



Lululemon and Disabled Sports USA Outfitting Athletes for Success.



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Executive Summary



The collaboration between Lululemon and Disabled Sports USA (DSUSA) will empower both men and women with disabilities who participate in running and yoga. Lululemon is a premium supplier of yoga and athletic wear. DSUSA is a national organization that provides opportunities for individuals with disabilities through involvement in community sports and events. Lululemon will create custom altered clothing for athletes with disabilities participating in events sponsored by DSUSA. These events will take place in the greater metropolitan areas of Los Angeles, New York City, Chicago, Phoenix, and St. Louis. In April 2020, New York City will host the launch of this exciting partnership that will endure for the next six months. Athletes will provide their needs and measurement specifications when they sign up for the event.

Additionally, Lululemon will highlight an assortment of adaptable merchandise on their website during the six-month period of the collaboration. Some examples of the requests are different heights in the waistband, an added double placket, or higher performing fabric at the wrists to avoid abrasion wearing down the fabric. Through this collaboration, DSUSA will benefit by providing their athletes the opportunity to feel confident in the clothing that they wear. It will raise awareness for their needs as well as their accomplishments, reducing the stigma for disabled athletes. Lululemon will benefit from this collaboration because they strive to be corporate partners in the athletic community and expand their reach to a broader audience. They will raise awareness for athletes with disabilities and will earn enough profit to donate back to DSUSA.

Lululemon



DSUSA

Lululemon began as an athletic clothing company designing yoga pieces for men and women. Now, their product has expanded to clothing used for many activities. Over the years, they have partnered with SoulCycle and Francesca Hayward, in order to reach more consumers with passions in different areas of sport. Lululemon has the desire to fuel peoples passions by giving them the right tools to conquer their goals both athletically and personally.

DSUSA is a non-profit organization that strives to improve the lives of those with disabilities by giving them the opportunity to participate in sports. DSUSA's community chapters reach people across the country by sponsoring local athletic events. Both men and women are able to gain confidence and fitness through a variety of physical activities. DSUSA has never partnered with any brand in the fashion industry, but have the desire to transform the people they serve.



The Collaboration



Lululemon and DSUSA will benefit because of their similar goals believing in equality and inclusion.

Lululemon will custom alter merchandise for athletes with disabilities participating in running and yoga events in five select markets.

The product will also be available online to purchase during the six months of the collaboration. This merchandise will be unique because of the adaptable qualities that will be added. As a result, Lululemon will become more inclusive and grow their brand value.

DSUSA will be hosting athletic events for athletes living in the greater metropolitan areas of Chicago, New York City, Phoenix, Los Angeles, and St. Louis. The events will include a race followed by a yoga class. DSUSA will be increasing the benefits for their customer base. They hope to increase their nonprofit contributions, lowering the stigma of athletes living with disabilities.



Product Assortment



Swiftly Tech
Short Sleeve
Crew: \$68



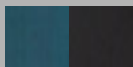
Run Times
Short II 4": \$58



Swiftly Tech
Long Sleeve
Crew: \$78



Align Pant II
25": \$98

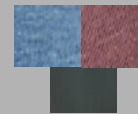


Alteration Examples

- ❖ Higher waistband in the back of pant
- ❖ Wider legs or different lengths on both shorts and leggings
- ❖ Front or back double pant placket
- ❖ Higher performing fabrics at the wrists to avoid abrasion
- ❖ Different lengths for sleeves
- ❖ Adaptive closure at the shoulder to expand the neck opening



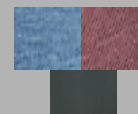
Metal Vent
Tech Short
Sleeve 2.0: \$78



Pace Breaker
Short 9": \$68



Metal Vent Tech
Long Sleeve 2.0: \$88



In Mind Pant
30": \$118



How It Works

The merchandise will be provided through the order form three months in advance of the first event happening in April 2020 in New York City. An example of the order form is in the photo to the right.

Merchandise will also be sold online during the six-month period of collaboration, from April 2020 through October 2020.

Athletes will be encouraged to order with enough time to have additional alterations done if needed. The product will be shipped to the athlete or the nearest Lululemon store ahead of the event.



