

Analysis of Marketing and Brand Development Strategy of Sports Retail Brand - Take Lululemon as an Example

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Abstract. This article delves into marketing strategies aimed at boosting sales for sports brands, with a specific focus on Lululemon, a prominent international sports brand, as a case study. Through an in-depth analysis of Lululemon's historical challenges and subsequent improvements, we aim to glean valuable insights into effective marketing strategies applicable to the sports brand industry. Lululemon, like many other sports brands, has faced its fair share of obstacles. These challenges often encompass market competition, changing consumer preferences, and the need for innovative approaches to stay relevant. By examining how Lululemon addressed these issues, we can distill practical lessons in marketing. Furthermore, this case study serves as a source of inspiration for developing distinctive and innovative marketing strategies. We will explore various aspects of marketing, from branding and product development to consumer engagement and market positioning. This comprehensive analysis will help identify key areas where sports brands can fine-tune their strategies to enhance sales and brand recognition. In an era of ever-evolving consumer demands and fierce market dynamics, sports brands must remain adaptable and innovative in their marketing efforts. This article seeks to provide valuable insights and actionable recommendations that can empower sports brands, including Lululemon, to navigate the competitive landscape effectively and thrive in the industry.

Keywords: Marketing strategy, Lululemon, brand strategy.

1. Introduction

Marketing is a captivating discipline that extends far beyond its initial perception of simplicity. It stands as a multifaceted professional field intertwined with numerous influential factors. The growth of virtually every industry is intricately linked to effective marketing. Astute marketing strategies wield immense power, capable of significantly shaping the trajectory of an enterprise. These strategies play a pivotal role in elevating a company's visibility and broadening its reach to a more diverse clientele.

In essence, even if a company boasts exceptional products, without an opportune platform to showcase and sell them in the market, it can easily be overshadowed by competitors with inferior offerings. The success story of Lululemon exemplifies the profound impact of marketing. Initially, the brand did not enjoy a particularly lofty reputation, yet its strategic marketing initiatives triggered a meteoric rise in popularity.

Delving into Lululemon's business case and dissecting the methods they employed, individuals can glean invaluable insights into marketing strategies and expand their horizons within this intricate field. Marketing is an intricate tapestry intimately connected to the dynamic market landscape. This market embodies a multitude of business entities and organizations, each introducing unique variables and factors that continually reshape the marketing landscape.

Given this complexity, marketing encompasses a diverse array of approaches and strategies. Analyzing real-world case studies serves as the most effective avenue for comprehending these strategies. Consequently, this article also adopts the method of case analysis to scrutinize Lululemon's marketing strategy. By scrutinizing a myriad of authentic cases, we adopt a marketing-centric perspective to assess the underlying purpose, opportunities, costs, and other factors inherent in each decision within these cases. This approach enables us to comprehensively evaluate the methodology employed by Lululemon, shedding light on its marketing prowess.

2. Overview of Lululemon

Lululemon is a clothing brand company that opened its first store in Lululemon, Vancouver, in 2000 and went public in 2007. The success of Lululemon is largely attributed to Chip Wilson's marketing efforts. At the 2022 Winter Olympics, down jackets became popular, but in fact, Lululemon's main market was yoga products. In the early 20th century, its founder, Chip Wilson, with a keen sense of smell, realized that yoga would become a fashionable sport in the future. And yoga products did not have a large market in sports equipment at that time because there was not much demand, but the competitiveness was relatively small.

However, the pivotal motivation behind Chip Wilson's decision to pivot his career and passionately delve into the development of yoga products stemmed from his own personal journey. He was an avid participant in yoga training, immersing himself deeply in the practice. During that time, he noticed that most practitioners begrudgingly donned dance attire for their yoga sessions. The design of these dance clothes catered primarily to individuals with exceptionally toned bodies, and their fabric was often too sheer, causing discomfort and exposing skin during stretches. The yoga market, at that point, lacked products that could seamlessly blend breathability, snug fit, flexibility, aesthetic appeal, and ease of maintenance – all crucial factors that only dedicated yoga enthusiasts could truly appreciate. These unmet needs became the "hidden pain points" experienced exclusively by those deeply immersed in the practice. For example, focus on how to break through physical limitations rather than clothing; How to avoid the embarrassment of sweating too much; How to be lighter and thinner without excessive exposure. Chip Wilson realized that to address pain points; efforts must be made in fabric, craftsmanship, and design. Only on the basis of ultimate products can we have ultimate appeal beyond the product itself. At this moment, Wilson wants to create the perfect women's sportswear.

As a result of these observations, Wilson embarked on the journey of founding Lululemon with a laser focus on yoga. In doing so, he emerged as a trailblazer in the realm of functional yoga apparel. Lululemon's inception marked a pivotal moment in addressing two persistent challenges associated with yoga pants: transparency issues and the infamous "Camel Toe" effect. Moreover, the company also tackled the problem of chafing during exercise by introducing innovative external stitching techniques. Leveraging its technological prowess in product development and recognizing the untapped market potential, Lululemon rapidly achieved remarkable revenue growth. This flourishing success speaks volumes about the brand's ability to meet the precise needs of yoga practitioners and fitness enthusiasts alike. As of the first half of 2023, Lululemon's total revenue was nearly \$2 billion, ranking third among its peers.

