

Getting to the heart and soul of what customers want

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HELEN WILKIE



I used to endorse Nike, Adidas, Lorna Jane and even dabble in Puma [activewear](#)

..... but then

I found

Lululemon

It's true; I'm a 'Lulu' girl through and through. However I never stopped and asked why? More importantly how I have become known as a brand zealot?



Lululemon was marketed originally as women's yoga wear. With a [pair of pants exceeding \\$100](#), Lululemon can be considered a specialty purchase which is also reinforced by their unique and high-end design. But still, how did they know people like me went crazy for their apparel? I will now elaborate on how Lululemon have successfully obtained data, statistics and feedback to successfully position their offerings to the target consumer.

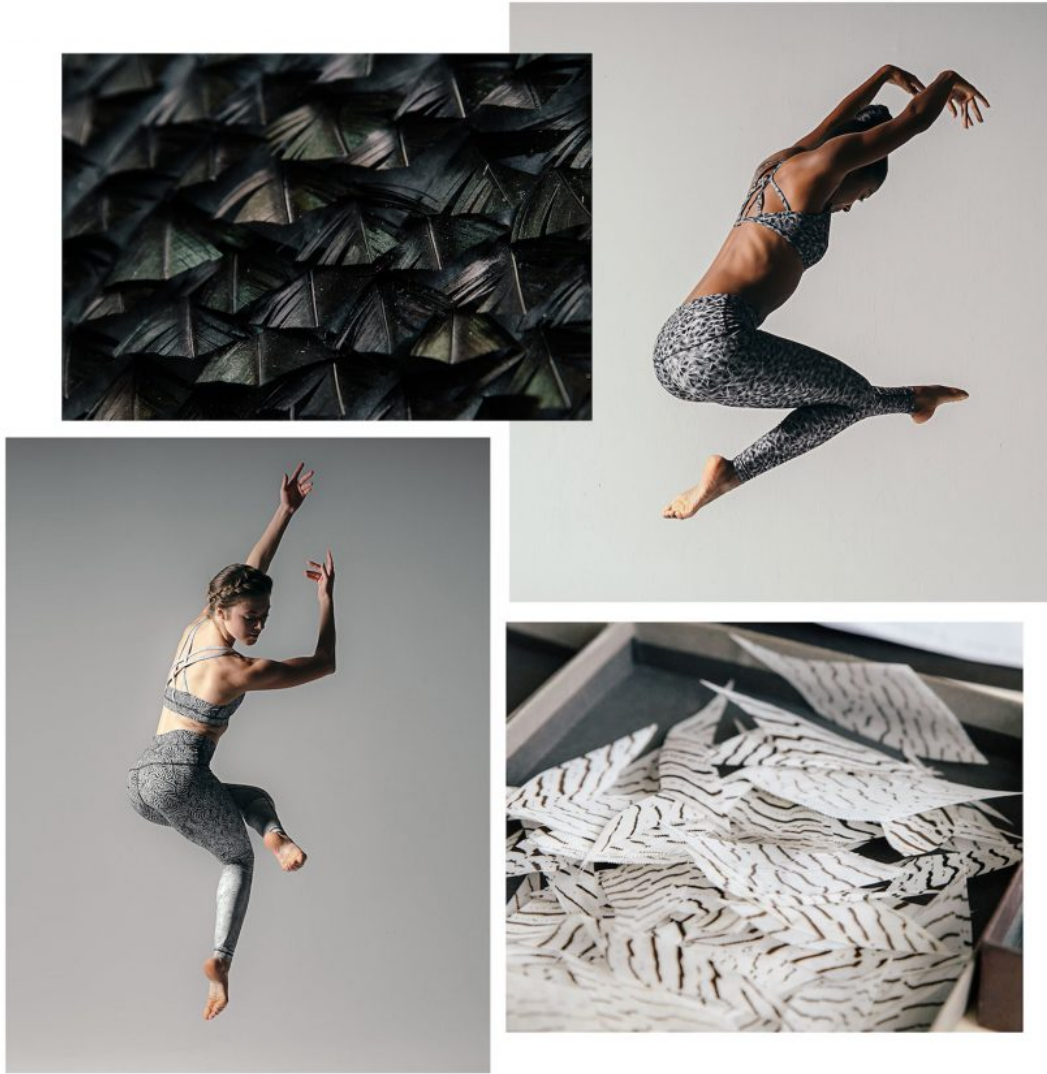


Figure 1. Lululemon's focus on high-end and high quality fabrics sets it apart from competitors

The ability to target the right niche

As Iacobucci (2013) outline:

“every marketing decision should be based on facts.....and research is about gathering those facts”

In the context of Lululemon, their consumer facts are gathered through a variety of platforms, one of which relates to big-data. Although big-data has some known privacy concerns (Nissenbaum, 2004) it can be very useful as it allows companies to collect large amounts of information on customers that was previously impossible (Nunan and Di Domenico, 2013). This method is also beneficial as it provides accurate and timely insights (Christiansen, 2011) and this intelligence can lead to great marketing effectiveness (Reinartz, 2012)

One apparent way Lululemon may use this data is through a technique called cluster analysis. This method helps to segment clusters of consumers that show certain preferences, beliefs and attitudes. Cluster analysis can also be extremely advantageous to test the company's assumptions about its consumers (Iacobucci, 2013). This information has allowed Lululemon to define and target new market segments which have enabled differentiation from their competitors. This is certainly true for the 17-19 year old female demographic that was previously untapped by

activewear competition (O'Shea, 2015).



