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Digital Recoil & The Analog Enthusiast Economy

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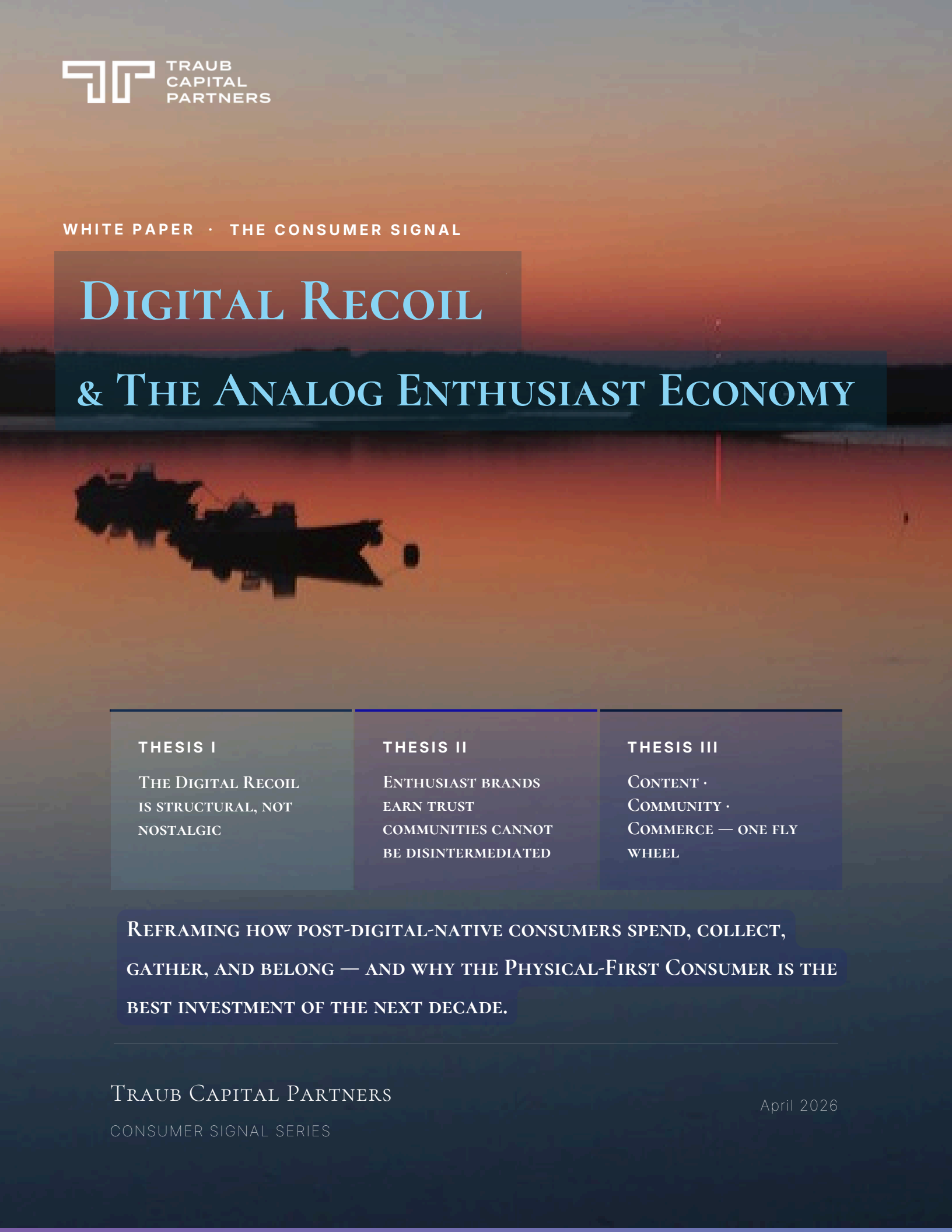
CONSUMER SIGNAL SERIES

April 2026

TRAUB CAPITAL PARTNERS

WHITE PAPER · THE CONSUMER SIGNAL

Digital Recoil & The Analog Enthusiast Economy



THESIS I

The Digital Recoil is structural, not nostalgic

THESIS II

Enthusiast brands earn trust communities cannot be disintermediated

THESIS III

Content · Community · Commerce — one fly wheel

Reframing how post-digital-native consumers spend, collect, gather, and belong — and why the Physical-First Consumer is the best investment of the next decade.

