

BESPOKE SURVEYS

Athleisure Volume 11

CONSUMER FEEDBACK ON ATHLEISURE

MARCH 2018

CONTENT

1. In Brief - LULU
2. Key Charts – US Women
3. Key Charts – London Women

US Women / Active LULU Customers:

2,000+ US Women / 500+ Active Lululemon customers (female, HHI above \$50k, bought or received LULU items in past year)

London Women:

400+ respondents (female, HHI above 30,000 pounds)

IN BRIEF - LULU

DEFINITIONS FOR US WOMEN:

ALL RESPONDENTS - HOUSEHOLD INCOME ABOVE \$50K AND AGE UNDER 65

ACTIVE CUSTOMERS: HAVE BOUGHT OR RECEIVED LULU ITEM(S) WITHIN THE PAST YEAR

LAPSED CUSTOMERS: HAVE BOUGHT OR RECEIVED LULU ITEM(S) BUT NOT IN THE PAST YEAR

NON-CUSTOMERS: HAVE NEVER PURCHASED OR RECEIVED LULU ITEMS

SUMMARY

Engagement – Consumer Feedback Positive

- ❑ The percentage of the target audience who owns items from Lululemon has increased and hit a new series high. Among active customers, purchase recency looks better q/q and y/y.
- ❑ Online purchase engagement with Lululemon has shown some improvement over the past 2 years. In related news we would flag that more respondents have noticed items on sale on the Lululemon website compared to in-stores.

Margins Related Feedback Holding Up, But Some Pressures

- ❑ Despite complaints about pricing from lapsed customers (and the overall sentiment by active customers that Lululemon is expensive), most of the metrics are holding up showing customer willingness to pay toward the higher end of their budget for Lululemon items. The sentiment isn't overwhelmingly strong (mostly tepid about paying a premium and the budget range they reserve for Lululemon isn't dramatically higher than it is for Nike, Under Armour, and Athleta), but worth noting nonetheless that feedback is at historical highs in our series.
- ❑ Perception has improved when it comes to the value that active customers feel they get for their money with Lululemon items.
- ❑ The percentage of Lululemon customers who have noticed prices getting lower recently has trended higher and is almost twice the percentage of customers who think pricing has recently gotten higher.

Loyalty Low and Competition High, But This Is Nothing New

- ❑ Loyalty to any particular athleisure brand is not particularly high, even among active customers toward Lululemon. Active Lululemon customers continue to display a strong likelihood of trying competitors at lower prices (and using competitors is the second most popular reason for lapsing customers).
- ❑ Nike remains the clear leader in mindshare among all respondents if buying yoga pants today, but both Under Armour and Lululemon have gained.
- ❑ 28.0% of active Lululemon customers would choose Lululemon if looking to buy yoga pants today. Nike is actually a tick above Lululemon in this regard and, Under Armour, and Athleta are also contributing to the heating competitive environment.

SUMMARY

Sentiment Driven By Quality and Price, Product Lineup Sentiment Improves, Some Fatigue

- ❑ Sentiment toward the product line improved considerably in the past quarter, but we'd also note active customers are very split on whether they currently own enough Lululemon products (38.8% said they own enough, 39.5% said they do not).
- ❑ As we have noted in the past, customers feel quality and comfort are Lululemon's greatest advantages and they think their pricing and competition are their greatest challenges.
- ❑ Sentiment is strong that Lululemon clothing can be worn both casually and to exercise.
- ❑ On the negative side, though the sentiment isn't strong we have noticed increases in the belief that "Lululemon clothing is going out of style" and with I've had problems with Lululemon products."

Newlux and Reflective Splatter a Hit

- ❑ Interest and traction with both the Nulux and Reflective Splatter lines is strong and has increased over our past four survey volumes.
- ❑ Though Lululemon customers still show a net preference for neutrals, the desire for color (especially for yoga pants) has been growing sequentially.

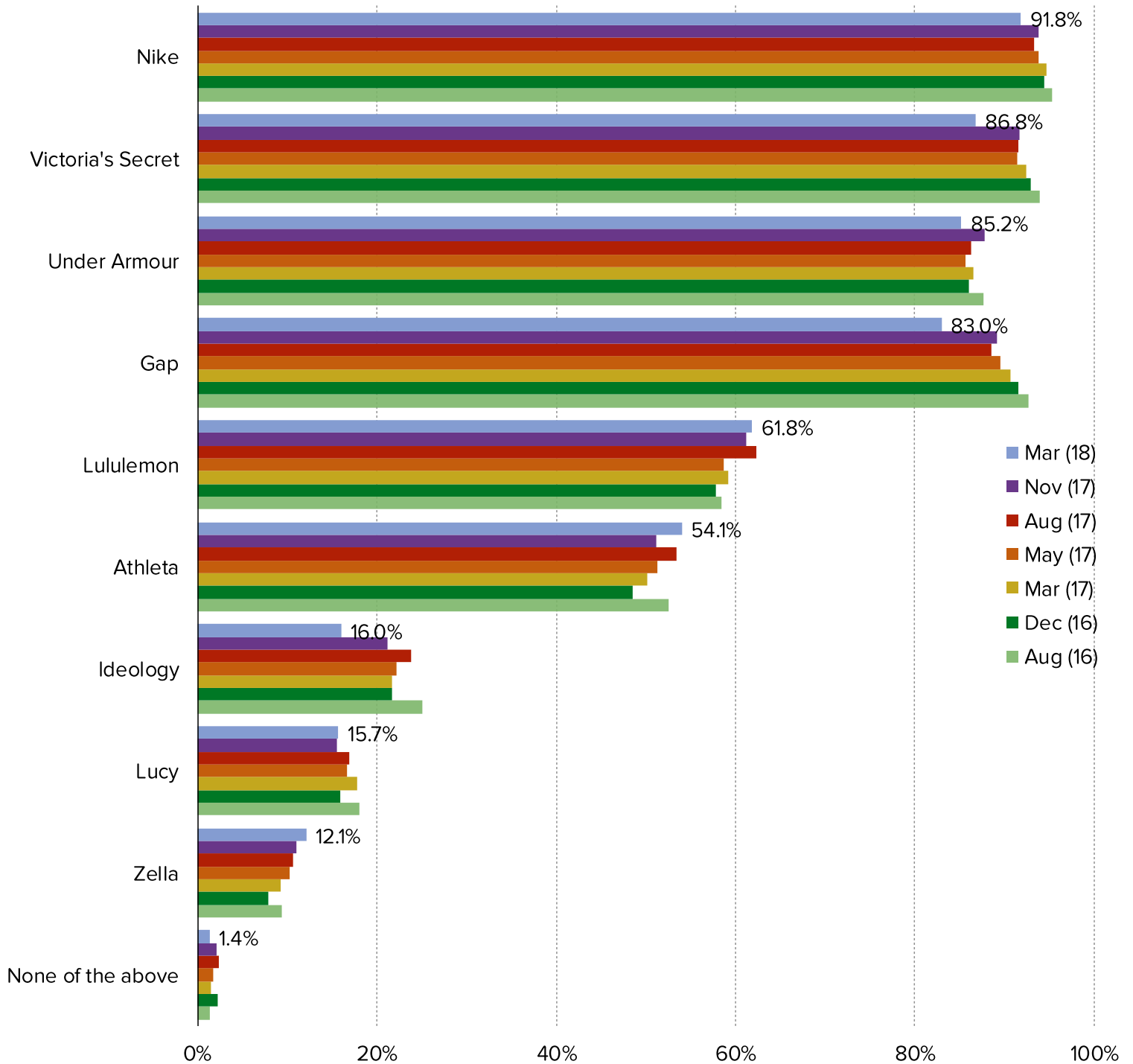
London

- ❑ The importance of yoga pants to women in London has grown considerably in recent years. When it comes to Lululemon and the target audience: engagement is up, awareness of advertisements is up, visits to the store are up, planned purchases are up, and sentiment toward the brand is improved.

ENGAGEMENT

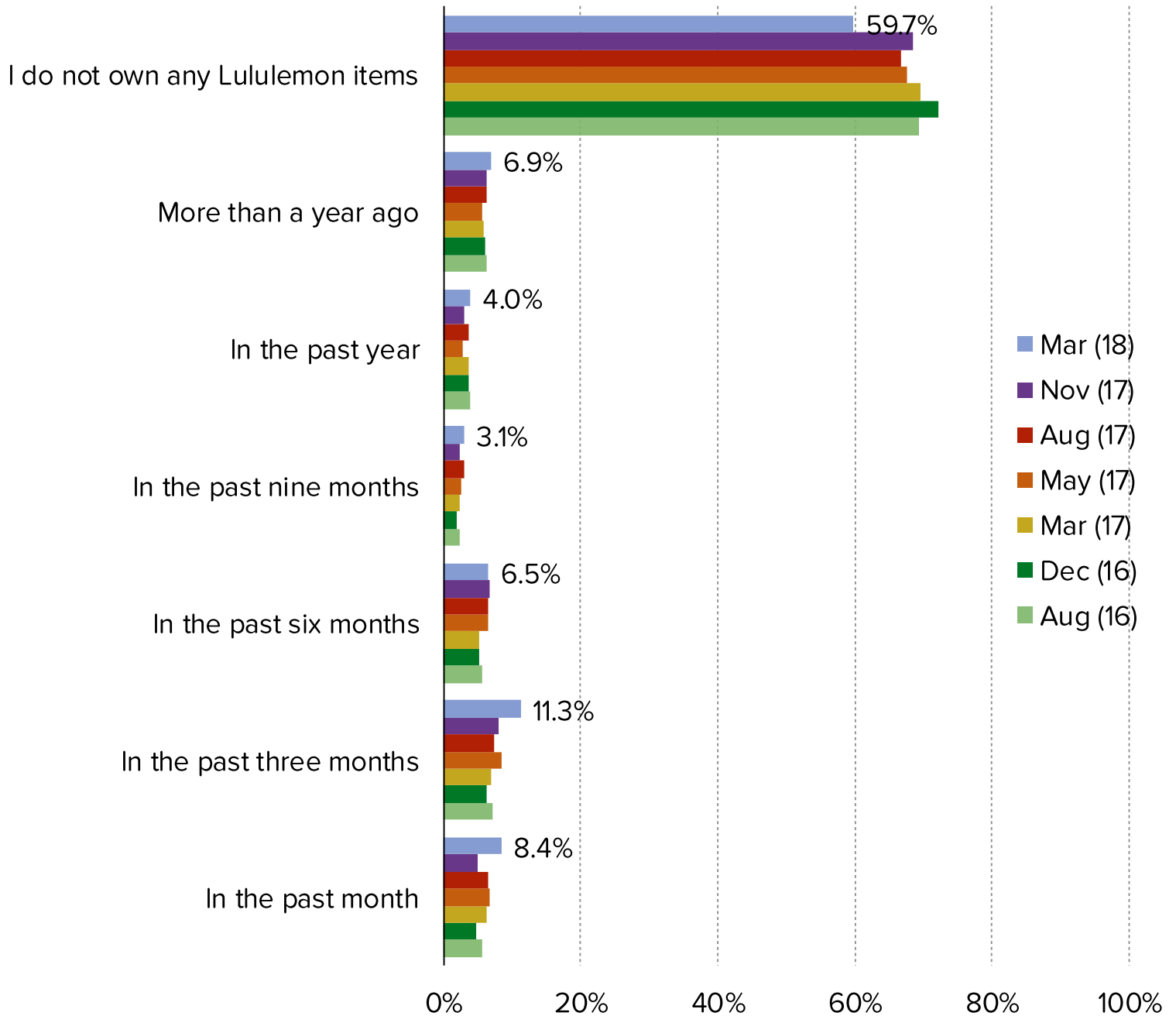
WHICH OF THE FOLLOWING ARE YOU AWARE OF?

ALL RESPONDENTS: INCLUDING NON CUSTOMERS AND LAPSED CUSTOMERS



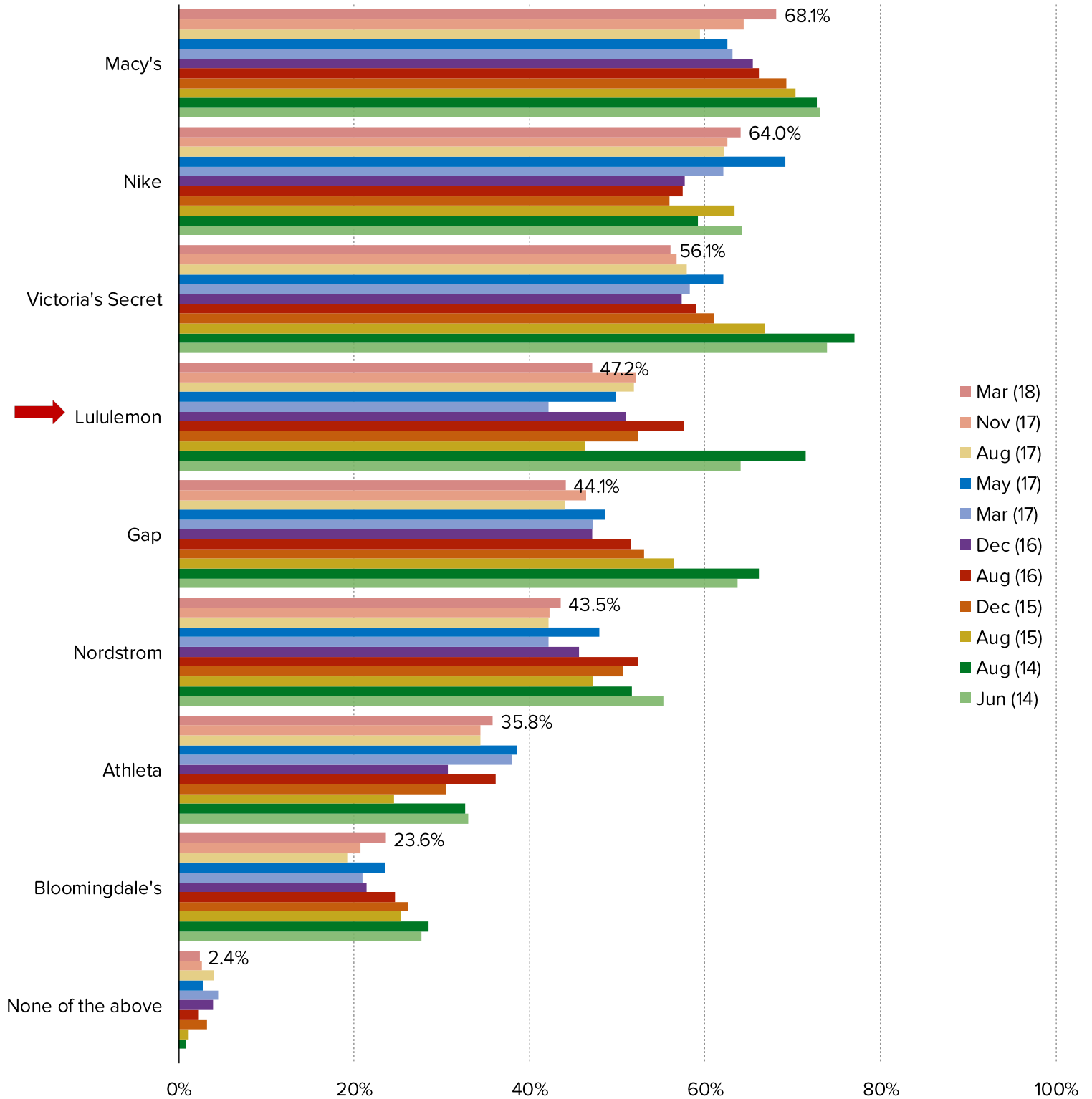
ALL RESPONDENTS - LAST TIME BUYING ITEMS FROM LULULEMON

ALL RESPONDENTS: INCLUDING NON CUSTOMERS AND LAPSED CUSTOMERS



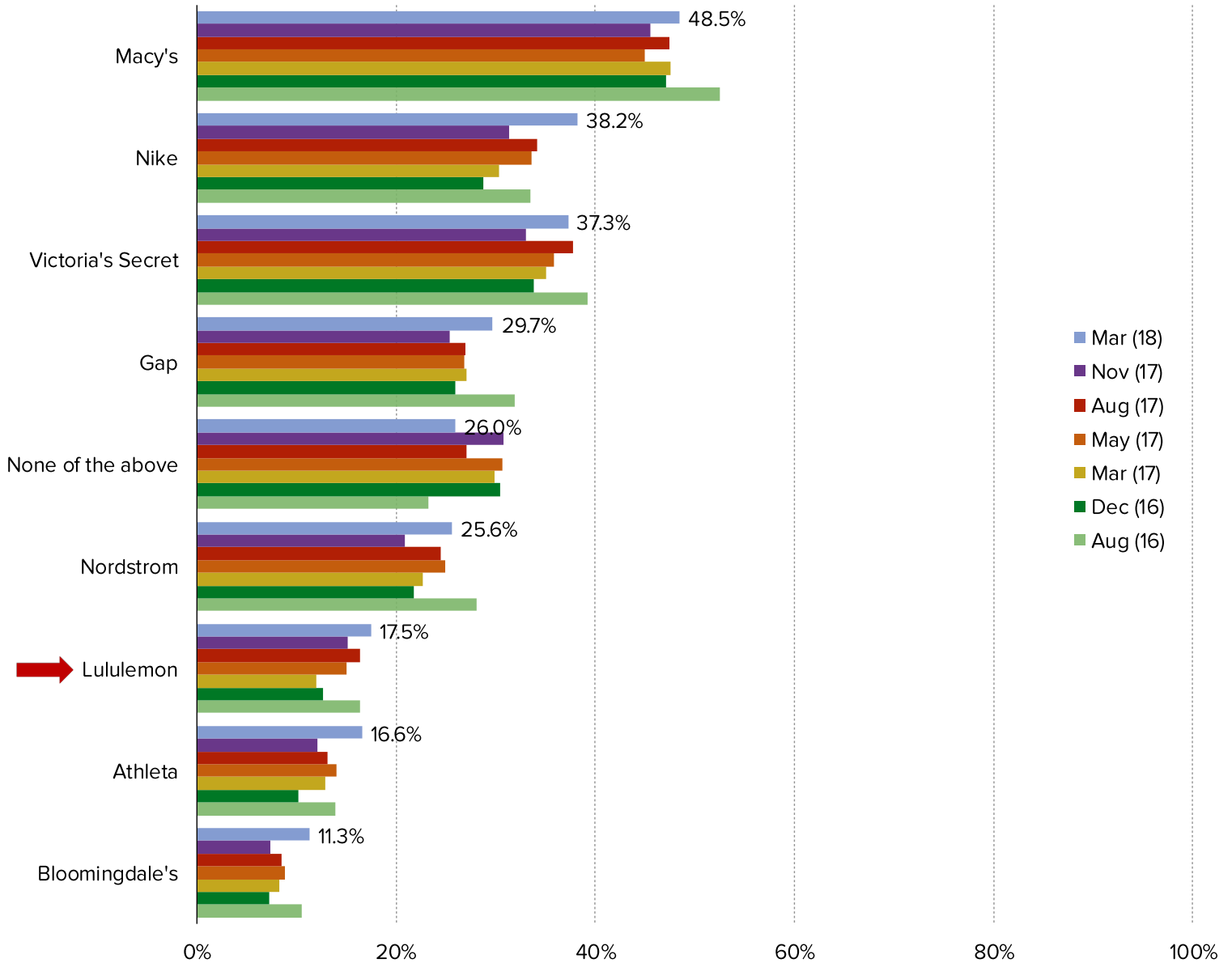
RESPONDENTS WHO VISITED DURING THE PAST THREE MONTHS

ACTIVE LULU CUSTOMERS



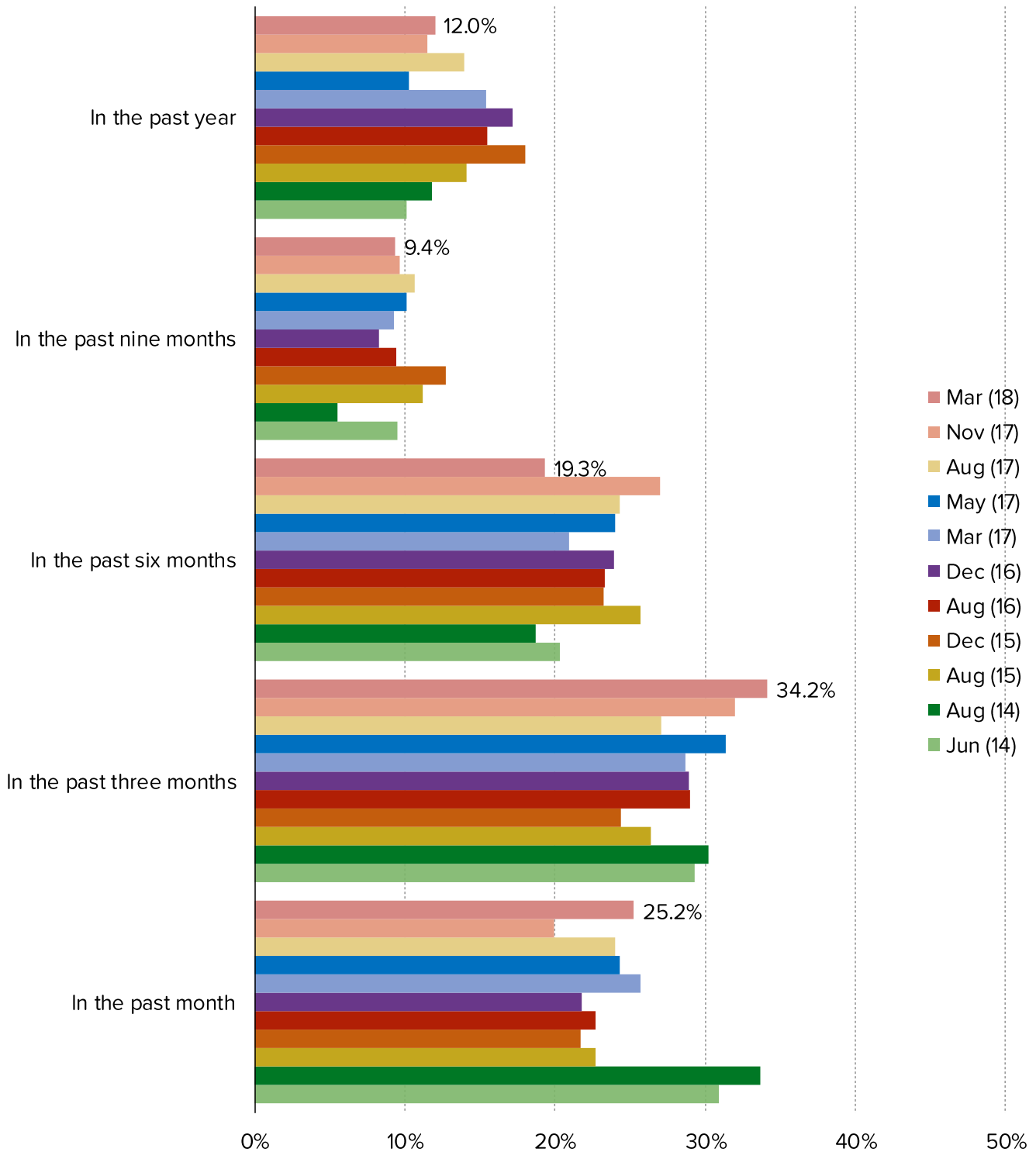
RESPONDENTS WHO VISITED DURING THE PAST THREE MONTHS

ALL RESPONDENTS: INCLUDING NON CUSTOMERS AND LAPSED CUSTOMERS



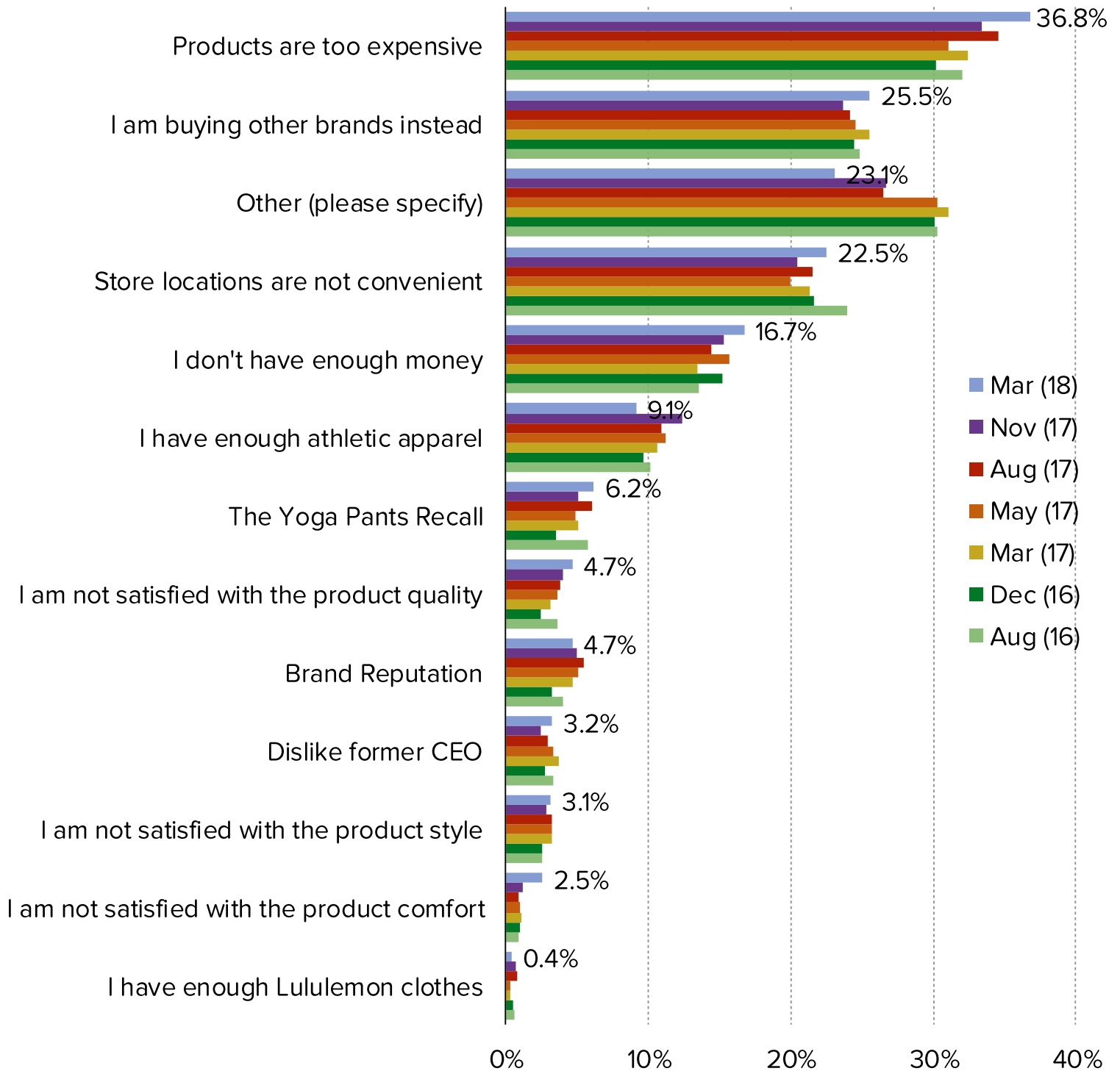
LULU ITEMS PURCHASE REGENCY

ACTIVE LULU CUSTOMERS



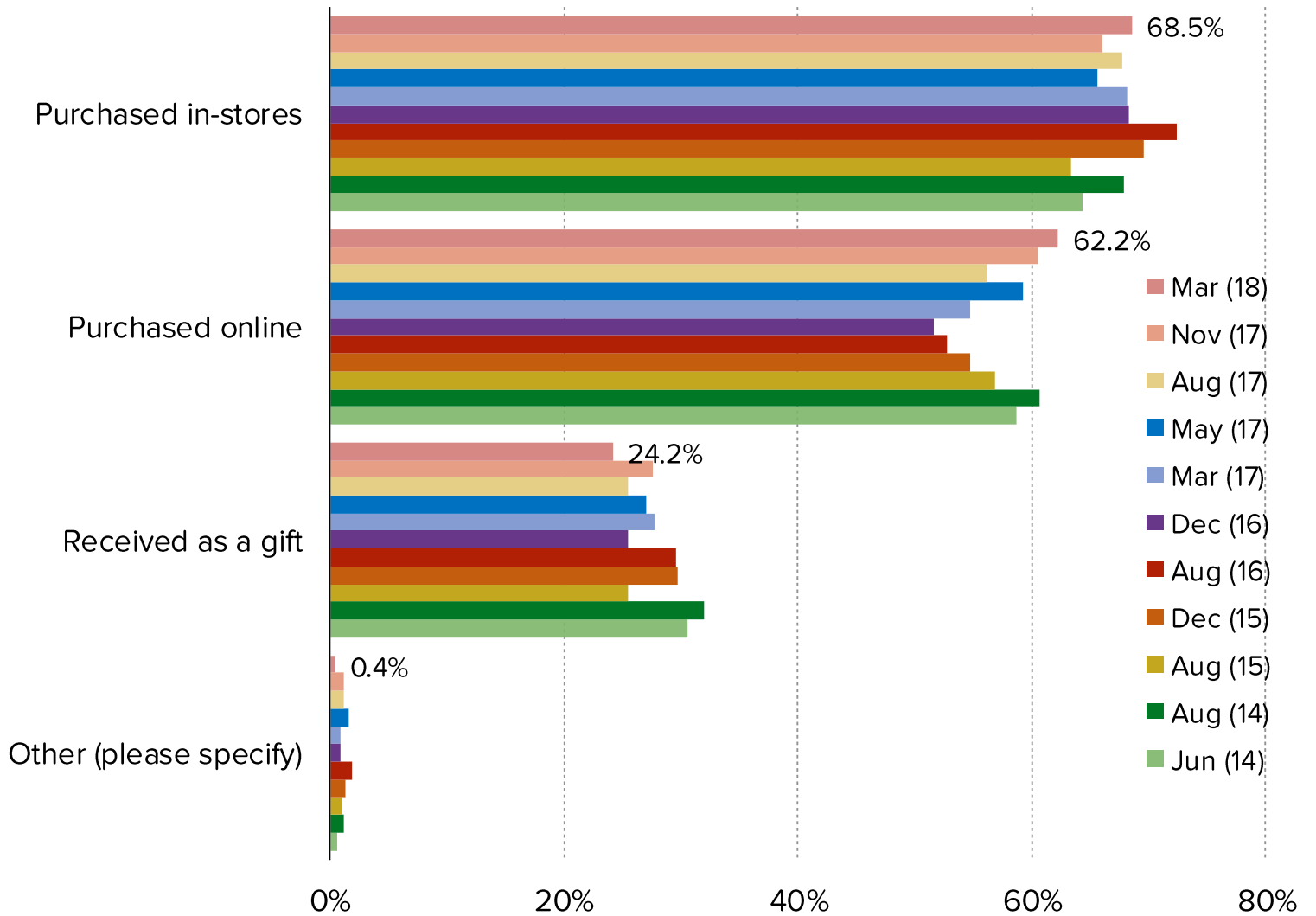
WHY HAVEN'T YOU BOUGHT OR RECEIVED ITEMS FROM LULULEMON IN THE PAST YEAR?

