

## **Victoria's Secret Written Report**

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## **Executive Summary**

Victoria's Secret is one of the leading competitors in the lingerie, clothing, and beauty industries. Historically, they have been seen as a sexy brand, with perfect models and dark, sensual store designs. Even though they were once breaking records, they shut down 59 stores in 2019 as they struggled to meet sales expectations through existing and new product launches. While they re-introduced their sub-brand Victoria's Sport in 2016, their unsuccessful marketing efforts have failed to create visibility and thus a differentiation between their comfortable, everyday fitness apparel and the often intimidating intimate wear. The firm must identify new marketing approaches for the Victoria Sport line to position itself as empowering to women and move towards a more body-positive perception. Victoria's Secret is missing out on a large consumer segment and should urgently address this marketing shortcoming. We intend to drive sales and acquire market share from competitors through our three-pronged approach.

With the athleisure and fitness apparel industry expected to continue its growth trajectory, Victoria's Secret must employ a new strategy to increase market share. Our plan primarily entails a new marketing campaign centered on leveraging younger influencers on social media and advertisements in gyms to promote the sub-brand Victoria Sport. We intend to capture the younger generations and the wellness-oriented consumer, and redesigned stores will ensure a welcoming environment for new customers. Victoria's Secret has established itself as a quality and aesthetically pleasing product provider. We hope to stimulate a resurgence in popularity and acquire market share from industry incumbents such as Nike, Lululemon, and Adidas. In doing so, we can rehabilitate Victoria's Secret and help them realize untapped potential for expansion.

## Part 1 - Background and Problem

### Company

- Mission Statement: They're committed to building a family of the world's best fashion brands, offering captivating customer experiences that drive long-term loyalty and deliver sustained growth for our shareholders.
- Goal: They strive to become the world's leading fashion retailer of intimate apparel.
- Performance: Victoria's Secret has performed poorly in recent years, consistently failing to meet analyst expectations. They've faced sluggish sales after criticism about the lack of model diversity and size inclusivity. Additionally, they were in a scandal for possible ties to Jeffrey Epstein. To summarize, Victoria's Secret needs to improve on multiple fronts; specifically, it requires a new marketing campaign to improve public perception.
- While Victoria's Secret has multiple Strategic Business Units (SBUs), this analysis will focus on Victoria Sport, a sub-brand specializing in athleisure apparel.

### Customers

The primary target market for Victoria's Secret is fashion and beauty-conscious women aged from around 15 to 50. Within this age range, Victoria's Secret is most prominently discussed and popular with [15 to 25-year-olds](#). Victoria's Secret is also aimed at people willing and able to dish out at a premium price for a higher quality product. Thus, these targeted women have higher incomes. Additionally, based on the location of most physical stores, the women targeted are geographically [closer to cities](#). Despite Gen Z being the primary generation aware of Victoria's Secret, sales are down across the board. This can be primarily attributed to the shifting values of their customer base, which is no longer in line with Victoria's Secret's marketing.

### Competition:

Victoria's Secret has a few significant competitors dipping heavily into their market share. One of the strongest is American Eagle's underwear brand, Aerie. As of 2021, Aerie possessed 6.7% of the women's lingerie market in the US. In 2021, Aerie was second only to Victoria's Secret in bra sales. Aerie differs from Victoria's Secret in that they position themselves as a more cozy and casual, less "supermodel" brand, famously refusing to photoshop their advertisements like Victoria's Secret has been known to do in the past. An Aerie executive even went on record to claim that they are the "anti-supermodel," a move which has evidently paid off in the brand's success in taking away some of Victoria's Secret's market share. Another primary competitor of Victoria's Secret, specifically their Victoria Sports sub-brand, is LuluLemon. In the athleisure market, an area Victoria's Secret has the potential to break into through Victoria Sport, LuluLemon dominates with a [59% market share in the third quarter of 2023](#). However, Victoria's Secret's positioning and brand image differentiates itself from both of these brands. Neither brand offers the feeling of adult luxury that Victoria's Secret provides through its products.

### Macro Environment

Given Victoria's Secret's positioning within the consumer retail industry, the brand relies heavily on consumer spending trends influenced by many economic factors. The primary drivers of sales growth include a solid value proposition, efficient operations, quality management, competitive advantages, supplier relationships, pricing power, and marketing initiatives. That

being said, if the consumer does not have the necessary amount of discretionary income, no purchases can be made. Therefore, when analyzing the strength of a business at a given point in time, one can examine factors such as aggregate consumer spending, employment rate, inflation, interest rates, and change in median household income as an indicator of discretionary income levels. Overall, consumer spending is directly linked with the growth of the economy, measured in gross domestic product (GDP). The government can influence these macroeconomic factors through a range of fiscal and monetary policies. For instance, the Federal Reserve has recently hiked interest rates aggressively to combat inflation, causing debt to become more expensive, which consequently slows economic growth by discouraging spending.

