Take Lululemon as An Example to Analyse the Marketing Strategy

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Abstract. Today's consumer market, compared to the past market, has produced earth-shaking changes. From Lululemon as a starting point, explore the reasons for Lululemon's success. When female consumer power became a market that could not be ignored, Lululemon accurately grasped the market demand and obtained a large number of loyal customers. Lululemon has successfully branded itself as a high-end sports consumer goods label, which has laid a noble brand tone for this brand. This article not only talks about Lululemon's success among female consumers, but also Lululemon's outstanding achievements in the Chinese market, becoming a well-known sports brand in the world. So far, it has become the second largest sports consumer goods brand in the world. Finally, this paper also makes a prospect for Lululemon. The comprehensive product positioning enables Lululemon to expand its audience further, and in the context of comprehensive sustainable development, it keeps up with the market trend to achieve a comprehensive green sustainable development product line. Lululemon is a market model for vertical industries. This article intends to call on all kinds of brands in the industry to make progress in a virtuous circle. More competitors are joining, driving innovation and activity in the market. It is also hoped that Lululemon can maintain its past glory and continue to forge its legend.

Keywords: Lululemon, Marketing Strategy, vertical industries, female consumer power.

1. Introduction

In today's society, female consumers have gradually become the most important marketing target in the market. The messages, from advertising to blending into life, have pushed feminism into the mainstream. The one message that countless capitals have told women in the new society is: "Women can also dominate society." Scholars have criticized the activewear industry for promoting postfeminist and neoliberal ideas, often showcasing idealized female bodies—typically slim, toned, young, and white—in their advertising and marketing. These campaigns heavily focus on consumerism [1]. One of the reasons for this phenomenon is that capital has discovered that using post-feminist and neoliberal discourse to target products for women can bring them huge benefits. However, the women's clothing market has become a presence that cannot be ignored. Therefore, brands like Lululemon that focus on women's sovereignty and explore women's stories are very important in today's society. Lululemon makes use of its high-end brand positioning, focuses on the brand culture that respects women and the product design that conforms to the aesthetics of today's society and has won the yearning of a large number of middle-class women. Lululemon's brand IP has gradually become a symbol of women's social status. Lululemon leggings have become a phenomenon consumer product because Lululemon has tied yoga pants and social identity together, so consumers are misled into such a consumption misunderstanding. Many feminist scholars have criticised these mainstream narratives for using postfeminist and neoliberal language, arguing that feminist ideals of choice and empowerment are commercialized and exploited for profit. They point out that femininity, success, and beauty are often tied to consumerism [1]. It is precisely because the current society advocates female dominance to become the mainstream that the rise of brands that respect women such as Lululemon. Therefore, when analyzing Lululemon's marketing strategy, cannot get around the topic of how Lululemon associates its products with female consumerism. As the reference states, yoga is often perceived as a female-oriented activity, leading people to associate Lululemon primarily with women's sportswear. This perception creates a subconscious bias that makes it harder for the brand to attract more male customers [2]. Curiously, Lululemon does not do traditional advertising but instead promotes through community activities and KOL influence. In other words, Lululemon's important marketing means is to attract a large number of users through offline activities, such as yoga classes and other activities related to women, so as to form a brand cultural identity. This paper will introduce the consumer object of the Lululemon brand market through the combination of brand and era background. It also focuses on the reasons why Lululemon has achieved such success in China and the marketing strategy behind it. How Lululemon builds brand loyalty. This paper summarizes and puts forward prospects and suggestions for Lululemon's future development.

