennials fit the common stereotypes (that Millennials prefer experience over materialism, social over monetary currency, hold appreciation for the environment and a desire to "share their stories") then it's not hard to imagine a group of 20-somethings hitting Snapchat while sitting around a campfire with friends, drinks and scenic backgrounds.

"Camping is a perfect way for Millennials to express those values," says Powell, "and they are finding ways to bring its products beyond the campgrounds."

As might be expected, Millennials can have their own ideas about what it means to camp out, and those notions couldn't be more "beyond the campgrounds."

During the past few years, there's been an emergence of what's come to be known as "urban camping" as its own legitimate market. Kamikaze-style, often-minimalized campsites increasingly are popping up on urban rooftops, under bridges, within city parks and open spaces and in the imagery of hip Millennial



Kids like to be comfortable too, so Klymit introduced its first junior sleeping pad. The Static V Junior features body-mapping, v-chamber to limit air movement and separate inflate and deflate valves to make inflation and deflation easier on the kids.

urbanites. Much like we see with events campers, these urbanized outdoor experiences generally can be categorized into two groups. On one end, it's simply about affordable accommodations (albeit often illegal) when visiting a city or spending a night away from home. On the other side, it's about the social experience – a chance to disconnect from devices, soak in some scenery under the stars and gather with likeminded souls around a conceptual campfire, all without the time and effort required to travel to more remote locations.

In both cases, the movement provides camping with a cool factor that it hasn't enjoyed in some time, and likely introduces the activity to lots of members of a desirable demographic.

Part tent, part hammock, part tree house, the TreePod from Canaima hangs just about anywhere, from the backyard to the backcountry. A customized stand to hang the pod also is available.

Where to Hang Hammocks

Some may find it peculiar to see a story on the growth of camping product sales that doesn't directly address the surging sales of hammocks and the subsequent rise of "hammocking." It's certainly a story worth mentioning, considering hammock sales at outdoor retail, as tracked by The NPD Group, more than doubled the past two years, going from $25.9 million in 2013 to a whopping $53 million last year. Even so, we can't be sure how much of the recent growth falls under sales specific to camping demand.

Certainly, the number of hammock campers has grown, and hammocks and hammock systems have become a widely accepted option for sleeping under the stars. At the same time, the explosion in hammocks doesn't seem to be taking any bite out of traditional sleeping arrangements, as tents and sleeping pad/mattresses likewise have experienced substantial sales increases during the past two years. Dollar volumes of three-season backpacking tents, for instance, were up 20 percent and 13 percent annually the past two years, while four-season tent sales jumped 7 percent and 10 percent in 2014 and 2015, respectively.

Photo by Jeff Brockmeyer, courtesy Grand Trunk

Even bivy sales were up 27 percent year over year in 2015. The sleeping pad/mattress category experienced similar growth.

And while it's relatively common to see both tents and a hammock set up at one camp site, we'd argue that the wider hammocking trend – defined as folks hanging in their hammocks on college campuses, in city parks and at other scenic locales – is driving large chunks of hammock sales growth, and that form of hammocking is more aligned with picnicking or an afternoon at a swimming hole than it is to overnight camping.

That's no slight to hammock sales and hammocking. Outdoor dealers would be less-than-thorough to ignore a $50 million market that requires relatively little floor expertise. But whereas we can safely assume most one-burner stoves, campfire grills, lanterns or tents are being used specifically at overnight campsites, we can't be so sure with the current hammock demand. A similar case could be made for the high-end coolers that are flying out of outdoor stores lately. We simply just don't have the data to declare anything yet.

Outdoor Retail Hammock Dollar Volumes

2013	2014	2015	% Change '13 to '14	% Change '14 to '15
$25,897,868	$39,447,726	$53,084,788	52.3	34.6

Source: The NPD Group retail tracking reports

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Addressing both camp comfort and a longer camping season, Nemo's Concerto features an integrated bed sheet with the company's Blanket Fold to offer home-like comfort with an effective range from 20F to 80F.

So where are the opportunities? While it's possible that these Millennials, as well as many event campers, may never set foot on our nation's recreational lands, that's not to suggest traditional campgrounds have gone quiet. Quite the opposite, actually, suggest National Park Service figures. Last year, our national parks hosted more than 3.6 million campground tent overnights, up 13 percent from 2014 and the most seen at NPS tent camping sites since 1995. In 2014, overnight stays at NPS tent campgrounds was up 8.4 percent year over year.

And, apparently, not everyone is "done-in-a-day." In 2015, NPS sites hosted more than 2 million backcountry overnight visits, the most in any year since 2001, while the more than 1.8 million backcountry overnights in 2014 was the most of any year since 2002. NPD sales figures likewise suggest a resurgence of interest in backpacking, as several product categories typically associated with backcountry pursuits jump off the spread sheet and often out-performed their recreational camping counterparts. Dollars spent on bivy tents, for instance, jumped 27 percent in 2015, while growth in backpacking tent sales the past two years has outpaced recreational tent sales by significant margins. Also in 2015, sales of backpacking tents ($149.6 million) surpassed those of recreational tents ($144.6 million). The year prior, recreational tents outsold backpacking models by $8.5 million, show NPD Group figures.

At the same time, single-burner stove sets and dehydrated foods enjoyed healthy gains the past two years, and mummy sleeping bag sales ($131 million in 2013 to $155 million in 2015) largely drove growth in the sleeping bag segment. Of course, plenty of backpacking products never actually see the backcountry. And it's probably safe to assume many urban and Millennial campers are attracted to backpacking gear more for its reputation for quality, compact and sleek design and brand cachet than its ability to perform in remote areas.

Backcountry or backyard, urban, event or family camper, one trend remains firmly entrenched: camping is no longer necessarily associated with roughing it. To previous generations, a camp site typically meant a night away from the amenities of home. Today's affordable technology and clever product marketing, however, allows us to conveniently bring the comforts of home along with us. Hatchets and hot-dogs on a stick have been replaced by gourmet backpacking food and nesting champagne flutes. And outdoor consumers seem to be really comfortable with the change.