To determine the macroeconomy's historical influence on Victoria's Secret's performance, we can observe the strength of the consumer over time and compare these trends to the company's top growth. Since Victoria's Secret debuted its fitness products, marked by an initial launch in 2011 followed by a relaunch in 2016, consumer spending has steadily increased each year (Macrotrends). This strong positive trend highlights the strength of the American economy and represents ideal conditions for a quality consumer business to thrive and grow sales. Further, the Federal Funds Rate has remained at historical lows over the same period, aside from the recent rate hikes beginning in 2022 (St. Louis Fed). The Federal Reserve Bank determines this rate and indirectly influences interest rates across the broader economy. When interest rates are low, people pay smaller interest payments on their debt, allowing them to borrow and spend a greater amount. Median household income, a key indicator of discretionary income, has increased at a pace far exceeding the rate of inflation (Statista) over the same period since the failed product launch. American families have had money to spend, although they have not been shopping at Victoria's Secret. Despite providing quality products in line with consumer preferences, the company's recent track record of failure in a favorable macroeconomic environment further supports the notion that its marketing initiatives have yet to reach target markets successfully. Regardless of tailwinds, Victoria's Secret still needs to deliver on its promise to acquire market share in the rapidly expanding athleisure space.

### Problem Identification and Objectives

Victoria's Secret's brand positioning and image are too intimidating and risqué to capture the desired target demographic, primarily Gen Z. The dark and dungeon-like aesthetic of the physical storefronts is intimidating for young shoppers and men, limiting more significant sales potential. We plan to expand marketing focus on their athleisure sub-brand, Victoria Sport, to reach a greater audience and compete with LuluLemon and Athletica. Victoria Sport's problem is that it is under-marketed, and the target audience needs to be made aware of its existence. Victoria's Secret needs to differentiate Victoria Sport or establish and communicate a unique identity for the sub-brand. By increasing the prominence of Victoria Sport in the physical storefront and online, Victoria's Secret stores will become more approachable for all people. Additionally, Victoria's Secret's image of sexy and adult will remain while adding the wellness-oriented appeal by advertising fitness apparel in gyms.

## **SWOT Analysis**

### Strengths

Victoria's Secret has a strong track record and has proven its ability to provide products that align with current fashion trends. As younger generations look for athleisure clothing, they

tend to value aesthetics, comfort, and an athletic application (Zips). Victoria's Secret is widely known as a leading provider of aesthetically pleasing products. Given the proper promotion of their sub-brand, Victoria Sport, this positive brand perception will serve as a monumental strength, helping to drive revenue throughout expansion.

### Weaknesses

The company has limited experience operating within the fitness apparel sub-sector. Even though sports bras were launched in 2011 and relaunched in 2016, these initiatives were unsuccessful. Other fitness brands have substantial track records. This lack of experience in the sector is the firm's primary weakness to be concerned about when planning an expansion. Since Victoria's Secret is primarily known for its lingerie and undergarments, we intend to counteract this stigma by promoting its sub-brand, Victoria Sport.

### Opportunities

Expansion into the fitness apparel market represents the primary opportunity at the top of the company's agency. Consumers are gradually favoring a more casual application of fitness apparel, factoring in aesthetics and comfort for everyday use. This emerging desire can be summarized as the athleisure trend (Zips). To succeed in any consumer-oriented industry, incumbents must adapt to capitalize on customer preferences. This massive increase in demand for athleisure clothing represents an unparalleled opportunity for growth. Having failed in this arena before, Victoria's Secret is eager to correct its mistakes and emerge triumphant.

### Threats

Threats to Victoria's Secret's expansion are the current market-leading apparel brands known for fitness products. Large companies benefit from economies of scale, reduced production costs at greater size. Our client's primary competitors are Nike, Lululemon, and Adidas, which have market capitalizations of approximately \$173B, \$59B, and \$38B, respectively (Yahoo Finance). The magnitude of these market capitalizations renders these companies in the large-cap range. Additionally, these larger, more established companies experience less volatility, contributing to their threatening nature. These particular brands are known for their history of providing quality fitness clothing. Because acquiring market share from these strong competitors will undoubtedly be difficult, Victoria's Secret requires an effective marketing campaign.

