Brand Community Strategy of Lululemon: The Relation Between Brand Ambassador’s Trust and Customer Engagement

Zichen Qian1, *, †Jamin Zou2, *, †

1 University of Toronto Scarborough, University of Toronto, Toronto, M1C 1A4, Canada
2 The Business Scholl(Formerly Cass), City, University of London, London, EC1V 0HB, United Kingdom
*Corresponding author. Email: guanghua.ren@gecademy.cn
†These authors contributed equally.

ABSTRACT

In lululemon’s success of customer engagement of their brand community, ambassador’s trust is assumed to be a significant factor. This research aims to discuss how would brand ambassador’s trust reflects on the customer engagement level of its offline brand community, taking customers who engage in lululemon’s offline brand community in North America as a research subject by reviewing the customer engagement theory. This study focuses on using the concepts of trust and customer engagement to theoretically demonstrate the relationship between trust and customer engagement with the notion that trust will arise in the presence of uncertainty and risk aversion. The relationship between trust and customer engagement with the notion that trust will arise in the presence of uncertainty and risk aversion. From the perspective of customer engagement, five factors that may impact the level of customer engagement are analyzed and compared. A questionnaire was designed by asking questions about the ambassador of Lululemon. Finally, regression analysis had been used to analyze the data in excel. The main result of this paper showed that ambassadorial characteristics, trust, and emotional engagement have a significant impact on the level of engagement. In addition, trust having the most prominent impact on the level of engagement. This research contributes to compensate for the gap and concentrate on the offline brand community, and the limitation will also be discussed in the following context.

Keywords: Brand Ambassador, Brand Community, Lululemon, Trust, Customer Engagement

1. INTRODUCTION

Various athletic brands hold brand community as a tool for building customer engagement to create and sustain emotional connections between the customers and the brand [1]. Especially in North America, where customers are used to taking the product as a symbol to claim their own lifestyle and care more about the brand manifesto, diverse brand community events as customer engagement, defined as the intensity of an individual’s participation in organizational activities, are developed to maintain customer loyalty from competitors [2]. Compare to customers from other countries, customers in North America are supposed to hold higher participating willingness to brand community events because of the common sense establishment of considering events as a component of consuming service and a space for social activity. This makes athletic brand highlights the value of customer engagement of the brand community in the North America market to attract potential customers and employs brand ambassadors strategically to set brand image and foster customer engagement as an individual’s life habit. As a brand featured by its brand community culture, Lululemon shows a successful strategy setting in this area.

Lululemon Athletica is a popular athletic apparel brand founded in 1998, Vancouver, particularly featured in yoga-inspired apparel and accessories. They advocate a brand image of a healthy lifestyle and create “living the sweatlife” as their core business mindset, which ignites a community of people through sweat, grows and connection, with middle-class women as their main customer group and members of the brand community. As recorded, till the end of 2020, lululemon operated 521 stores in 17 countries across the globe, not only for
selling products but also as a meeting place for customer engagement, which gives them a direct connection to customer’s needs and feedback [3]. Calvin McDonald, lululemon’s chief executive officer, indicates that they believe offline flagship store as a meeting place for offline brand community, is a valuable tool to build brand awareness of healthy lifestyle and maintain customer loyalty from its competitors [3]. For lululemon, they take the brand community as a tool to increase brand-customer engagement and develop customer loyalty. Differs from an athletic brand like Nike’s designing Nike by you event, allowing their loyal customers to design their own pair of Nike sneakers, lululemon builds their offline brand community for free yoga training, facing both their premium customers and customers to design their own pair of Nike sneakers, lululemon builds their offline brand community for free yoga training, facing both their premium customers and customers interested in the brand. Each year lululemon host above 4,000 events worldwide, including their annual 2-day Sweatlife Festival, free yoga classes, weekly held inspiring talks at their stores, and so on [4]. Through this strategy, lululemon emphasized the brand image of a healthy lifestyle instead of a fashion icon [5].

Thus, this result indicates that the customer engagement of lululemon’s offline brand community has a positive and intensive correlation with the success of their brand community strategy. Besides, lululemon has an ambassador program with more than 2000 localized athletes and leaders in fitness, nutrition, and business [4]. Instead of inviting athletic celebrities like Cristiano Ronaldo (who represents the brand ambassador of Nike) as the brand ambassador, lululemon uses a voluntarily introduced system to encourage their loyal customers. The latter approve their brand image and live a healthy lifestyle which fits their brand manifesto to become their brand ambassadors. In addition, they hire local yoga teachers, whose character is supposed to deliver more feeling of trust in the scene of training, as their brand ambassadors to teach the class in their brand community, as an important component of their brand community strategy. Trust is important because it acts as a relational governance mechanism assuring partner reciprocity [6].

