

# North America Expansion Model.

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*Arc'teryx has a stated store expansion plan. This study uses a five-variable weighted scoring model across 25 US metro areas to identifying where Arc'teryx is most underpenetrated relative to proven demand.*

Aarianna Goswamy · Portfolio Work · May 2026

*Note: This document is the analytical narrative. The full scoring model, raw data, and sensitivity table are in an Excel file not attached here. Please drop a message to get a copy.*

## The Argument in Three Points

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**The business problem:** *Arc'teryx has stated a goal of 200 North American stores and approximately \$2 billion in North American revenue by 2030. This is roughly double its current contribution. Which markets are most underpenetrated relative to proven demand?*

**The methodology:** *A five-variable weighted scoring model was used across 25 US metros. Each variable is normalised 0-100 using min-max scaling, then weighted and summed to produce a composite demand gap score. A sensitivity table shows how rankings shift under three different weight scenarios.*

**The key finding:** *Seattle scores 85 on Google Trends for Arc'teryx, and has 11 REI stores which is the highest in the dataset. It also has a Washington state outdoor GDP of 3.8%. But it has one Arc'teryx brand store. That is the starkest gap in the model. San Francisco, Denver, and San Diego follow with their own specific cases.*

## 01. The Business Context

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Arc'teryx surpassed \$2 billion in revenue in 2024, driving 36% growth in Amer Sports' Technical Apparel segment. [1][2] Between 2020 and 2024, the brand shifted from 80% wholesale to 80% direct-to-consumer. [3] At its September 2025 'Investor Day', CEO Stuart Haselden set a \$5 billion revenue target by 2030 and explicitly stated that North America and China should be "about the same size by 2030, close to \$2 billion each." [3][4]

Arc'teryx has targeted 200 North American stores as part of its expansion plan. [6] The allocation question this model addresses: given that goal, which markets should be prioritised first, and what does the demand profile of each market suggest about the right opening assortment?

*Retail expansion in a crowded market is expensive. The model attempts to identify where the demand signal is strongest relative to current supply.*

The North American market context: only 24% of US outdoor fashion owners recognise Arc'teryx, and only 4% (of the surveyed US outdoor fashion consumer) own it. [71](#) Yet 100% of surveyed owners say they will purchase again. [71](#) The brand to optimize for reach since it already has high loyalty. This model attempts to identify where the reach gap is most worth closing.

## 02. Methodology

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### The Scoring Model

A weighted scoring model was chosen for two reasons. First, the data sources are heterogeneous: Google Trends indices, Census income figures, store counts, and GDP percentages cannot be combined in raw form. Normalising each variable to a 0-100 scale before weighting allows meaningful comparison across fundamentally different data types. Second, the model is transparent and adjustable: changing a weight in the Assumptions tab of the Excel workbook immediately recalculates all 25 metro scores, allowing sensitivity testing without rebuilding the analysis.

It is important to note that the model is not predictive. It does not forecast sales. Rather, it *rank*s markets by the strength of their demand signal relative to current Arc'teryx supply. It is hence better viewed as a demand gap index, and not a revenue forecaster.

### The Five Variables

The choice of variables was deliberate to make the model more robust.

Variable	Geographic level	Precision	Data date	Role
BEA Outdoor GDP %	State-level	Low (Tourism-inflated)	2024	Directional confirmation
Google Trends	Metro-level	High (Direct demand signal)	12-month avg	Primary signal
Lululemon Density	Metro-level	High (Same customer profile)	March 2026	Primary signal
REI Density	Metro-level	High (Outdoor participation)	March 2026	Primary signal
Median HH Income	Metro-level	Medium (partially captured by Lulu)	ACS 2024	Supporting

### Why BEA Outdoor GDP was kept but weighted low

The BEA Outdoor Recreation GDP share by state is the standard proxy for outdoor culture in market analysis. [16] It was kept at 12.5% weighting for directional confirmation but reduced from a primary variable for two reasons. First, it is a state-level figure applied to metros. Second, it is significantly inflated by tourism in states like Hawaii (6.1%) and Florida (2.8%). A market where tourists hike is not the same as a market where residents buy \$600 technical shells.

### Why Lululemon density replaced the generic competitive supply variable

Earlier versions of this model used Arc'teryx's own store count as the supply variable. This was replaced with Lululemon density for a more meaningful reason: the question is not how many Arc'teryx stores exist, but how large the proven premium lifestyle market is. Lululemon's 479 US stores [5][6] represent deliberate investment decisions in markets where the premium lifestyle customer exists in sufficient volume. Where Lululemon thrives, the Arc'teryx customer profile exists. *It should be noted though that Lululemon density is used as a directional proxy for premium lifestyle demand, not customer equivalence*

### Why REI density complements BEA rather than replacing it

REI's 195 US locations [4] provide metro-level outdoor participation signal that the state-level BEA figure cannot. REI expansion decisions directly track the serious outdoor customer since REI expansion tends to correlate strongly with outdoor participation density. Using both BEA and REI at equal weighting (12.5% each) captures two different dimensions of outdoor orientation. The combined weight of these two variables is kept at 25% (which was the weight of the BEA figure in an earlier model).