## **Current Marketing Mix**

### Product Situation (product offering and sales numbers):

In the 2023 Q3 earnings of Victoria's Secret, they reported net sales of \$1.265 billion, a 4% decrease from the previous year's Q3 earnings of \$1.318 billion (Victoria's Secret & Co). Victoria Sport, a brand under Victoria's Secret, is categorized as a line extension in branding strategies. It targets a distinct segment of the clothing industry, focusing on sportswear, athletic apparel, and loungewear. The product range includes the new On-Point collection, which offers three types of apparel (Lesavage). Overall, the product situation stands as is and is not the focus of our marketing proposal.

### Promotion Situation (current promotion):

Currently, there needs to be more promotion for this brand line. Victoria Sport's Instagram has 2.2 million followers but only one post. Moreover, Victoria Sport has yet to have its own dedicated space on the website; it is instead integrated into the overall Victoria's Secret website. Our primary studies show that 62.2% of respondents needed to be made aware of the Victoria Sport line. Furthermore, news articles have yet to promote the brand since 2016. Victoria Sport is an out-of-date brand with minimal promotion and low brand awareness. Our marketing proposal specifically targets this need for more promotion.

### Price Situation (current prices):

Victoria's Secret is renowned as a high-end, luxurious brand. Their prices reflect this, offering quality and comfortable apparel. Victoria Sport also mirrors this vision, offering high-quality, luxurious apparel, unlike PINK, which targets a younger audience with slightly lower prices. Overall, Victoria's Secret's pricing strategy focuses on selling high-end, quality items, a stance our marketing proposal does not plan to change (MBA Skool).

### Distribution Situation:

Victoria's Secret targets customers through three main distribution channels: Digital, North American Stores, and International. In 2021, Digital accounted for 31% of the revenue, North American Stores for 62%, and International for 7%. All these channels reach consumers directly from Victoria's Secret. Additionally, 13% of purchases involve buying merchandise from vendors (Victoria's Secret). In summary, Victoria's Secret uses a multi-channel approach encompassing offline and online platforms. Our marketing proposal will leverage this physical presence to our advantage.

### Overall Value Proposition:

Empower your performance with Victoria Sport. Designed for comfort and functionality while retaining that iconic fashion taste, Victoria Sport provides the highest quality sportswear for those seeking the perfect intersection of style and performance. Whether hitting the gym, running, or enjoying a yoga session, Victoria Sport outfits you in style, giving you the confidence to stand out.

### **Research Question and Hypothesis.**

Although we know that Victoria's Secret's brand is currently working to revert to its basic marketing strategies after its Diversity, Equity, and Inclusion marketing tanked sales, our research takes a look at a more specific issue that Victoria's Secret's sub-brand, Victoria's Sport, has been facing. Our research was guided by our desire to understand the extent to which consumers in the athletic apparel segment are aware of the existence of the Victoria's Secret fitness line/sub-brand, Victoria's Sport. Additionally, we seek to discover if there is potential for this sub-brand to be profitable if marketing were more effective and successfully reached their target audience, which we later identify. Our marketing team expects to see survey results that reflect a low Victoria's Sport awareness and an increased inclination to purchase Victoria's Sport fitness apparel in response to marketing efforts outlined throughout our proposal. As a primary research method, we conducted a survey and further complemented our findings by implementing secondary data into our analysis.

## **Research Methods.**

Firstly, we identified the focus of our research survey, which was to gain as much insight as possible regarding our research questions about sub-brand awareness and marketing potential. We crafted our survey and sent it to student groups, classmates, and friends, aiming for a minimum of 30 responses. As we monitored our survey results, our team noticed the data was male-dominant. Because we desired a representative data set, we reconciled this skew by conducting a second round of the survey distribution, focusing on female consumers, hoping to balance the gender demographic amongst respondents eventually. Our primary goal was to avoid biases in our data, so although our second round of survey distributions only went out to females, all responses were recorded anonymously, eliminating potential bias.

## **Research Analysis Plan and Results.**

Our research captures the demographics and insightful purchasing habits of Washington University students aged 18-22. We received results from 45 respondents, 51.1% male and 49.9% female. Though we attempt to capture a diverse set of opinions, we recognize that our survey encounters limitations, the most significant being that this sample needs to be more representative of the consumer segment we wish to target with our marketing proposal. Nonetheless, it does provide insight into a profitable and fashionable population that forms a part of our target audience: college students. Our data informs the marketing campaign by expanding our range of insight, helping gauge emotional perspectives, and identifying areas where Victoria's Secret could improve to achieve sales goals for their sub-brand.

