

To What Extent Does Lululemon Use Cultural Differences to Its Advantage in International Marketing in the Chinese Market?

Yasi Jiang

The International Department of Suzhou No.1 High School of Jiangsu Province, 278 Gongyuan Road, Gusu District, Suzhou, Jiangsu Province, China

camille190108@outlook.com

Abstract. This paper mainly discusses the relationship between cultural differences and international marketing, and studies how to do international marketing well in the face of cultural differences, how to make proper use of cultural differences, and how to make the greatest use of the advantages brought by cultural differences in international marketing. In the case of the gradual saturation of the Chinese market, Lululemon's annual sales continue to grow and expand its market share, attracting more consumers. Therefore, this paper takes Lululemon as the research object, analyzes the current Chinese market as the background, discusses the strategy Lululemon has adopted in China, how to maintain and expand its consumer market, and whether it can further expand and extend in what aspects, to achieve better international marketing. Through literature research and empirical evidence, this paper concludes that cultural differences play an important role in international marketing. Put forward a reasonable way to make good use of cultural differences (do a good job in market research, understand regional demand and supply, understand consumer trends), seize the advantages of cultural differences, and achieve significant success in international marketing.

Keywords: Lululemon, cultural difference, international marketing, Chinese market, foreign enterprise

1. Introduction

Lululemon was founded in 1998 in Vancouver by Chip Wilson to create a technologically leading sportswear company for both men and women. Lululemon has set off the sports and leisure trend of the entire sports and fashion clothing industry. (CNKI, 2019) Listed in 2007, Lululemon surpassed Adidas to become the second largest sportswear brand in the market with a market value of \$61.4 billion as of November 19, 2021, the closing of trading. (Second only to Nike). (Zhihu, 2021) Lululemon has actively engaged in international marketing activities and officially entered the Chinese market in 2013 [26].

It is important to consider cultural variations, evaluate various cultural backgrounds, and adjust marketing strategies for global brands like Lululemon. Dealing with people in various cultural contexts is the primary distinction between domestic and foreign marketing. Individuals from diverse cultural backgrounds differ in terms of language, religion, morals, attitudes, behaviors, and other elements. [27]

Since entering the Chinese mainland market in 2013, Lululemon has built communities centered on its stores, advocated a hot and sweaty life, and established sincere connections. Over the past decade, Lululemon's products and concepts have played a positive role in many people's lives. Why is Lululemon the main research object in this paper? Since Lululemon entered the Chinese market in 2013, it has not only successfully obtained a large number of loyal customers in a short time, but also developed better and better. On June 1, 2023, Lululemon announced strong performance in the first quarter of 2023. Revenue rose 24% year-over-year to \$2 billion, above estimates of \$1.92 billion. The growth has been driven by China, where Lululemon is entering its 10th year in 2023. "Sales trends in China are accelerating," CEO Calvin McDonald said. [9] Lululemon can achieve such great success in the Chinese market under the increasingly fierce competition in the market, which must be related to the marketing strategy developed by Lululemon.

It can be seen that Lululemon has achieved great success in the Chinese market. Therefore, this paper suggests that for a foreign enterprise to enter a new market, the most needed and important thing is to overcome the cultural differences in the region, because realizing the cultural and value similarities across countries is a crucial first step in effective global marketing [11].

This paper uses literature research and demonstration, to study how to correctly use cultural differences and give full play to the advantages of cultural differences in international marketing, and demonstrates that the correct use of cultural differences plays a key role in the success of international marketing.

The key question of the study is: To what extent does Lululemon use cultural differences to its advantage in international marketing in the Chinese market? This paper takes the Chinese market and the international situation in recent years as the research background, and the Lululemon brand as the research object. In the literature review part, this paper analyzes the structure of Lululemon, the marketing strategy taken by Lululemon in the Chinese market, and the performance of Lululemon in the Chinese market. In addition, for the two keywords in this study -- cultural differences and international marketing, the concept of these two keywords is explained more understandably through literature.

In the discussion part, this paper mainly discusses the following questions through literature citations and demonstration: 1) How to use cultural differences in international marketing? 2) What do we need to know about China to market to it successfully? (What specific aspects of the Chinese market should be understood?) 3) What should companies do to market to China? 4) Does Lululemon do this well - does it use the differences well to market to China? 5) Positives and negatives of cultural differences. 6) Other challenges Lululemon may face and how to solve them? (What measures should Lululemon take to continue to gain a larger market share and expand consumer groups?)

