

Serenity Activewear Market Research

Product Development

Cornell University

The athletic apparel market has been growing in the fashion industry with increasing societal focus on exercising and health. Athleisure has become a stable part of this market, graduating from a trend to a market sector. Athleisure is defined by the Webster dictionary as, “casual clothing designed to be worn both for exercising and for general use.” While originally part of the athletic wear section of the apparel industry, athleisure has managed to break off into its own portion of the market, becoming clothing not only for fitness, but for everyday life as well. Athleisure has managed to become more of a lifestyle than a type of clothing or a brand, leaving much room for growth and development within the market. Serenity Activewear is an emerging athleisure brand that focuses on high quality, high tech, and high fashion athleisure apparel for the woman who is looking for activewear for the gym and beyond.

Serenity Activewear aims to promote itself as a brand that cares about function and the importance athletic ability as well as the versatility of active wear as casual clothing. Serenity takes into account functionality by adding components of comfort, fit, as well as compression to increase performance. The fit of the garments works to provide comfort and flexibility for all customers, given the high focus on comfort as a buying concern. The fashion component of the line comes from the importance of versatile use of the garments, having the ability to go from useful active wear to acceptable, fashionable clothing for every day. The Serenity customer is a woman age ranging from mid 20s-early 30s. She is established as well as fashion and trend conscious. She is

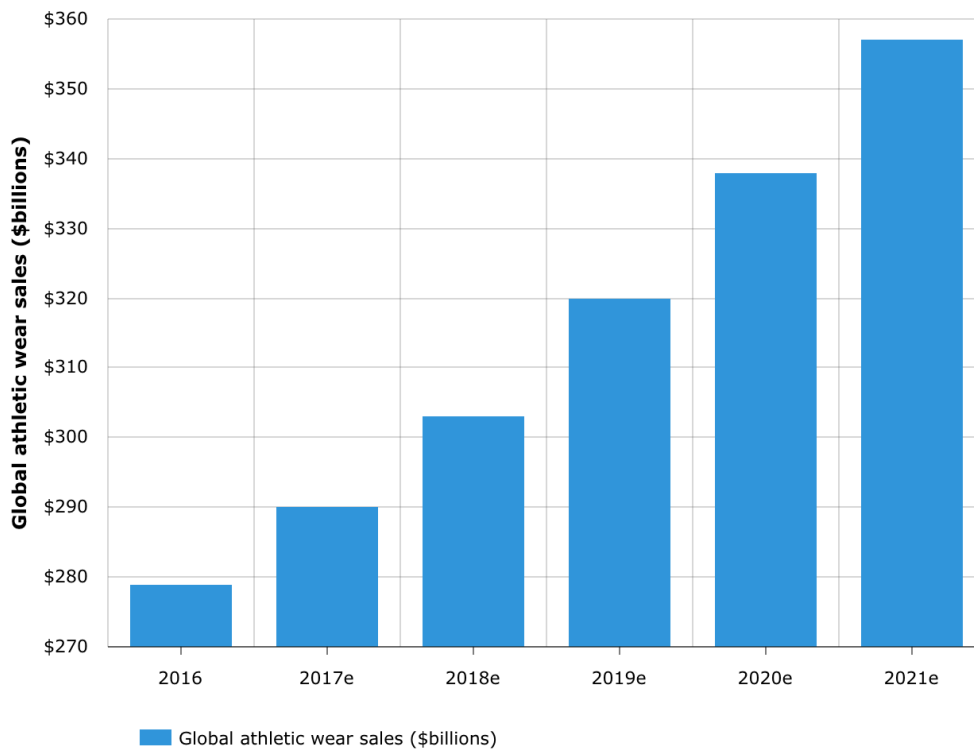
active for health and wellness reasons, not necessarily extremely athletically focused. She is most likely established in a large city such as New York and lives in an affluent surrounding town.

There is much benefit to come from joining the athleisure industry. While many members of the industry were anticipating this market to be a phase, it has proven otherwise. “In sharp contrast, while demand for sport leisure styles surged 17% last year to \$9.6 billion in sales, sales of performance apparel tumbled 10% to \$7.4 billion, NPD said, adding the performance category’s decline has “accelerated” the last two years” (Cheng, “The Athleisure Trend That Isn’t Taking a Rest”). This industry is gaining ground, making now the most beneficial time to enter the market. With growing popularity comes room for new competitors with new and original ideas. Serenity offers unique styles that push the limits of what can be considered athleisure, gaining it a differentiated place in the market. The continued growth of this market is inevitable and confirmed by many sources. The upward trajectory is discussed in the NPS market report by editor Matt Powell:

“I often get asked whether the bubble around leisure will burst anytime soon, and the answer is no,” said Matt Powell, senior sports industry advisor at NPD, in the report. “Athleisure rules the runway, and the line between what is an athletic shoe and a casual shoe continues to blur. Brands and retailers must continue to feed this trend” (Cheng, “The Athleisure Trend That Isn’t Taking a Rest”)

With this emerging market, we can look into the future years and see stability of the market:

Global Athletic Wear Sales on Steady Upward Trajectory



The market itself has room for growth as well, making it a profitable, viable market to enter.

