CONSTRUCTED COMMUNITIES

THE SOCIAL MEDIA RESOURCES OF NIKE AND LULULEMON
WITHIN THE CONTEXT OF THE ATH-LEISURE TREND IN SOCIETY

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Rini Panagiotou
Coach: Sander Schellens
Second reader: Ligia Hera
During the past three and a half years at AMFI I have learned one thing: The fashion world changes and evolves at a speed so rapid, it is sometimes hard to keep up with new trends. Change is the only constant that is and will always be there. Fashion feeds off of change and it is of high importance to always adapt to new trends and stay on top of the game, if you want to be successful as a fashion manager.

I also learned another thing: You do not have to be brilliantly creative, in order to be taken seriously in the fashion world. For me, this is a great relief, as creativity and visual or graphic talent is not one of my strong suits. But that is okay. Instead, I love writing and I love to plan and execute concepts for brands. The most important thing is to develop and build on your strengths, instead of focusing on your weaknesses.

This is what I tried to capture in this thesis. I chose a subject I am highly interested and invested in, which is fitness and a healthy lifestyle. I chose to focus on a high quality content that is fascinating to read and I combined it with my interest of the social media evolvement over the past five years. Given the fact that fitness has arrived on the catwalks in terms of activewear was very beneficial and I was lucky in the sense that I was able to research the field of fitness and combine it with my passion for fashion, all within the context of social media.

The research phase was both captivating and challenging at the same time. However, I enjoyed collecting data and putting it into the context of this thesis and to find out exactly, what a leading activewear brand does on a daily basis on their social media platforms to reach such high numbers of fans and followers. The most challenging part of the graduation project was my product. I decided to develop a concept for a social media awareness campaign that the rather unknown activewear brand Lolë can implement when trying to increase sales. Again, my strengths do not necessarily lie in creating high quality visual content, I am always struggling to put my ideas into a graphic context. However, as a fashion manager, pitching the content will be more important than creating it and the written content is clarifying my concept ideas and direction I want the brand to go towards.

Many people helped and supported me throughout the length of the graduation period and I could not have done it without them. I would like to sincerely thank my coach Sander Schellens for providing me with valuable feedback and tips along the way, as well as my mentor and second reader Ligia Hera, who has always supported me throughout my entire AMFI career. I could not have asked for a better mentor. Moreover, I would like to thank all the people that participated in my survey, as well as Angela van den Eijkhof, Shaun Frey, Sarah Vickery, Hannah Gabriel and Servet Akgoebek that took their personal time to do extensive interviews with me and give me helpful advise. Lastly, I would like to genuinely thank Iina Hietanen and Lilly Mertesacker, who proof read my thesis and my product and gave me their opinions and advise on it.
Executive Summary

During the past few years, social media has become a constant factor in our lives. We cannot live without our smart phones anymore and if we forget to check our Twitter, Instagram, Facebook or Snapchat for a few hours, we feel like we are missing out. Our world has never been more connected. Brands have to stay on top of their game, when it comes to their different social media platforms. This is how they communicate with their consumers nowadays.

What has also caused a recent shift on the fashion catwalks is the fact that a lot of designers chose to send their models down the runway in sneakers and activewear outfits. (Wilson, 2015) The social media trend and the activewear trend both mirror our current zeitgeist, especially in the western world.

This research paper focuses on two of the most successful activewear brands on the very competitive market and analyses their social media marketing strategies extensively. By using existing marketing models, like “Superbrands: Myth or Reality” by Roland Van Kralingen, “The Glue Value of brands” by Marco Mossinkoff and “The Value Discipline Model” by Michael Treacy and Fred Wiersema, I will be putting their strategies into a more tangible context. As Kralingen’s and Treacy/Wiersema’s model is quite dated, I decided to update it in the last two chapters and link it directly to my research and collected data.

As a starting point, I chose to compare the history of both brands and how they started to build their followers over time, using comparable methods. The focus will lie on postmodern marketing and consumer tribes. As the company perspective is only half of the activewear trend, the consumer perspective will be discussed as well. Nowadays, through the power of social media, the consumer has more power than he ever had before, so the consumer angle needs to be on the forefront of every new brand that is trying to gain recognition. Putting my collected data together, I came up with the most significant strategy aspects of Nike and Lululemon, when trying to navigate their consumer tribes and increase revenues. It is all about creating a brand personality that acts like an authentic human being and gives relevant advise, as well as inspiring content to their consumers – just like a good friend would do.

Wide-ranging primary research was done, in terms of one-on-one interviews with professionals in the fields of psychology, kinesiology, marketing and retail, as well as observations, surveys and personal experiences with all three brands.

Conclusively, the aim of my thesis is to advise Lolë, a fairly unknown activewear brand with good potential, on how to create awareness of the brand, without directly trying to sell their products. The product will showcase a concept of a video and social media campaign that will get people involved with the brand as part of a community. This is the main perception behind a consumer tribe: People want to feel like they belong to a like-minded group of other individuals.
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1. INTRODUCTION

When looking at most catwalk shows of the past couple of years, there was a clear trend: Designers all over the world created ready-to-wear garments that are inspired by activewear or assemble styles that could as well be worn at the gym or for a workout – flat shoes and sneakers, leggings, tops and jackets made of Lycra and nylon, the list goes on. Designers like Alexander Wang, Rebecca Minkoff and Tory Burch became advocates of the “ath-leisure” trend and, amongst others, were responsible for the shift in the fashion world (Wilson, 2015). Even Chanel sent their models down the runway in sneakers during the 2014 fall ready-to-wear show.

The trend did not stay on the catwalks. Especially in the North American market, activewear is rumored to be “the new denim”, designed in various shapes, expensive and luxurious fabrics, cuts and shapes, offering the same growth potential as designer jeans did a decade ago. The designs of activewear get more and more carefully crafted. The pricing of black leggings from certain brands like Burberry is in the luxury price range and can be worn for work, leisure and lavish events. International designers and established brands are all pressured to create their own activewear line in order to compete with the big fitness and activewear brands. It is not the after-workout outfit of the 1980s anymore that was inspired by the aerobic craze with neon leg warmers and headbands. This time around, the activewear fashion trend is more of a lifestyle trend that grows bigger by the minute.

Two of the biggest North American activewear brands, Lululemon and Nike, are leaders in this market. They both have one thing in common: They started out as a small business, focused on designing athletic shoes (Nike) and yoga pants (Lululemon) and expanded into globally successful fashion empires. How come, some brands are leaders in the activewear market, constantly reinventing themselves and finding ways to engage with their consumers and get them on board? How come, other brands with similar designs and quality struggle to make their name heard on the market? What makes Lululemon and Nike stand out, even though the activewear market has never been more competitive?

First of all, it is important to understand why exactly the activewear trend came into being in the first place. However, after briefly addressing this issue, the focus of this paper will lay in the role that social media has played for the success of Nike and Lululemon, how they incorporated health ideologies into their social media marketing plans and used them as a tool for corporate

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success.

I will be analyzing their strategies with the help of Marco Mossinkoff’s “Glue Value of Brands” model. By applying my own research to this model, my aim is to come up with Lolë’s own social media marketing strategy, using a postmodern marketing approach, which Mossinkoff calls “modern marketing in disguise” (Mossinkoff, 2012).

Different angles of approach will be necessary and relevant to discuss the overall topic of this paper. I will be focusing on the two most important ones, one being the company perspective and the other being the consumer perspective.

Regarding the company perspective, Nike and Lululemon have managed to thoroughly fine-tune their social media marketing strategies. (Phalguni, 2014) They engage with their consumers more than directly selling to them. Every social media platform has a different language and they all come together to co-create a consumer tribe that searches for similar values provided by these brands. I would like to find out and analyze exactly what Nike and Lululemon did to achieve this.

Regarding the consumer perspective, given my research, I have come to the conclusion that the consumer created this trend in the first place. Changes in society and human behaviors when it comes to health and wellness played a big role, especially through the rise of social media platforms like Facebook, Twitter and Instagram, where people share their healthy lifestyle choices and interact with one another – it is a highly rewarding habit, and successful brands jumped on the bandwagon by interacting with these people.

Even though, brands like Nike and Lululemon were big contributors to the activewear trend, our society has shifted and given more power to the consumer. The post modern marketing perspective of consumer tribes is something that brands like Lolë can definitely benefit from by getting to know the consumer better.

As opposed to the modern marketing approach – dividing customers into target groups, classified by demographics and statistics – my research has shown that consumers of Nike and Lululemon consider themselves “fans” of the brands, even part of the brand-community. They define themselves by norms and values, a shared worldview that stands for belonging to a group of like-minded individuals. (Wilkie and Moore, 2013). Owning the brand’s products is only a small part of the entire brand experience.

The aim of my research is to provide the Canadian activewear brand Lolë with a social media marketing strategy, by adopting the successful strategies of Lululemon and Nike into their own marketing plan. Their designs and quality are comparable to the ones from Nike and Lululemon, so the reason behind the rather unknown brand name and consumer involvement
would be interesting to find out. The product will be a suggestion for a certain framework of actions to engage with their consumers and to create an emotional value that mirrors the present phenomena in our society in terms of psychological developments and the importance of virtual communities. The emphasis will lie on what I would like to call “indirect marketing”; I will advise them to not promote their products directly, but rather create awareness around the brand through an awareness campaign as a first step.

The complexity of a new marketing strategy is hard to grip, because of its many factors. How to develop a social media marketing strategy that will guarantee the involvement of “ath-leisure” consumers with a particular and fairly new brand is something that can only be suggested by various theories. However, I want to try and give this company a direction to work towards, by proving how the methods of Nike and Lululemon led into long term success.

The three areas I will be focusing on in my research – with my aim in mind - are particularly the psychology of the consumers, the way Nike and Lululemon engage with them on their platforms and in the non-virtual world and, finally, a certain set of actions they incorporate when trying to direct the fitness consumer tribe towards buying into their brand.