Amounts of researches study the customer engagement strategy of lululemon and how trust affects social media brand community establishment, which emphasizes the value of analysis on the relationship between trust and the customer engagement of lululemon’s brand community. While most researchers focus on the impacts of trust on online social media content, studies about effects on an offline brand community still meet a gap. Therefore, the research will contribute to the research gap of offline brand community and explore the effect of lululemon’s ambassador’s trust on its offline brand community's customer engagement. Because of the outbreak of COVID19 and the self-isolation policy, customer engagement of lululemon’s offline brand community met an impressive stagnation. Study on their customer engagement during the pandemic would be period-biased and lose the meaning of generalization and accessibility. Before the pandemic, the brand community engagement situation would be taken as the research background, with lululemon’s main market, North America market as the sample. In brief, the key question of the research is: how would brand ambassador’s trust reflects on customer engagement of its offline brand community?, taking the customer engagement of their brand community in the North America Market before the outbreak of COVID19 as the research background. lululemon's customers who engage in its brand community activities in North America would be taken as the research subject.

It is conjectured that a positive relation between lululemon’s ambassador’s trust and customer engagement of their brand community would be argued. To examine the conjecture, the research would first go through a literature review to introduce the background of theories. In the methodology part, a survey targeted research subject would be used to analyze the linear correlation between trust as an independent variable and customer engagement of brand community as the dependent variable to test the relationship. The discussion part would be focused on the following questions: a) What does the respondent results indicate, b) How is the result presented in lululemon’s issue, particularly how they decide the image of their brand ambassadors and how the brand ambassador’s trust affect customer engagement of the brand community and c) the limitation of the research.

2. LITERATURE REVIEW

2.1 Brand ambassador

Brand ambassadors are partners of the brand and an extension of the brand and an inspiration for guests. Nowadays, it is common for brands to choose brand ambassadors that match their brand image, and many brands are aware of the brand value and commercial benefits that brand ambassadors can bring. In an article published in 2012, Pamela highlighted the importance of brand ambassadors in spreading brand culture and building a psychological connection with consumers [7]. But Louie and Ozbirmer discovered the difficulties of choosing the right brand ambassador back in 2002 and demonstrated the potential risks to brands of choosing the inappropriate ambassador [8]. As a result, many brands have their own criteria for choosing ambassadors.

2.2 Trust

Where trust can be used, exchanges between people are much more efficient. The establishment of trust has helped many transactions to be completed without the use of formal contracts while at the same time reducing
the need for the truster to regulate the trust. Thus, trust plays an important role in interpersonal relationships. Kramer et al., in their 1998 study, argued that trust is a state of mind that relies on the trusted person even when one is aware that the other person's behaviour may cause one harm [9]. Many trust experts share this statement. It also laid the foundation stone for subsequent scholarly research on trust. Apart from this feature, scholars diverge on other characteristics of trust. Hill and O'Hara in 2006 mentioned that many scholars view trust from a behavioural perspective, and it is undeniable that trust does have behavioural implications [10]. Trust largely influences people's choice of partners and the degree to which they pay attention to partners. However, some scholars prefer to understand trust from a cognitive perspective, and Russell Hardin in 2002 supports this claim and argues that knowledge, beliefs, etc., can be used to assess trust [11]. In Good's view in 2000, trust is predicted by the truster of the trustee's behaviour, which the truster firmly believes. Good believes that because the truster shares the trustee's values, the trustee will consider the trusters' welfare into behaviour and decisions and will behave in the way the truster expects [12]. The research conducted by Dunn in 2000 tends to believe that a person will assess trust in terms of internal criteria such as honesty, competence, reliability, and loyalty [13].

Scholars in studies related to trust have also uncovered the values associated with trust. Firstly, trust can facilitate cooperation between parties. Many scholars generally agree that trust is voluntary and purposeful and that the purpose of the trust is to maintain good cooperation for the benefit of both parties; whether or not people trust each other may determine how they behave when they perceive that the behaviour of others may be detrimental to their own interests or when they face greater risk in making decisions. Empirical research by Morgan and Hunt in 1994 showed that trust could facilitate cooperation between parties to a transaction [14]. Secondly, trust can reduce transaction costs. In the fields of sociology, organisational behaviour, and marketing, there is much literature on how trust can reduce transaction costs. In low trust societies, transaction costs are high due to the need for cumbersome contracts, monitoring, and legal instruments to ensure that exchanges take place properly; in contrast, in high trust societies, perceived risk is low, and the need for control mechanisms is reduced, effectively reducing transaction costs. Thirdly, trust can influence marketing effectiveness. In 2000, Singh and Sirdeshmukh argued that trust brings relational benefits to customers and thus positively impacts customer satisfaction [15]. 1998, Bowen and Shoemaker further argued that customers are willing to give positive word-of-mouth to companies they trust and will buy services from these companies again in the future [16].