Indeed, items largely associated with comfort – such as camp furniture,

Outdoor Retail Backpacking Items Dollar Volumes

Category	2013	2014	2015	% Change '13 to '14	% Change '14 to '15
Backpacking tents total	$111,093,825	$131,985,545	$149,570,259	18.8%	13.3%
Bivy tents	$1,820,729	$1,836,337	$2,329,304	0.9%	26.8%
Mummy sleeping bags	$131,091,167	$137,478,912	$154,958,018	4.9%	12.7%
Dehydrated food total	$28,232,873	$29,661,021	$34,403,294	5.1%	16.0%
Backpacking sleeping pads/ mattresses total	$69,397,901	$70,436,277	$76,775,804	1.5%	9.0%
One-burner stove sets	$13,129,505	$14,125,703	$15,732,913	7.6%	11.4%
One-burner stoves	$22,531,243	$21,830,228	$22,989,183	-3.1%	5.3%
Water filters totals	$24,244,034	$27,829,483	$31,691,145	14.8%	13.9%

Source: The NPD Group retail tracking reports

The soft-sided cooler market is so hot, Yeti is even introducing "new colorways." Yes, the Yeti Hopper is now available in Field Tan with Blaze Orange liner and zipper.

sleeping pads, coolers and accessories – have seen healthy increases in both the last two years, show NPD Group data. Bumps at retail of "other cookware accessories" (from $26 million in 2013 to $34.6 million in 2014 to $43 million in 2015) and "pots and pans" (from $11.9 million in 2013 to $13.9 million, 2015), in particular, even have us wondering if campgrounds are the only place American families are actually cooking. Sleeping pad sales leave us wondering how many people are still sleeping "on the ground." Total sales of all sleeping pads/mattresses at outdoor stores in 2015 nearly matched the dollars made on recreational tents.

One comfort-oriented category also seemed to benefit from last year's warmer winter temperatures. NPD Group retail sales figures suggest consumers are looking to extend the comfort range of sleeping systems into non-summer months. The overall sleeping bag accessory market topped $28 million in retail sales, up 13 percent in 2015 following 7.6 percent growth in 2014. Overbags were up 10 and 16 percent in dollars during the last two years, while bag liners topped $10.9 million, up 16 percent year over year. Sleeping bag blankets, meanwhile, became a standalone market, topping

"In 2015, NPS sites hosted more than 2 million backcountry overnight visits, the most in any year since 2001, while the more than 1.8 million backcountry overnights in 2014 was the most of any year since 2002."

Outdoor Retail 'Camp Comfort' Items Dollar Volumes

Category	2013	2014	2015	% Change '13 to '14	% Change '14 to '15
Camp Chairs	$88,112,952	$95,094,239	$102,459,606	7.9%	7.7%
Camp Cots	$21,442,887	$23,029,455	$24,450,475	7.4%	6.2%
Other Camp Accessories	$113,636,738	$119,115,743	$139,393,920	4.8%	17.0%
Recreation Sleeping Pads/Mattresses Total	$53,863,343	$57,182,028	$64,304,512	6.2%	12.5%
Sleeping Bag Accessories Total	$23,157,903	$24,928,638	$28,151,209	7.6%	12.9%
Other Cookware Accessories	$25,951,938	$34,557,761	$42,836,600	33.2%	24.0%
Mess Kits	$11,473,763	$12,023,620	$12,538,856	4.8%	4.3%
Utensils Total	$9,302,090	$9,689,340	$10,992,524	4.2%	13.4%
Hard Sided Coolers	$38,937,397	$46,463,795	$75,854,616	19.3%	63.3%
Soft Sided Coolers	$6,153,433	$11,775,033	$34,203,477	91.4%	190.5%

Source: The NPD Group retail tracking reports

$1 million in sales after two years of more than 30 percent annual growth.

It's similar to what we are seeing in outerwear, says Powell, where Millennials are choosing lighter-insulated, layered systems that they can peel off or pile on depending on the season. "Consumers are doing more with less; rather than purchasing specific products for every season or activity, they are buying adaptable and multipurpose items," he says.

If this trend continues, one might expect near-term sleeping bag purchases to favor warmer-rated bags that can be beefed up with an overbag or liner during colder weather.

Multiple-season tents, likewise, may benefit from longer camping seasons due to warmer winters. Both three-season and four-season backpacking tents did quite well the last two years, with year-to-year growth rates ranging from the low to high teens.

Some other camp-oriented categories that enjoyed healthy growth the past few years, according to The NPD Group's retail tracking data, include tent accessories and tent replacement parts, battery-powered (non-combustion) lanterns, coolers, first-aid kits, stoves and stove parts, kitchen utensils and water filters.

Sure, the sales numbers may be just a blip – the result of normal replacement cycles and one warmer winter. Even so, a more comfortable camping experience is widening the appeal of an important category to outdoor retailers, while new attitudes of what it means to camp is exposing the activity to folks who might not have participated otherwise.

Store Wi-Fi ROI

Wi-Fi data analytics help justify the cost of 'free' Wi-Fi

By **Martin** Vilaboy

It's been said that in-store Wi-Fi is a linchpin to omni-channel retail. That's because this relatively mature and standardized technology platform connects the customer's digital presence (via their smartphones) to the physical storefront experience. All the while, the "free" Internet access provided by guest-host Wi-Fi has almost become expected by consumers.

Still, only about a quarter of retailers recently surveyed by Retail Systems Research had Wi-Fi available for employees on the selling floor, and just 19 percent had wireless available for customers.

A survey by IHL Group, which notably included the hospitality sector, found that only four in 10 respondents had Wi-Fi at the store level.

"We still don't have enough Wi-Fi-enabled stores," blogged Paula Rosenblum of Retail Systems Research.

One good reason for the slow creep in deployment is that while the word "free" is often associated with "Wi-Fi access," providing customers with guest-host Wi-Fi is anything but free. A sufficient local area network, after all, requires hardware, cabling, security, design and installation. That can easily run as high as several thousand dollars for the largest of sporting goods stores. And that doesn't even include the monthly recurring cost paid to an Internet service provider.

