

# **Marketing Plan: Lululemon**



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## **Executive Summary**

Lululemon is an athleisure (athletic leisure) and athletic apparel company founded in 1998 in Vancouver, Canada. The founder, Chip Wilson, observed that women did not have flattering and functioning workout wear. They had to sacrifice one for the other. With customer research and development, Lululemon has created multipurpose athletic clothing for yoga, running, training, and athleisure. The first storefront opening in 2000 functioned as a design studio during the day and a yoga studio at night. As of January 2023, Lululemon operates more than 650 stores throughout the United States, China, Canada, Australia and the United Kingdom with a net revenue of 30% to over \$8 billion in the fiscal year 2022. By adopting a vertical retail model, the brand designs, produces, and sells its products without any middlemen, keeping products out of other sporting goods stores as well. By selling Lululemon products only in Lululemon stores, it has a more exclusive and premium brand portrayal. In 2019, Lululemon's brand value increased 40% with their effective marketing strategy called the "Power of Three": product innovation in men's apparel and new women's products, omni guest experience with brand marketing coming from multiple channels, and market expansion with goals to quadruple their international revenues by 2023. The new "Power of Three x2 plan" has a goal of reaching \$12.5 billion in revenue with product innovation to double men's apparel revenue by 2026, guest experience to double digital revenue by 2026, and international expansion to quadruple international revenue by 2026. Lululemon also takes part in sustainability and corporate social responsibility with the "Be Planet" initiative that promotes environmentally friendly practices, such as reduced water usage and inclusion of eco-friendly materials in production. With their initial mission, vertical retail model, and marketing strategy with clear goals, Lululemon is able to maintain and grow their brand value.

## **Current Marketing Situation**

### ***Market Description***

The initial target market for Lululemon was “Super Girls,” which were fit and athletic young women with a professional career and high income. Since they are committed to their health and staying fit, they are able to spend largely on athletic wear. Founder Wilson was criticized for this target market, as he has made comments about how some women’s bodies weren’t suitable for Lululemon products. Presently, Lululemon is expanding its market to men and children, as well as initiatives to cater to different body types with sizes ranging from 0 to 20. Lululemon made appearances in 14 apparel rankings and 382 global rankings in 2024. Some of which include Canada 100 2024, Apparel 50 2024, and Global 500 2024 (*Lululemon, 2024*). Lululemon’s target market is split into four aspects: demographic, geographic, behavioral and psychographic. Demographically, Lululemon has been popular with women’s products, tripling the sales of male products. Lululemon aims to close the gap between the two and sees it as an opportunity for growth. Geographically, Lululemon is the largest in the U.S. and Canadian market, accounting for 79% of Lululemon’s revenue. In 2023, Lululemon had 711 company-operated stores globally. Lululemon expects to open more stores in China, as the market is the fastest-growing there with a 67% growth rate between 2022 and 2023. Behaviorally, Lululemon tends to attract the middle to upper class due to its premium prices. Most of their customer base take part in exercise such as running, cycling, weight lifting, or sports. Psychographically, Lululemon customers are career minded with a high priority of fitness and health. They can afford the blend of comfort, quality, style, and price that Lululemon provides. The biggest factor that may affect customer purchasing is price, as some people are not willing to compromise the high price for a piece of athletic wear.

### ***Five Year Financial Overview***

Fiscal Year	2023	2022	2021	2020	2019
Total Revenue (millions)	9,619.278	8,110.518	6,256.617	4,401.879	3,979.296
Gross Profit (millions)	5,609.405	4,492.34	2,648.052	2,463.991	2,223.386
Net Income (millions)	1,550.19	854.8	975.322	588.913	645.596
Cost of Marketing (millions)	429.7	328.6	297.5	216	136.6*
Stock Price (end of the fiscal year)	212.74	216.20	229.94	163.83	100.00

\*Not specifically specified (estimated)

From 2019 to 2023 in each category, the numbers go up at a steady pace with a couple exceptions. The first exception is that the net income in 2019 was greater than net income in 2020 and net income in 2021 was greater than net income in 2022. The first occurrence can be due to the emergence of COVID-19 in the beginning of 2020, which affected many businesses and companies. The second occurrence can be attributed to the increase in hiring additional staff or investing in research, as the total revenue continued to climb steadily, but it is the income that has different numbers. The stock prices had its peak price in 2021, which was when the net income was high as well. Stock prices follow supply and demand so if there were many buyers, stock prices increased but if there were more sellers, such as in 2019, stock prices decreased.

