



lululemon

Subgroup: **Lemon**

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Brand Story

Problem Analysis



1 Events



2 Ambassador Program



3 Brand Mission

Problem: **Weak Brand Engagement**

Through each of these strategies, the brand is failing to engage their consumers as desired.

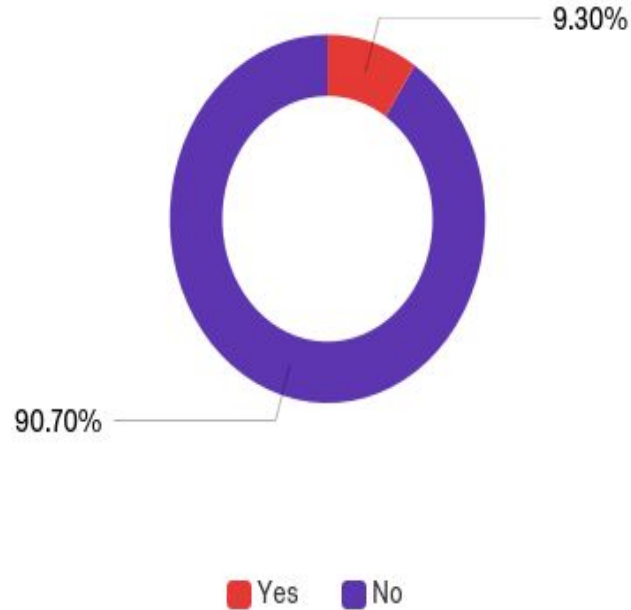
Do the free boot camp and yoga classes Lululemon offers motivate you to become more invested in the brand?



Yes No I am not aware of this opportunity

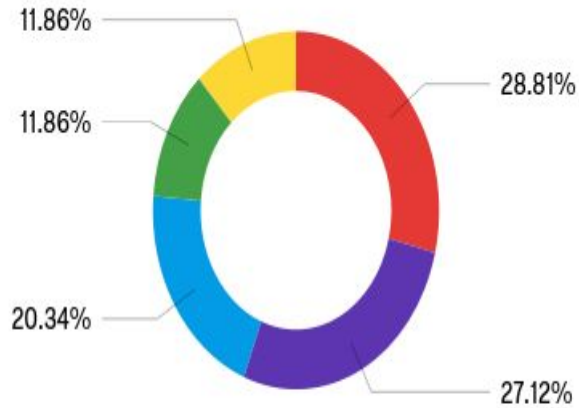
This data reveals how a majority of respondents are either **not motivated** at all or **not aware** of the events in general.

Have you ever attended one of Lululemon's various promotions/events? (e.g., exercise classes, wellness promotions, etc.)



This data reveals how an extreme **majority** of respondents **have never attended an event.**

Does Lululemon Motivate You to Engage in a Fit and Healthy Lifestyle?



The data here shows how the responses are **divided** and no conclusion can be clearly made

- Definitely yes
- Probably yes
- Might or might not
- Probably not
- Definitely not

Depth Interviews and Focus Group Data

Depth Interviews



$\frac{2}{3}$ of interviewees had **never attended an event**



All of interviewees believe that the brand's ambassadors **do not motivate them to engage** with the brand

Focus Group



$\frac{1}{8}$ of the focus group **were aware** of the events



No one from the focus group **has attended an event.**



No one from the focus group **mentions brand ambassadors as a motivating factor** for engaging with the brand.

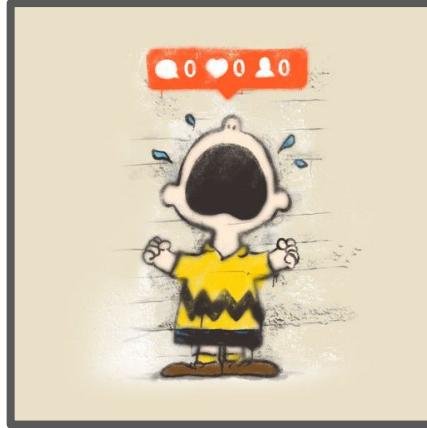


No one from the focus group **mentions events as a motivating factor** for engaging with the brand.

Why the Problem is Occurring?



