Athleta: How Innovation Can Work With Marketing
Francesca Schorer

Graphic Communication Department
College of Liberal Arts
California Polytechnic State University
Winter 2017
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Abstract

The purpose of this study was to benchmark the branding methods utilized by the athletic wear brand, Athleta, as compared to its competitors in the athletic apparel industry. Once the benchmark innovations have been identified, I would recommend that Athleta implement them into their current marketing channels. There was in-depth research done upon the overall industry environment that Athleta is operating in, recent trends and innovations done by their competitors, and the innovations that are being done by Athleta itself. There were also multiple interviews conducted with an Athleta employee to gain deeper insight into the brand as well as a survey looking into a variety of potential customers and the values that they find most important for athletic wear. This research found that certain marketing techniques, including tribal marketing and certain photography content could be beneficial to the Athleta marketing strategy. The conclusions from this study can be taken by Athleta to have a better understanding of their customer. They can show their most unique qualities of their products to increase sales.
Chapter 1
Introduction

Purpose of the Project

In the recent years there has been an incredible increase in the fashion industry, specifically with the strong rise of the new athleisure sector. Many women have come to appreciate what it means to live a healthy and active life while accomplishing other responsibilities throughout their day. In this new lifestyle, women want to make sure they look good and have functionality with their clothing. This has lead to the ever more popular athleisure industry, which includes fashion pieces that can go from yoga or a spin class, to getting groceries and even wearing them to the office. This sector is allowing women to live the kinds of lives they want while not having to sacrifice their appearance.

The rise in the athleisure segment has contributed to the overall increase of revenue in the fashion industry as well. According to the NPD group (a prominent market research group), “US consumers spent $323 billion on apparel, footwear and accessories [...] This was a $2 billion increase from the prior year, and largely thanks to the dramatic growth in sales of activewear.” (Weinswig, Deborah).

An important aspect to the success of the companies (i.e. *Athleta, Lululemon, Under Armour, Nike, Zella*) that are focusing on this athleisure wear is the functionality of the pieces they are creating. Those purchasing the items appreciate when these products can withstand the busy lifestyles that they will be put through. Because of the activities that these items will be put through, these companies need to also be continually working on the innovation of their design and materials they are using. The purpose of this project
is to look into the innovation methods that *Athleta* is currently employing as a prominent company within the athletic wear industry against those of its competitors. Then with these results, see how their differentiations can be implemented into their marketing strategies.

This athleisure industry is an interesting shift within fashion, and also one that doesn’t appear to be going out of style anytime soon. It is a creative way for those leading busy lives to dress in a way that is well put together as well as functional.

The most evident problem that *Athleta* faces on a regular basis is its close comparison with other athleisure and athletic wear brands, especially *Lululemon*. The increasingly high saturation in this market causes them to be more critically compared. Throughout my research as I was looking for data and other articles on *Athleta*, there was almost always an article or website highlighting the close comparisons between *Athleta* and *Lululemon*, their prices, social media strategies, product designs, and blog posts. *Lululemon* has generally been coming out on top when looking at the two brands.

The problem is *Athleta* hasn’t distinctly identified itself enough to be looked at as something other than just the competition for *Lululemon*.

This research will get a clearer understanding of what makes *Athleta* a unique brand that has its own strengths. Then highlight these strengths through suggestions for future marketing for the brand.

This research will focus on *Athleta’s* core customer; women aging from 30-50 years old. This is a slightly older demographic than the typical college aged women that are heavily targeted in this industry.

**Significance of the Project**

The athletisure industry has gained an ever-increasing amount of popularity among consumers since becoming a part of the fashion world. Because of this high popularity, the competition of this market has become quite saturated, with an increasing
amount of options being offered by specifically athletic wear-only lines, as well as companies that offer a variety of fashions. Understanding what sets these companies apart from each other, especially with the ways they are innovating their products and exploring new ideas for their customers is important to find which products will work the best within consumers’ daily lives.

This project looks to help Athleta with examining ways to encourage their consumers in their active lifestyles through innovation. Along with evaluating their current methods and current competition, this research will provide the company with applicable methods on how to market themselves to their target audience by highlighting the innovations unique to Athleta. My research will see how those unique testing methods can contribute to the marketing of the brand and add to the brand image.

I will be looking into how they evaluate performance, durability, comfort and function for the intended activity, fit and finish, weatherproofing, breathability, and preferred style. I will also be seeing how they incorporate their findings during the innovation process into their products.

