

RESEARCH & STRATEGY

History

In 1988, the yoga-inspired athletic apparel company lululemon athletica was founded by Chip Wilson. The Vancouver, Canada based design/yoga studio became a store at the turn of the century, and since then the store has made an international presence in North America, Europe, and the Asian Pacific region with a total of 491 storefronts. From the start, lululemon athletica's mission was to design and sell clothing for people to sweat in, as well as form real relationships with customers, celebrate their goals, and understand their passion for yoga and other exercises. lululemon athletica started primarily as a women's athletic apparel store with a strong focus on yoga and market for yogis. The brand has since branched out into running, cycling, and other "sweaty pursuits" for women, and now men, with an interest still in yoga. lululemon athletica is not only focused on the product and profits, but on the general welfare and comfort of the consumers. As seen in lululemon's "Manifesto", the company encourages their customers to live their best life and for each person to reach their full potential.

Product Benefits

The primary benefit of buying athletic apparel from lululemon athletica is more than acquiring high-quality athletic wear, although that is a major selling point. lululemon athletica offers a sense of community and perhaps family. In addition, with being fitted with the best yoga-based apparel, lululemon encourages their yogi customers to step into their cultivated yoga community. Under the "community" tab on the lululemon website, there is a tab for yogis to learn from the best of the best. The lululemon yoga community offers insightful articles, yoga practice videos, yoga Q&As, in-depth instructional videos, and philosophies as to why yoga matters. lululemon athletica is not just superior clothing, but also a place for the consumer to belong, a place to learn from others, and a place to learn how to better oneself.

If anything, lululemon creates a sense of loyalty in that it makes the consumer feel as though the company belongs to them, and that the company exists for the service of the consumer's athletic needs and services. In addition to the quality and community of lululemon athletica, there is an element of exclusivity when someone purchases their large array of athletic products. Although one criticism of lululemon athletica could be their high prices, the consumer also feels a sense of

security, exclusivity, and overall legitimacy when they buy fine quality and expensive products from lululemon.

The Competition

Athleta: The first and closest competitor to lululemon athletica, in their direct market, would be GAP's subsidiary, Athleta. The competing brand focuses primarily on women's athletic apparel, but they advertise and promote discounts on clothing as well as clothing that is meant for more than working-out/doing yoga in a gym or studio. As stated previously, these two areas are where lululemon does not appeal or try to appeal to. Athleta has also managed to grow because it diversified the types of women they were trying to advertise too, and by doing that, the GAP company had no need to extend its market reach for menswear.

Nike: The second direct competitor, or competitors, for lululemon athletica is Nike. However, given the size and reach of lululemon, they must also compete with Adidas and Under Armour, as all three of these top-tier athletic apparel companies are dominating the sportswear industry. Nike generates \$33.6B more revenue than lululemon athletica because they have a massive international outreach and majority appeal to both men and women athletes in all sports and exercise necessities (<https://www.owler.com/company/lululemon>).

STRATEGY

lululemon athletica is going to be emphasizing the places a person can sweat. lululemon already focuses on making clothing for people to sweat in, so the next best thing to do is to show all the places someone would sweat. "lululemon: you can sweat inside *and* outside" or "lululemon: sweat around the world" would be the idea of the strategy. The advertising will also **focus on more of all the cool things the consumers will do with lululemon apparel rather than the quality of the product itself**; this is to promote vision for the target audience who wishes to place their finances in vacations and travel rather than product. To the generation X and millennials in and fresh out of college, and those exploring new careers, lululemon athletica is offering clothes for you to sweat in both inside and outside, all at a discount price so that the consumer can travel the world with quality athleticwear and not worry about breaking the bank.

The poster wants to allow the consumer to see a different side of lululemon, the side that wants to see them sweat outside, the side that wants to **see the consumer enjoy life to the fullest** (which is why there is a happy couple included in the photo). lululemon's goal for their consumer base is to not pursue happiness, but to simply be happy, and in this poster lululemon is showing that with their product, the consumer can just 'be happy.'

Consumer Persona

In addition to lululemon's primary demographic, the target audience is concerned with white, middle to upper-middle class men and women between the ages of 18-35 who enjoy nature and outdoorsy activities. These men and women are primarily from generation Z and the millennial generation who tend to fall on the left-wing of the political spectrum. These individuals are goal oriented and focused on bettering themselves in their health, career, and relationships with their significant others. These are the individuals who love to go hiking, kayaking, climbing, bouldering, walks in the park, paddle-boarding, and of course, yoga in nature. These individuals can be single and looking to mingle as well as in relationships focused on bettering the other partner. This appeals to couples who work out together, run together, do yoga together, etc. This group tends to not only lean left politically, but they also are the ones who love nature and wish to preserve nature in their eco-friendly ways and methods.

These are the young progressives who will appreciate a company that appeals to all races in their advertising. The men and women in this category hope to do well in their jobs, but they are also the individualists who do not wish to make their job their identity. To them, identity is found in friends, significant others, family, and "seizing the day" whenever they can. Many of the men are determined to keep themselves in good enough shape so that they can do fun hikes and climb rock walls, but they are not overly concerned with becoming absolutely ripped, muscle-wise. This group of people, though they are somewhat well off financially, is smart with their buying power and they will look for quality and quantity. These are the same people that buy cheap at Trader Joes, TJ Maxx, and scale the sales rack when they can. If they see a good enough product, they might buy it at full price, but chances are they are going to go with the cheaper option. They are more interested in placing their wealth in cool and exciting vacations, generally in an