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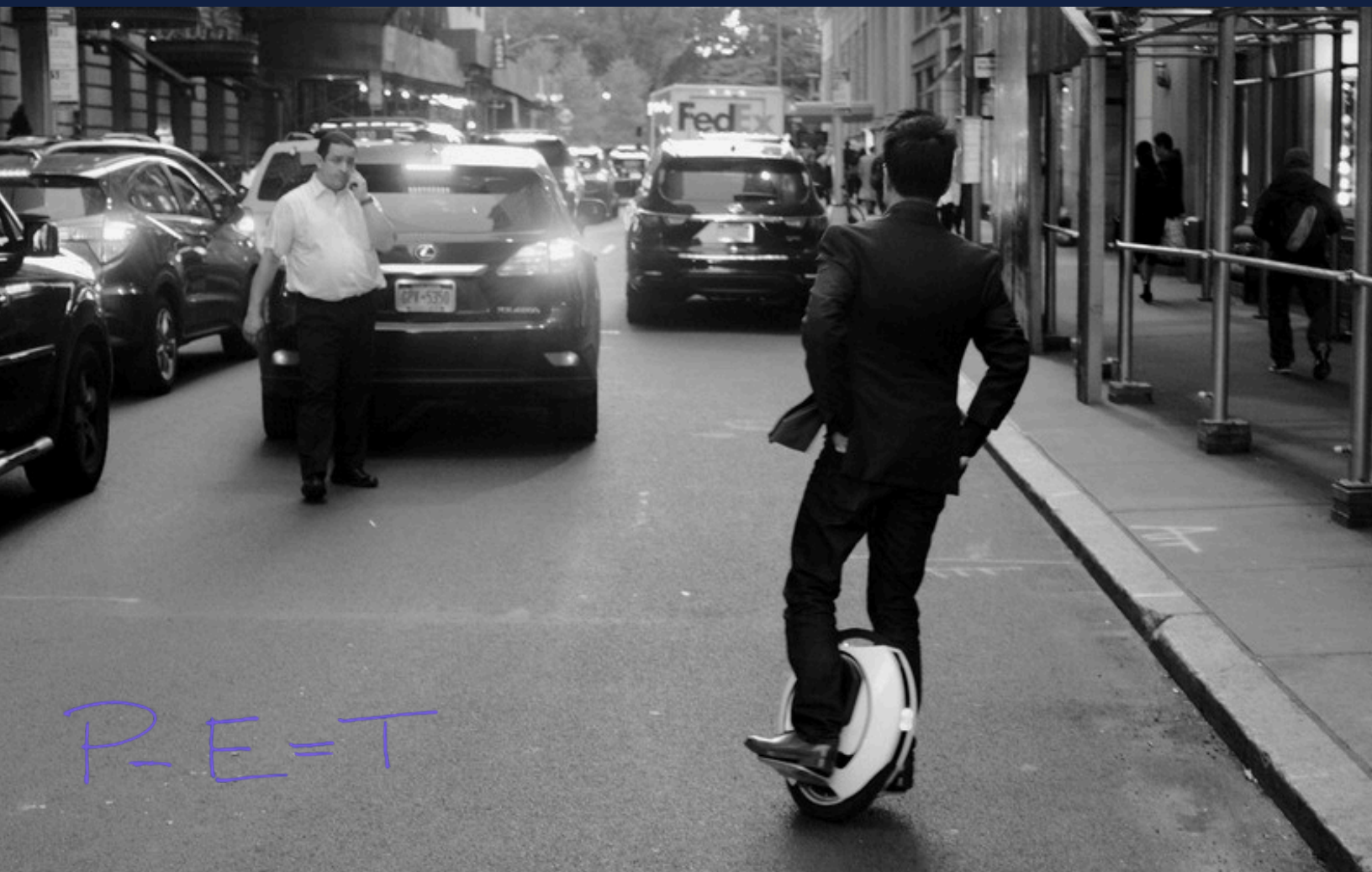
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Digital Recoil

Something is happening that many may not have factored. After two decades of pulling every human interaction through a screen, consumers across every generation are walking back toward the physical world — and they are doing so with their wallets wide open.

This is not fashionable nostalgia. It is a structural awakening, a repricing of where value is actually found in consumer's lives.

97%
Gen Z shops brick & mortar
ICSC, June 2023

47%
Prefer in-store over online
ICSC, June 2023

81%
Prefer physical stores
A.T. Kearney, 2019

35+
U.S. states with phone restrictions
Campus Safety Magazine, Jan 2026

The Haidt Effect

Jonathan Haidt's *The Anxious Generation*, published in 2024, gave a generation of parents the vocabulary, and the permission, to say out loud what they had been feeling for years: smartphones rewired childhood, and the evidence is now overwhelming.[1] The policy response has been the fastest bipartisan legislative

wave in a generation. As of late 2025, eighteen U.S. states plus Washington, D.C. have enacted bell-to-bell phone-free school policies, and more than thirty-five states have some form of restriction on the books.[2] Internationally, Brazil has declared all schools phone-free, approximately ninety percent of UK secondary schools have imposed bans, and similar policies have taken hold in France, Finland, the Netherlands, Australia, and South Korea.[3]

The downstream effects are measurable. Teachers report students are making eye contact again, socializing at lunch, engaging in classrooms in ways that had disappeared. But the real insight for investors is that this is not just a story about children. The digital recoil spans every cohort.

Gen Z Goes Back to the Mall

Virtually all Gen Z consumers — ninety-seven percent — shop at brick-and-mortar stores according to the ICSC, and forty-seven percent say they prefer in-store shopping over online.[4] Eighty-one percent told A.T. Kearney they prefer to shop in stores, with fifty-eight percent saying browsing physical retail helps them disconnect from social media.[5]

The Experience Wallet Opens

Gen Z now leads all generations in monthly concert spend, averaging thirty-eight dollars per month in Q2 2024, surpassing Millennials for the first time.[6] Eighty-six percent admitted to overspending on live events, and the average concert ticket hit $128.46 in Q3 2025, up thirty-four percent from six years prior.[7] Live Nation's Q1 2025 deferred revenue reached a record $5.4 billion, up twenty-four percent year-over-year.[8]

$38/mo	$128.46	$5.4B
Gen Zconcertspend (Q2 2024)	Avg concert ticket Q3 2025	LiveNation deferred revenueQ1 2025
Luminate Midyear Music Report, Aug 2024	*+34% vs. 6 years prior*	*+24% year-over-year*

SOURCES

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3 *Haidt, 'The Movement to Reclaim Childhood, 'NYT, Dec 2025.*

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Luxury Is Not Immune

If the digital recoil is the demand signal, luxury's crisis is the cautionary tale. In an industry built on the promise of elevation in exchange for creativity, the betrayal of the consumer has been acute, the correction severe, and the lessons instructive for anyone investing in consumer brands
of any kind.

