

About lululemon

[Business](#), [Marketing](#)



Research paper about lululemon Lululemon is an international company that deals in athletic wears that designs, produces, and trade in pants, tops and jackets for “ yoga, dance, running, and general fitness” (Forgeon, et al. 2). Its operations are global through online networks and its retail stores. This paper discusses elements of the organization’s micro and macro environment.

Macro Environment

Competition is one of the factors in the microenvironment and is intense because competitors share both customers and suppliers. There is however strong barrier to new entrants and this helps in preventing stiffer competition. The industry also has many established players such as Nike, Adidas, and GAP inc. among others. Economic factors such as increasing production costs and regulated prices across political jurisdictions are significant. Legal provisions such as intellectual property laws and political environments such as trade policies are also significant (Forgeon, et al. 38, 40).

Microenvironment

Key Intermediaries

Lululemon does not operate with intermediaries and it makes direct supplies to its customers.

Key Suppliers

Delta Galil is one of the major suppliers. The supplier is established, with about 10000 workers and annual revenue of about one billion dollars. This suggests stability of the suppliers whose clients include Lululemon’s major competitors such as Nike. Eclat Textile company is another of the suppliers,

has high revenue level and deals in Lululemon's competitors. Workday INC is another major supplier. The suppliers are stable and deal with Lululemon's competitors, a factor that suggests fair supplier powers, but Lululemon only commands a limited percentage of the suppliers' revenues, and this limits its bargaining powers (Forgeon, et al. 25, 26).

Key Customers

Individual consumers are the major customers but the organization partners with gyms and studios for sales (Forgeon, et al. 26).

SWOT Analysis

Strengths

Lululemon's distinct product design is one of its strengths and allows it to develop brand image. The design also aims at establishing product quality and therefore develops a competitive advantage. The attained high quality also allows for price increase towards greater profit margins. Short lifecycle that ensures faster product inception is also strength and allows the company to respond to possible dynamic changes in the market. Research and development that focus on data from customers' opinions is strength and allows for immediate response to customers' changing needs (Forgeon, et al. 18, 19).

Weaknesses

The company has limited partnerships in distribution of products and this is its major weakness. Apart from its retail stores, Lululemon only deals with clubs and studios, while partnerships with other stores and franchises could facilitate more revenues.

Opportunities

The company has significant growth opportunities in North America and other parts of the world. Most of its stores are in the United States and Canada and success in these areas suggests opportunities in other regions. Opportunities also exist with respect to product differentiation and expansion of target market. While it focuses on educated women of the middle economic class, expansion to men and women in other classes is possible (Forgeon, et al. 3-5).

Threats

Existence of competitors such as Nike and low bargaining power over suppliers are the major threats to the company. Increased competition, which may also arise from substitutes from outside the industry, could threaten Lululemon's profitability and sustainability (Forgeon, et al. 24- 27).

Works cited

Forgeon, Ralph et al. "Lululemon Athletica, Inc." Seminar in Strategy and Policy. May 1, 2014. Web. November 3, 2014.