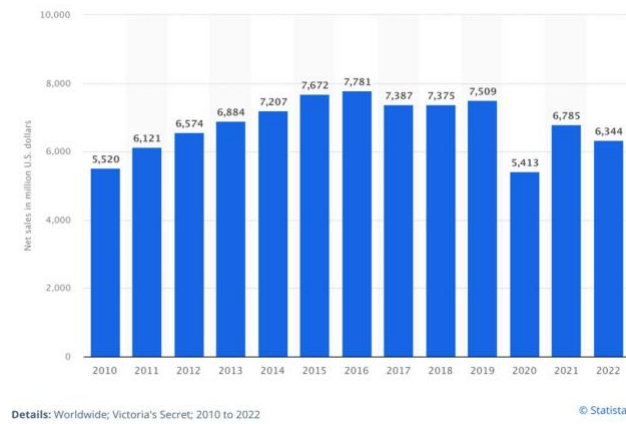
Our survey consisted of questions, which can be seen in Appendix 1, directly related to our research inquiries, but also includes questions designed to gauge information regarding purchasing comfortability in stores and consumer purchasing intention. We inferred that many people would agree with our hypothesis that the Victoria's Sport sub-brand had not been effectively marketed, and an astonishing 95.6% of respondents agreed. This measure was further supported by 62.2% of respondents confessing that they had no knowledge of the Victoria Sport line before this survey. To discuss the topic of store design perception, we asked "Do you believe Victoria's Secret's current look (stores are typically dark and sensual) is potentially intimidating to consumers, particularly young shoppers or men? Unsurprisingly, we found that out of the respondents, 68.2% believe that the current look/colors/themes of Victoria's Secret stores, where Victoria Sport fitness apparel is often displayed, are intimidating to both men and women; an additional 13.6% said only to young shoppers. Regarding intent to purchase, we discovered that 46.7% of respondents said they would be willing to buy from this fitness line not only for themselves but potentially as gifts to others; we had asked, "If Victoria's Secret transitioned from its current focus (intimate wear) to a more fitness apparel focus, would you be more likely to buy there? For you or others (ex. gifts)?"

## **Research Discussion.**

Our survey respondents informed us that many aspects of Victoria's Secret current marketing strategy must be improved. Without further research, the necessary changes are challenging to identify. Further analysis of our survey provided information. First, the number of respondents with no prior knowledge of the Victoria Sport sub-brand before the survey is alarming, given this reflects the drastic ineffectiveness of existing marketing strategies and advertising to reach target audiences. Additionally, most respondents believed the current marketing campaign did not effectively promote fitness apparel. The number of respondents who



stated they would be more likely to buy athleisure from Victoria Sport if they transitioned away from the predominantly intimate wear focus reveals the untapped potential to be realized through better-targeted advertisements and partnerships, which would increase sub-brand awareness.



The data gathered supports our hypothesis, and we also supported our findings with secondary data to evaluate our thinking further. By conducting financial research, we were able to uncover trends in the consumer's response to prior unsuccessful attempts to launch fitness apparel, including the launch of VSX Sexy Sport in 2011 and sports bras in 2013, which were "quickly pulled out of the market," and the 2016 relaunch of Victoria's Sport. Figure 1 depicts the net sales of Victoria's Secret worldwide from 2010 to 2022. The graph shows that sales grew slightly for several years before the relaunch of fitness

apparel. This sales growth stopped when Victoria Sport was relaunched in 2016. The subsequent decline in sales reveals poor reception. Our strategic marketing proposal, informed by data, will succeed in increasing the sub-brand's visibility and aiding it in its differentiation from the parent brand's racy look to increase sales.

### Part 3 - Proposed Strategy

#### Recommendation:

Our recommendation for this problem is a three-pronged solution: To advertise and collaborate with gyms, to revamp many of the physical stores so that Victoria Sport will have a chance to shine, and to engage in advertisement collaborations with popular TikTok stars and athletes to bring more attention to and promote Victoria Sport.

#### Gym Advertisements:

Our first of the three-pronged solutions is Gym Advertisements. As stated on page 8 in the Research Analysis Plan and Results section, the survey indicates that Victoria Sport and all Victoria's Secret-related sports apparel isn't effectively marketed. Similarly, page 5's Promotion section highlights a significant need to promote athleisure clothing. Both of these sections support our first solution: gym advertisements. By partnering with gym chains such as Equinox and Planet Fitness, we can effectively target our athleisure apparel audience and increase brand awareness. Additionally, as the page 5 Distribution section shows, much of Victoria's Secret's revenue comes from direct offline channels. Displaying Victoria Sport apparel at gyms will capitalize on this.

