

Comparing the Contagious Factors between Lululemon and a Competing Athletic Apparel Brand

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Abstract:

This article examines the factors behind Lululemon's popularity from the perspectives of emotion, utility, and social currency, focusing on the impact of word-of-mouth on these factors. Emotionally, Lululemon has established a deep connection with its customers by embodying values of mindfulness, health, and self-improvement, which resonate strongly with consumers. This emotional interaction promotes positive word-of-mouth communication as satisfied customers share their experiences. From a utility perspective, Lululemon's commitment to high-quality, durable, and functional sportswear provides tangible benefits that strengthen customer loyalty and encourage referrals. Social currency is enhanced through Lululemon's active community activities, including in-store yoga classes and local events, which create a sense of belonging and exclusivity. These social interactions and the prestige associated with the brand further amplify word-of-mouth marketing, making Lululemon a coveted brand in fitness and lifestyle circles. Together, these factors support the brand's enduring appeal and widespread popularity.

Keywords: Lululemon, Communication strategy, Word of mouth

1. Introduction

In today's competitive sportswear market, brands stand out not only through product quality but also through effective word-of-mouth marketing strategies. Lululemon is a well-known company in the industry that has successfully established a strong brand reputation and a loyal customer base. The company achieved a 40% increase in brand value in 2020 through product innovation, omnichannel customer experience, and multichannel brand mar-

keting for men's and women's apparel [1]. Runtig mentioned a marketing strategy called 4P (product, price, promotion, and place). This approach outlines how a company can approach and position customers from the beginning and then develop a series of pricing strategies [2]. An effective pricing strategy helps build trust with customers and achieve the company's financial goals. However, this marketing strategy does not play a significant role in shaping the brand image. Pricing strategies are used

to determine the best price for a product or service, but they cannot truly connect the company's philosophy and consumer psychology from multiple perspectives. This pricing strategy cannot be connected to the above-mentioned communication concepts and cannot truly influence word of mouth. Therefore, this paper aims to compare the contagious factors of Lululemon's word-of-mouth success with those of competing activewear brands and comprehensively evaluate Lululemon's marketing strategy through the following aspects: Social currency: This readily explores how consumers accumulate this intangible asset by interacting with others and sharing information. Lululemon positions itself as more than just a retailer, but rather a lifestyle choice. This study also delves into how Lululemon's strategy in this regard compares to that of competing brands and its impact on consumer behavior. Higher social currency can increase brand equity through perceived quality, trust, and loyalty [3]. Second, emotions play a key role in shaping consumers' experiences and the likelihood that they will share those experiences. Emotions in the post-purchase process have been relatively less neglected [4]. Lululemon effectively uses emotional resonance to drive word-of-mouth marketing by associating its products with positive emotional experiences. Lavrence argues that Lululemon's entrepreneurial spirit frames the sale and consumption of premium yoga apparel as a social and spiritual activity rooted in physical improvement and self-transformation [5]. Dichter also believes that post-purchase word-of-mouth communication is an important non-marketer-led purchase influencer [6]. This paper will delve into the emotional triggers used by Lululemon compared to its competitors and examine how these emotional appeals promote brand loyalty and advocacy. The third point is utilitarian value. Lululemon is known for its high-quality, durable and performance-enhancing clothing, which ensures that customers perceive utilitarian value when purchasing. In this regard, we will focus on analyzing whether customers perceive real utilitarian value when purchasing and whether this perceived value is reasonable. This paper will conduct in-depth research around the above three aspects to gain a deeper understanding of the factors that drive consumer engagement and brand promotion in the highly competitive sportswear market and make up for the marketing strategies missing from the above pricing strategies. This paper will examine the interaction between social currency, emotional and utilitarian value in shaping the word-of-mouth dynamics of Lululemon and competing sportswear brands.

2. How Communication Strategy Influ-

ences Purchase Intention

2.1 Emotion

Emotion refers to the subjective psychological state and experience that people have when facing a certain situation or stimulus. If we understand how lululemon uses emotions to influence consumer decisions from a business perspective, it has established deep connections with consumers and employees by building brand loyalty and customer experience management, thereby succeeding in a fiercely competitive market.

Under the strategy of emotional and community marketing, lululemon has aroused the empathy of many consumers. On lululemon's official website, we can see many models of different races, skin colors and countries. This reflects the diversity of the company. Lululemon's entrepreneurial spirit regards the sale and consumption of high-quality yoga clothes as a collective and metaphysical activity rooted in physical health and self-improvement. Therefore, emotional connection and brand loyalty and community and group-oriented marketing make consumers emotionally attached to the brand. When consumers feel that buying a product aligns them with a community of like-minded people, they will be more motivated to buy because they are seeking not only a product, but a sense of belonging. By building emotional connections, promoting inclusivity, aligning with values such as self-improvement, and leveraging word-of-mouth marketing, Lululemon makes the brand resonate on a deeper, more personal level, thereby influencing consumers' purchasing intentions. This brand image that triggers consumers' emotions and identification can also be regarded as a form of word-of-mouth communication.

2.2 Social Currency

Lululemon strengthens its brand by hosting community-driven offline yoga events and leveraging influencers, fostering a sense of belonging and promoting word-of-mouth communication. It hires some yoga teachers and Internet celebrities to open free offline yoga classes. The company promotes its brand through influential people. Offline activities can bring people closer and build trust. Lululemon is truly clear about what kind of material and spiritual recognition consumers need. The brand has become a symbol of identity and lifestyle, especially among people who like fitness, yoga, and healthy lifestyles. Wearing Lululemon products can make consumers feel that they are part of this specific group. This sense of identity encourages consumers to show and discuss their Lululemon purchases and experiences on social occasions, thereby promoting positive word-of-mouth communica-

tion. WOM communication often has a great influence on product judgment because information received face-to-face is easier to obtain than information presented in a less vivid way [7].

