

Lululemon Athletica and a Series of Bad Marketing Decisions

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Abstract

Lululemon Athletica, known for high-end yoga apparel, faced a series of bad public relations events starting in 2006 and continuing until 2013. The company first faced some questions about product claims. Then they were in the news because an employee murdered a co-worker within a Washington D. C. outlet store. Next, the company decided to switch to a manufacturer overseas, a decision that resulted in the production of low quality, sheer yoga pants that consumers felt violated their privacy. Finally, a decision to not produce and sell pants over a size 12 caused a backlash as well. CEO, Chip Wilson, ended up resigning from the company in December of 2013, but, despite his departure, the brand's image was badly damaged and several questions remained about how the company would regain consumer trust and restore its brand image.

Learning Outcomes

In completing this assignment, students should be able to:

1. Identify the social implications of selecting a specific target market
2. Explain how brand image can be damaged
3. Develop strategies for improving a company's brand image
4. Judge the impact of consumer forgiveness related to a company's marketing mistakes

Application

This critical incident is designed for undergraduate courses in marketing communications, public relations, and marketing strategy.

Key Words

brand image, public relations, trust

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