HAVE NOT BOUGHT OR RECEIVED ITEMS FROM LULULEMON IN THE PAST YEAR OR HAVE NOT EVER BOUGHT OR RECEIVED ITEMS FROM LULULEMON



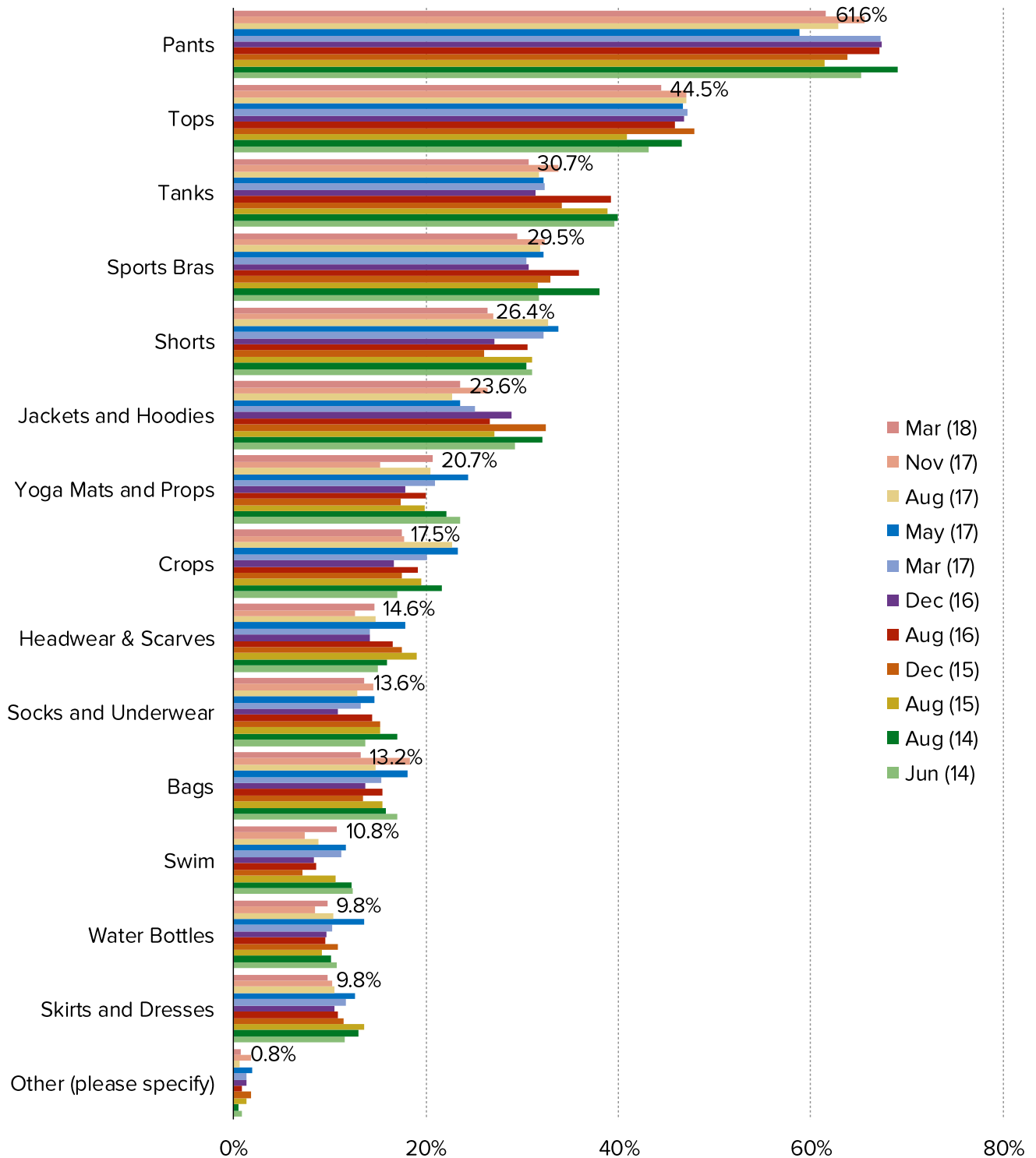
METHOD FOR ACQUIRING LULU ITEMS

ACTIVE LULU CUSTOMERS



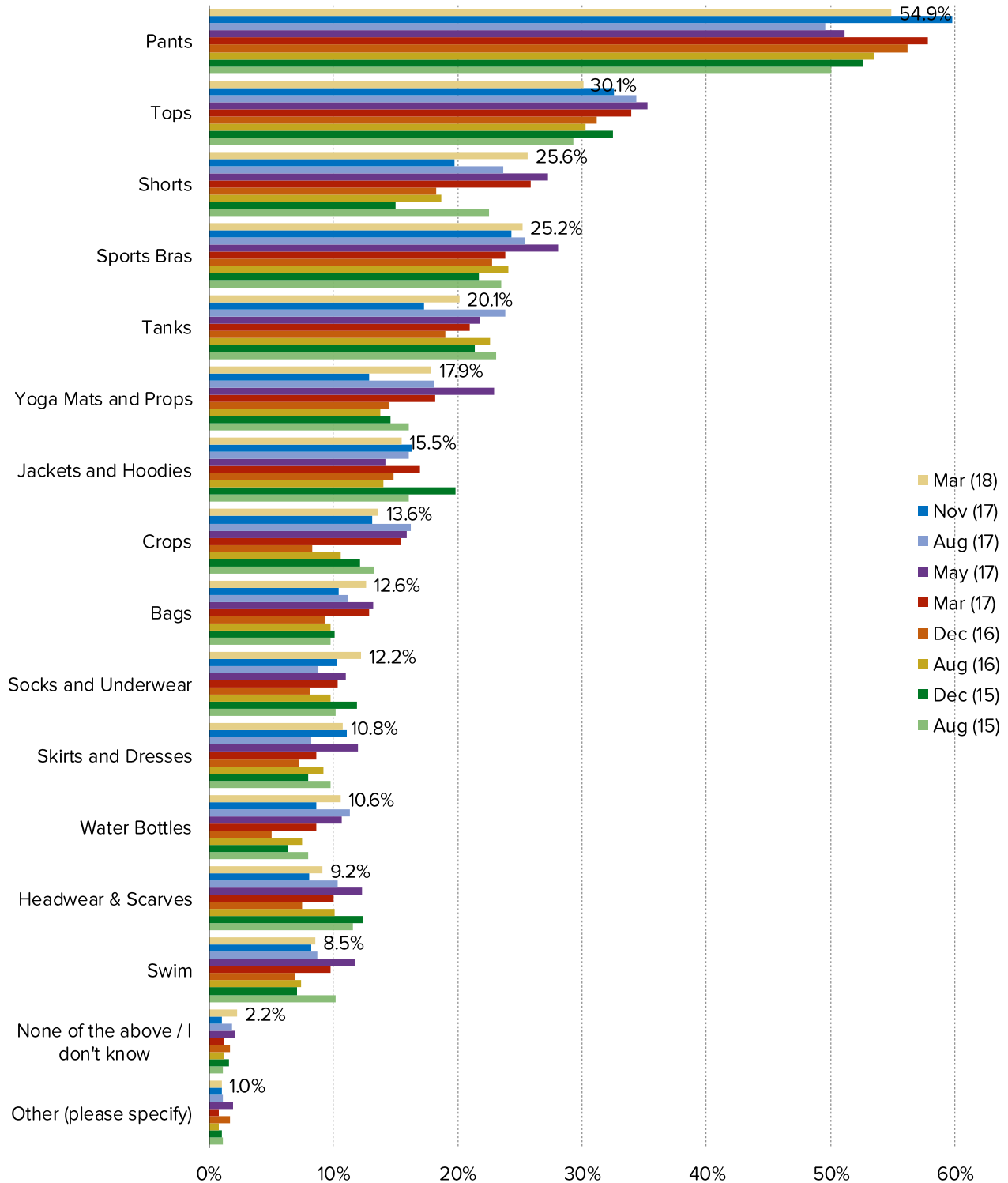
TYPES OF ITEMS THAT RESPONDENTS OWN

ACTIVE LULU CUSTOMERS



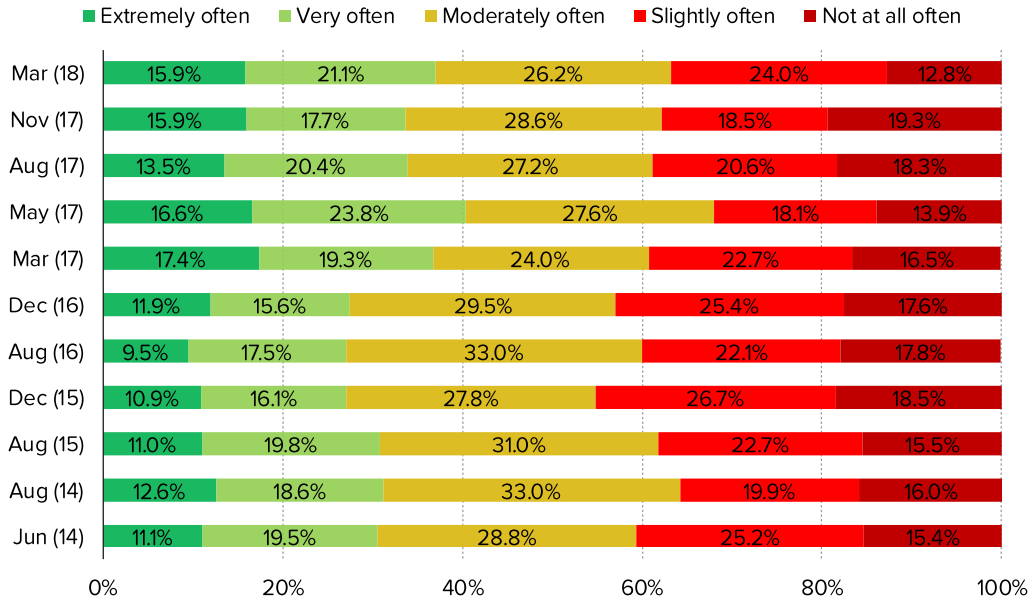
THINKING OF YOUR MOST RECENT PURCHASE AT LULULEMON, WHAT DID YOU BUY?

