

# How Vuori Is Positioning Its Business Strategies During the Pandemic

Founder Joe Kudla discusses how the retailer is engaging with consumers at home

## ARTICLE |

**Rimma Kats**

**O**ver the past few weeks, retailers have closed their stores indefinitely as the coronavirus continues to spread in the US. Many brands, like athletic apparel seller Vuori, have shifted their focus to ecommerce and social media channels to stay connected to customers. We recently spoke with Vuori's founder, Joe Kudla, about his company's direct-to-consumer (D2C) beginnings, as well as its ongoing efforts during the pandemic.

### **For those not familiar, tell me about Vuori.**

We launched our performance apparel brand in spring 2015, with a specific focus on men to fill a void we saw in the market. We were inspired by our hometown, Encinitas, California, and the active, aspirational lifestyle that people live there. Our brand is this integration of yoga, fitness, sport and surfing.

Prior to our launch, I was noticing that more and more guys were showing up to yoga classes, but they were wearing their old board shorts. Or they'd wear mainstream active gear. Lululemon was starting to put a little more attention on its men's line, but it came off as an

afterthought, and the shopping experience was geared more toward females.

As far as D2C marketing, we were early in doing social advertising and building the brand through a customer acquisition lens. Since then, we have launched a wholesale strategy and now do business with Nordstrom, REI and about 500 other specialty dealers across the US. In 2018, we launched our women's collection, which has been growing extremely quickly. In fact, our current No. 1 style is a women's product.

**You mentioned leveraging social advertising in the beginning. Has your customer acquisition strategy changed over the years?**

Our customer acquisition strategy has really remained unchanged. We use paid social, like Facebook and Instagram. But we're also using other platforms to acquire customers, like native advertising. In the past year, we've started putting catalogs in the mail. And that has been a very effective strategy for us.

**Why did you decide to use that traditional channel?**

Catalogs serve a couple of purposes. When you launch a brand through the lens of customer acquisition on paid social, you're really launching a brand through the scope of one or two items. There are only so many things you can advertise and get behind at one time. We have found that the best strategy in terms of building a really great funnel is leveraging a bestselling product and using that as the gatekeeper to our brand. This allows you to create a powerful message. However, it also has its limitations, because we're more than just one item; we're a full collection.

The catalog lets you really convey your brand message and what sets you apart. There's a lot more storytelling. Being a company with a lot of items that we're proud of, we love the catalog for that reason.

**How has your brick-and-mortar strategy changed due to COVID-19?**

We opened our first store a year into our business in Encinitas. The store served as a way for us to activate the community and integrate

the values of our brand. We then launched our Vuori Active Club, which we just recently launched digitally. It started as a curation of events, art shows, yoga classes and boot camps at our brick-and-mortar spaces. We brought that strategy with us when we opened stores in San Francisco and Manhattan Beach.

Most recently, we opened in Fashion Island in Newport Beach, and then Del Mar late last year. Those stores do very well for us. We really believe in brick-and-mortar, despite everything that's going on, and we still believe that it's in our future. We may have to evolve our real estate strategy a little bit, but we feel very strongly that differentiated brands that can activate and engage with their community in authentic ways have a place in retail.

**As consumers continue to practice social distancing, have you found that your efforts now are leaning more toward ecommerce—which essentially is going back to your roots?**

Yes, absolutely. We closed all of our stores. We've offered a discount for folks who have tried to go to any of our locations and found them closed, so that they can still get their favorite items online. But we're also thinking about the 1,000-plus stores that we sell to. We've had to completely rethink our strategy for those wholesale accounts. So from that standpoint, yes, there's going to be more of a shift toward what we can control—and that's our direct business.

But we still believe that the stronger wholesale partners will come out of this. They'll find a way to be relevant. And some, like Nordstrom and REI, have strong online businesses. We are going to be more selective about who we work with for wholesale. We're going to rethink our current distribution list and make sure we're in business with the right partners for the right reasons.

Right now, we're focused on our ecommerce business. We're increasing budget, and shifting priorities and messaging to align with how our customers are living their lives while working from home. We're also focusing more on our web and mobile experiences, conveying those messages that are resonating right now. And that's just more from a paid standpoint.

**A lot of companies, specifically ones geared toward fitness, have been leveraging social media to do live workouts. They want to continue the conversation with customers at home in a relevant way. Is that something you're doing as well?**

Every morning at 8, we offer classes on Instagram Live from a different fitness instructor, yoga teacher or mindfulness coach for 30 to 60 minutes. We're also launching a conversation series with interesting people, like NBA Hall of Famer Steve Nash. We'll be speaking with him about resilience and mental fortitude during this difficult time. In a way, the current environment has challenged us to think differently about our business and do things we've never done before.

We're also learning, finding our voice and connecting with customers authentically. Whether we're dealing with a pandemic or life as it resumes to some form of normalcy, we're going to march in the direction of innovation.

**Has your 2020 road map changed? Can you speak to what's on the horizon?**

We were planning on opening four retail stores, and those have been put on hold. So, we're pivoting. With so much uncertainty, I honestly cannot tell you what our next moves will be beyond our current focus —which is digital and engaging with our customers in unique ways. We are all students of this new situation, right? However, we have a lot on our tech road map that we'll continue with to bring a better experience to our customers.

We have been in a fortunate position in that we haven't furloughed or laid off anyone. To date, we've kept all of our retail employees paid for their regular hours while our stores are closed. But we aren't having people just sit at home. We're making requests to them like, "How can we improve our process?" "How can we make the customer experience better?" "How can we set ourselves up for success coming out of this?" Posing those questions, if anything, is really the marching order. That's what our team is united by and really focused on right now.