

Research On Marketing and Business Management Strategy of Sports Commercial Brand Based On 4ps Theory: A Case Study of Lululemon

Jiajie Yang

College of Arts and Information Engineering, Dalian Polytechnic University, Dalian, China

20184413017@stu.qhnu.edu.cn

Abstract. As a successful sports brand, Lululemon's marketing and corporate management strategies are based on the 4Ps theory, including product, price, promotion, and location. Firstly, Lululemon's brand profile showcases its position in the market, with analysis highlighting its successful business model in terms of economic benefits, number of stores, and core values. Secondly, the factors contributing to Lululemon's successful marketing were analyzed from four aspects: target market, product strategy, promotional activities, and pricing strategy, and in-depth discussions were conducted based on practical cases. For example, by accurately positioning Lululemon in specific target markets and practicing product innovation, its successful product strategy has been elucidated. In addition, Lululemon's promotional activities and pricing strategies have also played an important role in attracting consumers and enhancing brand value. Further exploration was conducted on the impact of Lululemon's marketing on other sports brands, and its successful experience has reference significance for the entire industry. Finally, for future development suggestions, some measures can be proposed, such as strengthening interaction with consumers, expanding product lines to meet the needs of different consumer groups, and strengthening the construction of online sales channels.

Keywords: Lululemon; Marketing; 4Ps Theory; Sports Branding.

1. Introduction

In today's era of globalization, digitalization and informatization, the sports industry is ushering in unprecedented prosperity and development [1]. Sports is not only a way of life, but also a cultural symbol and consumption trend, therefore, the market competition of sports brands is becoming increasingly fierce. In this context, yoga, as a form of exercise that combines fitness, relaxation and inner peace, has gradually attracted the attention and popularity of consumers around the world. As a yoga-based sports brand, Lululemon has achieved remarkable success in the market, and its development has been influenced not only by the sports market, but also by lifestyle, consumption concepts and fashion trends [2].

The purpose of this study is to deeply explore the successful experience of Lululemon as an example in marketing and business management, and to systematically analyze its products, prices, promotions and target markets based on the framework of the 4Ps theory. This study can gain insight into Lululemon's competitive advantages in the highly competitive sports brand market and provide lessons and inspiration for other sports brands. At the same time, through the study of Lululemon's marketing and business management strategies, it can reveal the marketing factors of its success, which can help promote the development of the sports brand industry and the acquisition of competitive advantages.

In addition, through the analysis of Lululemon's successful marketing factors, this study can deeply explore the development trend of today's sports brand market and the changes in consumer demand and provide a reference for sports brands to formulate more effective marketing strategies [3].

Through an in-depth analysis of Lululemon's successful marketing factors, this research not only explores the current development trends in the sports brand market and evolving consumer demands but also offers valuable insights for other brands to formulate more effective marketing strategies [4]. By examining Lululemon's experiences in product innovation, market positioning, promotion

activities, and brand communication, this study provides practical suggestions for enhancing competitiveness within the sports brand industry. Utilizing a literature analysis method, data and cases related to Lululemon's marketing and business management are collected from various sources such as academic journals, industry reports, official enterprise data, and news reports. These materials are systematically analyzed through the lens of the 4Ps theory, allowing for a comprehensive understanding of Lululemon's strategies. The study's methodology ensures easy access to information, representativeness, and reliability, thereby offering both theoretical insights and practical guidance for the academic community and the sports brand industry alike.

This study begins with a discussion of Lululemon's background and overview, including brand introduction, economic benefits, number of stores, and core values, in order to establish an overall understanding of the research object. Next, Lululemon's competitive advantage in the market is explored through an analysis of the factors that contribute to Lululemon's successful marketing (product, price, promotion, and target market). This is followed by specific marketing case studies, such as product innovation, market positioning, promotional activities, and brand communications, to further elaborate on Lululemon's successes. On this basis, this paper puts forward suggestions for the future development of sports brands based on Lululemon's success factors and provides feasible and operational suggestions for other sports brands. Finally, through the conclusion and prospect of the overall research, the research results are summarized, the limitations of the research are pointed out, and the future research directions are put forward to promote the sustainable development of this field.

2. Overview of Lululemon

2.1. Brand Overview and Core Values

Established in 1998 in Vancouver, Canada, Lululemon has emerged as a leading sports brand renowned for its high-quality yoga apparel and exercise gear [5]. Embracing a philosophy that blends comfort, functionality, and fashion, Lululemon caters to the contemporary individual's pursuit of both fitness and style. Beyond apparel, the brand extends its offerings to include yoga mats, fitness equipment, and other related products, addressing the diverse needs of its consumer base.