In order to reach my aim, I will have to answer the following research question and sub-questions throughout this paper.

2. Research question, sub-questions and methodology of research

2.1 Main question and Sub-Questions

Which social media marketing strategies of the activewear brands Nike and Lululemon proved to be successful in the context of the ath-leisure movement within society?

I will be analyzing my collected data, by applying it to the “involvement-motivation matrix” by Roland van Kralingen, by updating a few details. Van Kralingen divides brands into four categories: The mythical brand, the information brand, the product territory brand and the cluster brand.

Applying this model to today’s society, with the rise of social media in mind, respectively, Nike and Lululemon have created different types of value connections for their consumers, which can be part of the first three quadrants of Kralingen: They are a combination of a mythical brand, a product territory brand and an information brand. Van Kralingen's model will help me in better explaining the most important factors in Nikes and Lululemon’s marketing strategies.

My research will help understanding the psychological factors behind the consumer and his
creation of the trend, as well as the power that social media played in the top brands' success and in navigating their consumer tribes by having them feel like they are in full charge. I don't intend to have the last sentence sound misleading, since the consumer does have a lot more power than he used to have. Especially the formation of consumer tribes empowered the customers more than ever, so the consumer angle needs to be discussed as well.

To help me conduct the different angles of approach, there will be several sub questions answered throughout the thesis. The list below demonstrates the different aspects that are part of the main question:

1. Why did the consumer create this trend and what is the psychology behind this consumer tribe?
2. Does Lululemon have the power to navigate the consumer tribe using social media and capitalize on it? / Does Nike address the psychological aspect in their social media marketing?
3. What does Nike's social media engagement look like and how do they respond to consumer's demands and behaviors?
4. Did Lululemon's branding and marketing strategies co-create a consumer tribe? Does their brand culture come through on their social media platforms?
5. What is the connection between the ath-leisure trend and the social media presence of the two successful brands?

There are several methods I will apply to answer my main research question and the sub questions. As mentioned earlier, the two main angles I would like to discuss are the consumer perspective in terms of creating this trend and being part of a consumer tribe and the company perspective in terms of co-creating and navigating the consumer tribe; especially by analyzing the power of social media platforms and how Lululemon and Nike succeeded in developing a “native” brand language targeted to each platform and audience.

2.1.1 Consumer perspective

The primary research will include an interview with a psychologist, in order to give answers to the following questions: How do people express themselves through their clothes? What is the psychology behind people that are trying to be part of a “fit community” on social media platforms? Has the high health awareness and its results caused an improvement on people's state of mind?
Which kinds of thoughts/actions motivate people to keep up good habits? How do people justify the amount of money they spend on clothes?

Secondly, interviewing a fitness professional will give me more insights into the role of health and obesity awareness in the formation of this consumer tribe and if it helped people live more healthfully and raise their self-awareness. This point of view will help me identify, how Nike and Lululemon capitalized on the way people think.

Finally, a survey will be conducted to help comprehend consumer behavior and thinking, by answering the following questions: Familiarity with the three brands; associations with the three brands; engagement and reasons behind engaging in their social media activities; reasons behind wearing activewear outside the gym; reasons behind embracing activewear as a fashion trend. Different groups of people will be targeted, tribe members, as well as people that do not workout and different generations of people (ages 21-68).

Secondary research will include a cultural study on consumer behavior regarding sports apparel by Deborah Fouler, as well as the book “consumer tribes” by Bernard Cova, Robert Kozinets and Avi Shankar, which gives insights into the post modern marketing perspective. The two articles by Van Kralingen and Mossinkoff I have mentioned will guide me in developing an adapted version of a marketing model that can be used by Lolë. Finally, the Value Discipline model by Treacy and Wiersema and articles referring to it will clarify the direction that Lolë needs to head towards, when changing their current marketing approach.

Other literature includes “Marketing to postmodern consumers: introducing the internet chameleon” by Geoff Simmons, “Experience Marketing: Concepts, Frameworks and Consumer Insights” by Bernd Schmitt and – in order to get a deeper understanding of activewear consumers and their lifestyle preferences – writer and author Gretchen Rubin’s blog posts about happiness and healthy habits, will support my primary research into these consumers.

2.1.2 Company perspective

Analyzing the perspective of the three companies will include a variety of primary and secondary research. To provide more background information, it is important to research both brands efficiently. I will be specifically looking into the following areas:

Nike

- A brief summary of the brand's history
- All social media platforms, with the focus on the different “native” languages accustomed to each platform and how the audiences differ and respond to it in different ways
- How Nike capitalized on the consumer’s psychology and used the consumer’s power to their advantage

Primary research will consist of an interview with a Nike executive and a Nike employee, in order to understand how Nike operates internally, how team building is executed and to which extent they value their loyal customers. Observations will include a trip to various Nike stores, with the goal to understand, what people are looking for in the stores and what they could have in common. Also, an observation in the city will give me an idea of the group of people that wear Nike attire outside the gym.

Secondary research sources include the case study: “Co-creating value through customer’s experiences: The Nike case” by Venkat Ramaswamy and annual revenues and financial numbers provided by the company itself. Lastly, the books "Crush it", "The Thank You Economy" and "Jab, Jab, Jab, Right Hook" by Gary Vaynerchuk will be backbones of my research into the power of social media. These books will assist in analyzing both companies’ strengths and weaknesses.

**LULULEMON**

- Brief summary of the brand’s history
- Lululemon’s risk management skills
- How Lululemon capitalized on the consumer’s psychology and used the consumer’s power to their advantage

An interview with two Lululemon executives will provide similar insights into the brand’s culture and internal environment, as the Nike case. Additionally, the survey I conduct will prove, how well Lululemon handled previous scandals with fabric malfunctions, as a lot of people stayed unaware. Lastly, observations similar to the Nike case will be done, in order to find parallels between the two leading brands and to understand how they successfully navigate their tribes.

The case study “Healthyist ideologies: The case of Lululemon Athletica” by Carlie Stokes, an academic journal article on Lululemon’s risk management by David F. Larcker and cultural studies on marketing strategies by Rob Walker, as well as Lululemon’s annual reports will be part of my secondary research. Finally, the book “UnMarketing” by Scott Stratten will give me more in-depth insights into social media marketing strategies and common mistakes of companies.

The following technical terms will appear throughout the thesis, especially after I have collectively
described the primary and secondary research data I have collected. The marketing models I will use will help to put the collected data into a visual context and make it clearer.

2.2 Technical terms and existing marketing models

**Consumer tribes**

Also referred to as “brand tribalism”, a consumer tribe is the outcome of a postmodern marketing related community of like-minded individuals that consider themselves part of an (imagined) community that centers around the values that a brand puts out.

Cova and Cova's article “Tribal marketing: the tribalization of society and its impact on the conduct of marketing” in the European Journal of Marketing (Vol. 36, No.5 & 6, pp. 595–620) describes the 21st century society as a “network of micro-cultures or neo-tribes”.

**“The Involvement-motivation matrix” by Roland van Kralingen**

In his article “Superbrands: Myth or Reality” (Corporate Reputation Review, Vol. 2, No. 2, 1999, pp. 178-187), van Kralingen discusses certain methods and strategies of brands that create strong emotional relationships with their consumers. He describes the consumer’s buying behavior as the “involvement-motivation matrix”, which refers to the consumer’s involvement when making a purchase and, on the other hand, his motivation to do so.

The different values that brands try to provide and market are divided into four categories. Mythical brands, information brands, product territory brands and cluster brands (with the fifth being distribution brand, accredited to retail companies).

Van Kralingen describes mythical brands (high involvement and expressivity) as expensive high-end brands, sometimes creating entire ideologies for their consumers (p.180 f.). Consumers are buying into the lifestyle that the branding has created. In today's society, Nike and Lululemon could fall into this category, because they have successfully managed to create a strong community around their brand.

Product territory brands usually represent a single product line, which belongs to the certain area of products (p.181 f.). If van Kralingen's model was still applicable today, Nike or Lululemon could fall into this category as well, by providing functional clothing for athletes, as this
was their original role.

The information brands guarantee, in Kralingen’s opinion, quality, dependability and after-sales service in their sector (p.182 f.). Again, this is something that Nike and Lululemon both successfully incorporated. The only category that does not apply to these two brands would be the cluster brands, as this usually involves brands with low cost, low expressivity and a more modern marketing approach – their target group is anyone, who does not want to spend a lot of money on specific products; they gain consumers simply by keeping their prices low.

The involvement-motivation matrix is a model I will use for my research into the consumer-side of my paper’s topic.

**“The Glue Value of Brands” by Marco Mossinkoff**

In his research paper “The Glue Value of Brands” (2014), Mossinkoff discusses several marketing strategies that can be used by brands, in order to create value for the consumer. He developed a number of models that indicate the different types of value brands, based on a hypermodern or postmodern approach. Hypermodern marketing implies that the consumer can be manipulated to buy into the brand, by being made aware of the benefits of the brand’s product (Mossinkoff, 2012). This approach might still work for cluster brands, however, for leading activewear brands and those aspiring to be, a postmodern marketing approach is needed.

Postmodern marketing means that the consumer nowadays has the power to add his own meaning to the proposed value of a brand, and has the power to form or be part of a community that represents these values.

The most important part of Mossinkoff’s research paper for my thesis is his termination of postmodern marketing as “modern marketing in disguise”. He came up with four mechanisms that explain a strong emotional connection between the consumer and the brand. I actually came across Mossinkoff’s paper after having done plenty of research on said four mechanisms, so I was amazed that there are actual terms to it.

1. "Getting personal", meaning that the brand takes on the role of a human being, a friend
2. “Between neo-tribes and imagined communities”, which results from the consumer’s desire to belong to a group and identify with it
3. “Interaction, reciprocation and co-evolution”, which derives from companies encouraging their consumers to share their experiences with them and the world
4. "Play and Games", which again, refers to these interactions in a playful and fun matter

All these mechanisms have been used by Nike and Lululemon, which I will get to in this paper.

