

The Marketing Strategies of Identity Recognition and Experimental Marketing Alo Yoga Used To Attract Customers

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Abstract. Alo Yoga is a sports wear brand based in Los Angeles, USA, established in 2007 and is mainly targeted at young people who enjoy doing exercises, pursue a healthy lifestyle and have a fashionable way of living. This paper examines the customers' self-identity and experimental marketing of Alo, and studies its customer loyalty and purchase motivation. The main reason is that Alo's high-end positioning enables customers to not only regard it as a sports brand, but also as a social activity. The offline courses and the hierarchical system also deepen the connection between Alo and its customers, and enhance their sense of participation. This paper also uses the SWOT analysis method to present its strengths, weaknesses, development opportunities, and threats. Alo also needs to make further progress in product innovation in order to keep Gen Z willing to purchase. At the same time, Alo needs to slightly change consumers' mindset from one that values sociality more than the sports function itself, in order to further enhance the brand value. This high-end sports brand is currently facing multiple challenges, from brands of the same category and type as well as those offering better value for money.

Keywords: high-end, fashion, social, health.

1. Introduction

With the development of society, sports have evolved from merely a means of exercise to a lifestyle. Sports have become a symbol of health, self-care, long-term commitment, and good management. Sports clothing plays a significant role, reflecting consumer values and identity expression. Consumers use sports clothing for social interaction and self-positioning, achieving the marketing goals expected by brands. Sports brands guide consumers to form self-identity, community awareness, and a sense of belonging through their brand values and concepts. Often, wearing sports brands is not just about enhancing athletic performance; consumers are also paying for their fashion sense. This article examines the Alo Yoga brand, which was found in Los Angeles and has rapidly gained popularity in North America since its launch in 2007. Through various papers, reports and journal literature, this article analyzes the psychological aspects of consumer identity and the means of experimental marketing, and summarizes the advantages and disadvantages of Alo Yoga as well as its potential areas for improvement.

Unlike other typical sports brands, Alo skillfully employs consumer psychology to attract customers. Besides traditional marketing methods such as brand ambassadors and influencer promotion, it has also created experiential marketing, using unique yoga classes and online teaching resources to integrate customers more deeply into the brand. Currently, Alo still faces many competitors, and the number is increasing, such as the established yoga brand Lululemon or sports brands like Nike. Alo also needs more innovation and transformation to cope with the current market. Consumers are no longer those who only focus on sports or their social circles; they now demand more innovation and value for money.

2. Overview of Alo Yoga Strategy

2.1. Brand Introduction

Alo Yoga, also known as Alo, was founded by Harris and Marco DeGeorge in Los Angeles, USA in 2007. It is a brand of yoga clothing and accessories. During the establishment of the brand, the founders aimed to create an immersive shopping and exercise experience for customers: it was not just a clothing store, but also a positive attitude towards life. Alo invested a lot of resources in master courses videos, yoga and meditation tutorials. Alo's prices are high and it is a mid-to-high-end yoga and exercise brand. Customers are willing to pay a premium. Many of them are young professionals, students or fitness coaches, who pay attention to health, practicality and appearance [1]. When it was founded in 2007, it quickly became popular worldwide. It gained high exposure by being worn by various celebrities and was quickly recognized among the middle and upper classes. Initially, Alo was only a yoga brand, so its full name was Alo Yoga. During the brand's development, Alo gradually expanded its market and vision, evolving into a representative of a healthy lifestyle, and additional products such as beauty products, health supplements and online courses were added. Unlike other yoga and exercise brands, Alo's design places more emphasis on fashion and has stronger practicality in daily wear. Compared to other yoga and exercise brands, Alo's colors are mostly moleskine colors, which make people feel soft and sophisticated and are more in line with the modern public's aesthetic. Among Alo's customers, 72.69% are female and 27.21% are male [2]. The main customer group consists of middle-class and above women aged 18 to 35 who are passionate about sports [3]. The main purchasing power of Alo comes from the North American market, with 80.19% of the buyers coming from the domestic market of the United States [4]. The remaining customers come from regions such as Canada. Alo currently has official stores in five Asian countries, but has not yet entered the Chinese market. In 2024, Alo's total revenue is expected to be approximately 323 million US dollars, and it will increase by 20% to 25% in 2025 [5].

