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HOW VUORI IS RISING IN FIELD DOMINATED BY NIKE, LULULEMON—BEHIND THE ACTIVEWEAR BRAND'S MARKETING

Sustainable fabrics, a hybrid selling model and smart marketing set the brand apart



By [Adrienne Pasquarelli](#). Published on May 03, 2022.



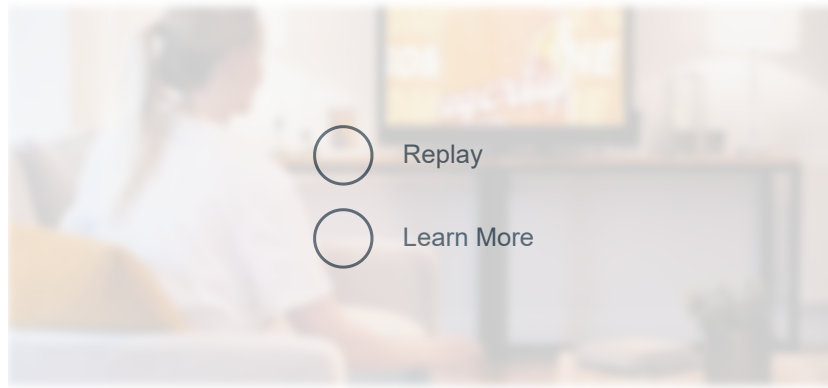
Credit: Vuori

Brands on the Rise is a regular Ad Age feature spotlighting the marketing and business tactics of successful challenger brands. [Read the first installment here.](#)

Few brands are up to the task of breaking into the \$171 billion crowded activewear market, but Vuori, a seven-year-old

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By incorporating sustainable sourcing and materials into its fabrics, Vuori saw an opportunity to differentiate itself from established players, such as Nike and Under Armour. It also began by targeting yoga wear for men—a category white space that had been overlooked by rivals such as Lululemon. Throw in a steadfast commitment to customer service and a founder whose background in accounting made him more critical of excessive costs and it's no surprise that Vuori landed on market research firm NPD's top emerging activewear brands list this year.

The clothing is technical and made with performance in mind, but styled for life, according to Nikki Sakelliou, chief marketing officer and the first employee hired by Vuori Founder Joe Kudla.

“It has a lot of versatility and doesn't necessarily look like fitness clothing,” Sakelliou said. She added that many brands have popped up in the last decade in the athleisure space. But Vuori's Southern California aesthetic “sets us apart,” she said.

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While Vuori is still small compared to the massive powerhouse of \$6.3 billion Lululemon, it is growing fast and building buzz. It doubled market share in the activewear segment last year to 0.2% from 0.1% in 2020, excluding direct-to-consumer sales, according to NPD, which tracks retailer point-of-sale data.

Vuori is also charming private equity investors. The brand, which has been profitable for five years, according to reports, received \$400 million from SoftBank Vision Fund 2 late last year, a figure that values Vuori at \$4 billion.

“Vuori is not as well-known, but people in the business community, and people with higher income, have seen it—they're paying attention and it's growing a lot,” said Cristina Fernández, managing director and senior research analyst at Telsey Advisory Group, noting that Vuori appeals to a pocket of consumers looking for premium fabrics without large brand logos plastered on front.

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Below, more on Vuori's founding, how it markets its brand and where it deviates from other brands on retail strategy.

HOW IT STARTED

Like many of today's successful brands, Vuori began in a garage. After noticing a void in the men's fitness market, Kudla, a yoga devotee who had worked at Ernst & Young, decided a decade ago to found a men's apparel line with a focus around the Southern California lifestyle of surfing, yoga, hiking and cycling. A friend from college invested in the brand and offered his garage as a workspace where Kudla and Sakelliou strategized on product, design and marketing. From the get-go, Vuori focused on using sustainable practices and materials—a smart move, considering 47% of U.S. consumers recently said they find sustainable apparel “very or somewhat important,” according to a survey from NPD and CivicScience. Suppliers are required to sign a “Vuori Code of Conduct” that includes fair treatment of labor and safe and healthy working conditions, and products are made with waste reduction and carbon footprint in mind.

While it had planned to establish wholesale early on, many retail buyers were confused by the offering, Sakelliou said, noting that stores were keen to put Vuori in one category like lifestyle or fitness—not both. “A lot of the buyers didn't quite understand the positioning and versatility,” she said. As it waited on wholesale, Vuori shifted gears and invested in its own e-commerce business instead, running grassroots marketing by talking to different communities, attending trade shows and showcasing products at yoga studios around the country.

TIPPING POINT

However, the wait for wholesale wasn't long. A year after Vuori began selling directly to consumers online, REI brought the brand on as a test partner in a few of its stores. Shoppers were able to touch and feel the fabric, which is woven rather than knit like many competitors. At the same time, many fitness instructors were beginning to wear the product in classes and Vuori was spreading through word-of-mouth as well.

The company, which has expanded into womenswear alongside men's, now sells at REI, where it courts outdoor enthusiasts, and Nordstrom, where it attracts a more luxury customer.

“They're two different retailers catering to different consumers, but those are two credible retailers, and that gives the brand credibility as well,” said Fernández.