1 Lack in Following



2 Weak
Ambassador
Influence

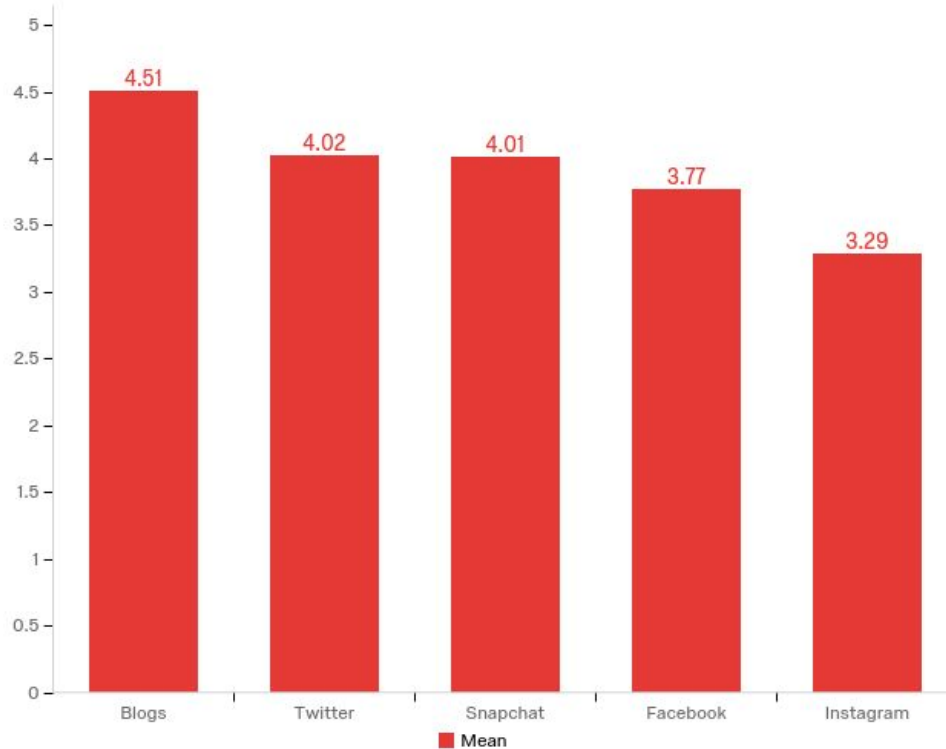


3 Lack in Event
Advertising

Reason: **Weak Social Media Presence**

Because of these following factors, Lululemon's brand engagement is low

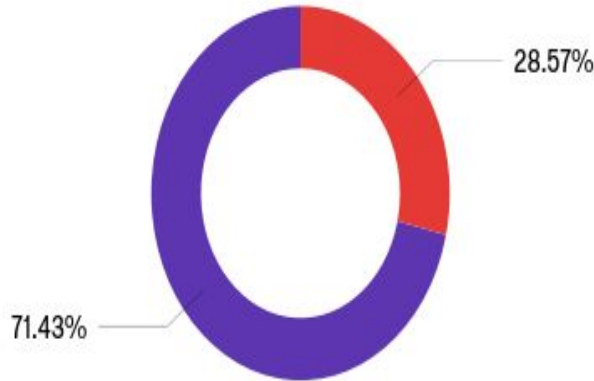
How active are you on the following social media platforms associated with Lululemon?



Respondents only engage with Lululemons Instagram and Facebook between **a moderate** and a **little amount**.

The rest of the platforms are barely engaged with ranging between only **“a little”** and **“none at all”**

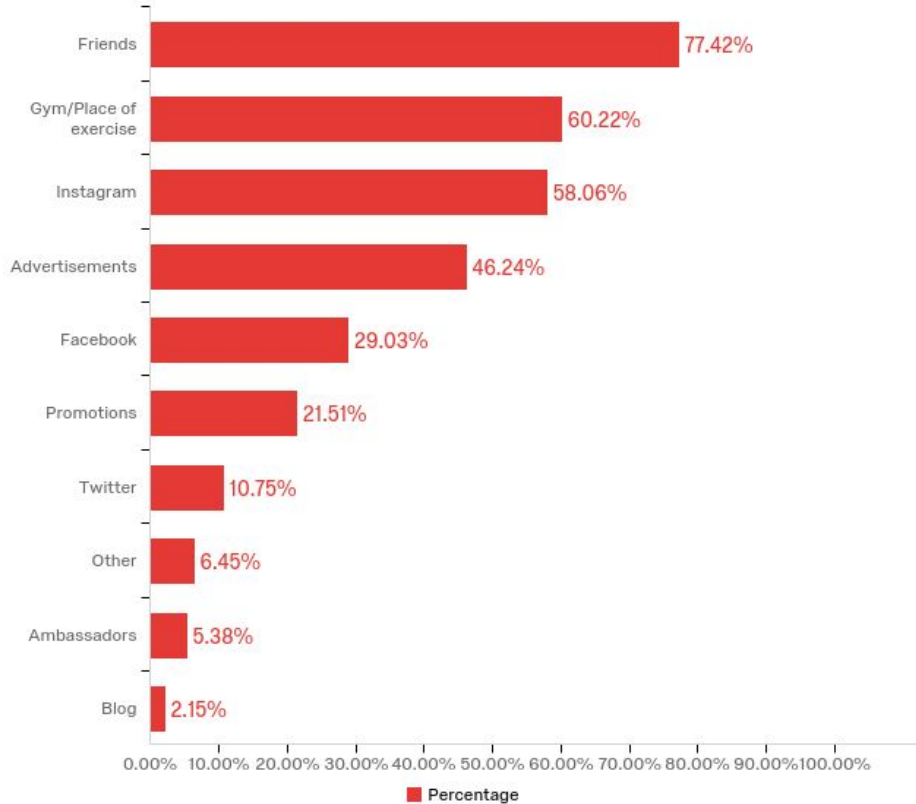
Are you aware of the brand ambassador program that Lululemon has implemented...?