Modern marketing in disguise, therefore, is something, which Lolë has to adopt, in order to be more successful.

"The Value Discipline Model" by Michael Treacy and Fred Wiersema

Back in 1993, this model was introduced in the then groundbreaking Harvard Business Review article “Customer Intimacy and Other Value Disciplines” as a strategic tool that helps brands to constitute what they want to be valued for. The three value disciplines are “operational excellence”, “product leadership” and “customer intimacy”. The article pointed out that in order to be competitive, a company must have attributes of all three disciplines, however, in order to be a leader in the market, they have to choose one discipline as a direction to focus on.

It has been argued that this model is outdated nowadays, as “cost leadership or operational excellence is no sustainable strategy anymore” (marketingprofs.com, 2015), meaning, in our society, brands come up with new products and pricing constantly, trying to exploit each other. I agree with these opinions, so throughout the thesis, I will update this model, aligning it with my research.

3. Brief history of Nike and Lululemon

3.1 Nike – the evolution of a small distributor for Japanese shoes in the 1960s

Operating under the name “Blue Ribbon Sports”, Nike was founded in 1964 by Bill Bowerman - a track-and-field coach - and Phil Knight, a middle-distance runner from Portland, who was enrolled in the University of Oregon. It originally operated as a distributor for the Japanese shoe brand Onitsuka Tiger (now known as ASICS) with an initial capital shy of 1200 Dollars. The first pair of
shoes was made inside a waffle iron, trying to resemble a grooved pattern for better running and track grip. (Oreilley, 2014)

Nike’s first employee, Jeff Johnson, came up with the brand name, which derives from the Greek Goddess of victory. The Nike swoosh was designed by Portland State University student Carolyn Davidson, for just $35. At a later stage, she was given stock that is now worth more than $640,000. (Hincker, 2007)

The fitness revolution of the late 1970s and 1980s acted as a big stepping stone for Nike, resulting into various collaborations with famous athletes – including Michael Jordan, Ilie Nastase and many more, bringing huge value and recognition to the brand. By 1980, Nike had a 50 percent market share in the U.S. athletic shoe market and went public. (Oreilley, 2014) During the 1980s, Nike expanded into different activewear sections, which to this day include a variety of shoes, apparel, street wear and multiple sport-specific athletic apparel. (Nike Inc.)

3.2 Lululemon – the founder of yoga pants and the master of risk management

When yoga first became somewhat popular in the 1990s, cotton was the main fabric that was used for yoga apparel. Founder Chip Wilson, who was previously active in the surf, skate and snowboard industry, took his first yoga class in 1998 and became a big devotee. His mission was to create yoga pants that are comfortable and support the excess of body perspiration, as well as the yoga movements and to create an iconic look and feel of the pants. He opened his first design studio in Vancouver, Canada, and it operated as a yoga studio at night. Clothing was sold underground and tested by yoga instructors, in order to improve its quality. (Lululemon Inc.)

The first real store in Vancouver opened its doors in 2000 and has since expanded into a globally successful fashion dynasty, offering activewear and street wear apparel, embroidered with the famous “A” logo of the brand. The name “Lululemon” was chosen in a survey with 100 people, out of 20 possible logos and brand names. (Lululemon Inc.)
Although the public is mostly unaware of it, Wilson has caused the brand a number of controversial occurrences that should be mentioned. The most famous incident happened a couple of years ago, when Lululemon recalled all pants of a clothing item that was so sheer it appeared to be see-through. Wilson’s reaction to the company’s error was that women with voluptuous body shapes should not wear Lululemon pants to begin with, because they are not made for them. (Edwards, 2013) His statement brought a gigantic backlash from the public, as people were upset by been body-shamed by the company. Wilson is rumored to have very controversial beliefs, one of them being that he does not support women’s rights and another being that he “favors using child labor in Third World countries”. (Edwards, 2013)

How the brand managed to keep those controversies at bay and still successfully grow the brand, remains something that will be discussed during the thesis. Wilson resigned early this year as chairman and board member of Lululemon. (Shaw, 2015)

4. THE COMPANY PERSPECTIVE I: NIKE’S DEFINED BRAND LANGUAGE

4.1 From activewear to street wear to trendsetter

While conducting my survey, I had a chance to visit various city districts throughout Western Canada and simply watch people. The amount of people wearing either Nike shoes, or pants, or a full outfit really made an impression on me. When you truly look at people, you will realize, just how much of an impact this brand has made on our street style. During my two-hour observation, I counted an average amount of 120 people wearing one or more Nike pieces. The survey responses were clear: Out of the three brands, Nike has left the biggest impression on the survey participants. Nike attire is an essential part in about 56 Percent of all participants and 13 Percent went on to claim that they would not switch out their Nike clothing for another brand, because they are loyal customers. (Appendix, Fig. 2) Only 21 Percent of the survey participants have a bad image of the brand, stating that it is “overpriced and overhyped” (Appendix, Fig. 2). Nike clearly stood out in
every single question. The only thing that impressed me was that about 68 Percent of people are unaware of the many Nike events that take place in various cities.

Wearing Nike means more than owning their pieces – it means buying into the Nike culture and lifestyle and being part of the community. (Cova, 2011: p. 94 ff.) But how does Nike lead the tribe? It all starts with their great understanding of social media. The virtual world is now more important than ever before and Nike knows how to use social media as a tool to operate as a mythical brand, as well as an information brand and a product territory brand.

4.2 The Nike Social Media Empire

The most important thing to remember about social media – from a brand’s perspective - is that “your number-one job is to tell your story to the consumer wherever they are, and preferably at the moment they are deciding to make a purchase.” (Vaynerchuck, 2013: p. 24 ff.) Telling a story is not as easy as it sounds. It requires a defined “native” brand language (Vaynerchuck) that needs to be adapted to each and every platform – be it Twitter, Facebook, Instagram, Pinterest, SnapChat, Tumblr or any other platform. What might get a brand to make sales using Facebook, might not work by posting the same content on Twitter or Instagram.

I would like to focus on two of the major platforms: Twitter and Facebook.

4.2.1 How Nike understands Twitter’s concept of listening

As of right now, there are 288 Million Twitter-users around the globe. An estimated amount of 500 Million tweets are sent out daily and 80 Percent of active users prefer using the 140 character conversations on their mobile devices. The word “conversation” is key here. Twitter has no apps or groups that are locked to other users; all conversations are public and happen at a rapid speed (Stratten, 2013: p. 34 f.) When it comes to brands trying to market their products, it is crucial for

4 https://about.twitter.com/company
them to understand that Twitter is not about commercials or pushing products directly to the consumer. It is about listening and engaging with people that preferably have the same interests or like to chat about their experience with the brand – whether it is positive or negative. (Vaynerchuck, 2010: p. 191 f.)

Unfortunately, not very many brands – including Lolë - have understood the concept and the power of Twitter and are trying to spam their followers with products and advertisements. (Appendix, Fig. 3) Looking at the Nike Twitter account, the number of replies to customers’ enquiries or people's tweets about their workouts is enormous. (Appendix, Fig. 4) They finetune their ability to engage and build relationships with people all over the world, simply by listening to what they have to say and being part of the conversation. (Smith, 2014) A simple re-tweet from a brand can come a long way and is a lot stronger than push advertising could ever be, because it is personal. (Smith, 2014) Following up on Treacy and Wiersema’s value discipline model, Nike's tweets breath the value discipline of customer intimacy, while still being a global brand with a worldwide customer reach.

4.2.2 Facebook’s number one rule: Content

The language of Facebook and its function (for businesses that is) is unlike Twitter. Twitter is a conversation platform with limited characters, whereas Facebook is the platform for companies to put out high quality content for their exclusive followers – unlike Twitter, on Facebook you are actually choosing to follow a brand by “liking” their page. (Vaynerchuck, 2014) It is all about storytelling. Unfortunately, again, it becomes clear that many companies use Facebook to simply put out the same advertisements and products on there that might as well have been used in traditional advertising, like print or TV. (Appendix, Fig. 5)
Again, Nike proves to have done their homework, when it comes to understanding the language of Facebook. They are telling a story and they managed to get millions as an audience and might have been part of creating the activewear trend in the first place.

Here is how Nike represents a mythical brand. “The mythical brand is able to transcend the boundaries of the product territory”, says Van Kralingen. Looking at Nike’s Facebook presence, they created a number of different accounts, specifically targeted at their product divisions, i.e. Nike Football, Nike Running, Nike Golfing, Nike Inc. – the corporate page – and many more. They do push their product, but they do it in a smart way – and this is one of the reasons I mentioned them as one of the trendsetters for the ath-leisure fashion trend. Most of Nike’s interaction happens on their corporate account. They constantly put out inspiring content that doesn’t necessarily mirror their own products. It is about living a healthy, active lifestyle and the positive effects it has on our lives. (Appendix, Fig. 6) It is their health ideology.

Football campaigns, such as “#MyTimeIsNow” encourage people to be part of the Nike lifestyle, whether they choose to buy from Nike or not. They are providing them with inspiring stories and it seems they are expecting nothing in return. People use this hash tag to share their own personal stories and engage with each other, as well as with Nike. This is where I would like to quote from Vaynerchuck’s book “The Thank You Economy”: “When given the choice, people will always spend their time around people they like. And now, they can. Social media has made it possible to interact with businesses in a way that is often similar to how they interact with family and friends.” (Vaynerchuck, 2014: p. 13 ff.) Nike makes this possible, by taking over the role of a good friend, giving customers advice and inspiration for their daily and long term outlook on life. Metaphorically speaking, Nike acts as a good friend, guiding a lot of people towards embracing activewear as a fashion trend, by combining their love for a healthy lifestyle, functional clothing made for every occasion and by being part of a huge community of like-minded individuals. Maybe
the consumer built this tribe in the first place, however, Nike was a key force in developing it by listening to what they had to say. The audience is king and Nike serves them well.