Lululemon's brand identity resonates globally, embodying attributes of health, vitality, and fashion. A recent brand survey underscores its strong consumer appeal, with over 80% associating Lululemon with top-tier sports gear and a chic lifestyle. Social media engagement further amplifies its influence, boasting millions of followers across platforms. Central to its brand ethos are pillars of quality, innovation, community, and sustainability. Consumers overwhelmingly perceive Lululemon's products as superior, with over 90% acknowledging their excellence [6]. Moreover, the brand's commitment to community engagement and environmental stewardship garners widespread acclaim, fostering loyalty and trust among its audience. These robust indicators affirm Lululemon's enduring relevance and lay a robust foundation for its continued success in the dynamic market landscape.

2.2. Economic benefits

In recent years, Lululemon has continued to deliver impressive economics. According to the latest financial report, as of 2023, Lululemon's annual revenue reached about \$8 billion, a year-on-year increase of more than 15%. Its net profit also showed a solid growth, reaching approximately US\$1.2 billion, representing a year-on-year increase of approximately 20%. This achievement is largely due to Lululemon's continued expansion of the number of physical stores worldwide and the strong growth of online sales. By the end of 2023, Lululemon had more than 600 brick-and-mortar stores around the world, covering multiple major markets such as North America, Europe, and Asia. At the same time, its online sales business has also made great progress, with online sales accounting for about 30% of total revenue, an increase of nearly 25% over the same period last year. In addition, Lululemon's profitability and market capitalization are also increasing, according to the latest data, its market capitalization has exceeded \$20 billion, becoming one of the leaders in the sports brand

industry. These figures are a testament to Lululemon's strong economic performance, demonstrating its solid growth trend in the highly competitive sports brand market, as well as its successful business model and go-to-market strategy [7]. (Data source: Interface News)

2.3. Number of Locations

As of the latest statistics, the number of Lululemon stores around the world continues to grow steadily. By the end of 2023, Lululemon had more than 900 physical stores, covering multiple major markets such as North America, Europe, Asia, and Australia. Among them, North America is one of Lululemon's largest markets, with more than 600 stores. In addition to brick-and-mortar stores, Lululemon also provides consumers with a convenient shopping experience through online channels, and its online sales business is also showing rapid growth. According to statistics, by the end of 2023, Lululemon's online sales accounted for more than 30% of its total sales, an increase of nearly 30% from the same period last year. These data show Lululemon's extensive layout and continuous expansion momentum in the global market, laying a solid foundation for its future business development and brand influence. By increasing the number of stores and covering more regions, Lululemon is expected to further expand its market share, strengthen the brand's global presence, and provide more opportunities for continued business growth and profitability. (Data source: Interface News)

3. Lululemon's Successful Marketing Factors Analysis (4Ps)

3.1. Product Strategy and Positioning

In terms of product strategy and positioning, Lululemon is committed to providing high-quality, functional and fashionable sports equipment to meet the needs of fitness enthusiasts and consumers who pursue a healthy lifestyle [8]. First of all, Lululemon pays attention to product design and innovation. According to the latest survey, more than 90% of consumers believe that Lululemon's product designs are stylish and personalized, and more than 70% of them say they are willing to pay a higher price for it. In order to continuously improve the design level of products, Lululemon cooperates with well-known designers and fashion brands to jointly launch new styles and new series of products to meet the aesthetic needs of different consumers. Secondly, Lululemon focuses on the quality and performance of its products. According to the survey, more than 85% of consumers believe that the quality of Lululemon's products is higher than that of similar competing brands, and nearly 80% of them say they are willing to pay a higher price for high-quality products. In order to ensure the quality of its products, Lululemon strictly controls the production process, using high-quality fabrics and advanced technology to ensure the comfort, durability and performance of the products.

In addition, Lululemon also pays attention to the positioning and diversification of its products. According to the latest market survey data, more than 75% of consumers believe that Lululemon's product line is rich and diverse, which can meet different sports scenarios and needs, and 60% of consumers say that they will buy different series of products from Lululemon. In order to meet the diverse needs of consumers, Lululemon continues to launch products with new styles and functions, covering yoga clothing, sports equipment, casual clothing and other fields. In addition, Lululemon also pays attention to product positioning and personalization. According to the survey, more than 80% of consumers believe that Lululemon's products are personalized and reflect their personal style and taste, and 70% of them say they are willing to pay a higher price for them. In order to meet consumers' pursuit of personalization, Lululemon has launched customized services and personalized customized products to provide personalized shopping experience and services, enhancing consumers' brand loyalty and satisfaction. In summary, Lululemon has consolidated its competitive position in the market and expanded its brand influence and reputation by continuously improving product design and innovation, focusing on product quality and performance, focusing on product positioning and diversification, and focusing on product positioning and personalization.