Yes No

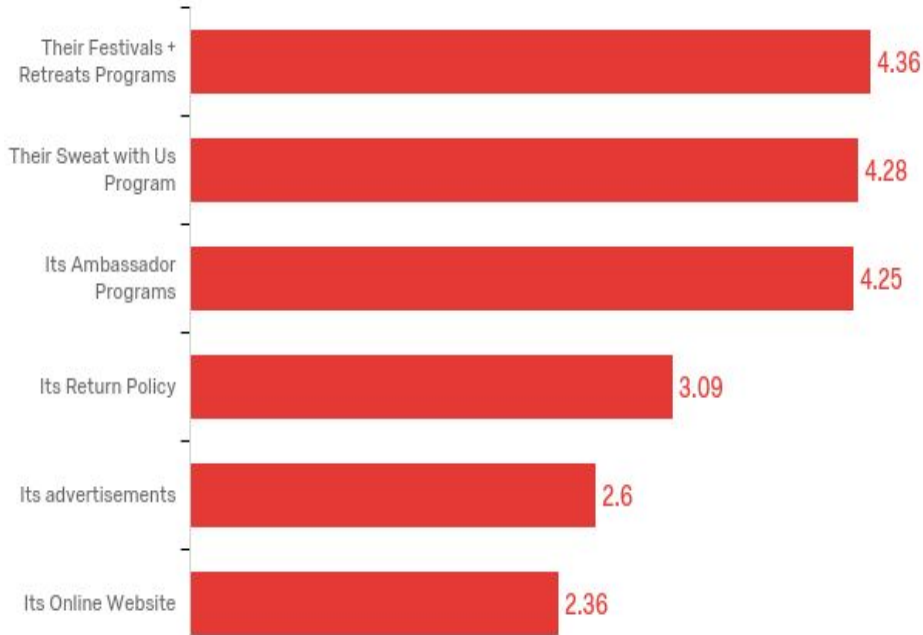
The data shows that a **majority (71.43%)** of respondents **are not aware of the brand ambassadors** used on almost every post of their social media

Where do you gather your knowledge about Lululemon?



The data shows that **brand ambassadors are not effective (5.38%)** in promoting products and spreading the brand message

How familiar are you with the following factors associated with Lululemon?



This data shows that the **respondents are not familiar or well knowledgeable** on the **programs and events** offered and ran by the ambassadors.

Issues with Lululemon's Social Media

Research



For the **past 20 years** Lululemon has not focused on online advertising but instead they **have relied on their die-hard fans and robust network of brand ambassadors** to promote the product (Racked).



Nike, has 92.7 million followers on Instagram while **Lululemon only has 3 million.**



Lulu's top ambassador **has 14,200 followers and averages around 800 likes** while Nikes top has **over 8 million followers and averages 400,000 likes.**

"It's the curse and the blessings of grassroots marketing" (businessoffashion)

Depth Interview



All interviewees agree that Lululemon **needs to improve their social media posts** because they **do not grab their attention** and **lack engagement.**



$\frac{2}{3}$ of the interviewees **could not name a single brand ambassador**



$\frac{2}{3}$ said the **posts were bland and boring**

Focus Group



Recommended that they improve and grow their social media in order to fix the problem of brand engagement

Lululemon Recommendations



01

Loyalty Program



02

LuluLive

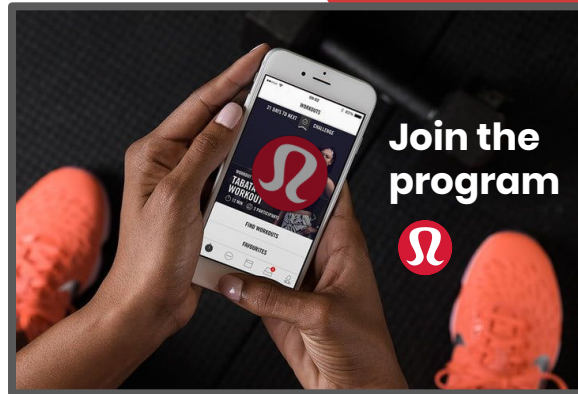


03

Celebrity Endorsements

Recommendation #1: **Loyalty Program**

Lululemon will implement a rewards system that will allow consumers to rack up points will grant rewards such as first access to **new arrivals**, **access to VIP events**, and **promotional discounts**



Ways to Earn Rewards

- Attending in-store events
- attending live streaming classes on LuluLive
- following and engaging with the brand on social media
- purchasing their products