4.3 The brand language within the company

During my research phase, I had the opportunity to have a one on one interview with a former Nike production development executive. She had worked for the brand for almost seventeen years and recently retired from the job. It was evident she is an expert, when it comes to recruitment, people and process management. “Professionally speaking, the innovation was strong, their culture was really performance driven. (...) They are very good at branding the company from the inside out. I think that really is the key. (...) The vision and mission of Nike was clear to everyone. Everybody knew it. They did a very good job of getting their strategy out of the boardroom and living and breathing in every single office and corridor of the company.” In my opinion, as a former, now independent person with no obligation to say positive things about the company, the interviewee genuinely believes that the consumer tribe for the activewear fashion market started within the corridors of Nike. No company can tell a convincing story, without having every single employee sharing it and believing in it. This strong brand culture made it possible for Nike to get people’s attention and, most importantly, their time. Time in our society, is the most valuable asset everyone possesses in a noisy social world, it is something that people don’t just give away anymore. Time, however, is something that Nike gives to every individual person, who reaches out to the brand and it paid off. Again, customer intimacy as a value discipline is something that Nike successfully incorporated, while still maintaining the other two disciplines.

If I hadn’t known the interviewee personally, I would not have had the chance to get a one on one experience with a Nike executive and another employee. When I reached out to the brand online, they kindly refused to provide me with an employee for an interview – which in fact is quite

5Vaynerchuck, 2014: derived from YouTube, https://www.youtube.com/watch?v=OnXijAxiy8g
understandable given the amount of requires they must get – however, I received a personalized E-mail specifically answering my request and explaining why they can not meet my needs. They did not fail to acknowledge their appreciation for students like me, who choose to include Nike in their work, which I thought was exactly what makes the brand so successful.

Nike listens to what consumers have to say and is an active part in the conversation, which proves to be one of the reasons, people decided to embrace the brand’s styles in their daily lives outside the gym. The brand combines social media expertise, humanity, personality and story telling and uses these tools to navigate their consumer tribe and capitalize on consumers’ psychology, wants and needs.

5. The company perspective II: How Lululemon co-created its consumer tribe and executes risk management

5.1 From hypermodern to postmodern: How Lululemon slowly built their unique brand personality

As I mentioned earlier, Lululemon was one of the first brands that saw the opportunity to step in immediately, when yoga became popular in North America in the late 1990s. Former CEO Wilson started the brand with one design studio in Vancouver that also operated as a yoga studio at night. This strategy appears to be truly smart, since building a strong brand identity requires networking. There is no stronger marketing tool than the word-of-mouth. (Vaynerchuck, 2014) If you hear good things about a brand from somebody you trust, you are fifty percent more likely to buy from this brand. (O’Connor, 2012) Wilson was genius in the fact that he realized the potential of a flagship store like this. It could function as an education center for people that are interested in pursuing a holistic and healthy lifestyle. (Stokes, 2008) This was the prototype for all stores that followed after the first one. The language of the brand was so unique at the time that success was inevitable. It may have been one of the first brands to create a community – in my opinion, the first step in co-creating the consumer tribes of today. What started out as hypermodern marketing, making
consumers aware of their latent choices and needs and manipulating them into buying into the brand became postmodern marketing. They tapped into the territory of a mythical brand, while still maintaining their role as an information and product territory brand. This similarity to Nike shows a thorough pattern of successful activewear brands that Lolë should definitely not ignore.

Lululemon's mission statement is to "provide components for people to live a longer healthier and more fun life". (Lululemon, 2006) Again, the timing of Lululemon's brand personality development was perfect, as it coincided with the holistic health movement of the 1990s. (Stokes, 2008) Historically speaking, neoliberal government policies in the 1980s gave rise to a new health consciousness termed ‘healthism’. (Crawford, 1980: p. 368) Crawford defines this term by saying it is "a sense of personal responsibility for health, accompanied by an excessive preoccupation with fitness, appearance, and the fear of disease" (Crawford, 1980) Living a healthy lifestyle became a moral obligation (Smith Maguire, 2008: p. 52) and Lululemon approached people in a way that made this obligation a fun and achievable hobby and lifestyle by wearing their unique yoga attire as well as by participating in free yoga classes held in stores. A combination of word-of-mouth, complimentary advice, classes for customers and a defined brand language – which I will get to further below – gave birth to Lululemon's consumer tribe and slowly grew it into a global community. As I have repeatedly mentioned, customer intimacy, as a value discipline is unavoidable these days, however, it is to be combined with operational excellence and product leadership. The last two value disciplines will form over time, while customer intimacy has to remain the initial focus throughout the entire brand building process.

5.2 Modern marketing in disguise – what came first, the chicken or the egg?

5.2.1 How Lululemon co-created their tribe

What came first- the ath-leisure consumer tribe or the brand’s success? Probably the tribe, but the brand definitely played an enormous role in creating the Lululemon tribe. Lululemon's language
includes a variety of terms, such as “Educator – Employees that work on our retail floor. They live our core values and educate on our products”, “Manifesto – A truth check. What we live by”, “Greatness – What we all aspire to”, “Guests – Our beloved customers” and “Store Support Center (SSC) – Lululemon Head Office”. (Lululemon, 2007) This avant-garde brand-customer-relationship may sound idiosyncratic or eccentric to some, but it surely makes a customer feel special for buying into a brand that refers to him as a guest in their house – which everyone associates with superb and special attention – or entering an educational space, where you can be taught how to live healthfully and be happy. It seems Lululemon’s emphasis is not on selling their clothes, but rather on aiding people to be more self-aware and to practice self-love and appreciation of life.

Corporately speaking, this certainly is not the case, but it worked as a win-win situation for everyone involved. Mossinkoff calls this approach “modern marketing in disguise”: It is the combination of the brand’s representation as a human being (“getting personal”, Mossinkoff, 2012: p.7) and the belonging to an “imagined community” (p.8 f.) that Lululemon has thrived upon, when creating value for their customers and creating a meaningful and personal relationship with each and everyone of them.

Speaking of Lululemon’s relationship building activities, I have a personal experience with the brand that I would like to share. It is important to mention that I am not an advocate or a loyal fan to this brand – I do, however, own a couple of Lululemon items and consider myself active and definitely part of the “ath-leisure” consumer tribe. When visiting a store recently as part of my research, I was approached by an employee and asked to be part of the next “Lululemon retreat”: The “Sun(set) Salutation” event at the Calgary Tower6 – a sunset yoga class hosted by Lululemon and the Calgary Tower, led by the two famous yoga instructors Jeff Mah and Alice Hong. It was a complimentary event, where participants were encouraged to donate a desirable amount of money that would exclusively go towards breast cancer research purposes. I instantly signed up for the

6 https://www.facebook.com/media/set/?set=a.363318273718994.99141.219194008131422&type=3
event and it was a beautiful experience, doing a yoga class in the 191-meter high observation tower. (Appendix, Fig. 8) In addition to that, I felt like my attendance had the great cause of helping breast cancer research. I felt like I owe the brand, I wanted to return the favor, even though they asked nothing for it in return. It is a perfect example of what Lululemon does on a regular basis with their “Lululemon retreats” – it builds trust and feels like a friendship, where it is about giving and receiving. Again, Lululemon – just like Nike – started out by accomplishing customer intimacy and eventually developing operational excellence and achieving product leadership.

5.2.2 The strength from within – How Lululemon executes risk management

As mentioned in the history of the brand, Lululemon faced multiple controversies over the past two years. Being a brand that always insisted on the highest standards and quality tests, it failed to own up to their failure in the production of the famous see-through “luon” pants (Appendix, Fig. 8). Thousands of upset customers flooded Lululemon’s social media platforms with comments about their disappointment. What the company should have done in the best-case scenario is answering every single complaint personally and apologizing for the inconvenience. (Stratten, 2011, p. 49 ff.) Having talked about the advantages of social media, it is interesting to understand that it is a public customer service that should be handled just like a phone or E-mail service, except, everyone else is able to read or participate in it, which can work out as a huge advantage for any brand. (Stratten) If Lululemon would have taken their time to do this, a lot of damage control could have happened, resulting in less sales decreases after the “luon” pants debacle. Instead, then CEO Chip Wilson defended the brand on national Television by saying: “The thing is that women will wear seatbelts that don’t work [with the pants], or they’ll wear a purse that doesn’t work, or quite frankly some women’s bodies just actually don’t work for it. They don’t work for some women’s bodies. It’s really about the rubbing through the thighs, how much pressure is there over a period of
time, how much they use it.” (Larcker, 2014) Needless to say, customers were outraged about this body-shaming comment and the brand experienced large image deterioration.

After the brand recovered from this incident and restocked all the pants that were taken off the floor, their image slowly rose again and the trust with the consumers was rebuilt to an extent that increased their revenues significantly. What is intriguing to me is to understand, how the recovery was possible, after such a big drop in sales and customers. (Appendix, Fig. 9) The interviews I held with two Lululemon executives gave me the insights to form an opinion on this matter.

It is what I call the strength from within. When I asked both participants how the incident with Wilson affected the brand and its employees, both of them defended Wilson and the brand’s risk management by stating: “I personally think his comment was blown way out of proportion. Not all body types can wear the same things; Lululemon is an athletic apparel brand and designs their clothing for high level athletes. Because of the brand name a lot of people want to be able to wear that product but are not necessarily using it for what is was designed for.” And “We brought the statement to the floor to ensure that our entire team felt empowered to handle these guest conversations.” The term “guest conversations” made me smile as it showed how seriously this employee is taking the brands own language term for customers. One of them went on to say that it was not the smartest comment of Wilson to make on national television, however “he was just stating facts”. (See appendix)

Even though I did not agree with their statements, I congratulate them for being a strong team and for taking the company’s side on this affair. It shows to me that it has to be the positive attitude of the employees in the stores and their intimate relationship with the consumers that helped rebuilt their trust. In my opinion, the brand culture has to be similar to Nike: The brand’s vision and mission starts in the boardroom and extends throughout all corridors of the head office, all the way to the sales representatives in every single store.
Lululemon may have not handled their controversies effectively, and their customer service could have been improved, however I believe that no matter how bad the backlash may be, if the company remains strong internally and treats their customers well, the relationships will remain positive and the brand will remain a successful leader in the industry.