#### Celebrity/Athlete Collaboration Advertisement:

Similarly, celebrity/athlete collaboration advertisements seek to increase awareness of Victoria Sport. With the promotion issues previously mentioned, this solution involves partnering with popular celebrities and athletes, such as Alix Earle or Livvy Dunne, to bring

promotion to direct online channels. As noted on page 5 in the Distribution section, online channels account for more than a quarter of Victoria's Secret's revenue. This strategy will help Victoria Sport increase its market awareness, targeting the heavily undermarketed issue prevalent throughout our research proposal.

#### Physical Store Renovation:

The final solution, physical store renovation, stems from page 5 in the Problem Identification and Objectives section and page 9 in the Research Analysis Plan and Results section, where there is mention of the stores being intimidating. Our goal through this solution is to create a less intimidating aura in the stores by dedicating a section to sell and market Victoria Sport. This will make the stores more inviting, encouraging consumers who wish to shop there to feel more welcome.

#### **Risks and Alternative Solutions:**

Victoria's Secret has already established its brand image, and this dominance has allowed it to remain at the top in shares despite declines in recent years. It's safe to assume that Victoria's Secret already has an established audience and image. The risk is that a significant reallocation of resources and heavy emphasis on Victoria Sport could over-deemphasize Victoria's Secret's already successful brand lines and lingerie. This shift in focus risks changing the brand image and losing the original audience that made them successful. An example of Victoria's Secret's failure to shift its brand image is mentioned in a New York Post article, which notes the company's return to its previous branding after a failed attempt to adjust its image. (Fox)

An alternative solution is reintroducing sportswear under a different sub-brand within Victoria's Secret. This maintains the brand image, widens the targeted audience while keeping it consistent, and avoids the complexities of shifting the brand image. This approach allows Victoria's Secret to expand into a different market at a more measured pace.

#### **Changes to Marketing Strategy and Mix**

Under our recommendation, Victoria's Secret's overall marketing mix and strategy will remain mostly the same. However, the Victoria Sport brand will become vital to the company. Our plan does not include changes to existing products. Victoria Sport is an existing sub-brand, and the products are available currently on both the physical and digital storefronts. The promotional strategy will need to evolve drastically. Victoria Sport's insubstantial social media presence will be completely revamped, focusing on influencer promotion and TikTok and Instagram relevance. Additionally, the overall brand will promote Victoria Sport more heavily with mentions in news articles. Victoria Sport will be featured on the front page banners and within major promotions on the main website. The website will also have a section devoted specifically to Victoria Sport to differentiate the sub-brand further. The pricing will remain unchanged, as expected of a high-quality luxury brand, which the fitness line also falls under. Since we are not changing the products, we feel no need to change the price. The distribution networks will emphasize Victoria Sport both digitally and physically. We envision a greater store presence, allowing for more fluid and simpler distribution to potential customers.

The marketing strategy will better target younger demographics and create a less intimidating store experience. We aim to reach a greater percentage of young women and men through our increase in Victoria Sport marketing. We will retain the current brand appeal as a

sexy and adult brand while allowing those less inclined to feel comfortable shopping at Victoria's Secret. Victoria Sport offerings also cater to the segment with a more active lifestyle.

### **Measuring Progress**

Articulating a precise array of goals enables a firm to measure the success of its marketing initiatives and aim for specific outcomes. As Victoria's Secret sets out to regain cultural relevance and become a market leader in athleisure apparel, definable goals must be established. This two-year initiative will begin with heavy investments and conclude with a regain of market leadership. Partnerships with gym chains and influencers are expected to have been established within the first quarter. Interior designers will have begun drafting and finalizing the revamped store designs to foster a less intimidating environment for many customers. Additionally, a new team is assembled within the marketing and communications division of the firm, specifically tasked with monitoring and tailoring the social media campaigns across apps and responding to consumer feedback. This first quarter represents the beginning of a new era at Victoria's Secret and will set them up for success. The second quarter begins with investments into the film and production of advertisements to be shown in gym chains, specifically designed to appeal to the wellness-oriented consumer. Social media advertisements have begun development, and the interior redesign of stores will have begun. By the end of the third quarter, we expect the firm to have completed the interior redesign of their stores, given the minimal renovations required. Advertisements to be shown on social media applications and in gyms are published, and influencers begin promoting the fitness and athleisure product lines. At this point, a majority of the capital expenditures have taken place, and the firm has already started to reap the benefits. In the fourth quarter after the initiative's launch, analysts covering the company can expect an uptick in sales growth, the beginning of a positive trend. Promotional investment continues in the following quarter, which now marks one year since the project's conception. We expect product sales to exhibit accelerated growth as the advertisements have significantly penetrated the target populations, and the trend begins to spread by word of mouth. In the sixth quarter, a projection of seven billion dollars in net sales is expected to have been reached, assuming no unforeseen macroeconomic headwinds, and the company is nearing its previous ten-year high. Promotional investments will be strategically dialed back in the seventh quarter as the popularity growth of Victoria's Secret athleisure apparel begins to snowball. At this point, the company's 2016 net sales (\$7.781B) have been surpassed, a monumental triumph representing the resurgence of the retail giant. Finally, in the eighth quarter since the campaign's onset, promotional investments will cease as Victoria's Secret regains cultural relevance and achieves self-sustaining growth through popularity. If social media advertisements created by influencers fail, our backup plan for this segment of our marketing campaign involves switching to more prominent forms of media, such as movies and TV shows. Historically, product placement in movies and on television has proved successful for countless market leaders. Should social media advertisements fail to meet expectations, these production-intensive forms of distribution will surely reach audiences. Because this form of product placement requires more investment, it functions as a backup plan.