	2023	2022
<i>(In thousands)</i>		
Americas	\$ 7,631,647	\$ 6,817,454
China Mainland	963,760	576,503
Rest of World	1,023,871	716,561
Net revenue	\$ 9,619,278	\$ 8,110,518

The table above shows the net revenue from the 2023 Lululemon Annual Report. Net revenue increased about \$1.5 billion, or 19%, from 2022 to 2023. This is due to an increase in sales with an increase in traffic, as well as more new and innovative products such as the Lululemon Define Jacket. Some other financial highlights in the annual report is gross profit increased 25% to \$5.6 billion and gross margin increased 290 basis points to 58.3%.

### ***Product Review***

The Lululemon product that recently went viral on TikTok is the Lululemon Define Jacket, which is tight forming to the body, snatching the waist. The Luon variant is priced at \$118 with zippered pockets, thumbholes, slim fit, and stretchy, breathable, and sweat proof fabric. The product sits at 9,300 reviews averaging to 4.5 stars with praise about the warmth, fit, look, and comfortability. Another popular product is the Lululemon Align High-Rise Mini-Flare Pant, which is priced at \$118. The leggings hugs the body from waist to knee and flares out from knee to hem, making it multifunctional for yoga or casual wear. These staple product items from Lululemon help customers have a gateway to exploring more products and become a loyal customer.

### ***Competition Review***

Major competitors of Lululemon would be other athletic wear companies such as Nike, Adidas, and Under Armour. In 2024, Lululemon was named the third most valuable sporting goods company with a market cap of \$36.5 billion, right behind Nike and Adidas. Lululemon

only recently expanded their market to include men and children's clothing while Nike and Adidas have had a longer established range of products. Nike and Adidas are primarily a footwear company, with over 60% of Adidas' sales revenue coming from shoes. Therefore, their apparel section is not as developed or invested into. Lululemon's specific target market and industry gives them an advantage, as they are able to put more research and thought into each product to cater to the middle to high class women. Under Armour had higher sales revenue than Lululemon for years, but plateaued as they failed to create a unique product. Lululemon continues to grow in the apparel industry with its new and innovative products that are both stylish and functional. In addition, the approach that Lululemon takes with endorsements are different from Nike and Adidas. The big companies have celebrity endorsements, costing millions of dollars, while Lululemon partners with fitness influencers or yoga teachers as brand ambassadors to connect with "ordinary people." Instead of paying to represent them, Lululemon gives free apparel, priority access to new products, and features on social media, generating more traffic for both parties. This creates a more emotional and deeper business-customer relationship since instead of one being over the other, there is more of a connection.

### ***Distribution Review***

The table above shows the net revenue from the 2023 Lululemon Annual Report. Net revenue increased about \$1.5 billion, or 19%, from 2022 to 2023. This is due to an increase in sales with an increase in traffic, as well as more new and innovative products such as the Lululemon Define Jacket. Some other financial highlights in the annual report is gross profit increased 25% to \$5.6 billion and gross margin increased 290 basis points to 58.3%.

Lululemon mainly uses their physical and online stores to reach guests and serve products. Additionally, their other distribution channels include temporary locations, wholesale,

outlets, like new, and license and supply arrangements. The Lululemon 2023 Annual Report explains each distribution channel in detail. First, temporary locations are used seasonally or as pop ups during peak shopping periods, due to demand. Second, Lululemon offers wholesale distribution to sell to select partners, such as fitness studios or university campus retailers, for convenience. Third, outlets are used to sell slow moving inventory or out of season merchandise at a discounted price. As of January 2024, Lululemon operated in 47 outlets, most of which were in the Americas. Fourth, like new is a program that allows guests to trade in lightly used Lululemon products in exchange for merchandise credit through their website [likenew.lululemon.com](https://likenew.lululemon.com). This program allows Lululemon to take part in corporate social responsibility and sustainability by reducing their environmental footprint. Lastly, license and supply arrangements are used to partner with third parties and grant rights to operate Lululemon branded retail and sell products on websites in specific countries.