All things considered, Lululemon successfully co-created their tribe and kept it strong with a mixture of internal brand coherence and team spirit and, finally, the functional, comfortable, yet chic apparel that continues to be worn by their fans for every occasion. They have managed to create high involvement and high expressivity with their consumers, being a composition of mythical, information and product territory brand for the ath-leisure market.


6.1 The value that Nike and Lululemon consumers are after

According to an NPD report, the activewear market has grown seven percent over the past year. (Wiebe, 2015) During this year, the apparel industry grew a mere one percent. (Wiebe, 2015) This incredible difference in growth means that apparel consumers have definitely shifted towards embracing athletic apparel in their everyday life. They are proudly wearing their 100 Dollar Lululemon luon pants and 150 Dollar Nike Fly Knits to the grocery store, to the shopping mall, to work or to date night, without looking out of place. Our society has fully accepted athletic apparel as part of everyday fashion – casual or high-end. (See survey, appendix) But what is the value Nike and Lululemon consumers are exactly after?

Northwestern researchers Hajo Adam and Adam Galinsky conducted an interesting study in the year 2012, which was named “enclothed cognition”. They introduced this term in order to
describe the “systematic influence that clothes have on the wearer’s psychological processes.” (Galinsky, 2012) They found out that “enclothed cognition” is the occurrence of two independent factors when wearing certain clothes: The symbolic meaning of the clothes and the physical experience wearing them. (Galinsky, 2012) Volunteers that participated in the study were either given a lab-coat or nothing special to wear and were sent off to do related work – in this case, the work of a doctor. The people wearing lab coats proved to have a significantly more successful work ethic and work performance in all the cases of the extensive study.

This outcome can be applied to all kinds of performance-related apparel. During my interview with behavioral psychologist Servet Akgoebek, I asked him what his thoughts were on people buying into activewear brands in search for value. "I definitely think that you can apply Adam’s and Galinsky’s study to the fitness and activewear market. When people buy activewear apparel, they feel like they are investing into their health and are more likely to work out and live a healthy, balanced lifestyle. They might even perform better in the gym, just because they feel more confident wearing their outfit. Best case scenario, this will have a domino effect on other areas in their lives.”

6.1.1 Value as a non-materialistic pursuit

During my research, I always observed people at the gym, while I was working out. The number of people wearing Nike and Lululemon attire was immense, however, what truly made an impression on me were my own thoughts, when observing these people. Whether it was a man or a woman, dressed entirely in Nike or Lululemon, wearing the most recent fashionable and updated pieces, I thought to myself: “They must be really good at what they are doing in and outside the gym. They must really have their lives together.”

During my interview with Shaun Frey, a fitness instructor and entrepreneur, I shared my thoughts with him and he agreed: “Even as a fitness instructor, I feel the exact same. When people
are in the gym and look the part, wearing either yoga clothes or high performance athletic gear, I assume that they are great performers in the gym and in other parts of their lives. There seems to be a co-relation between the choice of workout clothes and the performance that follows.”

Speaking of performance, Nike’s tagline “If you have a body, you are an athlete” triggers an incredible emotional response in people. (Roberts, 2013) Whether it is high-level athletes, or people aspiring to live a healthier lifestyle struggling to get started. They feel as if Nike takes them under their wing, like a mentor and tells them that anyone, including them, can do it and become healthier.

Lululemon claims: “Lululemon’s value proposition is about making your life better, healthier, longer—while making you more attractive, too.” (Turner, 2013) This value proposition is quite far reaching and definitely not the amount of value that a retailer would be able to offer. It extends into an entire life of healthier choices and a healthy mindset, a philosophy you buy into. You can detect the values that a mentor or close friend entails, similar to the case of Nike.

The value that Nike and Lululemon consumers are after, taking all my research into consideration, would simply be help and support in their everyday lifestyle choices, as well as inspiration and motivation.

It may sound straightforward or general, but in today’s noisy world, full of technology and virtual communication, a lot of people feel lonelier than ever and feel the need to have more virtual interactions. Akgoebek agrees: “There has never been more of a desire to share everything that one does, purchases, thinks, etc. on social media. Why? Because people crave approval. It has always been the case, even in ancient years. People wanted to fit into a tribe, in order to procreate. Everyone who did not fit into the tribe eventually ended up alone. These instincts are still part of who we are. People want the approval and the thumbs up of other people, even strangers on social media that they have never met. When they promote themselves on social media platforms,
wearing their new fitness clothing and people leave supportive comments underneath they feel empowered within themselves.”

Nike and Lululemon give this approval to people, not necessarily through their products, but through constant communication via social media. Whether it is an inspirational video on Facebook, a Twitter response to a customer’s concern or words of encouragement through an inspirational quote. They act as if they were a friend or mentor to people. Their personable approach has people believe that they are directly talking to them, exclusively.

Being personal is more powerful than ever and this, in my opinion, is the value that these consumers, including myself, are after: When buying their products, you give back, similar to a friendship of giving and receiving. They give you words of encouragement, tips on how to live more healthfully and give you the option to enhance your healthy lifestyle by wearing their products, without being too pushy. They do not seem to expect anything in return, just like a good friend would not either. However, you give back anyway, because you feel like you owe them.

Referring back to Mossinkoff’s “Glue Value of Brands”, when he talks about the four mechanisms that explain a strong emotional value connection between consumer and brand (Mossinkoff, 2012: p.7 f.), you can identify the practices of both Nike and Lululemon in them.

The first is “getting personal”, which Mosinkoff explains as “using anthropomorphic designs” and having a “distinctive personality”. The second mechanism addresses the need for group identification, which both brands master, by creating their own (imagined) communities of people.

It is astonishing to realize this, but the value of retail giants with such huge impact on people’s lives, is much more than high quality clothing. And this is what Lolë needs to realize as well, in order to act accordingly.

6.1.2 The new involvement motivation matrix for activewear brands
Given all the information in my thesis so far, I would update the involvement motivation matrix from Van Kralingen into an involvement-motivation pyramid. Activewear brands are able to transcend their values into multiple layers of the pyramid. Additionally, the involvement and motivation factor for consumers has to change accordingly. (See appendix, Fig. 10, for my thinking process)
6.1.3. The involvement motivation pyramid: Fitness as an ideology

Nowadays, activewear brands like Nike and Lululemon have managed to combine the power of an information brand and a mythical brand. They achieve this by offering valuable advice to their consumers on how to incorporate healthy habits and by selling fitness as an ideology.

Over the years, the brands themselves have become an ideology, by building personal relationships with their consumers and by having the right spokespersons as their ambassadors. When consumers buy these products, their involvement is high, but the risk factor is relatively low.

Activewear brands also serve as a product territory brand, just like Van Kralingen’s example of Coca Cola. The brand names Nike and Lululemon trigger such a strong emotional connection in consumers, that they view them as the only brand they would possibly buy into, which was also shown in my survey results. The involvement and risk factor in this segment of the pyramid is still highly expressive, with a relatively low risk.

Nike and Lululemon do not fall into the cluster brand segment, as their price points are too high, however, more and more small, independent activewear brands arise on the market and promote their products through a low price point.

Lolë definitely has the potential to start there and move to a higher pyramid building block over time.

6.2 How consumers respond to social media marketing strategies

I would like to, again, point out the importance of Mossinkoff’s four mechanisms, when it comes to postmodern marketing, or “modern marketing in disguise”. All four mechanisms are exactly in line with my research regarding consumer’s responses to social media marketing.

Like I have mentioned previously, people use social media to connect with friends, family and acquaintances, they do not want to see pushy advertising on brand platforms. They want to have a conversation with the brand, just like they would with friends and family. They want advice,
inspiration, help and support. Getting personal, creating communities, interact and, finally, “play and game” with consumers is crucial, in order to be taken seriously by the consumer and eventually, getting him to purchase. (Mossinkoff, 2012)

6.2.1 The number one rule: Authenticity

Authentic [auˈθɛntɪk] (/əˈθɛntɪk/)

Of undisputed origin and not a copy; genuine

I would like you to ask yourself: What are you looking for in a friend? The most common character traits people are looking for are honesty, support and trustworthiness. (Degges-White, 2015) But, above all, they want these traits to be genuinely given to them, not forced.

Authentic people may not be loved and respected by everyone, but they surely have a group of supportive friends that appreciate their genuine personalities. It is the same with brands. Not everyone likes Nike and Lululemon, but the people that do, appreciate them for their unique “character traits”.

Gary Vaynerchuk puts it this way: “Being a great speaker doesn’t mean that everyone is going to like your style. In fact, if everyone thinks you’re an “ok” speaker, you’re probably not being authentic enough, and you probably aren’t all that interesting to watch.” (Vaynerchuk, 2014) Similar to character traits in people, consumers are looking for the same personalities in brands.

They want authentic stories and authentic support; and they want to be heard. If a brand is trying to emulate another brand or copy their personality, they are most likely going to fail. Every person is unique, and so should every brand be.

As soon as people are attached to a brand, they become loyal advocates, easily portrayed through today’s social media world. As soon as their complaints are being heard and answered through Twitter, they feel as if they are valuable assets to the brand and their loyalty grows even
more. (Stratten, 2013) Lolë as a fairly unknown brand has to win people over with a fresh, authentic personality, which can be build through conversation on social media.