The Betrayal Economy

The luxury industry lost approximately 60 million customers between 2022 and late 2025. The global customer base contracted from 400 million to roughly 340 million, returning the market to its 2013 size.[1] New customer acquisition fell five percent year over year. Only 40 to 45 percent of potential luxury consumers made purchases in 2025, down from 60 percent in 2022.[2]

The cause is self-inflicted. European luxury handbag prices are up 61 percent versus five years ago, with entry-level bags routinely exceeding $3,000–$5,000 and Chanel's Classic Flap hitting $11,300 in 2025, a 120 percent increase in eight years.[3] (Though Chanel's product quality and brand power, along with Hermès',' have allowed them to maintain their spots at the apogee of the industry.) Brands raised prices multiple times per year citing raw material costs, yet design and quality innovation flatlined. The gap between cost and perceived benefit widened to the breaking point.





> "You cannot target only the top customers. Because they are also starting to really be upset and to feel betrayed in this industry."
>
> — Federica Levato, Bain & Company, June 2025

The Gen Z Exodus

Levato was equally direct about younger consumers: "This industry really walked away from Gen Z."[6] Luxury brands pushed prices beyond Gen Z's means while failing to deliver cultural relevance or values alignment. When Italian prosecutors revealed in 2024 that Dior paid suppliers €53 to assemble handbags retailing for €2,600, with workers sleeping in workshops and safety devices removed from machines to speed production, it shattered whatever remained of the value narrative for a generation raised on transparency.[7]

Aspirational buyers, once the volume engine, have been priced out entirely. Entry-level "accessible luxury" now sits well beyond reach, creating what Bain calls a complete void in the market that American affordable-premium brands are rushing to fill. Conspicuous consumption for its own sake is increasingly viewed as tacky rather than aspirational, especially when production scandals reveal sky-high markups on items made under questionable conditions.

The Reckoning

The personal luxury goods market declined two percent in 2025, making this only the third two-year contraction in thirty years.[8] Industry operating margins crashed from 21 percent in 2022 to 15–16 percent in 2025, back to post-financial-crisis levels. Kering's internal memo acknowledged that the group "must rethink its pricing and product assortment after years of price increases."[9]

Gravitating to Experiences

Where did the money go? Into experiences. Luxury experiences grew approximately 8 percent in 2025, expanding at roughly twice the rate of luxury goods, and have been the only segment contributing positively to luxury spending growth since 2023.[10] McKinsey projects luxury tourism will reach $391 billion by 2028, up from $239 billion in 2023.[11] Community ranked as the third-highest priority in wellness experiences, with shared rituals — from social saunas and run clubs to wellness cafés — reemerging as a central pillar of engagement.[12]

> "The value of something is not only the thing itself but everything that surrounds it. How it makes people feel in the moment." — Marvin Traub

One brilliant convergence of multiple disciplines is value retail, where their experiential shopping villages are some of the most productive retail environments in the world. The Bicester Village outside of London and La Vallée outside of Paris are among the top five most productive malls on the planet. The reason this has succeeded is that they have managed to find a way to not only bring a young customer into the luxury industry but have made it exciting and fun at the same time. Their secret sauce was a cocktail of:

- Retail merchants and merchandising at the village level (something not often used by mall operators)
- Top-shelf real estate management and architectural design
- Hospitality talent on staff from places such as Cornell and École Hôtelière de Lausanne

at these prices, and discovered not only the brand itself but the whole industry of quality, beautiful design, and luxury products. This makes the Collection probably the most powerful yet possibly unnoticed and underappreciated door into the industry — one that brands, in my opinion, should be pouring their attention into. Customers discover a brand at Bicester and then shop for the rest of their lives from the brand's other points of distribution. Value Retail is a gateway to the industry.

The founder and chairman of Value Retail, Scott Malkin, has long noted that if the future of retail is omni-channel, the future of brand must be flagship retail so that consumers can be immersed in all that the brand stands for and believes in.







UBS Arena, Belmont Park Village, USA and Biscester Village, UK.