### **Summary**

Victoria's Secret, an icon of the fashion industry since its rise to popularity in the 1980s, has recently not lived up to expectations. Dubbed the "Nike killer" by Business Insider in 2016, it's evident that the firm's expansion into the athleisure sub-sector with its fitness apparel line

could drive significant growth; however, an ineffective marketing strategy inhibited market penetration. Companies spend millions on elaborate marketing initiatives to rapidly acquire market share. Despite these efforts, only a select few have become the dominant retailers in their sector. In the past, Victoria's Secret has proven its ability to provide quality products and establish itself at the center of beauty culture. The brand's catalogs, fashion shows, and models have emerged as iconic platforms that embrace beauty and celebrate femininity, the essence of Victoria's Secret. Given its track record and widespread brand recognition, Victoria's Secret remains in a phenomenal position to realize its untapped growth potential and capitalize on the shifting trends of the consumer. As preferences shift from over-sexualization to modesty and comfort, Victoria's Secret has met those needs with the correct products. Still, it has yet to reach its target audience, the younger generations. In prioritizing gym advertisements in addition to a social media campaign that leverages the popularity of influencers, the beauty retailer can acquire younger wellness-oriented customers. Further, redesigning stores will foster a less intimidating environment and create a welcoming atmosphere for new shoppers. With measurable goals in sight, Victoria's Secret can establish and execute a successful marketing campaign to promote its fitness sub-brand that will drive top-line growth and help the company regain its cultural relevance.

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[\*\*Victoria's Secret Brand Profile\*\*](#)

[\*\*Victoria's Secret Stores Map\*\*](#)

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## Appendix

### Primary Research Survey Questions

- How do you identify?
- Do you frequently see Victoria's Secret advertisements?
- Do you believe Victoria's Secrets advertisements are currently effective?
- Do you believe Victoria;s Secret advertisements are representative of all populations (including but not limited to weight, height, race, physical ability)
- Do you think Victoria's Secret could benefit from more holistic representation?
- Were you previously aware that Victoria's Secret sold fitness apparel?
- Do you believe Victoria's Secret effectively markets their fitness apparel?
- Would you purchase fitness apparel from Victoria's Secret?
- Do you believe Victoria's Secret's current look (stores are typically dark and sensual) is potentially intimidating to consumers, particularly younger shoppers or men?
- If Victoria's Secret transitioned from its current focus (intimate wear), to a more fitness apparel focus, would you be more likely to buy there? For you or for others (ex. gifts)?



# VICTORIA'S SECRET

BY KEVIN CUMMINGS, SHAWN FONG, TY KATZ, AND EMILY SANCHEZ



# OVERVIEW / PROBLEM SCOPE

WHAT? You didn't know Victoria's Secret had a fitness apparel line? Exactly, we didn't either.