The relevance of this project will not only apply to Athleta itself, but also for consumers of the athleisure and outdoor industry. It will allow for consumers to get a deeper look at the different testing methods that are used to make sure the desired product is durable and useful for the activities they will be engaging in. I will be highlighting this information to create awareness of the intentional purpose of these products. They are all created with having the customer’s desires in mind. It will be useful for consumers to know the effort that goes into these athletic wear pieces. These testing methods ensure that their gear will last through the various adventures it will be taken on.

Athleta has been able to capitalize on this recent trend, experiencing a growth of 95% during a review period between 2010 and 2015 according to a category briefing done by Euromonitor, the world’s leading independent provider of strategic market research looking at product and services from around the world. Athleta has also been able
to grow from an originally catalog only brand to now having 120 brick and mortar stores nationwide, as of January 30, 2016 (businesswire.com).

**Interest in the Project**

My interest in this project hits close to home. I have always been extremely interested in the world of fashion. Ever since 6th grade (at least that’s my earliest recollection), when I started consuming fashion magazines as if it was a part of my diet I loved the way that fashion could transport you to any time period in any place, even if that place was something this world has never seen. I have seen fashion as an incredibly unique type of art; a way of self-expression that you get to experience your life in. I have always appreciated the way it can transform and empower people every day. As I also enjoy all the outdoor activities this world has to offer: hiking around the beautiful cliffs of Montana de Oro and skiing in the mountains of Lake Tahoe, I have found an even greater interest in the world of athletic wear. You go on adventures wearing this type of clothing, push your limits, and enjoy all the world has to surprise you with. You want to make sure that your clothes will stand up to the abuse and be durable enough to make it through everything.

I’m excited to be working with *Athleta*. This company is an amazing example of empowering women to experience all these adventures in a healthy way. I have had the privilege of seeing inside their offices and hearing about their philosophy to encourage women and to live healthy, positive lives. I love that they encourage their own employees to embrace their own athleticism. They can truly know what their customer is going through when they use the product. They create products that work, because they have experienced it themselves.
Unique terms to be aware of:

*Innovation labs:* This is the term given by *Athleta* when talking about their product development programs. Product development includes creating new materials and taking into account new designs from the design team, all the way to gaining insights into consumers. Insight comes from analyzing customer feedback from their online store.

*FitLabs:* This is the name *Athleta* gave to their firsthand experience strategy for testing their products. These FitLabs can range from a yoga class to test their yoga styles in shirt and leggings, to going on a hike with their product development team to know what are some of the most important aspects in creating a day hiking pant.

*Athleisure:* refers to casual clothing – like yoga pants, sweat pants, and hoodies – that are designed to be worn for both exercising and for doing (almost) everything else.
Chapter 2
Summary of Literature

Current Athleisure Industry and Competition

The recent rise in this fashion niche market is proving to be more than just a trend. “The affinity between fashion and athletic wear continues to narrow for the third year in a row,” (2016. Friedman). The active wear popularity can be seen in the chart provided (Statista).

Table 1 – overview of those who purchased athletic wear in recent years

As the collaboration between athletic wear and fashion continues to become intertwined, this can continue to strengthen the fashion industry sales. It is even predicted by
Morgan Stanley, based on the current growth that this industry is experiencing, “by 2020 active wear will represent $83 billion in sales,” (2016. Weinswig). This is the industry as a whole, on a more specific level the sales are still impressive. In the area of yoga pants alone, prices for new arrivals “grew 341% in a three-month period in 2015, compared to the same period in 2014,” (2016. Weinswig). After looking at a variety of well known retailer, including Athleta and its competitors (Lululemon: $98, Athleta: $79, Zella: $54, Nike: $95, Under Armour: $69.99, Sweaty Betty: $105), the average price for a standard pair of black leggings is about $83.50.

As this rise continues, the competition has also grown. For Athleta specifically, the competition comes from companies like Lululemon, Nike, Under Armour and Nordstrom's own Zella. Lululemon, on its own, had a “global revenue of $2.1 billion in 2015,” (2016. Oniel) while Nike reported their fourth quarter earnings at $7.8 billion (2015. Nike).

**Innovation with Athleta**

The company that this project focuses on, Athleta, had been able to capitalize on this recent trend of athleisure, experiencing a growth of 95% during a review period between 2010 and 2015 according to a category briefing done by Euromonitor (2016). Athleta has also been able to grow from an originally catalog only brand, to now having 120 nationwide stores, as of January 2016 (2016).