In other words, that's some serious coinage to justify what is typically seen as a passive amenity deployed mostly as a customer experience value add. But what if retailers could derive more from "free" Wi-Fi and its enabling local wireless infrastructure? Brent Baker, manager of network services at Powernet, a Cincinnati-based business connectivity provider, believes retailers can leverage basic data gathering and analytics from their Wi-Fi networks to actively improve store operations, enable personalized marketing and customer service and directly drive sales. Powernet's Beyond Wi-Fi solution, for one, makes Wi-Fi analytics accessible to the budgets and IT capabilities of mid-sized to large sporting goods and outdoor chains. The upshot: customers get an enhanced

Consumers' In-Store Mobile Activities

"Which of the following have you done using your mobile/smartphone whilst in-store?"		18-34	35+
Compared prices with competitors	36%	42%	31%
Researched products	36%	43%	30%
Accessed a coupon/promotional code	31%	36%	26%
Checked reviews about the product/retailer	25%	32%	20%
Accessed confirmation email to pick up product purchased online	23%	26%	21%
Accessed loyalty/reward programs	21%	23%	18%
Checked funding available before purchasing	21%	26%	17%
Stored product information for purchase at a later date	21%	26%	17%
Paid for my purchase	20%	24%	16%
"Checked in" at store via social media	15%	20%	11%
Received an offer based on proximity to store	14%	17%	12%
Posted an online comment to the retailer/brand about the product/offer	11%	14%	8%
None of the above	24%	12%	35%

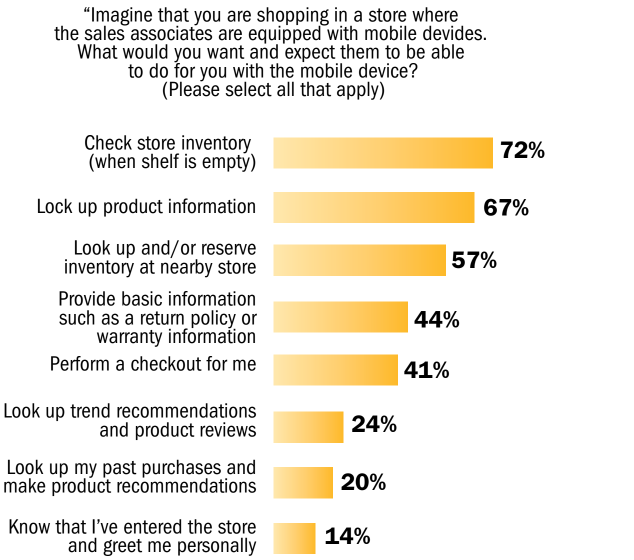
Source: PWC

experience, store executives get a path toward the holy grail of connecting with customer across "all touchpoints," and CFO types get their ROI.

To understand the importance of Wi-Fi inside the store, one only needs to take a gander at in-store shopper behavior. Quite simply, the smartphone changes everything.

Despite the relatively recent ubiquity of smartphones, about three-quarters of nearly 23,000 online shoppers surveyed by PwC report to using a mobile device while browsing in-store. Among those, more than a third are comparing prices with competitors or researching products, while more than three in 10 are accessing coupons or promotional codes. Not surprisingly, Millennials (aged 18 to 34 years old) are more likely to engage in these activities than older adults. They are 35 percent more likely to compare prices, 43 percent more likely to research product and 38 percent more likely to access discount offers. Within the U.S., more than eight in 10 Millennials use their mobile devices while in-store.

Consumers Want Digitally Enabled Associates

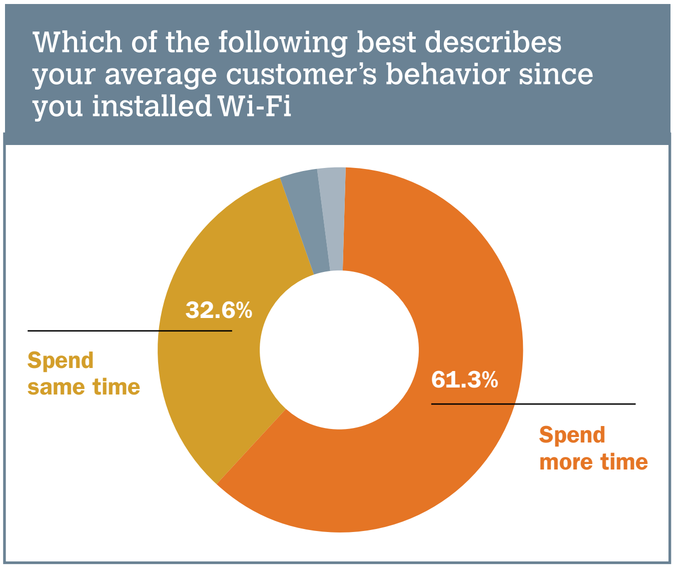


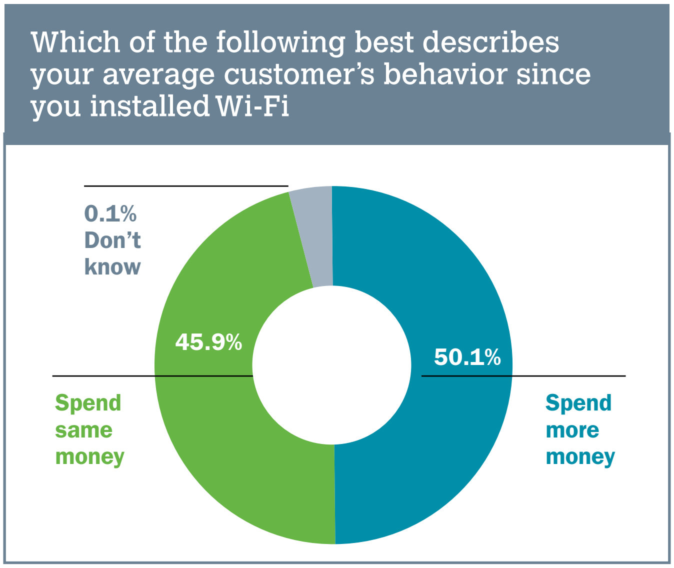
Source: Forrester Research

A separate study by Deloitte, meanwhile, estimates that mobile influences 28 percent of in-store sales around the globe, with the U.S. leading in terms of this digital influence among the six mature markets studied. At the same time, consumers tell Forrester researchers that they also want store associates to be digitally enabled. More than seven in 10 say it's important for store employees to check store inventory when a shelf is empty, while 67 percent want associates to be able to look up additional product information. More than half of shoppers expect employees to be able to look up and reserve inventory at a nearby store.