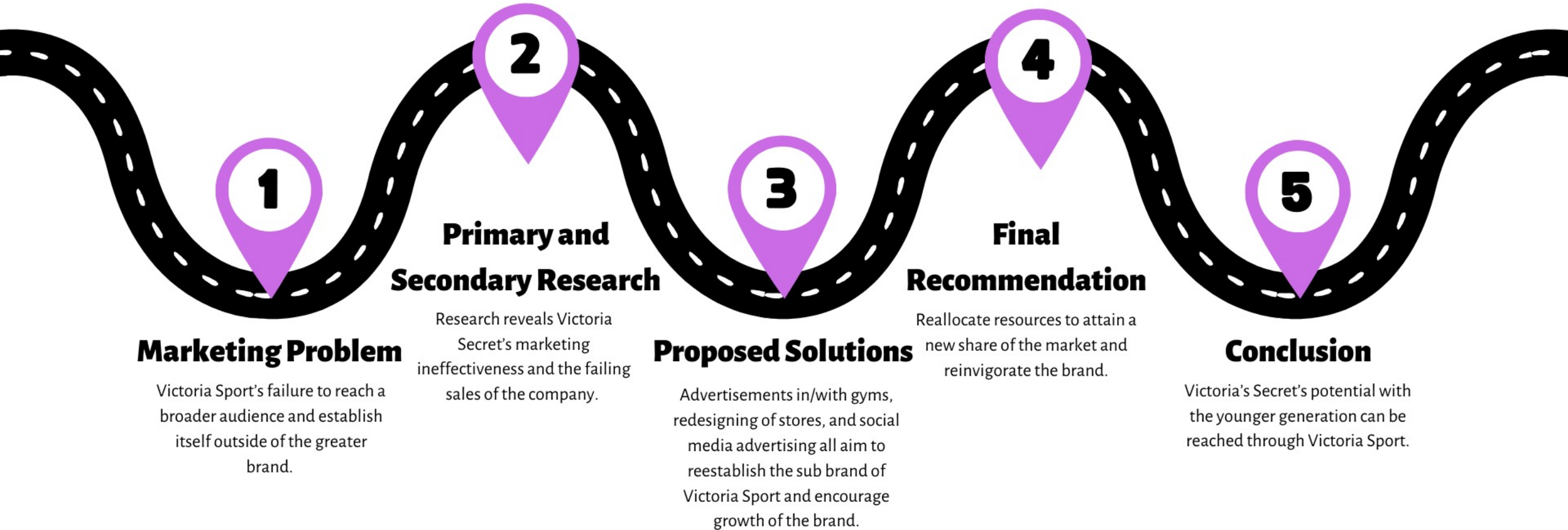
By conducting research and analyzing sales, we've determined that Victoria's Secret has unsuccessfully marketed their fitness/athleisure sub-brand, Victoria Sport, to their target audience.

So, you're probably wondering, what is the 'secret' to better market Victoria Sport?

We've got the answers!



# ROADMAP



# MARKETING PROBLEM

Victoria's Secret's fitness line is under marketed.

The target audience is unaware of the fitness-based offerings, as well as the fitness line itself.

The current marketing is too erotic and racy to appeal to a broader audience.

Victoria's Secret has failed to establish and communicate a unique identity for their sub-brand, Victoria Sport.



# PRIMARY RESEARCH

## Survey Statistics

- 62.2% of respondents had no knowledge of VS fitness apparel prior to this survey
- A whopping 95.6% of respondents do not think VS fitness apparel is effectively marketed
- 68.2% believe VS current store look (dark and sensual) is intimidating to younger shoppers and men
- 46.7% of respondents would be more likely to buy for themselves or others from VS if there was a transition in brand perception from intimate wear to fitness apparel

## What do these numbers convey?

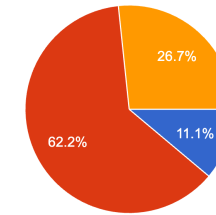
- # of respondents w/ no prior knowledge shows that there is a need for this marketing failure to be addressed
- # of respondents who are likely to buy athleisure from Victoria Sport reveals the potential for revenue in this market segment

## Sample Size and Respondents

- N=45, 51.1% male, 49.9% female

Were you previously aware that Victoria's Secret sold fitness apparel?

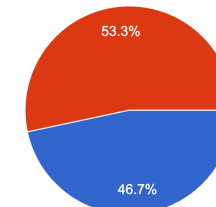
45 responses



- Yes, I've looked into buying and/or have bought VS fitness apparel
- No
- Heard of it, but didn't appeal to me

If Victoria's Secret transitioned from its current focus (intimate wear), to a more fitness apparel focus, would you be more likely to buy there? For you or for others(ex. gifts).

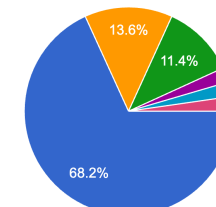
45 responses



- Yes
- No

Do you believe Victoria's Secret's current look (stores are typically dark and sensual) is potentially intimidating to consumers, particularly younger shoppers or men?

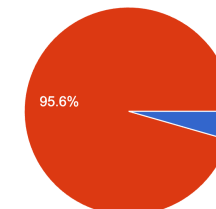
44 responses



- Both younger shoppers and men
- Only men
- Only younger shoppers
- No
- A misleading question? It's intimidating to younger shoppers, but they also do...
- I think Victoria's Secret's store design is meant to create a luxurious and intima...
- As a man of refined taste and a deep appreciation for the finer things in life,...

Do you believe Victoria's Secret effectively markets their fitness apparel?