3. Marketing Strategy Analysis of Lululemon

Marketing strategic management refers to the formulation of relevant economic strategies within a certain period of time according to the current development needs of the enterprise. Based on changes in the market during different periods of time and changes in market environment goals, appropriate changes are made to the marketing strategy to enable the enterprise to more effectively formulate strategic management goals, determine the sales scope of the market, the target audience, and so on. Finally, develop relevant marketing strategies and control the entire process of strategy implementation to achieve effective implementation [1]. The following article will focus on the marketing strategy management adopted by Lululemon, which is roughly divided into three parts: market positioning, product pricing, and promotional marketing

3.1. Market Positioning Strategy of Lululemon

The first and most important point for a brand is to find its own market positioning, which determines a company's products and target customer groups, as well as their market. Different market environments can greatly affect the development of enterprises. Some markets may have many competitors, while others may not have good prospects for development. Therefore, finding a

suitable market positioning is the first step for an enterprise. Lululemon is the most typical example, and Wilson noticed a social phenomenon where the proportion of female graduates from North American universities is increasing. The increase in education level has delayed the willingness to have children, increased the average income of women, and created a new demographic consumer profile, namely women aged 24 to 35 who are unmarried and have no children, have a high level of education, and enjoy sports and travel. Wilson referred to the target audience as 'Super Girls'. 'They were Lululemon's initial and primary customer group.' After targeting the audience and market based on a clear consumer profile, Lululemon decided to focus on the yoga pants market, continuously maintaining the brand's position in the women's and yoga markets and constantly trying new products in jogging, travel, commuting, and other scenarios, successfully becoming an industry leader [2]. After having a clear positioning, Lululemon's product technology is also a major selling point. Firstly, Lulu Lemon's products perfectly integrate "sports professionalism" and "fashion" and achieve the ultimate in details. Its fabric is top-notch in terms of softness, breathability, body fit, comfort, sweat-wicking, and anti-perspective in yoga suits; Simultaneously, Lululemon has consistently pushed the boundaries of fabric technology, with a strong focus on catering to the specific needs of yoga practitioners across various sporting scenarios. Additionally, Lululemon's product range embodies a fusion of fashion sensibilities and thoughtful, user-centric design. This unique blend can be encapsulated as a means of expressing the grace and aesthetics inherent in physical movement, all while tailoring improvements to accommodate diverse body types. In contrast, traditional sportswear giants like Nike and Adidas have historically emphasized their presence in team sports and Olympic disciplines, often relegating fashion considerations to the backseat. Lululemon, on the other hand, has adeptly woven functionality and fashion into its products, rapidly establishing a significant foothold in the market. Remarkably, this approach has even managed to attract fashion-conscious women who may not have initially focused on yoga as their primary activity. This astute product strategy ingeniously sidesteps direct competition with conventional sports brands, which often operate in more intensely competitive segments [3].

3.2. Pricing Strategy of Lululemon

The second particularly important strategy is product pricing, which is a factor that directly affects consumer size as consumers are directly exposed to it. Price is usually an important factor that affects the success or failure of a transaction, and it is also the most difficult-to-determine factor in the marketing mix. The goal of enterprise pricing is to promote sales and generate profits. This requires companies to consider both cost compensation and consumer acceptance of prices so that pricing strategies have the characteristic of two-way decision-making between buyers and sellers. The right price is the best way to capture customers, a person sets up a mental account that specifies the advantages and the disadvantages associated with the option relative to a multiantibiotic reference state. Thus, an option is acceptable if the value of its advantages exceeds the value of its disadvantages [4]. So, the appropriate price can make customers feel that buying this product is a good deal. In addition, price is also the most flexible factor in the marketing mix, which can respond sensitively to the market. Supermarkets often give people an image of low profit and quick turnover, especially for daily necessities with high sales volume and fast turnover. Lower prices are more likely to win consumers' favor. However, blindly reducing prices makes it difficult to increase profits, so there are many reasonable pricing strategies that need to be implemented. "[5], psychological pricing, and discount pricing, while Lululemon adopts higher pricing. Due to their own material suppliers, Lululemon can achieve a high brand position and does not have many serious competitors in the market. At the same time, Raw materials and channel prices are low, so the natural manufacturing cost of goods is low. Lululemon has adopted a premium strategy for its high-quality products. This is suitable for high-end customers who value brand quality over money. Lululemon's target audience is the middle class with a certain purchasing power and a pursuit of a healthy figure. This group of consumers not only hopes to meet their basic functional needs when purchasing products but also hopes to reflect their identity. Therefore, when yoga pants were first introduced to the market,

Lululemon set their pricing to be 3-4 times higher than the market price. During Lululemon's golden sales period.", Lululemon also has few discounts and promotions, let alone the launch of similar low-priced products. A price comparison is that a pair of yoga pants on Lululemon costs \$92, while Under Armour costs \$70, and Nike's products in the same category only cost \$60. Compared to ultra-high-end clothing, Lululemon has a relatively lower price and a higher gradient compared to popular sports brands. This allows white-collar women aged 30 to 40 to use it as their daily attire to showcase their lifestyle and consumption level. Lululemon's pricing strategy has helped them secure a large customer base.