### **SWOT Analysis**

<b>[S] Strengths</b> <ul style="list-style-type: none"> <li>- Wide range of products</li> <li>- Strong brand positioning and customer loyalty</li> <li>- Strong retail and online presence</li> <li>- Strong social media and brand ambassadorship</li> </ul>	<b>[W] Weaknesses</b> <ul style="list-style-type: none"> <li>- Perceived as high end brand</li> <li>- Reliance on women's apparel</li> <li>- Limited international presence</li> <li>- Limited product and industry diversification</li> </ul>
<b>[O] Opportunities</b> <ul style="list-style-type: none"> <li>- Product expansion into more categories</li> <li>- International expansion</li> <li>- Building future partnerships</li> </ul>	<b>[T] Threats</b> <ul style="list-style-type: none"> <li>- Growing competition in athletic wear industry</li> <li>- Rapidly changing consumer preferences and trends</li> <li>- Supply chain disruptions</li> </ul>

### ***Strengths***



Lululemon has a wide range of products that allow customers to have a greater possibility of satisfaction. Out of the many products that they offer, there is bound to be one product for each customer to like no matter their preference that keeps them returning and buying different colors or more products. Some strengths of the products are its high quality fabric, fashionable style, comfortability, and durability, not sacrificing one for any of the others. Through these product attributes, Lululemon has established itself as a premium brand solid in the athletic apparel industry rankings. By adopting a vertical retail model, Lululemon is in charge of all steps from manufacturing to distribution. They also only sell their products at their stores, giving an exclusive and premium brand image.

Lululemon has a strong customer base, due to their high quality and strong retail and online presence. As of 2024, Lululemon has 711 total company-operated stores globally, especially in North America, Europe, and Asia. Their in person shopping experience allows for customers to try on clothes, buy clothes quickly and efficiently, and gain exceptional customer service. They also believe in the convenience and importance of e-commerce as it allows for both options of delivery or pick-up in store. Lululemon's website allows customers to browse through multiple pages of products from anywhere anytime. Lululemon is able to utilize both the brick and mortar and online stores in order to reach as many customers as possible. Lululemon also has a strong following on various social media platforms with 5.1 million followers on Instagram, 2.9 million followers on FaceBook, and 1 million followers on TikTok. "The company effectively utilizes these platforms to engage with customers, share product information, and promote its brand values and initiatives" (Pereira). Lululemon also reaches out to fitness influencers or yoga studios to be brand ambassadors, an initiative that a lot of brands have been picking up on. Instead of paying celebrities and big names to represent their company,

Lululemon pays brand ambassadors by commission with a referral link and provides them with new releases, free products, and promotion on their official social media. Both parties benefit in this mutual agreement.

### ***Weaknesses***

A factor that can prevent Lululemon from reaching many customers is the perception of a high-end brand, as it targets middle to upper class consumers. This excludes a large amount of the market that seek a more affordable option, turning to Ross or Walmart for athletic wear. Lululemon works actively to work against this by providing a section of their website called the “We Made Too Much,” which sells athletic wear at a discounted price that may cause an overstock in the warehouse. The quality and research that Lululemon integrates into their products account for the price that they charge and it will be more worthwhile long-term to have a couple high quality products than a handful of low quality products. Lululemon also has a high reliance on women’s apparel. Though they plan to expand into men’s and children’s wear, their brand image is too prominent in being known for their women’s apparel. This can be mitigated by creating innovative and men-targeted products with their “Power of Three x2” plan, which plans to double men’s apparel revenue.

Lululemon also has a limited international presence with 22 countries out of the 195 in the world. They have company-operated stores stationed in the Americas, APAC, and EMEA. There are some limitations to international shipping as well, with taxes and duties varying by country and they currently cannot ship footwear outside the U.S. and Canada. This is simply a matter of time, as Lululemon continues to open multiple stores every year. In January of 2023, there were 655 company-operated stores. As of January of 2024, they have 711. Lastly, due to Lululemon’s industry in athletic wear, there is a limited line of product categories. In a way, it is

also a strength to be in a specialized industry, as resources don't need to spread across too many different categories. Lululemon just needs to be cautious of changing customer needs and preferences and expand its product line, which they have been doing throughout the years. Instead of just focusing on athletic wear, Lululemon has been expanding into accessories, footwear, and athleisure.