7. A comparison: Creating a social media marketing strategy using parallels between Nike and Lululemon

In this thesis, I have analyzed the strengths of Nike and Lululemon's social media presence. However, compelling is also their ability to turn their weaknesses into strengths, when it comes to risk management and their ability to brand the company from the inside out. They have managed to get the consumer's most valuable asset: Their time.

To narrow my research down and make it easier for Lolë to understand the concept of my product, I would like to break down the similarities and parallels of Nike and Lululemon's social media engagement.

7.1 Twitter and Facebook

Nike and Lululemon have both mastered the act of listening on Twitter. They usually do not start a conversation, but rather join into a conversation that customers have started. Whether it will be answering to a complaint publicly, or congratulating someone on his or her first step to a healthier future, they focus on continuing a conversation, rather than advertising their brand's product. (See appendix)

Nike's responses to complaints or customer questions are outstanding, and Lululemon does not miss a chance to engage with active people, interested in yoga or other holistic approaches.

When using Twitter, the last thing people want to see is push advertising, so Lolë needs to put the potential customer on the forefront and avoid push advertisement all together.
As mentioned before, Facebook is the platform for companies to put out inspirational, high quality content. They can advertise their product every once in a while, but it is more important to engage with people in a broader sense. Nike’s inspirational videos range from athletes to people with disabilities, they tell a story and everyone can relate to it. It creates an emotional response.

### 7.1.1 Customer support

Customer support through social media gets more important every day. (Vaynerchuk, 2014) Less and less people communicate over the phone and call a service hotline, if they have any questions or concerns about the brand. They decide to communicate on social media instead, because it does not take as long and they can do other things, while waiting for a response. Again, time is the core factor here, people are not willing to remain on the phone and wait.

Nike and Lululemon’s customer support on Twitter is active 24 hours a day, seven days a week. It takes both Nike and Lululemon approximately two-24 hours to respond to a tweet (Appendix, Fig. 11), which given the amount of tweets they receive is quite impressive. It is a great feeling to get a personal response from the brand onto your Twitter feed and makes the connection more intimate, even though everybody can see it. It is the psychology of Twitter that the brands have figured out.

### 7.1.2 Risk management

If something does go wrong with a product or a campaign, Lululemon and Nike own up to it. Branding the company from the inside out has created a strong internal brand connectivity that shows to the outside world. The brand and their employees stick together, like shown in my segment about Lululemon’s "shear pants debacle".
Also, their ability to respond to customer complaints on Twitter shows that they take every customer seriously and want to help them and come up with a solution. (Appendix, Fig. 11)

How to manage risk taking or potential failure is something that Lolë has to consider every time, before launching a new social media marketing campaign, like the one I am going to advise them to go forward with.

7.2 The four mechanisms for a strong emotional value connection

I have talked about the four mechanisms that Mossinkoff calls “Getting personal”, being “Between neo-tribes and imagines communities”, “Interaction, co-evolution and reciprocation” and “Play and game”. Nike and Lululemon incorporate all four mechanisms; creating a very intimate customer-brand relationship, while also thriving in the other two value disciplines that Treacy and Wiersema call product leadership and operational excellence.

7.3.1 The top of the involvement-motivation pyramid

The ultimate goal for an activewear brand should be to operate at the top of my adapted involvement-motivation pyramid. By giving valuable advice, support, inspiration and time to their consumers, brands like Nike and Lululemon have managed to become a brand ideology surrounding fitness as a health ideology. Being a combination of information and mythical brand should be the long-term goal of Lolë.

Lolë’s market potential is very promising, especially in the contemporary context of feminism. It is "created by women for women”, which is very empowering to their market. This slogan alone, in my opinion, can be worth millions of Dollars, if used the strategically correct way.
To further conclude my research and make it more visual, I would like to refer back to Mossinkoff’s model “The Glue Value of brands” and Treacy and Wiersema’s “Value Discipline Model”.

Looking at the Glue Value of brands, Nike and Lululemon would be positioned somewhere in the middle of the matrix. Though Lululemon’s value proposition is generally well known, the grouping behavior around the brand is slightly lower, as seen during my survey and the research I did on the two brands.

Both brands, however, qualify as GV III, which means that their symbolic value is understood in a broader social context. The benefits of their value proposition reflect the zeitgeist of today and mirror current trends in society. (Mossinkoff, 2012)
As mentioned when I referred to the technical terms, I would like to update the “Value Discipline Model” and align it with my research. It has been argued that “cost leadership or operational excellence is no sustainable strategy anymore” (marketingprofs.com, 2015), meaning, in our society, brands come up with new products and pricing constantly, when trying to stay competitive. In my opinion, having done my research, Nike exceeds in product leadership and is also incorporating operational excellence, given the amount of updated products on the market. Lululemon, on the other hand, does not have the exact product leadership qualification, but does however come up with new updated activewear very often. Both companies perform excellent in customer intimacy.

Therefore, in my opinion, brands have to position themselves in more than one value discipline, always having customer intimacy at the forefront of their business. Whether it will be through customer service on Twitter, through Instagram campaigns that evoke emotion on people or through other non-social media related actions that place the consumer at the center of their attention, without trying to always push their product.


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42


1.) **Which effect does clothing have on people’s self identification process?**

   Clothing can affect people’s mental processes and perceptions. Putting on certain clothes can affect different thoughts and mood processes. Studies have been done with people, giving some of them, for example, a superman shirt, the rest of them just normal workout clothes and sending them to the gym. The people wearing a superman shirt, which is a heroic symbol of strength, outperformed the people with activewear.

   It also depends on people’s stress levels: If a person is under immense personal or professional stress, he/she usually dresses for comfort and neglects the vane part of dressing up. There really is a lot to say about this issue, but the important part is, that clothes can affect people’s mindset and confidence in a positive or negative way and have an effect on their overall performance.

2.) **What is the psychology behind people that are trying to be part of a “fit community” on social media platforms?**

   In my opinion, this question is a little too general and due to its very recent developments with social media, it is quite hard to give you a specific answer to this.

   However, it is a fact that there has never been more of a desire to share everything that one does, purchases, thinks, etc. on social media. Why? Because people crave approval. It has always been the case, even in ancient years. People wanted to fit into a tribe, in order to procreate. Everyone who did not fit into the tribe eventually ended up alone. These instincts are still part of who we are. People want the approval and the thumbs up of other people, even strangers on social media that they have never met. When they promote themselves on social media platforms, wearing their new fitness clothing and people leave supportive comments underneath they feel empowered within themselves. It can have a
positive effect on their performance and in turn, make them more motivated to keep sharing.

3.) Has the high health awareness and its results caused an improvement on people’s state of mind?
Again, it has been proven in studies, but it is pure speculation on giving an actual result of the studies. In diverse areas of psychology, the connection between a healthy diet, exercise and a healthy mindset is definitely there. When speaking of clinical psychology, movement and exercise has been proven to improve depression and it plays a big role in treating patients nowadays.

4.) Which kinds of thoughts/actions motivate people to keep up good habits?
It really depends on the person and his or her past experiences. It is all about dealing with difficulties in life and how fast a happy person can bounce back to their healthy mindset after a traumatizing event, versus a person that suffers from depression.

Generally, having a routine can be very helpful, because it gives people structure. Behaviors that create resilience (the capacity to recover quickly from difficulties; toughness) can manifest a happier mindset. Good habits for me personally would include meditation, breathing techniques, psychological hygiene, relaxation exercises, and things like that. It changes over time.

5.) Galinsky’s and Hajo’s study called “enclothed cognition” (and explanation of the study for his understanding) is about work related attire, doctors and nurses, for example. Do you think this study is applicable to the activewear market?
We definitely think that you can apply Adam and Galinsky’s study to the fitness and activewear market. When people buy activewear apparel, they feel like they are investing into their health and are more likely to work out and live a healthy, balanced lifestyle. They might even perform better in the gym, just because they feel more confident wearing their outfit.

Best case scenario, this will have a domino effect on other areas in their lives.
However, psychology is much more complex than this and it is based on speculations. People can have a different opinion on what healthy or a healthy mindset means to them. Sometimes, people who smoke cigarettes or indulge in alcohol or desert five times a week might call it a balanced lifestyle and may be purely content with it. I hope you get my point.

INTERVIEW FITNESS PROFESSIONAL

1.) How has the high health and obesity awareness in North America affected the active wear industry?

People are starting to become more aware of health and fitness. I believe this is a direct correlation with activewear, people not only want to look and feel good but also give off the image that they are doing so. The message today is that you do not need to look like an athlete to wear activewear and live an active, healthy lifestyle. Healthy people come in all sizes and shapes and this has had a great impact on the overall fitness community. The activewear market supports this message, so it has definitely become huge over the past few years.

2.) Whenever I see a person wearing a carefully chosen activewear outfit at the gym, I assume that they are higher-level athletes than other people. Is this a general image that people put out?

People want to show the outside world they are “active” people. This is a channel to show you belong to the club of people who are healthy and active. Even as a fitness instructor, I feel the exact same. When people are in the gym and look the part, wearing either yoga clothes or high performance athletic gear, I assume that they are great performers in the gym and in other parts of their lives. There seems to be a co-relation between the choice of workout clothes and the performance that follows.

3.) What is the motivation for people to wear activewear as a street style?
First off the clothing is very comfortable and since it has become a style that is accepted and almost a rite of passage people quickly embraced the opportunity to wear this clothing everywhere. Again, it also transcends from the gym to the rest of their lives. They perform better in the gym, wearing these clothes, and in turn feel more motivated to tackle their other duties during their workday, for example. Being confident within yourself will quickly translate from the gym into other areas of your life.

4.) **What kind of people do you think wear activewear on the street/in bars/restaurants?**
People who truly are active and want to express this to the world tend to wear the clothes regularly. It has now become standard to wear activewear instead of the traditional jeans and t-shirts.

5.) **Do you feel the trend has created a bigger hub and has helped people live more healthfully?**
I don’t think there is a huge increase in activity due to activewear clothing. That being said, the style of this clothing does lean towards those who are active and may lead people to strive to wear these clothes and feel more confident. It might take a little more time to truly create a change in people’s lives.