Why a **Loyalty Program?**

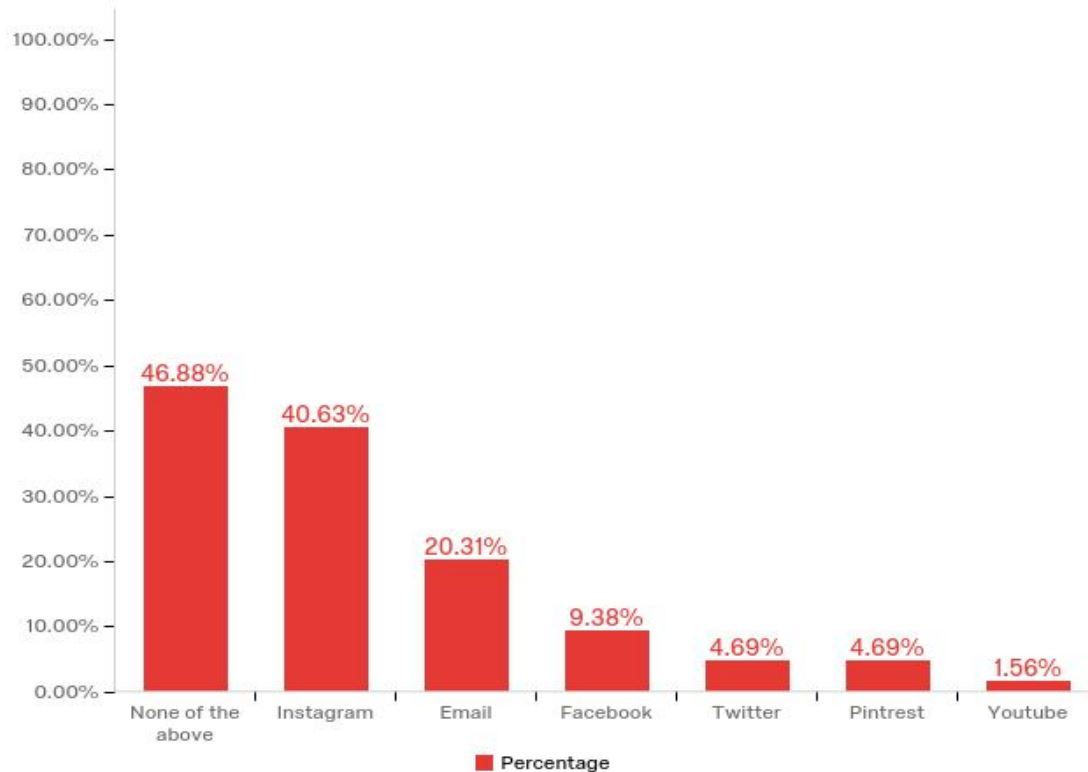


“Studies show that **69% of customers** allow the presence of **rewards or loyalty programs to influence their shopping decisions**. Not only are consumers willing to sign up for rewards programs, but many are **actively seeking** the **benefits and perks of customer loyalty**.” (Annex Cloud)

“These days, rewards programs are far more sophisticated than the punch cards of days past. Thanks to technology, **loyalty and rewards systems are more relevant and engaging than ever before**. Moreover, thanks to smartphones, rewards programs can **inspire real-time action**.” (Forbes)



Why a Loyalty Program?



- Question 37 asks “Do you stay connected with Lululemon in any of the following ways”
- This graph shows that only **40.63% follow Lululemon on Instagram, 20.31% are subscribed to their email list, and the majority 46.88% do not follow Lululemon on any sort of media.**
- By implementing a rewards program, **consumers will be motivated to engage with these platforms** through the recognition that there will be a reward

Why a Loyalty Program?



Definitely yes Probably yes Might or might not Probably not

Definitely not

- Question 43 asks “Does Lululemon motivate you to be fit and healthy”
- Based on survey data, Question 43 suggests this as respondents’ data remains **extremely undivided**
- This survey data shows the brand is **not motivating consumers to engage in the mission of the brand as it is intended.** By implementing the Lululemon Rewards Program, consumers are rewarded for engaging in a healthy and fit lifestyle.

Focus Group Data



The rewards program was one of the most liked recommendation out of the three. Overall all participants said they would use a Lululemon rewards program because **everyone wants money off their purchase and access to benefits.**



When we asked what they would do to change this recommendation, the only suggestion the focus group has was to **make sure the reward system is easy to understand** and people will be **notified when they have the opportunity to save money.**



Interview Data



(Elizabeth C), she stated that when a brand is **engaged with their communities** and **more personable with their clients** she will be **more willing to buy that brands product**. She also stated that if she likes who is representing the brand this also plays a major role in her buying behavior. By implementing a loyalty program, individuals like Elizabeth who likes a **balance between having a personal relationship with a brand and a community will be possible**.



When discussing Lululemons current instagram, (Elizabeth M) stated “**there isn't one post I really feel the urge to click on.**” If liking a picture or **engaging with a post proposes a reward**, her attitude would definitely change.

Recommendation #2: **Lululive App**

luluLIVE



What is LuluLive?

