

Will Peekaboo Beans be the next Lululemon?

Despite the trade war, retail and online yoga-athletic retailer Lululemon Athletica has been booming. Demand for quality niche retail apparel is defying any slowdown. In 2018 Lululemon outperformed the S&P 500 by surging 54.7%. So far in 2019, the Company has climbed 55.7%, almost three times the rise in the S&P 500 of 19.4%.

Lululemon Athletica is a Canadian founded athletic Yoga style apparel retailer. The Company has expanded to make a variety of types of athletic wear, including performance shirts, shorts, and pants, as well as lifestyle apparel and yoga accessories. The Company has expanded to sell its products internationally in its 460 stores as well as having a huge online sales presence.

Don't you wish you were in Lululemon stock from the beginning? Well there is another niche apparel retailer, Peekaboo Beans, that is at a much earlier stage.

Peekaboo Beans Inc. (CSE: BEAN | OTCQB: PBBSF) operates within the same space as Lululemon with a slight difference, they specialize in children's wear. Their focus is on environmentally responsible clothes that are designed to inspire play.

Peekaboo Beans uses an integrated marketing approach to build brand awareness and customer loyalty. Also by designing comfortable clothes that are built to last, the Company is promoting a playful lifestyle for children.

The Company started 13 years ago, born from a personal and practical idea by founder Traci Costa, who sought a better way to dress her daughter. CEO Traci Costa says: "It's not just about the clothes, it's about play, passion, and possibility.

It's about product with a purpose."

Peekaboo's products example



Online sales model using social media

Through an omnichannel approach, Peekaboo Beans engages sellers through social platforms, including Instagram and Facebook, as well as online retailers, to maximize revenue and build brand loyalty. Their new social retail platform broadens their distribution network and provides customers more avenues to shop.

300% YoY revenue increase in June

Peekaboo has been growing revenues at a rapid pace. For example, in June 2019 Peekaboo increased the previous year's June sales by 300% bringing in \$160,000 in revenue across the Company's various distribution channels.

CEO Traci Costa adds: "So when you can marry an amazing product, with a world-class competition plan and a management team and culture, that's where hyper growth comes from. Peekaboo Beans are the only children's apparel direct sales company listed in Canada."

Peekaboo Bean's products examples



Comparing Lululemon to Peekaboo

To give a comparison Lululemon was founded in 1998 by Chip Wilson in Vancouver, British Columbia, and sold its first pair of yoga pants that year. In 2005 investors were brought in to help oversee the Company's initial public offering. Lululemon launched its IPO in July 2007, and raised \$327.6 million after selling 18.2 million shares. Lululemon now has a market cap of US\$ 24.6 billion.

The global children's wear market is huge

The global children's wear market was worth approximately US\$203 billion in 2017 and it is forecast to reach US\$339 billion by 2024. The global children's wear market is projected to grow at a CAGR of 8.1% from 2019 to 2024.

Peekaboo has a huge market opportunity, and so far they have been making all the right moves, it just takes time to grow any new online business. Will they be the next Lululemon and grow to a market cap of US\$24.6 billion? Definitely possible given the size of the market opportunity.