

The Analysis of the Marketing Strategy of Lululemon Athletica

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Abstract. Nowadays, people are more and more aware of the importance of a healthy lifestyle, and how balancing daily life and exercise has become a problem for people to consider. This leads athleisure to become a new trend that allows people to have clothes that were designed for everyday wear but also fit for exercise. In this social context, the brand Lululemon is at the forefront of this trend, as a company that started by selling yoga products, it uses health ideology as a tool for business success. Can the way they use it be a reference for other brands, or is this a unique method for this brand. This thesis is an analysis of lululemon's marketing strategy, the push of the general environment, and their own product changes and upgrades. Lululemon is active in both online and offline marketing. They have expanded their market, which was originally focused on North America, to Asia and Europe to promote their concept and brand to this world and make more consumers recognize and feel a sense of belonging to the brand.

Keywords: Lululemon Athletica; marketing strategy; social media.

1. Introduction

Over the last three decades, ideas about health have been influenced by neoliberal politics [1]. As a company that started with yoga products, Lululemon's marketing strategy is very different from what other brands use on the market. Different from some established sports brands such as Adidas and Nike where you can buy all sports products, lululemon has a clear insight into the needs of users, who need sportswear that is comfortable to wear, breathable but good looking at the same time, which gives the brand a unique positioning in this market. This also gave lululemon a direction on how they should develop the brand. The firm chosen for this paper is Lululemon Athletica, by analyzing their online and offline marketing methods, to find out consumers' perceptions and attitudes toward this brand, the psychology of their purchase, and the effectiveness of this marketing technique.

This paper first briefly introduces lululemon's history and business, then presents lululemon's financial situation through data from stock and financial reports. Then analyze lululemon's online and offline marketing techniques based on its financial situation. This is followed by an assessment of consumer behavior and psychology, and finally a SWOT analysis.

2. Lululemon

2.1 Overview

Lululemon Athletica inc. is a U.S.-Canadian athletic apparel retailer. It was founded in 1998 as a retailer of yoga pants and other yoga wear and has expanded to also sell athletic wear, lifestyle apparel, accessories, and personal care products. Lululemon was founded by Chip Wilson in Vancouver. Lululemon's customer targets are those people who are less sensitive to price but more concerned about quality. The concept of this brand is athleisure, athlete plus leisure, perfectly targeting what people want for cloth nowadays. This market is mainly driven by millennials and the market is growing rapidly [2]. Lululemon's first brick-and-mortar store opened in Vancouver in 2000 intending to be a "community hub where people could learn and discuss the physical aspects of healthy living from yoga and diet to running and cycling as well as the mental aspects of living a powerful life of possibilities." [3].

2.2 Finance

In the past year, lululemon's Normalized Income reached approximately 1,1 billion. Due to the global epidemic, the price of lululemon continued to rise until it peaked in February 2020 and continued to fall to 138.98 before rebounding. Because of this epidemic people began to pay more attention to health, especially when people are stuck at home in isolation, exercise has also become an activity for people to spend time to improve themselves, so the price of lululemon also continued to rise to 485.83. In the past year, lululemon's revenue Per Share was 54.91, compared with the same period last year, it has increased by 28.8%. Shares of lululemon are primarily Held by Institutions, 88.5%, 1,361 Institutions Holding Shares, and only 4.41% are held by all insiders.



Figure 1. The stock price of this firm

As the figure illustrates, the price of lululemon rose briefly to 474.35 from October 30, 2021, to November 31, 2021, and then began a slow decline until March 2022. After that, the price started to recover to 410.32 in April 2022, but still not as high as last year's price. The price then continued to fall in May 2022 to 266.4, after that the overall trend was up, but very slowly.

3. Marketing Strategies Analysis

lululemon is a company that started by making yoga supplies, which is something that gained the attention of the public but gradually became a label that limited them. First of all, when it comes to yoga, the public will think that it is a kind of exercise for women, which also makes the public subconsciously feel that lululemon is more suitable for women's sportswear brands and also limits their ability to get more male customers. Lululemon has realized this problem, they plan to increase awareness of the brand among men by launching a lot of clothing items for men. It started to weaken the femininity of the brand and emphasize power, but at the same time, the female market is still the main business of the brand so it is important not to make women feel left out while releasing male products [4]. Besides broadening the customer base, lululemon's marketing strategy mainly focuses on two aspects: emotional marketing and community marketing. lululemon is a brand that supports a diverse aesthetic, with models of different colors, ethnicities, and bodies visible on their website. The entrepreneurial spirit of lululemon sees the peddling and consumption of high-end yoga wear as a social and spiritual activity rooted in physical improvement and self-transformation [5]. This is to tell consumers that every look is beautiful and everyone has the right to be loved and enjoy the freedom to dress without caring about what others see and choose comfortable clothes. And as a sports brand, lululemon promotes a healthy lifestyle to consumers. They subconsciously instill in their customers that by buying lululemon products, they will be able to achieve the lifestyle that the brand and they

expect. This is emotional marketing, allowing brand concepts to be instilled in consumers and bring about a sense of identity. Community marketing is more offline. lululemon will find local famous yoga teachers, fitness trainers, or fitness influencers to promote the brand, lululemon will sponsor their clothes and ask them to take posters and hang them in the store. With word of mouth of the professionals to influence the local consumers. These trainers and influencers will promote the brand to their students and fans, attracting them to shop in the store, and more people will know the brand, while the trainers will also get publicity and more fans or students, reaching a win-win situation. Another feature of the physical store is that the staff are all passionate about yoga and face consumers with the attitude of fitness partners, bringing them closer to each other and building trust. The most important thing is that lululemon knows exactly what their customers want, and they regularly invite exercise experts to carry out activities to create brand awareness.