SOURCES

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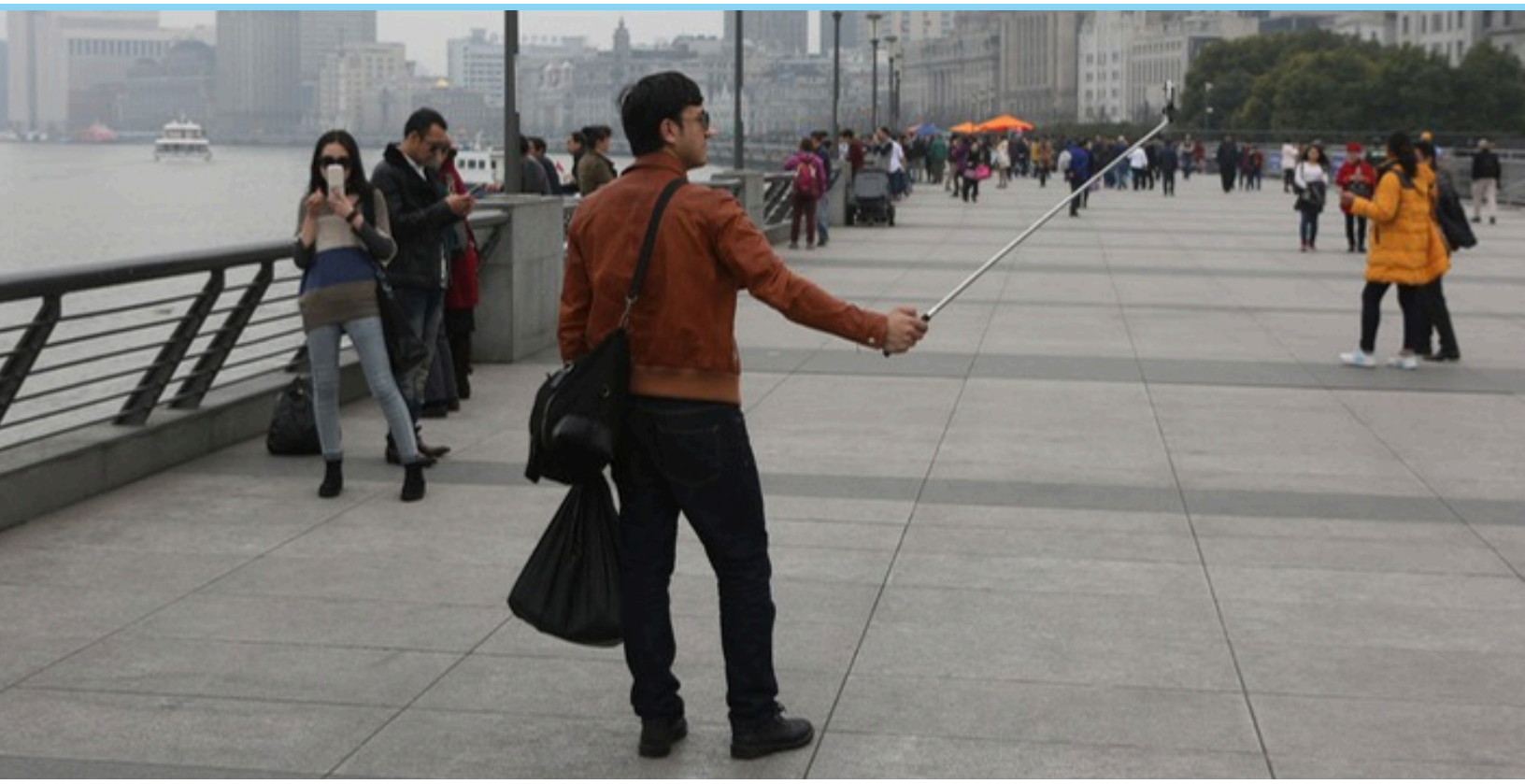
This talent is present in all the villages. When you have those three disciplines working together, the alchemy turns into the powerful productivity mentioned above.

The key to what has been built by Value Retail at their Bicester Collection is an environment that is a day trip. It is almost a mini holiday for those who live in the UK, but of course it also attracts tourists from all over the world to such an extent that some people joke in the United Kingdom that Bicester Village is “Terminal Six” (a reference to Heathrow’s Terminal Five) because of the amount of travel tourism that happens there. It’s for that reason that the United Kingdom’s government built a train station and railroad to Bicester Village — the first new station built in 80 years.

It’s an emotional algorithm that works

> The experience is multilayered: shopping in a beautiful village environment with all the best brands in the world, surrounded by people from all over the planet; the added gift that all is priced at a discount because the platform is an outlet





(but were you to go there you would think it was a full-priced luxury shopping center); to have the experience, and the restaurants, and the VIP services, and the luxury apartment for private shopping. And then did I mention everything's 30 to 50% off? It's an emotional algorithm that works.

They most recently added some afterburners to this strategy in the latest development in New York on Long Island at Belmont Park, where the new campus joins the Belmont Park Village to the UBS Arena, the home of the New York Islanders hockey team as well as some of the most important concerts and shows in the area. The village and the arena are each other's anchors.

The Bicester Collection of 13 global villages from Europe to China to the United States constitutes possibly the only liquidation or discount retail environment that is also supremely accretive to brand equity. This means that not only are the stores there immensely profitable given the footfall and traffic and eye-popping volume, but they also project a flagship store format that is mandated by Value Retail. Visitors are therefore delighted by the experience, the fit-outs, the environments, and of course last but not least the price of the products.

It's for this reason that they have one of the youngest demographics of any shopping environment as well. A majority of their clients have bought from a brand for the first time at a Bicester Collection village because they could afford to do so

The Death of Unearned Premiums

Luxury's crisis illustrates a broader structural shift: consumers across every price tier have become too sophisticated to tolerate pricing without substance. But this is not a story of universal price sensitivity. It is a story about the death of unearned premiums and the rise of earned ones.

> Consumers across every price tier have become too sophisticated to tolerate pricing without substance.

Value-Seeking Is Now Mainstream

Deloitte's 2026 Consumer Products Outlook found that forty-seven percent of global consumers — including thirty-five percent of high-income households — now classify as "value seekers," a structural behavior shift that executives view as permanent.[1] In Europe, more than half of consumers prefer private-label products: Spain at sixty-four percent, France at sixty percent, Netherlands at fifty-eight percent.[2] The European private-label market reached €291 billion and forty percent of FMCG sales by value.[3]

47%
Global consumers are "value seekers"
Deloitte, Jan 2026

35%
High-income HH now value-seeking
Deloitte, Jan 2026

€291B
European private-label market
Circana / MARCA / ADM, Dec 2025

Why Enthusiast Brands Are the Exception

A critical distinction: value-seeking behavior targets brands that charge premiums they have not earned. Enthusiast communities are self-policing quality mechanisms that operate by different rules. An angler will tell you within seconds whether a rod blank is worth its price. A cyclist knows whether a groupset justifies the premium. These communities do not tolerate price gouging for brand — which is precisely why they reward genuine innovation with fierce loyalty.

