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## 12-4b Too-Sheer Yoga Pants

A major ethical problem for Lululemon occurred in March 2013, when it released black Luon yoga pants that become sheer when the wearer would bend over. The company instituted a massive recall which comprised 17 percent of all the women's pants sold in their stores. Even more damaging, *The New York Post* released a statement from a customer who claimed that she had to demonstrate the sheeriness of her yoga pants by bending over in the store so the associate could check. Lululemon immediately released a statement saying that such conduct was not company policy and that they would accept returns from customers with no questions asked.

The recall resulted in large shortages, which impacted financial results and drove the stock price down. The company lost \$2 billion in market value. Certain styles of Lululemon pants have also been accused of pilling, which occurs when fiber in the pants balls up. After the recall of the too-sheer yoga pants, investors attempted to sue Lululemon, claiming that they purposefully hid defects in the pants. However, the lawsuit was dismissed the next year.

The scandal resulted in the resignation of CEO Christine Day. A few months later, in November 2013, Chip Wilson defended his product by suggesting that women's bodies are to blame for the fabric's sheeriness and their tendency for pilling. He also claims that many women buy pants that are too small for them, which wears them out. When questioned about whether Lululemon is truly a clothing retailer for everybody, Wilson stated that the product is appropriate for all sizes but that some people simply misuse the product. Critics viewed this as a sexist comment, exacerbating the issue at hand. Perhaps in an attempt to make a joke, a store in Bethesda, Maryland, featured a poem on its window: "Cups of Chai, Apple Pie, Rubbing Thighs." A photo of the poem was shared on Twitter. The company apologized and the poem was removed. In the midst of consumer outrage, Wilson stepped down as Chairman of the Board.



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