In order to keep up with this kind of competition and the demands of consumers for a well-designed as well as a well-functioning garment, Athleta is continually working with customers and within their own teams in order to innovate using new technology. Currently, they feature a variety of materials that they’ve been working on, described on their website:

- **Sculptek**: Fiber technology that allows the fabric to hug your body with a 360 degree stretch so that it can fit any body shape. This material also has wicking and breathability for a more comfortable workout.
» Featherweight Stretch: unbelievably lightweight, living up to its name, while maintaining full stretch. The products incorporating this technology are also wrinkle resistant and pack down very small. It is made from recycled polyester, requiring less water and energy. This process has diverted 7 million plastic bottles from landfill in 2015 alone.

» Unstinkable Technology: Developed not only to keep you smelling good, but also with the environment in mind. The silver salts that are incorporated into the fabric are intended to keep the material smelling fresh, which allows you to not have to wash it as much. This reduces the amount of water needed to be used in the household. Even if it’s only one load per week, that can add up to saving 2,000 gallons per year. The technology is collaborated with Polygiene. They use natural, recycled silver salts. This technology is also used by companies like Patagonia and Sitka (Polygiene). The high performance company, Propper, has incorporated the technology too. Propper works with supplying the US military and first responders (2016). Polygiene prevents the growth of the odor-causing bacteria and fungi at the source.

» Regul8 Technology: Created originally to help the body temperature regulation of skiers as they work up a sweat on the slopes, then cool down significantly on the lift. This regulation has now been incorporated into Athleta’s running garments as athletes need.

» (Athleta)

One of the methods used by Athleta, is the way they have set up their response line for incorporating their innovations into their products. Their factories are located in Los Angeles as opposed to overseas so that they can more efficiently act upon their customer feedback. Having their factories within the same state as their headquarters in San
Francisco allows for a faster turnaround time and they can respond to more recent trends instead of planning years in advance.

For measurement and gaining deep consumer insight, Athleta uses Qualtrics. Qualtrics is “the most widely used customer experience software on the planet,” (Qualtrics). The software’s three incorporated elements include market research, employee insights and customer experience. Qualtrics gives its clients, like Athleta, the ability to create larger databases made up of its customers, as well as selected brand ambassadors. The program also allows them to build more optimal surveys. Qualtrics customers include Sony, Xerox, Shell, MasterCard and Microsoft. Athleta is able to take advantage of this technology by getting a far bigger sample size than most other survey options. They are able to have access to over 10,000 participants who can take their surveys. This way they can get a more comprehensive insight to what their customer wants from them as an athletic wear company.

**Competition Innovation**

In this growing athletic environment, Athleta is definitely not the only one making sure they aren’t left behind.

Lululemon is one of Athleta’s most direct competitors. When looking at their technology, their “apparel combines engineered tech with a minimal aesthetic for easy wearability in any scenario” (2016, Lieberman). Lululemon is working within this athleisure idea that not only does a garment have to function well for an active lifestyle, but also has to work well within any situation, not just when you’re sweating.

The company is also expanding their design abilities by incorporating digitally printed fabrics. “Using digital engineering + digital printing on nylon gave us the ability to bring [unique prints] into your workout in their truest forms, with all of the colour, vibrancy and detail we saw on the screen,” (2016).

One of the methods that Lululemon has implemented to cultivate an atmosphere
of innovation and new ideas for the company is their Lululemon labs. They currently have two of these labs in Vancouver and New York City. These labs were created to “create an exclusive line of clothing made and designed locally by [their] in-house design and production team” (lululemonlab). These labs give local designers an outlet for their creativity in the athletic world. Lululemon becomes apart of the community they’re placed in to not only be a brand, but a place where the local culture can be explored and celebrated.

Lululemon’s innovation is not only within their design methods, but the materials they use:

» **Pima Cotton:** This cotton is blended with natural fibers and yarn to create a softer feeling. The blend is also designed to be breathable and lightweight. When the fabric is paired with Lycra, then there is some stretch that allows it to move during activity. The soft feel comes from the longer and silkier fibers.

» **Cotton Fleece:** Their fleece is created from blend of cotton and polyester to be thick, warm and durable. They also designed it to not shrink so that the fit of the garment is never compromised.

» **Boolux:** This material is a rayon type coming from a combination of bamboo, TENCEL (one of their other personal fabrics made of wood pulp cellulose) and cashmere. This material is meant to be super soft warm and breathable.

» (Lululemon)

Another one Athleta’s strong competitors is *Under Armour*. *Under Armour* has a few of its own developments and methods to keep their edge in this market.

» **3D printing:** The company has been, and is still currently, developing a 3D printing process that will allow for advancement in their shoe creation process. The 3D printing allows for “mass customization and modernizes the process.”
The 3D printing versus traditional processes gives Under Armour more control over the construction parameters when making their shoes. However, even though it is impressive, the technology needs a lot of innovation and progression in order to work on a larger scale and keep up with demand. (2016. H.).