> The smart consumer is the enthusiast brand's greatest asset, because earned trust in a self-policing community is the most durable moat in consumer.

The smart consumer is not the enemy of premium pricing. The smart consumer is the enthusiast brand's greatest asset, because earned trust in a self-policing community is the most durable moat in consumer investing. Where luxury lost 60 million customers by raising prices without raising creativity, enthusiast brands like On Holding expanded gross margins to 62.8 percent while growing revenue 30 percent, because the community validated the value exchange.

The digital recoil creates the demand. The smarter consumer filters where it flows. And it flows overwhelmingly toward brands where the premium is earned through performance, community, and transparency, not mythology.

> it flows overwhelmingly toward brands where the premium is earned through performance, community, and transparency, not mythology.

SOURCES

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2 *Simon-Kucher, March 2025.*

3 *Circana / MARCA / ADM, Dec 2025.*

The Flywheel Center Stage

For thirty years, consumer brands have debated whether to invest in product, distribution, or marketing. The debate is over. The winners have figured out that content, community, and commerce are not three separate functions but a single flywheel, and the companies that spin it fastest are building the most defensible businesses in the consumer economy.

Red Bull Wrote the Playbook

Red Bull Media House, founded in 2007, employs hundreds of filmmakers and producers creating feature films, documentaries, and live event coverage. The company invests over $100 million annually in content production.[1] Red Bull's brand value exceeds $20 billion, built largely on this strategy, the details of which are so well documented, we will not spill more ink here. What is important is to note that the beverage is the monetization layer for a media empire and not the other way around.[2]

$20B+
Red Bull brand value
Arthnova, Jan 2026

$100M+
Annual content production
Red Bull Media House

23
Rapha clubhouses worldwide
BikeRadar, Jan 2026



1,300
Arc'teryx Alpine Academy participants
35 nations; Arct'eryx Mar 2025



Three Directions, One Destination

Brands Becoming Media

YETI built a $1.7 billion brand through 150-plus ambassadors and documentary-grade "YETI Presents" films.[3] Rapha built twenty-three clubhouses worldwide as retail/café/community nodes.[4] Arc'teryx runs the Alpine Academy in Chamonix, drawing 1,300 participants from thirty-five nations.[5]

Creators Becoming Brands

MrBeast's Feastables generated $250 million in revenue and $20 million in profit in 2024, with Beast Industries projecting $520 million for 2025.[6] Prime Hydration did $250 million in its first year at a $1.2 billion valuation, though the subsequent decline is instructive. Prime built hype without building community or product quality. When the initial wave of curiosity faded, there was no flywheel to sustain it. The contrast with Feastables — which invested in product iteration and YouTube-native storytelling — is the difference between a spike and a compounding curve.[7]

> The convergence is the signal. Whether you start with product, content, or audience, the destination is the same: an integrated content- commerce-community platform. These brands are not selling products. They are selling convening power.

SOURCES

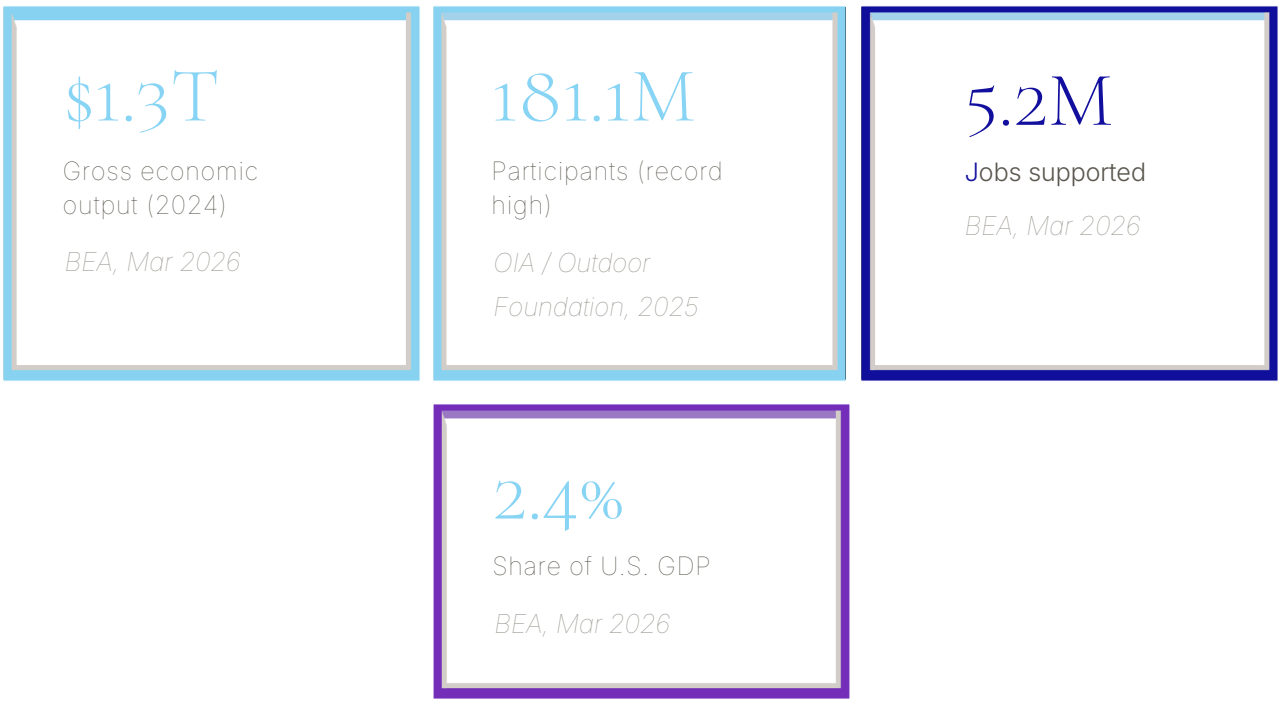
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3 *Basil.so / YETI analysis; Digiday, 2023.*
4 *Rapha Cycling Club; BikeRadar, Jan 2026.*
5 *Arct'eryx, Mar 2025; Lacrux, Jul 2025.*
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7 *Forbes / Front Office Sports.*

