



## The Rise of Athleisure and Its Impact on lululemon

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Rationale: Over the last several years, there has been a rise in athleisure, defined as “a fusion of performance clothing and leisurewear” (Hahnel, 2017, p. 1). This trend reflects increasing popularity of casual, comfortable clothing designed to be suitable for both exercise and everyday wear. lululemon, a Canadian athletic apparel retailer, is one of the first retailers to offer these athleisure products that are not only high quality but also stylish. As the trend of athleisure has grown, so has Lululemon’s competition. More and more retailers are emerging with similar designs and products that are half the cost of lululemon products, hurting lululemon’s sales (Huang, 2017; Kell, 2017). In fact, lululemon has seen a decline of 18% in its stock in recent years (Salzman, 2017). The purpose of this study is to understand why there is a decline in Lululemon’s sales at the time when athleisure is becoming more popular than ever.

Conceptual Framework: This study is based on “Patronage” theory, which argues that consumer choice or loyalty toward a specific retailer is determined by multiple retail attributes that encompass three antecedents: product-relevant factors (e.g., product features and attributes); market-relevant factors (e.g., service provided by the store), and personal factors (e.g., consumer characteristics) (Pan & Zinkhan, 2006; Sirgy et al., 2000). In this study, we examined how these factors related to “attitude toward lululemon as an athleisure brand” (ALAB). Then we established two research objectives: (1) to compare two groups (low vs. high in ALAB) in terms of personal factors (e.g., fashion consciousness, athletic lifestyle), and (2) to predict whether ALAB can be predicted by retail attributes composed of product-relevant factors (e.g., styles, sizes) and market-relevant factors (e.g., location, sales personnel).

Methods: To accomplish the objectives, we employed both qualitative and quantitative methods. First, a qualitative method consisted of literature review to identify retail attributes to be used in the survey, accompanied by a focus group interview to generate items beyond those identified through the literature review. Second, a quantitative method involved development of survey questions and data collection through online survey (Qualtrics) via social media sites.

We compiled an initial listing of items from the literature to encompass product-relevant factors, market-relevant factors, and personal factors as they pertain to lululemon (Kim et al., 2014; Pan & Zinkhan, 2006; Sirgy et al., 2000). Then we conducted a focus group interview with six female students who are lululemon customers (ages 18-22) and attending one of the major southeastern universities in the United States. General questions were asked regarding the criteria they consider for athleisure and their attitude toward athleisure. Then specific questions were asked about retail attributes of lululemon. In the focus group, we identified “the sales associates make me feel comfortable when browsing the store” (market-oriented factor) and “I am active in athletics” (personal factor) as additional items to the literature. The findings from the focus group and the literature were used to create an online survey.

We released an online survey using the snowball sampling method; the survey was posted on different social media platforms (Facebook and LinkedIn) and was also shared among friends and family members through email. We recruited only women aged 18-50 who well represent the athleisure trend and are the main target of lululemon. A total of 159 women participated in the survey, of whom only 80 participants had shopped at lululemon and thus constituted the final sample. The survey questions consisted of three main sections: (1) four consumer orientation items including fashion consciousness (“I am interested in new fashion”), athletic lifestyle (“I am active in athletics), status consciousness (“I pay more for a product if it had status”), and quality consciousness (“Product quality is the most important factor when I am making purchasing decisions”); (2) four product-relevant items associated with lululemon products such as variety of colors, styles, and sizes, and quality worth the price; and (3) five market-oriented items of lululemon such as brand image, attractive and well-organized store design, convenient location, and sales personnel. Since ALAB is a main construct, we also asked two questions: “lululemon is the best store for athleisure” and “lululemon is one of the few stores where I can buy athleisure”). The mean of these two items entered as the value of ALAB. All of these measures were rated on 7-point rating scale (1=strongly disagree, 7=strongly agree).

Analyses: To accomplish the first objective, we used t-test with ALAB as a dependent variable and four personal factors as the dependent variables. T-test requires the independent variable as categorical. Therefore, ALAB was split into two levels based on the mean score ( $m = 3.57$ ): low ( $n = 39$ ) and high ( $n = 41$ ). The Independent-Samples T-Test result shows that there was significant differences between low and high ALAB groups in status consciousness ( $p < .01$ ) and quality consciousness ( $p = .01$ ). Specifically, high ALAB group had higher mean scores in status consciousness ( $m = 2.83$ ) and quality consciousness ( $m = 3.90$ ) compared to low ALAB group ( $m = 2.08$  and  $3.41$ , respectively). There were no significant differences between the two groups in fashion consciousness and athletic lifestyle.

To accomplish the second objective, we used multiple regression analysis with ALAB as the dependent variable and product-relevant and market-relevant items as the independent variables. The regression result showed that significant predictors of ALAB were two product-relevant factors [variety of sizes ( $p < .05$ ) and quality worth the price ( $p < .01$ )] and two market-relevant factors [convenient location ( $p < .05$ ) and sales personnel ( $p = .10$ )].

Discussion/Implications: For lululemon to thrive in the market where athleisure is prevalent, the retailer can target consumers who value status and quality. Therefore, lululemon must incorporate status and quality in designing and manufacturing its products. Furthermore, the retailer must focus on both product features that highlight a variety of colors and quality for price and store attributes such as convenient location and sales personnel. In terms of sales personnel, the customers feel comfortable while browsing in a store; therefore, sale associates must provide friendly and approachable service instead of using a high-pressure sales approach. Future research can employ a larger sample size so the results can be more generalizable and also include male consumers to compare gender differences in the findings.

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