### ***Opportunities***

Lululemon has the potential to continue to grow, as they have been doing at a steady rate the past years. First, by expanding product offerings in different categories, Lululemon can reach an even larger customer base with different interests and lifestyles. Currently, Lululemon offers categories of clothes specifically for running, workout, casual, yoga, golf, and tennis. Lululemon has yet to have an official swimming suit line. By opening up a new category of an activity, there are multitudes of different product lines within the category such as swimsuits, swim towels, and swim shoes. In addition, one of the main goals of the "Power of Three x2" plan calls for doubling the revenue of men's apparel. There is a large market already existing, as many men take part in health and weightlifting. This creates an opportunity for Lululemon to shift from being a woman-centered brand to one for everyone. Another opportunity is greater international expansion into Asian and European markets that have a growing fitness and health trend. By reaching even more people globally, Lululemon can increase their customer base.

Lululemon already has distribution channels outside their physical stores and e-commerce. One being license and supply arrangements, where they partner with third parties to grant the right to sell products and operate retail locations. However, greater opportunity lies in partnering with more businesses such as fitness studios and gyms. In this way, both parties gain more reach and customers with the partnership. This also allows Lululemon to go from being

another clothing company to being a branded fitness and wellness facility that directly connects with customers.

### ***Threats***

Being in a popular targeted industry, Lululemon operates in a highly competitive market with established companies such as Nike, Adidas, and Under Armour. These competitors have an established customer base from having reliable footwear and a strong brand, so their athletic apparel automatically has the same type of reliability to customers. Additionally, other discount retail giants like Target, Walmart, Costco, and Ross have expanded their athletic apparel offerings, providing more affordable options for customers. Also, “the athletic apparel industry is highly influenced by changing consumer preferences, fashion trends, and lifestyle choices. If Lululemon fails to anticipate and react to these changes, it may lose its appeal to its target market” (Pereira). Rapidly changing customer preference would mean that all the clothes that have been produced already would not sell and end up taking space in stores or warehouses, losing revenue and value.

As a vertical retail model, Lululemon is responsible for every step of manufacturing a product. Therefore, they rely heavily on supply chains delivering raw materials in a timely fashion and great condition. Disruptions in the supply chain from natural disasters, transportation delays, trade tensions, or labor disputes can lead to product shortages and delays as well as increased costs. These factors can also affect the cost of raw materials, affecting production costs and profit margins.

### **Objectives and Issues**

The Lululemon “Power of Three x2” 5-year plan from 2021 includes the goals to double men’s apparel revenue by 2026 through product innovation, double digital revenue by 2026

through guest experience, and quadruple international revenue by 2026 through international expansion. In men's apparel, Lululemon overlooks the existing and established athletic apparel companies such as Nike and Adidas that create a uniform look if the men have bought footwear from them as well. It may be difficult to overcome the initial perception men have of Lululemon being a women's apparel company. Lululemon has a vision to launch a membership program to build stronger engagement with the community and encourage product purchases. It may be ambitious to look to double digital revenue solely through guest experience and a multi-tiered membership program. Lululemon would have to create a strong e-commerce presence and entice customers into wanting to sign up for the membership program. Most retail websites have a discount for new members that sign up, but Lululemon does not have anything pop up on the website. This can be an area of improvement, as they work toward the goal of doubling digital revenue and provide an exceptional guest experience. Lastly, Lululemon looks to quadruple international revenue through international expansion. Though this may be possible in a five year frame, Lululemon must be active in setting up company operations and stores. There may be different country laws or regulations that prevent Lululemon from establishing their brand in certain areas or competitors may create a strong brand presence first.

## **Marketing Strategy**

### ***STP Analysis***

The STP framework stands for segmentation, targeting, and positioning. The segmentation, or the dividing up of target groups of customers, of Lululemon is divided into demographic, psychographic, geographic, and behavior segmentation. Demographically, Lululemon focuses on women in fitness fields aged 20-40 years. Psychographically, the customers have a healthy and active lifestyle, viewing it as part of their identity. Geographically,

the majority of customers are located in the United States and reside in urban and suburban areas. Behaviorally, customers frequently go to the gym or take part in sports and activities. The target market is middle to upper class women with an active lifestyle, who are willing to spend on high quality athletic wear. Lululemon has a high positioning among other athletic apparel companies and are known for their high quality at a high price. Their positioning enhances their brand identity because they do not compromise prices to entice customers to purchase it. Their logo is recognizable at the gym, giving it a high value as well.