» *Idea House:* This is Under Armour’s method of opening up their innovation process to the masses. They welcome in outside ideas and creativity. Through the submission, if your idea is something enough to catch the attention of Under Armour, they will work with the entrepreneur to bring this idea to life (Ideahouse).

» *The Lighthouse:* This is Under Armour’s big innovation house. They bring all of their engineers, designers, manufacturers and technology into one place. An example of the technology they are working with is their 3D body scanner. It scans and takes many pictures of an athlete’s body to create an avatar that designers can work off of. It shows designers how the motion of the athlete’s body works while performing a sport so that they can design with that motion in mind. The Lighthouse provides a central place for the Under Armour innovators to work. (2016. Rega).

Nike, of course, is also a player that is known for pushing themselves within the athletic world. They have also been working to strengthen their relevance within the fashion and athleisure world. One of these progressions came with the creation of their Blue Ribbon Design Studio on their main campus in Beaverton, OR. This space opened up about a year ago to be “focused more as an atelier than an athletic development lab,” (2016. Friedman.). The Blue Ribbon Studio was created as “Nike realized that its designers needed an unstructured space where they could just play around and make things – almost anything they wanted. It is the ultimate creative indulgence.” (2016. Friedman). In
2014, Nike also began to open their NikeLab stores, a place to “showcase Nike’s interaction and collaboration with the brightest innovators in sport, design and culture,” (Nike-Lab). Nike is making their latest innovations more accessible by bringing them to market in a unique way that showcases them clearly to the consumer. It’s an entire experience that consumers are able to be a part of.

The Comparison

As this market is becoming more competitive, there is more comparison between companies being analyzed. “There is a lot of noise in the activewear market right now, as more manufacturers are marketing products that weren’t originally considered active or athletic apparel,” (2017. Mahoney). There is competition popping up in new areas that didn’t used to exist because of this increasing trend of having functional and stylish clothing. The most evident comparison between companies in this industry that I found during my research was that between Athleta and Lululemon as they are some of the strongest companies within this industry. Business Insider compared the two companies to take a closer look at what made Lululemon’s standard yoga pants worth $20 more than Athleta’s. In their research, they found no crucial differentiating factor. However, Business Insider, Hayley Peterson, found that there was increasing frustration in the customer reviews of Lululemon. One customer had written, “They are thinner than my last pair, have pilled all in the thighs and stretch out when I wear them!… I feel like I have wasted my money.” (2014. Peterson). Even though Lululemon receieved these kinds of reviews around this time, it has not stopped its growth. As of March of last year, Forbes reported that Lululemon did better than expected in its fourth-quarter earnings and raised its stock 10% (2016. Williams).

Another point of competition between the two brands comes from the “Girl” Lines, sub-brands specifically targeted for younger customers. While Lululemon launched their Ivivva line, founded in 2009, Athleta has their Athleta Girl line that launched just
recently in the summer of 2016. Both of the sub-brands have close similarities, with both of their emphasis on the “experience” of their younger consumer (2016. Schlossberg), the experience of being a part of a cheer team, playing soccer, or a wide variety of other sports that girls engage in.

The comparison between the two companies is not limited to only their products; In one presentation that I found, it closely analyzed Lululemon’s and Athleta’s marketing channels, including Twitter, Instagram, Facebook, Pinterest, YouTube, and their website blogs. The presentation also looked at the companies overall through looking at their SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats). For a majority of the platforms, Lululemon came out on top. On their Instagram it was remarked that Lulu’s strength came from not directly pushing sales of its products with every post. While on Twitter, Lululemon also came out on top for creating “Twitter specific content, though its not much quantity, trumps Athleta who lacks Twitter specific content,” (2016. Hailey).

This is the kind of comparison that Athleta needs to separate from. As a fairly strong competitor in this market, Athleta is set to clearly differentiate itself, they just have to find some creative ways to accomplish this. That is what this project aims to look at for Athleta.
Chapter 3
Methodology

Goal and Objective

The goal of this study is to explore the innovation techniques of the athletic wear brand, Athleta, and those of its competitors. This study also focuses on looking at more clearly differentiating the brand so that it can assist with the problem of comparison in this industry. I will also be looking at Athleta in respect to the athleisure/athletic wear industry as a whole and how the industry has developed in recent years. With that information the research will lead to taking Athleta’s differentiating factors and incorporating them into their various marketing media platforms. The research will take a deeper look into what makes Athleta different from other athletic wear brands that have gained popularity in the recent years.