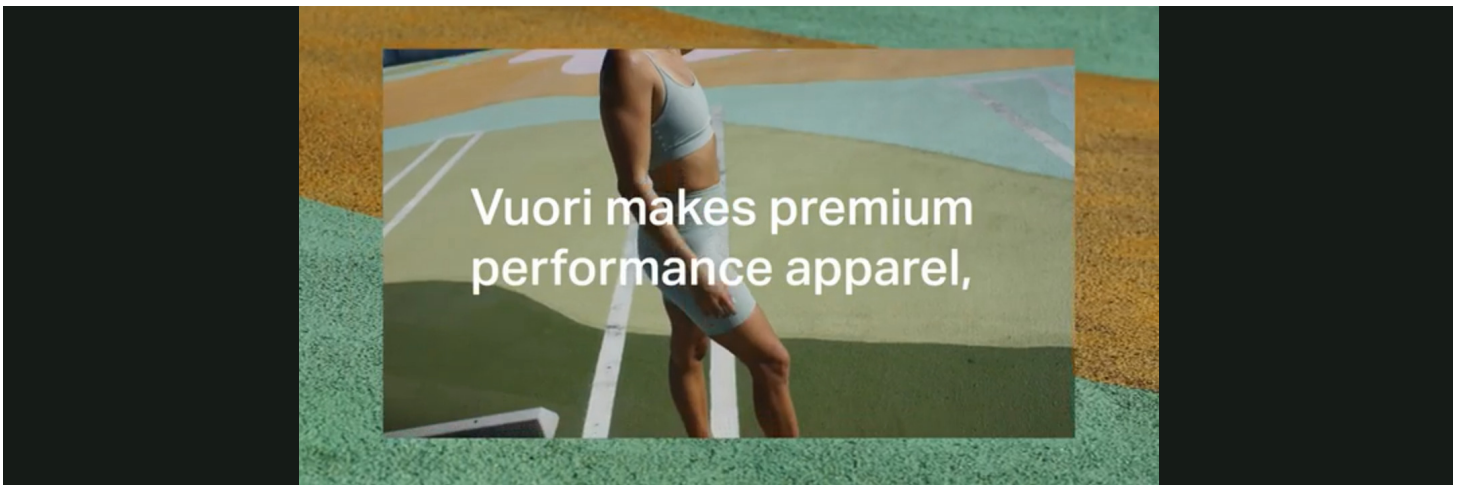
In terms of its own brick-and-mortar, Vuori opened a flagship store in Encinitas, and has been growing its fleet. It currently boasts 17 stores, 12 of which are in California. Earlier this spring, the brand expanded e-commerce offerings

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MARKETING STRATEGIES

One reason Vuori deviates from other brands is its laser focus on keeping customers happy. The brand regularly reaches out to its shoppers via email with subject lines that in turn tout its sustainability practices as well as friction-free offerings like free returns as part of its “Investment in Happiness” product guarantee. One recent email promoted a new VCycled collection of quick dry shorts made from plastic bottles. “Plastic bottles never looked so good,” the email read. As a new brand looking to gain traction and legitimacy for consumers, policies like free returns was a no brainer decision from the beginning, according to Sakelliou.

“We believed in the product,” she said. “We wanted our customer to have that same trust in us, and being a new brand, we felt the best way to do it was to stand behind our product.”

She and her team of 52 perform all creative marketing duties internally. During the pandemic, Vuori, like many retailers, focused on TV including streaming and broadcast. The brand also invests a healthy amount of its budget in Facebook and Instagram, as well as TikTok, a growing channel where Vuori’s spend has increased in the last two years. The brand also does some out-of-home and moving billboards.

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THE INFLUENCER ELEMENT

Most fitness brands thrive on influencer programs, and Vuori is no exception. It has a two-tier influencer program that includes 10 “Collaborators,” or professional athletes with larger followers that the brand works with on content for


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One collaborator, Stef Corgel, is a fitness trainer with more than 51,000 followers on Instagram. She regularly posts workouts while wearing the brand, with messages like, “Check in with your sweaty selfie and tag [@vuoriclothing](#) + Stef to see more workouts like this one!”



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Palm Springs, California

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🥵🌴

In my book, the festy doesn't happen w/o the sweat.

Desert faves 📍Vuori Clementine Short + Yosemite Bra and lots & lots of sunscreen ;)

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WHAT THE EXPERTS SAY

Though Vuori started as a direct-to-consumer brand selling through its e-commerce site, the quick expansion to wholesale helped the brand build awareness and be less reliant on its own selling channels—a smart strategy, experts say. Many d-to-c brands are finding out that the cost of customer acquisition is hefty, particularly online, and that selling in other stores can alleviate such concerns.

“Vuori had a hybrid model from the beginning,” said Matt Powell, VP and senior sports industry advisor at NPD. “People are figuring out that you can do business in both channels—while the profit equation might be different, the number of eyeballs you’ll get if you’re in physical retail, where people are able to compare your product to other brands, a lot of that has positives.”

Telsey’s Fernández noted that Founder Kudla’s accounting background has also likely helped with gaining early profitability at a time when investors are putting more emphasis on profits.

“A lot of DTC companies grew, but had pretty big losses—the cost of marketing and customer acquisition can be really high,” she said, adding that it helps that Vuori’s prices are high, but not too high. A pair of men’s joggers retails for around \$84, substantially lower than Lululemon’s \$128 pants, but higher than similar offerings from Under Armour at Dick’s Sporting Goods, for example.

“Typically those brands that tend to be more premium tend to have better profitability,” she said.

WHAT’S NEXT

Vuori will continue its global expansion efforts with new overseas wholesale accounts. The company also has plans to hire 100 more employees this year, bringing its total staffers to more than 800. As the brand continues to navigate supply chain issues—it recently offered customers impacted by shipping delays a discount—it is ramping up its customer service team and making warehouse investments so that shoppers remain happy. Vuori recently debuted a women’s swim collection that quickly sold out, so the brand plans to grow that category offering as well.

“We’re really marching toward this business of inspiring happiness and connecting with other like-minded individuals,” said Sakelliou.

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