"Millennials play a large role in the in-store shopping revolution, as their smartphones are basically an evolutionary extension that the retail industry has yet to catch up with," says Patrick Connolly, principal analyst at ABI Research.

Impacts of In-Store Wi-Fi





Source: iGR survey of 400 U.S. small customer-facing businesses

Getting Started

As the saying goes, "Nothing is free." So while free guest-host Wi-Fi comes at no cost to store customers, retailers know it involves both capital and operational expenditures.

As with most anything, the ultimate costs of deploying a wireless local area network and providing customers access to it depends on specific variables, including store size, layout and intended use. Obviously, a small independent specialty store is substantially less to network than a mega-chain store.

One constant, however, is the need to provide a quality experience. After all, if the Internet experience is slow or choppy, customers simply won't use it.

A good experience starts with a business-grade Wi-Fi access points, a small box similar to the wireless routers found in a home Wi-Fi network. A sufficiently solid access point tends to retail for about $1,300. The good news is, one access point can serve up to 500 simultaneous users and cover about 4,000 square feet, so one is likely enough for most outdoor specialty stores. Large stores may want to budget for two or more.

The Ruckus ZoneFlex R710 wireless access points serves up to 500 devices.

In addition to access points, deployments also likely involve network planning and design, cabling and installation costs. To give some idea (albeit a much larger example than most retail shops would need), Powernet recently put together a Wi-Fi solution for a 22,000-square-foot event center that ran about $11,000 for design, equipment, installation and a managed Wi-Fi service, just about everything needed, except the Internet connection.

Brent Baker, manager of network services at Powernet, recommends capacity of about 500 Kbps per expected user. So if a store can expect peak usage of about 100 simultaneous devices connected to the network (50 Mbps), such as during a Black Friday sale or in-store event, plus whatever capacity is needed for internal functions and operations, Internet service requirements can quickly approach 100 Megs of download. We'll defer to your local Internet service provider for that monthly costs.

"The conceptual battle between brick-and-mortar versus online is dead. All retailers must become omni-channel and harness the power of the smartphone by developing next-generation, personalized experiences."

By providing a Wi-Fi experience, retailers put themselves in position to control the in-store shopper's digital experience. That can be done through a simple landing and log-in page that shoppers must cross to access the free connectivity. Here a retailer can push offers and content or highlight in-store services that discourage shoppers from searching competing offers.

"This page is your first opportunity to present a message to the customer," says Baker.

Of course, that is just a beginning. Analysis of the Wi-Fi and location-based data also can provide insight into how, who, when and where shoppers interact with in-store environments and merchandising campaigns. What's more, "these new technology platforms tend be inexpensive to deploy when compared with more traditional measurement instruments such as traffic-counting devices and video observations," note researchers at the Platt Retail Institute.

Retail's ROI

Consider, for instance, "what it would be like to have insight into every one of your visitor's Facebook pages?" says Baker. Powernet's Beyond Wi-Fi service allows shoppers to log-in via social media, providing retailers access to those profiles.

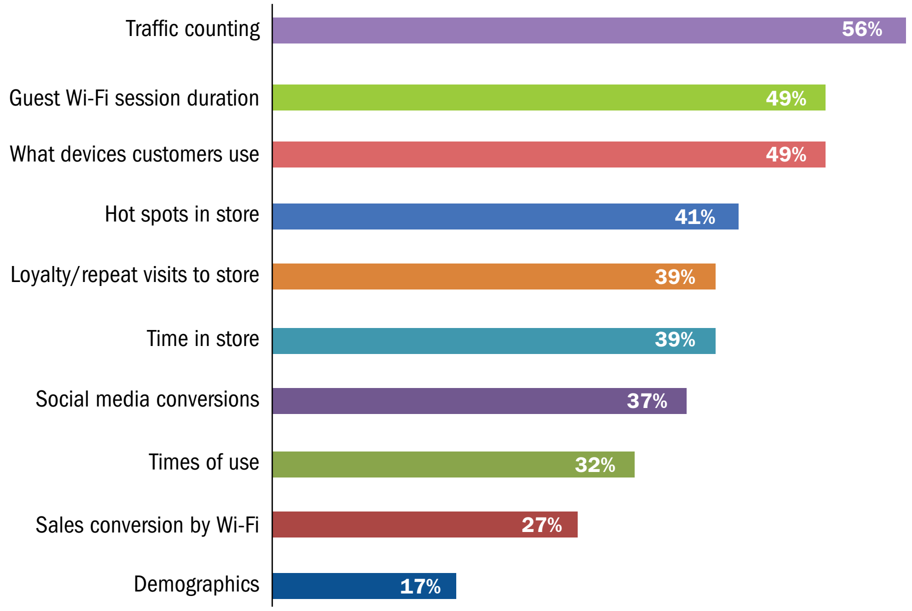
"How much do retailers really know about the people who walk through their doors?" asks Baker. "They know they have some connection or interest in the product they are selling, but they don't know what type of music they listen to, the personal relationships they value, other interests or any number of things they might be able to learn from someone's public social media profile."

Armed with such information, retailers not only are prepared to build a profile around who is coming into their stores, but it also allows marketers to better tailor direct marketing, such as SMS messages or email offers, personalized to individual's interests or demographic profiles.

