Marketing Doctor

Marketing Check-up

Lululemon

As of July 29, 2025

Condition: Under observation

Growing abroad, stalling at home

Lululemon, the Vancouver-born athletic wear brand, still grows. Revenue rose 10% in fiscal 2024. But almost all of that growth came from outside the Americas, its largest market, where comparable sales fell. In June 2025 it cut its profit outlook. This check-up looks at why a brand that defined premium leggings is losing pull at home and what it would take to win those shoppers back.

Key takeaways

- Lululemon's growth is coming from abroad: China Mainland revenue rose 41% in fiscal 2024 and 21% in early 2025, while Americas comparable sales fell.
- Newer brands such as Vuori and Alo Yoga are taking share. The share of Lululemon customers who also shopped at Vuori grew from 1.2% in 2018 to 7.8% by late 2024.
- Price is the pressure point. Leggings at up to $128 need a clear reason to choose Lululemon over cheaper or trendier options.
- An analyst warned that management was prioritizing newness and China "over addressing a pullback from core customers and evident traffic declines."

Marketing health check

Area	Finding
Home market	Slipping. Americas comparable sales down 2% in early 2025.
International	Strong. China Mainland revenue up 21%.
Product newness	Slowed. Rivals look fresher.
Competition	Rising. Vuori and Alo Yoga taking share.
Price premium	Under pressure from tariffs and cheaper rivals.

Timeline

When	What happened
2018	1.2% of Lululemon customers also shop at Vuori.
Fiscal 2024	Revenue rises 10% to $10.6 billion. Americas comparable sales fall 1%; China Mainland revenue rises 41%.
Nov 2024	7.8% of Lululemon customers also shop at Vuori.
Apr 2025	New U.S. tariffs reach some of Lululemon's largest sourcing countries.
Q1 2025	Americas comparable sales fall 2%; China Mainland revenue rises 21%.
Jun 5, 2025	Lululemon keeps its revenue forecast but cuts its profit outlook.

What happened: growth abroad, softness at home

On paper Lululemon is still growing. Revenue rose 10% to $10.6 billion in fiscal 2024. But Americas comparable sales fell 1% while China Mainland revenue rose 41%. The pattern held into 2025: in the first quarter, Americas comparable sales fell 2% while China grew 21%.

Chief executive Calvin McDonald described the U.S. customer: "consumers remain cautious right now and they are being very intentional about their buying decisions," he said, as reported by Bloomberg. Cautious consumers explain part of the story. Rivals explain more.

The diagnosis: the brand has lost some pull at home

- **Fresher rivals.** CNBC reported that the share of Lululemon's customers who shopped at Vuori grew from 1.2% in 2018 to 7.8% by late 2024. Reuters reported intense competition from trendier and more affordable brands.
- **Newness slowed.** A premium brand earns its price partly by giving customers something new to want. When rivals look fresher, that reason weakens.
- **A high price needs a clear reason.** Align leggings sell for up to $128. That is a positioning problem before it is a sales problem.
- **Attention went elsewhere.** Jefferies' Randal Konik said management prioritized newness and China expansion "over addressing a pullback from core customers and evident traffic declines."

The treatment: start at home

Tariffs add pressure: the company said they "could lead to a significant reduction in gross margin," and planned price increases its finance chief called "modest in nature." For a brand already priced at the top, a careful pricing strategy matters more than usual.

- Rebuild the U.S. range around fewer, sharper new products and give each one proper launch support.
- Run a fresh competitor analysis on the brands winning North American shoppers, including what they offer at lower prices.
- Protect full price by explaining clearly why the product is worth what it costs, so customers don't learn to wait for markdowns.

The result so far: a lower outlook

On June 5, 2025, Lululemon kept its full-year revenue forecast but cut its profit outlook. Comparable sales grew 1% in the quarter, against projections of about 4%. Growth in new markets is covering weakness in the market that built the brand, and that cover won't last forever.

Lessons for your marketing

1. Growth in new markets can hide weakness in the market that built you. Track your home market on its own.
2. If your price is high, renew your value proposition often. Customers who paid for newness stop paying when it slows.
3. Watch where your customers also shop. Rising overlap with a rival is an early warning.
4. Fix a pullback among core customers before chasing new ones.
5. Protect full price. Discounts teach premium customers to wait.

The doctor will see you now.

Book a free marketing check-up at marketingdoctor.ca/contact. We'll examine your marketing, show you what's holding growth back and prescribe what to fix first.

Sources

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