And at the end of this paper, I also reflected on the limitations of the research, that is, the limitations of the research.

2. Research Review

2.1. Lululemon's Structure and Marketing Strategies

Lululemon was founded in 1998 in Vancouver by Chip Wilson and is a popular sportswear brand [26]. It started as a yoga clothing retailer [26], but continued to grow, and as of January 2021, Lululemon's global net revenue was \$4.4 billion [26]. It is a luxury sports brand that aims at middle-class women who have high incomes, are educated, and are interested in fitness [19].

Unlike other traditional brands (Nike, and Adidas), Lululemon does not use mass media for marketing and communication. They don't spend a lot of money on hiring celebrities to help them expand their brand influence. Conversely, Lululemon's ad budget accounts for a tiny fraction [19]. In every market Lululemon enters, it seeks out local trainers or yoga instructors, offers free clothing to the hottest yoga instructors in the area, or sells Lululemon products at a low price and hangs posters of them in Lululemon clothing on the door [26]. If a yoga novice wants to know what yoga clothes to buy, they will no doubt consult their yoga teacher, leverage the word of mouth of professionals to influence consumers, and Lululemon will have a good customer base and build brand awareness at a low cost. Lululemon then employs yoga instructors, personal trainers, and shop employees with the objective to create a loyal customer base by creating an army of key opinion leaders [26]. (The acronym for Key Opinion Leader is KOL. It is thought of as a relatively recent marketing tactic that takes advantage of social media's benefits in terms of influence and reach. [14])

To increase its brand awareness, Lululemon also organizes regular group events in the community, such as free yoga classes or fitting clothes, to attract more users to learn about its products.

Lululemon's second step is to materialize the "community" that KOLs has built by opening experience showrooms. In 2013, Lululemon made its debut in China, setting up three boutiques in Beijing and Shanghai. These showrooms don't sell merchandise; instead, they offer courses. Despite the absence of physical storefronts for the first three years, Lululemon gained notoriety in China thanks to these showrooms. Lululemon built three physical locations in Beijing and Shanghai by the end of 2016, and by 2020, the company had 58 locations throughout China [26]. They elect a group of experienced Yoga teachers to drive more consumer participation. In this way, on the one hand, it can attract more customers and enhance their understanding of the Lululemon brand and interest in yoga. On the other hand, it can also gain insight into customers' consumption habits and lifestyles, collect customers' feedback on the products, and continuously improve the products. Wilson who is the founder of Lululemon calls this "building community" [26]

In terms of sales, Lululemon uses a vertical retail system and avoids dealers in order to establish closed-loop marketing, in contrast to companies like Adidas, Nike, and others that sell through dealers. Customers can make straight purchases at the community stores after visiting the exhibition store. Lululemon feels that its stores enable them to have stronger relationships with customers and local communities [26]. There are 426 directly run Lululemon stores worldwide, and their sales revenue makes up 63.8% of the company's overall revenue, according to the Q3 financial statement of 2018. Furthermore, e-commerce revenue makes up 25.3% of overall sales. It is evident that Lululemon's primary source of income is direct-to-consumer vertical retail (China Academic Journal Electronic House, 2020).

2.2. Cultural Difference

Cultural difference refers to the difference in communication caused by the unique culture of different groups, different regions, and countries. For example, In Russia, when a man peels a banana for a lady it means he has a romantic interest in her. But to people in other parts of the world, this behavior may be a gentleman's behavior and has no special meaning. This is what we call

cultural differences. Cultural differences always exist because of different groups, regions, or countries, and what we can do is respect and understand cultural differences. [3]

Analysing one nation's value system can help assess cultural differences across nations. For understanding across cultures, Hofstede's (1980) seminal study on the connection between national culture and work ideals is the most often referenced standard (Tian, 2000, cited from Emery and Tian, 2010). One of the Wall Street Journal's 20 most significant business thinkers, Geert Hofstede, has conducted the most thorough research on cultural values. Power distance (PDI), individualism/collectivism (IDV), masculinity/femininity (MAS), uncertainty avoidance (UAI), and long-term orientation (LTO) are the five variables that Hofstede uses to categorise national cultures [23]. Generally, the value system of a country or region can be deeply analyzed through these five dimensions to compare the cultural differences of different countries.