2. Defining Lululemon's Achievements from Multiple Angles

2.1. Consumer Profile

First of all, the researchers can analyse the tonality of the Lululemon brand and the popular groups by understanding its brand history. Lululemon was founded in 1998 in Vancouver, Canada. Dating back to the very beginning of its brand history, Lululemon is a studio that combines yoga clothing and yoga classes. This laid the foundation for Lululemon's future brand positioning. Unlike mainstream sports brands like Nike and Adidas, Lululemon positions itself in the high-end sports apparel market. It is recognized as Canada's first professional sports brand and is regarded in North America as a premium choice for yoga and fitness enthusiasts. Originally specializing in yoga apparel, Lululemon primarily targeted the women's sportswear market, achieving $1.8 billion in sales in 2014 [3]. The main product of the brand is yoga pants, which laid the foundation for Lululemon's "focus on women" brand language today. This also means that Lululemon is a brand focused on women's products. Due to Lululemon's relatively high product price positioning (Lululemon's official website can find that leggings will be priced at about $120), it can be inferred that Lululemon's main consumer group should be high-income elite women. For example: urban white-collar workers, career elites, corporate executives, self-employed people. It is also a question of female consumption. The current trend shows that women's spending power is constantly improving. There are more women who have more assets and are willing to pay the bills for fashion. Presenting a product in a well-crafted, immersive setting seems to enhance women's perception of its emotional value, which in turn increases their likelihood of making a purchase [4]. Lululemon nailed the trend. The Legging of high-price positioning is the "social status symbol" that these new-era women need. Brands with such positioning bias towards Females obviously focus their marketing and marketing on Females. Lululemon is not only more feminine in its brand publicity but also offers a large number of offline yoga classes for women. Apparently, offline yoga classes increase consumer loyalty. According to the company's 2023 annual report, women's products accounted for 64% of total revenue, while men's products made up 23% [5]. Although Lululemon has made some breakthroughs in the development of men's products in recent years. Products like Anti-Ball Crushing are powerful tools for Lululemon to tap into the male market. But sales of men's products still lag far behind those of women. This is Lululemon's brand tone. Instead of traditional advertising and celebrity endorsements, Lululemon uses BrandAmbassadors, yoga classes and community events to build a closer emotional connection with consumers. It also relies on word-of-mouth event marketing, KOL, and offline communities to promote the brand.

2.2. Chinese Market

What the researchers need to know is that if a brand's market is limited to the domestic market, the brand's influence is far from enough, which is also related to the level of sales. Therefore, if a brand wants to do more and improve its popularity, it must expand overseas markets. Therefore, Lululemon began to invest a lot of money in expanding overseas markets a few years ago. However, Lululemon's breakthrough success in the Chinese market is a very typical example. According to the statistics of the 21st Century Economic report, Lululemon's sales share in China, according to the third quarter of 2024 financial report, the Chinese market revenue increased by 35% to 359 million US dollars, accounting for 15% of the company's revenue [6]. In addition, the number of Lululemon stores in China also continued to grow, as of the end of the third quarter of 2024, there were 156 stores, a net increase of 23 [7]. It can be seen from the data that Lululemon's sales share in the Chinese market is still showing a stable growth trend. What is the reason that Lululemon can continue to grow steadily in the Chinese market? When a brand enters new markets, it must balance immediate profits with sustainable long-term growth. By considering real-world elements like technological advancements, time dynamics, and diverse capital investments, modern economic theory can enhance the accuracy of economic predictions and guide more effective policy decisions [8]. Lululemon has seized the popularity of short videos in China in the past five years and has used short videos and new media to promote its brand products and concepts. In the Chinese market, Lululemon combines local culture, promotes community activities, and uses social media (such as Rednotes and TikTok) to attract young consumers. Lululemon has been recognized by a large number of Chinese consumers and has also become a "status symbol" for Chinese females. Lululemon has faced criticism in mainstream media for targeting a specific demographic, with some sources labeling it as an "exclusive fitness brand" that primarily appeals to slim, affluent women [9]. It is also because of the popularity of short videos and the rapid development of the Internet. It also allows Chinese women to see more Western women's ideas and norms of behaviour. Therefore, a large number of Chinese females began to imitate and learn about the independence and autonomy of Western women. Lululemon is also a good example, which symbolizes that Chinese Female is being influenced by Western female culture. Consumption becomes a means of self-improvement, requiring women to continually work on and reshape themselves through the purchase of products and services [10]. In the Chinese market, Lululemon strategically identified and capitalised on the niche yet rapidly expanding demand for yoga, establishing a distinct competitive advantage. Additionally, the brand has tailored its product offerings to align with the specific preferences of Chinese consumers, thereby enhancing local market acceptance. This localised approach has been a critical driver of Lululemon’s exceptional success in China.