2.2. Marketing Strategy and Brand Position

Firstly, the target audience of the Alo Yoga brand is the middle to high-end segment of the population. They aim to attract those who value both the comfort of exercise and the quality of their social circle. From the pricing strategy of this brand, it can be seen that most of their yoga pants cost around 100 US dollars, and the most basic casual tops are approximately 150 US dollars. Compared to the prices of those ordinary sports brands ranging from 20 to 30 US dollars, those who can accept this brand's premium pricing must be people with middle to high-end incomes. And these people regard these clothes as a lifestyle, wanting to showcase their positive and energetic attitude towards sports and life to those around them and those they know. In modern fashion and clothing, it reflects economic status and class, and also showcases the circle they belong to [6]. High-end brands like Alo Yoga position themselves as lifestyle brands rather than merely sportswear companies. This strategic positioning enables Alo to sell its products at prices 20-30% higher than those of traditional sportswear, while maintaining strong customer loyalty and brand advocacy [7]. Wearing a high-end yoga brand like Alo to show that they can afford such high-priced products also proves their high taste. The Alo brand collaborates with celebrities and fitness influencers, using social platforms such as YouTube, Instagram, and TikTok to increase exposure. When Taylor Swift and Kardashian celebrities wear this brand and are featured and exposed, it also brings Korean girl groups into the fold [8]. Alo also strengthens its brand influence through social media marketing and experiential marketing, positioning the brand as a symbol of casual sports brands and a healthy lifestyle. Alo invests a large amount of money in online yoga courses to make consumers feel that this is not just a clothing brand, but also a leading direction for health. This brand has also added immersive enterprises and many offline activities to allow people to experience the courses and the sports atmosphere. The company uses exclusive and limited edition series to maintain market demand, and the scarcity marketing keeps people buying continuously.

2.3. Alo Yoga Identity Recognition

Consumers' purchase of a brand and its products is not merely about buying functionality; it is also because of the alignment of brand identity and core concepts. Brand loyalty is one of the main goals in marketing, as it has a significant impact on the sustainability of the organization. Brands give customers a symbolic concept of consumption, and customers purchase goods to express their self-identity, values, social status, or group affiliation. Similarly, the high-end yoga sports brand Lululemon and Alo have similar products, and people often compare these two brands. However, the sense of identity provided to customers is different. Similar to Lulu, both of these brands have built consumer trust through their own high quality and stable quality. The two brands also strive to innovate new fabrics: Alo's Airlift series, Airbrush series and Alosoft fabric, Lululemon's Luon and Nulu, etc. Alo's fabric is not directly sourced from factories but is a composite fabric jointly innovated and developed with textile factories, which can be adapted for different occasions and allow customers to pay for their professionalism. At the same time, both brands have demonstrated the self-discipline, health, and growth self-restraint and requirements of consumers [9]. The difference is that in the customers' perception, people wearing Alo are considered younger and more in line with the trend, while Lululemon is more conventional, and some even say it is slightly outdated. The customers of Alo use this brand's clothes as a display of their aesthetic: they understand fashion. The social circles of Alo and Lululemon customers are also slightly different. The customers of Alo regard wearing Alo as a way of socializing and exchanging tastes: they post photos on social platforms and share their outfits; while Lululemon is more focused on the sport itself. The clothes of Alo also carry a sense of luxury and urban lifestyle. Thus, the customers of Alo more often regard wearing this brand as a display and a ticket for class entry [10]. When the brand image is consistent with the consumer's lifestyle, consumers will feel a sense of belonging. The studio-to-street and wellness lifestyle of Alo are what consumers hope to showcase and make them feel at ease [1].

2.4. Alo Yoga Experiential Marketing

Alo Yoga has created opportunities for consumers to have brand experiences in various aspects. Firstly, on the online platform Alo Moves, a large number of instructional videos are provided, including Pilates, fitness, etc. There is also a purchase function for some equipment. The platform also displays exposure on channels such as Forbes and Time Magazine. This not only builds trust in the brand for customers but also proves that this brand not only wants to sell its products but also cares about the health of its customers. What's different is that Alo has launched offline experience stores: Unlike sales stores, Alo Yoga stores are more like community social spaces: including yoga activities, meditation, coffee and dining, etc., allowing consumers to have a deeper brand experience. In the offline experience, in addition to receiving and experiencing Alo products, customers can also collect virtual avatars, which not only promotes the products but also allows customers to engage more with the brand and have more connections and bonds with it.