2.3. Lululemon and the Chinese Market and Culture

Why discuss cultural differences? Recognizing the cultural differences and commonalities in values is a crucial first step towards effective worldwide marketing. [11] With 58 locations, China is the nation where Lululemon has the most number of stores and is expanding at the quickest rate outside of the US and Canada [26]. The Chinese market saw a 30% year-over-year growth in store sales, a 175% increase in e-commerce, and a 350% gain in revenue in the first half of 2022. The profit margin per square meter of new stores reached \$150 million, which is higher than a single store in North America [13]. Lululemon's success is due to its deep understanding of China's macro environment and cultural differences between domestic and foreign markets.

According to a research survey, material, cutting, and design are the three aspects that Chinese consumers value most when choosing sports apparel. Moreover, because Chinese people have a strong sense of cultural identity, Lululemon launches considerate Asian products for Chinese customers and also launches seasonal limited series products inspired by Chinese traditional culture. Create Asian-inspired sportswear that fits more Asian bodies. [25]

With the rapid development of the Internet in China, online shopping has become an inevitable trend. All of Lululemon's latest product activities will be displayed on the Lululemon homepage. [25] In the five strategic pillars of the company's growth in China shared by Andre Maestrini, Executive Vice President of Lululemon International Business, Lululemon will continue to build an official Tmall (formerly known as Taobao Mall, a comprehensive shopping website) flagship store. It will expand the development of its e-commerce platforms for Lululemon.cn and WeChat mini-programs, as well as create flagship stores on JD.com. (Tencent, 2022)

In addition, surveys show that Chinese consumers listen to other people's opinions when choosing sportswear, especially from employees, professionals, Internet celebrities, and celebrities. So Lululemon's employees are highly trained and mostly sports enthusiasts. Advertising localization and the use of the star effect is the fastest way to let consumers know about and accept new products. For example, the Chinese New Year advertisement in Lululemon 2019 invited famous Chinese actresses to shoot and adopted a red background to echo the theme of Chinese New Year. [25]

Lululemon also takes cultural differences into account in many areas and makes improvements. Lululemon adopts a local marketing strategy, which makes Lululemon achieve great success in the Chinese market.

2.4. International Marketing Overview (How to Do It Well)

AMA (American Marketing Association) defines international marketing as International marketing is the multinational process of planning and executing the concept, pricing, promotion, and distribution of ideas, goods, and services to create an exchange that meets individual and organizational goals. [17]

International marketing has had considerable benefits. First of all, most nations lack the resources, opportunities, and market size that makes America so fortunate. Nevertheless, in order to thrive, nations must trade with one another and rely on foreign markets to develop economies of scale that will allow them to take on American businesses. But the huge potential of the international market cannot be ignored by every country. China, for example, is more than four times that of the US market. Foreign markets account for a large part of many companies' total businesses. For instance, overseas sales make up more than 80% of Coca-Cola's total revenue. According to the survey, Coca-Cola's market in the United States has been saturated, but the overseas market has a huge growth force. When affected by the cyclical economic recession or the demand for a product due to seasonal factors, the advantages of international marketing are reflected, which can choose favorable market opportunities on a global scale and avoid operational risks to a certain extent. For example, cold weather may suppress soft drink consumption. However, not all countries enter the winter at the same time, and some countries are relatively warm all year round. [17]

While marketing principles may be fixed, the company's marketing mix in an international context is not. Certain marketing practices may or may not be applicable elsewhere, and appropriateness cannot be determined without careful investigation of the relevant market [17]. Therefore, good global marketing requires a comprehensive understanding of the nuances of target markets, cultures, and effective communication strategies.

For example, Lululemon did not immediately construct a physical store in China when it joined the Chinese market in 2013. Rather, it started off by opening three showrooms in Shanghai and Beijing. These showrooms don't sell merchandise; they just provide instruction. They gain a better understanding of the Chinese market by using the showrooms. Lululemon established three

physical locations in China in 2016, and Lululemon established its offline brand community for free yoga training. Moreover, Lululemon often held various large-scale activities in first-tier cities in China, such as the annual two-day Sweater Life Festival, to convey Lululemon's brand culture and enhance communication with customers. Lululemon uses the brand community as a tool to increase brand- customer engagement and develop customer loyalty. [26]

3. Discussion/ Development

On the basis of literature analysis, based on cultural differences and marketing-related theories. This section discusses the situation of the Chinese market and the relationship between cultural differences.