ACTIVE LULU CUSTOMERS



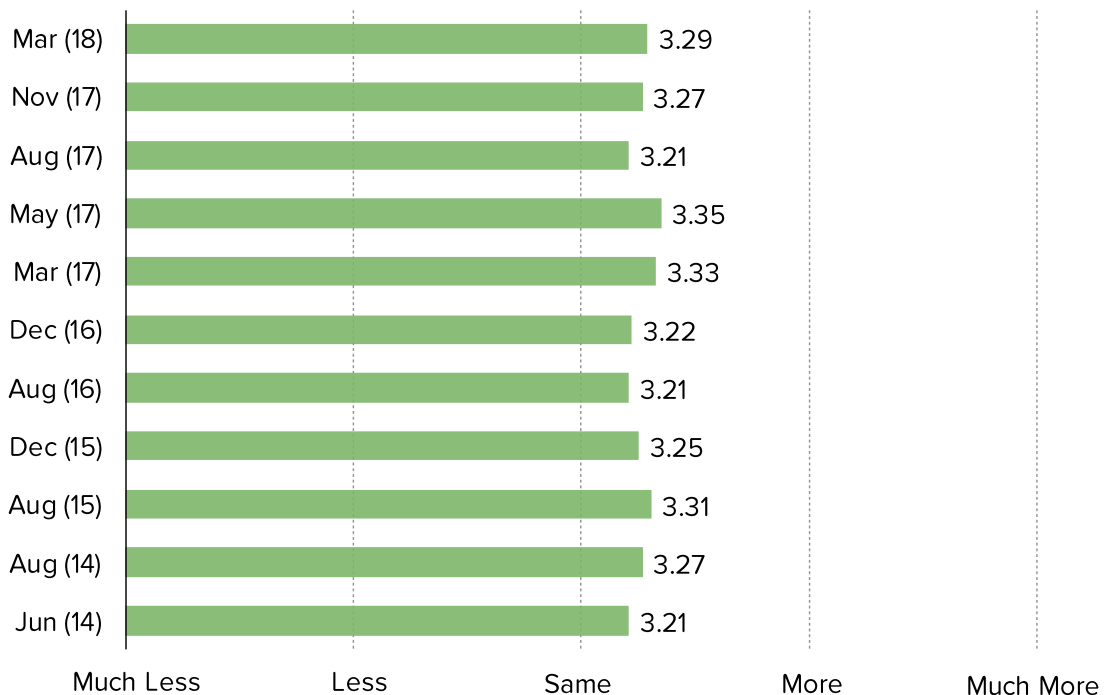
HOW OFTEN DO RESPONDENTS TYPICALLY PURCHASE LULULEMON ITEMS

ACTIVE LULU CUSTOMERS



LULULEMON ITEM PURCHASE FREQUENCY COMPARED TO THE PAST

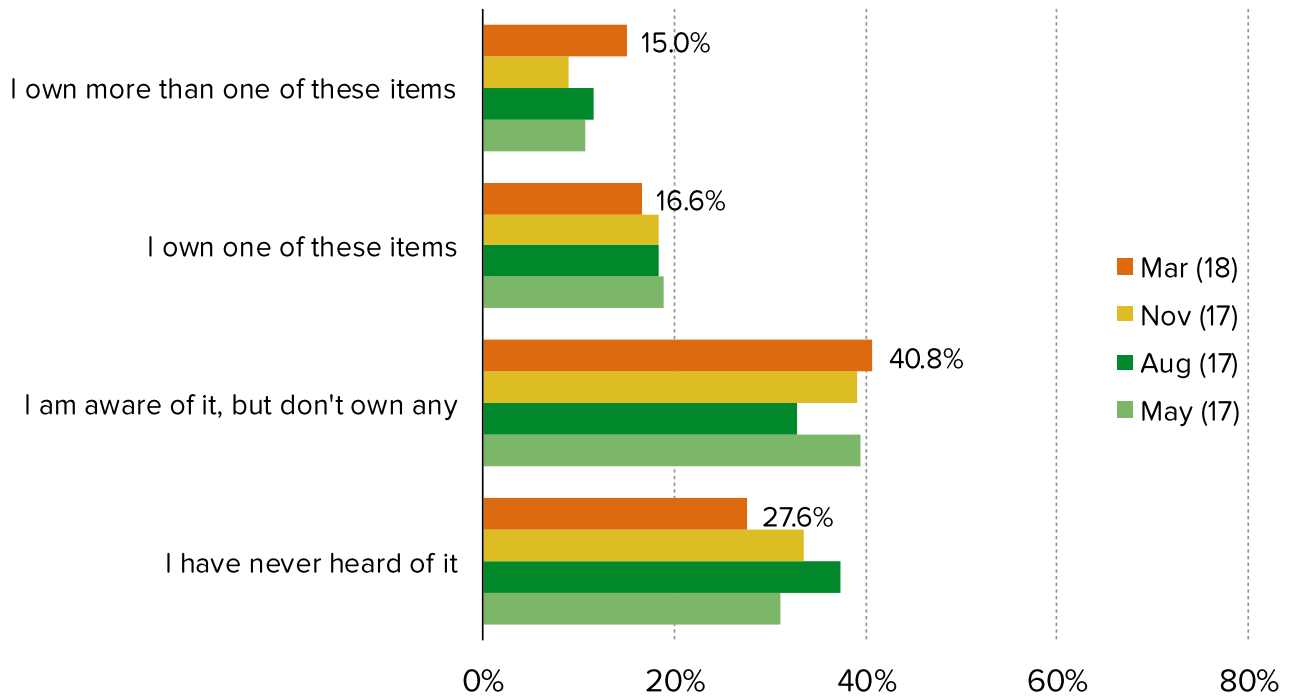
ACTIVE LULU CUSTOMERS



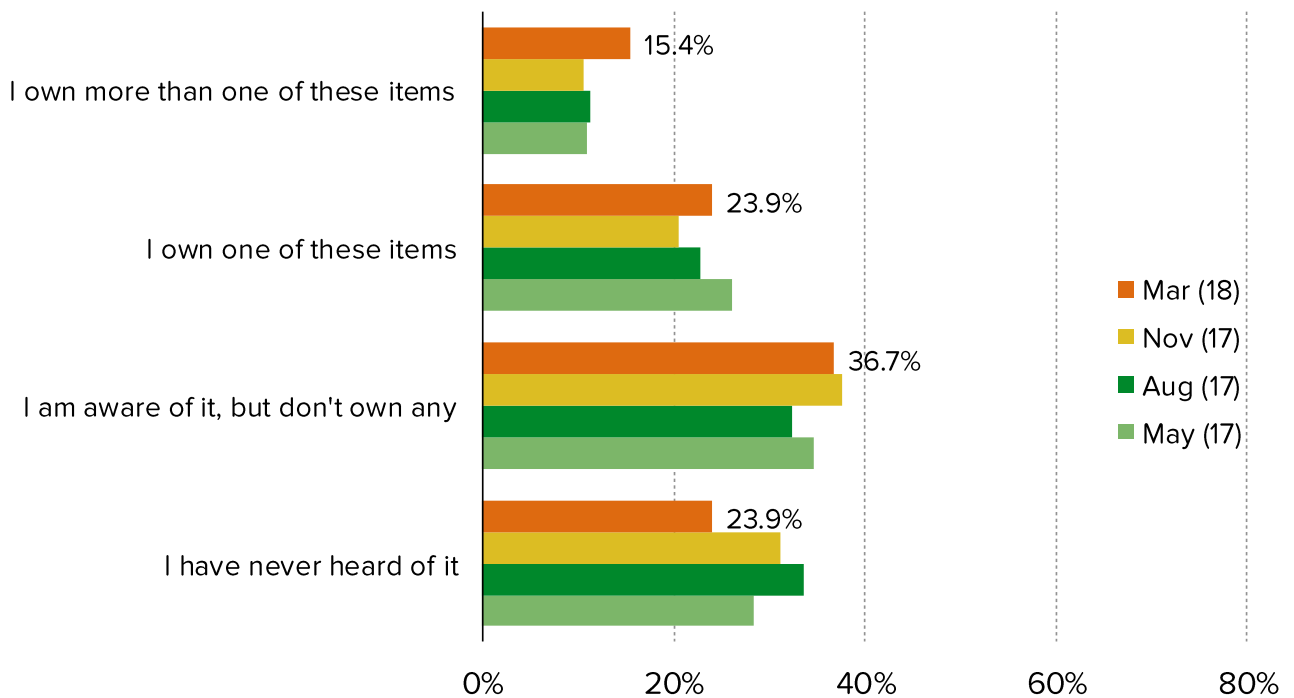
EXPERIENCE WITH LULULEMON NULUX PANTS AND SPORTS BRAS

ACTIVE LULU CUSTOMERS

SPORTS BRAS

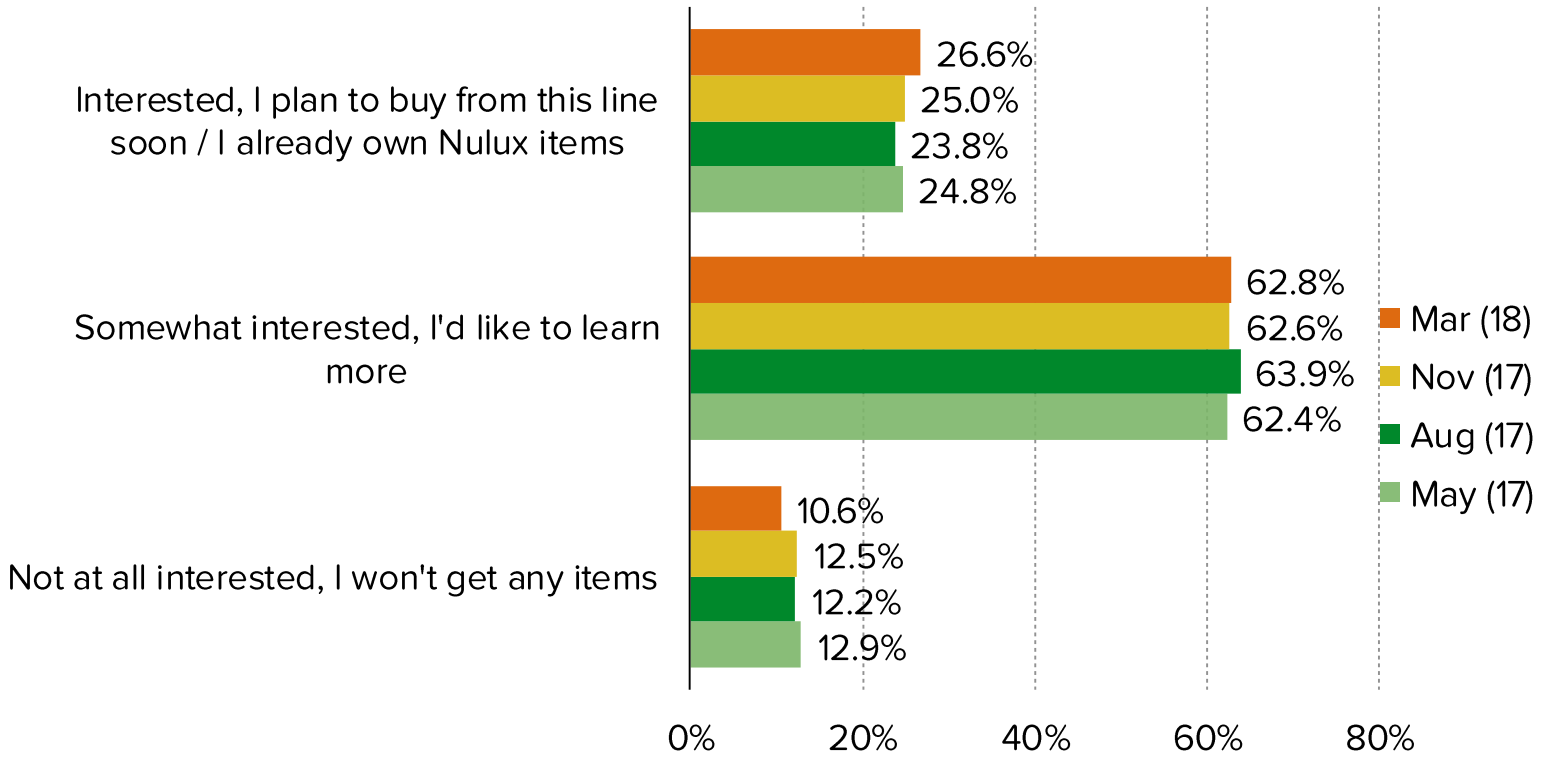


PANTS



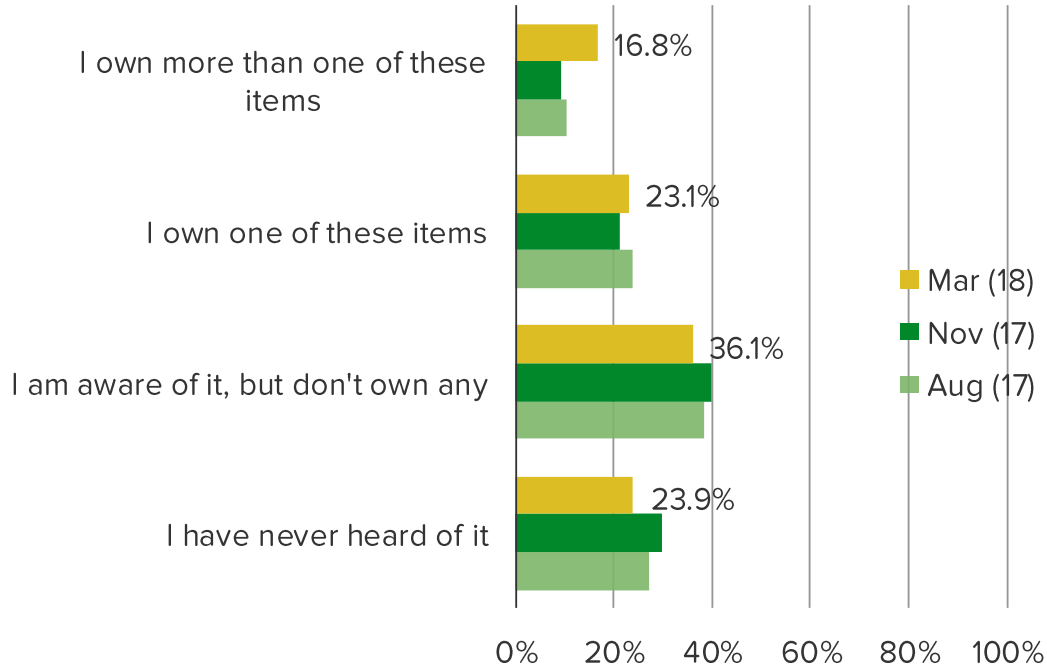
INTEREST LEVEL IN GETTING ITEMS FROM LULULEMON'S NEW NULUX PRODUCT LINE

ACTIVE LULU CUSTOMERS



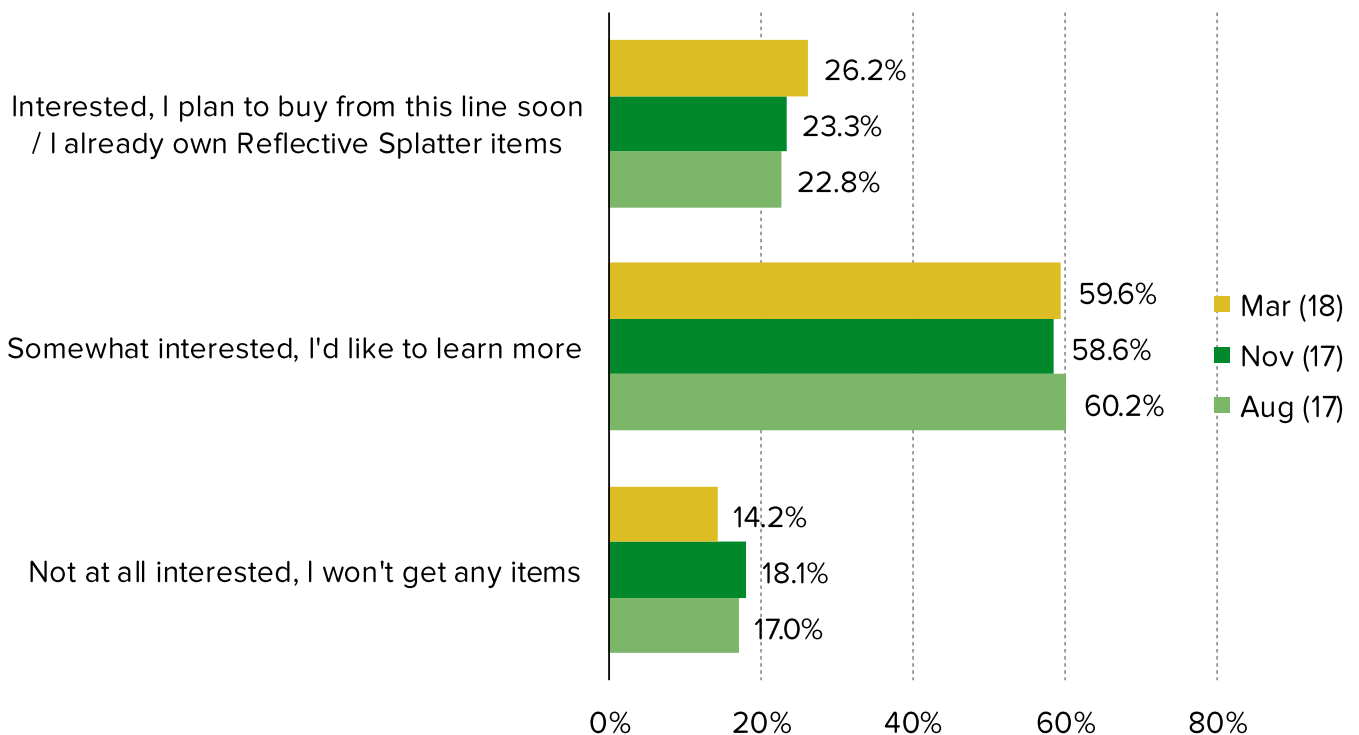
AWARENESS OF REFLECTIVE SPLATTER PRODUCT LINE

ACTIVE LULU CUSTOMERS



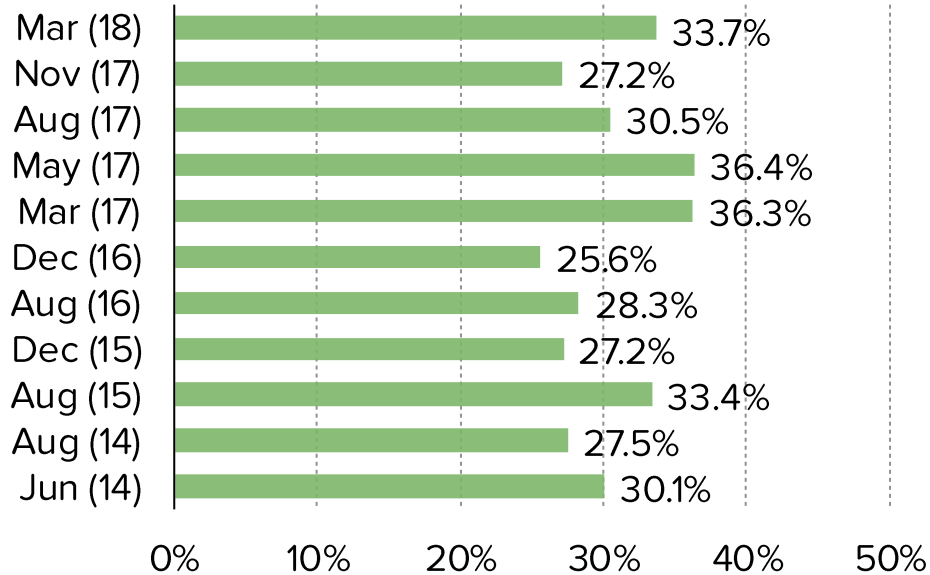
INTEREST IN BUYING ITEMS FROM REFLECTIVE SPLATTER PRODUCT LINE

ACTIVE LULU CUSTOMERS



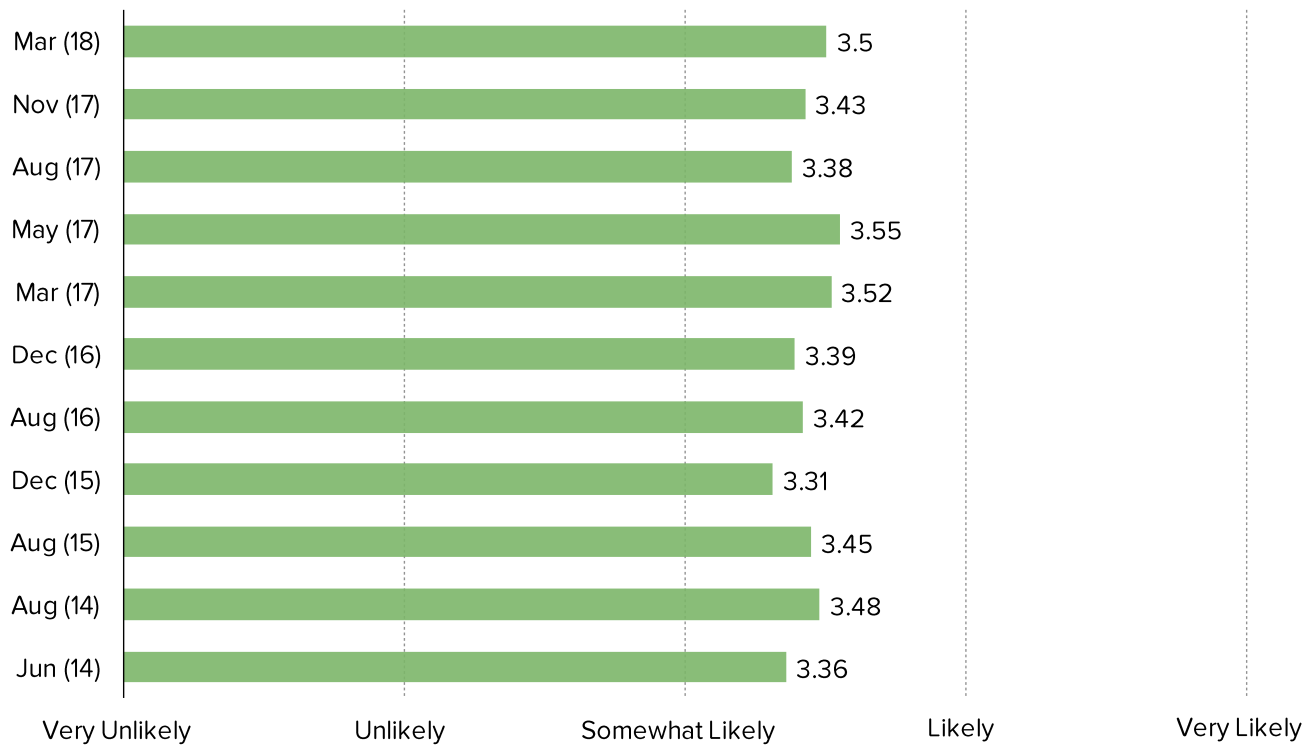
AWARENESS OF &GO PRODUCT LINE

ACTIVE LULU CUSTOMERS



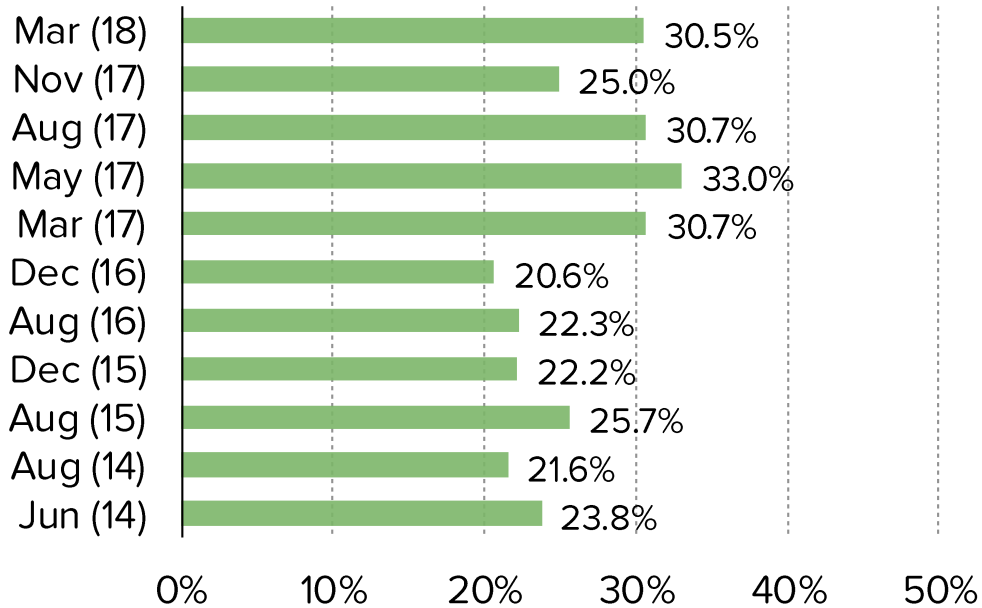
LIKELIHOOD OF PURCHASING &GO PRODUCTS

ACTIVE LULU CUSTOMERS



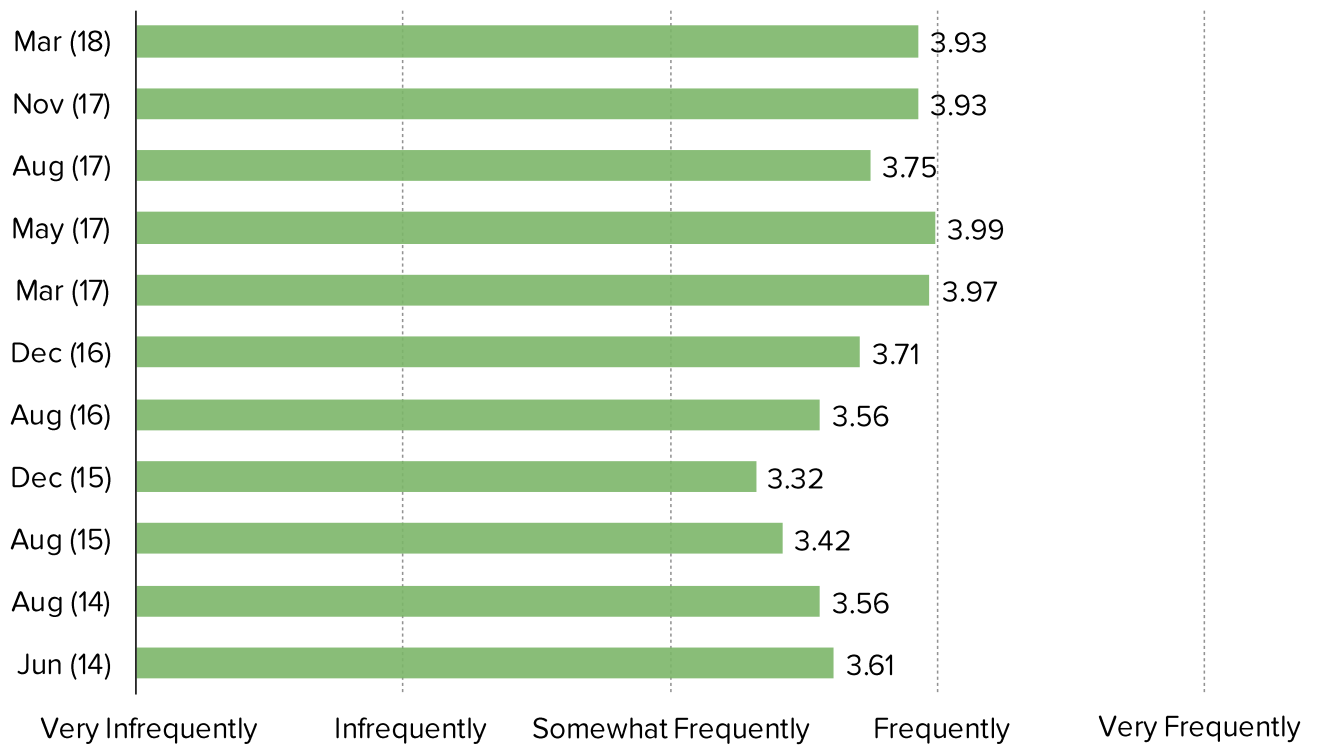
AWARENESS OF IVIVVA PRODUCT LINE

ACTIVE LULU CUSTOMERS



FREQUENCY OF PURCHASING IVIVVA PRODUCTS

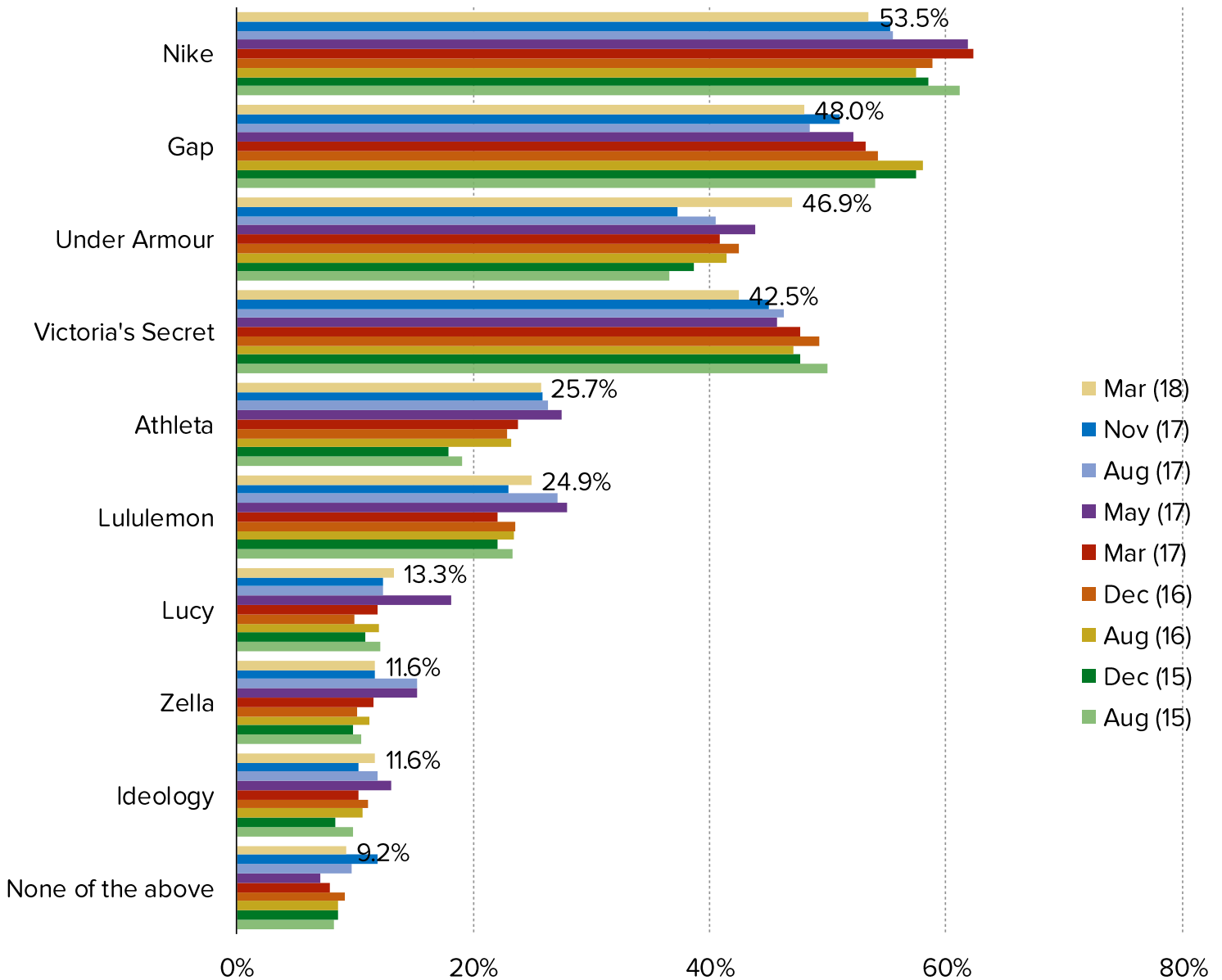
ACTIVE LULU CUSTOMERS



MARGINS AND LOYALTY

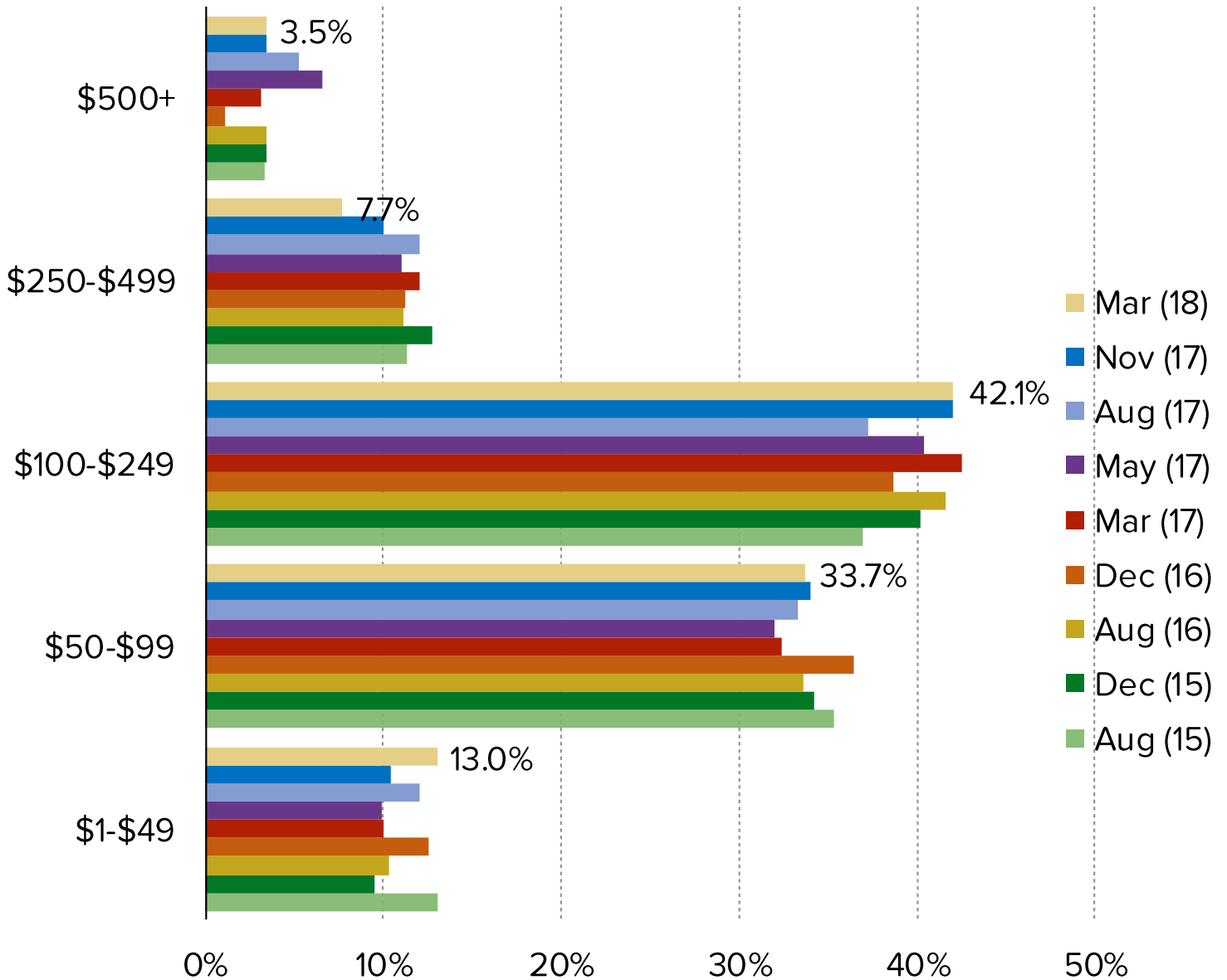
WHICH BRANDS RESPONDENTS EXPECT TO BUY ON DISCOUNT

ACTIVE LULU CUSTOMERS



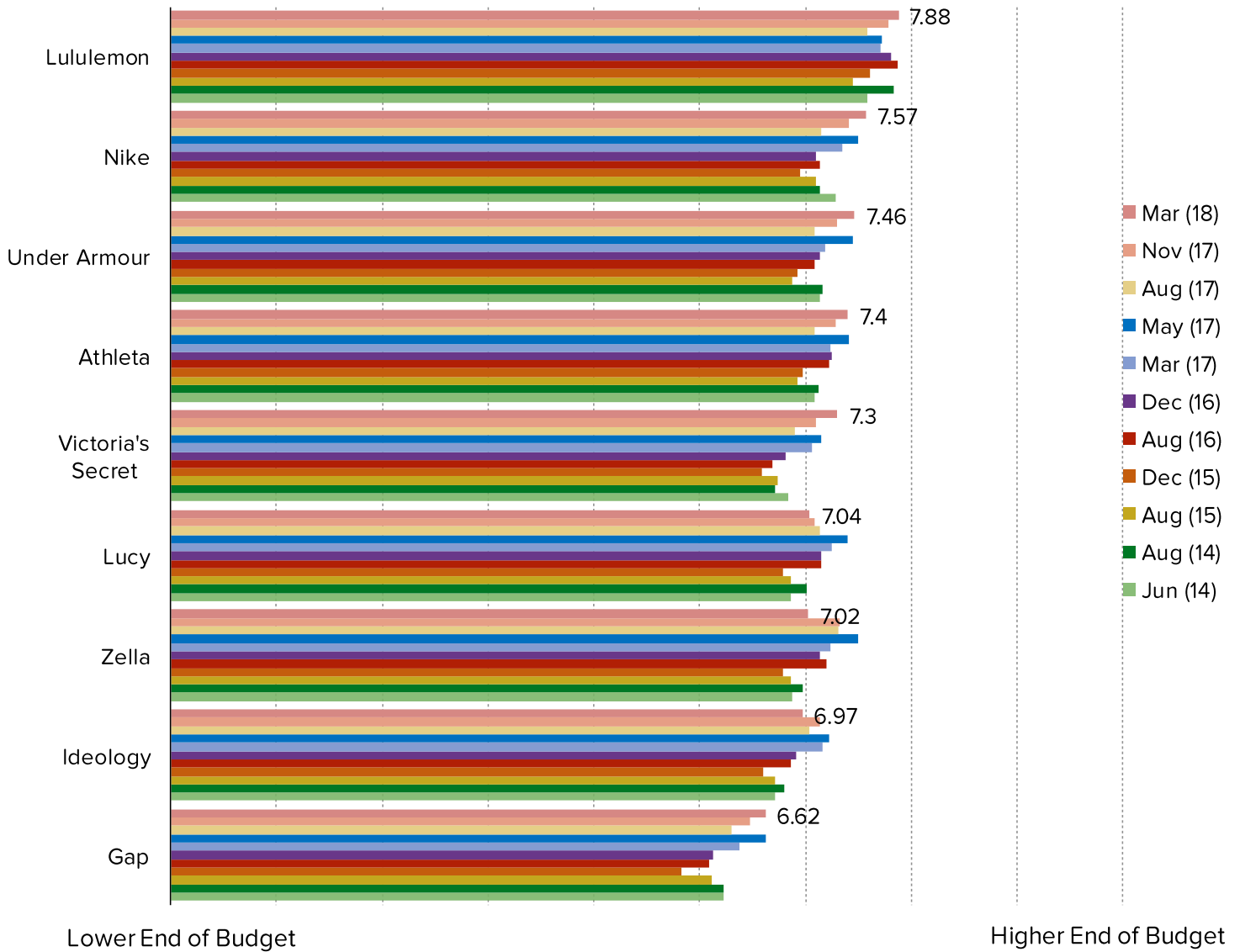
MOST RECENT PURCHASE: AVERAGE SELLING PRICE

ACTIVE LULU CUSTOMERS



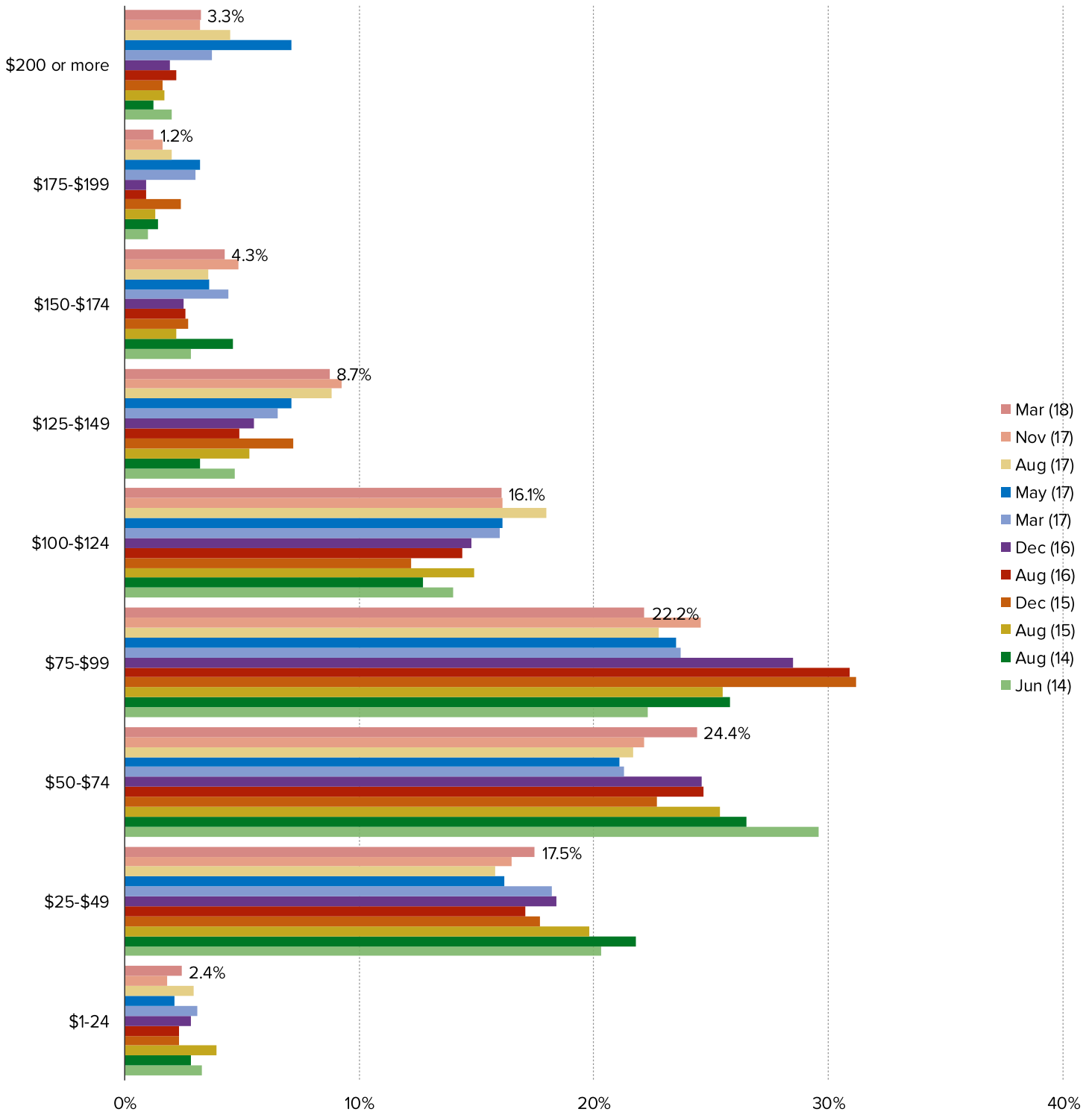
HOW MUCH WOULD YOU BE WILLING TO SPEND ON YOGA PANTS MADE BY EACH BRAND?

ACTIVE LULU CUSTOMERS



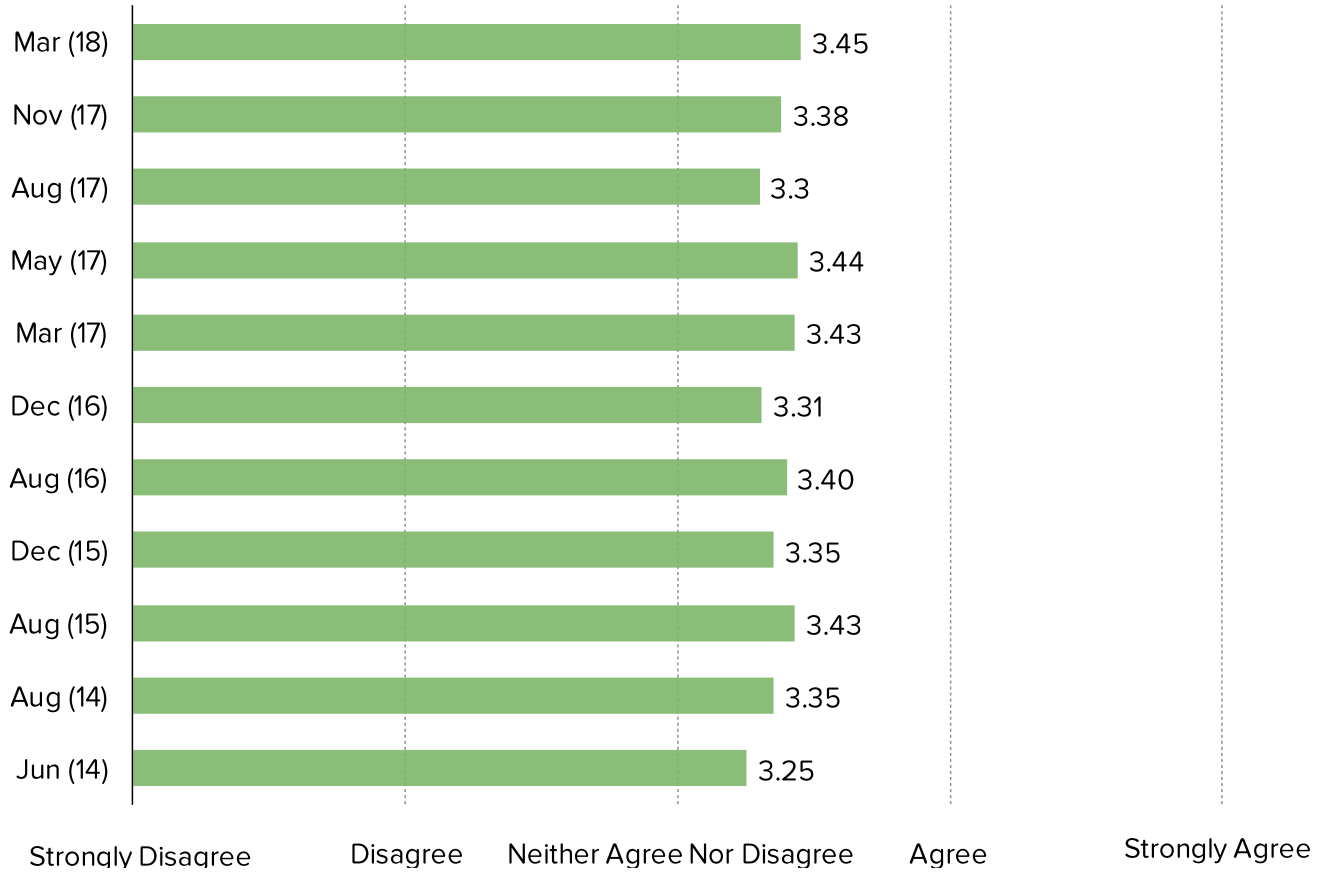
AMOUNT EXPECTED TO SPEND ON LULULEMON YOGA PANTS

ACTIVE LULU CUSTOMERS



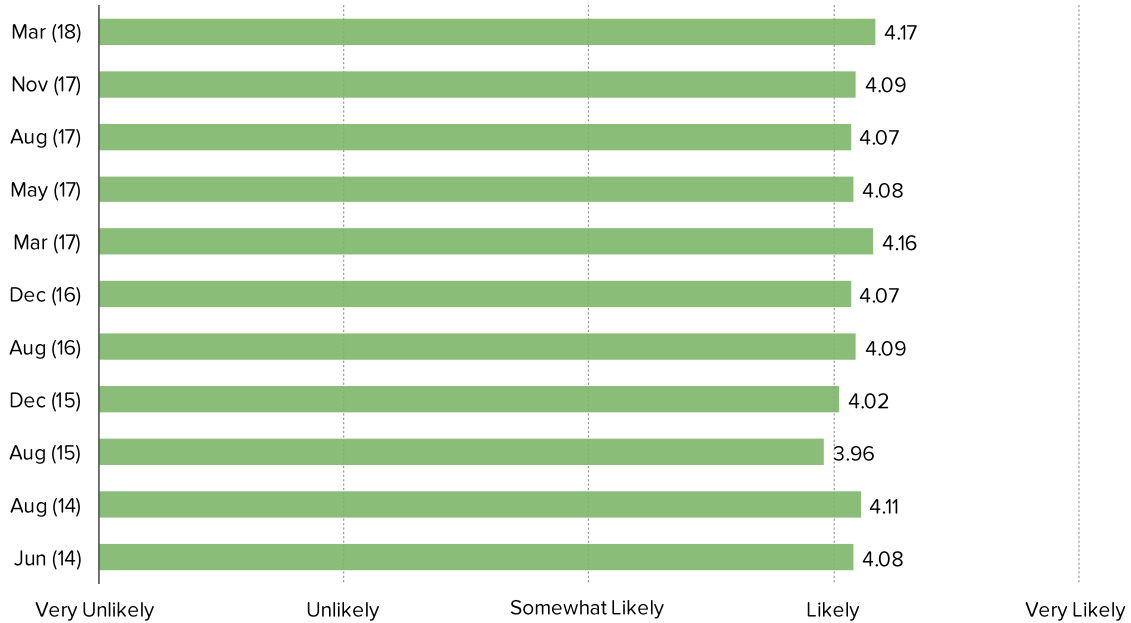
WILLINGNESS TO PAY MORE FOR LULULEMON ITEMS

ACTIVE LULU CUSTOMERS



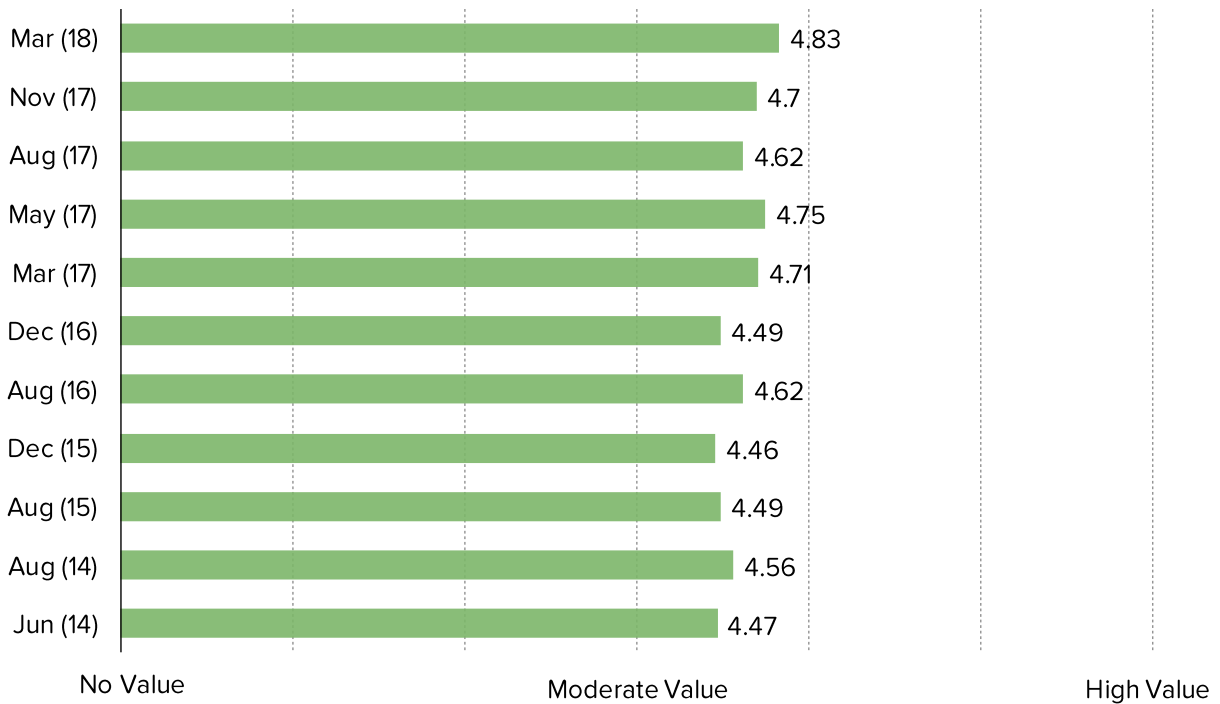
LIKELIHOOD OF TRYING COMPETITORS AT LOWER PRICES

ACTIVE LULU CUSTOMERS



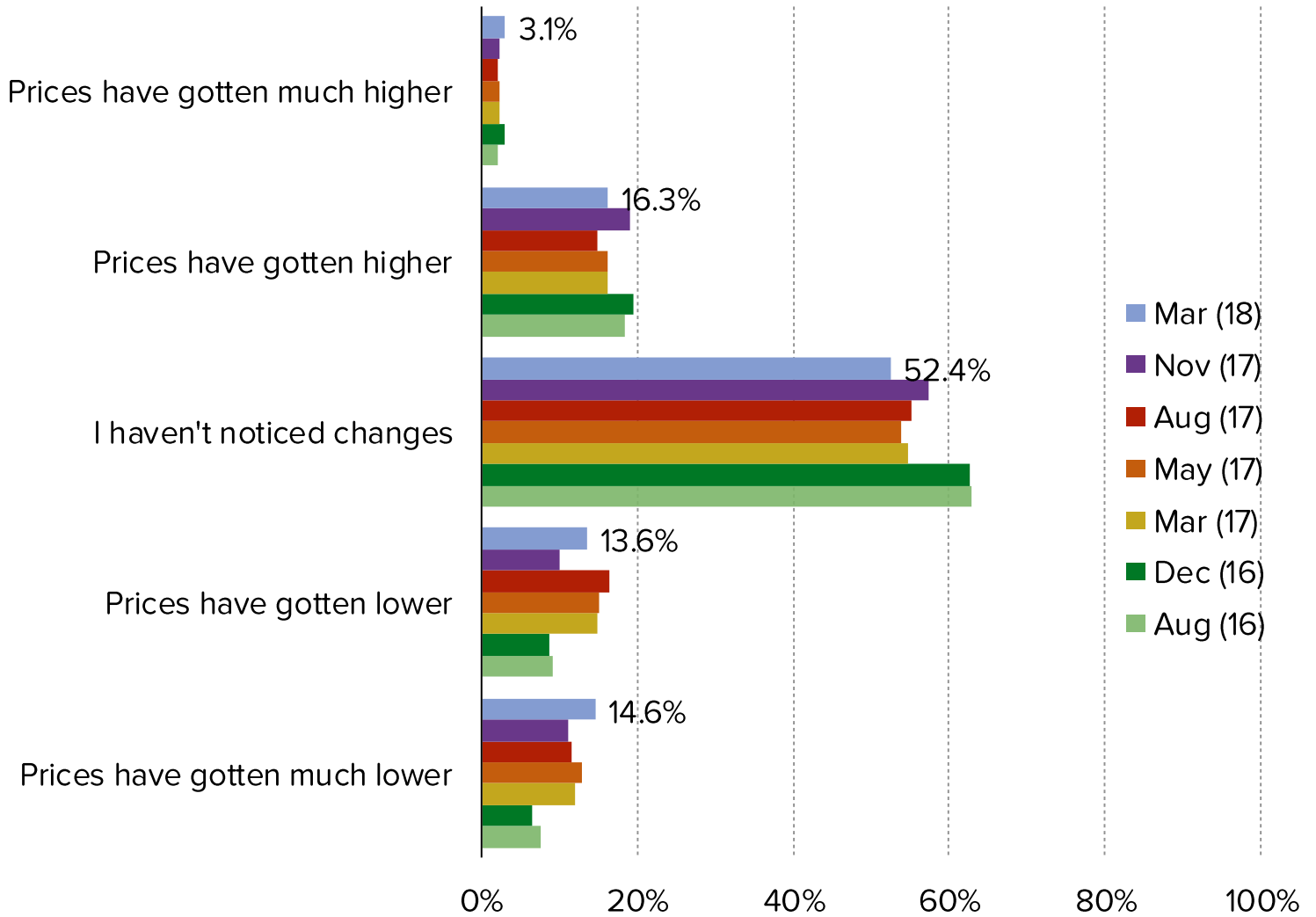
VALUE OF PRODUCTS IN RELATION TO COST

ACTIVE LULU CUSTOMERS



HAVE YOU NOTICED CHANGES TO THE PRICES OF LULULEMON'S PRODUCTS RECENTLY?