The objective of this exploration is to: Examine the innovation methods of Athleta and how they can be translated into a marketing strategy that can clearly differentiate the strengths of this business.

Data Collection

For the data collection there will be a variety of methods used to gain a comprehensive understanding of this industry as well as more specifically the company of Athleta. A survey will be distributed to a variety of women between the ages of 30 and 60. This is generally the age group that shops at Athleta, so this method will be looking into what they find most important in the athleisure or athletic wear products that they choose. The
The survey will be intended to get quantitative data that will gain insight into concrete preferences of the target audience. This survey will also collect feedback on information on the qualities that these women want or look for within the realm of product innovation. It will give this study a clearer idea of what Athleta should be focusing on when showing customers what sets them apart as an athletic wear company. The survey will also get information on what kind of content customers prefer to see from a brand like Athleta. Knowing what customers like to see will give Athleta a better direction on what they should be spending their money on when planning photo shoots for their catalog, lookbooks, and other media outlets.

Another method, this study will employ will be a case study with an Athleta employee who works in the product development department. This will gain deeper insight into this specific company and their processes (see appendix A for questions). This will provide more qualitative data to gain insight into the specific workings of Athleta and what sets it apart.

**Data Analysis**

When the data has been collected it will be examined to correspond on the type of study that was done. For the survey, the analysis will emphasize the different patterns that are created from the responses, looking if there are trends among age groups or other differentiating factors. This will add to the quantitative data that will be incorporated into the overall research. The case study with the Athleta employee and observation will provide qualitative data for the project. The case study will ideally provide insight into the company’s operations and provide more relatable information for those that are comparing various companies when shopping in this industry.
Chapter 4: Results

Survey

In order to get a deeper insight into my target market of women between the ages of 30 and 60, I surveyed 99 women. The two biggest percentages that made up 85.8% of the respondents came from the ages of 30-35 and 51-60. This data was collected through the sharing of the survey on Facebook and reaching out in my hometown community in the Sacramento area over a period of two weeks.

Of the women that responded, they tended to be a more educated group, 86.9% of them had at least graduated from college and 33.4% had further pursued a graduate degree or post-graduate degree. These women are also a busy group, 47.5% of them were fully employed, 24.2% were part-time employed and 18.2% described themselves at stay-at-home maintaining their families or households (refer to below).

A very high percentage of these women seek out the athletic wear, or athleisure, industry at a fairly regular rate. 44.4% of them said they bought clothing from this sector,
on average, once a month. The second majority (37.4%) said they bought this type of
clothing, on average, twice a year (refer to above). This was fairly impressive consider-
ing, of the options provided for respondents, these two were the most frequent and realis-
tic choices (the most frequent buying option was once a week, which isn’t the most real-
istic choice in retrospect). Another impressive statistic came when asked how frequently
during the week these women wear athleisure, 73.7% of the respondents answered that
they wore athleisure 4 days or more per week (refer to below). When asked specifically
about how often they specifically wore leggings during the week 48% said they wore
them 4 days or more per week.

Table 3 - frequency of athletic wear purchased

Table 4 - frequency of athletic wear/athleisure worn
When asked about the types of factors that influenced these women’s purchase decision, an overwhelming amount (61%) responded that their decision came largely from aesthetic, followed by the ability for the garment to have 360-degree movement (refer to above).

The kinds of innovations that these women were most interested in seeing came in a variety of different answers, but they could be assembled into a few different categories, including: aesthetic (or look), function and other. For the aesthetic category, women are looking for things like “flattering for all body types”, “different lengths”, “hides panty lines”, “color”, “non-see through tops or white that doesn’t stain”, “tummy control”, “not as tightly fit, but still look good”, “cute lounging outfits that aren’t necessarily for working out”, and “more length on jackets and shirts”. In the function category the responses included: “don’t ride down on waist” or “stay put through movement”, “bigger pockets” or “more creative pockets”, “better ventilation in leggings and bras”, “cold-weather tested”, “longer wear without the visible effects” or “durability”, “built-in fanny pack for i-phone”, “stain control on armpits”, “skorts with biking pads incorporated”, “sweat control on colored leggings” and “easy washability or maintenance”. The other category was much smaller including the idea of incorporating “recycled options, or eco-aware”.

These women were fairly conservative in their threshold for what they were willing to spend on a quality, or nice, pair of leggings. The greatest majority, at 38%, would...
be willing to spend $20-$40, 32% would pay $41-$60, and 23.5% willing to pay $61-$80. The remaining, and smallest, percentage would pay $81 or higher (not an uncommon price for a pair of leggings from brands like *Lululemon, Athleta, or Nike*).