The Enthusiast Verticals

The digital recoil is the macro tailwind. The smarter consumer is the structural filter. Luxury's crisis is the cautionary tale. The content-commerce-community flywheel is the operating model. What remains is to map the specific verticals where all four converge.

The $1.3 Trillion Outdoor Recreation Economy

In March 2026, the Bureau of Economic Analysis confirmed that outdoor recreation generated $1.3 trillion in gross economic output, accounted for 2.4 percent of U.S. GDP ($696.7 billion in value added), supported 5.2 million jobs, and comprised 3.2 percent of total national employment.[1] This is larger than farming, mining, and utilities combined. In 2024, the outdoor recreation participant base grew three percent to a record 181.1 million participants, representing 58.6 percent of all Americans aged six and older.[2]



Hunting and Fishing: The Original Enthusiast Ecosystems

Recreational fishing hit an all-time high in 2024 with 57.9 million Americans participating, representing nineteen percent of the U.S. population.[3] The sportfishing industry alone generates $230.5 billion annually, supports 1.1 million jobs, and contributes $70 billion in salaries and wages.[4] Bass Pro Shops operates nearly 200 locations averaging 120,000-plus square feet, welcomes more than 250 million visitors annually, and has been voted America's Best Outdoor Retailer by Newsweek for four consecutive years.[5] Bass Pro is not a store. It is a pilgrimage.

Camping and Hiking: The Gateway Verticals

Hiking, camping, fishing, biking, and running each added two million-plus participants in 2024, creating new pathways for outdoor engagement.[2] Core outdoor activities rebounded from a decade-long decline, gaining five million more participants in 2024 alone.

Youth Sports: The $40 Billion Family Commitment

The Aspen Institute's 2025 National Youth Sports Parent Survey found that the average U.S. sports family spent $1,016 on their child's primary sport in 2024, a forty-six percent increase since 2019 — more than double the rate of general inflation.[6] With approximately 27.3 million children playing organized sports, parents spend more than $40 billion annually on youth sports, twice the cash flowing through the NFL.[7] KKR validated the institutional thesis in 2024 with its $4.75 billion acquisition of Varsity Brands, gaining access to over eight million athletes and students annually.[8]

$1,016
Avg family spend per child sport (2024)
+46% since 2019

$40B+
Annual parent spend on youth sports
2× the NFL cash flow

$4.75B
KKR / Varsity Brands acquisition
Aug 2024

The Equestrian Ecosystem

HITS, Inc. operates six venues across the United States, producing approximately seventy weeks of competition annually with more than 33,000 horses and 500,000 visitors, generating a combined economic impact exceeding $310 million.[9] The Hudson Valley operation alone contributes $187 million in annual economic impact to the region.[10]

The economics of the equestrian participant illuminate why this vertical is so compelling. A competitive show jumping family typically spends $50,000–$150,000+ annually on horse care, training, transport, and entry fees. These are affluent, multi-generational households with extremely high retention. Once a family enters the show circuit, the average tenure spans decades and generations, not seasons.

HITS' acquisition of the Delmar Showpark, a dressage business as well as Sidelines Magazine illustrates the content-commerce-community flywheel: the competition circuit generates content, the media platforms distribute it, and the community returns for the next show. The physical event though is the convening mechanism that no algorithm can replicate. (we are still in the building stage but we ike to think we practice what we preach!)

$310M+
HITS combined economic impact

70 WKS
Competition weeks annually

33,000
Horses competing



500K



WHOOP: The Enthusiast Flywheel in Wearable Form

WHOOP has built what may be the purest expression of the content-commerce-community flywheel in the wearable technology space. Unlike mass-market fitness trackers that compete on features and price, WHOOP operates on a subscription model (with the hardware included "free") that aligns the company's economics with sustained engagement rather than one-time purchase.[11]

The community architecture is structural, not bolted on. WHOOP's Teams feature enables members to share Strain, Recovery, and Sleep metrics, chat, and compete on leaderboards. In a January Jumpstart campaign, WHOOP achieved 128 percent uplift in active challenge participants, open rates above sixty percent, and ninety-two percent of members reporting they would join the next challenge. Strip out the community layer and the same campaign cadence collapses into ordinary email metrics. The community is not a marketing add-on. It is the retention engine.