3. Marketing Strategy Analysis

3.1. Ways to Boost Consumption

Lululemon's success in China is not the only reason why it has become the second-largest sports brand in the world. The changes in The Times make the traditional sales model no longer an efficient marketing means and sales method. Faced with such a trend of changing The Times, Lululemon needs to seize the opportunity of The Times and develop a novel road, which is difficult to copy. Because consumers are becoming more and more vigilant, it means that consumers are pickier about products. Quality and price may become factors that affect consumers' purchases. This also makes Lululemon have to think about the severe impact of the sales model. Since 2016, Lululemon has been building a digital retail ecosystem, centered around a self-operated Direct-to-Consumer (DTC) online channel as its core business model, while integrating offline channels to establish a closed-loop data system [11]. Unlike traditional brands, traditional brands usually sell by opening offline stores; Or putting the product on a third-party sales platform for sale, such as Amazon. The disadvantage of such a sales method is that offline stores need a lot of cost support and a lot of investment; As for the third-party sales platform, it is necessary to extract the platform fees and the difference of the third party. This will undoubtedly lead to a significant increase in the pricing of products, which means that consumers need to bear more costs. This will greatly reduce the consumer's desire to consume. As Lululemon's founder Chip Wilson stated, the future development of brands must embrace vertical retail to prevent intermediaries from taking away the space for technological innovation. He firmly believes that brands should be driven by design rather than wholesalers and middlemen. Lululemon's vertical sales model makes it have its own unique sales model and sales ecology. This cuts directly into dealers' profits. Truly achieved Lululemon's capital and consumers' win-win sales model. It not only allows manufacturers to sell products at lower prices and have more funds for product research and development, but also allows consumers to get more favourable prices, which greatly improves the consumer's desire to consume. Lululemon's successful sales model has also aroused researchers' thinking. When traditional sales are put to the test, the old ways of following the rules are not feasible. When consumers are more and more sensitive to the product and have higher and higher requirements, they still want to use the previous business model, which will undoubtedly not make consumers pay. Lululemon has developed its own vertical marketing channels, which also proves that brands should seek popular models to attract consumers' purchase desires. Invest in research. Innovation is the secret of an enterprise's success. Lululemon has achieved phenomenal success and become the second largest sports brand in the world precisely because it has realized the vertical marketing model without price difference earlier than other enterprises.

4. Suggestion

4.1. Retain the Loyal Consumer

Lululemon is now a phenomenal success. However, after the saturation of consumer groups, maintaining consumer loyalty to the brand and maintaining consumption intensity is also a severe test. The sporting goods market is like a Monopolistic Competition, with different brands creating innovative products to attract consumers all the time. In the face of this form, even if Lululemon has a large number of loyal users, it cannot rely on its original marketing and technology. Brands can improve consumers' Brand Trust and loyalty through Brand Awareness and Brand Image. One article mentioned that the degree of trust consumers has in a brand is a core factor in determining their loyalty. Consumers pay more attention to the actual experience of the brand, rather than making purchase decisions based solely on the brand image [12]. This means that Lululemon's marketing strategy should not only enhance its influence through online and offline publicity, but also enable consumers to truly experience how much practical and emotional value Lululemon products can bring to consumers. That really gave Lululemon some direction to think about. To let customers personally experience the value of the brand, this means face-to-face communication with consumers offline. Describe the charm of the brand from the perspectives of emotion, actual value, return on investment, brand story and so on. Customers pay attention to personal experience. When consumers buy Lu Lulemon products, they can also get a different experience and have services that consumers cannot get. For example, conducting offline yoga classes and inviting prestigious and successful women to promote the concept of female independence. Lululemon's brand concept is connected with the inner thoughts of consumers. This is also a form of connecting consumers and brands, allowing consumers to spend on brand charm and brand value. Lululemon has also demonstrated its determination to increase consumer loyalty. By hosting over 4,000 annual events, Lululemon fosters user-generated content (UGC), encouraging customers to share yoga photos and fitness insights. This deepens emotional engagement with the brand, ultimately enhancing consumer loyalty to Lululemon [13]. This social, consumer, entertainment integration of the "Lululemon" community is becoming a global fashion benchmark.