In the survey, the *Athleta* brand did prove to have a well-established brand awareness with 82% responding that they had heard of the *Athleta* brand before. There were a variety of words that people associated with the brand, however many of the responses came down to a couple meanings: expensive, quality, and active wear.

Through this survey, I also looked at the importance of a company incorporating sustainability for these women. On a 10-point scale the majority, 55.5%, responded between 6-8 (refer to below), so while sustainability is important to these women, it wouldn’t be a make or break decision in the same way as those that answered a 9 or 10 on this scale (12.2%).

![On a scale of 1 to 10 (10 being very important), how important do you feel that the sustainability of a company is in your buying decision?](chart)

(93 responses)

*Table 6 - Sustainability importance*
Another aspect that I looked at was the preference in different types of marketing collateral. I presented my respondents with 4 different *Athleta* marketing photos, two of which were photographed in a studio setting and the other two were in outdoor, or more natural settings. The responses were stronger than I expected, with 59.6% choosing the photo of two women running across a mountain ridge with a beautiful landscape in the background. The second largest percentage (23.2%) came from the photo picturing a woman doing yoga on a porch in a tropical setting. The two with the lowest percentages - 4.1% and 13.1% - came from the photos taken in a studio setting.

**Case Study**

Another aspect of my research came from a case study with a current employee of the *Athleta* brand, Christine Oftedal. This case study was conducted with the goal of getting a more personal look at the athletic industry, the trends seen and a deeper understanding of the company itself. Christine has been with the company for 5 years and now works under the title of Associate Product Manager after starting at the company as an
intern during her time at the Fashion Institute of Design and Merchandising (FIDM). She was drawn to Athleta in particular because of their involvement in the active/outdoor industry while also being passionate about their mission of empowering women. When she looks at the industry as a whole, she finds it an especially “exciting time for the market.” When this company first started there were only a few key players in the industry, and now “every company is trying to get in, and they are successful because it’s such a trend right now, athletic wear has almost replaced the casual denim wear look, while also encouraging consumers to live a healthy and active lifestyle.” This is the biggest trend that she’s seen her time in the industry. When she says everyone, she means everyone, companies like Urban Outfitters and denim companies themselves are developing lines and fabric that are more comfortable to fit into this trend. Women want their clothes to keep up with their lifestyle and have that function that will also keep up. Christine talked about Athleta’s recent development of a denim-like pant for their own brand. She has noticed in their consumers that they are “no longer purchasing a certain piece for a certain activity, they want it to be able to transition with them throughout their day.”

For Athleta to keep up with the industry, they are “always trying to solve problems for their customers, looking at what can make her life easier.” They get this feedback through two methods:

- Wear-testing program: They test the product with the brand ambassadors and customers, then Athleta takes their feedback to share with their cross-functional team, which includes design, merchandising, fabric research and development and technology design, to create action steps around that feedback.

- Voice of the Customer: On a monthly basis, Athleta reads through and analyzes all of the online reviews that they receive about their products. This creates one more data points for the team to work from, as they have found their typical customer to be very vocal in the feedback process.
Once they have this feedback and know the kinds of problems that the *Athleta* customer has identified, they are able to work on the innovation aspect. The testing of these innovations comes through their programs, like an ‘*X-lab*’. Christine describes this process as a “sweat and share experience.” An *X-lab* is an event that is set up by *Athleta* that invites customers and brand ambassadors to come and do a yoga, crossfit, TRX, or some other kind of class to use their new product in a typical setting that it would be used. This gives the product development team the opportunity to interact with these women in a casual and authentic setting. They will work out together, then join together for a focus group. The marketing team will also be around during this lab to take photos for the ‘*Chi Blog*’ and other marketing channels, but also to listen for the kinds of ‘buzz words’ that the participants are using to describe the product. *Athleta* wants to incorporate these kinds of terms so that when they present the product to market, their customer will understand the terminology that was used by women like them, instead of professionals from *Athleta* who use more technical terms. *Athleta* will be conducting one of these labs in May to test out the next generation of their Sculptek that will have participants doing a Crossfit type of workout.

*Lululemon* does have a similar program that functions as more of a retreat than just a day to get that same kind of organic interaction with their consumers. *The North Face*, on the other hand, simply uses their sponsored athletes to get feedback on new product. The aspect that sets *Athleta* apart from these other brands is their transparency with their products and the target customer that they are including in their testing process. *Athleta* frequently talks about their programs, including on their *Chi Blog*, to show to all of their consumers that they highly value their feedback and want to understand if their product, or fabric, is truly useful to them. *Athleta*’s goal is to be as inclusive as possible for all women. They don’t just target the more intense athletes, like *The North Face* does.