3.1. The Proper Use of Cultural Differences Plays a Key Role

This section discusses that the proper use of cultural differences may play a key role in the success of international marketing.

In international marketing, it is necessary to provide appropriate services and formulate appropriate marketing strategies to meet the needs of consumers from different cultural backgrounds. The global target consumer base is situated in diverse surroundings, encompassing disparate languages, national cultures, historical development, economic growth, educational attainment, religious beliefs, and so forth. These differences make consumers' purchasing patterns, lifestyles, and so on different. Therefore, in international marketing, the cultural backgrounds of consumers are diverse. Active international marketing is not only the collision of cultures but also the integration of cultures. (Zhihu, 2022)

For example, due to the influence of religion, in the past, because people in Saudi Arabia believed in Islam, the sales of digital cameras in Saudi Arabia were not good. Because using a digital camera you have to go out to a photo studio and have strangers take photos for you, and you have to wait for the photos to be printed. However savvy businessmen could use cultural differences to their advantage. Polaroid snapshots allowed Arab men to take pictures of their wives and children in the privacy of their homes, press the shutter button, and wait a minute or two to get a picture, rather than having to go to a photo studio and have it taken by a stranger. Sales of Polaroid snapshots soared. [27]

Therefore, this section suggests that making good use of cultural differences is the icing on the cake for international marketing, but if the cultural differences are not used properly, it will cause losses to international marketing. So that's why I think cultural differences play a very important role in the success of international marketing.

The first step to taking advantage of cultural differences is to fully understand the local market. We need to fully understand the market that the company is entering. What is the Chinese market like, and what has noteworthy happening in China recently?

3.2. Overview of China

3.2.1. Overview of China's Macro Market

First of all, China's market is very attractive, China's market has huge potential and infinite vitality.

The 2022 China Economic Annual Report states that national online retail sales hit 13,785.3 trillion yuan, up 4.0 percent from the previous year, and that total retail sales of consumer goods reached 43,973.3 trillion yuan [16]. China has 1.067 billion Internet users as of December 2022, up 3.4% from the previous year, with a 75.6% Internet penetration rate [6]. As a result, the Chinese market is growing and now has hundreds of millions of Internet users, making it one of the largest in the world. This is due to the country's economy developing quickly and the widespread use of Internet technology.

According to the purpose of Internet users, the usage rate of Internet users for online shopping is 80.3%, which is considerable data, but the highest usage rate of Internet users is instant messaging and Internet video (including short video), the usage rate is 97.3% and 93.4%, respectively, so the commercial value of the Internet still needs to be sustainable development. [4]

China's per capita disposable income was 36,883 yuan, up 5.0% from the previous year and 2.9% in real terms when price effects were taken out, essentially in line with the country's economic expansion [16]. With the growth of per capita disposable income in China, Chinese consumers are increasingly advocating personalized consumption and quality of life, and high-end consumer goods and services have also become new growth points.

Secondly, China's market is relatively stable and can achieve the goal of long-term and stable development of enterprises. Important theoretical advancements in the new age of Xi Jinping's Chinese socialist thought, particularly economic theory, since the 18th National Congress of the Communist Party of China include strengthening supply-side structural reform and encouraging high-quality economic development [20]. Aim for the supply and efficient use of factors of production. For developing countries like China, it is important to achieve stable economic growth and to consider long-term sustainable development. Therefore, the Chinese government is actively promoting structural reforms on the supply side, laying a solid foundation for the long-term stability and sustainable development of the Chinese market.

In addition, it is worth noting in China that on January 8, 2023, three years after China's prevention and control of COVID-19, China made a series of major adjustments to the prevention and control of COVID-19 [24]. On February 24, 2023, China officially declared the end of the novel coronavirus epidemic, which means that China's epidemic prevention policy will be lifted and the

economy will recover. [5] Post-COVID-19 restrictions have altered and sales of sportswear have boomed as people are now allowed to exercise more, a new growth opportunity for sports brand Lululemon.

3.2.2. Overview of China's Garment Market

This article argues that as the apparel market has expanded, the future trends of the apparel industry have changed. Chinese consumers want to express their lifestyles through their products. Young people place great importance on personalization and fashion. They desire better quality and creative products.