4.2. Path of Sustainable Development

As the times change, more and more people are paying attention to the functionality and practicality of the products themselves, as well as the sustainability of the products. The green and sustainable development path has become the responsibility and obligation of consumers and manufacturers. Sustainable consumption optimizes product purchase, use, and disposal with environmental, social, and economic considerations, ensuring future generations' well-being. Ethical and sustainable consumption assumes that consumer choices are influenced by moral and environmental concerns. Beyond functional and emotional factors, corporate social responsibility also plays a key role in brand selection [14]. The sustainable development of brands has become an unavoidable topic. "Environmental protection" is the responsibility of all mankind on earth. This is not only a protection of the current environment, but also a responsibility for the living environment of future generations. Therefore, responding to the times and taking the path of sustainable development is, to some extent, also an excellent strategy for brands to declare their products.

After the clear direction of the goal, the idea concept is implemented and becomes a brand feature. That is the difficulty for Lululemon. As consumers prioritize sustainability, demand shifts toward eco-friendly products. To stay competitive, businesses must adopt green strategies. Eco-labeling, green brand perception, and trust in a brand’s environmental commitment drive purchasing decisions. Building a strong green brand image linked to sustainability is essential for long-term success [15]. Under the influence of the form, Lululemon also expressed its attitude and determination to adhere to sustainable development. Luulemon talks about its concept of sustainability from many different perspectives. In 2020, Lululemon introduced its first Impact Agenda, outlining a multi-year strategy focused on three pillars: "Be Human," "Be Well," and "Be Planet." This agenda includes 12 commitment goals aimed at addressing social and environmental challenges [16]. Despite Lululemon's stated commitment, the path to sustainability remains difficult. In order to achieve a comprehensive low-carbon model, Lululemon needs to achieve low-carbon in many aspects. Such as the use of low-carbon transport, but the cost of luck is extremely high; The high cost of using environmentally friendly materials such as recycled polyester and plant-based fabrics that can be recycled may affect profits; Create a secondary recycling platform, but the concept of recycling is not popular among ordinary consumers, etc. Various difficulties hinder Lululemon's sustainable development path. Lululemon has pledged to achieve net-zero operational emissions by 2030 and transition its global supply chain to renewable energy. By 2025, over 75% of its products are expected to be made from recycled or renewable materials to cut carbon emissions. Additionally, the company aims to reach full supply chain carbon neutrality by 2040 and actively participates in global environmental initiatives. However, the reality is far more challenging—its carbon emissions have doubled over the past three years, highlighting the difficulties of supply chain decarbonisation. The immaturity of current supply chain infrastructure and technology poses significant barriers to Lululemon’s long-term sustainability efforts. Lululemon still needs to make a lot of efforts to realize the green road of comprehensive brand sustainable development. Creating a sustainable product supply chain is still a trend if fashion brands are manufacturing.

5. Conclusion

In conclusion, after an in-depth study and analysis of Lululemon's success in the market strategy, the scholars intuitively realized that brand positioning and the spirit of innovation are the keys to success. The analysis of Lululemon's phenomenal success in the Chinese market and its brand marketing strategy also puts forward a good prospect for Lululemon's future. It is also Lululemon's high-end brand positioning of "Super", excellent marketing methods and innovative entrepreneurial model that make Lululemon obtain such achievements. However, while individually praising the glory of Lululemon in the past, researchers should also pay attention to the future direction of the brand, and even worry about it. Whether it is facing the saturation of consumer groups leading to slow sales growth, or the expansion of green development paths, the research and development of products that can be used is required. It is a big challenge for Lululemon. I also put forward the vision that Lululemon can still maintain its original innovation and enthusiasm in the face of these challenges, and develop products that will impress consumers. From a more macro perspective, Lululemon, as a representative of innovation, is a role model in the market. Lululemon occupied a large part of the market at a fast speed, which greatly improved the market activity. This not only brings pressure and challenges to competitors; It is also a welfare for consumers, who can have more consumption choices and improve the diversity of products. Such innovation is promoting a virtuous circle in this industry, and more and more excellent innovative products will appear in the market. While looking forward to the market, the scholars hope that more merchants can innovate, and also hope that Lululemon can maintain its past glory, continue to improve brand sales and popularity with a steady rise and open up more markets.

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