ACTIVE LULU CUSTOMERS



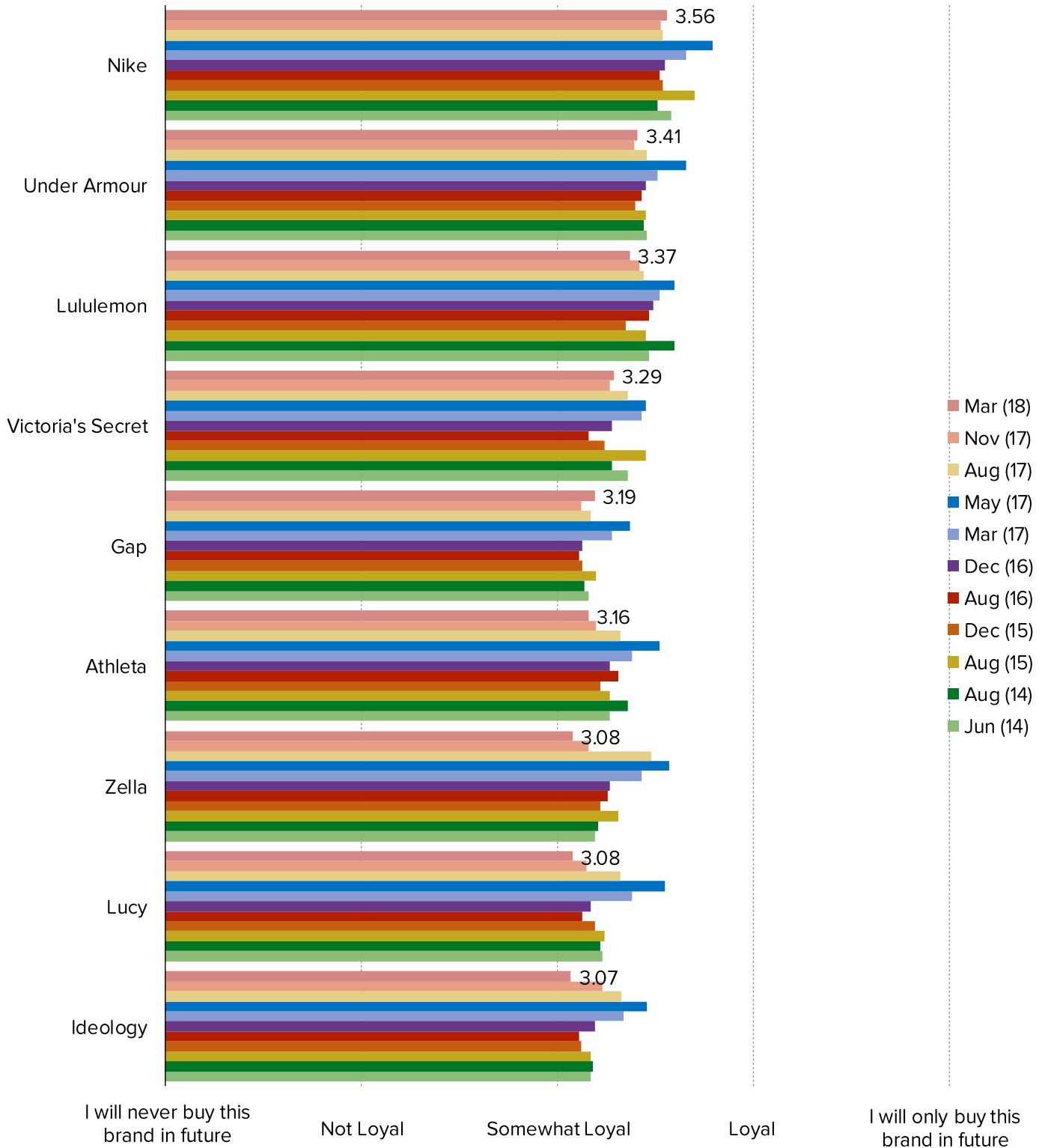
HAVE YOU NOTICED CHANGES IN THE NUMBER OF ITEMS ON SALE AT LULULEMON'S STORES AND WEBSITE RECENTLY?

ACTIVE LULU CUSTOMERS



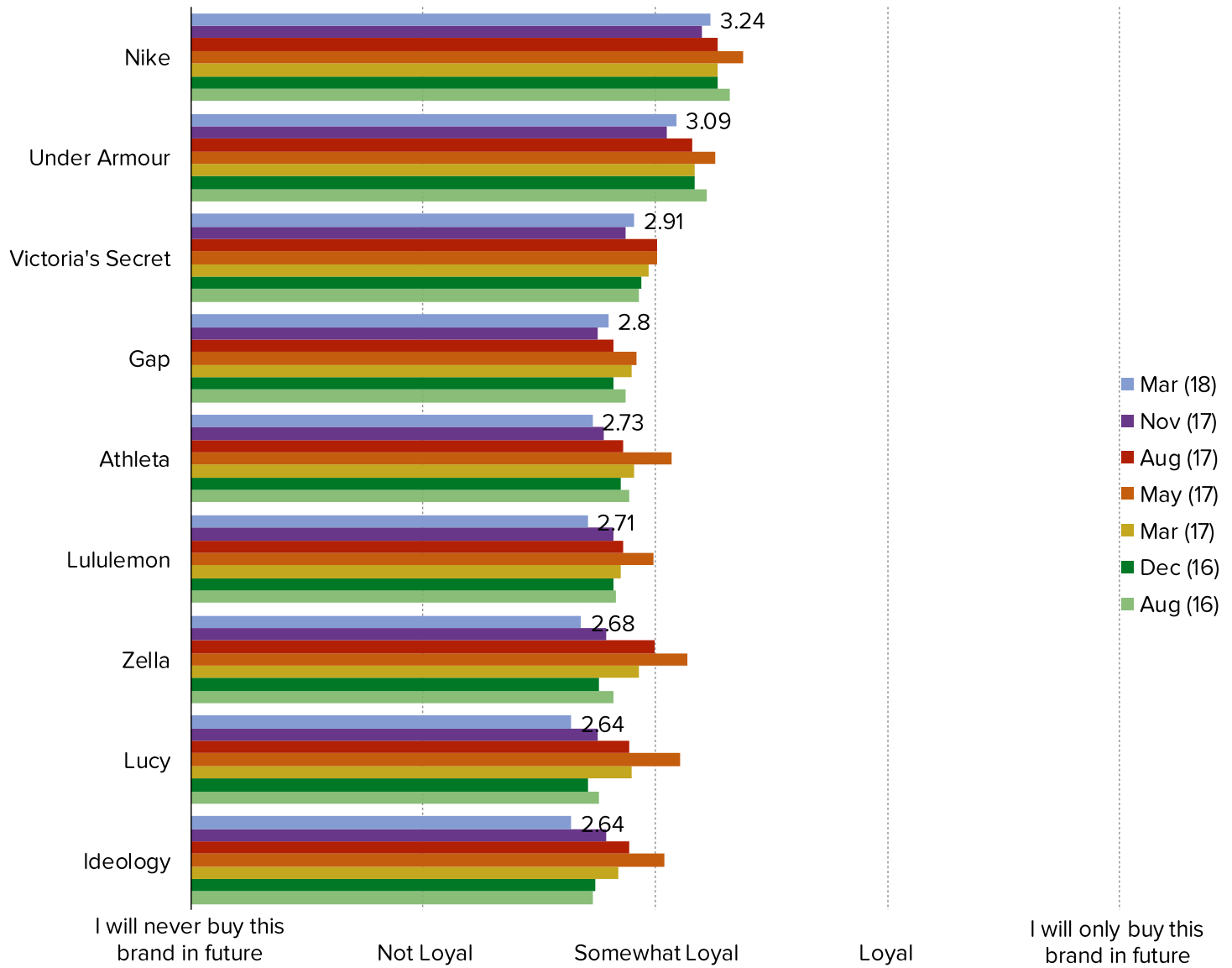
BRAND LOYALTY

ACTIVE LULU CUSTOMERS



BRAND LOYALTY

ALL RESPONDENTS: INCLUDING NON CUSTOMERS AND LAPSED CUSTOMERS

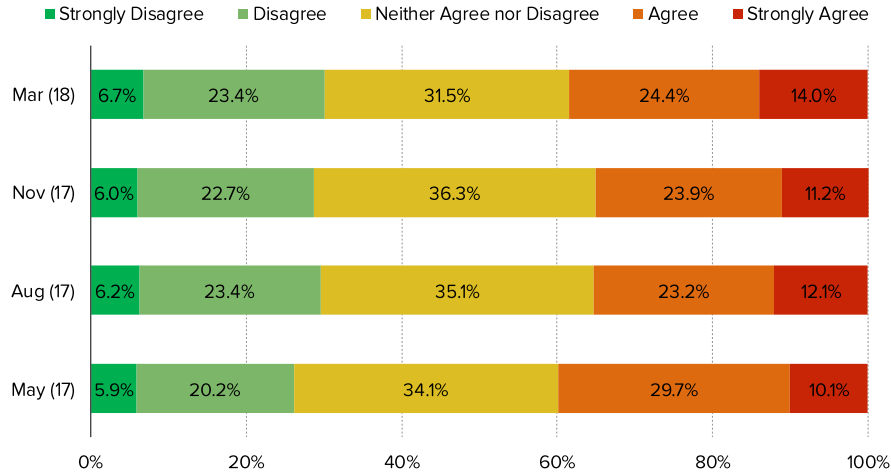


SENTIMENT AND PREFERENCES

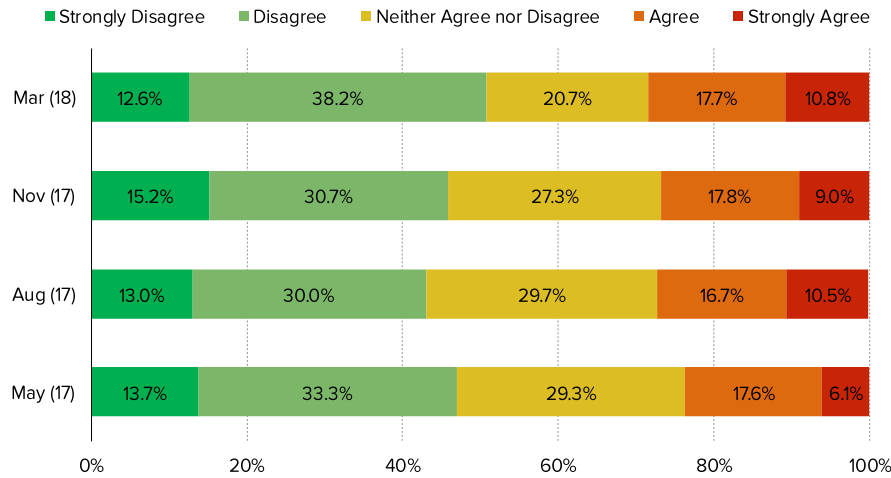
OPINION OF LULULEMON'S CURRENT PRODUCT LINE (RESPONDENTS WERE ASKED HOW MUCH THEY AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS)

ACTIVE LULU CUSTOMERS

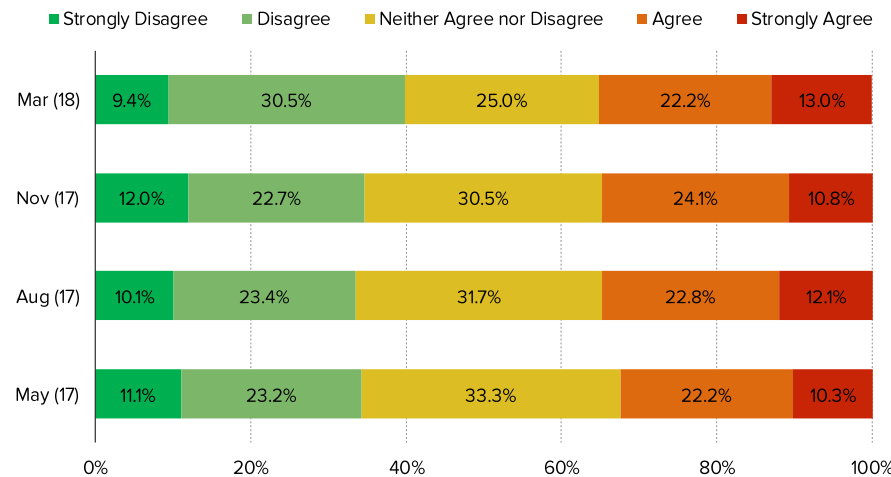
“THE CURRENT PRODUCT LINE NEEDS MORE COLOR”



“THE CURRENT PRODUCT LINE IS BORING”



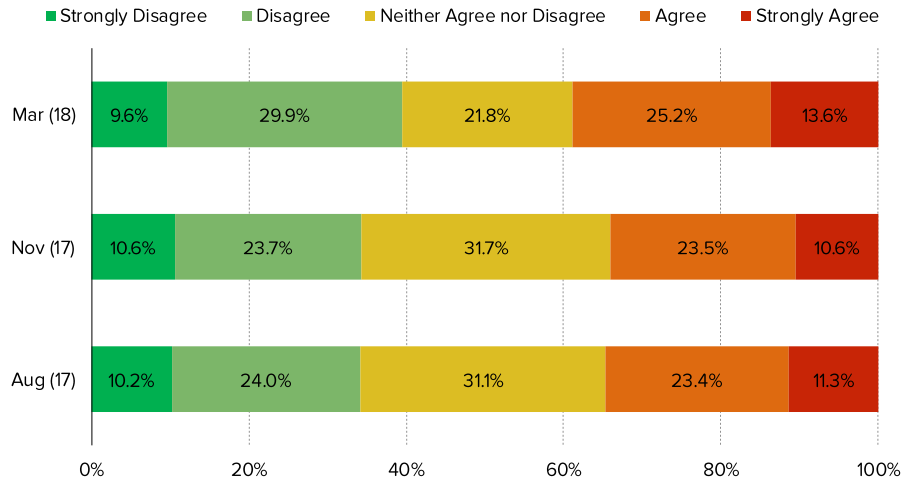
“I HAVEN'T FOUND ANY ITEMS IN THE CURRENT PRODUCT LINE TO GET EXCITED ABOUT”



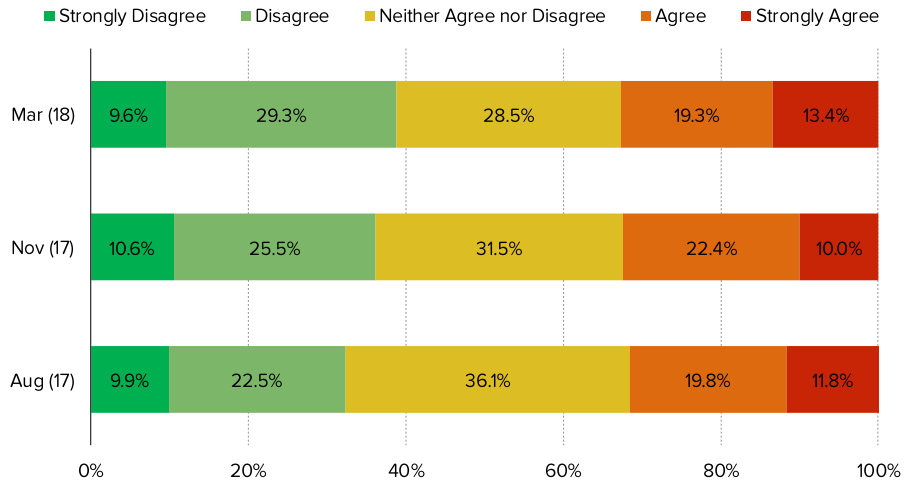
OPINION OF LULULEMON'S CURRENT PRODUCT LINE (RESPONDENTS WERE ASKED HOW MUCH THEY AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS)

ACTIVE LULU CUSTOMERS

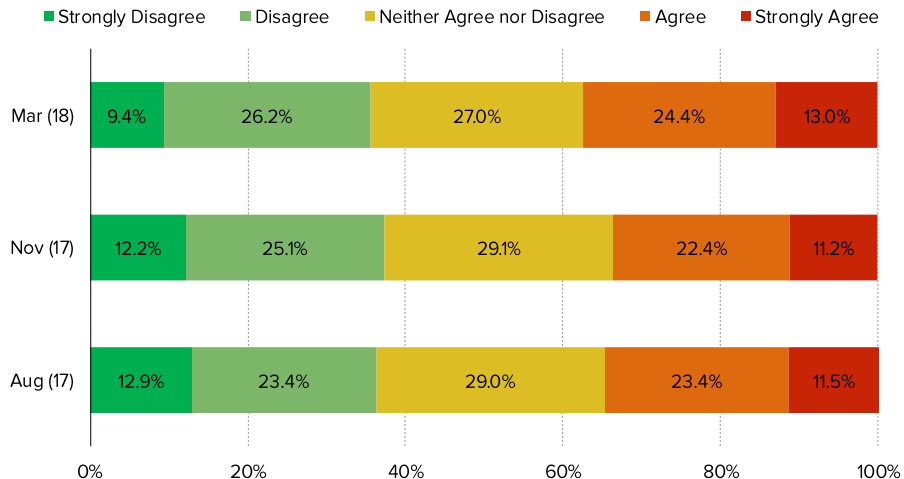
"I PROBABLY HAVE ENOUGH LULULEMON CLOTHING/PRODUCTS"



"THERE AREN'T ENOUGH NEW EXCITING PRODUCTS BEING ADDED BY LULULEMON"



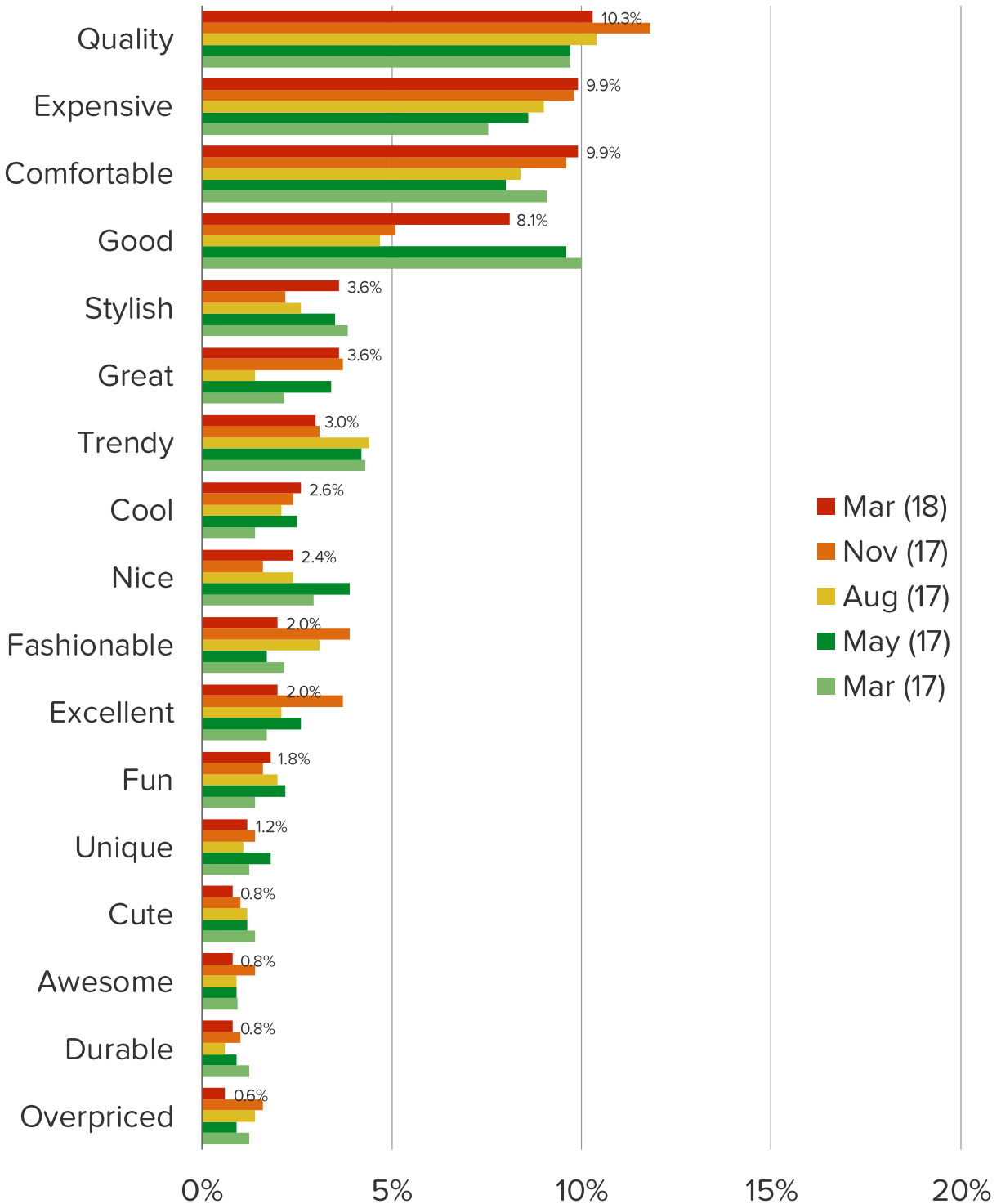
"I FIND MYSELF WEARING LULULEMON CLOTHING LESS OFTEN THAN I USED TO"



ONE WORD TO DESCRIBE LULULEMON (FILL-IN)

ACTIVE LULU CUSTOMERS

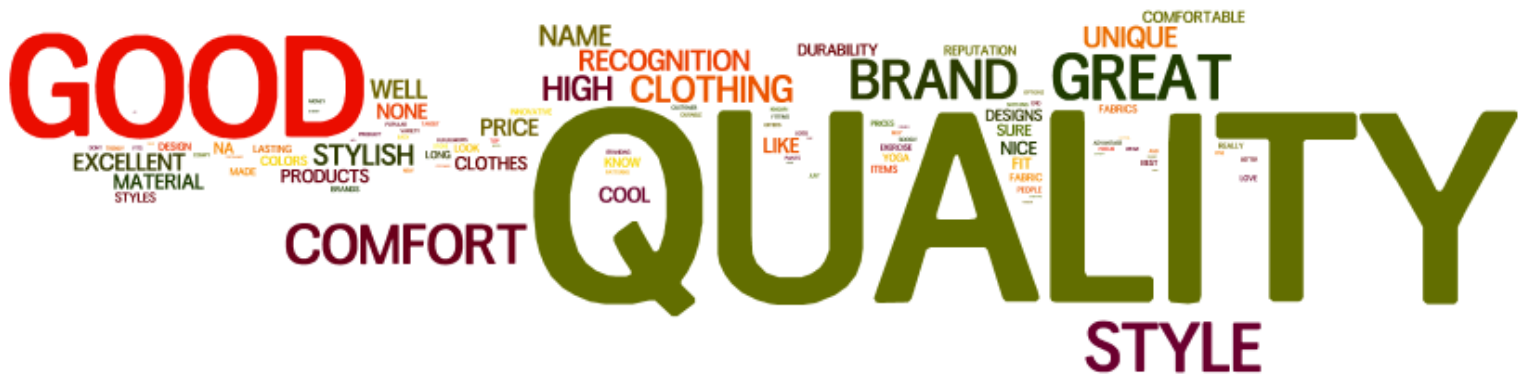
Top 17 Words Used To Describe Lululemon By Customers



ONE WORD TO DESCRIBE LULULEMON (FILL-IN)

ACTIVE LULU CUSTOMERS

What is Lululemon's Greatest Advantage? (Fill-In)

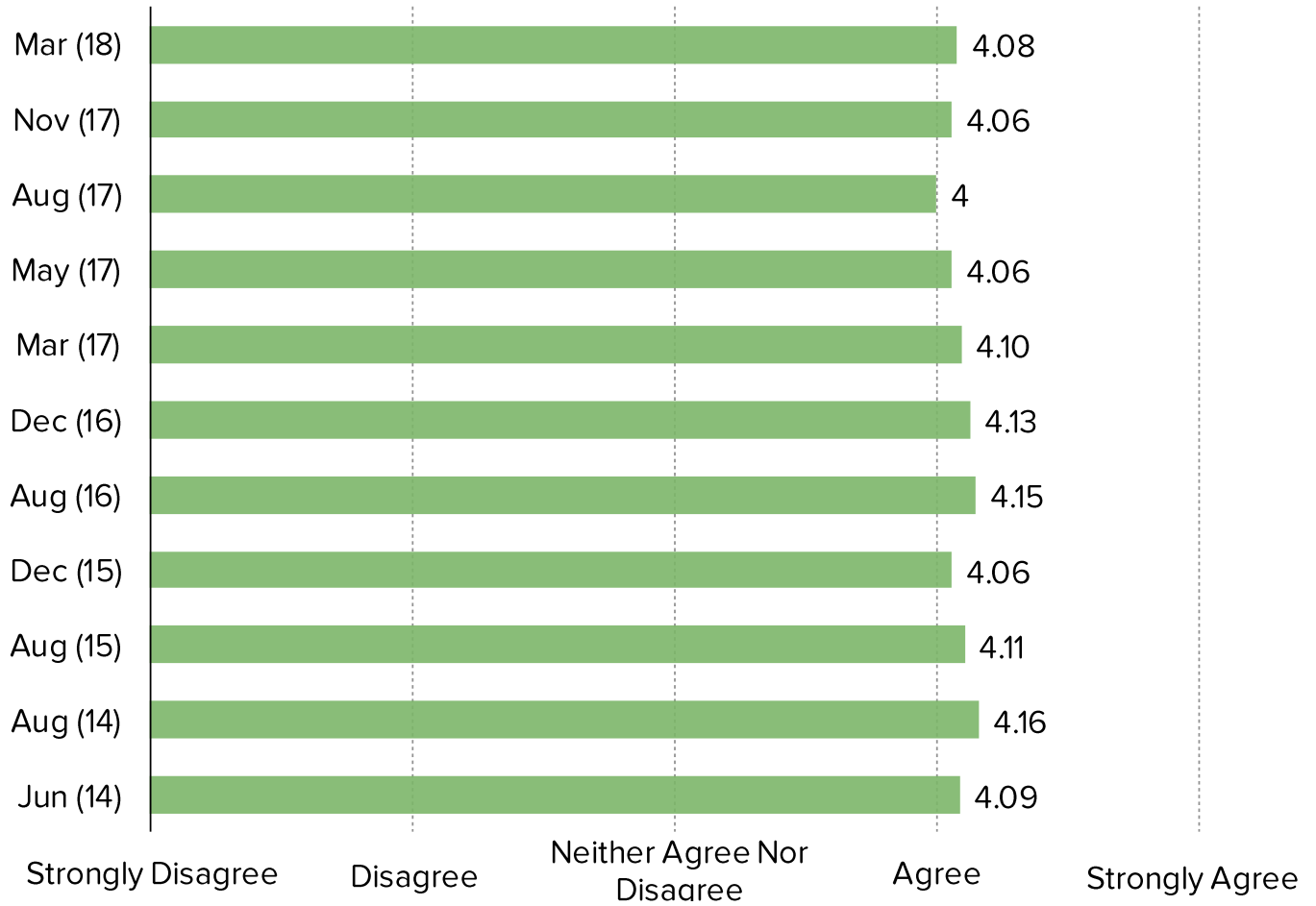


What is Lululemon's Greatest Challenge? (Fill-In)



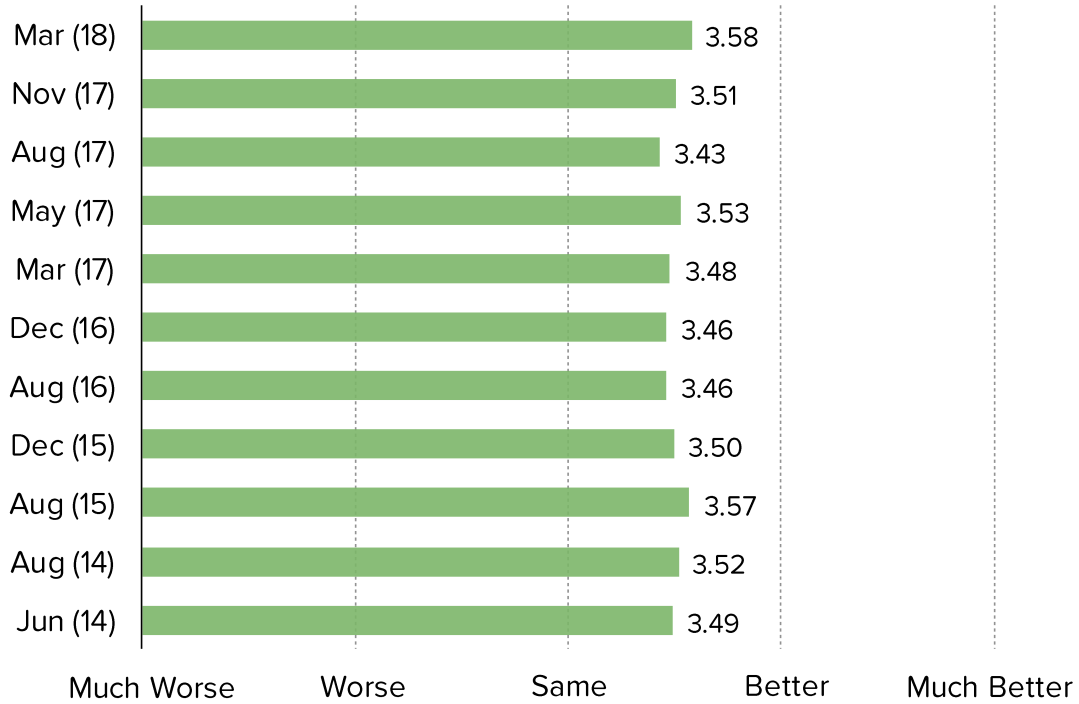
“LULULEMON CLOTHING CAN BE WORN BOTH CASUALLY AND TO EXERCISE”

ACTIVE LULU CUSTOMERS

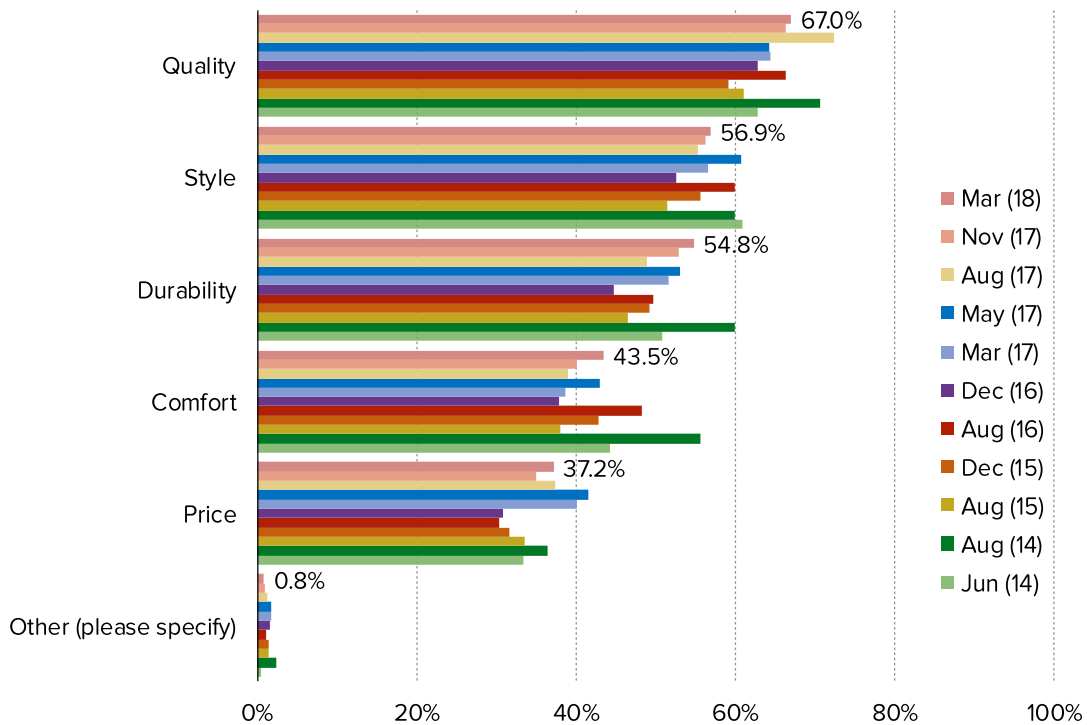


OPINION OF LULULEMON VS PAST

ACTIVE LULU CUSTOMERS

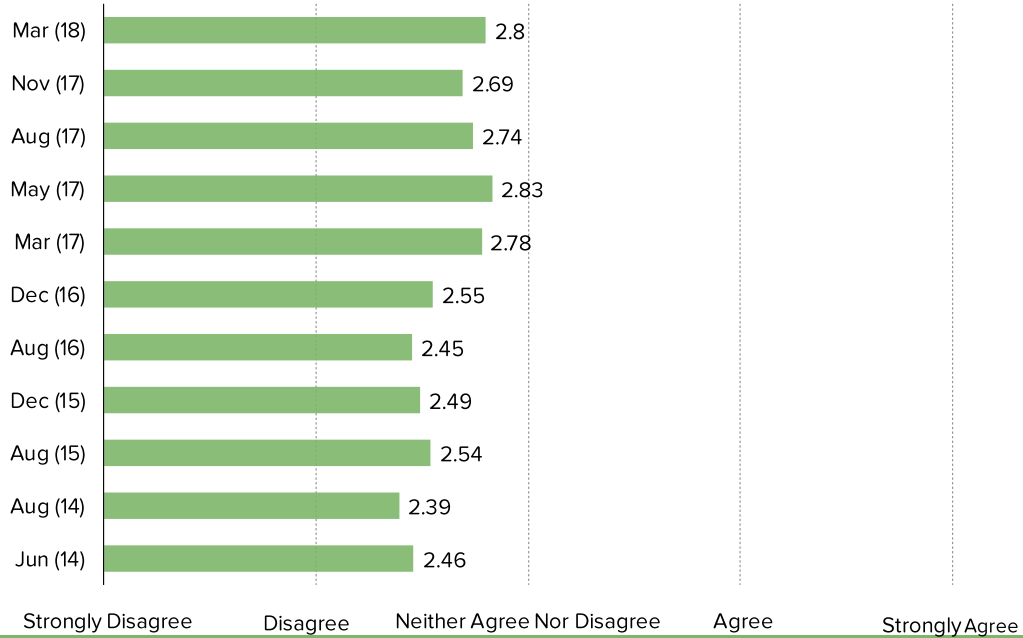


AMONG THOSE WHO SAID IMPROVED, WHY?