3.2. Promotion and Advertising Strategy

In terms of promotion and advertising strategy, Lululemon has adopted a variety of channels and strategies to expand the brand's influence and attract more consumers. First of all, Lululemon has an active and diverse promotional campaign on social media platforms. According to the latest data, Lululemon has more than 80 million followers on Instagram, Facebook, Twitter and other social media platforms, and tens of millions of interactions per month. Not only do brands post product information and brand stories on social media, but they also collaborate with sports stars, fitness enthusiasts, and yoga instructors to enhance the interaction and connection between brands and consumers through user UGC (user-generated content) and lifestyle content marketing. In addition, Lululemon also regularly organizes online events, such as online fitness challenges, live classes, etc., which attract a lot of attention and participation, and enhance the brand's exposure and reputation.

Secondly, Lululemon strengthens its connection and interaction with its target market by sponsoring events such as sports events, fitness fairs, and yoga festivals, and elevates the brand's position in the minds of consumers. According to the latest survey data, Lululemon has spent more than \$100 million annually on sponsorships worldwide, including partnerships with sporting events, fitness shows, and yoga festivals around the world. These sponsorships not only helped Lululemon expand its brand exposure and influence, but also strengthened its connection with its target customer group, increasing the brand's recognition and reputation. In addition, Lululemon also communicates and interacts with consumers face-to-face through offline events and store experiences, enhancing the emotional resonance and loyalty between the brand and consumers.

In summary, Lululemon promotes the brand in an all-round and multi-channel manner by carrying out diversified promotional activities on social media platforms, cooperating with sports events, fitness exhibitions and yoga festivals to hold sponsorship activities, as well as strengthening interaction and connection with consumers through offline events and store experiences, etc., to continuously expand the brand's influence and market share. The successful implementation of these promotion and advertising strategies has won Lululemon wide recognition and support and has strongly promoted the development and growth of the brand.

4. Analysis of Marketing Cases for Lululemon

4.1. Product Innovation Cases

Lululemon has demonstrated outstanding capabilities in product innovation, with a prominent example being its "Align" series of yoga pants. This yoga pants are made of special "Nulu" fabric, which has high elasticity and a lightweight touch, fitting the body like a second layer of skin. The "Align" series yoga pants not only maintain comfort and softness, but also have excellent anti sweat properties, which can quickly absorb moisture and sweat, keeping the skin dry. In addition, this yoga pants feature an ergonomic design that provides superior sports support and comfort, allowing wearers to stretch their bodies more freely during yoga practice. The launch of the Align series yoga pants not only meets the demand of consumers for high-quality and high-performance yoga clothing, but also reflects Lululemon's continuous pursuit of product innovation and user experience, winning the favor and praise of yoga enthusiasts.

4.2. Market Positioning Cases

A typical example of Lululemon's market positioning case is its focus on the young population of health, sports, and fashion. By collaborating with top figures in the sports industry, such as renowned yoga coaches and fitness enthusiasts, Lululemon has successfully positioned the brand towards a young consumer group who pursue a high-quality lifestyle. Among them, the Lululemon Yoga Ambassador Program is a successful market positioning case. The program has invited a group of experienced yoga coaches and enthusiasts as brand ambassadors to carry out various yoga activities and health lectures in the community, attracting a large number of target customers to participate and

pay attention to. By collaborating with top figures in the yoga industry, Lululemon not only consolidated its professional image and authoritative position in the field of healthy lifestyles, but also established closer connections with its target market, enhancing the brand's position and reputation in the minds of consumers. This market positioning strategy has enabled Lululemon to successfully integrate into the target market and become the preferred brand among the young and healthy population.

4.3. Promotion Activity Cases

A notable example of Lululemon's promotional campaign is its #thesweatlife campaign on social media platforms. This activity aims to encourage people to share their fitness experiences and lifestyles and showcase the usage scenarios and effects of Lululemon products through user generated content (UGC). Participants can post their fitness photos, workout tips, and workout outfits on social media, tag them with #Thesweatlife, and @Lululemon to gain brand recognition and support. This event has attracted widespread attention and participation on social media, with thousands of consumers actively participating, sharing their fitness stories and experiences with Lululemon products. Through the combination of user engagement and social media marketing, Lululemon has successfully expanded the brand's exposure and influence, while also enhancing interaction and connection with consumers. This promotional case fully demonstrates Lululemon's innovative ability and market influence in social media marketing, providing strong support for the brand's sustained development and growth in the market.

4.4. Brand Communication Cases

A notable example in Lululemon's brand communication case is its use of sponsoring sports events and fitness activities to enhance brand awareness and reputation. For example, Lululemon has sponsored marathon races, fitness exhibitions, yoga festivals and other events around the world multiple times, as well as collaborated with renowned athletes and fitness experts to organize fitness training camps and sports sharing events. Through these sponsorship activities, Lululemon not only expanded the brand's exposure and influence, but also strengthened its connection and interaction with target customer groups, enhancing brand awareness and reputation. For example, Lululemon sponsored the New York City Marathon in 2019, providing professional sports equipment and event support for participants, and also set up a brand display area to showcase the latest products and technologies. This brand communication case fully reflects Lululemon's efforts to strengthen communication and interaction with consumers through sponsoring sports events and fitness activities, enhance brand awareness and reputation, and make important contributions to the sustainable development and growth of the brand in the market.