The clothing industry plays a significant role in the national economy of China as one of the country's historic pillar industries. Consumption of apparel has evolved in recent years from a single consumer need for body protection to a trend influenced by fashion, culture, brand, and image. This might be the result of social openness and the ongoing rise in per capita disposable income, which will cause both urban and rural populations to spend an increasing amount on apparel.

According to the data of the National Bureau of Statistics, in 2021, the total retail sales of clothing, shoes, hats, and needles above quota in China totaled 1,384.2 billion yuan, up 12.7 percent year on year. China's clothing market is huge, with the women's market roughly twice the size of the men's market. [1] The development of the clothing industry may be due to the development of the Internet, or it may be a change in people's consumption outlook after the epidemic.

With the expansion of the size of the garment market, the future development trend of the garment industry has also changed. Chinese consumers want to express their way of life through products. Young people attach great importance to individuation and fashion. They yearn for better quality and creative products. Chinese consumers tend to consume more rationally and pay more attention to the quality of products and meet individual needs. With the rapid development of the Internet in China, mobile social networking has become the engine of new consumption, which can use social platforms to share and spread brand information. Although with the development of the Internet, e-commerce is also developing in full swing, in recent years, the cost of e-commerce has been increasing, such as website operation costs, labor costs, and so on. Therefore, the channels of the clothing industry are not limited to online or offline. They should be integrated. This is conducive to the sustainable development of the brand. [1]

China's sports shoe and apparel business is huge in terms of volume and has grown quickly in recent years. According to Euromonitor data, the Chinese sports apparel market is expected to reach 315 billion yuan by the end of 2020, representing 13.3% of the total clothing industry market, and it is still expanding. [18] Moreover, the survey shows that women's willingness to exercise is an obvious growing trend. (Zhihu, 2022) Women do not only care about the comfort of sports clothes but also care about the fashion sense of clothes because good-looking sports clothes will bring a positive attitude to women.

In addition, China's night economy is very developed [12], and young people are more and more likely to watch some live shopping at night. If Lululemon wants to further increase its marketing efforts in China, it can consider using live streaming platforms to sell goods, and it can also combine online shopping with short videos.

3.2.3. Lululemon's Chinese Competitors and Foreign Competitors

This paper believes that the competition in China's clothing market is very fierce, so Lululemon not only needs to face the competition from local sports brands in China but also needs to face the threat from foreign brands developing in China. To maintain and expand its market share, Lululemon expands new categories based on doing a good job in the yoga series. However, whether it is a new category or a yoga series, it is facing fierce competition.

The Walking Line competes with brands such as Kellestone, Mammoth, Groundhog, and North Face, and while the shoe line has a background designed for women, it also has to compete with more professional sports shoe brands such as Nike, Asics, and Allbirds. In the yoga aspect that Lululemon is proud of, there are more and more competitors, and Nike launched its yoga series Infinalon in January 2020 after the first release of its yoga series in January 2019. In China, where the clothing supply chain has a stronger advantage, many players have also begun to wear yoga pants. Li Ning acquired the American professional sports brand, Danskin, the light sports brand "Jiaoma" founded in 2021 completed an angel round of financing in April this year, and Jiaoma launched naked yoga pants in January 2022 and also hopes to cut into the market through subcategories. Also founded in 2021, the light sports clothing brand COCOFIT also announced the completion of angel round financing of more than 10 million yuan in May, and a major category of products under the brand is yoga pants. [30] Companies may have found that yoga sports clothing is a very potential field worth developing.

It's also important to note that Chinese customers are selecting local companies because they value quality and innovation rather than merely affordability or patriotism. [15] In such fierce market competition, Lululemon, which has always not taken advertising as its main marketing method, can invest more in advertising, or hire celebrities to endorse the brand Lululemon, to cope with the strong market competition.

3.2.4. Consumer Trends in the Chinese Market

Combined with the current economic form of China, Chinese consumers are becoming more and more rational, and they are increasingly pursuing the quality and efficacy of products.