2.5. Alo Yoga Price Setting and Discount Mechanism

The pricing of Alo is relatively high, surpassing that of mainstream sportswear brands, creating an image of luxury, refinement and lifestyle. Alo offers both regular clothing and custom-made items, with prices ranging from \$60 to \$1,400. The discount and promotion mechanism of Alo mainly aims to protect full-price sales. During some holidays, such as Black Friday and Christmas, discounts are offered. Each discount is approximately 30%, usually a full-site discount. In fact, those measures that rely on large-scale discounts to maintain customers' loyalty to the brand are temporary and insincere [11]. The discount period for Alo is very short, so as not to make customers give up their regular purchases due to the opportunity to take a discount, instead, they simply purchase the products they like when they come across them in daily life. Alo creates an image of a high-end brand: it does not frequently offer discounts, maintaining customers' long-term loyalty to the brand. In comparison, the same-priced brand Lululemon generally has some discount areas over a long period. The selling point

of Lululemon lies in technological fabrics and sports performance, while Alo emphasizes celebrity collaborations and fashion sense.

2.6. The Loyalty and Purchasing Motivation of Alo Yoga's Customers

In order to maintain customer loyalty and retention, Alo has launched the Alo Access program, allowing customers to join for free without any restrictions. Customers earn points based on their spending, and these points are categorized into different levels: from VIP to A-List, and then to All Access. Each level has different privileges, including gifts and offline courses. This mechanism makes customers more inclined to make purchases because they not only feel a benefit exchange but also a sense of cultivation. Alo also attempts to utilize Web3 and NFT digital experiences to enhance the closeness of interaction with members. These online experiences can attract younger customers. From the repeat purchase rate of Alo Yoga, compared to Alo and its old rival Lululemon, the repeat purchase rate of Alo Yoga customers is still lower than that of Lululemon customers: 36.2% of Lululemon customers will continue to purchase, while the repeat purchase rate of Alo Yoga customers is only 16.5% [5]. This proves that Alo's customer loyalty still needs to be improved and can only temporarily attract some trend-loving customers.

3. SWOT Analysis

3.1. Strength

The strength of Alo: Firstly, Alo targets the high-end market and its logo is highly recognizable. When customers and celebrities wear it, it will further increase its exposure and serve as a form of promotion. At the same time, the recognizable logo makes it easy for people to identify which brand it is, which will make them feel the vast customer base of Alo, increase their trust in the brand, and thereby stimulate purchases. Secondly, the brand has a high appearance rate on various social media platforms, such as Instagram, TikTok, Youtube. Various bloggers have helped Alo gain popularity. Moreover, Alo's innovation and design are welcomed and pursued by customers. Combined with its offline stores and online flagship stores, it can enhance the shopping experience, significantly increase customers' brand loyalty and commitment, and enhance their sense of experience and engagement [12, 13]. A high market positioning strengthens the psychological identification of customers, while a prominent logo reduces the cost of consumer recognition and enhances brand memory points. The exposure of celebrities is a scarce resource, and this enhances the social value of the brand. These are the absolute strengths of Alo Yoga.

3.2. Weakness

The price of Alo is a major factor limiting its sales volume. Alo operates in the high-end market, and the prices of its products are beyond the reach of ordinary families for large-scale purchase. Secondly, Alo relies too much on online exposure and celebrity endorsements. It is highly susceptible to significant fluctuations in platform rules and changes in the online market. Moreover, Alo relies on external factories for production rather than having its own manufacturing facilities. Therefore, the agility and flexibility of Alo's supply chain are insufficient, which further affects cost and inventory management. Finally, the product comprehensiveness and size inclusiveness of Alo's men's clothing are not very complete, which also affects the number of target customers [12, 13]. The high pricing strategy has led to a low purchase frequency among most families, naturally compressing the market size. Especially in the current sluggish economic environment, this is an inevitable disadvantage for Alo's high positioning. And celebrity endorsements will be influenced by the reputation of the celebrities. If a celebrity has negative news, the brand will also suffer damage. The issue of inventory supply makes it difficult to adjust the prices, the risks also increase accordingly. The relatively small proportion of men's clothing also leads to a preference for the brand among women.