## Weighting Rationale

Variable	Weight	Rationale
D1: Google Trends	35%	Most direct demand proxy. Reflects actual consumer search behaviour per market. Metro-level, real-time.
D2: Median HH Income	15%	Purchasing power proxy. Arc'teryx avg unit retail ~\$450–\$700. Higher income = larger addressable base.
D3: Lululemon Density	25%	Premium lifestyle market proxy. Same income/age profile. 479 US stores (March 2026). Metro-level precision.
D4: REI Density	12.5%	Outdoor participation culture proxy. Metro-level, forward-looking. Equal weight with BEA.
D5: BEA Outdoor GDP %	12.5%	Structural outdoor economy signal. Used as directional only.

## Data Sources and Verification

All data was sourced from publicly available primary sources and verified in April 2026. Google Trends scores were manually exported for the search term 'Arc'teryx' by US metro area over the 12-month period January 2024 to January 2025. Income data was drawn from the US Census Bureau's ACS 2024 1-year estimates. [\[8\]](#) Lululemon and REI store counts were verified against ScrapeHero location reports and the brands' own store locators. [\[9\]](#)[\[10\]](#)[\[11\]](#) Arc'teryx store counts were verified against [archivoraptor.com](#) and [stores.arcteryx.com](#) in April 2026.

One important caveat: Google Trends provides a relative interest index (0-100) rather than absolute search volume. The index represents relative interest within the selected geography and time period, not total searches. This is sufficient for ranking markets against each other but should not be used to infer absolute demand levels. *Scores should be refreshed from [trends.google.com](#) before use in a business context.*

## 03. Key Findings

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### Top 10 Markets by Composite Score

The following table shows the top 10 markets under the weighting system. Green rows are Tier 1 (score  $\geq 70$ ). Amber rows are Tier 2 (score 50-69). Markets with zero current Arc'teryx stores are highlighted.

#	Metro	Score	Arc Stores	Tier	Trends	Notes
1	San Francisco-Bay Area	78.4	3	Tier 1	88	
2	Seattle-Tacoma	74.1	1	Tier 1	85	
3	Denver-Boulder	70.8	5	Tier 1	82	
4	New York-Newark	68.2	7	Tier 1	78	
5	Los Angeles	62.9	4	Tier 1	72	
6	Portland	61.4	2	Tier 1	79	
7	Boston	58.7	3	Tier 2	71	
8	Salt Lake City	57.3	2	Tier 2	76	
9	Washington DC	55.1	4	Tier 2	62	
10	San Diego	54.8	0	Tier 2	65	Zero presence.

## The Five Most Important Findings

### 1. Seattle is the most urgent gap in the model

Seattle scores 85 on Google Trends (the second-highest in the dataset) and has 11 REI stores (the most of any metro), a Washington state outdoor GDP of 3.8%, and only one Arc'teryx brand store. The Arc'teryx/Lululemon ratio is 0.13, the lowest of any metro with a Tier 1 score. This is a proven, high-income, outdoor-oriented market with a severe supply deficit. It should be the first priority for expansion investment.

### 2. San Francisco is the highest-income gap

San Francisco has the highest median household income in the dataset at \$128,600, [181](#) the highest Google Trends score (88), 12 Lululemon stores, 6 REI stores, and only 3 Arc'teryx brand stores in a metro of 4.7 million people. The Arc'teryx/Lululemon ratio is 0.25. The tech professional and serious outdoor participant overlap is strongest here of any market.

### 3. San Diego is the zero-presence anomaly

San Diego has no Arc'teryx brand stores despite a population of 3.3 million, median household income of \$96,900, a Google Trends score of 65, 4 Lululemon stores, and 4 REI stores. The Arc'teryx/Lululemon ratio is 0.00. California's outdoor GDP of 3.0% provides directional confirmation. This is a proven premium market with zero physical presence.

### 4. New York is well-served but not saturated

New York has the highest absolute store count (7) but the largest metro population in the dataset (20.1 million) and the largest Lululemon presence (16 metro stores). The Arc'teryx/Lululemon ratio is 0.44. Which is reasonable but not exceptional given market size.

## 04. Sensitivity Analysis

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### How Rankings Shift Across Three Scenarios

Key observations from the sensitivity analysis:

- The top three markets of San Francisco, Seattle, Denver are stable across all three scenarios. Their combined strength across multiple variables means no single weight change dislodges them.
- Salt Lake City rises significantly under BEA-Heavy (from #8 to #6) due to Utah's 4.8% outdoor GDP. This is genuine signal since Utah's outdoor economy is not tourism-driven unlike, say Hawaii's.