### ***Product Strategy***

The product that Lululemon sells is mainly athletic wear and athleisure for women, also branching out to men and children's apparel. Some main products that Lululemon are known for are sports bras, leggings, shorts, jackets, and shirts. Common features throughout their products are that they are made of high quality, sweatproof, fashionable, and comfortable. Companies may sacrifice, for instance, fashionability for comfortability or vice versa. However, Lululemon ensures that customers will get a great blend of all features through investing in research and development.

### ***Pricing Strategy***

The price of a Lululemon product is not affordable to everyone. The viral Lululemon Define Jacket, also known as the BBL jacket, is priced at \$118. Lululemon does not compromise prices to entice customers to purchase their products. By maintaining products at a high price, Lululemon is able to be a high-end, premium brand that reflects the high quality research and products that they put out. Lululemon is aware of their brand positioning and value. They are also aware of the willingness of their target market to purchase a high quality product and follow current trends. Lululemon is known for having a lot of "dupes," or duplicates, because of the

innovative and high quality products they release. However, upon purchasing the dupes, customers realize that the high quality of Lululemon cannot be replicated, especially at such a cheap price, as cheap prices are usually associated with poor quality. Compared to competitors, Lululemon prices their products almost double for similar products. Once again, this is due to the costs that go into research, design, and staff that create these innovative and fashionable products.

### ***Promotions Strategy***

Lululemon promotes their company by having pop ups, workout classes, and social media through brand ambassadors. At the Lululemon-hosted pop ups, attendees are given discount codes, gift cards, free samples, and information about the company and products. The pop ups and workout classes foster a sense of community between the company and attendees as they connect with one another over the same interests of fitness and love for the products. Lululemon also utilizes the brand ambassador program, which partners them with fitness influencers or fitness studios. Through this program, ambassadors are able to earn commission, learn about new product drops, receive free products, and attain special event access. In exchange, Lululemon receives widespread product promotion on social media through numerous influencers and ambassadors. With Lululemon's website links being so accessible within a social media app, website traffic increases tremendously.

### ***Place Strategy***

Lululemon has a large presence within their physical and online stores. Most big malls have a Lululemon store, making it accessible from many locations, and they have a large directory of products online, enticing users to go onto their website from social media advertisements and email lists. In 2023, Lululemon had 711 company-operated stores globally,

with the majority of them in the United States and Canada. Lululemon has been expanding globally, opening stores in Asia, Europe, and Oceania and in about 22 different countries. In addition, the “Power of Three x2” plan aims to quadruple international revenue and continues to expand their market, entering new countries. The physical brick and mortar store allows customers to browse a selection of products, try on clothes to ensure fitting, and quickly and easily purchase products without waiting for delivery. On the other hand, the e-commerce website allows for customers to browse a wider range of products at once, shop from anywhere anytime, and find more deals, as companies want to increase digital purchases.

### **Action Program**

In order to take action in the “Power of Three x2” plan, Lululemon focuses on three strategic pillars to fuel growth over the five year period from 2021 to 2026. In product innovation, the company plans to innovate across categories within Core (run, train, yoga, on the move) and launch Play (tennis, golf, hike). Also, Lululemon will continue to manufacture more products in new categories such as their recently launched footwear. Next, in guest experience, the company plans on creating exceptional customer service to build strong connections, cultivate community, and inspire innovation. First off, following the pilot membership program, Lululemon plans on launching a new two-tiered membership program to create an immersive fitness experience with stronger engagement with brand and community. Second off, Lululemon is expanding the Like New program, which allows customers to trade in gently used products in exchange for store merchandise credit. This allows Lululemon to take part in sustainability and decrease their environmental footprint while customers can purchase new products in exchange for clothing they may not wear or use anymore. Finally, in market expansion, Lululemon is still focused on maintaining local relevance and deepening existing customer relationships and



connections even as it expands the brand into the rest of the world. Entering new countries across APAC and Europe, especially in Spain and Italy, is in plans and future goals.

The teams that are in charge of these implementations are the product and service adaptations team. The product adaptation team is made up of market analysis, finance, sales and design departments who meet at the end of product seasons to discuss strengths and weaknesses, as well as future improvements. The service adaptations team is made up of market analysis, digital marketing, customer service, retail operations, e-commerce, and distribution departments who meet quarterly and submit suggestions to improve services offered instore and online.