Lululemon X Disabled Sports USA Event Registration and Clothing Order Form

Name and Email: _____

Address: _____

Activity of Participation (Circle One): Yoga-Running-Both

Apparel: (Select an Item and Size)

Men Shirt Size
Options:
XS, S, M, L, XL,
XXL

Men Short and
Pant Size
Options:
XS, S, M, L, XL,
XXL



Women Shirt
Size Options:
2, 4, 6, 8, 10,
12

Women Short
and Pant Size
Options:
2, 4, 6, 8, 10,
12

Alterations: Be specific in what you need. Some examples are double plackets, adaptive closure at the shoulder, specific measurements, etc. With any questions, please call the Lululemon Toll Free Number at **1 (877) 263-9300**

Area of Delivery: Please choose whether you will have it delivered to your address or to the nearby Lululemon store (both are free of charge).

Target Consumer



Casey, 22



Casey lives in New York City in an apartment. He is a former college graduate and is currently working for an engineering company. In his free time, Casey enjoys participating in long distance wheelchair races.

Casey's has spina bifida which left his legs paralyzed. His clothing needs include a higher waistband in the back of his pants and higher performing fabric at the wrists to avoid abrasion. Casey is willing to pay an above normal price for clothing that is high quality and comfortable.

Melissa lives in a Chicago suburb with her husband and two children. She was a former officer in the U.S. military. Now, she competes in triathlons and helps with the DSUSA chapter she co-founded, Dare2tri.

Her interests are being active in any way possible. Melissa's clothing needs are different lengths and widths of the pant legs because she lost her left leg above the knee. She is also looking for clothing that is high quality, comfortable, and stylish. Melissa is always looking for the best price possible, but is willing to spend money on high quality pieces.



Melissa, 34

Marketing Tactics



Social Media

- ❖ Release a behind the scenes video on social media two weeks before the opening of registration for the New York City event in April 2020.
- ❖ Have a DSUSA athlete from each of the five cities who participate in running and yoga post a photo on social media promoting the product.
- ❖ Giveaway one item from the collaboration to an athlete who has registered for the event within the first two weeks.
- ❖ Create an educational video to be posted that shows the adaptable changes that can be made to the product.

Email

- ❖ Information about the events and Lululemon apparel will be sent to DSUSA athletes of the Los Angeles, New York, Phoenix, Chicago, and St. Louis areas two weeks prior to registration.

Pop-Up Tent at Events

- ❖ Samples will be available for athletes to try on before purchase. Lululemon employees will be present for additional questions.



How Can Your Clothing Become Adaptable?

In this video, we will show you how Lululemon is becoming more inclusive with their products.



Profit and Loss Statement



There are an estimated 5,000 athletes across the five cities. Our goal is to reach 20% of them to purchase, meaning there is **1,000 athletes** who could potentially order.

- ❖ Projected Sales: \$132,750
 - This is derived from the average retail for both men and women multiplied by the average pieces a customer will purchase (88.5×1.5). Then, multiply by 1,000.
- ❖ Average Unit Retail: This is a weighted average of men's and women's products. Women's is 60% of sales, while men's is 40%.
- ❖ Inventory: Lululemon will not need to carry any average inventory because it is made to order, paid for at the time of the order, and delivered directly to the consumer. Because of this, there is no average inventory value based on projected per unit ticket.

Net sales	\$132,750	100%
Mark downs	\$1,991	1.5%
COGS	\$86,287	65%
Gross Margin	\$46,462	35%
Receipts	\$134,741	
Average Inventory	*none	

Operating Expenses

Net sales	\$132,750	100%
Cost of Goods Sold	\$86,287	65%
Gross Margin	\$46,462	35%
Expenses	\$19,032	14%
Net Profit/Loss	\$27,430	20%

- ❖ Cost of Product Development: \$8,500 for product samples and a product development coordinator
 - ❖ Cost of Marketing: \$3,982 (3% of sales)
 - ❖ Photographer for Five Hours: \$750
 - ❖ Model for Five Hours: \$600
 - ❖ Cost of Pop Up Tent at Five Events: \$1,500
 - ❖ Signs at Tent: \$200
- ❖ Packaging for Sending Clothing to Athletes: \$2,450
 - ❖ Website Addition for Lululemon: \$800
 - ❖ Social Media Costs for Five Posts: \$250

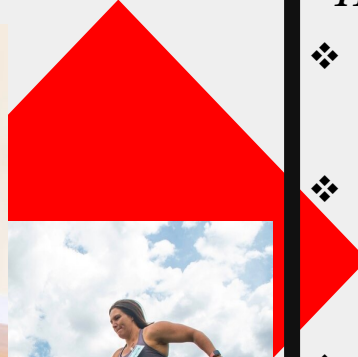
If Lululemon is to achieve net profit, which is currently projected at \$27,430, fifty percent of the net profit will be donated to DSUSA.