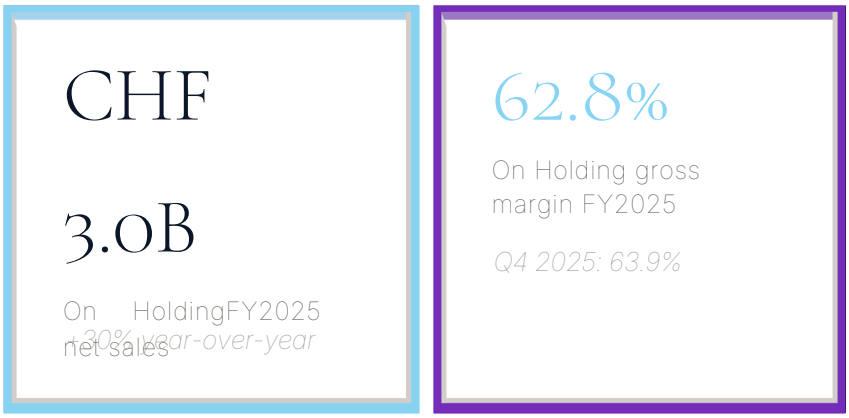
WHOOP's content strategy reinforces the loop. The WHOOP Podcast features elite athletes and scientists discussing performance data, functioning as both brand-building and member education. Professional sports teams, military special operations units, and collegiate athletic programs have adopted WHOOP at the organizational level, creating institutional lock-in that individual consumer brands rarely achieve. Every data point shared, every team challenge completed, every podcast episode consumed deepens the relationship between member and platform, and makes the $30/month subscription feel less like a cost and more like a membership in an identity community.

WHOOP demonstrates that the enthusiast flywheel is not limited to traditional sporting goods. Any category where identity, community, and measurable performance intersect can build the same compounding dynamics.



Technical and Prosumer Sports Equipment

On Holding AG reported full-year 2025 net sales of CHF 3.014 billion, a thirty percent increase year over year and 35.6 percent on a constant-currency basis. The annual gross profit margin expanded to 62.8 percent, while Q4 2025 reached 63.9 percent.[12] The broader segment spans cycling (KKR / Accell, approximately €1.56 billion), running (Hoka's record quarters), triathlon, and smart trainer platforms creating subscription-layered hardware businesses.



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PART SIX

Convening Power

The thread connecting every vertical in the enthusiast economy is not product superiority, though the products tend to be excellent. It is not brand heritage, though many have deep roots. The thread is convening power: the ability to bring a community together, repeatedly, around a shared identity, and to monetize the trust those gatherings create.

Non-Enthusiast Brands Are Taking Notes

Even brands outside the enthusiast world are learning that convening power drives engagement more effectively than performance marketing. Supergoop, the SPF brand, grew sixty-five percent year over year to more than $250 million in sales by deploying "Sunshine Shack" pop-ups, hosting pizza-and-SPF activations, morning yoga events, and increasing out-of-home investment twenty-two percent year over year.[1] The brand is not selling sunscreen at these events. It is selling community — and the sunscreen follows.

Why Enthusiast Brands Win on Every KPI

The following comparison reflects patterns observed across the Traub platform and publicly available data from enthusiast-economy companies. Conventional consumer brands typically operate with one to two revenue streams and declining organic reach. Enthusiast brands structurally outperform across every metric that matters to investors.

Conventional consumer brands typically operate with one to two revenue streams and declining organic reach. Enthusiast brands structurally outperform across every metric that matters to investors.

SOURCES

1*Supergoop / Marketing Brew, Jul 2023.*

KPI comparison: analysis based on public company data.

METRIC	CONVENTIONAL CONSUMER	ENTHUSIAST LIFESTYLE
Customer Acquisition	Paid media, rising CAC	Community recruits organically; events as funnel
Retention / LTV	Contractual or habitual	Identity lock-in; participation deepens over time
Net Revenue Retention	~90–100%	Often >100%; upsell into adjacent categories
Gross Margin	35–50%	55–65%+ (premium, earned trust)
Revenue Streams	1–2 (product, subscription)	5–7 (product, content, events, membership, licensing, data, media)
Defensibility	Brand awareness (eroding)	*Community, venue network, IP, trust (compounding)*

PART SEVEN

The Enthusiast Landscape at a Glance

The following table maps ten enthusiast verticals across market size, the most compelling growth signal, and institutional capital validation.

Vertical	Market Signal	Growth Indicator	PE / Institutional
Outdoor Recreation	$1.3T gross output	181.1M participants (record)	BEA satellite account
Hunting & Fishing	$230.5B economic impact	57.9M anglers (all-time high)	$480M+ PE deployed (2024)
Camping & Hiking	Core participants +5.7%	Gateway activities each +2M	KOA, Thousand Trails consolidation
Youth Sports	$40B+ annual parent spend	46% cost increase since 2019	KKR / Varsity Brands $4.75B
Equestrian	$310M+ combined impact	70 weeks, 33K horses	HITS/WEF/
Cycling	KKR / Accell ~€1.56B	E-bike adoption; Rapha community	Multiple PE platforms active
Running / Athletics	On Holding CHF 3B	30% YoY; 62.8% GM	Hoka record quarters; On IPO
Wearable / Performance Tech	WHOOP subscription model	128% challenge uplift; 92% repeat	Institutional sports adoption
Technical / Prosumer	Smart trainer ~$1.5B	12% CAGR; subscription overlay	Zwift, Wahoo, Garmin ecosystem
Creator / Enthusiast CPG	$253B creator economy	23.3% CAGR to $2T by 2035	Feastables $250M; SKIMS $5B val

Risks and Counter-Arguments

No investment thesis is without risk, and intellectual honesty about failure modes is what separates durable conviction from promotional enthusiasm. The enthusiast economy thesis faces several legitimate challenges.