When working on the design of their products and maintaining the balance between function and style, *Athleta* refers to their “*Pillars of Design*”. This includes a
checklist of what’s most important to the customer that Athleta needs to keep in mind throughout their process. The most important aspect that they have found for their customer is “does it flatter her? Or does she feel confident and beautiful?” With this in mind, their customer still holds high value on the garments functionality.

*Athleta* has been focusing recently on making sure that their product is more democratic as well, meaning that it will work for the biggest range of their customers as possible. They want to remain “relevant and cool” throughout the process.

When I asked Christine about the trend that I saw in my feedback on the association that many of my respondents had with the brand (quality, expensive, athletic wear) she was glad that the quality aspect, especially, was included.

“We stand by that, we have aspects like our unlimited return policy because we care about that so much about making sure our product is the best quality we can create.”
Chapter 5:

Conclusion

Through my research I was able to take a deeper look at what makes Athleta a more unique company from the angle of their innovation to see how these differentiations can be implemented into their marketing strategies. Right now they are operating in a market that is continually growing and they are facing ever more and more competition, which means more comparison among the various options.

The women that Athleta is generally targeting in their campaigns, are leading busy lives, either working full or part-time and/or maintaining a home and family. They are demanding clothing that will keep up with this kind of busy lifestyle while still looking good and feeling confident in what they’re wearing. This desire for style was seen in the response of what influences their purchase decision and Christine’s commentary on the motivation of company design based on their ‘Pillars’: the design principles the whole Athleta team keeps in mind throughout their product development process.

The most significant and differentiating aspect that I have seen throughout my research is the idea that Athleta works from a more personal and relatable position. While other brands, like Lululemon, Nike and Under Armour are influencing the market from the idea of being the highest performing, most modern, or striving for the highest intensity, Athleta strives for the clearest understanding of their customer. The older clientele that they are especially targeting has differing values from the younger demographics of their competition. Athleta works to be as accessible as possible to their demographic, it doesn’t matter if they are going on a walk once a week with their kids or are training for a half marathon, they want their product to be relevant in all situations.
Marketing this differentiation:

After talking to Christine and looking over the various responses from the survey, I saw that there was a much higher preference for marketing collateral that reflects an active, outdoor lifestyle as opposed to one that is depicted in a studio setting. As of right now this is what some of their profiles look like right now, specifically Instagram and their Chi Blog.

Based off the data I have collected and looking at these profiles, I have come up with a few suggestions on how Athleta could increase their followers, or customer base, and their readership or site views on their blog.

» Focus an increasing amount on outdoor photography that show cases the use of the clothing.

» Another feature that I noticed received a popular amount of likes on the Instagram page was if a post incorporated types of outfit inspiration that could be applicable to their consumers.
Working throughout the above ideas should be the cultivation of a tribe around the *Athleta* brand. A tribe is a certain niche target market that a brand is able to create. A tribe can be extremely beneficial for a brand, especially in a market that is growing more and more saturated. This group allows consumers to feel they are part of something bigger than themselves, a place where they belong and can join with others that share the same beliefs and interests. *Athleta* has begun to cultivate a type of tribe, one where women who strive to better their lives in simple ways are celebrated. The women who are empowering each other and building each other up in the midst of lives that are overflowing with family schedules, work, some sort of social life and maintaining their health to any degree that they can. When a brand creates an effective tribe, they begin to market the brand on their own. The tribe becomes something that people want to be a part of; they are naturally drawn in.

Ways to cultivate a tribe culture would be to provide consumers with outlets to interact with the brand. The *FitLabs* that *Athleta* currently encourages is a great step towards this, but they could extend their reach by extending their invitation further as well. This could come in many different forms. Strong options would be to have events advertised at local stores where customers could invite their friends to be apart of the brand. These are happening to a degree at some local stores, with meditation, on-site massage chairs and fitness classes. Immediately, these efforts could grow exponentially, as they are not easy to find opportunities on their blog or website. To broaden the impact of these tactics would be to encourage attendees to create artifacts from the event. Artifacts are pictures, comments, or other types of content that is consumer-generated that they can share with their own circle of friends or followers. Artifacts that could be encouraged in this case would be photos from the event taken by attendees, and one or two that proved to be in line with the company’s overall brand presence on social media.
could be reposted to the company’s accounts. This creates an incentive for the user as well if they are featured. It would incentivize not only that particular user to interact more with the brand, but their own extended network as well. This type of campaign could cross over into their *Chi Blog* as well. As of right now their most recent article that comes up when you search for “FitLabs” is an article about their girls line from almost a year ago talking about its development and inspiration. While it is an interesting article, it has little to do with the kind of experience that Christine talked about when asked about the experiences that are offered through these Labs. For a blog to be something relevant for consumers, it should be continuously maintained with content that is relevant and applicable to their own lives. The blog could work with the tribal experiences by incorporating the voice of the customer that Athleta values so highly. This could look like doing a certain feature on a community influencer as they go through one of these experiences or having them write it themselves.