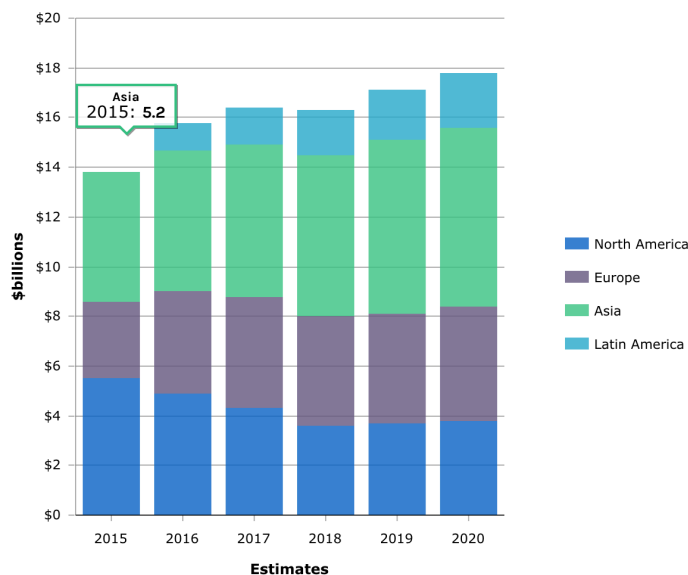
Athleisure is thought of as a market that exists mostly in the United States due to the wide cultural acceptance of this style in casual environment, but the market has been seen to be growing in other countries as well:

““We think the market will be surprised to learn how broad-based the cultural factors driving athletic apparel and footwear sales are,” says Jay Sole, who covers branded footwear and apparel for Morgan Stanley. “US investors may not grasp how big the China and emerging market opportunities are, and Asian investors may be similarly surprised at US strength,” he adds. The report estimates that the

industry could add \$83 billion in sales by 2020, or more than 30% growth.” (“Athletic Lifestyle Keeps Apparel Sales Healthy”)

The below graph shows the contributions to the athletic wear segment of the market from various countries. We can see that besides the United States, there is a large portion of the market that comes from other countries. Asia is even more of a contributor to the market than the United States is. With this information, it is possible for us to assume that the market of active wear is only growing, and is a stable and safe market to enter. While generally the stability of a market lends itself to high competition, Serenity has managed to enter a niche part of this market with the high quality athleisure clothing.

Asia Could Be Biggest Contributor to Athletic-Wear Sales Growth



Source: Euromonitor, Morgan Stanley Research Estimates

With this growth opportunity in other countries allows for opportunity for growth within our own brand as well. This gives us the ability to expand our target market and customer base.

The target market that Serenity Activewear is targeting is the established woman ages 28-35. The age demographic that is most invested in the athleisure lifestyle is the millennials,

“A recent study conducted by MONEY gave us a glimpse into the minds of the Millennials. Athleisure apparel was recorded as one of the ten things that this age group spends the most on. Primarily, the Millennials have helped athleisure apparel become fashionable to be worn outside the gyms as well.” (Cheng, “The Athleisure Trend That Isn’t Taking a Rest”)

The millennial generation ranges from ages 18-35, but we have established our target market within the later ages of that category, around ages 28-35. We are targeting to the established woman who is very willing to spend more money on quality athleisure clothing, who exercises frequently and is interested in fitness and health. The millennial generation is the generation that started the athleisure movement, making them the most logical choice for a target market. 42% of millennials wear the same clothing during the day that they do for fitness purposes. (“Activewear US October 2016”) This opens the door for marketing to these older, established millennial women who are looking to invest in these quality pieces for both fitness and everyday use. The market of active wear was built for and is still targeted to men and women who exercise and are active even if it is also turning toward casual use as well. People who exercise at least twice a week are in need of active wear and are more likely to have the means to purchase it, this generally falls in men ages 18-44 and women ages 18-34 (“Activewear US

October 2016”). This information helped to establish the customer need for active wear, as well as the age range that would be most interested as well as able to invest in this clothing.

In order to remain in touch with our customers and their needs, the serenity website as well as our page on the websites of the store that carry our brand will have a response page and an email link on all forms of social media and web pages for questions. Instant messaging is another new method of company to customer communication that seems very effective for small, new businesses such as Serenity. Using instant messaging through customer services pages on websites and social media allows for a more instant flow of communication with customers. There is less wait time between an instant message to a customer service office and a customer question than there is between a website page with frequently asked questions and an email chain. Communicating with customers via social media is one of the best ways to keep in constant and instant contact with them as it is becoming such a prominent part of society. It also simultaneously allows us to hear what customers want and what they think of the products and driving traffic to the website and other social media pages.