"Maybe I want to encourage them to come back with a coupon or information on a special event that's really targeted at what I know their interests are based on their social media profile," explains Baker.

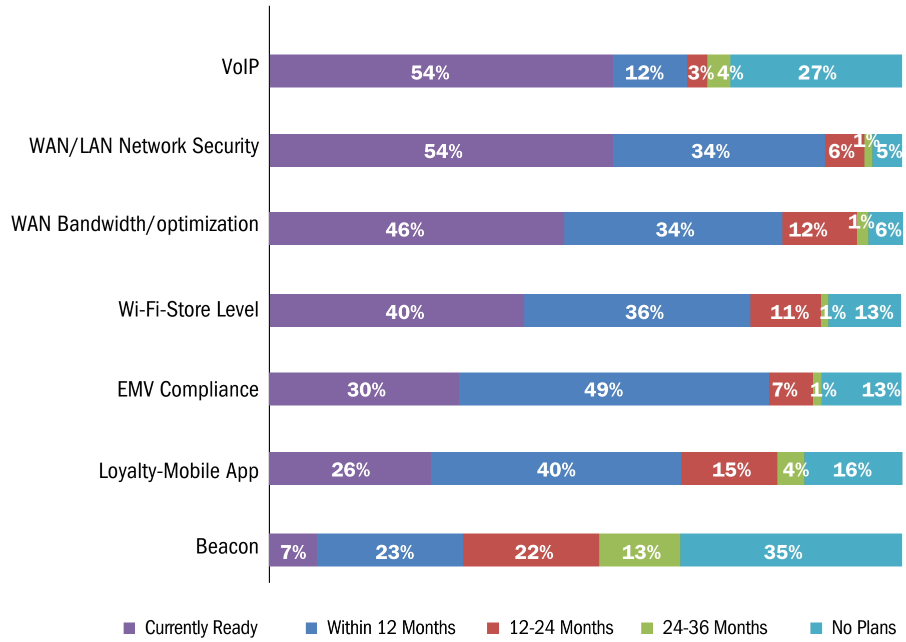
For those who might be creeped out by what they could consider a form of "social media stalking," Beyond Wi-Fi also allows users to login through the more-standard, just-give-us-your-email option. Armed with just that information, a store manager could run a report, see who was in the store that weekend, for example, and trigger a comeback offer, depending on what a customer did or did not buy.

Analytics Usage among Stores with Wi-Fi (Retailers and Hospitality)



Source: IHL Group

Store Infrastructure Technology Adoption (Retailers and Hospitality)



Source: IHL Group

"It's about marketing the right thing to the right people," say Baker. (Messaging could even be delivered in real-time, while a customer is inside the store, although that would require a staff member actively monitoring the Beyond Wi-Fi portal in real-time to send the message.)

Even when a customer chooses not to opt-in but rather foregoes use of a store's free Wi-Fi, there is a pretty good chance they are carrying a smartphone. And if they are carrying a smartphone, there is a pretty good chance their Wi-Fi function is turned on, several studies suggest. That's all Beyond Wi-Fi needs to provide valuable feedback on customers' in-store activity.

"If a Wi-Fi device comes through the door, even if the user doesn't log-in, we're still going to track it," explains Baker.

Since Beyond Wi-Fi tracks the location and movement of every Wi-Fi-compatible device on the floor, retailers can compile and monitor information such as footfall, traffic flow or where folks are congregating, in real-time or at any one point in time. Through analysis of that data, a store manager can gauge how well displays or end caps are engaging customers, at what times there are choke points at check-out, if stimulus in one part of the store is moving traffic to another intended part or how well a promotional or advertising campaign boosted foot traffic. Product placement and assortment can be improved based on dwell time measurements; while in a mall environment, the data can be applied to measure and improve store penetration rates. Watching for repeat visits, meanwhile, can provide better understanding of out-of-store marketing campaigns or help estimate product purchase cycles, while tracking customers along a path through store aisles can highlight optimal points to coordinate engagement.

Traffic data also can aid with staff availability, such as helping to match staffing and breaks to customer counts or better positon staff to improve customer service. Ultimately, depending on the amount of time given and the gumption of the user, the possibilities to impact store operations seem almost limitless.

"You can really expand on the 'put the milk at the back of the grocery store' strategy," says Baker.

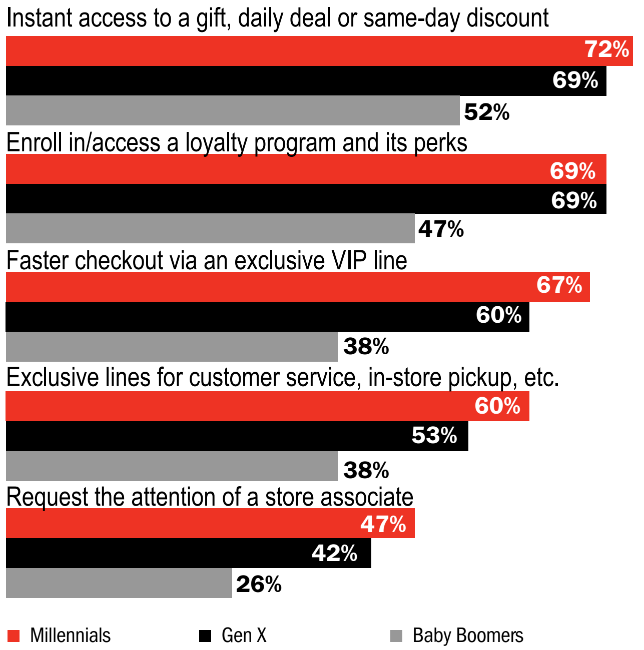
Things get even more interesting when Wi-Fi and location-based data is integrated with other data and systems, such as point-of-sale, human resource management or marketing automation. Most Wi-Fi analytics suites, including Powernet's Beyond Wi-Fi, offer Web APIs (application programming interfaces) that allow data to be exported and combined with other systems.

"The sky and your programming skills are pretty much the limit," says Baker.