The outlook for consumers is currently clouded by the stock market sell-off, a drop in property transactions, and the impact of the COVID-19 virus. It is worth noting that the number of middle and high-income households in China continues to increase, and it is expected that China will add another 71 million middle-income households in the next three years. Even though the economy and incomes are not what they used to be, when it comes to choosing products to buy, most consumers still prefer high-end brands. But consumers will look for the cheapest way to buy their target products, such as buying products at events on domestic shopping platforms or through overseas daigou (Buying on behalf of an agent. The typical meaning is to locate someone to assist you in purchasing the necessary items. There may be a number of reasons for this, such as the inability to purchase the goods locally, the higher local price than elsewhere, or the desire to save money and time. Some even go so far as to spend more than they buy. This is probably because consumers are choosing more and more high-quality and functional products as a result of economic pressures that are making them more picky. Consumers will first go to social media to find out what the product does or what the ingredients are, things like that. In addition, consumers are no longer willing to pay a premium for foreign brands, not only because local brands are cheap, but also because the design and quality of local brands have improved in recent years, so foreign brands must provide the selling points of their brands. [15]

3.2.5. Reflections on the Chinese Market

Entering the Chinese market has become a crucial strategic issue for international businesses due to the country's economy's rapid development and the market's ongoing expansion. But even with the enormous potential of the Chinese market, a large pool of potential customers, and a reasonably well-functioning support system, some excellent international companies frequently find themselves in a passive position due to the intricate market structure, laws and regulations, and cultural milieu. (Zhihu, 2021) Therefore, enterprises that want to enter the Chinese market must have strong market insight, innovation ability, and strain ability, and always maintain a keen market perception and rapid response ability to respond to market changes, risks, and challenges.

3.3. Foreign Enterprises Fit into the Chinese Market

International marketing is full of challenges and opportunities, so how to do international marketing is the top priority of enterprises. Therefore, how can foreign enterprises fit into the Chinese market?

In my opinion, before foreign companies enter the Chinese market, they should first understand whether China's economic environment and market are worthy of entry. The Chinese market is full of opportunities and challenges, which are worthy of entry. Second, companies should fully understand the political and legal environment in China. Because of the interplay of domestic, foreign, and international politics, international marketers operate in a complex and demanding political environment. Governments come up with different ideologies because political and economic systems differ from one another. Therefore, political factors might have an impact on marketing decisions. Second, local solicitors' services are crucial to fully comprehending how a company's operations are governed by particular laws due to the complexity and dynamic nature of the legal environment, which includes a variety of legal systems as well as disparate interpretation and enforcement procedures. [17]

International companies should study China's political, economic, and legal environments in addition to its social and cultural landscapes before entering the market. The term "social environment" describes the ways in which a business operates, including the establishment and evolution of social structures, social norms and behaviors, beliefs and values, lifestyles and cultural traditions, population size and distribution, and other elements. The reason for understanding the social environment is that it is the factor that affects many changes in corporate marketing and is the most profound, complicated, and important. It influences and limits people's ideas about consumption, as well as their needs, wants, traits, and shopping habits. It also directly influences how businesses promote to their customers.[2] It can be seen that the social and cultural environment is very worthy of the attention of enterprises entering the Chinese market.

By investigating the social and cultural environment in China, foreign enterprises can have a clear understanding of the buying demand in the Chinese market. In addition, I think foreign enterprises should also do a survey on competition and marketing factors in the Chinese market.

As mentioned in the previous sections, Chinese consumers are becoming more and more mature in their awareness, and they are becoming more and more rational in their treatment of a wide variety of commodities. They are very sensitive to corporate products and prices, and they will choose products with higher cost performance. Therefore, foreign enterprises need to know about their competitors in the Chinese market. Strive to provide consumers with the most cost-effective products, so that consumers are willing to pay. [17] Chinese consumers have a change in consumption consciousness, perhaps because of the rise of domestic brands.

In addition, marketing is very important for enterprises, so foreign enterprises also need to investigate some factors that affect marketing, such as price and promotion. Businesses must comprehend how consumers accept prices, how they respond to price strategies, and the results of different promotional activities, including the impact of implementing advertising, the impact of personal sales, the impact of business promotion, and the external publicity of the market response. [17]

Therefore, it is a great challenge for foreign enterprises to enter the Chinese market smoothly and gain a bigger market in the current increasingly fierce market competition.

3.4. The Positive and Negative Effects of Cultural Differences on International Marketing

Although the above shows that the use of cultural differences has a very positive impact on international marketing, it may be limited, and the use of cultural differences will have a positive impact on international marketing, but also have a negative impact.