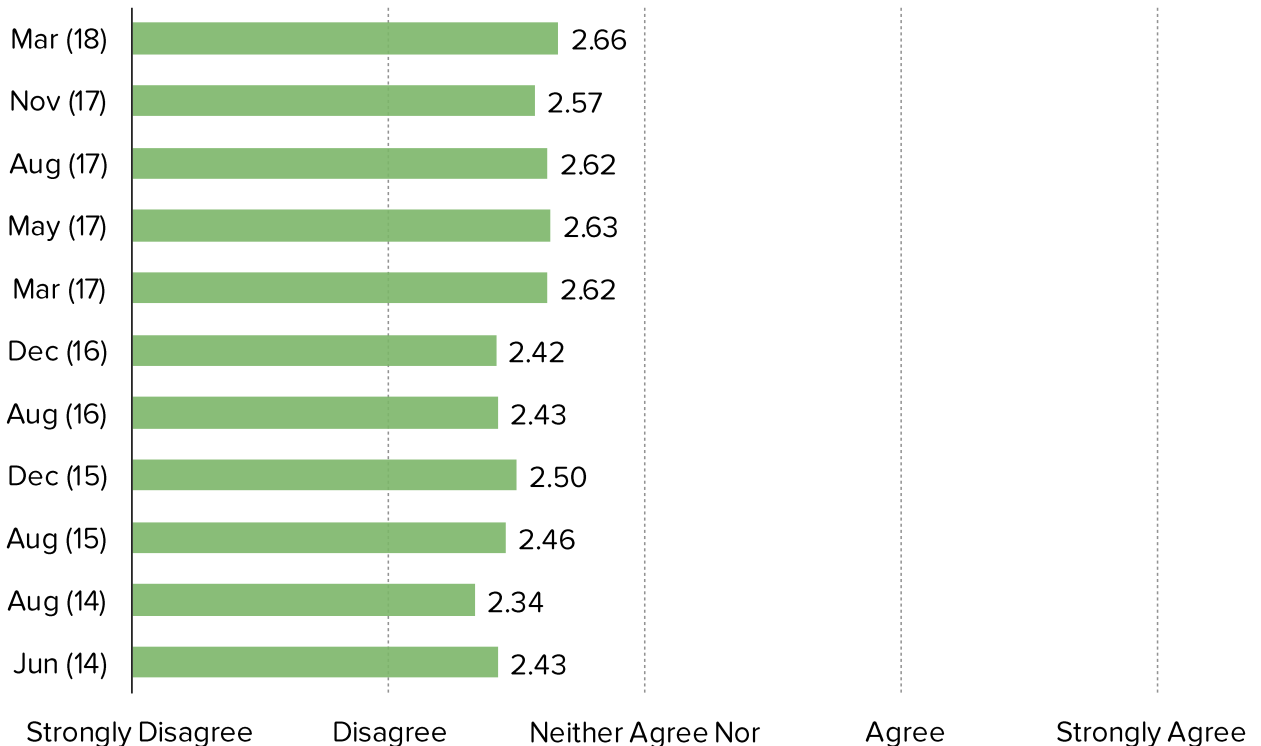
“LULULEMON CLOTHING IS GOING OUT OF STYLE”

ACTIVE LULU CUSTOMERS



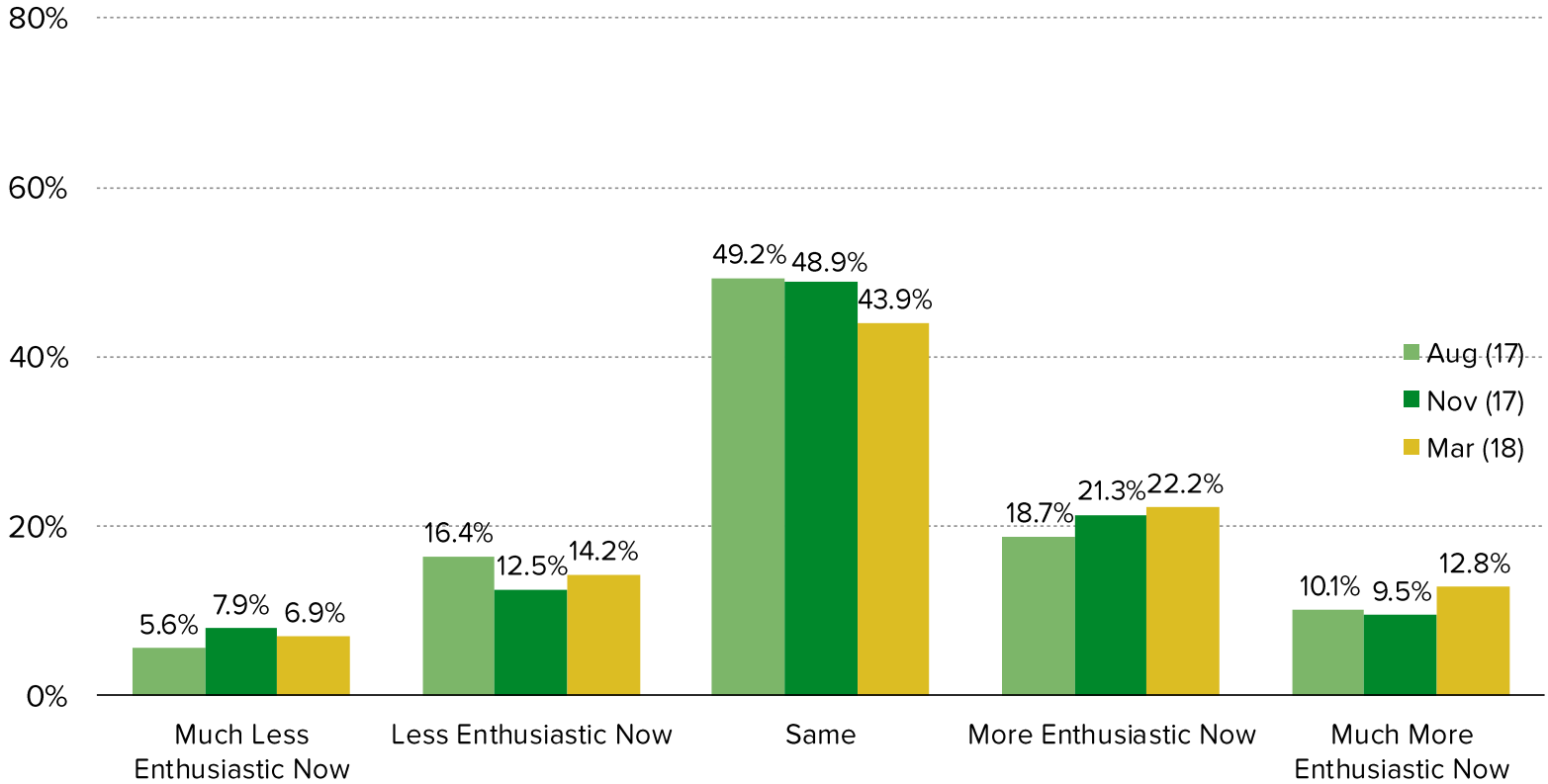
“I HAVE HAD PROBLEMS / ISSUES WITH LULULEMON PRODUCTS”

ACTIVE LULU CUSTOMERS



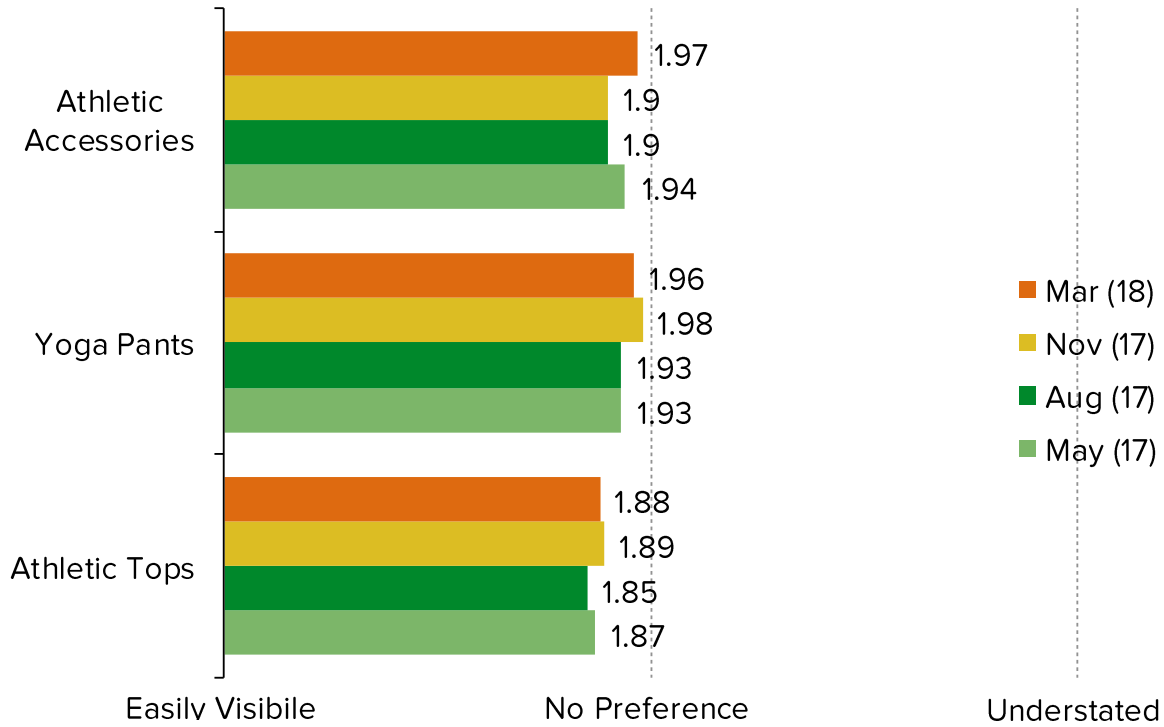
HOW ENTHUSIASTIC ARE YOU ABOUT LULULEMON AS A BRAND COMPARED TO WHEN YOU FIRST BECAME A CUSTOMER?

