



RETAIL • LULULEMON ATHLETICA

## Lululemon Turns To Vice Media For Big Ad Push

By [John Kell](#) May 15, 2017



A new Lululemon Athletica ad features Olympic gold medalist Kerri Walsh Jennings, among others.

COURTESY OF LULULEMON

For nearly 20 years, the name Lululemon Athletica has been synonymous with the exploding popularity of yoga. But a new ad campaign is aiming to prove to shoppers that the apparel maker's gear isn't just for the mat.



oga, which features some introductory principles of yoga but just as importantly, on-the-mat activities like volleyball and surfing. To get the ad’s messaging right, Lululemon turned to Vice Media’s recently formed [global ad agency Virtue Worldwide](#), which aims to help brands like Lululemon produce content that’s aimed at younger consumers.

“They do ‘real’ better than everyone else,” said Duke Stump, Lululemon’s vice president of brand and community, in an interview with *Fortune*. “For many people, this campaign will lead them to think differently about our brand. And for people who have been loyal customers, it will be an affirmation for why they have such a strong affinity for the brand.”



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The campaign, which launches on May 15 and runs through July, will include a mix of spending on social and digital channels, as well as billboards, in-store merchandising, and some over-the-top video ads on platforms like Sling TV. It will feature star athletes like Olympic gold medalist Kerri Walsh Jennings and surfer Maddie Peterson (both brand ambassadors), as well as Mexican ballroom dancers and even a DJ. The ad spending will be overemphasized on six core cities: Los Angeles, New York City, Toronto, Vancouver, London, and Shanghai.

<https://www.youtube.com/watch?v=TbZYAo2xI5A&feature=youtu.be>



The campaign represents another big global campaign for Vice's Virtue, which has already worked with several of Unilever's (UL) brands including Dove personal-care products and Breyers ice cream.

It also comes at an important time for Lululemon. In-store traffic has softened in recent quarters, along with broader weakness for most brick-and-mortar retailers as spending migrates online, so the brand could use a boost. There's also heightened competition in the athletic category. And perhaps most critically: Lululemon is aiming to shake off a stock market slump after it reported [disappointing financial targets](#) for the new fiscal year, mostly blaming a soft performance for the company's e-commerce channel because it didn't feature enough bold colors.

Back in late March, CEO Laurent Potdevin [told investors](#) that the company was planning a big ad campaign for this year so it could extend its reach beyond marketing that mainly focused on community driven events and local marketing. Lululemon also runs ad content on social channels like YouTube, but it says the partnership with Virtue is a way to amp up the messaging.

“When you think about 2017 really being a year of putting more eyeballs on the brand and guest acquisition, I'm actually really excited about our ability in a really relevant, nimble way to put millions of eyeballs on the brand,” Potdevin said at the time. He added the campaign is an important component of brand building that will help Lululemon achieve the lofty target of doubling annual revenue to [\\$4 billion by 2020](#).



against **NIKE** (NKE), **Under Armour** (UAA), **Gap's Athleta**—it can't just sell gear to yoga loyalists. Executives know that and have sought to change the company's messaging to be broader. When it **filed** for an initial public offering in 2007, Lululemon called itself a “yoga-inspired apparel” maker. But in recent years, it says gear is for yoga, running, training and an overall “healthy lifestyle.” And of course, Lululemon also benefits from the broader “athleisure” fashion trend it helped popularize: wearing athletic-style gear for everyday attire.

Heightened competition in the athletic-wear category—as well as some broad category sales softness—has led all the major players to boost ad spending to lure shoppers. Lululemon's selling, general administrative expenses (which includes ad spending) **jumped to 33.2%** as a percentage of net revenue from 30.5% the prior year. That metric is now higher than Nike (32.2% in the most recent year), but is under what Under Armour spent in 2016 (37.8%).