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Retail's Paths to Athleisure

By Greg Petro for TotalRetail November 27, 2015

onsumers are getting comfy. Over the past few years, we've seen a shift in how consumers dress for both work and play. From casual tennis shoes and T-shirts at work to yoga pants at the local watering hole, fitness wear is moving beyond the gym and hitting the streets.

According to NPD Group, "athleisure" clothing sales generated almost <u>\$35</u> <u>billion last year</u>, which reflected 17 percent of the entire American clothing market. Men, women and children alike are buying into athleisure apparel, and brands are acting fast to give consumers what they want. And it's not just traditional fitness clothing brands

like <u>Nike</u> and <u>lululemon</u> th at are taking advantage of the athleisure trend. Recently during New York Fashion Week, many high-style brands made their athleisure debut, including <u>Tory</u> <u>Burch's</u> Tory Sport label.

With more entrants making their way into the market, how can your brand stand out? And will it be worth your time and investment?

Why You Should Invest in Athleisure: New Revenue Opportunities

Athleisure's rise is largely connected to fitnessconscious consumers who integrate athletics into their everyday lifestyle. Activewear encourages a more active lifestyle. As more consumers started purchasing activewear, they came to love the versatility and comfort of this new clothing style.

Now, almost <u>half of the</u> <u>people</u> who buy activewear say it's not for athletic purposes. This trend is sustained by business cultures becoming more casual. It's <u>increasingly</u> common to see people wearing tennis shoes and yoga pants to meetings, something that <u>disgusts</u> <u>"Project Runway" mentor</u> <u>Tim Gunn</u>.

Further fueling this comfortable business attire trend. athleisure apparel has become more fashion-forward with elevated designs and expanded dress-up or dress-down capabilities. For instance, Alexander Wang graced shoppers with suits and dresses that fit every athleisure need, and several lines offer anything from stylish jackets and vests to staples like tees and tanks.

It isn't just clothing that's seen increased demand from the style trend. Athletic accessories are also rising in demand, and <u>NPD noted</u> that bag sales, especially sport equipment bags and handbags, rose 35 percent among men last year.

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3 Paths to Capture the Athleisure Market

Companies can take a few different approaches in entering the athleisure market. For example, Dick's Sporting Goods opened Chelsea Collective, and New Balance launched NB Women, both brands aimed at female consumers. These offerings were ground-up ventures, starting from scratch to tailor items for a specific group of shoppers that may or may not already be loyal to the brand.

Other retailers simply revamped their classics. For instance, American Eagle Outfitters debuted its <u>Flex denim</u>, and Levi's is <u>adding some stretch</u>in a new line of jeans.

A third route retailers have taken to help gain adoption is partnering with celebrities, but this is far different from the traditional promotional method of putting a celebrity's face next to a product. Many celebrities have embraced athleisure as a lifestyle and want to share their take by designing their own lines, such as Carrie Underwood's Calia by Carrie, with Dick's Sporting Goods. It isn't just a aimmick to drive sales; it's a legitimate partnership. As the celebrity lines mature, the market will decide who the winners and losers will be, and that will take more than simple name recognition.

For any of the three options above, price will always weigh in heavily as more brands enter the arena — and the price range is already very wide. Kate Hudson's Fabletics line offers your <u>first outfit</u> for only \$25, while lululemon leverages its brand recognition to keep prices well north of \$75, and some designer brands sell leggings for \$400.

Pricing has always been a differentiator for retailers.

Some customers prefer the accessibility of lowerpriced items, and sometimes buying an entire outfit for \$25 is pretty hard to pass up. However, some lowprice options, like the Fabletics subscription model. may come with hidden drawbacks. Additionally, bundling multiple item types into a deal helps to expose the customer to a wider range of offerings. And yet other customers would rather pay for the designer label, even if it means sacrificing overall

comfort, quality or modesty.

The bottom line to be successful in athleisure: appeal to consumers' always-on-the-go lifestyles. Designing products that optimize quality, style and price is a sound formula for success.