Cyclicality of Discretionary Spend

Enthusiast categories are discretionary by definition. In a severe recession, even identity-driven consumers cut back. The mitigating factor is that enthusiast spending has historically proven more resilient than general discretionary categories. During the 2020 downturn, outdoor recreation participation surged rather than contracted, and the fishing and cycling verticals posted record numbers. Identity-driven spending is the last discretionary dollar consumers surrender — but it is still discretionary.

The Scaling Paradox

Community is the moat, but community is also the hardest thing to scale without diluting. Every enthusiast brand that goes from niche to mass faces the tension between growth and authenticity. Patagonia has navigated this well; others have not. The risk is that private equity ownership, with its emphasis on EBITDA expansion and exit timelines, pressures brands to scale distribution and marketing in ways that erode the community trust that created the premium in the first place.

Valuation Compression

Several enthusiast-economy companies have already been bid to premium valuations. On Holding trades at meaningful multiples to revenue. YETI, after its IPO run, experienced significant multiple compression when growth decelerated.

The thesis requires careful entry-point discipline. Not every enthusiast brand is a good investment at every price.

The Prime Hydration Lesson

Prime Hydration is the clearest cautionary tale within the thesis itself. $250 million in first-year revenue looked like proof of concept, but it was proof of hype, not community. Without product quality, without a self-policing enthusiast community, and without a content flywheel that extended beyond the founders' personal platforms, Prime's revenue trajectory reversed. The lesson: not every brand that sells to enthusiasts is an enthusiast brand. The flywheel has to be structural, not parasitic on a single personality.

KEY CONCLUSION

The strongest version of the enthusiast economy thesis is not that every enthusiast brand will win. It is that the structural characteristics of enthusiast businesses, **earned premiums, community retention, multi-layered monetization,** produce superior risk-adjusted returns when identified correctly and acquired at disciplined valuations.

The Investment Thesis

Across every vertical in the enthusiast economy, the same characteristics produce the same result: superior unit economics, compounding defensibility, and multiple expansion potential.

The convergence of content, community, and commerce is not a trend. It is the operating model for the next generation of consumer platforms. The brands that are winning — from YETI to On to Arc'teryx to WHOOP — are not just selling products. They are selling convening power.

> Convening power, unlike brand awareness, compounds — because word of mouth lowers CAC and increases LTV. The holy grail.

Characteristic	What It Means	Why It Compounds
Physical-First	Core experience happens in the real world	Cannot be disintermediated by an app or algorithm
Community by Default	Participation creates social bonds organically	Lower CAC, higher retention, organic referral loops
Multi-Layer Monetization	5–7 revenue streams per relationship	Gross margin expansion without price increases
High-Value Consumer	Affluent, educated, identity-driven purchaser	Less price sensitivity, longer LTV, higher ARPU
Digital Recoil Tailwind	Cross-generational return to physical engagement	Secular growth in TAM for physical-first brands

So...?

The digital recoil is not a trend. It is a structural correction. And if I am being honest, it took me longer than it should have to see it clearly.

I have spent twenty-five years in consumer, and for most of that time we evaluated businesses the way everyone else did: TAM, CAC, LTV, blended margins. And (if i may say so) a more enthusiastic than most, nod to "brand equity" on the last slide of a deck. It works. Until it doesn't.

What we kept seeing, deal after deal, was that the brands doing something different, the ones building around physical experiences, earned communities, and identity rather than convenience, were quietly producing better numbers than anything optimized purely for the screen. Not a little better. Structurally better.

This paper is an attempt to explain why.

Across verticals from outdoor recreation to equestrian sport to wellness to artisan food, the brands compounding most reliably share the same five characteristics: physical-first experience, community by default, multi-layer monetization, high-value consumers, and the secular tailwind of the digital recoil itself. These are not coincidences. They are the structural signatures of businesses that cannot be disintermediated by an algorithm, because their value is created in rooms, on trails, in arenas, and around tables where people actually show up.

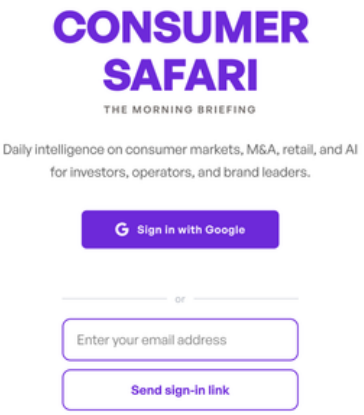
We do not pretend to have all of this figured out. The playbook for identifying, underwriting, and scaling enthusiast businesses is still being written, and we are writing parts of it in real time at Traub Capital. But the pattern is too consistent to ignore, and the capital that recognizes the correction earliest will be rewarded disproportionately.

The question is no longer whether the digital recoil is real. The question is whether your brand is positioned for it.

Continue The Conversation

For ongoing analysis of the enthusiast economy, the content-commerce-community convergence, and where capital is flowing in consumer:

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COMPANION PAPER

For the companion paper on how consumer brands raise capital in the current environment, including the optimal instrument at each stage, investor targeting by type, and the KPI framework that maps enthusiast dynamics to LP-grade metrics, look for *How Consumer Brands Raise Capital in 2026*, coming soon.

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