Scale Up Plan and Summary



Why Expand the Collaboration?

- ❖ Athletes are enthusiastic about the product
- ❖ There are positive reviews
- ❖ High demand for the product



How to Scale the Success

- ❖ More events across the U.S. to include more athletes
- ❖ Survey athletes on what styles and colors of product they desire
- ❖ Carry limited assortment online for the foreseeable future



The chosen collaboration will benefit the two parties involved because of their shared interest empowering the ones they serve. Lululemon and DSUSA will both be raising awareness for athletes with disabilities by instilling confidence and fitness through the clothing they wear.

Appendix



Source 1: Here's How Lululemon Athletica Is Lifting Its Brand Prestige

Source 2: Why Just-In-Time Manufacturing is Having a Moment

Source 3: Why Brand Collaborations Will Always Be in Fashion

Lululemon had great success in the past for collaborations with APL, Taryn Toomey, Francesca Hayward, and SoulCycle. They release limited quantities when the product launches, which instills a “must buy it now” mindset in the customer. Because of this limited supply, the inventory turnover is higher than competitors, reducing the need to have markdowns.

Products created on demand have many advantages over companies that only focus on minimizing the cost of producing. Athletes are able to alter their clothing to fit their needs. Also, there is quality control, allowing Lululemon to focus solely on specific measurements and alterations.

The collaboration between two brands that fit together and develop a useful product will likely be successful. With Lululemon and DSUSA, the product developed together will be better than if they were to create the merchandise on their own.

Source 4: 7 Ways to Build Buzz on Social Media for Your New Product Before Launch

Source 5: A Nike Accessory for the New Age of Paralympic Glamour

Source 6: Tommy Adaptive Seated Fit Straight Jean

Source 7: Lululemon athletica Inc. Annual Report

When looking at ways to market Lululemon's new merchandise on social media, releasing educational and behind the scenes videos about the product is important. Many do not know how the product is created or what type of alterations could be done. Also, to increase the excitement, giveaways will be held to increase the likelihood of registering within the first two weeks.

Companies should enter the market creating clothing for athletes with disabilities because it is a budding market. Doctors believe diabetes is rising, leading to more amputations. There will be more amputees wanting to enjoy the same activities and clothing they had before their disability, creating a growing demand for this market.

These jeans displayed what the needs were for the specific alterations that needed to be done on the yoga pant and shorts. For example, a higher back waist rise is more comfortable when in a seated position. Also, a double placket is needed to help adjust the waist and make it easier to get the product on and off.

The information regarding Lululemon's net revenue, cost of goods sold, and gross profit as of February 3, 2019 were useful when making accurate estimations for the Profit and Loss Statement.

How To Find Average Retail

Women (60% of Sales)

- ❖ Multiply the price by the percent of sales for women.
- ❖ Then, add each of those four numbers.
 - ❖ Average retail for Women = \$82.50

Product	Price	Percent of Sales for Women
Align Pant II 25"	\$98	50%
Run Times Short II 4"	\$58	20%
Swiftly Tech Short Sleeve Crew	\$68	15%
Swiftly Tech Long Sleeve Crew	\$78	15%

Men (40% of Sales)

- ❖ Multiply the price by the percent of sales for men.
- ❖ Then, add each of those four numbers.
 - ❖ Average retail for Men = \$97.50

Product	Price	Percent of Sales for Men
In Mind Pant 30"	\$118	50%
Pace Breaker Short 9" Linerless	\$68	20%
Metal Vent Tech Short Sleeve 2.0	\$78	15%
Metal Vent Tech Long Sleeve 2.0	\$88	15%

*To find the average retail for men and women,
take $82.5(.6) + 97.5(.4) = \mathbf{\$88.50}$*

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