ACTIVE LULU CUSTOMERS

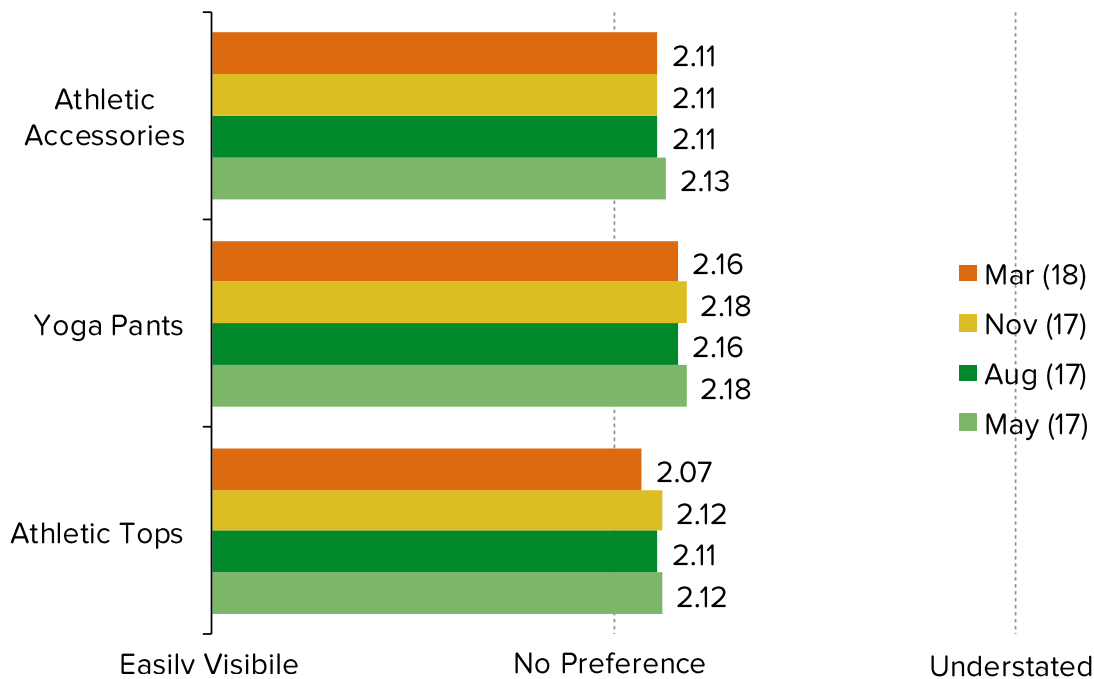


PREFERENCES - LOGO VISIBILITY ON ATHLETIC CLOTHING

ACTIVE LULU CUSTOMERS

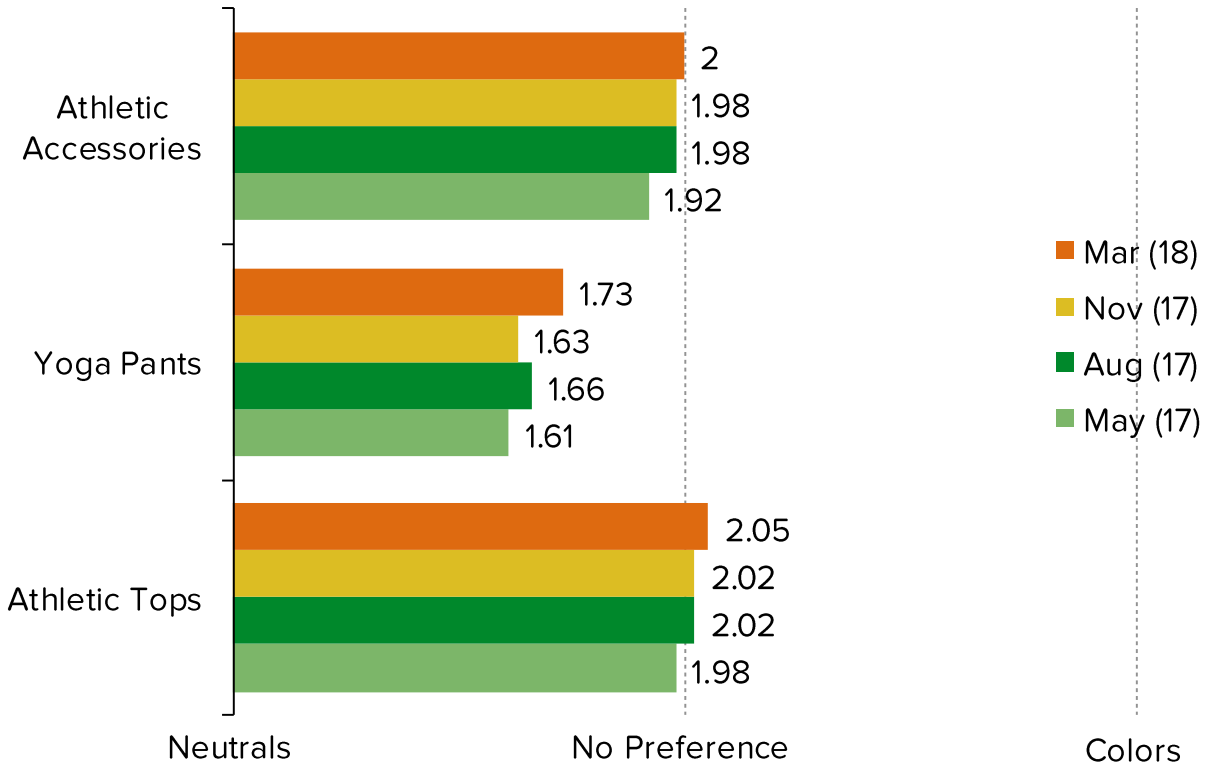


ALL RESPONDENTS: INCLUDING NON CUSTOMERS AND LAPSED CUSTOMERS

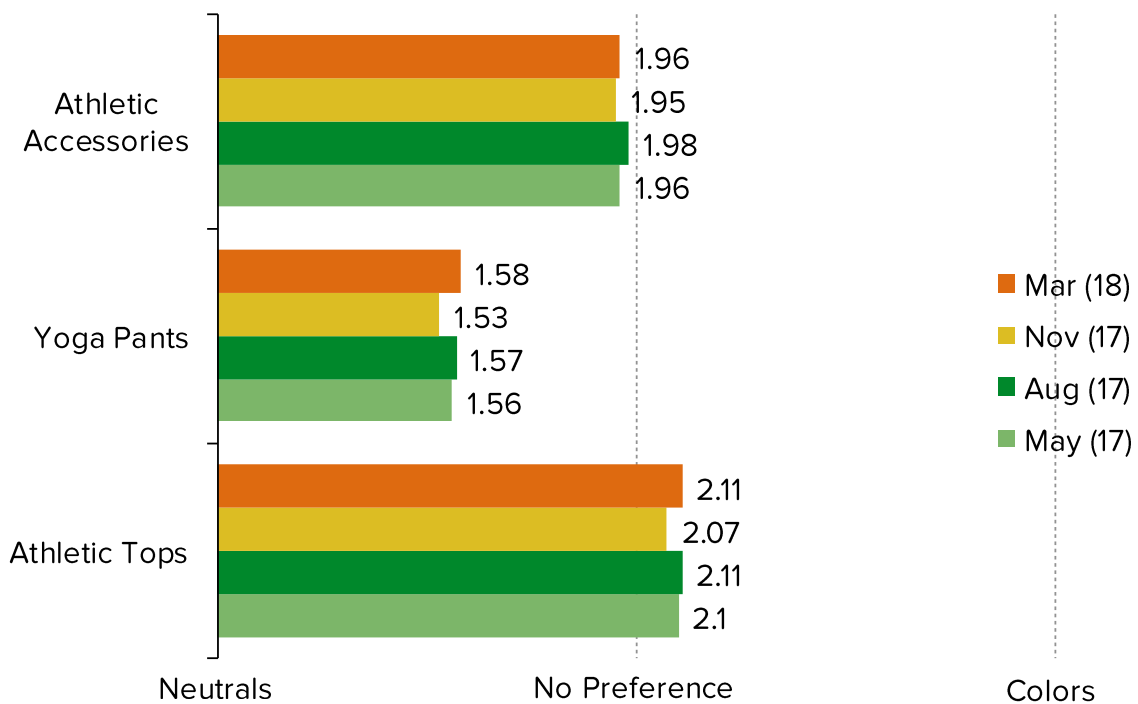


PREFERENCES - COLORS VS. NEUTRALS ON ATHLETIC CLOTHING

ACTIVE LULU CUSTOMERS

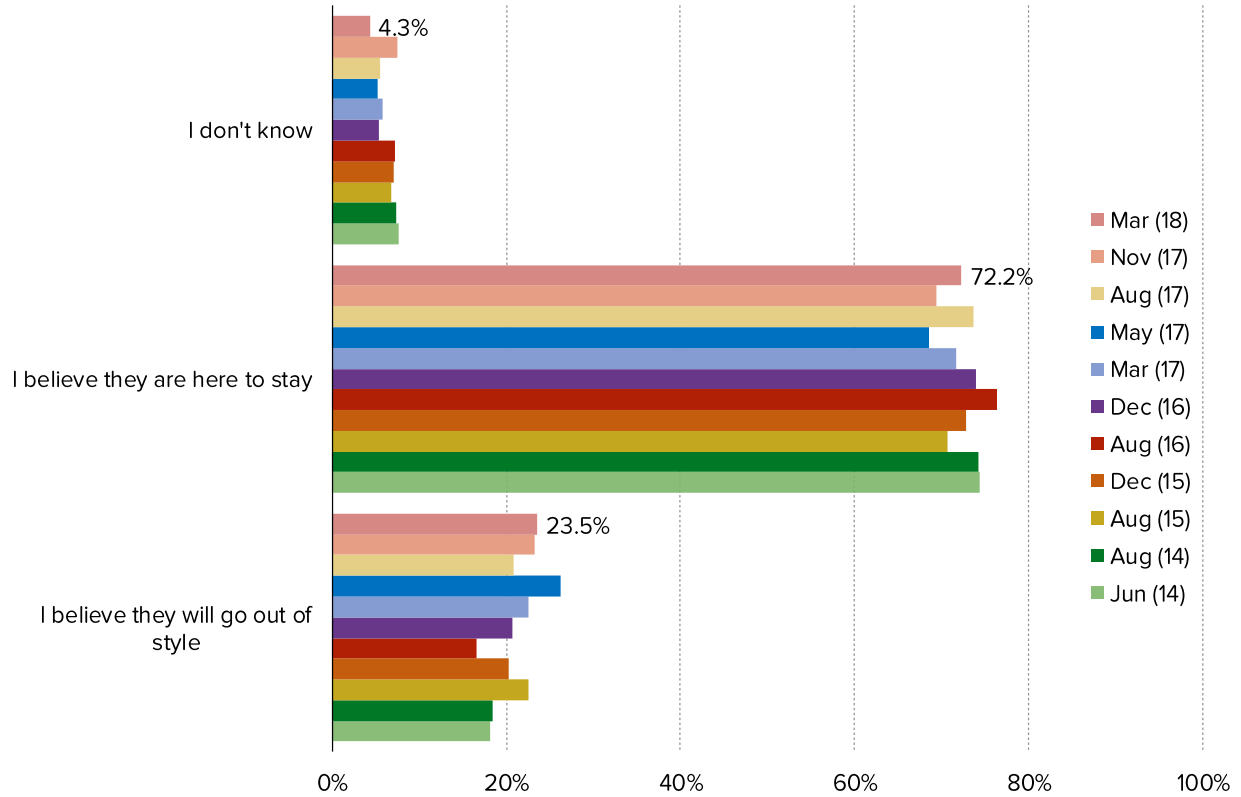


ALL RESPONDENTS: INCLUDING NON CUSTOMERS AND LAPSED CUSTOMERS

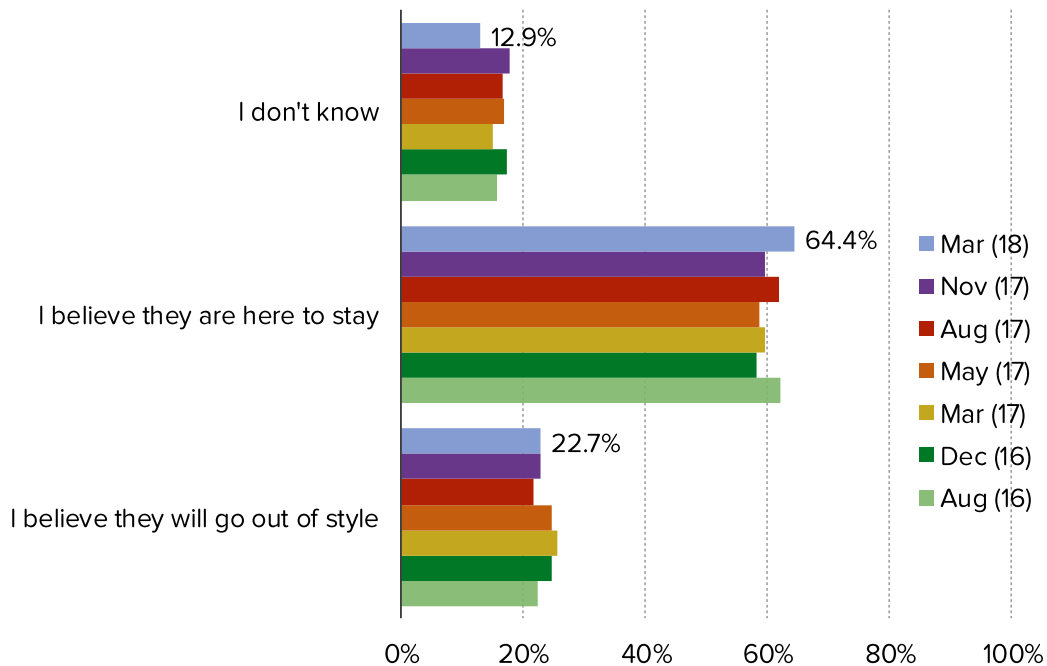


OPINION OF YOGA PANTS AS A FASHION STYLE

ACTIVE LULU CUSTOMERS



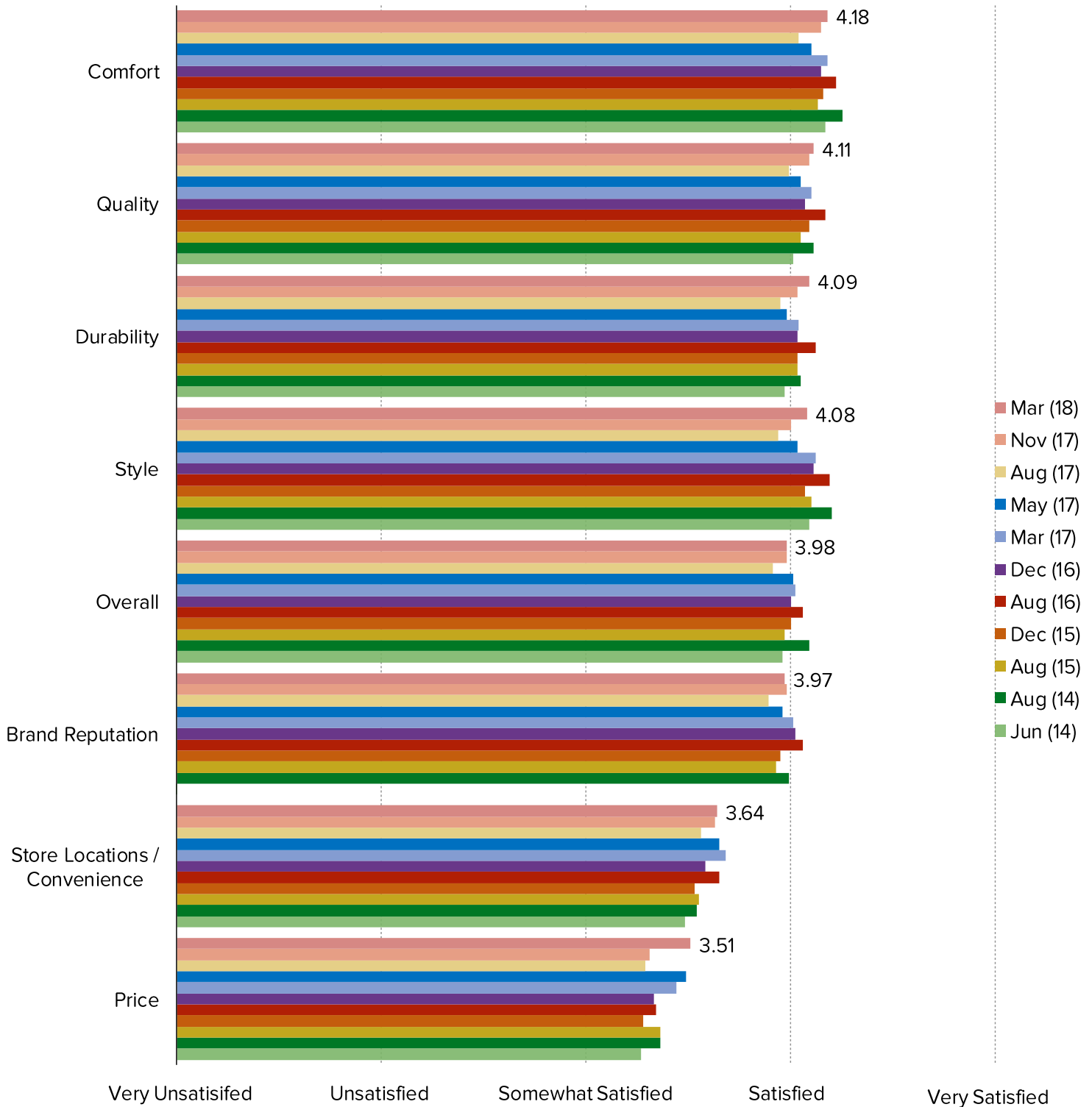
ALL RESPONDENTS: INCLUDING NON CUSTOMERS AND LAPSED CUSTOMERS



SATISFACTION

SATISFACTION RATINGS WITH LULULEMON

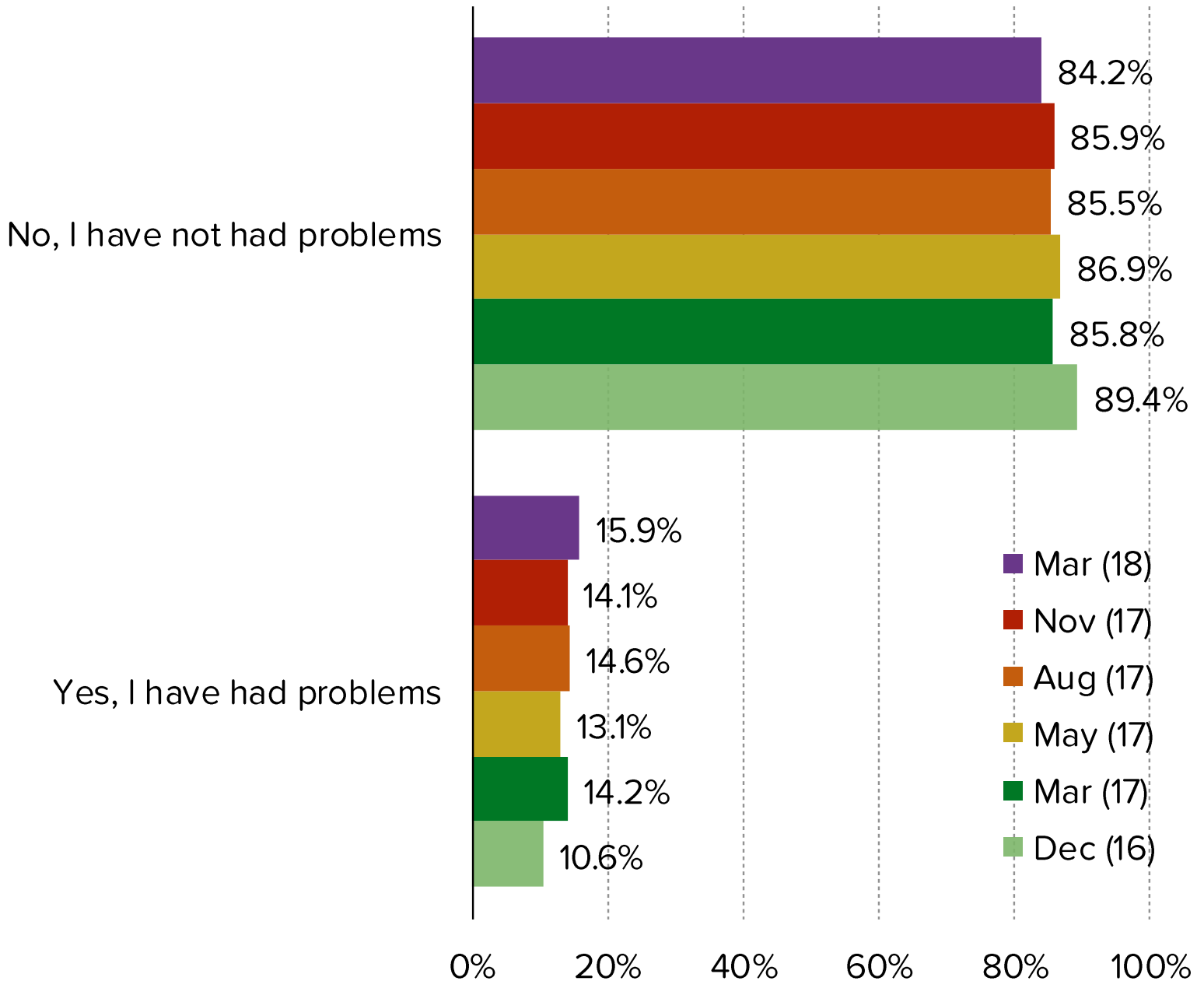
ACTIVE LULU CUSTOMERS



WEBSITE REVIEWS

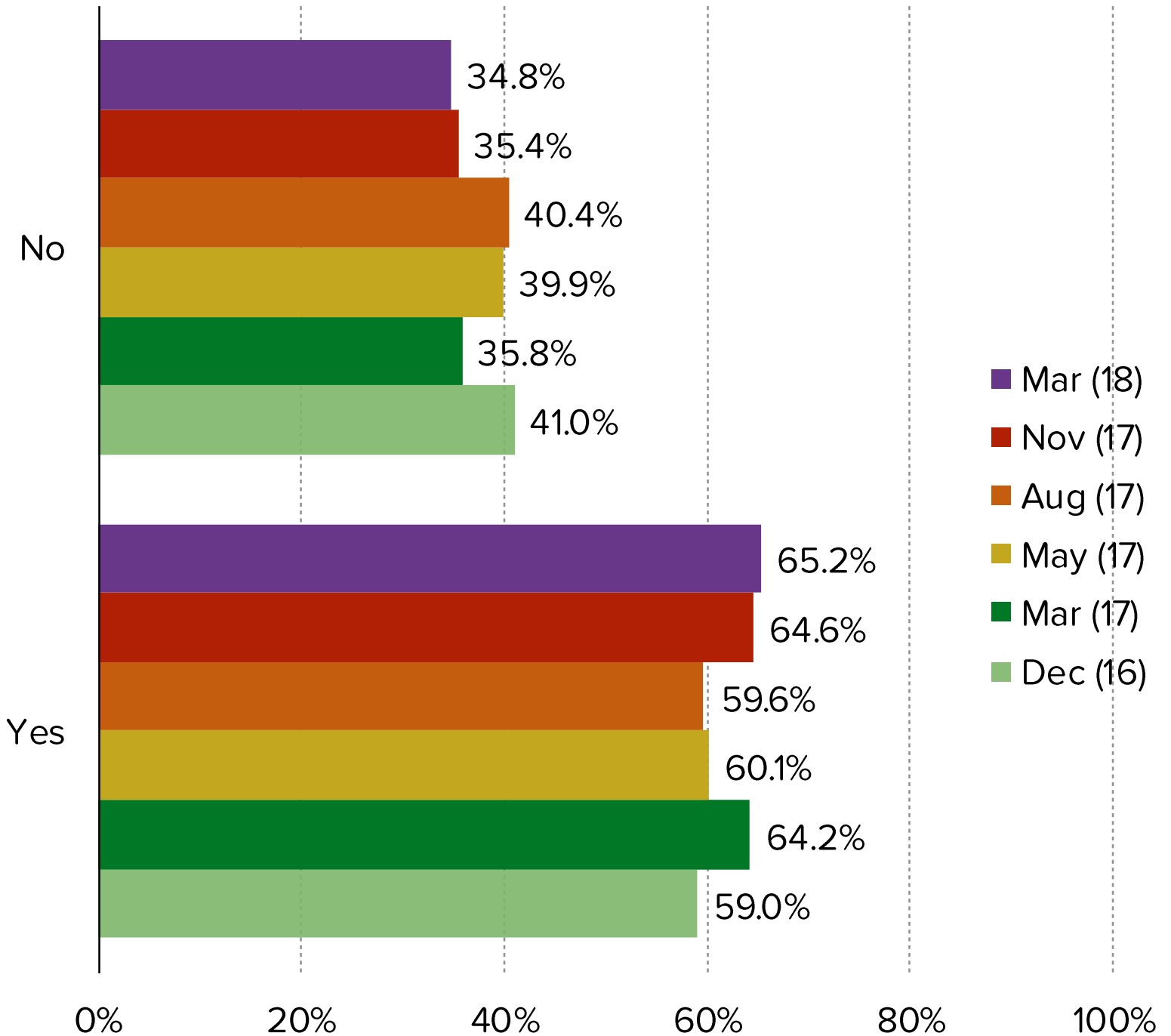
HAVE YOU HAD ANY PROBLEMS OR ISSUES WITH LULULEMON CLOTHING RECENTLY?

ACTIVE LULU CUSTOMERS



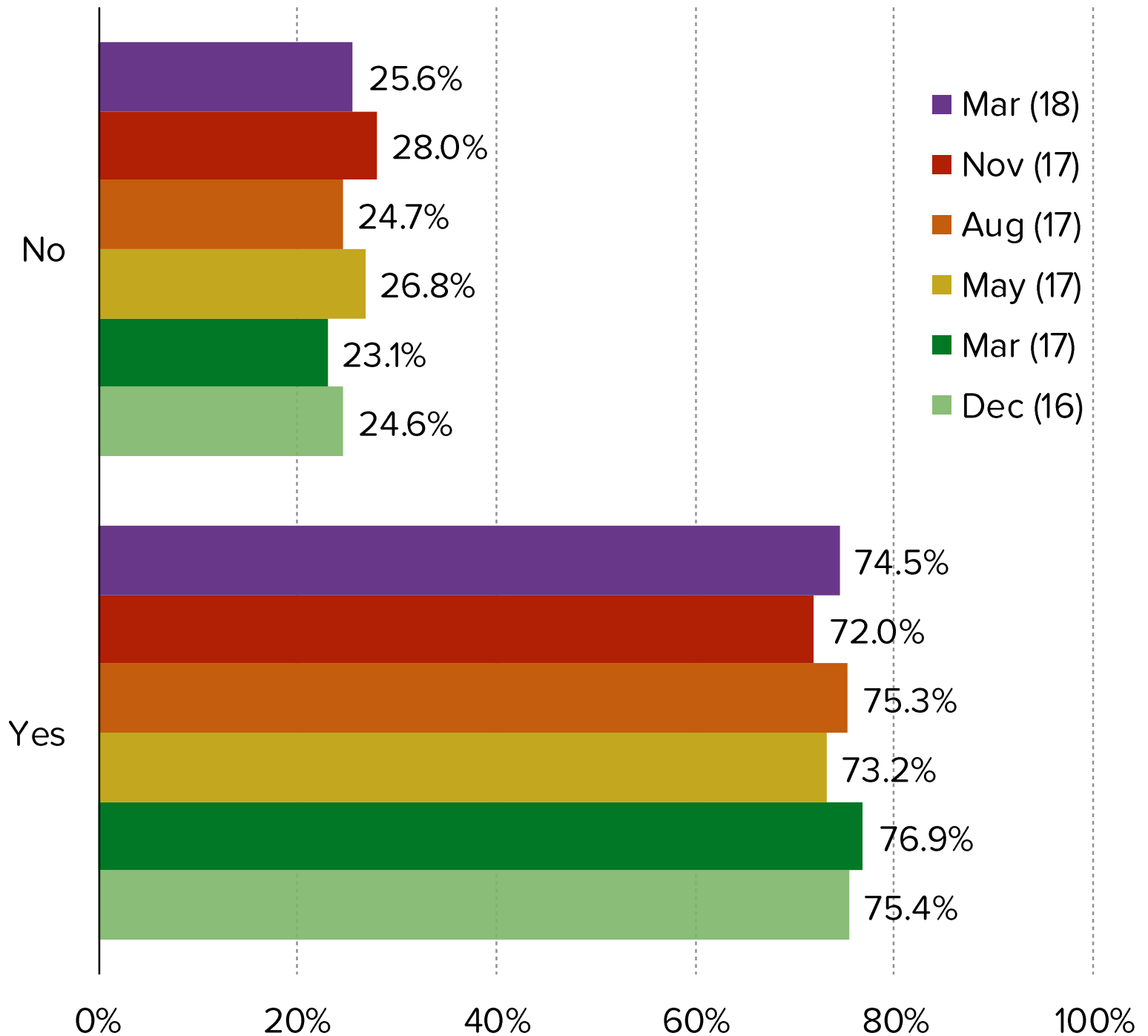
HAVE YOU VISITED THE LULULEMON WEBSITE TO BROWSE AROUND AND LOOK AT PRODUCTS IN THE PAST THREE MONTHS?

ACTIVE LULU CUSTOMERS



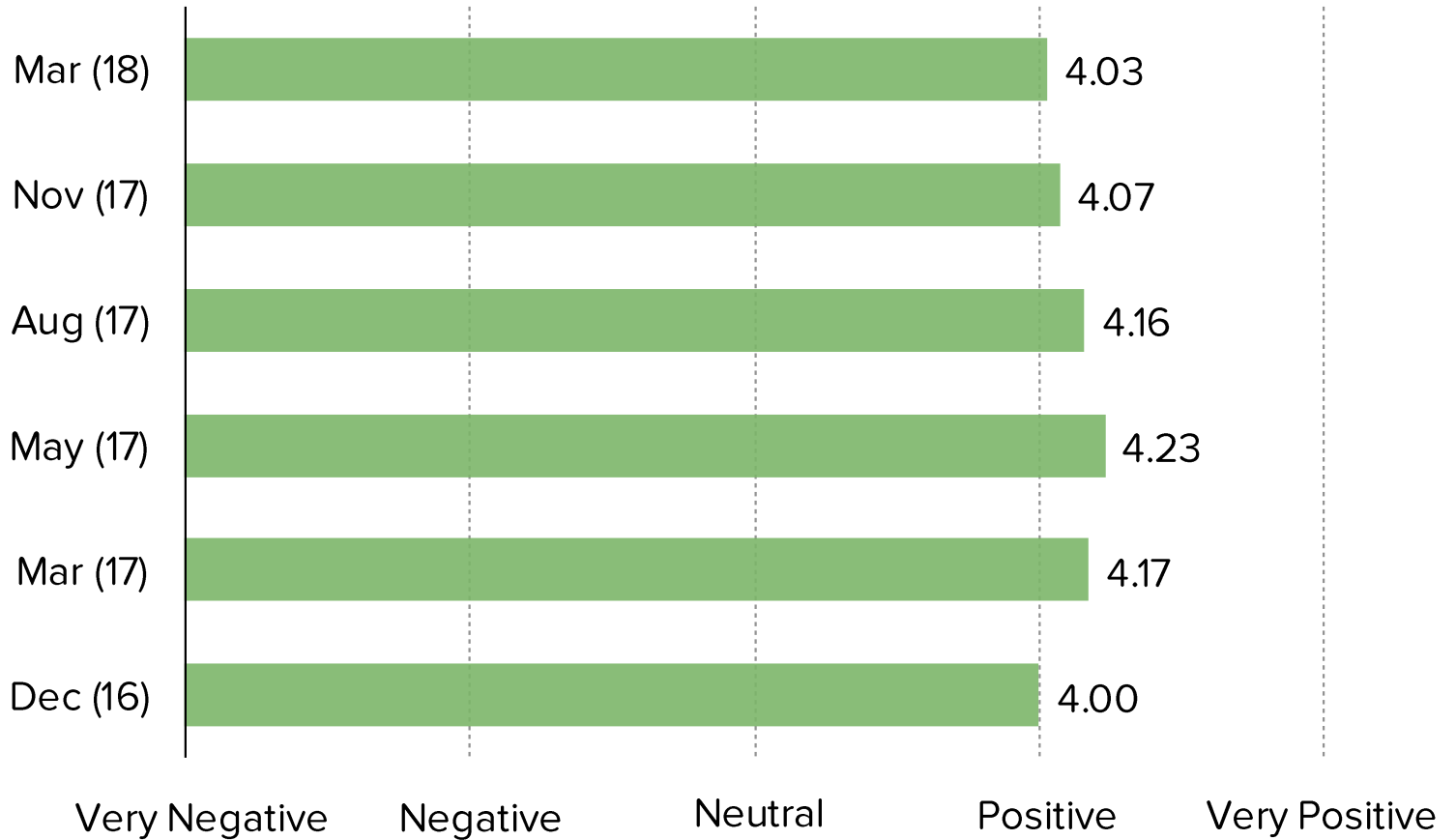
DID YOU LOOK AT CUSTOMER REVIEWS OF ANY OF THE PRODUCTS?

ACTIVE LULU CUSTOMERS WHO SHOPPED ON LULULEMON'S WEBSITE IN THE PAST THREE MONTHS



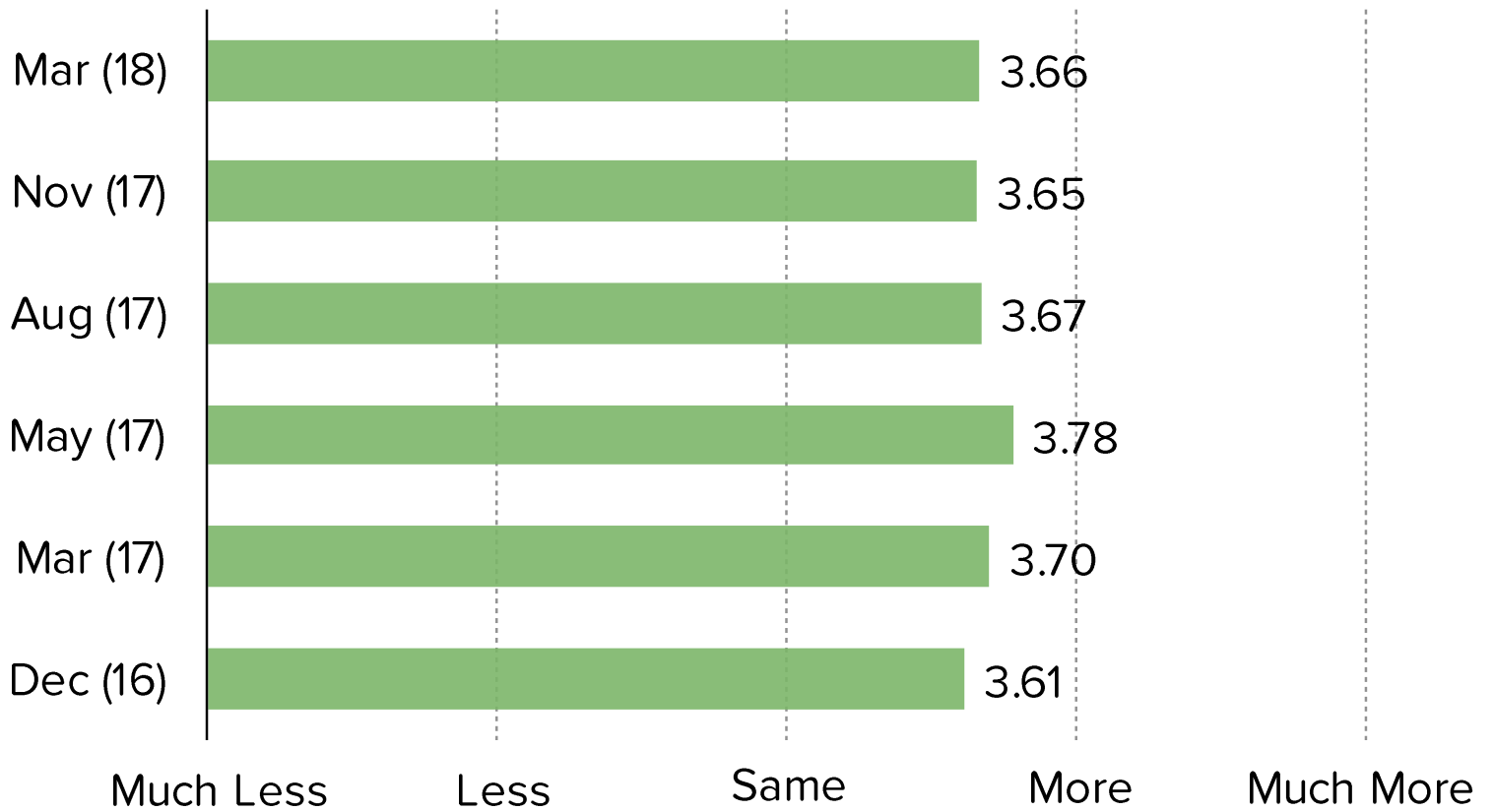
WERE THE REVIEWS POSITIVE OR NEGATIVE?

ACTIVE LULU CUSTOMERS WHO SHOPPED ON LULULEMON'S WEBSITE IN THE PAST THREE MONTHS AND READ REVIEWS



DID THE REVIEWS MAKE YOU MORE OR LESS LIKELY TO PURCHASE ITEM(S) FROM THE LULULEMON WEBSITE?

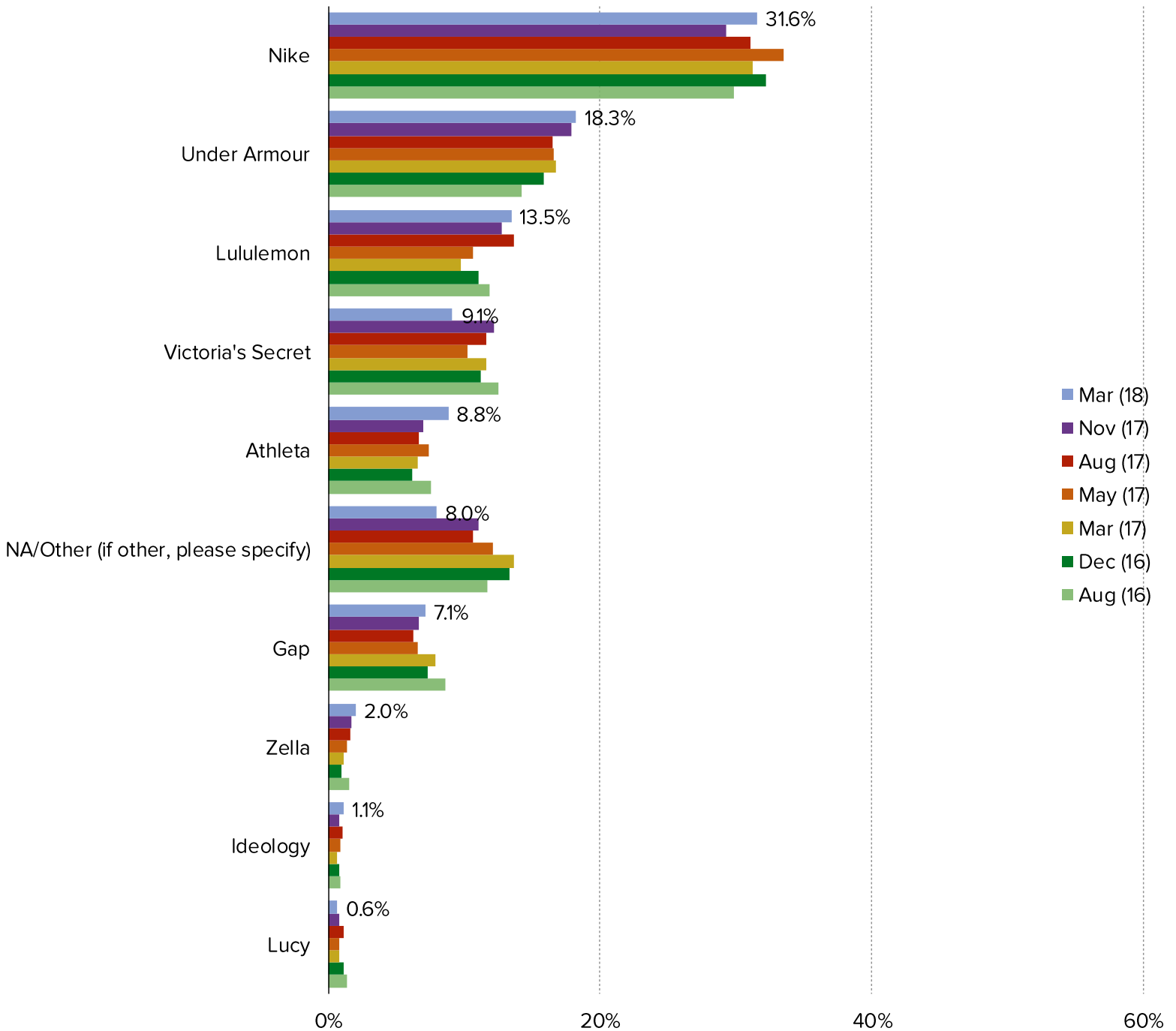
ACTIVE LULU CUSTOMERS WHO SHOPPED ON LULULEMON'S WEBSITE IN THE PAST THREE MONTHS AND READ REVIEWS



COMPETITION

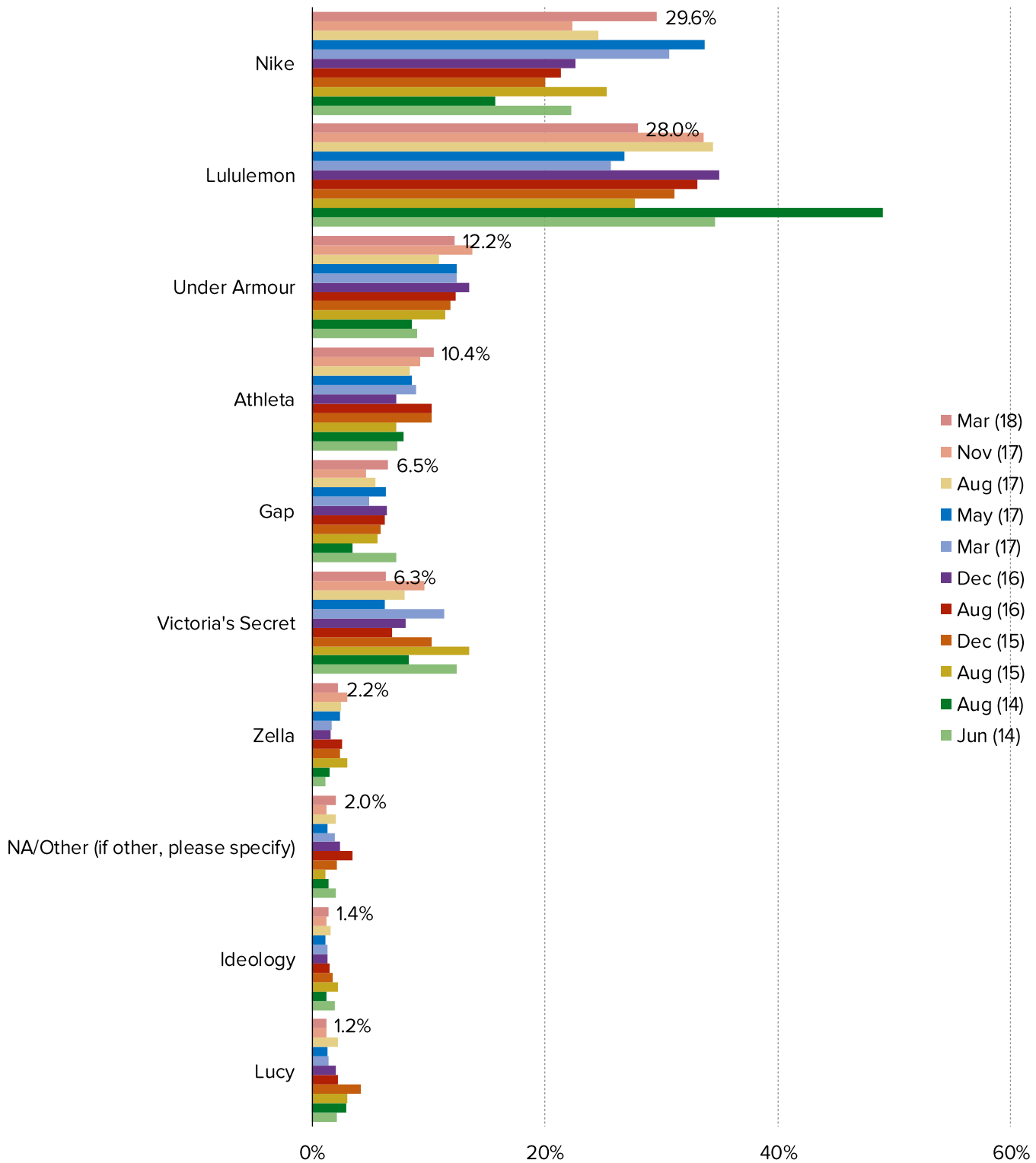
WHICH YOGA PANTS WOULD RESPONDENTS CHOOSE IF BUYING TODAY

ALL RESPONDENTS: INCLUDING NON CUSTOMERS AND LAPSED CUSTOMERS



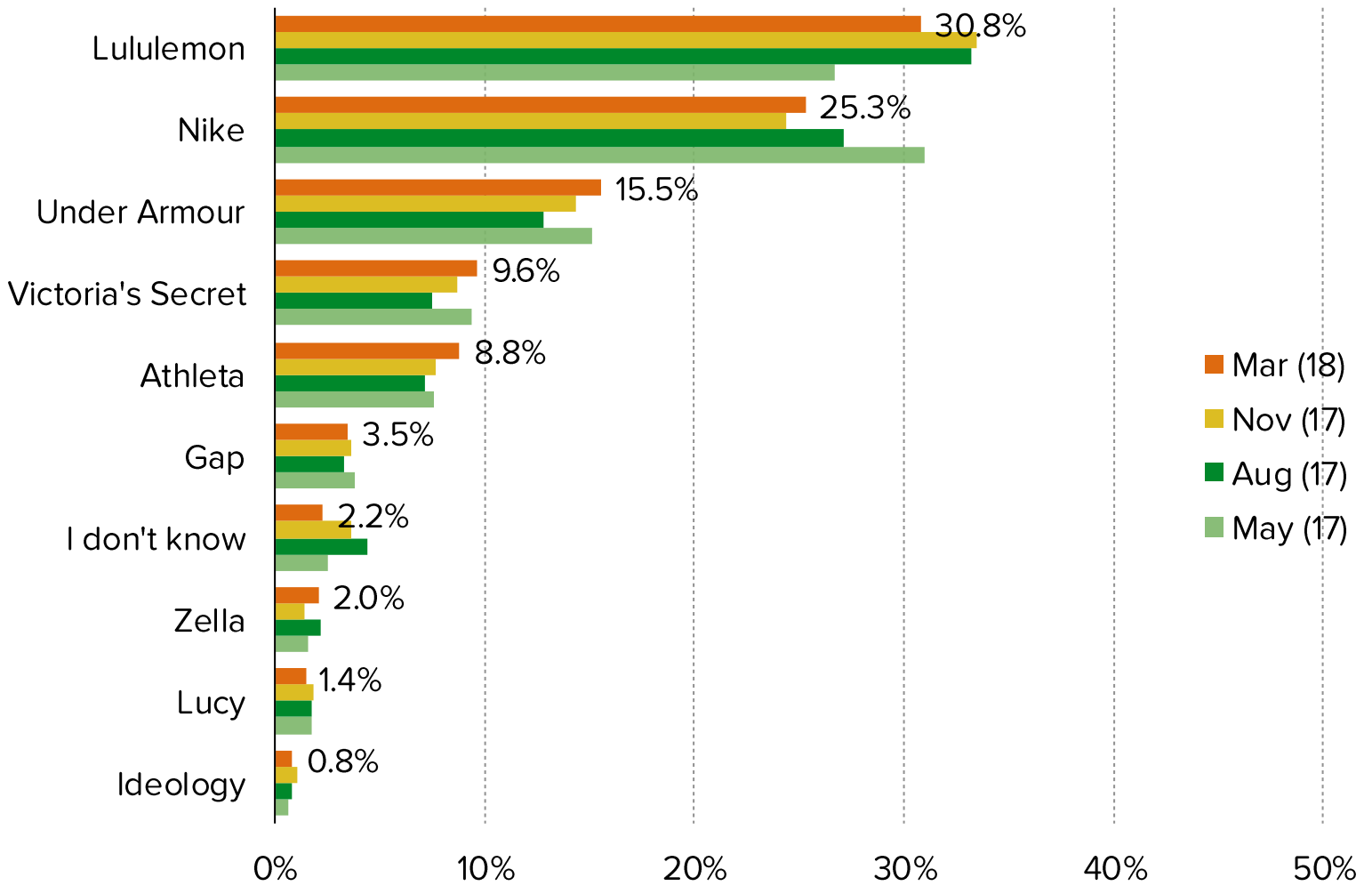
WHICH YOGA PANTS WOULD RESPONDENTS CHOOSE IF BUYING TODAY

ACTIVE LULU CUSTOMERS



WHICH OF THE FOLLOWING DO YOU THINK USES THE BEST FABRIC IN THEIR ATHLETIC CLOTHING AND YOGA PANTS?