Imagine, for instance, a customer a retailer knows by name (or at least by screen name) comes into a store and is instantly greeted with a personalized message or offer. Say that customer comes in, lingers around the trail shoe wall for some time but leaves without visiting the cash register. A manager reviewing the day's traffic can see that behavior and initiate the push a coupon out to that customer offering 15 percent off all footwear. Or say a customer comes in and purchases a climbing harness. As she walks out the door, a digital display could flash information about an upcoming in-store climbing clinic or guest speaker on the topic. Welcome to the future of retail.

Ways in Which US Internet Users Would Be Likely to Use In-Store Wi-Fi, by Generation

% of respondents in each group



Source: Euclid Analytics; Harris Poll

"By 2025, we will be exposed to a new shopping world in which the value of a physical store will no longer be measured in sales, queuing will not exist, any surface will be a storefront, customers will be able to find and buy any item at any time, and clothing will be shared, tried on virtually, and printed at home," says ABI Research's Connolly. "The path to the future should start today for smart retailers."

A basic Wi-Fi data analytics suite provides retailers with a good first step on this path, while at the same time having an immediate positive impact on customer experience and in-store operations.

Not bad for something that's considered "free."

FloorSpace

The Future of the Sales Floor

Technology has become as much a part of retail as price tags and general stores once were. In today's world, price stickers are technology and general stores are globalized organizations spending full percentage points of revenue chasing the omni-channel dream.

But that technology investment isn't all going to e-commerce. Larger and leading-edge retailers know they need to power up their in-store staffs and spaces to satisfy and keep the attention of empowered shoppers. Here's a taste of the types of technology hitting their sales floors.

SCOTTeVEST Provides a Glimpse of the Future of PoP Display

SCOTTeVEST, the Ketchum, Idaho-based vendor or multi-pocket, gadget-friendly clothing for techies, travelers and outdoor enthusiasts, is giving a voice to the "silent salesperson," along with video, intelligence and even fulfillment capabilities. The company's revolutionary, new point of purchase display incorporates personalized video, live assistance and biometric scanning to create a guided shopping experience. It also brings to life the future of brand-customer interaction and gives retailers tools for competing with online giants.

At first glance, the PoP looks like a somewhat familiar garment rack, but when a customer approaches, it activates a video tailored to the specific store location that greets that customer. It then uses biometric scanners to estimate their correct size and guides them through the SCOTTeVEST catalog. Once the customer tries on a garment, they can scan the tag for a video rundown showcasing all the features. If the customer has questions, the PoP even will open a live video chat with a SCOTTeVEST customer service member.

Once a garment is selected, a QR code appears, which the customer scans to complete the purchase on their phone or through the kiosk via credit card or electronic payment methods.

The product hanging on the rack is for display only, so retailers don't have to worry about inventory. After the customer makes a purchase, SCOTTeVEST facilitates home delivery, but the retailer hosting the PoP gets a commission on the sale. Even if customers do not purchase a garment through the PoP, if they push "like" with the built-in Facebook beacon, it allows SeV to track the customer's future purchases and lock in the commission for the retailer.

Conversely, all online promotions and discounts are automatically pushed to the PoP in each store, ensuring customers always get the lowest price available. And since none of the products on the PoP are designed to leave the store, each has an anti-theft tag attached.

"This is truly the best of both worlds," says Scott Jordan, SCOTTeVEST CEO and co-founder, "a hands-on truly awesome product experience plus online fulfillment – never lose a sale if an item is locally out of stock."

Toshiba Goes Ultra HD 4K for Surveillance

Toshiba introduced its first Ultra HD IP video surveillance camera, the IKS-WB9518, able to capture 4K video in 3840 x 2160 resolution at a rate of 25 frames per second. The Ultra HD resolution provides high level of detail to more effectively capture moving objects (i.e. license plates), monitor large parking areas and assist in collecting forensic evidence when a crime has occurred. Toshiba says its deployment can reduce the number of conventional HD cameras needed by nearly 50 percent due to its ability to cover very wide spaces.

"Adding four times the pixels into a video frame empowers security professionals to cover large areas as well as to zoom into the picture for amazing details without sacrificing quality, even at great distances," said Greg Hartzell, director of Toshiba Surveillance IP Video Products.

The camera is compact for mounting in tight spaces, with the added advantage of PoE (802.3af) that eliminates the need to run power cables. It also integrates H.264 video compression to deal with 4K video's large file sizes.

The North Face Expands VR Usage

The North Face's recently opened retail store in Palo Alto, Calif., was the brand's latest location to feature a virtual reality experience developed in a collaboration with Jaunt. Originally unveiled about a year ago in TNF's Chicago flagship store, The North Face VR allows store visitors to step into a "completely immersive, 360-degree 3D video and audio experiences that places viewers right in the middle of iconic outdoor landscapes, such as Moab, Yosemite and Nepal."

Captured with Jaunt's 360-degree, stereoscopic 3D cameras and advanced 3D sound-field microphones, the content places viewers in the middle of the scenes with complete freedom to look around in any direction. Shoppers are virtually transported alongside The North Face athletes prepping rope, climbing and setting their plans for the day. Camp4 Collective, a group of athletes and filmmakers, worked on location with The North Face and Jaunt to produce the content.

"For more than a decade I've used every type of media imaginable to share the iconic stories of The North Face expeditions yet have not seen anything that can transport people to some of the world's most remote and inspirational environments like The North Face VR," said Tim Kemple, Director at Camp 4 Collective, upon the original launch. "It's impossible to put the headset on and not smile."

Incidentally, the new TNF Palo Alto location also includes the pilot of a new, large digital window display featuring rich brand content.

Welcome to Automated, Robotic Inventory Control

4D Retail Technology Corp recently unveiled its 4D Space Genius, a ground-breaking, patent-pending robotic imaging platform powered by Segway that can scan any store in less than an hour. As the robot travels down each aisle, it automatically compiles and processes huge amounts of big data, imaging every product and barcode in every aisle. Once completed, the Space Genius scan provides retailers and manufacturers with the precise location of everything in the store, as well as all instances of price tag discrepancy, missing price tags, empty shelving and more.