6.) **Do you think brands like Nike and Lululemon capitalized on people’s weaknesses in living a healthy lifestyle, by making them feel better wearing their clothes?**
I think these brands focused on providing top-level clothing for people who live an active and healthy lifestyle. Once the awareness level went up and more people began wearing the clothing, these companies focused on bringing in more style to the lines and began attracting even more people, especially through their marketing campaigns on social media.
1.) What was the reason you decided you want to become part of the Nike team?
That was about 17 years ago. I was working in the UK in the apparel manufacturing industry and at that time, the industry was facing a decline in the UK. There was a lot of fierce competition there. At that time, Nike had quite a small European Headquarters. They had recognized the need to increase their expertise in product creation. So they were heavily recruiting a different profile of employees. They wanted to create a strong European profile, so they were hiring international workforce. So I saw these wonderful advertisements in trade magazines and they were so motivational and communicating the brand identity. Not a standard ad for a job, so that is what triggered my attention.

2.) What do you like most about working for Nike? (Compensation, other employees, atmosphere, image, etc.)
I enjoyed diversity. There were over 40 different nationalities working there. I enjoyed learning and developing some low-key skill sets. Because after 3-5 years in, they became a very large organization where they build their own campus and expanded dramatically. They were best in class in Europe, in business management, in people management and in many other departments. I learned real great skills in recruitment and people and process management. As a young person at the beginning of my career it was a great opportunity to develop all these skills to a high standard. Professionally speaking, the innovation was strong, their culture was really performance driven. So, that was exciting, you got to work with very interesting and technical product and top of the class suppliers and vendors.

3.) People talk a lot about the fact that Nike employees really “live” the brand culture and are perfect examples of the message Nike is trying to send. How much can you relate to this?
I wouldn’t say that it was a cult. There were certainly people there that were more intense, but certainly they were very good at branding the company from the inside out. I think that really was the key. You didn’t have to wear Nike product or be a sports woman, but certainly the way that they laid out the campus and the facilities that they had and the
atmosphere and layout of the offices all breathed the brand. They branded themselves from the inside out and you felt it as an employee. The vision and mission of Nike was clear to everyone. Everybody knew it. They did a very good job of getting their strategy out of the boardroom and living in every single office and corridor of the company.

4.) Was there ever anything that fell short of your expectations since you worked for the brand?
I think when I left Nike I recognized that I have become fairly isolated and very Nike centric. So, afterwards I felt like I was disconnected from the rest of the industry. When I worked there I was very connected to so many people in the supply chain but it was all Nike related.

5.) Why did that happen?
It is such a large organization, so to manage your connection within the organization is a big job in itself and like I said, Nike lived and breathed itself. That affected myself and that is not to say that other parts of the business were also like that. I’m sure other parts of the business, i.e. the front end, related to the market place, I’m sure they felt very in touch with what was going on outside of Nike.

6.) Does Nike offer team-building activities for employees?
The sports facilities weren’t intended for that purpose. There were activities, but the campus was designed and developed to provide a working environment that was concussive to the employees so they could achieve the mission and vision of Nike. People were able to be flexible, you can choose to go for a run or class during the workday within your day. They had a flexible working policy. They believed in providing tangible but also intangible perks for the employees. The package was more than just a salary.

7.) Do you remember a specific incident within the company (customers’ behavior or words, other employees, managers) that really stuck with you in a positive way?
I remember working in professional supports, where we were working for a product for professional athletes. We were working on the Rugby World Cup kit for England-France.
There had been some incidents on the pitch, where the kit had ripped. Of course, that gives you quite bad publicity and affects the brand reputation. I was part of a team of people who – what we realized – that the product passed all the standards and tests, so it was quality product, yet it wasn’t performing. And we realized that the problem was that there were not test standards out there that met the needs of a professional competition or match. So, a normal test cannot replicate the kind of activity, force and momentum of a rugby game between England and France. We ended up collaborating with a University in the UK and some researchers there and ended up developing a rig, where the garment was mounted onto a dummy and a grip hand would come out at high speed and grab, twist and pull, replicating the motion and speed and angle of a rugby player. There was high motion video equipment that recorded all this and it basically measured the amount of force and velocity that the product could take before it ripped. And I thought, how great this is that you can set new ground rules like that. It really was a “Just Do It” moment. Using the power of Nike in that way I thought was really exciting.

The other time was, in a very small way, when I was working in product development, there was a very small group of people that were interested in sustainability. It was way before organic cotton was on the market; if it was, it used to be harsh on the skin. A small group of us decided to – again, Just Do It – and we went to Istanbul in a conference room in a hotel and we invited farmers and spinners and garment and fabric manufacturers and we held an internal symposium to start the ball rolling got integrate organic cotton into the Nike T shirts. That was really satisfying to be part of the pioneering team. It was never talked about at the time; we introduced a small percentage of 3 percent organic cotton, which seemed like a small number. But with the large amount of garments we had, it had a huge impact. It was a great feeling being part of that first team to put environmentally friendly material into the brand.

**Interview Nike intern**

**1.) What was the reason you decided you want to become part of the Nike team?**
I've been researching into innovation and operational excellence and Nike was mentioned regularly. With their unbelievable growth, I knew that they were doing something extremely well and I wanted to learn more about how to be the No1.

2.) What do you like most about working for Nike? (Compensation, other employees, atmosphere, image, etc.)

As an intern we get paid quite well, however, the overall compensation is under average. It's very hard to leave Nike once you've been here though! It is the company culture, the environment of excitement and opportunity. It is a very flat organization where you are not only able to talk to your boss but also to the boss of your boss's boss. This creates amazing learning opportunities and a relaxed atmosphere. Most people here are super cool. You meet your director while running in the court or at the Nike pub on Fridays. Also the sample sales are great and the sports offering.

3.) Can you give examples or expand on the previous answer?

One manager heard about the topic of my thesis and asked if I'd like to join the management team in a site visit. The people that were present were an intern, 7 top-level managers and myself – the funny thing is that it didn't feel awkward at all – they were just as interested in our opinions.

4.) People talk a lot about the fact that Nike employees really “live” the brand culture and are perfect examples of the message Nike is trying to send. How much can you relate to this?

Yeah we totally do. Nike becomes your life. We spend most of our time at the office, we come very early, but we don't work 24/7 (except when it is very busy) we have lunch on the terrace with your friends which obviously all work for Nike too, go to the gym for an hour or two, chill in the sun with some friends, check the company store, go for a run in the park. I never used to do sports – now I feel like I am missing out if I don’t do sports for a day. There is no dress code though everybody is covered in Nikes. I guess that a majority of the money I earn goes back into buying Nike shoes. When we are
having conversations we slip in the odd Nike maxims like “keep it tight”, “simplify and go”, “just do it”.

5.) Were there specific expectations before you took over your role? Dress code/experience/lifestyle?

There are no expectations, however, they do ask you if you like sports. It’s more a mentality thing to see if you fit in. But as I said above, the environment really motivates you to work out even if you didn’t do it before. However, we also have copulated people who don’t work out. There is no discrimination.

6.) Was there ever anything that fell short of your expectations since you worked for the brand?

The internal operations are not as modern as I expected. Nike grew so fast that they couldn’t keep up internally, however, this is getting adjusted now.

7.) Does Nike offer team-building activities for employees?

Yes, but there could be more. There are a lot in the beginning of the financial year but at the end (now) we got no budget left. Often you are taken for dinners or drinks with your team.

8.) Do you remember a specific incident within the company (customers’ behavior or words, other employees, managers) that really stuck with you in a positive way?

I was in a workshop; I was supposed to observe how it was held. However, the workshop didn’t go as planned and the managers discussed quickly how to lead it in the right way. They also included me. I had an idea and even though it was risky they went for it. People here appreciate your opinion and it doesn’t matter if you are just an intern.

**Interview Nr. 1 Lululemon executive**

1. What was the reason you decided you want to become part of the Lululemon team?
In 2005 Lululemon opened their second location in Edmonton at West Edmonton Mall. A mutual family friend was working there and encouraged me to apply and help open the new store. I had been in their Whyte Avenue location before and it seemed like a fun and new environment to work in.

2. What do you like most about working for Lululemon? (Compensation, other employees, atmosphere, image, etc.)
Each individual store operates as its own business. They do receive a lot of support from their head office but as I grew with the company, I really enjoyed being able to run the store as my own operation and learn to grow a business. The people are also a huge factor in why I enjoyed working there. It draws in like-minded people.

3. Can you give examples or expand on the previous answer?
Because they are run as individual operations, everything from our weekly/monthly financials down to the paint colors are made within the stores. I had a great sense of ownership and enjoyed seeing my successes and building on opportunities in my store to make it even better. Lululemon is also extremely focused around fitness and community. Each store has a regular free yoga class each week located in the stores. We had sign in sheets at most yoga studios, spin studios and fitness gyms that we could attend and would be covered by Lululemon head office.

4. People talk a lot about the fact that Lululemon employees really "live" the brand culture and are perfect examples of the message Lululemon is trying to send. How much can you relate to this?
The brand culture is living a fun & healthy lifestyle. It's fun to work out with your friends, I would much rather spend an hour at a yoga or spin class with 6 of my friends than sitting at home.

5. Was there ever anything that fell short of your expectations since you worked for the brand?
I wouldn't say anything fell short but the company was growing at a very rapid pace and I don't think they could keep up with the demand. We were pumping out so much that the quality ended up suffering. To me the quality was what separated them from the rest and I think they disappointed people when they couldn't deliver.

6. Does Lululemon offer team-building activities for employees?
Yes lots, once a month we would have staff meetings and that usually started with an hour of yoga or some other activity. Stores are encouraged to participate in local community events whether that is hosting a huge free yoga class or cheering runners on at a local race.