- The Lululive App will serve as a place for customers to **live a fit and healthy lifestyle**, and allow a larger customer base **reach their “full potential”**.
- LuluLive will act as a tool and resource for their customers to ultimately, **live out the brand’s desired mission.**

How does the **Lululive App** work?

luluLIVE

The live streams will offer various workouts such as: **yoga, pilates, zumba, dance classes, etc.**



These live streams will be offered four times a week on **Mondays, Wednesdays, Fridays, and Sundays**

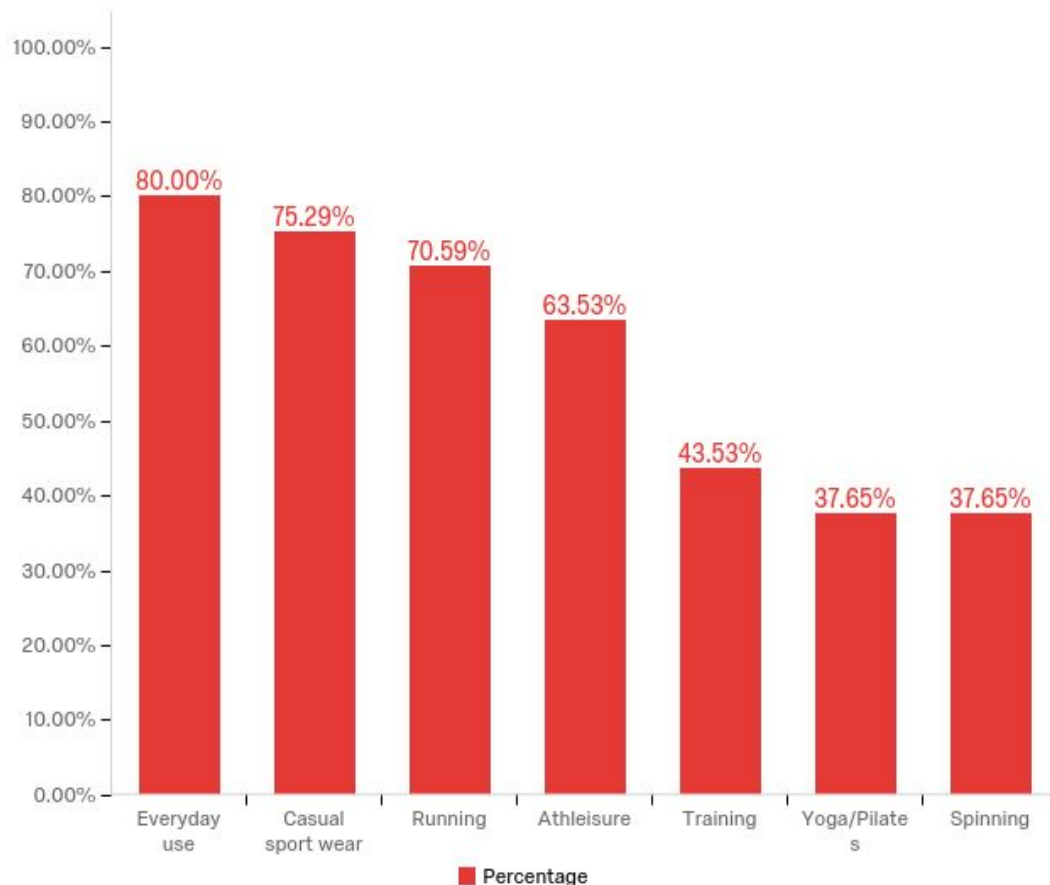


The live streams will be available to those who missed them as they **will be saved so that you can stay active to accommodate people's busy schedules.**



There will also be **featured workouts lead by celebrity endorsers.**

Why create an app?