### ***Pricing Implementation***

Prices are to be determined a month by finance and marketing before a product goes live online and instore every season. Finance, marketing, and sales representatives are to work together monthly to determine discounted products and when the discount is to roll out on a seasonal basis, not exceed 20-30% off the original price.

### ***Promotion Implementation***

Lululemon is to establish more of a social media presence on Chinese apps such as WeChat, Weibo and DouYin to create community engagement, brand awareness, and a channel for communication. The social media team should be expanded into national and local levels for each major city and held responsible for content creation on all platforms, working together with marketing, advertising, store manager, and the community events team. Social media initiatives and plans should be created on a consistent schedule throughout the year created by the marketing and advertising departments. Next, the community events team should coordinate and plan events in their designated city and work with local store managers, head office, and the social media team in order to host events that feature Lululemon products. Lastly, invest in

mobile marketing, as it is a growing strategy with lots of potential. “The marketing and finance departments will be responsible for defining the effectiveness of our mobile marketing initiatives, while advertising, social media will create the content and execute the planned schedule” (Manuel).

### ***Distribution Implementation***

Lululemon should have a New Store Opening team consisting of real estate, facilities, visual, and IT for each major city with a goal of opening five stores per quarter. In addition, Lululemon should seek out more distribution partners to quickly distribute products to customers. Business-to-business relationships are vital in expanding supply chain efficiency. Not only for the supply chain, but in order to promote and reach a bigger customer base, Lululemon should also partner with more yoga or fitness studios.

### **Budgets**

	Fiscal Year Ended		
	January 28, 2024	January 29, 2023	January 30, 2022
Net revenue	\$ 9,619,278	\$ 8,110,518	\$ 6,256,617
Cost of goods sold	4,009,873	3,618,178	2,648,052
Gross profit	5,609,405	4,492,340	3,608,565
Selling, general and administrative expenses	3,397,218	2,757,447	2,225,034
Impairment of goodwill and other assets, restructuring costs	74,501	407,913	—
Amortization of intangible assets	5,010	8,752	8,782
Acquisition-related expenses	—	—	41,394
Gain on disposal of assets	—	(10,180)	—
Income from operations	2,132,676	1,328,408	1,333,355
Other income (expense), net	43,059	4,163	514
Income before income tax expense	2,175,735	1,332,571	1,333,869
Income tax expense	625,545	477,771	358,547
Net income	\$ 1,550,190	\$ 854,800	\$ 975,322

Based on the previous fiscal year of 2023, the net revenue was \$9.6 billion while the cost of goods was \$4 billion, resulting in a gross profit of \$5.6 billion. Each fiscal year, the gross profit has been going up about \$1 billion. To be safe, rounding down to \$700 million, the gross

profit for this year should be about \$10.3 billion. In 2023, \$3.3 billion was used in selling, general and administrative expenses which includes employee costs, marketing expenses, depreciation, head office, technology costs. The amount of expenses each year has been going up about \$500 million per year. We can infer that the expenses this year will be around \$3.9 billion. Based on these pieces of data, we can formulate that a generous budget for this year will be \$4.2 billion.

### **Controls**

Lululemon has teams of people, whether project management, operations management, or supply chain management, in order to assure that each step of the company is running smoothly. The higher management should do monthly safety checks on manufacturing factories while employees make sure to check daily for machines that pose immediate danger if malfunctioning. Each team in the company should have a checklist of immediate goals to meet monthly and long-term goals to meet annually. Though there are employees within separate teams, team leaders should cross check each other and make sure to collaborate when needed. In addition, bimonthly reports should be sent to the managers of each team with any updates or suggestions from team meetings, which will then be consolidated into one report to send to directors.

