

Vuori CEO talks brick-and-mortar plans and sustainability efforts

Article



More stores are reopening, and many are adapting to the new retail landscape of a post-pandemic world.

We recently spoke with Joe Kudla, founder and CEO of Vuori, about the activewear brand's upcoming brick-and-mortar expansion—including a pop-up in the Hamptons this summer—as well as its ongoing sustainability efforts.

It's been a year since we last spoke, and obviously a lot has changed. Can you give us a run-through of what the past 12 months have been like for Vuori?

The pandemic was definitely a tailwind for our business, though it was also very challenging in some respects. We had five retail stores at the time, and we had to figure out how to keep those employees employed while our physical locations were closed. We found ways to deploy the employees across our business and invest in training so that, ultimately, we could provide a higher level of service when we came out of [the pandemic].

Another challenge we had to deal with was the supply chain. I don't know if you've heard this from other brands, but the supply chain was challenged last year for a lot of different reasons. It was difficult getting our spring goods to land stateside in a timely manner.

But the pandemic has provided a tremendous opportunity for us, too. If we rewind back to late March or early April of last year, advertising became a lot more affordable. One thing we did was hold our budgets strong while a lot of folks were pulling back, and we were able to reach a lot of people with relevant messaging. Our product has always been rooted in comfort, wearability, and versatility—and it turned out to be really applicable to how people were living their lives throughout the lockdowns. That growth hasn't slowed down as we've rounded the corner and entered 2021. The advertising landscape is getting more competitive again.

Speaking of advertising, were there any specific channels where you saw a particular boost in engagement?

Social was still very big for us in 2020. It still is, though we've seen efficiency drop quite a bit. But last year, CPAs [costs per action] dropped significantly, and then they started to climb, albeit not dramatically, through the end of the year. So far this year, we've seen efficiency deteriorate in social, though it's still competitive. There's still opportunity there.

We've also diversified to a broader mix, so you'll see a lot more direct mail from us this year. You're seeing television in a much bigger way. Our efforts from a podcasting standpoint are also increasing dramatically. We're finding that as the brand grows, we're having more success with upper-funnel awareness advertising strategies.

Can you speak more to the direct mail, podcast, and TV efforts you're working on?

I don't have many specifics, but I can tell you that with podcasts, we're doing a lot of testing, learning, and investing. We've found a lot of success with podcasts like "SmartLess," which has

been great for us. We've continued with some of our tried-and-true [podcast partnerships] like "The School of Greatness" and "Mind Pump."

From a direct-mail standpoint, it's not only a retention strategy for us, but it's actually been driving a lot of new customers as well. Our book sizes are getting bigger, and we're continuing to test into mailing to more homes. That's proven to work very well for us.

As far as TV, we are finding a lot more success in streaming. We've been moving away from traditional television and investing more dollars into streaming. I don't have specifics on the exact networks that are working for us, though.

As stores begin to reopen nationwide, what does your brick-and-mortar footprint look like?

We are popping up in Bridgehampton this summer, which we're really excited to do—introduce the brand to the East Coast in a more meaningful way. On top of that, we are opening several stores throughout the year. Our store in Boulder, Colorado, opened recently. We'll soon be opening two more in Los Angeles, followed by one in San Jose, California, and another in La Jolla, down here in San Diego. And then we'll go back to Colorado to open another store, in Denver.

That's a lot of new stores. Have you been rethinking the retail experience because of the pandemic? Are you going to be changing anything or incorporating something new?

Personally, I believe there is no substitute for a physical, tangible experience with a brand. At a certain scale, brick-and-mortar retail is a perfect complement to your digital strategy. We believe very much in providing excellent service for our customers. Our staff is very well educated on the full range. What we find is that customers who originate in our stores tend to have a really high NPS [net promoter score]. They buy more, so their average order value is higher and they have higher lifetime value.

As far as whether we are rethinking our stores, Vuori has always been rooted in community. From the first store we opened, our doors have always been open to the community. Every store has a community lead, so that we are integrated into the fitness and health and wellness communities surrounding our stores. We do a lot with the gyms and fitness boutiques in the community, and we're constantly bringing in people to hold events in the store. That will continue to be important, giving people a reason to visit you beyond buying your products. "Experiential retail" has been a buzzword for a long time. That idea's always been important to us.

As we head into the second half of the year, what's on the horizon?

One thing we're really focused on right now is sustainability. This year, we have eliminated over 3 million single-use poly bags from our supply chain. We are also partnering with a group to remove plastic from the ocean [to offset] the plastic we produce in the manufacturing of our products and the operations of our business. We're a plastic-neutral company.

We are a climate-neutral company as well. So, we've partnered with Climate Neutral to offset 100% of our carbon emissions. And we're moving a large majority of our materials to organic and recycled materials. That's something we're very proud of. It's work that we are doing right now and that's continuing to evolve.

Sustainability is so important. Sadly, we work in a very dirty industry. It's one of the things that keeps me up at night. We've got to find better ways to operate these types of businesses, and it's very encouraging and exciting to see what's happening at the textile level, the end-of-life management opportunities that exist out in the marketplace, and the opportunities to offset carbon and partner with groups to clean up—or make what we do create less of an environmental wake.