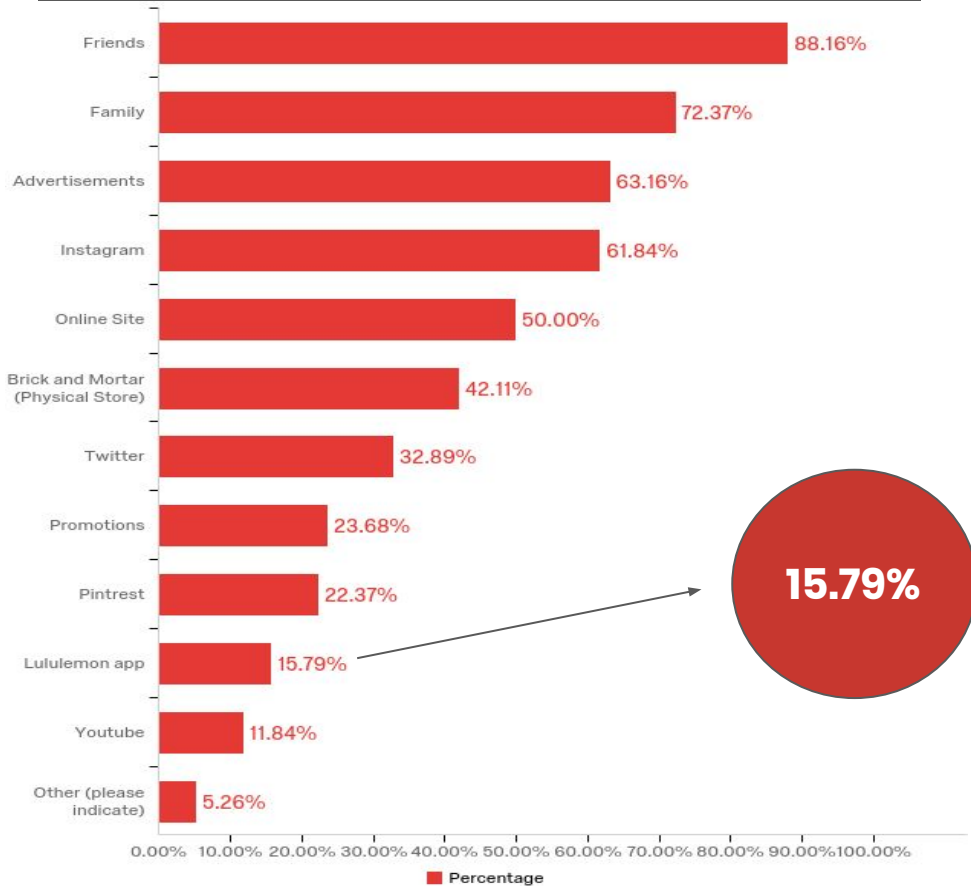


What do you use your athletic products for?

A majority of the respondents use the product **casually** and for **everyday use**

Implementing an app that **brings workouts** to the consumer in a **convenient way** to their **everyday lives** will make it easier for people to live out the **brand message**.

Why create an app?

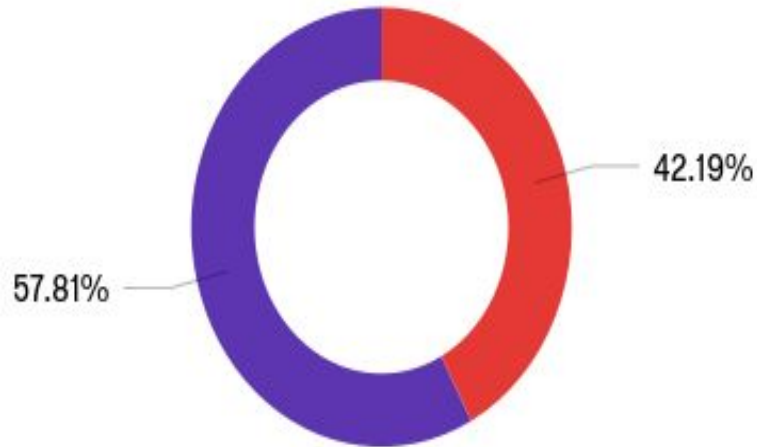


Where have you heard about Lululemon?

The current app they have is not something many of their customers know about or use

Focusing on implementing a new app will lead to a **larger online presence** and bring a **larger community together**

Why create an app?



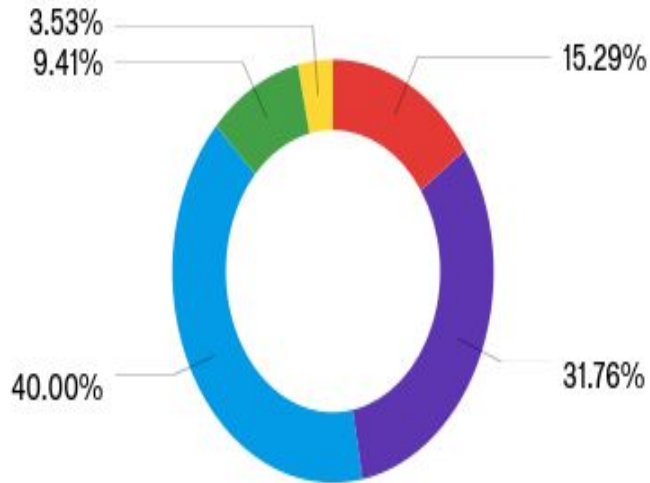
■ Yes ■ No

Do you purchase Lululemon primarily for working out?

Shows that a majority of people do not buy the product for working out

Having these live workout videos **paired with ambassadors** and **celebrities** wearing the clothes will influence the consumers to want to **workout more** in their lululemon gear.

Why create an app?



A majority of respondents workout either **2-3** or **4-6** times a week

Implementing an app that offers classes 4 times a week will fit well into the **average workout schedule**

■ Daily ■ 4-6 times a week ■ 2-3 times a week ■ Once a week ■ Never

Focus Group Data

All participants said they would download the Lululive app

“Would make working out very **convenient** and show off and promote the clothes nicely”

“This idea is smart because it will bring the workout to you”



Interview Data

“When a brand is **engaged with their communities** and more **personable** with their clients I will be **more willing to buy** a brands product.”

“I find it **hard to motivate** myself to **go to** these events which require an intense workout. With a **busy schedule** I find it’s hard to go to a huge event and do a workout when I would rather go when I want to go to the gym.”

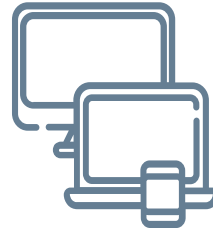
“Although I don’t follow a lot of brands on Instagram, I do follow some brands that **interact with the community** and promote products that **help people** and the community.”