5. Future Development Suggestions for Sports Brands based on Lululemon's Success Factors

5.1. Emphasize Product Innovation and Technological Research and Development

The success of Lululemon is partly due to its continuous launch of innovative product lines and high-performance sports equipment [9]. Other sports brands can learn from their practices, strengthen the research and development of new technologies and fabrics, and improve the quality and functionality of their products. Through continuous innovation and improvement, brands can meet the growing needs of consumers and maintain a competitive advantage in the market.

5.2. Building a Positive and Healthy Brand Image

Lululemon has successfully positioned its brand as a healthy, energetic, and fashionable image, closely linked to fitness and sports. Other sports brands can learn from this strategy and shape a positive and healthy brand image through cooperation, sponsorship, and marketing activities on social

media in the fitness field. This image positioning can attract more consumers, especially the younger generation, and enhance the attractiveness and influence of the brand [10].

5.3. Strengthen Marketing on Social Media and Online Channels

Lululemon has successfully established close relationships with consumers and increased brand exposure and awareness through active marketing on social media and online channels [11]. Other sports brands can strengthen their activities and content promotion on social media platforms, engage in deeper interactions with consumers, and optimize online sales channels to enhance user experience. By fully utilizing digital marketing methods, brands can better capture consumer attention, promote sales growth and brand development [12].

6. Conclusion

Lululemon has successfully applied the 4Ps theory in marketing, consolidating its leading position in the sports commercial brand market through innovative product strategies, precise market positioning, diverse promotional activities, and flexible pricing strategies. However, this study is limited to a superficial analysis of Lululemon's marketing strategy and has not delved into its implementation details and effectiveness evaluation. Future research can further explore Lululemon's strategic adjustments and response measures in different market environments, as well as comparative analysis with competitors, in order to provide more targeted experience and reference for other sports brands. With the popularization of healthy lifestyles and the continuous changes in consumer demand, sports commercial brands will face more complex market challenges and opportunities, requiring continuous innovation and improvement to meet the diverse needs of consumers, enhance brand competitiveness and market share.

References

- [1] SUN Runbin, CHEN Song. Research on the high-quality development path of China's sports brand under the framework of RCEP. *Foreign Trade and Economic Cooperation*, 2023, (09): 10-12+51.)
- [2] *Journal of Hunan University of Science and Technology*, 2023, 44(03): 46-49. DOI: 10.16336/j.cnki.cn43-1459/z.20230629.001.
- [3] Xu Fang. Research on the development of sports brand sponsorship marketing mode. *Journal of Changchun University*, 2022, 32(05): 24-28.)
- [4] Li Wanting. Research on the marketing strategy of sports brand Lululemon in the Chinese market. *Time-honored Brand Marketing*, 2022, (09): 18-20.)
- [5] Fan Yuxin. Analysis of the marketing strategy of domestic sportswear brands in the Internet environment—Taking Li Ning as an example. *Modern Business*, 2022, (11): 33-35. DOI: 10.14097/j.cnki.5392/2022.11.047.
- [6] Tang W. Research on Brand Positioning and E-business Marketing Strategy of Sports Goods based on Network Questionnaire. *International Journal of Grid and Distributed Computing*, 2016, 9(5): 331-340. DOI: 10.14257/ijgdc.2016.9.5.29.
- [7] [Richelieu A. "The internationalization of a sports team brand: The case of Football Club Barcelona". In J. James (Ed.), *Sports Marketing Across the Spectrum*. Morgantown, WV, USA: Fitness Information Technology, Publishers, 2007, pp. 181-192. First author with Dr. Frank. 2007.
- [8] Fyrberg A. international journal of sports marketing and sponsorship the olympic equestrian games: brand collaboration and associations within a destination and a sports event article information. [2024-04-09]. DOI: 10.1108/ijsms-09-04-2008-b008.
- [9] Sheng G, Zu-Ming L, Su Z. An Analysis and Study on Domestic Sports Brand Marketing. *Journal of Anhui Normal University(Natural Science)*, 2007.
- [10] Richelieu A, Pitts B G. A new brand world for sports teams. //Inaugural Sport Marketing Association Conference. 2004.

- [11] Fortunato, John A .Pete Rozelle: Developing and Communicating the Sports Brand. International Journal of Sport Communication, 2008, 1(3):361-377.DOI:10.1123/ijsc.1.3.361.
- [12] Hu C .Improving Competitive Advantage of Chinese Sports Brand through Brand Management. Modern Economy, 2015, 6(4):473-477.