3.3. Promotion Strategy of Lululemon

The final strategy to be elaborated in this article is marketing promotion, which refers to the use of existing communication resources to promote related goods and services in order to guide and stimulate consumers, make them have purchasing desires, and thereby improve the efficiency of the company and enterprise. We find a strong theoretical explanation that when consumers are exposed to product information through multiple interactions evolved from peers, they find an emotional affiliation with this message [6]. Common promotional methods include advertising, celebrity endorsements, and co-branding. They all find more opportunities to appear in people's daily lives through promotion, enhance their brand awareness, and attract more customers. After attracting customers, they still need to continuously promote, seize customers, enhance their loyalty, and turn them into loyal fans of the brand. Research demonstrated that environmental advertising significantly influences green brand loyalty, green brand equity, and green brand innovation [7]. There are many methods of marketing and publicity, and some methods can even achieve miraculous results. For example, taking the rapid promotion of national fitness as an opportunity to develop a new marketing strategy that can effectively meet the needs of public consumption, when formulating marketing strategies, it is necessary to fully utilize the social benefits of national fitness based on the mass sports consumer group, Make the marketing strategy formulated effectively meet the consumption needs of the mass sports consumer group [8]. In contrast, Lululemon adopts a community marketing approach, connecting offline communities with consumers to increase brand attention. Through the "Brand Ambassador Program," Lululemon is committed to cultivating fitness celebrities and sports experts in the community, creating a high-quality KOL team, and leveraging the reputation of professionals to influence consumers. Lululemon promotes consumer experience and immerses itself in brand culture by opening direct stores, creating fitness celebrities and sports influencers, creating fitness KOLs, and opening yoga parlors in direct stores. After the consumer experience is completed, they can directly purchase from direct stores or direct e-commerce, providing online and offline services, which improves the communication between the brand and consumers. In this case, Lululemon shortened the distance with clients, increased their loyalty, and gained a good reputation by organizing activities. And word-of-mouth can continuously spread among customer groups, thereby enhancing their influence. Lululemon has also participated in many public relations activities. Every year, it chooses its eighth charity project to donate to and establish a good image for the brand. In 2021, lululemon officially established the Centre for Social Impact, which aims to support communities around the world through philanthropy, research, and advocacy to further promote the physical, psychological, and social dimensions of well-being." Lululemon did not spend millions of dollars on the biggest idols in the sports industry, such as Adidas or Nike, but instead turned to smaller influencers. It is obviously necessary to use an attractive celebrity as a brand ambassador, but Lululemon targets a narrow niche market. This strategy was successful because both parties benefited - the brand and small influencers. Local yoga and fitness coaches have gained more customers, had the opportunity to obtain high-quality products, and developed their businesses. In return, Lululemon allowed them to spend some time in the store and offered free yoga classes to represent the brand. Due to the continuous expansion of Lululemon's scale, ambassadors have also received a large number of new followers. This marketing strategy is a major feature of Lululemon and also helps it achieve its marketing objectives.

Although Lululemon has achieved some success, it needs to continue its efforts to consolidate its position. One of the most important issues is over-inventory. For inventory issues, lululemon officials said that due to the constraints of the global supply chain, the company's inventory level was too low last year, so the company made a strategic decision to increase inventory this year, but as global supply chains begin to recover, they also cannot sell it well.

Improving the efficiency and effectiveness of marketing strategy creation remains ongoing. Consideration for public and private industry firms. TQM and marketing, in synergy, enable value creation for customers and competitive market advantage [9].

To solve this problem, the best solution is to improve the storefront and spread the scope of business. Deepen their image in people's minds, and then they can attract more customers. The core of the brand strategy is to penetrate different levels of brands deep into the hearts of consumers based on target consumers, reasonably position the value of the brand, and effectively achieve the goal of obtaining more benefits from brand resources [10].

4. Conclusion

This article studies Lululemon's marketing strategy cases, analyzes the marketing theories behind each case, confirms the feasibility of these theories in real cases, and demonstrates that marketing is a complex and ever-changing field. If appropriate opportunities can be seized, it is the opportunity for brand explosion. Moreover, every brand should have its own strengths in a certain aspect of marketing, such as Lululemon seizing market opportunities and having unique promotional methods. A brand needs its own unique means to attract more customers. In addition, the case of Lululemon also illustrates that all the purposes of a brand are for the sake of customers, so it is necessary to be customer-centric, from the perspective of consumers, and establish good relationships with them so as to have more profits and income. This is also the central consciousness that a company should have the most. The market limits this research. This paper merely talks about the lululemon in Chinese marketing. Lululemon, in the overseas market, probably has to face different troubles or meet more opportunities. In the future, this research will study how to help Lululemon enter more international markets.

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