- Portland and Washington DC shift positions depending on whether REI or BEA is weighted more heavily. Portland benefits from high REI density (8 stores), DC has a low BEA figure (1.0%) which penalises it under BEA-Heavy modeling.

## 05. Limitations and Caveats

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This model uses publicly available proxy data. It does not have access to Arc'teryx internal sell-through data, store-level conversion rates, or regional marketing spend figures. Several limitations should be acknowledged before using these findings in a business context.

- Google Trends is a relative index, not absolute volume. Two metros with scores of 80 and 40 are not necessarily twice as different in absolute search volume. *The index is useful for ranking but not for forecasting.*
- Income data is from ACS 2024 1-year estimates, which are reliable for large metros but have wider margins of error for smaller ones.
- Lululemon and REI store counts are proxies for customer presence, not demand certainty. A metro with high Lululemon density has a proven premium lifestyle customer base, but those customers may already have strong brand allegiance to Lululemon that creates competitive friction for Arc'teryx. *Note: Store data relies on publicly available location aggregators (cross-checked against official store locators where possible).*
- BEA outdoor GDP is state-level and tourism-inflated in several states. This is partially addressed by its 12.5% weighting but not eliminated.
- The model does not account for real estate costs, lease availability, or Arc'teryx's internal financial return thresholds for new store openings.

Despite these limitations, the model demonstrates a methodology that could prove to be more robust.

## Sources

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*All sources verified April 2026. Full citations with live hyperlinks are in the accompanying Excel workbook, Sources tab.*

[1] *Amer Sports FY2024 Annual Report: Arc'teryx \$2B revenue, 36% growth*  
<https://www.amersports.com/newsroom/amer-sports-publishes-annual-report-for-fiscal-year-2024/>  
[Official press release]

- [2] *Amer Sports Q4 2024 SEC Filing*  
<https://www.sec.gov/Archives/edgar/data/0001988894/000162828025007522/pressreleaseq424.htm>  
[SEC filing]
- [3] *SGB Media: Arc'teryx \$5B target by 2030; DTC transformation* <https://sgbonline.com/exec-arcteryx-sets-goal-to-reach-5-billion-by-2030/> [CEO Haselden quotes; North America/China parity]
- [4] *WWD: Amer Sports \$5B Revenue Target* <https://wwd.com/footwear-news/shoe-industry-news/arcteryx-innovation-mountain-sports-footwear-amer-sports-1238213044/> [Wall Street analysis]
- [5] *SGB Media: Arc'teryx Surpasses \$2 Billion in 2024* <https://sgbonline.com/exec-arcteryx-brand-surpasses-2-billion-mark-in-2024-as-sales-grow-36-percent/> [200-store North America target]
- [6] *Shop Eat Surf Outdoor: Arc'teryx DTC Shift* <https://shop-eat-surf-outdoor.com/news/arcteryx-parent-amer-sports-details-ongoing-shift-to-dtc-in-annual-report/605809/> [DTC share; store productivity]
- [7] *Statista: Arc'teryx Brand KPI Survey US 2024* <https://www.statista.com/forecasts/1351924/arc-teryx-outdoor-fashion-brand-profile-in-the-united-states> [24% awareness; 4% ownership; 100% loyalty]
- [8] *US Census Bureau ACS 2024: Household Income in States and Metropolitan Areas*  
<https://www.census.gov/library/publications/2025/acs/acsbr-025.html> [Median HH income by MSA]
- [9] *ScrapeHero: Lululemon US Locations 479 stores March 2026* <https://www.scrapehero.com/location-reports/Lululemon-USA/> [Lululemon store count]
- [10] *xmap.ai : Lululemon Stores in the United States by City 2025* <https://www.xmap.ai/blog/lululemon-stores-in-the-united-states> [Metro-level Lululemon counts]
- [11] *ScrapeHero: REI US Locations 195 stores March 2026* <https://www.scrapehero.com/location-reports/REI-USA/> [REI store count]
- [12] *REI Store Locator: city-level store list* <https://www.rei.com/stores/map> [Accessed April 2026]
- [13] *Archivoraptor: Arc'teryx US Store Locations April 2026* <https://archivoraptor.com/arcteryx-locations/>  
[Brand stores only, excl outlets]
- [14] *Google Trends: Arc'teryx by US metro Jan 2024-Jan 2025*  
<https://trends.google.com/trends/explore?q=arc%27teryx&geo=US> [Manual export April 2026]
- [15] *Google Trends Methodology FAQ:* <https://support.google.com/trends/answer/4365533>  
[Normalisation and sampling methodology]
- [16] *BEA Outdoor Recreation Economic Statistics US and States 2024*  
<https://www.bea.gov/news/2026/outdoor-recreation-economic-statistics-us-and-states-2024> [Published March 5 2026]

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Portfolio work May 2026. This document is an analytical narrative of the modeling exercise. All data from public sources.