What detrimental impacts do cultural variations have on global marketing? Cultural differences are an unbreakable barrier in international marketing since they can cause communication hurdles and make conducting research on international marketing more challenging. [10]

Since language is the most fundamental and significant communication instrument, culture can be a significant obstacle to interpersonal connection. Language is the most vital communication medium and is used by people to communicate their ideas when exchanging information. [10] When utilizing Hebrew and Arabic terminology, for instance, caution should be exercised to avoid situations where a company prints an Arabic statement on a bath towel without realizing the word has religious overtones. (Onkvisit and Shaw, 2004, cited in Mussler, 2002)

The fundamental component of marketing, market research provides businesses with the primary means of accurately obtaining market data and developing an objective understanding of the industry. The foundation for an organization's ability to seize market opportunities and develop a winning marketing plan is market research. However, when researching the international market, cultural differences will lead to different methods of market research. For example, when doing market research in China, people are not shy about asking about their income, age, marriage, etc., while in Western countries, people think that this is their private information and they are not willing to disclose it. [10]

Cultural differences arise because people live in different backgrounds. For example, people may have different languages, different lifestyles, different religions, and different values. Therefore, cultural differences constitute an insurmountable cultural barrier in international marketing. For example, alcohol will never find a market in predominantly Buddhist Southeast Asian countries because Buddhism forbids alcohol. [10]

After discussing the positive impact of using cultural differences on international marketing, and then discussing the negative impact of cultural differences on international marketing, I think we can return to the title of the paper: To what extent does Lululemon use cultural differences to its advantage in international marketing in the Chinese market? To analyze this problem, it is necessary to analyze the marketing strategy adopted by Lululemon from both positive and negative perspectives. We can learn from the positive idea, whether Lululemon has the wrong way, what we need to pay attention to and avoid in the future, and whether there is any way to do better.

3.5. Localization Marketing of Lululemon and the Current Problems Faced in the Chinese Market

To begin with, it is undeniable that Lululemon has had great success with their localized marketing approach in China. Lululemon focused its commercial expansion on the Chinese market after announcing its entry into the Asian market in 2013. As of right now, there are 55 stores in the Chinese market. When comparing the first half of 2022 to the same time in the previous year, shop sales in the Chinese market climbed by 30%. This could be because there is a greater demand for sportswear due to people's increased focus on health following the outbreak. China has emerged as Lululemon's most significant international market [13]. This illustrates the efficacy of Lululemon's tailored marketing strategy in China. According to Kotler and Keller, satisfying target consumers' expectations and building an enduring and devoted relationship with them require an organisation to have a thorough understanding of local consumers' thoughts, attitudes, and behaviours before venturing into foreign markets [25]. There is no doubt that the success of Lululemon's marketing plan also proves the credibility of this view.

Lululemon is an internationally renowned Canadian brand, a luxury sports brand aimed at middle- class women with high income, education, and interest in fitness [19]. Lululemon before entering the Chinese market completed thorough market research and sufficient preparation, Lululemon before preparing to officially enter the Chinese market, opened three showrooms in Beijing and Shanghai [26].

Yang's research suggests this is a very positive idea because opening the showrooms on the one hand can play the role of brand promotion, on the other hand, can attract customers, through the showroom courses and activities, increase customer recognition of the brand identity, brand concept can also subtly influence the local people, the brand to formally enter the market. This measure can make Lululemon deeply understand the cultural differences in the Chinese market and the preferences of customers, and also give Lululemon enough time to adapt to the Chinese market. When it officially enters the Chinese market in the future, or when it encounters some obstacles, it can have certain experiences and methods to deal with them. The success of Lululemon is mostly dependent on the combination of the yoga community and yoga culture. By providing free apparel for a year, for example, Lululemon has partnered with yoga instructors and fitness instructors (Kols) all over the world to serve as brand ambassadors. Through various word-of-mouth community activities, Lululemon deeply binds consumers' minds, improves consumer loyalty, and attracts more customers, which reflects the influence of community marketing.

Lululemon also understands the needs and preferences of Chinese consumers. According to its research, Chinese consumers have a preference for quality and design-oriented sportswear. As a result, Lululemon has made several tailoring changes to its product line to make it easier to accentuate Asian bodies and make them more comfortable to wear. Furthermore, studies indicate that Chinese individuals possess a robust sense of cultural identification. Since the Spring Festival is seen as the most significant

holiday for Chinese people, using Chinese characteristics is more likely to be well-received by customers. Therefore, Lululemon will also launch some designs combining Chinese elements, such as the New Year limited series and special Asian series. Stars are also invited to shoot Chinese New Year-themed advertisements. The incorporation of Chinese themes can enhance the advertising's ability to connect with consumers on a cultural and emotional level. [25]

According to the literature about Lululemon, I have read, this paper believes that cultural differences have not had a significant impact on Lululemon. In general, Lululemon has made excellent use of cultural differences.