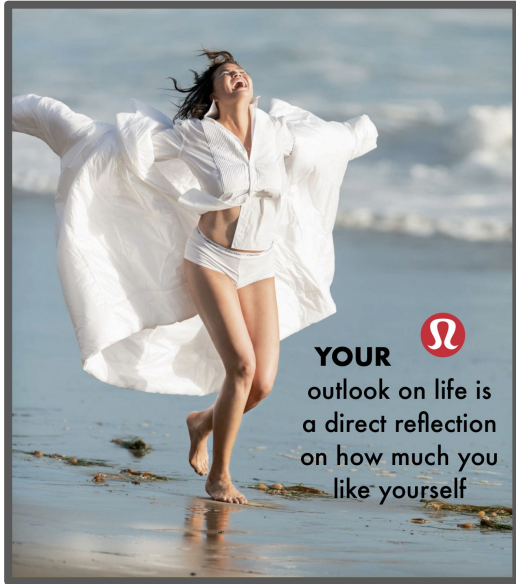
Outside Data

“Live is important because it creates the community feel...and there is a **community and a movement around doing today’s workout**”~Andy Smith
(CEO and co-founder Daily Burn)

“When someone is out there watching my progress during the workout, holding me accountable... **I work harder – even alone in my basement**” (CNBC)

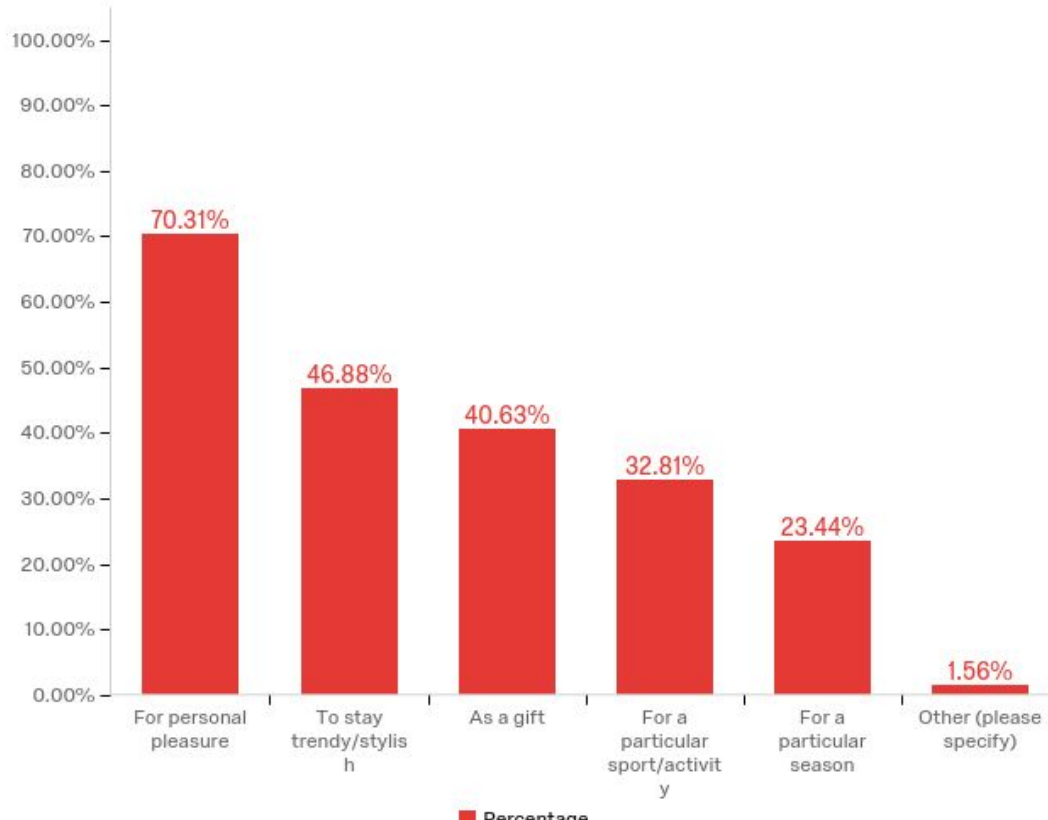


Recommendation #3: **Celebrity Endorsements**



We plan to find two **active and influential celebrities to endorse the Lululemon Brand**. The two celebrities we plan on using are **Chrissy Teigen and Chris Hemsworth**. These celebrities will promote the brand on their own instagrams and will be the face of the products. Each sponsor will also **establish their own personal line** with the brand will unique new designs and patterns.

