

# Entrepreneur

March 2018 / Entrepreneur.com

## Right Customer, Wrong Message

A men's yoga brand learns the real meaning of flexibility.

by BOYD FARROW

In the fall of 2008, after years of beating himself up playing football and lacrosse, Joe Kudla took up yoga. But he couldn't find much to wear. "Out of 17 million people doing yoga, six million were men—the fastest-growing demographic," says the 40-year-old Kudla. "Yet there was not one brand targeting that market."

It was a weird contrast to, say, surfing, an activity for which Kudla says four million surfers are served by 50 clothing brands. So Kudla did some napkin math, borrowed \$300,000 from family, friends, and the bank, and, in spring 2015, launched the startup Vuori ("mountain" in Finnish), to produce men's yoga clothes—moisture-wicking, quick-drying tops, shorts, and pants.

"Our plan was to create clothes to move and sweat in, but styled for everyday life, like Lululemon and others had done for women," Kudla explains. "We were the only one entering a growing niche. Textbook marketing, right?"

Wrong. Though Vuori's gear won plaudits from specialist yoga retailers, sales were slow. Soon he was burning through cash.

Kudla needed to figure out why his assumptions about his customers were so off base. So he wrote a questionnaire and sent it to every person who had ever bought from Vuori's

website. Among dozens of questions, such as what denim brands they favored and what activities they enjoyed, he asked them to list the occasions for which they wore Vuori. What came back shocked him. Customers weren't really using Vuori for yoga. "Running, which we'd never even thought about, was the top activity," he says. Yoga was far down the list.

Kudla organized focus groups of friends, ex-colleagues, and people he'd grab in the gym, and the results were the same. "Our 'pivot or die' moment was when we realized that while female consumers might want to identify as yogis, men really don't," he says. Even if they're doing yoga regularly. "Men identify as surfer guys or CrossFit guys, for which yoga is just another tool used to supplement their overall fitness regimen."

He'd misunderstood the retail aspect, too: Most guys, it turns out, don't want to hang out at a yoga studio. "They get in and they get out; they don't stick around," Kudla says.

All this forced Kudla to learn a valuable entrepreneurial lesson: "I realized I had been making assumptions about the potential customers," he says. Now he had to reassess Vuori's entire strategy. People liked the product, but tying it so closely to one activity was limiting its potential market. "I thought, *What we really should be doing is making great lifestyle clothing and letting the customers choose where they*



want to wear the stuff."

That's why, although it has not ditched a single product, Vuori is no longer a yoga brand. Since the end of 2015, it has been making what it calls "activewear, designed with West Coast daily life in mind." It celebrates versatility, categorizing its clothing as "loungewear," "travel," and "training."

The new strategy seems to be working. Vuori's retailers range from REI to surf shops, running outlets, and fitness clubs. In the second quarter of 2018, Vuori plans to open a second store in Southern California, and its wares will be carried for the

first time in Nordstrom. The company now has 20 employees and is anticipating 144 percent sales growth this year. Next year, revenues should reach well north of \$10 million.

What's more, Vuori is branching out beyond men and launching womens wear—tops, bottoms, and shorts—inspired by customers who said their wives and girlfriends were raiding their wardrobes. It's another surprise discovery the brand is happily leaning into. Although Kudla now proceeds with hard-earned caution.

"It's just a few items," he says. "We're not Lululemon."