3.1 Social Media

lululemon understands the important role social media can play in customer loyalty and uses social media to embolden it [6-7]. Lululemon has used the concept of the "ambassador", who provides sample workouts and active imagery, on social media. Also, lululemon encouraged their customers to use #thesweatlife in their posts about lululemon. This ambassador is very important, it needs to be a person who has a reputation that can be trusted. Trusts can help trustees feel more secure by reducing uncertainty and risk when they are exposed to unfamiliar territory in the brand community [6]. By doing this, promoting the brand also gives the customer a sense of belonging, making them feel like part of a community, this gives them the motivation to continue sharing.

In addition to these, lululemon is very active on Facebook to communicate with users. They try to engage their customers, for example by actively soliciting their feedback when responding to customer posts, although it remains to be seen whether lululemon takes these suggestions into account [7]. However, this still plays a positive role in encouraging customers to believe in this brand.

4. SWOT analysis

4.1 Strengths

The advantages of Lululemon are high product quality, Strong research, and development technology, and focus on product fabrics, a lot of people choose lululemon because of their unique fabric, such as Everlux™ designed for Sweaty Workouts so it has the feature of quick Drying, Nulu™ designed for yoga, this fabric is lightweight, and it allows unrestricted movement, etc. The other strength of Lululemon is to use a community-centered marketing approach to build brand awareness. Lululemon has a kind of store called the showroom, in this store they will have an "ambassador" to lead the customers to experience yoga or another exercise, in this process consumers will learn about Lululemon's products, and brand.

4.2 Weakness

lululemon's promotional campaigns emphasize that it is a clothing brand for yoga exercise, but its clothes can be adapted to other sports, such as running, hiking, volleyball, etc. They need to work more on advertising this advantage. Also, their expensive price tag can cost them a lot of customers, but this will not be their biggest concern as long as they focus on their product quality.

4.3 Opportunities

After the epidemic, society is doubly concerned about health, people are more willing to exercise, especially things they can do at home, such as yoga, bringing more opportunities for sports brands. They can pay more attention to the international market, and open more stores in China and India. They should promote the brand concept better to all customers, to build brand awareness. Lululemon can have another line of sports clothing at a lower price, which will open more opportunities for the

company to attract more customers. Retailers must focus on highlighting product features in a variety of colors and qualities as well as price and store attributes such as convenient locations and sales associates [8].

4.4 Threats

A large number of brands of the same type entered the market, making the market highly competitive. Lululemon has good products but with relatively high prices, so potential customers will turn to other alternatives like Nike, and Under Armour, which also have good quality products at cheaper prices. Other threats could be people's taste in sports clothing changing causing Lululemon to no longer be trendy.

Overall, the future of lululemon is bright, their invention of the fabric made them one of the top sportswear companies. They need to increase the publicity in Asia, and Europe, so that more people know the brand culture and open more physical stores in these places. They should keep on developing new fabrics and be ahead of other sportswear brands in terms of technology to be more irreplaceable. They can use customer feedback to inspire new ideas for garments - after all, customers know what they need [9]. The high price is one of Lululemon's threats, what they can do will be lower prices through more frequent sales Promotions, [10] This method has its pros and cons, the good part is to expand the market and also be able to compete with low-priced sports brands to get more customers. The bad thing is that the positioning of the brand will change and it will no longer be high-end.

5. Conclusion

As a high-end sports brand has a higher price than other sports brands, but still attracts many consumers who firmly choose this brand of products. Analysis of their marketing practices can give us a clearer picture of the reasons behind it. They pay attention to both offline and online publicity and have been communicating their brand philosophy to consumers, making them more willing to continue spending money on their products. They promote to consumers that by using lululemon products, they can affirm their self-worth through purchases that will allow them to become a better version of themselves and have a healthy quality of life. This can be seen in the offline organization of fitness events and the online campaign #thesweatlife. This all leads to a deeper connection between consumers and the brand, which leads to the success of the brand. But the brand lululemon also has limitations, their market is still very limited, and the reason for the high price makes their physical stores can only be opened in cities where people's average income is high to ensure profitability because not everyone is willing to buy sportswear with high prices. And the brand's male customers are still a minority because as a company that started with yoga, people would think that women are their target customers, which also limits their growth.

The downside of this paper is that no control variable allows us to know more clearly if lululemon's marketing techniques are the only thing that makes them successful. People's psychology cannot be ruled out in this study, and it is likely that some people buy knowledge for trend pursuits and not even for sports. An area for improvement next time would be to target the masses in the study to the daily fitness population. What can be improved next time is to target the masses in the research to the daily fitness crowd and those who want to work out, trying to get a clearer picture of their attitude towards the brand lululemon.

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