To best analyze our marketing position, a SWOT analysis was done to analyze Serenity. In terms of what the company is strong in, products and design are the main components. The unique styles and designs are what will set Serenity apart from the other athleisure brands. The emphasis and focus on quality fabrics that also provide a visual interest different from other basic athletic clothing will draw customers to serenity before other companies. Some of the weaknesses that we face include price, line limitations, and our target market. We have a very high price point due to the intricate styles, added detail, and quality fabrics that we felt were important to incorporate into the line. Our competitors also have high price points; however, they are still less expensive than serenity. This limits our reach to many economic demographics.

As we are a new brand, we also have a weakness in the number of items in our line. As a smaller brand, we cannot offer the wide variety of styles, colors, and pieces that larger brands such as Nike and Lululemon can. Our target market is somewhat limiting. While the age range is wide, we do not offer menswear options and our price point also limits the market that we are able to reach as not everyone is able to afford our expensive styles. The opportunity is very much within the market and its growth and openings and the threats are focused in other brands being able to pick up customers where our weaknesses lose them.

SWOT Analysis:

Strengths	Weaknesses
Unique in style and function Quality fabrics	Limited styles High price point Specific target market
Opportunity	Threats
Growing market Growing opportunities within the market	More well established companies Companies with less niche products More affordable options

In an analysis of our competitors, 3 is the highest ranking in a category, signifying a company's strength in this category while a 1 represents the opposite. We are closely on par with our competitors in many categories, but still are lacking in the categories that we labeled as

weaknesses in the SWOT analysis. With our competitors, the large brands such as Lululemon and Nike are almost completely identical in this analysis, showing very strong brand and company establishment and plan. With a smaller, less well known company such as Tory Sport, the sports line from Tory Burch, we see slight variation from the big athletic brands and more of an alignment with Serenity.

Competitor Analysis:

Areas of Potential Competition	Serenity Activewear	Lululemon	Tory Sport	Nike
Product assortment	2	3	2	3
Price	1.5	2	2	3
Promotion	3	3	1.5	3
Place	3	3	2	3

With this analysis of our own brand and our competitors, the designs, marketing strategy, and labels were created appropriately. When considering the design on the line, many aspects of the customers' needs and the markets opportunities were considered. 48% of people who buy active wear are buying it with the intention of wearing it causally as well ("Activewear US

October 2016"). This helped us to design clothing that could be worn outside the gym. With the intent of making the clothing versatile, styles that stayed on trend with the current styles of fashion were used such as a cropped jacket and a pleated mini skirt. 67% of customer's value comfort above all else when buying any clothing, especially active wear clothing. ("Activewear US October 2016") This contributed to design in the form of fit and function. Making sure the designs are well fitted and are designed to be comfortable in motion and while exercising was a main focus in order to satisfy the customers need for comfort. Another important aspect of design was making sure that our designs stood out from those of our competitors, as that was one of our main strengths as a company. To do this, we added elements of different textures and fabrics as well as unique design elements such as ruching and wrapping of fabric. We also added the component of compression to many of our garments in the form of wrapping with compression fabric. This design element was added in order to increase function for consumers. Compression helps to increase blood flow to the compressed area of the body, increasing muscle function for short periods of time in fitness. (Coza, "The Effects of Compression on Oxidation at the Onset of Exercise") This increase in functional use of these garments help to convert them from active wear to casual wear for the consumer.

For marketing and selling strategies, it is important to look at the target market, what they look for and where they shop, as well as the intended purpose and voice of the market. For the market strategy, it is important for Serenity to look at the habits of women ages 28-35 and see their use of social media, their magazine and online magazine preferences, and if they have any other sources of information for the fashion world. Serenity will have an online store, so it is important to also drive traffic to the website. A great way to increase the word of mouth spread of information about our brand is to host a series of pop up shops in department stores or gyms in

areas that fit our demographic. This will spread the word of our brand from person to person within an area. Another suggestion I would make would be to use a celebrity that is within the target market herself to endorse the brand. Connecting a well-liked, well known celebrity to the brand would increase want for the product from women who relate to her. A more subtle way that the brand could promote itself could be to get the products used on a fitness reality or training show. Shows that would be popular among the target market and also promote fitness could show customers the product in use while simultaneously promoting the brand.

The labels and hangtags set the tone for the brand and shows the customer who we are as a company. As a brand, we are trying to promote ourselves as a high fashion, high quality brand. We offer a variety of sophisticated styles as the woman we are targeting is an established, powerful, and sophisticated woman. In order to portray this to our customer through the tags and labels, it is important to keep the designs sleek and not overly complicated, while still making them interesting and well designed. Keeping the colors within the colors of our collection such as black, white, and light browns will also help to promote our brand voice. Using the letter S in a creative way would be a good way to do this as the curves of the letter could easily be incorporated with the graceful, wrapped designs in our line.

Serenity Active Wear is branching into a growing part of the athletic wear market with a strong brand, image, and line. We are continually working to better establish ourselves and our brand, but are on a solid trajectory within the market.

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