However, Lululemon still faces some issues to address as the Chinese market becomes saturated and increasingly competitive, not only from well-known sportswear brands like Nike and Adidas but also from the rise of local sportswear brands like Li Ning and Anta [26]. What's more, the success of Lululemon makes Uniqlo, GAP, and other brands begin to design sportswear and participate in the competition. Therefore, how to occupy more markets is an urgent problem for Lululemon to face. Lululemon lacks the middle - and low-end consumer market in China. Lululemon is targeted at middle-class women who love sports. Because these have the most disposable income, and fit with Lululemon's brand positioning. However, in terms of the current sportswear market, from the perspective of users, the trend of youth is obvious. From the perspective of the region, the downward market is growing fast, and consumers in cities below the third-tier account for 40%. Lululemon's positioning as the Hermes of sportswear may deter some consumers. [22] That may be because Lululemon's prices are out of reach for many.

Through reading, analyzing, and integrating literature, this section believes that Lululemon can get rid of the stereotype of the yoga brand, expand its product range, and constantly improve on new categories so that these new products can be as professional as yoga products. For example, branch products such as swimming can be developed to expand to other sports areas, and branch products such as climbing and running can be made more professional, to occupy a larger market share.

Finally, with the relaxation of China's epidemic prevention policy, sports brands have ushered in many new development opportunities. Lululemon can seize the opportunity at this stage, implement a sustainable development strategy, and better occupy the market.

As a result, cultural differences have a positive and negative influence on marketing, but as long as we correct the use of cultural differences will play a key role in the success of international marketing, when foreign companies are going to enter a strange market, should do full market research, understand the local macro environment, local culture (people's values) and policy, and according to the change of local social environment timely adjust marketing strategy. In addition, Lululemon can take advantage of cultural differences to a certain extent and can cater to local customers by adjusting some details of the product. In international marketing, we must do a good job in the analysis of participants of different cultures and excavate the participants' psychological dynamic characteristics, consumption tendencies, and fluctuations in different economic environments. Only in this way can Lululemon have greater market prospects in China.

4. Conclusion

This paper first takes Lululemon as the research object, and Lululemon is worth studying and studying in terms of making use of cultural differences. Lululemon's marketing strategy is very special. It adopts a community marketing strategy and conducts Kols marketing. Instead of spending a lot of money on spokespeople and advertising, Lululemon builds relationships with consumers by hiring well-known professional yoga instructors to teach in its stores. To fully understand the Chinese market and expand the popularity of Lululemon in the Chinese market, Lululemon opened three showrooms in China in the first three years. These showrooms teach courses and do not sell products. By opening showrooms to raise awareness of the Lululemon brand and make yoga popular in China. After opening stores in China in 2016, Lululemon still adopts the community marketing strategy and will organize yoga classes and large-scale activities regularly.

With the development of Lululemon in China, Lululemon has adjusted part of its production lines to create yoga clothes that are more suitable for Asian women's bodies. With the development of the Internet in China, e-commerce is becoming more and more popular. Lululemon also opens online stores and uses WeChat mini-programs to increase communication with customers and meet their needs.

Now, as market competition intensifies, Lululemon's priority is to adjust or develop new strategies to capture more market share.

Through the research on Lululemon's marketing strategy, how to properly use cultural differences in international marketing. Enterprises should first investigate the economic, political, and legal environment of the region, which is the basis for judging whether a market is worthy of entry and long-term development, and then how to do well in a new market. It is necessary to have a deep understanding of the social and cultural environment of the region, including market demand, market supply, market competition, marketing factors, and so on. Carry out localization marketing, always pay attention to the change in the local environment, and make timely adjustments to strategies. In this way, we can make good use of cultural differences and give full play to the advantages of cultural differences in international marketing.

There are some topics related to Lululemon that future research can do. For example, Lululemon's new growth point - men's products, because men's wear, international, and e-commerce are Lululemon's growth engines at this stage. In addition, we can also study Lululemon's product expansion categories, which categories to expand, how to expand, how to face fierce competition, and how Lululemon will continue to expand the market in the future and occupy more market shares.

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