In conclusion, *Athleta* could increase the impact of their marketing by providing their customer with a tribe to be a part of. This would give their consumers a community to be a part of, something that people want to be included in and support. Also, providing their consumers with marketing collateral that they prefer is always important. They are drawn to material that shows off the beauty of the outdoors while also showcasing the product.

These suggestions would be implemented with the goal of further increasing *Athleta’s* current followers on *Instagram* and draw more readership to their blog.

**Further Research**

The research I have done is a great start in taking a deeper look at the increasingly popular market that is athletic wear or athleisure. This market has been a strong trend in the recent years and its strength doesn’t show signs of weakening anytime soon. Seeing
how these brands are able to differentiate themselves is crucial in creating their own tribe to market to.

Continuing to look deeper at the kind of tribe that *Athleta* wants to create for themself would be a great continuation of this research. Do they want to be more specific in their aim? Or the specific options that I suggested above, one could actually implement these ideas and see the impact of them.

This research was a great start to provide extra support for *Athleta* by taking a deeper look at their innovation techniques and how they can translate that into their marketing strategies. However, in an industry that is continually changing at a fast pace, there is always methods that can be further explored.
Works Cited

Chapter 1:


Chapter 2:


Peterson, Hayley. Lululemon’s Pants Aren’t Worth That Much More Than The


Appendix A

Case Study Questions: Athleta Employee

» What is your full title with Athleta?

» How long have you been with the company?

» Why did you choose Athleta over the many other athletic wear companies?

» What are some of your thoughts on the athletic wear industry as a whole in today’s market? Exciting/challenges you or overcrowded?

» What are some of the changes within this industry that you’ve seen over the recent years?

» How does your innovation program work?

» Still using FitLabs? Xlabs?

» How does your program(s) differentiate from others?

» What makes Athleta different from Lululemon/Nike/Zella?

» Any new innovations currently in the works? Or are there any developments that are particularly exciting for you?
» How does customer feedback play into your process?

» Have there been any certain elements that customers are particularly looking for in innovation or athletic wear/athleisure?

» How do you guys find the balance between innovative technology in fabrics/design and stylish?

Survey questions

1. Age
   • 30-35, 36-40, 41-45, 46-50, 51-55, 56-60

2. Place of residence
   • a. (Fill in)

3. Education level completed:
   • High School, Certificate Program, Some college, Bachelor’s degree, Graduate degree, Post-graduate degree

4. Occupation:
   • Student, Unemployed, Full-time Employed, Part time employed, Stay at home?

5. How often do you purchase clothing items of the athletic wear or athleisure category?
   • Once a week, once a month, Twice a year, Once a year, Once every other year
6. How many days a week, on average, do you wear athleisure or athletic wear?
   • 7, 6, 5, 4, 3, 2, 1

7. How many days a week, on average, do you wear leggings?
   • 7, 6, 5, 4, 3, 2, 1

8. What are the most important factors you look at when shopping for athletic wear? (check one or all that apply)
   • Sweat control, Barely there fabric, 360 degree movement, aesthetic, name brand

9. What is one element of innovation that you would love most to see incorporated into athletic wear?
   • Fill in

10. How much are you willing to spend on a good pair of leggings?
    • $20-$40
    • $41-$60
    • $61-$80
    • $81 or higher

11. Have you heard of Athleta?
    • Yes or No (If yes, what do you associate with the brand?)

12. On a scale of 1-10 (10 being very important) how important do you feel that the sustainability of a company is in your buying decision?

13. When looking at the following marketing material, which one are you most drawn to?
Other Tables

What is your age? (99 responses)

![Pie chart showing age distribution]

*Table 8 - Respondant age*

Have you ever heard of Athleta? (96 responses)

![Pie chart showing brand awareness]

*Table 9 - Brand awareness*

Which of the following best describes your current occupation? (99 responses)

![Pie chart showing current occupation]

*Table 10 - Current Occupation*
Table 11 - Weekly average respondents wear leggings

Table 12 - Willingness to spend money on leggings