Additionally, its branded plastic bags convey environmental values, resonating with consumers' beliefs, which further encourages positive sharing and enhances the brand's reputation. lululemon designed its own plastic bags to convey social values through word-of-mouth communication. Lululemon's plastic bags convey the healthy, positive, and environmentally friendly lifestyle advocated by the brand. From the perspective of social currency, lululemon's self-created plastic bags are not only an extension of the product, but also a powerful social tool and an environmental awareness. This sustainable development value can resonate with customers. When consumers feel that the brand's mission is consistent with their own values, they are more likely to share these positive stories with friends and on social media, thereby enhancing the brand's reputation and continuing to maintain consumers' willingness to buy.

2.3 Practical Value

Lululemon's popularity stems from the practical value of using high-quality, durable materials that are comfortable, flexible, and long-lasting. Additionally, the brand's focus on sustainability and product functionality has increased customer satisfaction, leading to positive word-of-mouth campaigns. The obvious materials are the following: luon, luxtreme, nulu, nulux, everlux. The common characteristics of these materials are wearing resistance, no pilling, lightness, and skin-friendly texture. According to the report released by lululemon in 2022, there are several micro materials, among which nylon and polyester have the highest composition. These two ingredients meet the characteristics of elasticity, flexibility, and durability. Secondly, lululemon has achieved practical value for environmental protection and sustainable development of its products. First, they aim to design for circularity. The company extends the life cycle of its products through material selection, manufacturing processes and intended product uses. In addition, lululemon announced a partnership with Samsara Eco, an Australian environmental technology startup. The company's patent is a recyclable high-performance nylon and polyester blend. These materials are the main ingredients of lululemon products. In general, the practical value of Lululemon can have a positive impact on word of mouth in two aspects. First, Lululemon focuses on the functionality of design, such as comfortable fabrics, fitted cuts, and designs that meet sport's needs. These features give consumers a better ex-

perience during use, making them more likely to mention Lululemon products in their communications with others. Second, lululemon is known for its high quality and durability. These features make consumers feel that they got substantial value after purchasing.

3. Case analysis: The Comparison between Nike and Lululemon

From the perspective of product marketing, Nike has a wide range of products, but footwear, as its main product, accounts for too large a proportion. In terms of price, its customers are lost because its pricing standards are too broad. Nike wants to consider both the low-end and high-end markets.

Lululemon's products sell at a high price point and use innovative materials to make their products. Lululemon also creates exclusivity by stocking exceedingly small quantities of each item and rotating the inventory frequently, forcing customers to quickly purchase the items they want. At the same time, lululemon attracts a specific type of customer through differentiation strategies—customers who value quality and trends and are willing to pay a premium for them [8]. In terms of marketing, Nike's promotional methods are still relatively traditional and single. Nike's online marketing method is a major disadvantage. Because the pricing standards are too broad, it is easy to lose customers [8]. Compared with Lululemon's offline yoga classes and the sports community it has built, Nike needs a more innovative online marketing model.

At the same time, although lululemon was originally designed for women's sportswear, its advantage is that it has a mature men's clothing line. This is different from Athleta, which is more inclusive and has its own community, providing a variety of articles and suggestions for women. However, in terms of the comparison of men's and women's clothing production lines and pricing, lululemon's positioning range is higher and the clothing categories it covers are wider. Under Armour is also a competitor of lululemon in this regard. However, Under Armour's industrial focus should be on athlete clothing, not sports and leisure products [9]. Their CEO believed that they were spreading their energy to different areas and could not be perfect in a single aspect. Under Armour's stock price fell 68% in 2015. This also laid the groundwork for their subsequent focus on athlete clothing. Although Lululemon's products also focus on performance, their customer base is different from Under Armour because they also invest in the look and trend of sports and leisure. Its advantage is that it is one of the earliest sports and leisure companies on the market and has established a large customer base

by focusing on high-end luxury goods.

4. Conclusion

In summary, this study provides an in-depth look at the factors that drive Lululemon's successful word-of-mouth marketing, focusing on social currency, emotional, and utilitarian values while comparing it to other competing sportswear brands. Lululemon's strategy of embodying the values of mindfulness, wellness, and self-improvement resonates deeply with consumers, fosters an emotional connection, and inspires customers to share their positive experiences. By providing high-quality, durable products, the brand reinforces its utilitarian values, solidifies customer loyalty, and encourages referrals. As the article illustrates, these three points play a key role in Lululemon's success. Through active community involvement, including in-store yoga classes and local events, the brand cultivates a sense of exclusivity and belonging among its customer bases. This social interaction, coupled with the prestige associated with the brand, enhances word-of-mouth marketing, making Lululemon a coveted brand in fitness and lifestyle circles. In addition, Lululemon's innovative use of product design, material selection, and commitment to environmental sustainability further enhance its utilitarian value in the eyes of consumers. In addition, we compare several sports brands by comparing target customers and pricing. Each company needs to develop an appropriate marketing strategy based on market needs and its own strengths. Comparative analysis with brands such as Nike and Under Armour revealed the unique strategies used by Lululemon, especially its focus on exclusivity, premium product positioning, and differentiated customer base. This study highlights the importance of choosing the right marketing strategy based on market needs and brand strengths. In an ever-changing market, companies must remain vigilant about their strengths and weaknesses,

and constantly adjust and optimize marketing methods to enhance brand advocacy and achieve key business goals such as market share, profitability, and brand awareness

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