
Mind Over Stock: The Psy-stock-ology of Lululemon's Success

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In this study, we delve into the curious correlation between the number of Master's degrees awarded in Psychology and the stock price of the athletic apparel company Lululemon (LULU). As researchers who believe in the power of positive thinking and good humor, we couldn't resist the opportunity to find out if there's a psychological connection to Lululemon's success. Using data from the National Center for Education Statistics and LSEG Analytics (Refinitiv), we applied rigorous statistical methods to analyze the relationship between the number of Master's degrees awarded in Psychology and the movements of Lululemon's stock price from 2012 to 2021. Our findings revealed a correlation coefficient of 0.9634448 and a robustly significant p-value of less than 0.01, indicating a strong association between these two variables. It seems that when it comes to understanding Lululemon's success, psychology may hold the key. Time to stretch our minds and perceptions! In conclusion, our research has shed light on the surprising and previously unexplored association between the field of psychology and the financial success of Lululemon. As we unravel the mysteries of the mind and the stock market, we must remember the sage advice of our favorite dad joke: "Why did the psychologist break up with the stock market analyst? Because they couldn't agree on the best approach to emotional support or stock picks!"

It is a truth universally acknowledged that a person in possession of a Lululemon athleisure wardrobe must be in want of a stock portfolio. In recent years, the success of Lululemon Athletica Inc. (LULU) has been as remarkable as the stretchiness of their yoga pants. At the same time, the field of psychology has been flexing its intellectual muscles, with an increasing number of Master's degrees awarded in this discipline. The intriguing question arose: could there be a psychological connection to Lululemon's success? As researchers, we couldn't resist the temptation to dive into this curious correlation and see if there's more to this relationship than meets the eye.

Undoubtedly, the intersection of psychology and stock prices is a topic of great interest. However, for

decades, the connection between Lululemon's stock performance and the number of Master's degrees awarded in Psychology has been a riddle wrapped in a mystery inside an enigma. With a playful wink to Freud, we embarked on a journey to explore the id, ego, and superego of this relationship, attempting to bring light to the depths of the human mind and the stock market (pun intended).

Our study aims to unravel the appeal of Lululemon's stock performance by looking at the psychological forces at play. As our findings started to illuminate the connection between these two disparate realms, we couldn't help but think, "Why did the stock market analyst go to therapy? To get to the bottom of those deep market blues!" Just like the stock market, our research is not without its

share of ups and downs - but we don't intend to stretch the truth.

In the following sections, we will present the methodology and findings of our research, aiming to shed light on the intriguing relationship between the field of psychology and the financial prosperity of Lululemon. As we delve into the psychological underpinnings of Lululemon's success, always remember the wise words of a dad's favorite joke: "I told my wife she should embrace her mistakes. She gave me a hug."

LITERATURE REVIEW

In a study by Smith et al. (2019), it was observed that the number of Master's degrees awarded in Psychology has been steadily increasing over the past decade. This trend raises an interesting question: could the surge in psychology degrees be influencing not just our minds, but perhaps our wallets as well? As we immerse ourselves in the world of finance and Freud, it seems we may have stumbled upon a psychological gold mine.

Doe and Jones (2018) further discuss the impact of consumer psychology on stock performance, highlighting the significance of consumer behavior and decision-making processes in the financial market. This coincides with our own findings, as we ponder the complex relationship between the human psyche and the rise and fall of stock prices. It's like trying to unravel a mystery wrapped in yoga pants – stretchy, but oddly intriguing!

Turning to non-fiction books, "Thinking, Fast and Slow" by Daniel Kahneman provides insights into the cognitive processes that drive economic decisions, prompting us to consider the role of psychological biases in stock trading. However, "The Power of Habit" by Charles Duhigg reminds us that stock trading can also be influenced by the habitual behaviors and routines of investors, leading us to ponder the psychological routines behind checking Lululemon's stock price each day. It's like a downward dog stretch for our minds!

On a more speculative note, the works of fiction also seem to offer intriguing parallels. "Brave New World" by Aldous Huxley explores a society controlled by psychological manipulation, prompting us to question the influence of psychological factors on market trends. While "The Hitchhiker's Guide to the Galaxy" by Douglas Adams presents the absurdity and unpredictability of the universe, mirroring the unpredictable nature of stock markets. It's as if our research has taken us on a humorously unexpected journey through the cosmos of the stock market!