The Space Genius also provides retailers with an interactive 3D map of their store, precisely depicting each product exactly as it is displayed on the shelf. This realistic, virtual store can either be displayed on the company's Web site for consumer use and shopping, or toured remotely by retail executives at HQ.

"With one click, customers can virtually navigate through any scanned store anywhere in the world and view products on the shelf exactly as they are," said the company. "As shoppers tour the aisles, they can pull products off the shelf, spin them around to read more product information and add them to a shopping cart to be shipped or delivered by local courier."

Included with the Space Genius is a 3D planogram application. "Unlike traditional methods of creating planograms, which are based primarily on static, theoretical inputs, the 4D Space Genius intelligently generates dynamic 'realograms' based on actual, scanned data," says 4D.

FloorSpace

An Upside to Markdowns

BoxFox helps relieve the burden of excess inventory

by **Martin** Vilaboy

Markdowns can be equated to the "bitter pill" of specialty retail. They're hard to choke down but likely good for the overall health of the business. Too many markdowns, and you risk the side effects of competing with your own full-price inventory, while effectively training your customers to look for clearance sales signs. Too few markdowns, and it could tie up cash flow needed to keep the lights on.

Either way, retailers' disdain for the markdown is easy to understand. After all, the existence of aged and surplus inventory effectively shines a spotlight on buying mistakes, or at least some really bad luck. And while no one willingly wants to swallow the major margin losses that come with deep discounts and clearance sales used to the get rid of old inventory, letting that product rot on the shelves only leads to larger losses in the long run. What's a retailer to do? Fortunately, BoxFox has come along with a little sugar to help the discounts go down.

"If we can work with retailers to get some of that product out of their market and into another business who's interested in selling that same product, it's usually good for everyone."

BoxFox has built a platform that gives specialty retailers access to an on-demand pricing tool for surplus inventory and a private network of pre-qualified buyers looking to purchase it. The cloud-based platform and marketplace doesn't exactly take the sting out of margin-crunching clearance sales, but it does make the markdown process quite a bit more controlled and systematic, if not flat-out easier to swallow.

The basic concept is really quite simple and somewhat familiar. Say a retailer in Ohio ordered too many winter gloves for the amount of snowfall seen that winter. BoxFox can match it up with a retailer in, say, Colorado that is enjoying late snowfall or a wholesaler in Canada that knows of a retailer having a massive winter clearance sale. The retailer in Ohio gets the inventory off its shelves and cash to re-stock them with the most recent product introductions, and the buyer gets to move more gloves. BoxFox takes its 5 percent commission for its matchmaking service; everyone is happy.

"If we can work with retailers to get some of that product out of their market and into another business who's interested in selling that same product, it's usually good for everyone," says Joe Van Deman, director of partnerships at BoxFox.

The process starts with a BoxFox retail partner uploading a list of excess inventory, typically by way of an Excel spreadsheet or export data from a point-of-sale system. (There's also a BoxFox iPhone app whereby retailers can simply scan items on a clearance rack, for instance, and list items with a touch of button.) BoxFox then takes the products' UPC codes, gathers information on those products through various plug-ins and pricing tools, and automatically creates a listing complete with colors, models, sizes, high-res images, and so forth, as well as a free appraisal of the inventory items to give the retailer an idea of what the products are generating on the open market and what they likely can get through the platform.

"We try to make it very simple, where the retailer doesn't actually have to provide all that information," says Van Deman.

The appraisal also sets the starting prices for a three-day listing period, during which time potential buyers bid on the inventory. At the end of the bidding process, the seller receives information on the highest offer. "Most of our offers that are accepted are within the range of probably plus or minus 10 percent of the appraised value" says Van Deman.

"From the buyer's side, it is a bidding process, but only the highest total offer gets delivered to the seller," he says.

Unlike most other wholesale online marketplaces, the seller is under no obligation to accept any bids. After receiving a bid, a retailer may decide it could do better selling the inventory at markdown in-store to existing customers, or maybe they just want to use the appraisal to make more intelligent pricing decisions for an upcoming clearance sale.

"If they mark it down to 50 percent in-store, and they still don't have any luck, they can come back to BoxFox, put it up again, and likely, we'll be able to pull an offer that's similar to what they had the last time," says Van Deman.

If the retailer accepts the offer, the buyer pays into a third-party escrow account, including the cost for the shipping. BoxFox handles the back-office logistics so the selling retailer just needs to print a label and schedule a pick up. The buyer then has three days to review the order for accuracy, after which time the seller gets paid. At the end of the day, sellers typically recoup 60 to 70 percent of their inventory costs, say BoxFox executives.

The BoxFox network of buyers includes more than 1,500 pre-qualified businesses ranging from domestic and international discounters and clearinghouses to other online and brick-and-mortar retailers. Working with a large and diverse group of buyers, says Van Deman, allows BoxFox to accommodate the needs of the sellers, such as when product is not allowed to show up on Amazon or must be sold only in the U.S. or maybe can't be sold in the U.S. Likewise, BoxFox says it works with sellers to make sure product is moved in ways that mesh with requirements and expectations. It also encourages sellers to stick with off-MAP product when using the marketplace in order to avoid any issues with vendors.

BoxFox retail members tend to be smaller specialty stores (the target market is one- to 10-store operations), says Van Deman, with about 60 percent of retailers coming from the sporting goods, running and outdoor retail segments.

How and how often retail members engage the platform depends on their specific needs, business models and preferences. Some prefer to buy and sell through BoxFox once a year, for an annual clearance sale, while others will use it regularly at the start of the markdown process to recover cash quickly and reinvest it into newer and hotter product.

BoxFox, for its part, recommends retail partners utilize the platform four to six times a year, as the seasons change and the occasional bad buy rears its head. That's particularly true for industries such as sporting goods and outdoor where new introductions come to market on a regular, ongoing basis.