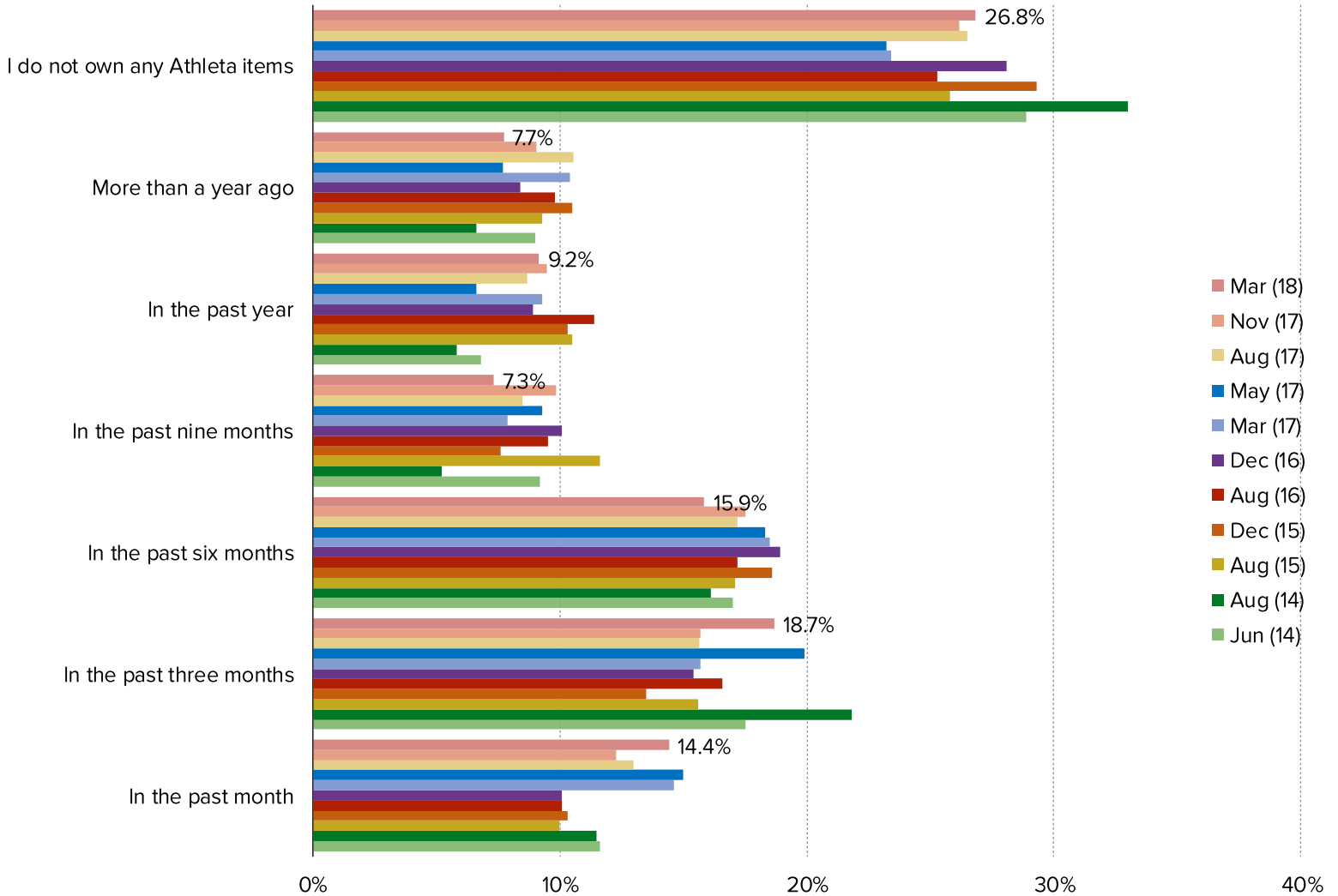
ACTIVE LULU CUSTOMERS



COMPETITION - ATHLETA

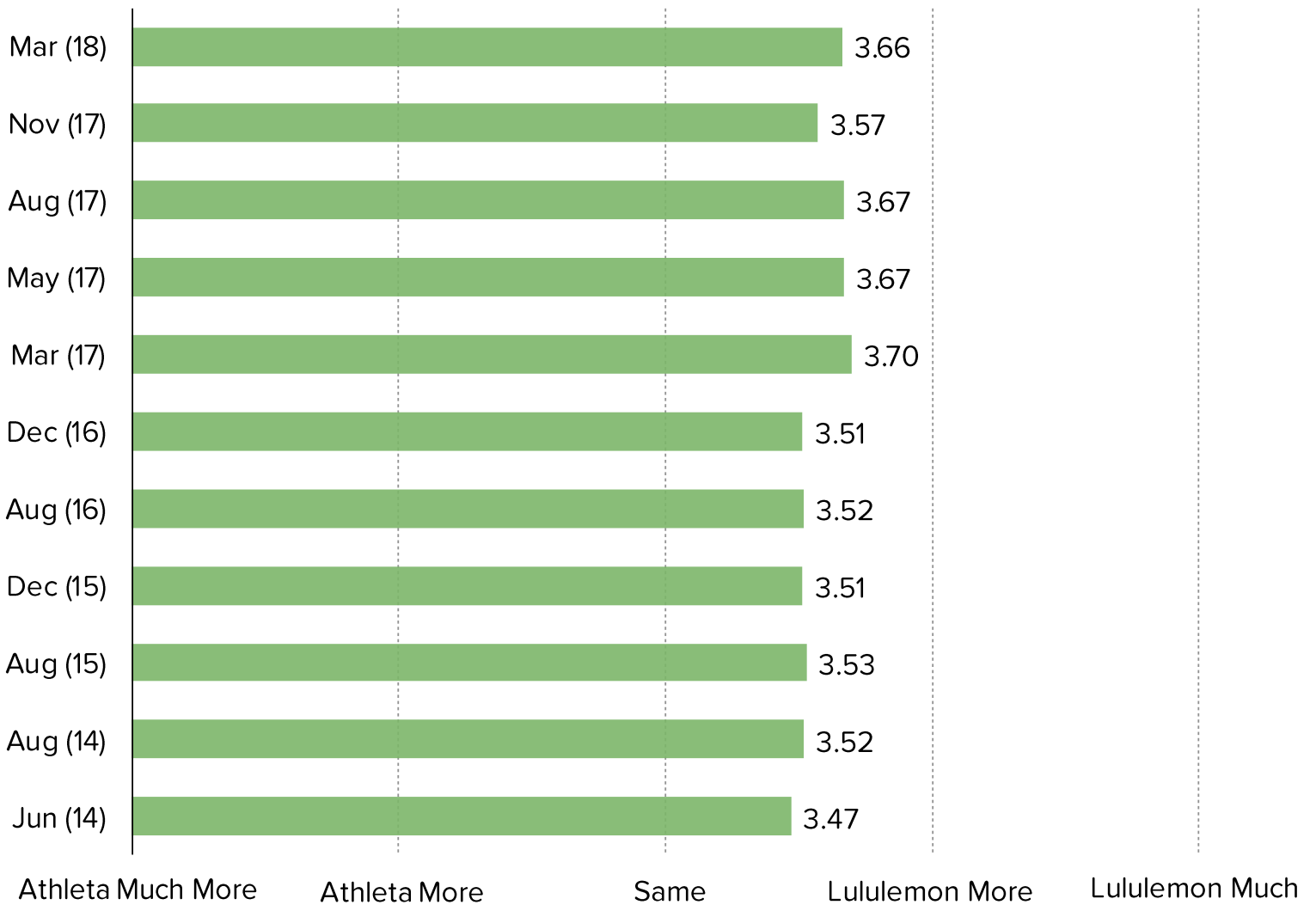
WHEN IS THE LAST TIME YOU PURCHASED OR RECEIVED ITEMS FROM ATHLETA?

ACTIVE LULU CUSTOMERS



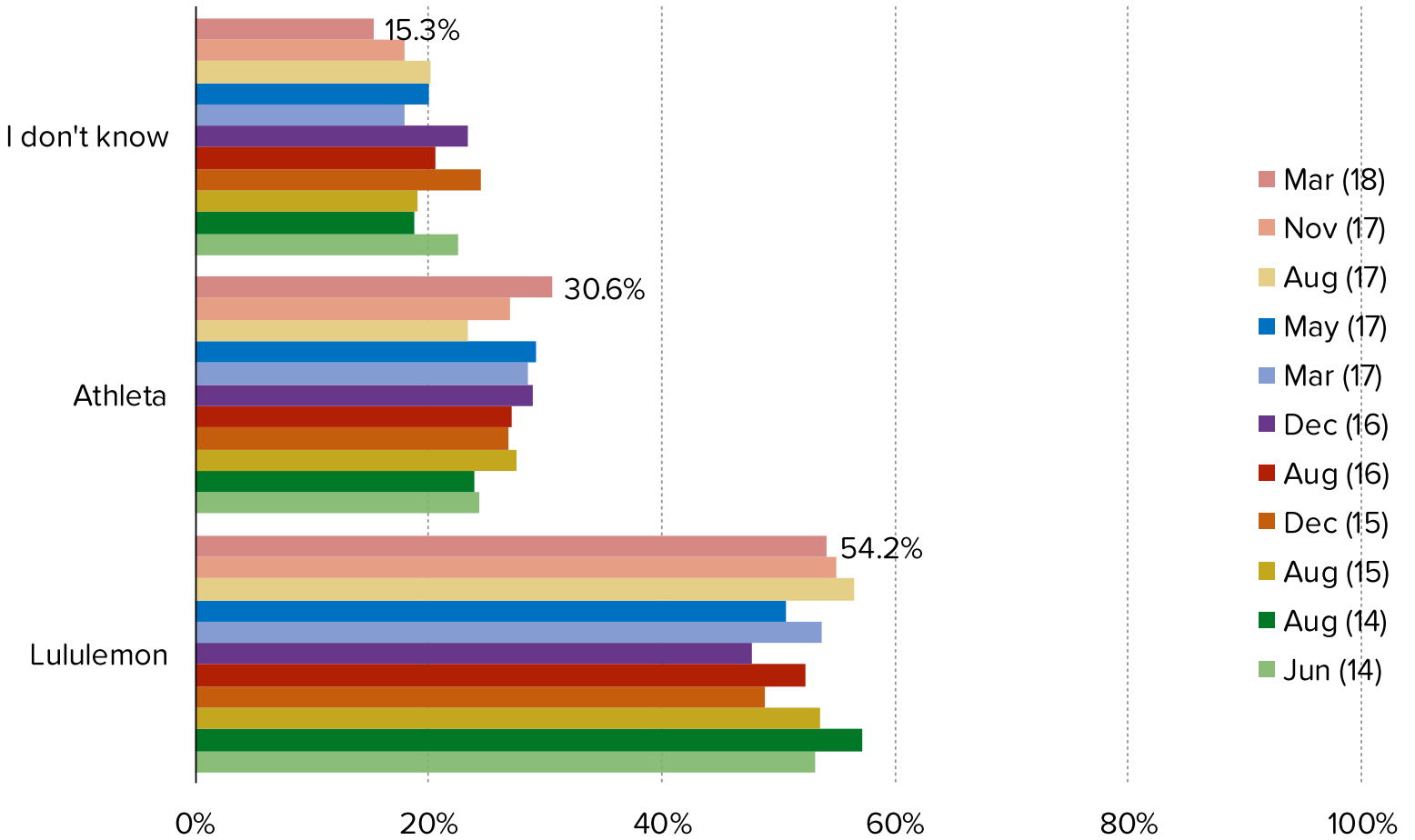
WHICH BRAND DO YOU LIKE MORE?

ACTIVE LULU CUSTOMERS WHO HAVE ALSO PURCHASED OR RECEIVED ITEMS FROM ATHLETA IN THE PAST YEAR



WHICH BRAND DO YOU PLAN TO BUY MORE OF IN THE FUTURE?

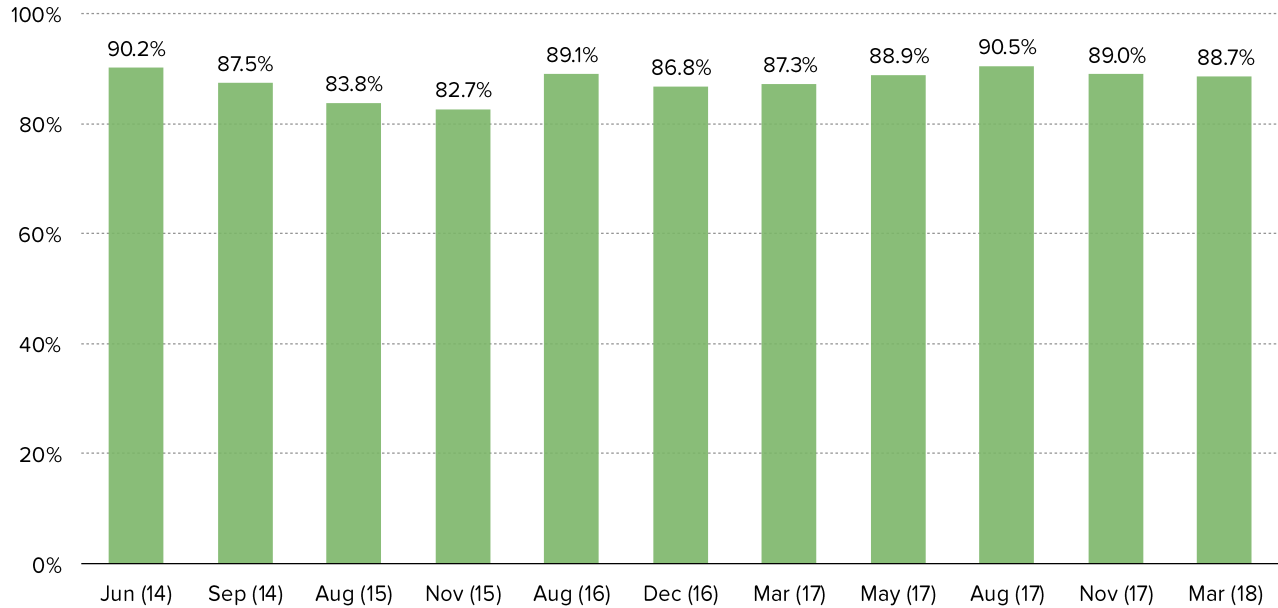
ACTIVE LULU CUSTOMERS WHO HAVE ALSO PURCHASED OR RECEIVED ITEMS FROM ATHLETA IN THE PAST YEAR



LONDON WOMEN

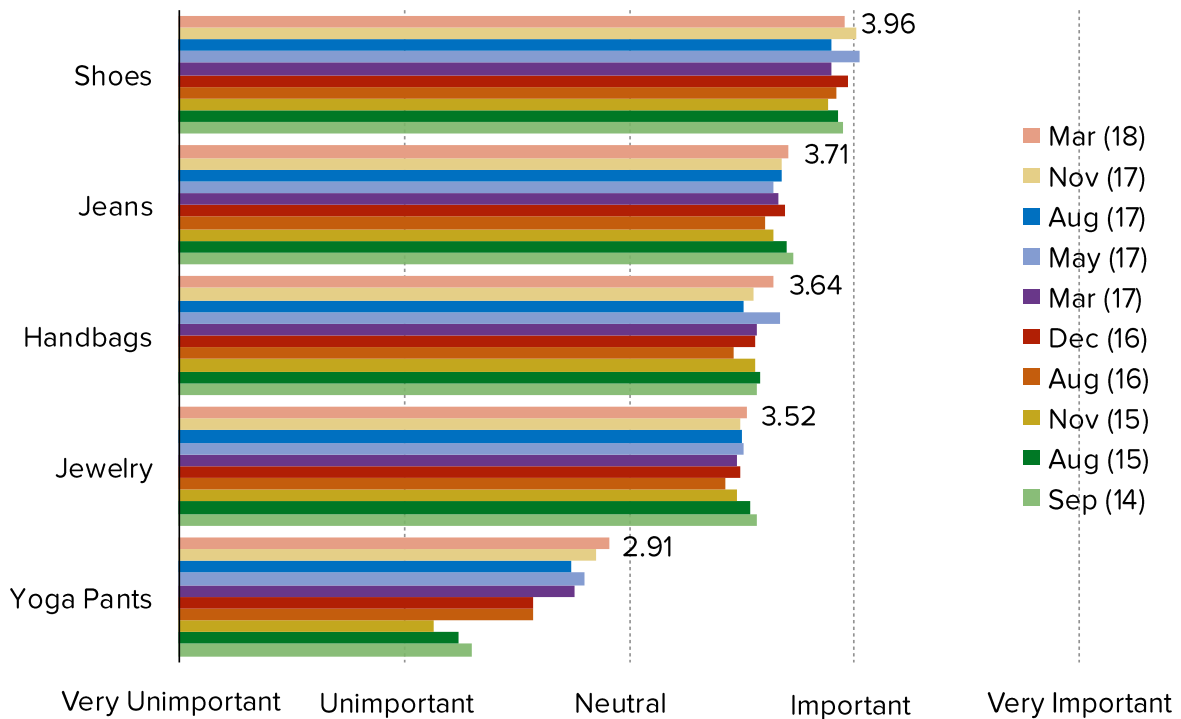
RESPONDENTS WEAR ATHLETIC CASUAL CLOTHING