## Appendix

Table 1

Fiscal Year	2023	2022	2021	2020	2019
Total Revenue (millions)	9,619.278	8,110.518	6,256.617	4,401.879	3,979.296
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Figure 1

<p>[S] Strengths</p> <ul style="list-style-type: none"> <li>- Wide range of products</li> <li>- Strong brand positioning and customer loyalty</li> <li>- Strong retail and online presence</li> <li>- Strong social media and brand ambassadorship</li> </ul>	<p>[W] Weaknesses</p> <ul style="list-style-type: none"> <li>- Perceived as high end brand</li> <li>- Reliance on women's apparel</li> <li>- Limited international presence</li> <li>- Limited product and industry diversification</li> </ul>
<p>[O] Opportunities</p> <ul style="list-style-type: none"> <li>- Product expansion into more categories</li> <li>- International expansion</li> <li>- Building future partnerships</li> </ul>	<p>[T] Threats</p> <ul style="list-style-type: none"> <li>- Growing competition in athletic wear industry</li> <li>- Rapidly changing consumer preferences and trends</li> <li>- Supply chain disruptions</li> </ul>

Figure 2

<b>External Strategic Factors</b>				
<b>Opportunities</b>	<b>Weight</b>	<b>Rating</b>	<b>Weighted Score</b>	<b>Comments</b>
Product expansion into categories	0.35	4	1.40	In progress
International expansion	0.30	3	0.90	Will take time
Building future partnerships	0.15	3	0.45	Questionable
<b>Total for Opportunities</b>	<b>0.8</b>		<b>2.75</b>	
<b>Threats</b>				
Growing competition in the industry	0.10	2	0.20	Focus on company
Changing consumer preferences	0.07	3	0.21	Timeless focus
Supply chain disruptions	0.03	2	0.06	Rare occurrence
<b>Total for Threats</b>	<b>0.20</b>		<b>3.22</b>	

Figure 3

<b>Internal Strategic Factors</b>				
<b>Strengths</b>	<b>Weight</b>	<b>Rating</b>	<b>Weighted Score</b>	<b>Comments</b>
Wide range of products	0.20	5	1.00	Add more
Strong brand positioning and customer loyalty	0.25	5	1.25	Key to success
Strong retail and online presence	0.20	4	0.80	Can improve more
Strong social media and brand ambassadorship	0.15	4	0.60	Can improve more
<b>Total for Strengths</b>	<b>0.80</b>		<b>3.65</b>	
<b>Weaknesses</b>				
Perceived as high-end brand	0.10	3	0.30	Not all negative
Reliance on women's apparel	0.05	2	0.10	Investing in men/kids
Limited international presence	0.03	2	0.06	Will take time
Limited product and industry diversification	0.02	1	0.02	Investing now
<b>Total for Weaknesses</b>	<b>0.20</b>		<b>0.48</b>	
<b>Total Scores</b>	<b>1.00</b>		<b>4.13</b>	

Figure 4

					(S) Short-term, (I) Intermediate, (L) Long-term
<b>Internal Strategic Factors</b>	<b>Weight</b>	<b>Rating</b>	<b>Weighted Score</b>	<b>Comments</b>	
<b>Strengths</b>					
Wide range of products	0.20	5	1.00	Add more	L
Strong brand positioning and customer loyalty	0.25	5	1.25	Key to success	I
Strong retail and online presence	0.20	4	0.80	Can improve more	I
Strong social media and brand ambassadorship	0.15	4	0.60	Can improve more	S
<b>Total for Strengths</b>	<b>0.80</b>		<b>3.65</b>		
<b>Weaknesses</b>					
Perceived as high-end brand	0.10	3	0.30	Not all negative	I
Reliance on women's apparel	0.05	2	0.10	Investing in men/kids	I
Limited international presence	0.03	2	0.06	Will take time	L
Limited product and industry diversification	0.02	1	0.02	Investing now	L
<b>Total for Weaknesses</b>	<b>0.20</b>		<b>0.48</b>		
<b>Total Scores</b>	<b>1.00</b>		<b>4.13</b>		
<b>External Strategic Factors</b>					
<b>Opportunities</b>	<b>Weight</b>	<b>Rating</b>	<b>Weighted Score</b>	<b>Comments</b>	
Product expansion into categories	0.35	4	1.40	In progress	I
International expansion	0.30	3	0.90	Will take time	L
Building future partnerships	0.15	3	0.45	Questionable	S
<b>Total for Opportunities</b>	<b>0.8</b>		<b>2.75</b>		
<b>Threats</b>					
Growing competition in the industry	0.10	2	0.20	Focus on company	I
Changing consumer preferences	0.07	3	0.21	Timeless focus	I
Supply chain disruptions	0.03	2	0.06	Rare occurrence	S
<b>Total for Threats</b>	<b>0.20</b>		<b>3.22</b>		

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