"We would like to become a regular part of their markdown process," says Van Deman.

Considering the simplicity of the platform for sellers, the no-obligation bidding process, the out-of-market sales, and the zero cost/risk to list surplus inventory – as well as the alternative negative effects of holding onto aged and unwanted inventory too long – we're betting most outdoor specialty retailers will appreciate the assistance.

Is Your Return Policy Hurting Your Business?

By Ritchle **Sayner**

Let's be honest, who really likes returns? As retailers, you are in the business of selling merchandise, not taking it back, right? After all, returns take time and generally mean the customer had a negative experience with the merchandise or simply had a change of heart, and now their problem is soon going to become your problem.

Full disclosure here, that used to be my mindset. I dreaded seeing our bags coming back into the store. My hunch is that a lot of you may feel the same way.

During the years, returns of retail sales have steadily increased, with 9 percent of retail sales being returned, according to the Kurt Salmon consulting firm. The latest figures available suggest that returns in 2014 hit $284 billion, up 6.2 percent from the previous year. Some attribute this increase to online shopping since one-third of online purchases come back.

Leading Cause of Retail Returns

Reason	Global $$
1. Defective/poor quality	$162 billion
2. Bought wrong item	$99.3 billion
3. Buyer's remorse	$88.7 billion
4. Better price elsewhere	$83.4 billion
5. Gift returns	$64.1 billion
6. Wrong sizing on item	$62.4 billion
7. Return fraud	$28.2 billion
8. Didn't match online description	$6.1 billion
9. Late delivery of items	$4.6 billion
10. All other reasons	$43.8 billion
Total	$642.6 billion

Source: IHL Group

I decided to poll a cross-section of retailers that I consult with to find out what their return policies are. I wasn't terribly surprised with what I learned. It appears that the smaller the volume a store does, the stricter their return policy is. The general consensus being that smaller retailers feel they simply can't afford a more liberal policy, thus opting for store credits in lieu of cash refunds and a tighter window in which returns are accepted. Larger volume operations, on the other hand, approach

"If the customer isn't happy, they probably aren't coming back."

Return Rate by Category

Retail Category	Blended Return Rate
Apparel	10.5%
Auto parts	21%
Beauty	5.21%
Children's apparel	9.88%
Department stores	14.05%
Footwear	9.56%
Hard goods	12.33%
Home improvement	11.35%
Housewares	12.29%
Sporting goods	9.25%
Women's apparel	11.13%
Survey median	8%

Source: National Retail Federation

this issue with a completely different philosophy, or so it would seem. Larger stores, in general, adopt the approach that "If the customer isn't happy, they probably aren't coming back." They also seem to allow the customer a longer period of time in which to make a decision on the merchandise. Thirty days appears to be the norm.

Other discoveries from my unscientific poll were that final sale items were not returnable. That seems reasonable to me, unless the product is defective, in which case it should become a vendor issue. Most retailers responded that any returns had to have the sales receipt and could not show any signs of wear. Again, larger volume retailers are a bit more lenient here. One store, in particular, actually advertises that customers can exchange footwear they have worn if the pair isn't working for them within 30 days. A liberal policy such as that takes away any fear a customer may have regarding the purchase.

Might a case be made that larger volume stores became that way over time because, among other things, they were willing to do what the customer wanted them to do? Next time you are confronted with a return that seems questionable, try asking the customer what they would like you to do to make them happy. If a store credit is going to annoy a customer to the point of creating hard feelings, is it really worth it? To the stores that feel they must keep the money "in the store," it might be time to rethink this approach. I contend you keep more money in the store in the long run by making the customer happy. That may mean giving more cash refunds.

Looking at returns from another perspective, we might see that the customer has made yet another visit to our store. How can we make this a positive experience for everyone? The customer had to spend their time and money to come back into the store to return something that they feel justified about. I will offer an idea that is sure to garner an eye roll from some.

Consider offering a customer a $5 credit "for their trouble" once you have completed the return/exchange to their satisfaction? That might get some very positive kudos on Yelp. Believe me, that $5 will come back to you in multiples. You have to give to get.

All Sales Are Final! Wow, that makes me want to buy … not!

How about something more customer-centric, such as "All Sales Are Final When You Are Completely Satisfied"? My belief is that smaller stores would grow their volume by actually promoting a more liberal return policy emphasizing complete customer satisfaction. Many smaller stores see themselves at the mercy of the Internet due to its sheer magnitude, as well as the whims of larger retailers. Believe me; tightening up the return policy does nothing to combat this.

I know of one merchant who took back a pair of shoes he never carried because the customer was adamant that the shoes were purchased at his store. His mindset being, "I can refuse this unjustified return and guarantee I will never see this person in my store again – and risk additional negative social media backlash – or I can graciously accept the return, ask the customer what she would like us to do and hopefully turn a negative into a positive." You might say he chose to lose the battle, yet win the war.

There are times when a retailer should mark down a customer. If you have a customer who habitually takes advantage of your return policy or is abusive to your employees, it may be time for them to take their business to a competitor. Obviously, your store is not a good match for this customer and in some cases it is best to part company.

Revisit your return policy; talk with your store managers, sales associates and even a few of your better customers. Ask them if your return policy is hurting your business? Remember, however; never make a rule that negatively affects the many based on the actions of a few.

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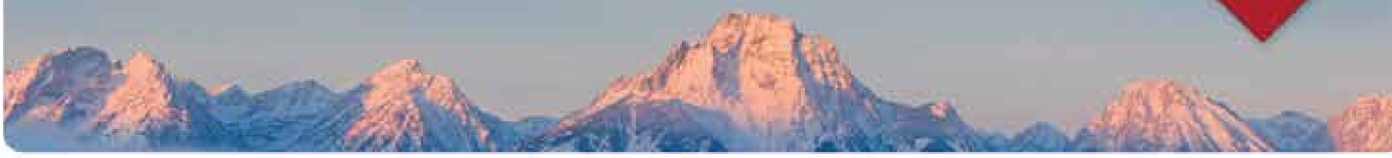

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