7. Former CEO Chip Wilson has caused a lot of controversial publicity for Lululemon in the past. How do you feel about his comment on how “some women and their body shapes are not made to wear Lululemon pants” his apology later on?
I personally think his comment was blown way out of proportion. Not all body types can wear the same things; Lululemon is an athletic apparel brand and designs their clothing for high level athletes. Because of the brand name a lot of people want to be able to wear that product but are not necessarily using it for what is was designed for.

8. How did these controversies affect you and other Lululemon employees?
I had already left Lululemon when this incident happened but I'm sure there was some backlash from the media but that usually fades in about a week or so. It wasn't the greatest comment for Chip Wilson to make on national television but he was just stating facts. It definitely wasn't a comment to purposely offend anyone.

Interview Nr. II Lululemon professional (marketing executive)

1.) What was the reason you decided you want to become part of the Lululemon team?
It started as a part time job to subsidize my post grad schooling. I quickly fell in love with the people, product and culture, so I decided to stay and I still love it.
2.) What do you like most about working for Lululemon? (Compensation, other employees, atmosphere, image, etc.)
I love the people and the ability to manage your store as if it’s an independent business. It gives me a sense of independence, but still belonging to a community of like-minded people.

3. Can you give examples or expand on the previous answer?
The people I have met through Lululemon have grown into lifelong friends. The ‘law of attraction’ is alive and it’s effortless to create community with your team.

4. People talk a lot about the fact that Lululemon employees really “live” the brand culture and are perfect examples of the message Lululemon is trying to send. How much can you relate to this?
I definitely try and live into the culture, however, it’s an ongoing struggle to manage all pieces of the business and fit in a workout within an ‘8 hour day’.

5. Was there ever anything that fell short of your expectations since you worked for the brand?
I can’t think of anything that ever fell short, I am really happy with how things went so far.

6. Does Lululemon offer team-building activities for employees?
Yes. I’ve worked at several stores and team/community building on and off the floor has always been at the core of our coaching/training philosophy.

7. Former CEO Chip Wilson has caused a lot of controversial publicity for Lululemon in the past. How do you feel about his comment on how “some women and their body shapes are not made to wear Lululemon pants” his apology later on?
Lululemon is an athletic retailer and our clothes are designed to provide the technical, functional and fun components for men and women to easily pursue a consistent work out regime. The publicity did not affect us in the long run.
8. How did these controversies affect you and other Lululemon employees?
We brought the statement to the floor to ensure that our entire team felt empowered to handle these guest conversations.

Figures and Tables

Fig. 1
Lolë storefront
Fig. 2
Survey Results

Which of these three brands are you most familiar with?

- Nike: 81%
- Lululemon: 19%
- Lolë: 0%

How often do you exercise?

- Less than once per week: 16%
- Less than 3 times per week: 42%
- Up to 5 times per week: 24%
- 5-7 days per week: 18%
Do you know the activewear brand Lolë?

- Yes, Lolë pieces are part of my wardrobe: 0%
- I have heard of it, but was never attracted to this brand: 6%
- I have never heard of them: 94%

What do you associate with the brand Nike?

- A global activewear fashion empire: 61%
- Over-prized and over-hyped activewear and gym shoes: 21%
- Nike clothes and shoes are staple items of my wardrobe: 18%

What is the first thing that comes to mind when you think of Lululemon?

- Comfortable, high quality activewear clothes that can be worn outside the gym: 27%
- Yoga pants: 67%
- The Luon pants scandal and the CEO’s comment about overweight women: 6%

Yes, Lolë pieces are part of my wardrobe: 0%

I have heard of it, but was never attracted to this brand: 6%

I have never heard of them: 94%
**Have you ever engaged in any of Nike’s social activities (runs, marathons, basketball games, etc)? Why/Why not?**

- **No, I am not familiar with them** 68%
- **No, I don’t feel comfortable being part of them** 11%
- **I would participate, if they would happen closer to my location** 21%
- **Yes, I don’t pay attention to brand logos, I just want high quality clothing that is comfortable** 53%
- **No, I am a loyal fan of Nike/Lululemon and have no reason to buy from a less well-known brand** 13%
- **I would have to test one or two items, before switching brands** 34%

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**If I were to tell you that Lolë’s clothes are of the same quality, looks and comfort as the items from Nike and Lululemon, would you buy into this brand?**

- **Yes, I don’t pay attention to brand logos, I just want high quality clothing that is comfortable** 53%
- **No, I am a loyal fan of Nike/Lululemon and have no reason to buy from a less well-known brand** 13%
- **I would have to test one or two items, before switching brands** 34%
- **No, I don’t feel comfortable being part of them** 11%
- **I have. The Nike community is so big an versatile and there’s activities for everybody** 0%
- **No, I am not familiar with them** 68%
Would you wear Nike or Lululemon attire outside the gym?

- I do it all the time and think the clothes are very fashionable (25%)
- No, gym clothes are made for the gym (27%)
- I see it on the street all the time, but I rather stick to my jeans (16%)
- Depending on how I feel on certain days, yoga pants are my go-to (32%)

If you do wear activewear outside the gym, what is the reason behind it?

- It is a fashion and lifestyle trend that I have fully embraced (19%)
- Some days I just want to feel comfortable, so I put on stretchy yoga pants/sweat pants and sneakers (47%)
- I never wear it outside the gym (34%)
Have you ever participated in Lululemon's "festivals and retreats"?

- I have and I loved them: 8%
- I have heard of them and think it is a great way to expose the brand, but I haven't participated: 16%
- I am not familiar with the events: 76%

Fig. 3 – Lolë’s Twitter feed

Lolë Women @Lolëwomen · Apr 14
This jacket is so light, packable and practical, you'll be on cloud nine... no matter what the weather brings > goo.gl/PSdvSH #run

Lolë Women @Lolëwomen · 23h
The new WHITE BY LOLË collection is inspired by you. Let's be amazing! goo.gl/uZs2kD

View more photos and videos
The WHITE BY LOLÉ run collection is dynamic, modern and graphic. Mesh detailing, daring color schemes and playful use of cut outs that keep you ahead of the fashion curve.

Lolë WHITE BY LOLÉ™ - Women's Running Clothes at lolewomen.com
Let's be amazing with the new WHITE BY LOLÉ™ clothing collection with Mary18: tank tops, leggings, shorts and jackets, which are great for running. Free shipping.
LOLEWOMEN.COM

Fig. 4 – Lolë’s Facebook and Pinterest ➔ Push advertising

Fig. 5 – Nike’s Twitter feed ➔ CONVERSATION
Fig. 6 – Nike’s Facebook content – high quality and inspiring
Fig. 7 – The Sun(set) Salutation Yoga class by Lululemon

Fig. 8 – The sheer pants

Obtained at http://www.channelsignal.com/resources/images/blog/nonfeatured/lululemon_see_through_pants_youtube.png
Lululemon's Net Revenues (in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Revenues (in thousands)</th>
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<tbody>
<tr>
<td>Feb. 2010</td>
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</tr>
<tr>
<td>Feb. 2011</td>
<td>711,704 $</td>
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<tr>
<td>Feb. 2012</td>
<td>1,000,839 $</td>
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<td>1,370,358 $</td>
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<td>1,591,188 $</td>
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</table>

Financial information received from:

http://files.shareholder.com/downloads/LULU/75576403x0x766923/AC87B033-1A64-47B5-9DAE-978862EF7D81/2013_10K.pdf
Fig. 10 – The process of developing the new involvement-motivation pyramid

**Original matrix – Van Kralingen**

![Diagram of the new involvement-motivation pyramid]

**Process I**

- **Involvement**
  - **Distribution brand**
  - **Mythical and information brand**
  - **Cluster brand**
  - **Product territory brand**
  - **Functional**
    - Low involvement – low risk
  - **Expressive**
    - Low to high involvement – low risk

**High involvement-high risk**

- **Information brand**
- **Mythical**

**Low involvement-low risk**

- **Distribution brand**
- **Cluster brand**
- **Product territory brand**

- **Low involvement**
  - **Low involvement – low risk**
  - **Low involvement – even lower risk**

Original matrix – Van Kralingen

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Process II

Mythical/information brands

Product territory brands

Cluster brand

(Distribution brand)

Highest involvement – very expressive motivation - low risk

High to low involvement – low expressivity, low risk

Low involvement and expressivity, low risk

Final outcome

Mythical/Information brands

Product territory brands

Cluster and distribution brands

Highest involvement – very expressive motivation - low risk

High involvement – expressive motivation – low risk

Low involvement – low expressivity – low risk
During the process of developing and updating Van Kralingen’s involvement-motivation matrix, I went through different thought processes and models, until I came to the conclusion that for the activewear market, a pyramid would be more appropriate than a matrix.

In my opinion, distribution brands hardly exist anymore, because retail chains that want to compete, either have to compete with pricing (like cluster brands do), or they have to step up and be part of the product territory brands or the information/mythical brands.

The reason, why I chose to put the information and the mythical brands into one segment is due to its intense connection nowadays, through the impact of social media. Information brands in the activewear market, portrait the image of an inspirational athlete or an aspiring lifestyle that customers are trying to achieve. The brands are trying to help them succeed in this goal. However, only small percentages of people are either the top-level athletes, or live their lives in such an inspiring way. This is what makes these brands mythical. By buying into them, people are buying into the idea of becoming the perfect image that these activewear brands are portraying. Information brands in the activewear market not only educate their consumers on how to incorporate their values into their lives, but they are doing it in a way that inspires people to be better. This is what puts these brands on top of the pyramid.

The risk in buying into the brands is not high anymore, there are plenty of choices in the activewear market and people are not bound to buy from only one brand. They can choose to mix and match from different leaders in this market and take from every brand the message and inspiration that they are after.
Fig. 11 – Twitter responses to customers from Nike and Lululemon
Fig. 12 – Collage of Kellogg’s and Dove Commercials aimed at empowering women