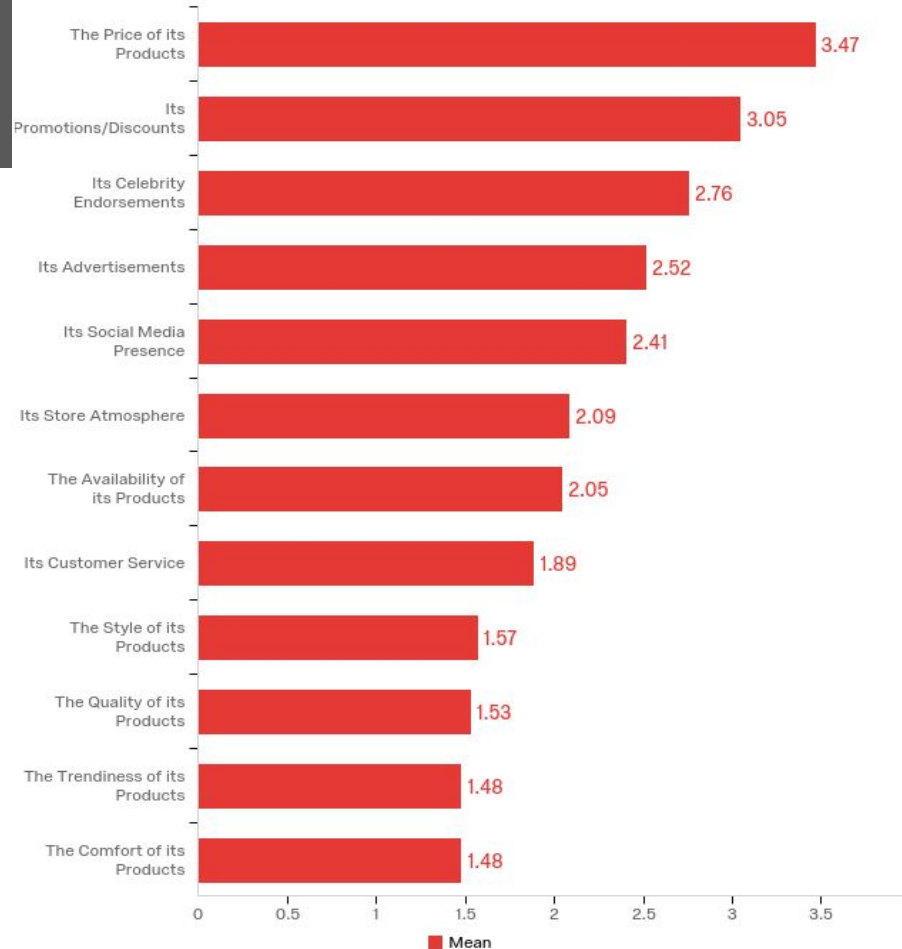
Why These celebrities? (Survey Data)



- According to Question 18, when asked why might someone purchase Lululemon products, The top two answers were for **personal pleasure, and to stay trendy and stylish.**
- This shows that many use the product to stay up with the trends, this leads us to believe that the use of a celebrity endorsement with work well in promoting trendy Lululemon products.
- This is why we chose these two celebrities and not athletes.

Survey Data (Continued)

- According to question 20, when the respondents were asked to rate Lululemon in the following factors, around **half of the survey takers rated Lululemon average on their celebrity endorsements.**
- This shows us that Lululemon currently does not have any celebrity endorsing them that catches the attention of the consumers.
- “Studies have shown that advertisements that use a celebrity, about whom many people already have positive feelings and impulses, grab an audience's attention more easily than a standard ad” (Forbes)



Interview Data

- When conducting the interviews Elizabeth M. stated “If a company paired up with a celebrity I do like, **I get more curious about the product** and it makes me tend to **look at their products and Instagram more.**”
- When asking the interviewees about the current ambassador program, Olivia in the said “Looking at their ambassadors on Instagram, **I don't know any of them.** I don't recognize them when they come on my feed so I really **cannot distinguish them from a regular model.**”

Focus Group Data

- The first question we asked the focus group was if a **celebrity endorsement would influence your willingness to buy a product**. Almost all of the focus group **responded saying yes**. One person said that if they see someone using a product, they would buy their clothes because **they would like to dress and be like them**.
- When asked what they would do to change this recommendation One person suggested that having one athlete sponsor and one celebrity sponsor would be a good idea.
- Survey data showed us that people tend to buy Lululemon to wear as **athleisure and for fashion**. That is why having an actor and model promote the brand will **bring attention to the clothes and the fashion side of the brand** while still having being labeled as a high quality workout brand.

Implementing these Recommendations

1. Loyalty Program
2. Lululive
3. Celebrity Endorsements

We believe that implementing the Loyalty Program first is the most efficient strategy since it will **create a motivation for consumers to engage with the brand**. Since brand engagement is the biggest problem, this will create an **incentive to be more involved and interactive** with Lululemon.

The next recommendation that should be implemented is the Lululive App. Through the app, consumers can earn points through the loyalty program. **This will push more consumers to engage with the app when it is launched and live out the healthy and fit lifestyle that Lululemon outlines in their brand mission.**

The final recommendation that should be implemented is endorsing Chrissy Teigen and Chris Hemsworth. This should be **implemented last because it involves both the Loyalty Program and the Lululive app.**

THANK YOU.



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