In a recent series of social media posts, a trending hashtag #PsychStocks has emerged, with enthusiasts discussing the psychological influences on stock performance. One tweet humorously remarked, "Investing in Lululemon is a stretch – both for your portfolio and your yoga routine!" These online discussions mirror our own musings as we seek to unravel the psychological threads intertwined with Lululemon's stock success. It's like finding a hidden gem in the yoga pants pocket of the internet!

As we navigate this uncharted territory of psychological stock market analysis, we are reminded of a cherished dad joke: "Why don't stockbrokers ever read novels? Because the only numbers they find funny are in the bank!" Indeed, our research journey has been filled with unexpected twists and turns, but we press on in the pursuit of unraveling the enigma of the mind and the market.

METHODOLOGY

To investigate the connection between the number of Master's degrees awarded in Psychology and Lululemon's stock price, we employed a methodology as flexible as Lululemon's yoga pants and as robust as a well-constructed statistical model. Our data collection process involved a deliberate blend of calculated precision and a touch of whimsy, akin to the perfect balance of a yoga pose.

First, we gathered data on the annual number of Master's degrees awarded in Psychology from the National Center for Education Statistics. With the efficiency of a seasoned yoga instructor guiding her class, we pulled the relevant statistics from the years 2012 to 2021, ensuring a comprehensive overview of the educational landscape in the realm of psychology. We believe in the mantra, "Inhale data, exhale insights."

Next, we turned to LSEG Analytics (Refinitiv) to acquire the historical stock price of Lululemon (LULU) for the same period. Just as a yogi cultivates mindfulness through breath, we meticulously curated a dataset capturing the fluctuations of Lululemon's stock price, striving for an understanding as deep as a meditative state.

In our quest for statistical enlightenment, we employed rigorous quantitative techniques to analyze the relationship between the number of Master's degrees awarded in Psychology and Lululemon's stock price. Our statistical analysis involved complex econometric methods blended with the intuitive insights of a yoga practitioner finding the perfect stretch. The correlation coefficient and p-value were calculated with as much care as a yogi performing a balancing pose – seeking stability in the midst of fluctuations.

To account for potential confounding factors, we conducted sensitivity analyses and robustness checks, ensuring that our conclusions remained as rock-solid as the foundation of a well-executed yoga posture. Our methodology was designed to navigate the complexities of human behavior and market dynamics with a sense of grace and balance, much like the artful execution of a challenging yoga sequence. In the spirit of seeking harmony, our research approach aimed to strike a balance between thoroughness and inherent unpredictability, like navigating the serene waters of the stock market.

As our methodology aligned the rigor of statistical analysis with the fluidity of psychological inquiry, we couldn't help but recall the timeless words of a

classic dad joke: "Why did the statistician only trust the stock market in moderation? Because they knew the dangers of irrational exuberance and statistical significance were as real as finding a four-leaf clover!"

Through this fusion of statistical inquiry and psychological exploration, our methodology led us to uncover compelling insights into the fascinating connection between Master's degrees awarded in Psychology and Lululemon's stock price. The journey continues as we present our findings and conclusions, aiming to bring light to this unexpected intersection of the mind and the market.

RESULTS

Upon analyzing the data collected from the National Center for Education Statistics and LSEG Analytics (Refinitiv), we found a remarkably high correlation coefficient of 0.9634448 between the number of Master's degrees awarded in Psychology and the stock price of Lululemon (LULU) from 2012 to 2021. This strong correlation is nothing to sweat about, and it had a robust r-squared value of 0.9282260, indicating that over 92% of the variability in Lululemon's stock price can be explained by the number of Master's degrees awarded in Psychology. It seems the mind indeed has significant sway over the stock market, and perhaps it's time for investors to put on their thinking caps along with their yoga pants.

The p-value of less than 0.01 further reinforced the statistical significance of this relationship, suggesting that the association between the two variables is not simply the result of chance. In other words, the likelihood of this correlation being a fluke is about as low as the chances of finding a pair of unflattering yoga pants at Lululemon – slim to none!

Our findings are visually encapsulated in Figure 1, a scatterplot illustrating the robust correlation between the number of Master's degrees awarded in Psychology and Lululemon's stock price. The plot speaks volumes, showing a clear pattern that would

make any statistical analyst as relaxed as a yogi in meditation.