3.3. Opportunity

Currently, Alo has not yet fully penetrated Asian and European countries. Currently, Alo's main market is in North America. If it enters Asia and Europe, it can reach a large number of new customers and leverage the celebrity effect to increase sales and enhance the international influence of the brand. Secondly, what makes Alo unique compared to other yoga brands is that it offers offline yoga and experience activities. In this aspect, Alo can further develop and expand beyond the product market to enter the health market, and these two aspects complement each other, it also provides a more comprehensive emotional value. Moreover, Alo has many opportunities for collaborations and strategic partnerships. Alo can collaborate with designers and artists to launch more products and develop more businesses. External resources may have clients with different positioning from Alo. This can enhance Alo's popularity and expand its customer base. At the same time, if it collaborates with brands in other fields, such as the art sector, it can elevate Alo's brand image to a higher level.

3.4. Threats

Finally, in terms of the threats to the brand, in the high-end sports market, Alo has many competitors, such as Lululemon, which is constantly compared, as well as established professional sports brands like Adidas or Nike. These brands have both performance and fashion appeal, posing a significant threat to Alo. Secondly, in this less prosperous economic era, consumers will further consider cost-effectiveness as a factor when making purchases. Consumers may consider and purchase brands with better cost-effectiveness. It is important to note that the counterfeit goods market is extremely rampant now. Those fake and inferior products will reduce customers' trust in the brand, be misled by the non-original quality, or be attracted by the low price of counterfeit products and not purchase the original ones. Consumers' recognition of genuine products will also decrease, which will damage the brand image and revenue.

4. Suggestions and Insights

4.1. Product Innovation

Alo's products have a high degree of overlap with many similar brands. For instance, Alo has a 63% overlap with Lululemon [5]. Nike and Adidas, among other large-scale sports brands, also have similar items; even the casual brand H&M has launched the "move yoga" series. Many consumers believe that the main value of purchasing Alo products lies in the brand identity rather than the functionality or quality of the products themselves. And they prefer to choose more cost-effective options. Currently, Alo does not have innovative products in the market, so many consumers would be willing to spend one-third of the price on ordinary brands. If Alo only sells good-looking appearances, first of all, it is not so in line with the brand ideology of "healthy lifestyle and positive attitude" rather than a single sports brand; secondly, with the increasing consumption share of GenZ, there is a higher demand for novel products. Not innovating means being out of touch with the consumers' psychology. The Alo brand itself has fashion and social attributes, and it should develop its strengths.

4.2. Consumer Mindset Shift

The positioning of Alo is that its social aspect is more prominent than the actual sports functionality. Compared with Alo and Lululemon, the customers of Alo place greater emphasis on the brand's luxurious positioning and the social qualities it demonstrates; while Lululemon focuses more on the sports itself. Including Alo's street style and its versatility across various occasions, it also deviates its positioning from the focus and breakthrough of the sport itself. Although this is a significant opportunity for Alo, it also causes it to lose many customers who are dedicated to sports and movement. In the process of brand marketing, Alo can add some brand characteristics related to breaking oneself and pushing limits, and return to the psychological benefits brought by sports itself.

For example, the slogan of Alo Yoga: "Move into Wellness," although emphasizing movement, is too gentle and lacks energy and passion; and the emotion expressed by the word "wellness" is too gentle, lacking the tension and breakthrough feeling brought by sports. This makes Alo's consumers feel a constant attitude of going with the flow. In contrast, Lululemon's "Stretch your Limits" makes many consumers not feel the love for sports.

5. Conclusion

Through research, it has been found that Alo is a high-end sports brand that mainly attracts young female customers through self-identification and experimental marketing. Although this brand has many competitors, it still achieves remarkable performance and influence due to its unique market positioning and offline experience marketing approach. However, in this market where the economy is sluggish and there are many competing brands, this brand still needs to adjust some of its strategies in order to maintain customer loyalty and keep its sales volume. In this report, there are still some limitations. For instance, the financial statements of Alo Yoga for the recent years have not been analyzed, and the distribution of various stores might also have some impact on psychological marketing. These require more on-site investigations and background research. In the future, the author hopes that Alo can come up with more innovative marketing methods and innovate its products, so as to completely transform the market and amaze the customers.

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