Although Lululemon have not frequently used traditional consumer surveys, a small group (n =44) of loyal Lululemon consumers have provided insights into the reasons why someone chooses to buy Lululemon but how susceptible they are to competitors due to high prices (SurveyMonkey n.d.). This information provides some insights into potential segments of consumers, what they value and areas for development. In addition it provides information about customer loyalty and the effect of their high pricing which may bear a future risk to their brand.

If another high-end yoga clothing company came to market with cheaper prices, how likely would you be to try it out?

Answered: 44 Skipped: 304

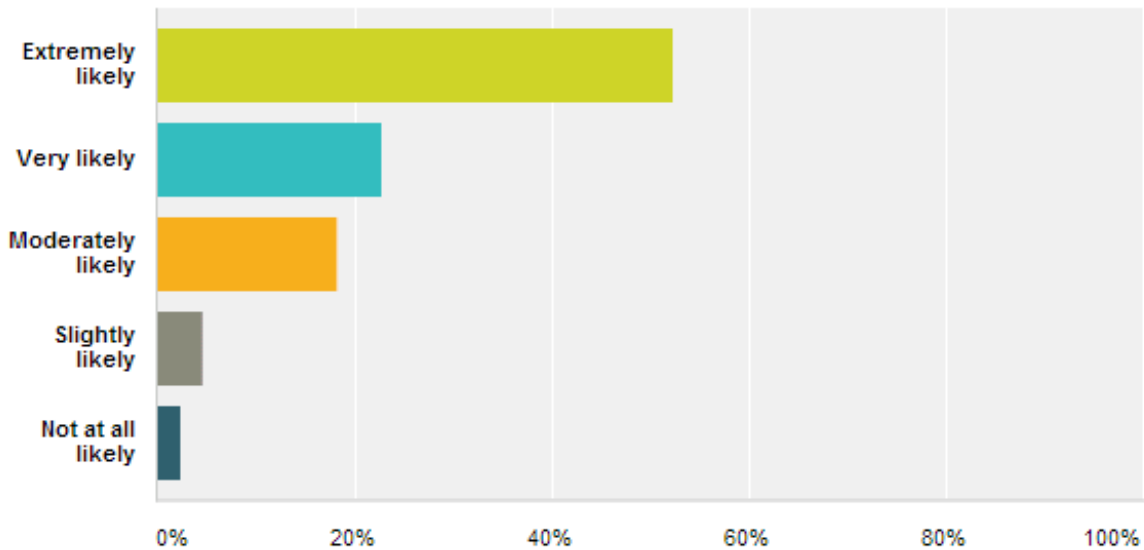


Figure 2. Despite high quality products, [SurveyMonkey](#) data reveals risk of competition in the market

Unique ways of seeking feedback

It was only in 2014 when Lululemon first seriously started data collection from their customers to help inform their strategy (Bhasin, 2014). Prior to this the success of their marketing was primarily attributed to a community, grass roots approach to gathering information. As cited in Lee Yohn (2012), their feedback mechanisms are almost done by stealth with Lululemon's CEO, Christine Day spending hours each day observing how customers shop, listening to their complaints and then using this feedback to improve products and their experience.



Similarities exist between this method and observations completed in focus groups which can be used in the early stages of product development or prior to an advertising campaign (Iacobucci, 2013). Lululemon have additionally been known to train their employees to act as customer advocates where salespeople eavesdrop on customers as they fold clothes near the fitting rooms, so they can overhear complaints and pass them along (Lee Yohn, 2012). Although this approach has proven to be successful in improving customer satisfaction it also is a very manual, labor intensive and not sustainable, therefore is likely only to be used in very small amounts.

When things don't go to plan

Admittedly Lululemon don't always get things right when it comes to market research. A carefully thought through store opening with a certain slogan (Figure 2) was designed as a 'rally cry' for locals but instead was highly offensive despite two years of research prior to store opening. This demonstrates that even with copious local data sources on consumer demographics and behavior, marketing choices are not guaranteed to make consumers satisfied. It should also be noted that data and research is only way one way hear the true customer voice and it is paramount to thoughtfully and carefully interpret data as the key to making successful marketing decisions.





Lululemon have taken a few years to catch up to market competitors in their use of big-data to inform marketing strategy however they have proven to have a unique and **community focussed** way of obtaining feedback. Their ability to engage **brand ambassadors** that foster community spirit and social connectedness has successfully been used since their inception.

For segments of the market that enjoy feeling close to the brands **purpose, values and manifesto** it facilitates an incredibly loyal customer base. As I mentioned previously; I'm a Lulu girl through and through and have no intentions of changing any time soon.

Helen Wilkie. ID: 216053459

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