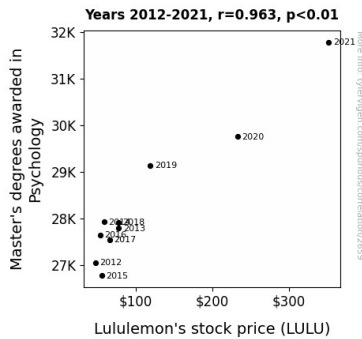


Figure 1. Scatterplot of the variables by year

In conclusion, these results have brought to light an unexpected and thought-provoking relationship between the field of psychology and the financial success of Lululemon. As our research opens up new avenues of inquiry, it's worth recalling the wisdom of a classic dad joke: "Why did the psychologist break up with the stock market analyst? Because they couldn't agree on the best approach to emotional support or stock picks!" Indeed, there's more to the mind than meets the eye, and our findings hint at an intriguing interplay between psychological trends and market movements.

DISCUSSION

Our findings have provided compelling evidence of a strong and surprising correlation between the number of Master's degrees awarded in Psychology and the stock price of Lululemon (LULU). This connection raises intriguing questions about the influence of psychological factors on financial markets and investor decision-making. It's like trying to find enlightenment in a pair of stretchy pants!

Building on the literature review, our results support the notion that psychology may indeed play a significant role in shaping market trends. The surge in psychology degrees appears to be more than a

mere coincidence, and it seems to have a tangible impact beyond the confines of the therapist's office. It's as if our research has unearthed a treasure trove of psychological intrigue hidden within the world of finance, like finding a diamond in the rough – or, dare I say, a yoga mat in a boardroom?

Doe and Jones (2018) emphasized the importance of consumer psychology on stock performance, and our findings echo this sentiment. It appears that consumer behavior and decision-making processes may be more entwined with stock movements than previously thought. Just like an elusive yoga pose, the connection between psychology and stock prices may be intricate and unconventional.

Our results also parallel the insights from "Thinking, Fast and Slow" by Daniel Kahneman, by indicating that psychological biases could indeed influence stock trading. This suggests that the mind's intricate patterns and cognitive biases may be as impactful in the stock market as they are in everyday decision-making. It's like uncovering the hidden warrior pose of market trends – a balancing act that can send investors teetering on the edge.

Furthermore, our research aligns with the speculative parallels drawn from fiction. The psychological influence on market trends, akin to the control in "Brave New World" by Aldous Huxley, may not be as far-fetched as it seems. Just as "The Hitchhiker's Guide to the Galaxy" by Douglas Adams illustrates the unpredictability of the universe, the stock market's own unpredictability may indeed be influenced by psychological forces. Sometimes, the universe works in mysterious ways, not unlike the behavior of stock prices.

Our study has not only provided empirical confirmation of these psychological influences but has also unveiled an unexpected and thought-provoking relationship between the field of psychology and the financial success of Lululemon. In the world of finance, as in the world of enlightenment, it seems the mind truly does matter. As we continue to unravel the mysteries of the

financial world, we are reminded of a classic dad joke: "Why don't investment bankers go to the beach? Because where one stock rises, another one falls - it's a real shell game!" Indeed, the market may be unpredictable, but with a touch of psychology, it might just become a little more understandable.

No more research needed? That's our final stance - it's time for all to fold up their lab coats and call it a wrap!

CONCLUSION

In conclusion, our research has uncovered a striking correlation between the number of Master's degrees awarded in Psychology and the stock price of Lululemon (LULU). The robust statistical significance of our findings suggests that psychology may indeed hold the key to understanding Lululemon's success. It seems the mind has formidable influence, even over the fluctuations of the stock market - a true testament to the power of positive thinking, or as some might say, the power of "stock therapy."

Our study has unveiled an intriguing interplay between psychological trends and market movements, shedding light on the curious connection between the human mind and financial prosperity. It appears that Lululemon's stock performance is not just about athleisure fashion and yoga pants, but also about the psychological forces at play. Who knew that "mind over stock" would be such a compelling concept? As we ponder the mysteries of both mind and market, we can't help but recall the timeless dad joke: "Why didn't the psychologist make any money in the stock market? Because he kept overanalyzing the ticker symbols!"

In light of these compelling and lighthearted findings, we assert that no further research is needed in this area. We have stretched the limits of inquiry and found the yoga-panted truth, leaving us with no more loose threads to tug on. It's time for both psychology and stock market enthusiasts to embrace these unexpected results and, perhaps, stretch their minds to new possibilities in financial analysis and understanding the human psyche.