LONDON WOMEN



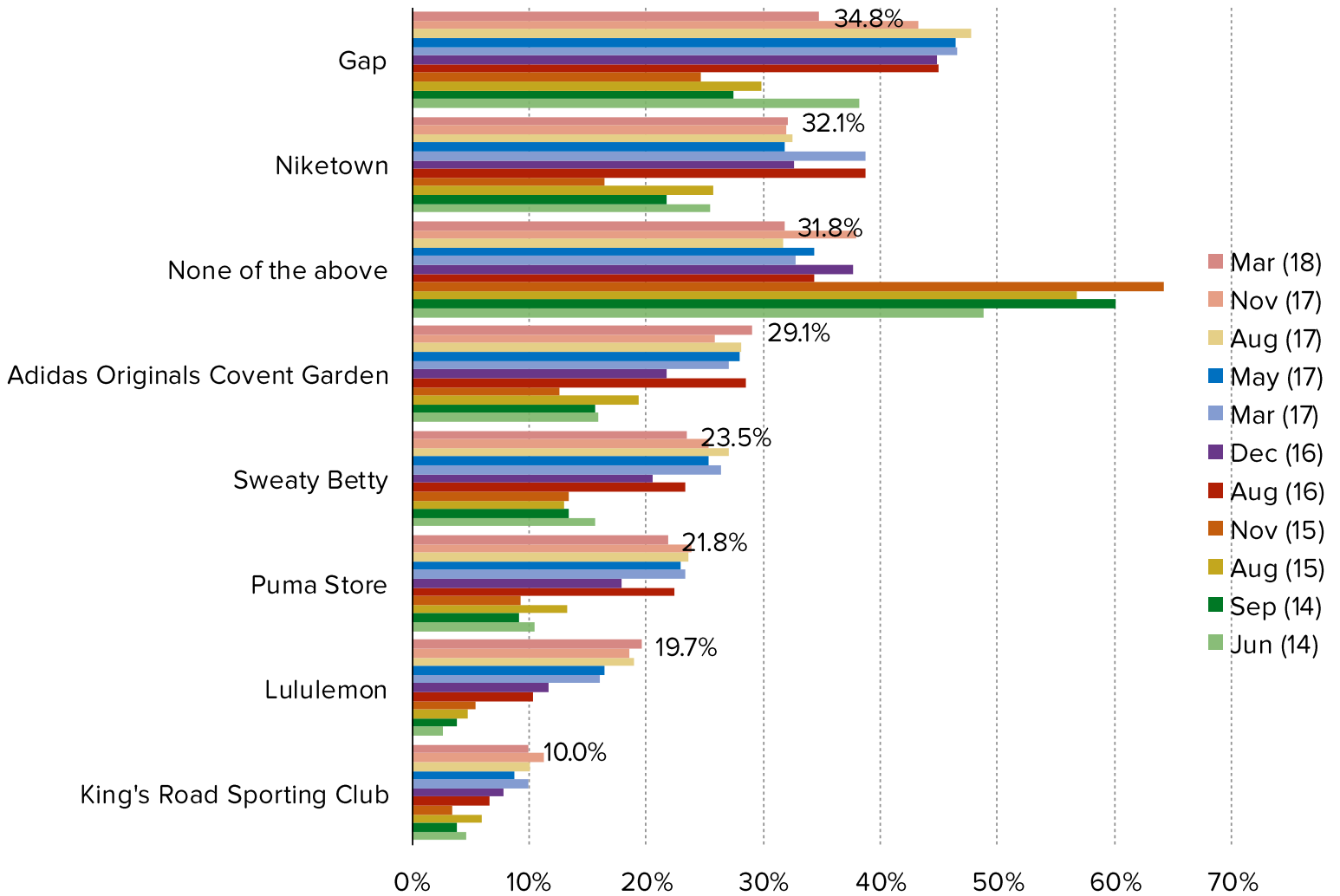
PRODUCT IMPORTANCE

LONDON WOMEN



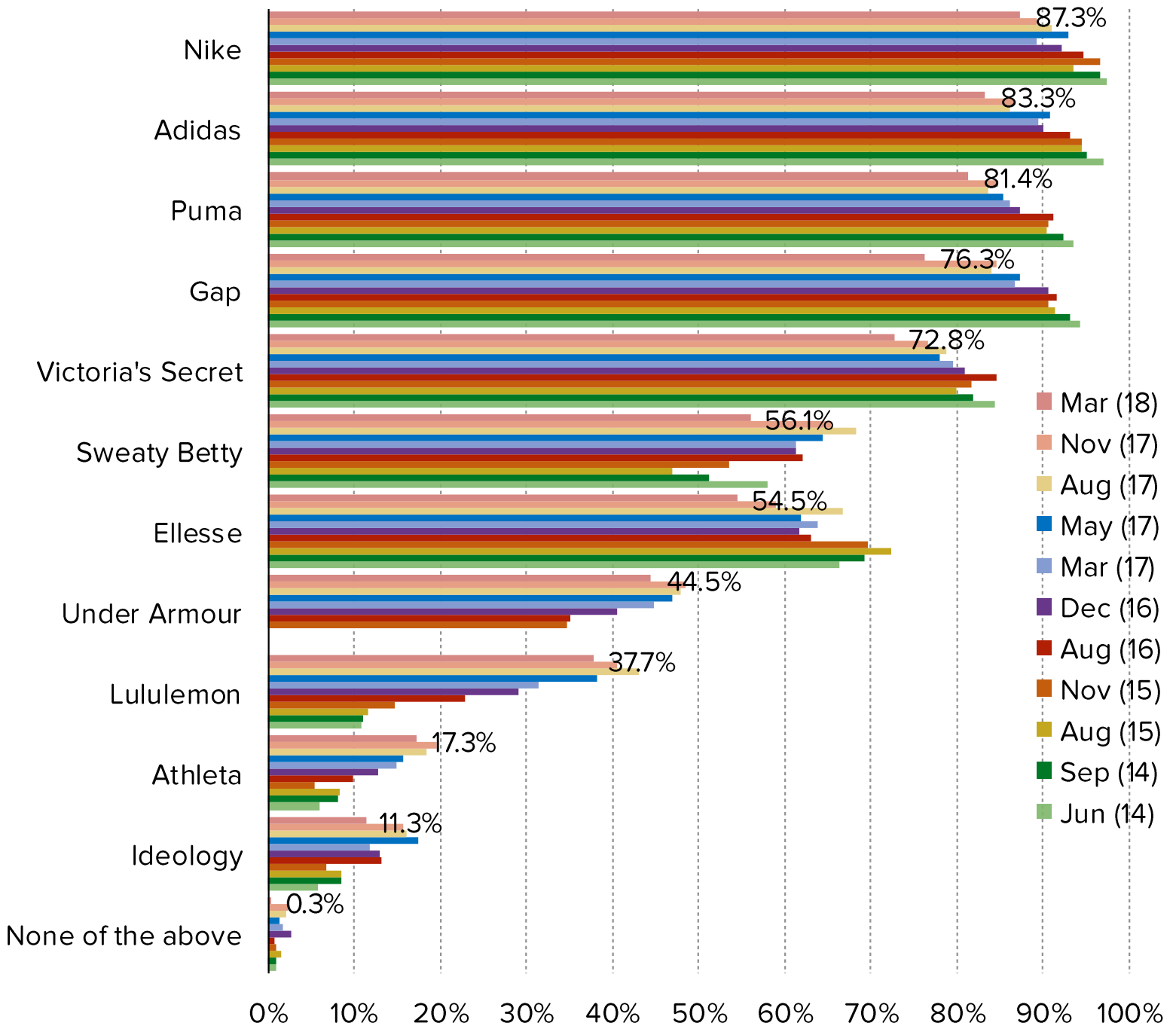
VISITED IN PAST THREE MONTHS

LONDON WOMEN



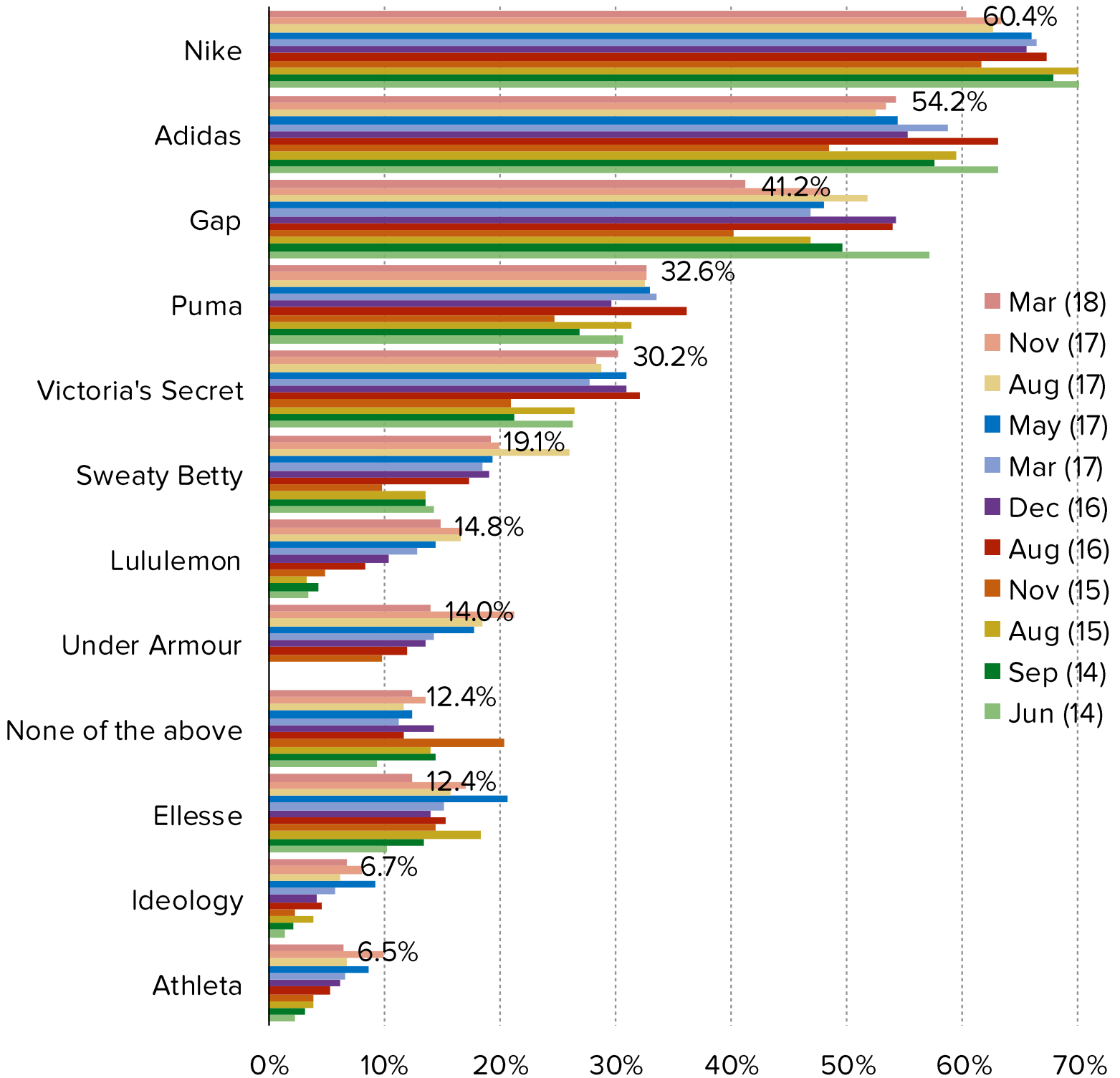
BRAND AWARENESS

LONDON WOMEN



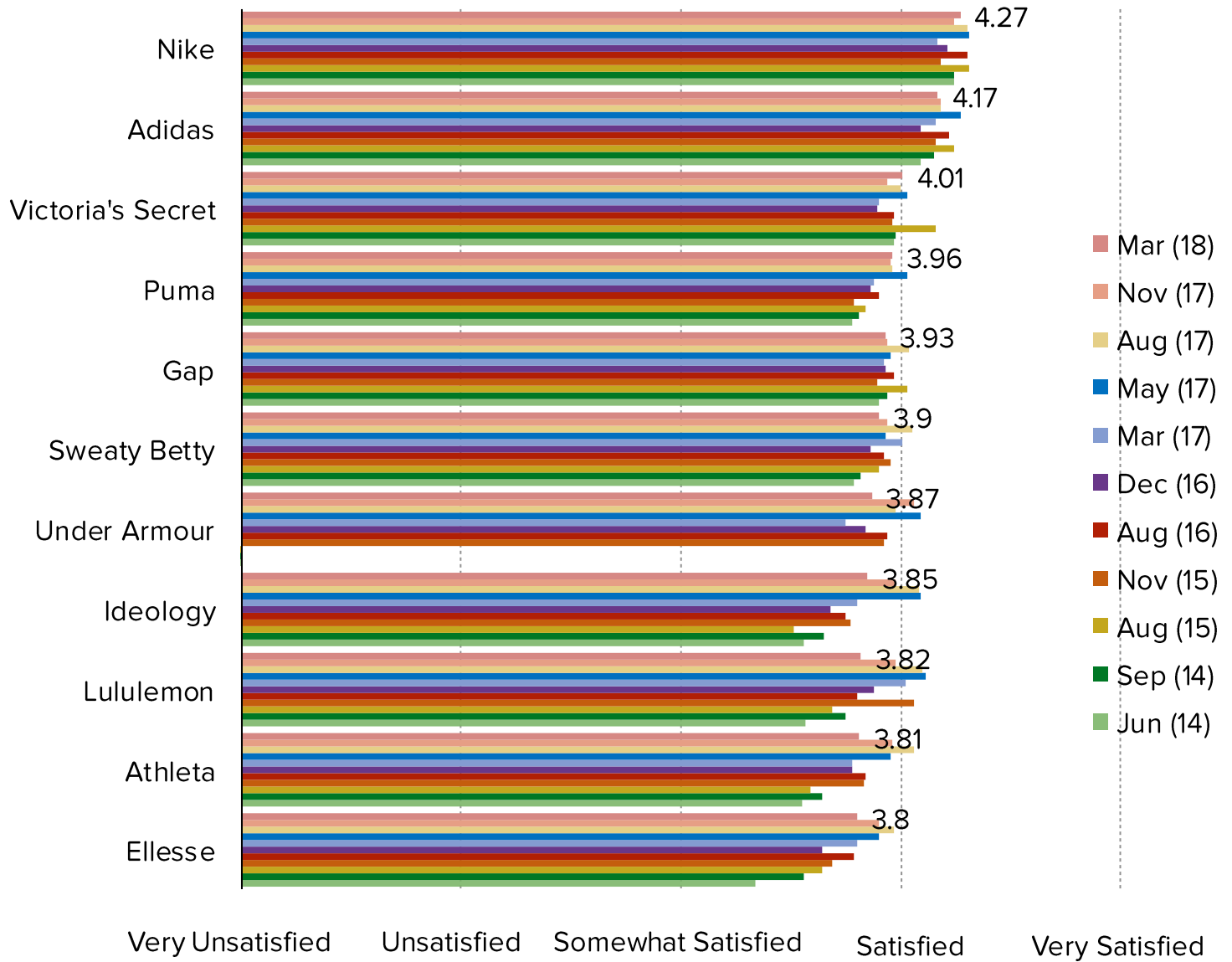
OWNS ITEMS

LONDON WOMEN



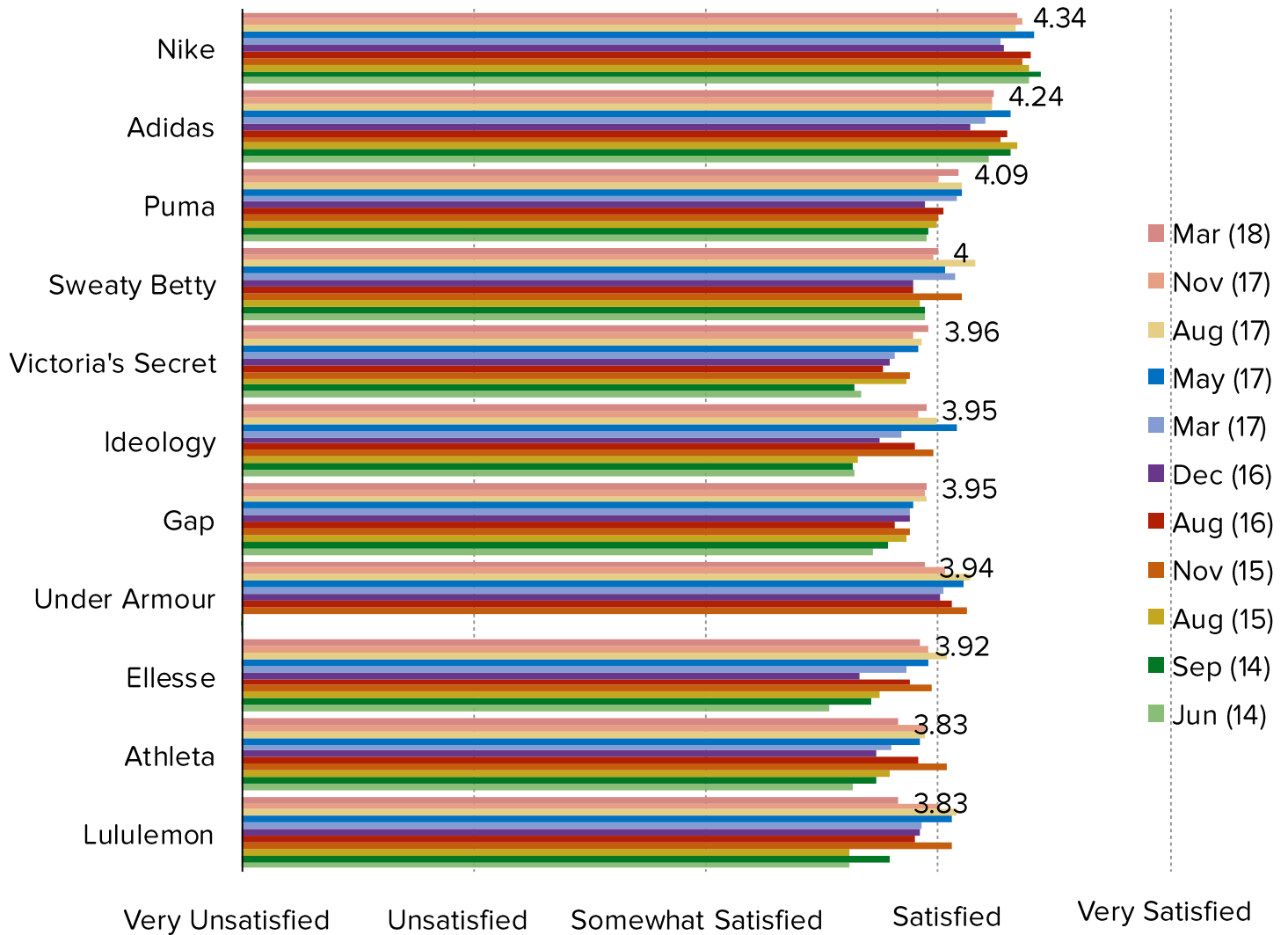
SATISFACTION WITH FASHION APPEAL

LONDON WOMEN



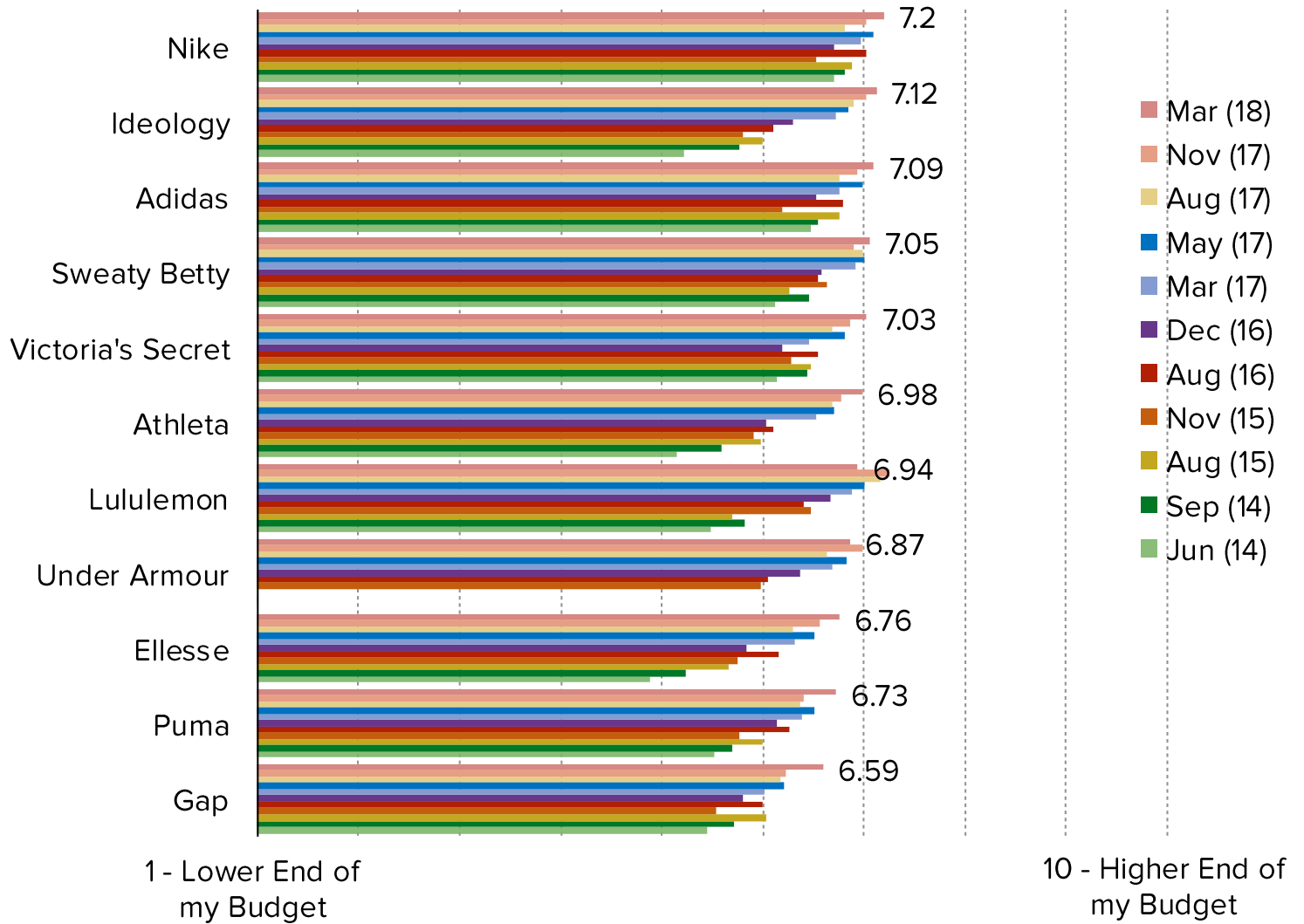
SATISFACTION WITH ATHLETIC PERFORMANCE

LONDON WOMEN



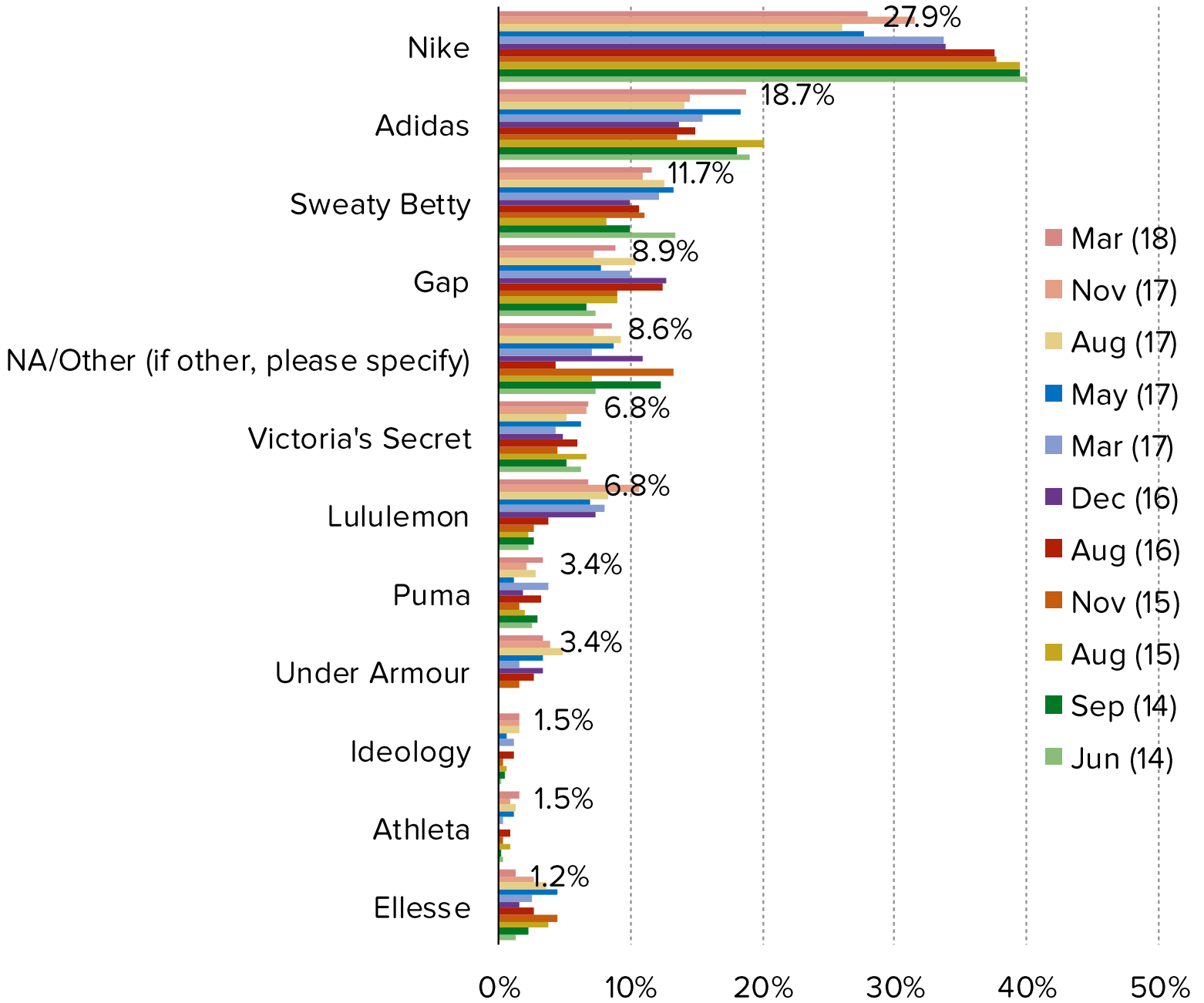
AMOUNT WILLING TO SPEND ON YOGA PANTS

LONDON WOMEN



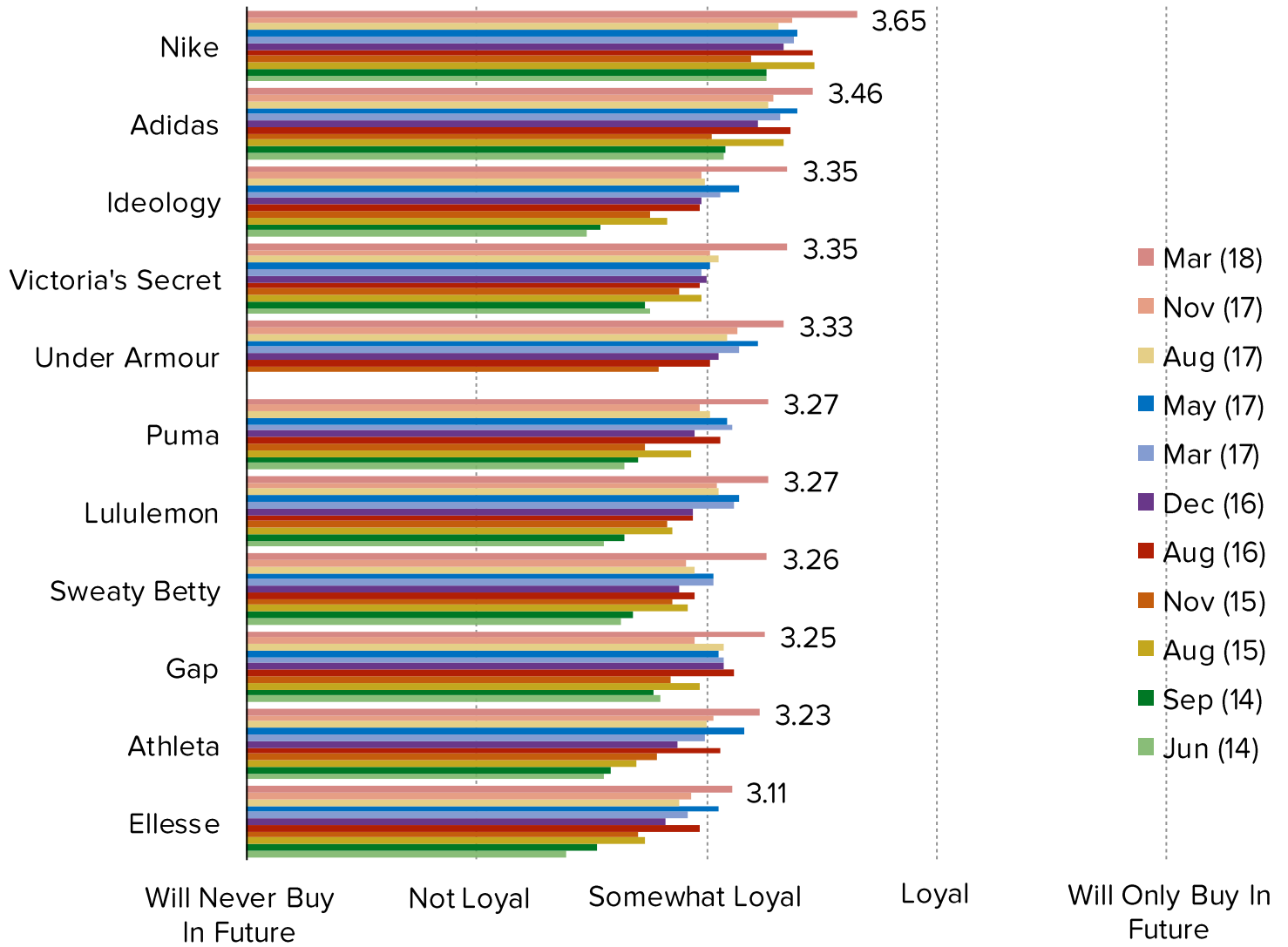
BRAND RESPONDENTS WOULD CHOOSE IF BUYING YOGA PANTS TODAY

LONDON WOMEN



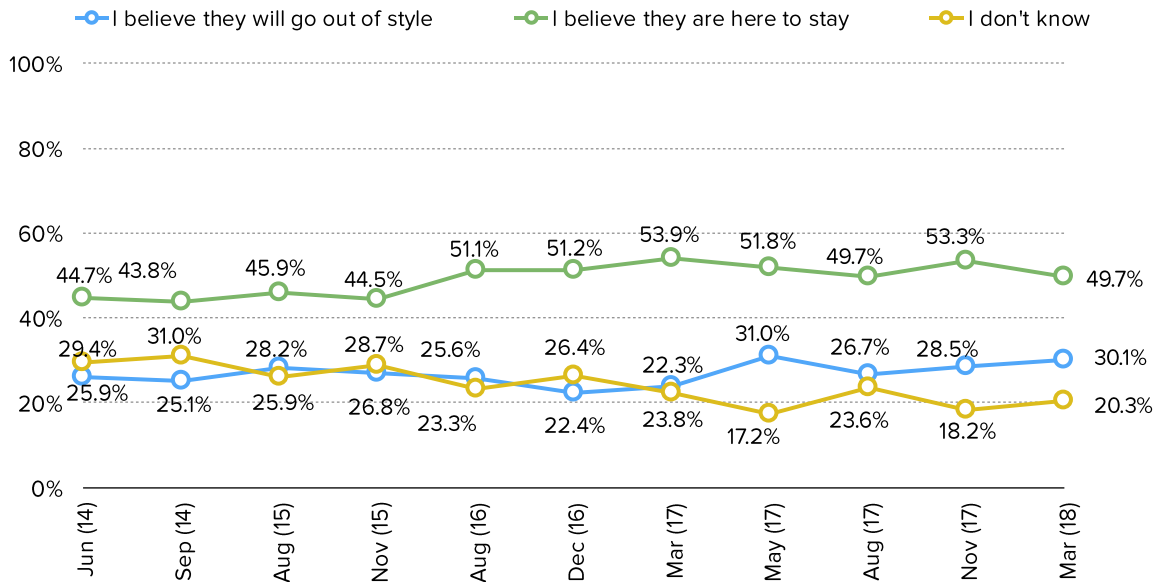
BRAND LOYALTY

LONDON WOMEN



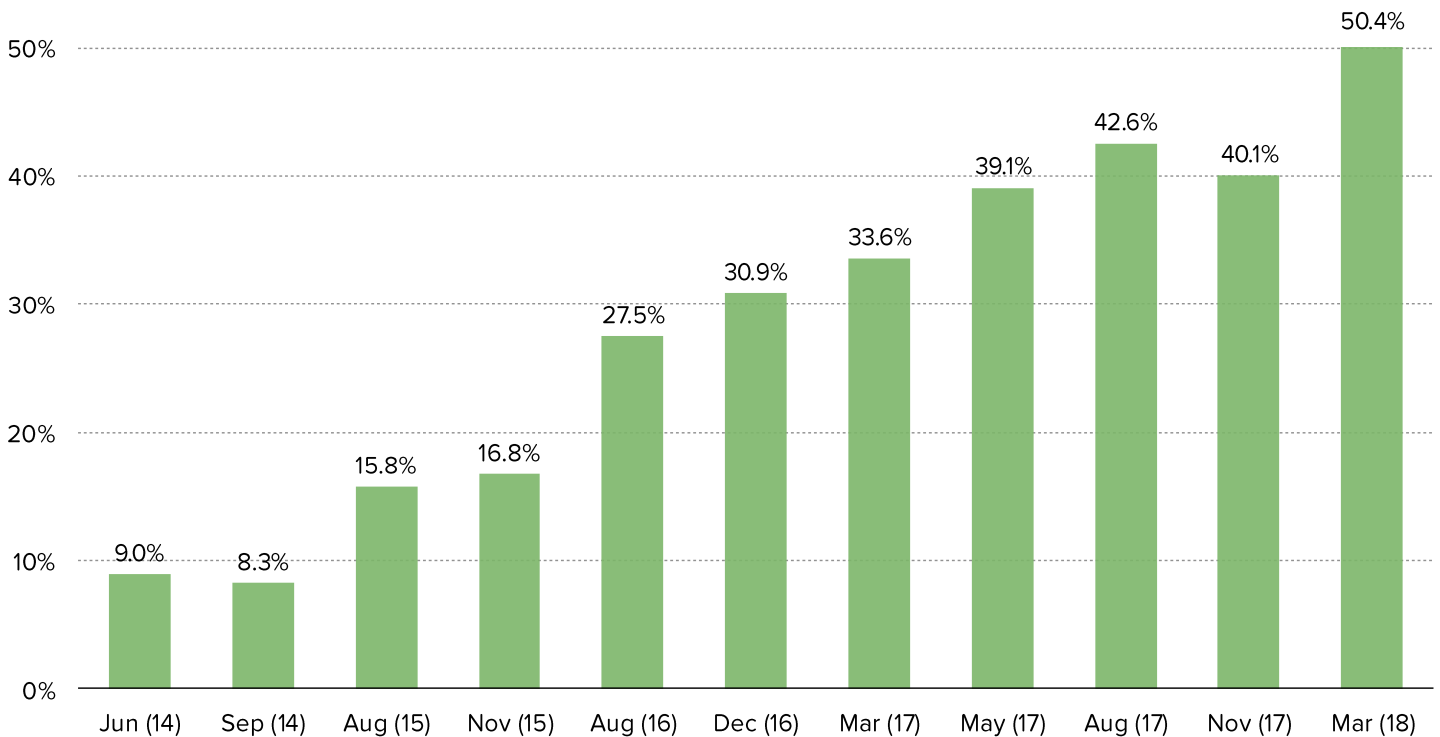
OPINION OF YOGA PANTS AS FASHION STYLE

LONDON WOMEN



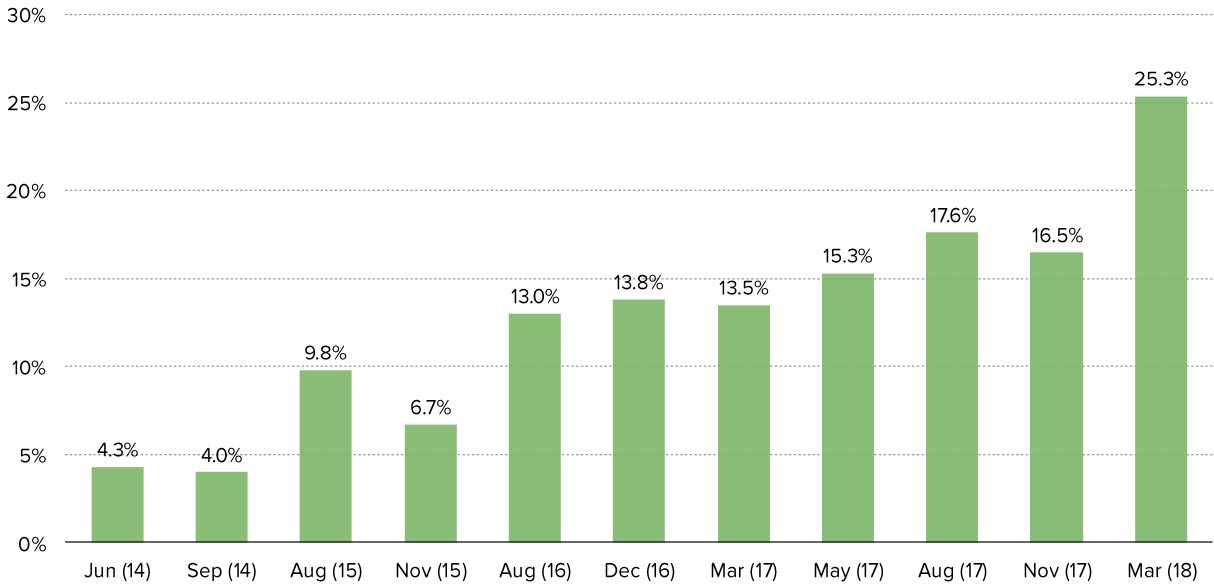
AWARE OF LULULEMON STORE OPENING IN LONDON

LONDON WOMEN



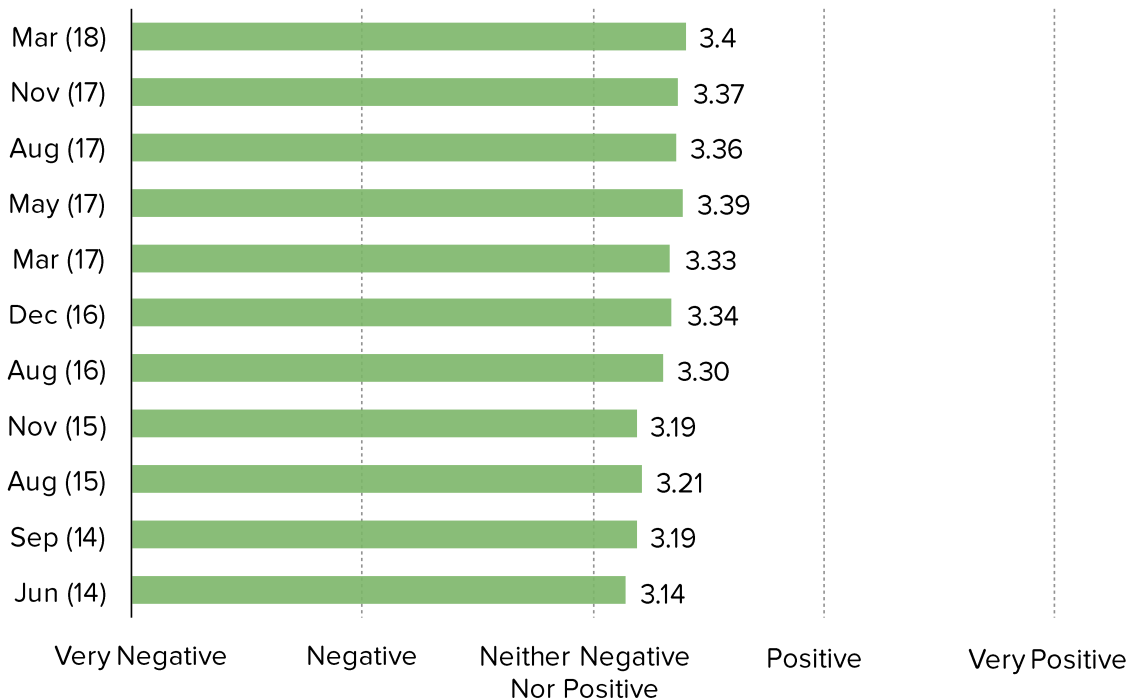
NOTICED ADVERTISEMENTS FOR LULULEMON'S NEW STORES

LONDON WOMEN



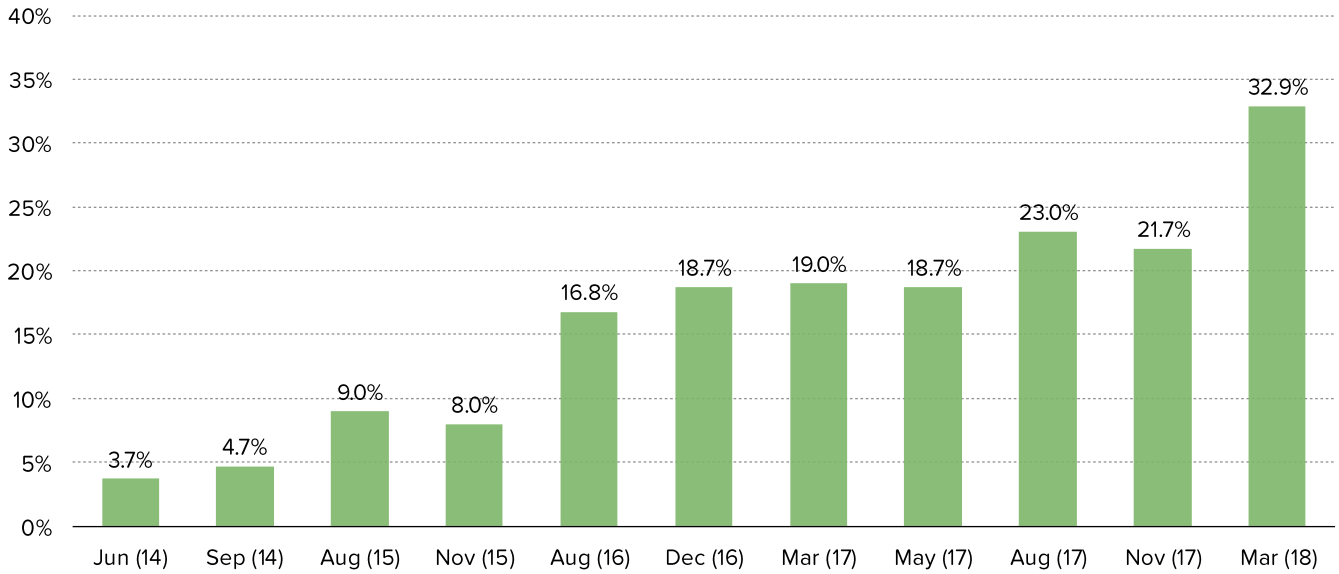
SENTIMENT TOWARD LULULEMON'S NEW RETAIL STORE

LONDON WOMEN



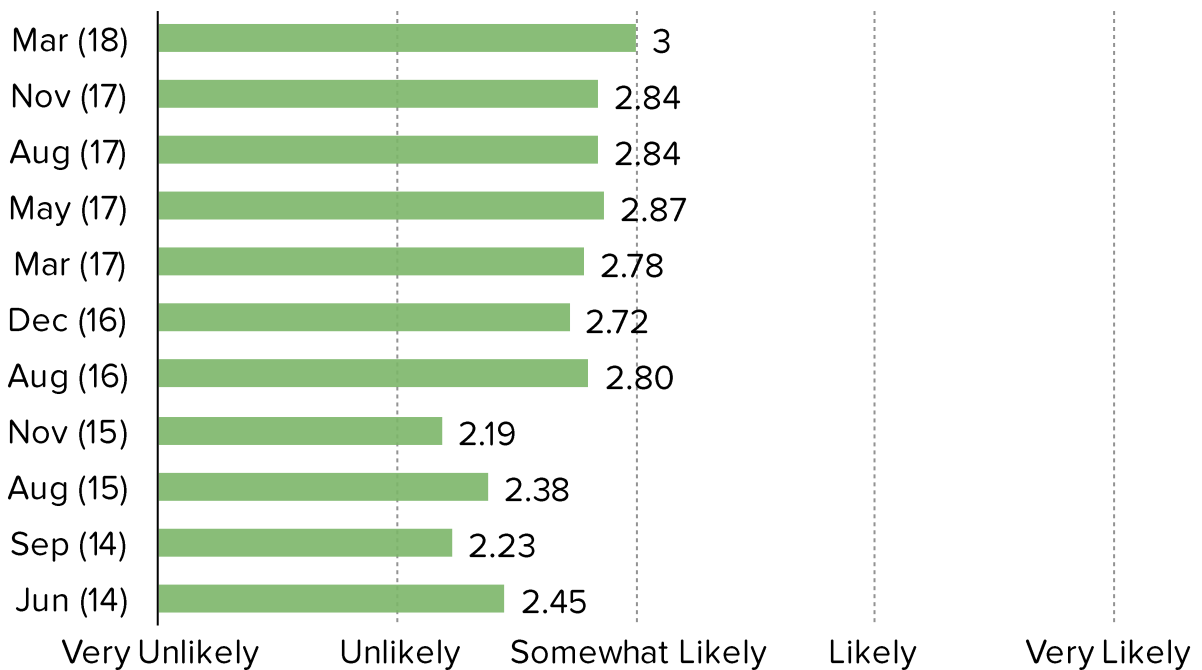
VISITED A NEW LULULEMON LONDON STORE

LONDON WOMEN



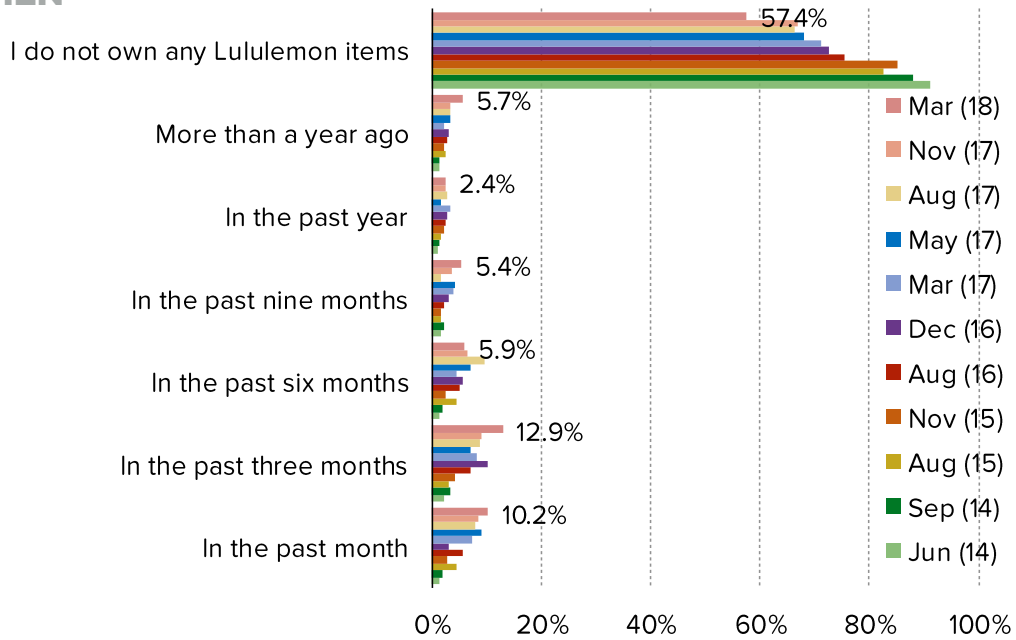
LIKELIHOOD OF VISITING A LULULEMON STORE IN THE FUTURE

LONDON WOMEN



LULULEMON PURCHASE REGENCY

LONDON WOMEN



“I PLAN TO INCREASE USAGE OF LULULEMON PRODUCTS IN THE NEAR FUTURE”

LONDON WOMEN