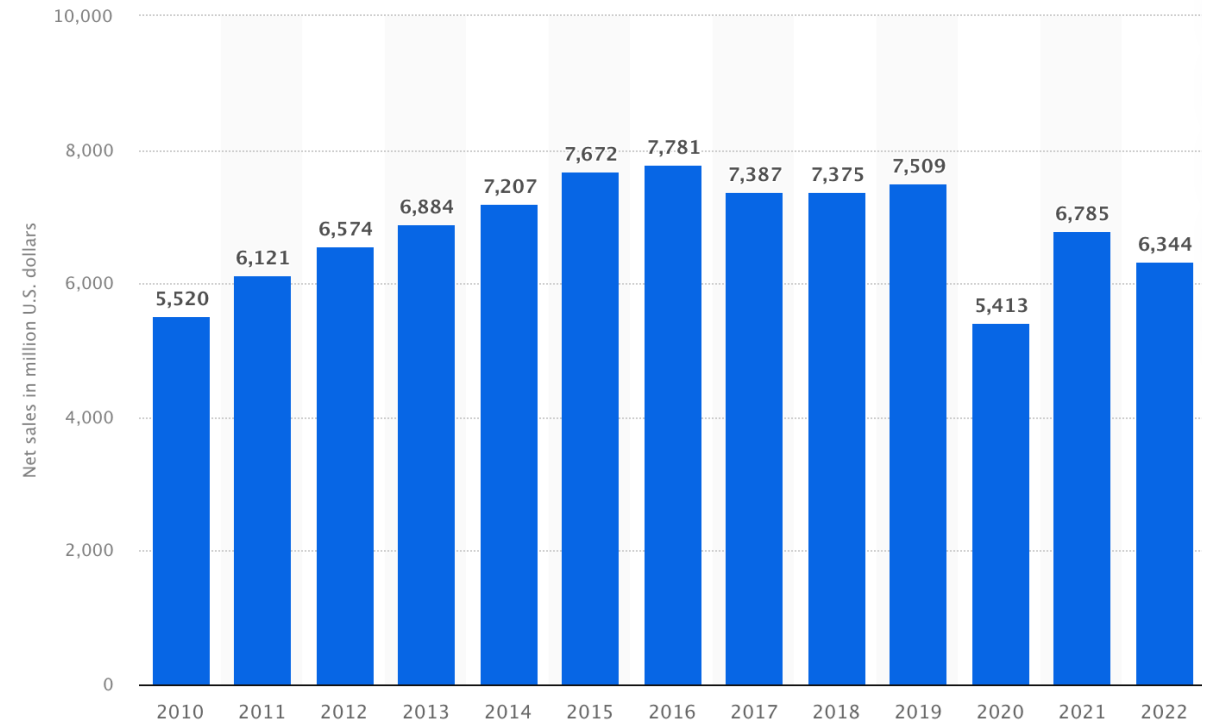
45 responses



- Yes
- No

# SECONDARY RESEARCH

- By also conducting further financial research, we were able to uncover trends in consumer response to new launches...
- Key Dates
  - 2011: Launch of "VSX Sexy Sport"
  - 2013: Launched sports bras which were quickly pulled out of the market
  - 2016: Relaunched as "Victoria Sport"
- Key Financials
  - Missed sales expectations until 2016
  - Decline in sales nearly every year since



Details: Worldwide; Victoria's Secret; 2010 to 2022

# PROPOSED SOLUTION



ADVERTISEMENTS  
IN/WITH GYMS



REDESIGNING STORES



SOCIAL MEDIA  
ADVERTISING

# GYM ADVERTISEMENTS

- Product placement in television gym advertisements:  

Planet Fitness, 24 Hour Fitness, Equinox, Lifetime Fitness
- Physical advertisements inside popular gym chains



# REDESIGNING STORES

- Redesign intimidating stores by introducing section specifically for “Victoria Sport”
  - Establishing a section specifically for athleisure
  - Different aesthetic from the rest of the shop while still being included as a sub-brand
- Change the colors to make foster a more inviting atmosphere





# SOCIAL MEDIA ADVERTISEMENTS

- Social media advertising with popular female influencers
  - (i.e. Alix Earle, Livvy Dunne)
- Tik Tok
- Instagram
- Meta



# FINAL RECOMMENDATION



## Value Proposition

New Market Segment



## Marketing mix

**Place:** store emphasis  
**Promotion:** Advertisements



## Differentiation

Quality of Product  
Brand Influence



## Risk

Reallocation of successful  
resources

# CONCLUSION

Gym Advertisements

Social Media Advertisements

Redesign Intimidating Stores