The generation of trust in people's daily lives can be summarised as risk aversion and uncertainty reduction. Barbalet argued in 2009 that trust becomes particularly important in situations where there is uncertainty about the future [17]. Whereas people often feel anxious and uneasy when attempting to approach or enter a field of great uncertainty, the emergence of trust, particularly in someone with relevant expertise, reduces anxiety and unease and allows individuals to approach uncertainty without certain knowledge. Individual partial knowledge, provisional assessments of probable events and assumptions can all be seen as measures people may take in an uncertain environment. Still, because of the mismatch between forms of knowledge and the challenge of expertise to the public, people tend to trust those with expertise and thus avoid most risks. For example, many companies hire university professors or researchers as consultants, and Camporesi et al., in their 2017 study, confirmed the link between risk aversion and trust and highlighted the role of expertise as a mediator [18].

2.3 Customer engagement

The concept of engagement emerged in the field of marketing in 2009, after being introduced by academics in the fields of organisational behaviour and psychology. Depending on the definition of engagement in different fields, engagement can be understood in three main dimensions. The first is the behavioural perspective, proposed by Doorn et al. in 2010, which refers to the behavioural interaction between a consumer and a company or brand [19]. This concept is mentioned and recognised in Jaakkola and Alexander's study in 2014 [20]. In addition, Bordie et al. add a psychological understanding of engagement in their 2011 study, where they argue that behaviour and psychology occur together during consumer-brand interactions [21]. He states that engagement is "a state of mind that emerges in a focal service relationship by virtue of an interactive, co-created customer experience with the focal brand." The psychological state of the consumer during engagement is a multidimensional construct consisting of cognitive and emotional dimensions. Bowden, in 2009 considered the inclusion of psychological processes in consumer engagement into the concept, by referring to the psychological processes of consumers in engagement, it is possible to demonstrate the mechanisms at work for new consumers to generate brand loyalty and for existing customers to maintain brand loyalty [22]. Overall, considering engagement as a multidimensional structure is one of the most widely accepted doctrines by scholars. This study will also follow the cognitive, emotional, and behavioural dimensions to understand the psychological state of consumers during their interactions with brand ambassadors.
2.4 Trust and Consumer Engagement

Consumer engagement can be analysed from two perspectives, a sense of meaningfulness and a sense of safety. This term was coined by Kahn in 1990, who argued that enhancing consumers' sense of meaningfulness and safety during interactions can enhance engagement cognitively, emotionally, and behaviourally [23]. Lee and Ok in 2015 noted that a sense of meaningfulness refers to the feeling that participants are valued and rewarded for their efforts in the process [24]. While Rich et al. in 2010 stated that a sense of safety emerges when consumers are in a non-threatening and predictable environment [25]. Gefen et al. in 2003 elaborated that the presence of trust leads consumers to believe that the trusted person is ethical and, therefore, the trusted person's behaviour is based on ethical and appropriate social manner [26]. Thus, when trust is established between members and ambassadors, members tend to believe that their effort will be perceived, valued by the ambassador, and even rewarded. Under these conditions, the demand for members to be needed and rewarded increases. Chan et al. 2014 discuss the importance of feeling needed and rewarded increases. Chan et al. 2002 refer to uncertainty and risk caused by information asymmetry [28]. Thus, the knowledge of the trusted person can help the trustor to reduce uncertainty and risk. Trust can help trustees increase their security by reducing uncertainty and risk when they are exposed to unfamiliar territory in a brand community. We can hypothesize that: brand community members' trust in ambassadors positively affects customer engagement.

3. METHODOLOGY

3.1 Research Design

The research tends to use the survey as a data collection method, taking lululemon’s customers in the North America Market. They attend their brand community events before the outbreak of COVID19, as a sample. One hundred respondent results as a basic sample quantity are expected to be received for the research data. According to previous research, a 20% loss of unusable data needs to be taken into account. Using quantitative analysis is supposed to make the result more objective and improve the reference value of the research.

3.2 Data Collection

To reach available data indicating the relation between ambassador’s trust and the brand community’s customer engagement, a 24-question investigation is designed. The investigation comprises four parts: 1) Basic Information, 2) Ambassador, 3) Trust and 4) Customer Engagement. The basic information part is intended to position the customer group who prefer to attend lululemon’s brand community. As the second part, “Ambassador” is going to examine customers’ understanding of brand ambassador to figure out what message could the brand deliver to their customers through the image of their brand ambassador, so that question like “what values do you see in brand ambassador” would be included. In the last two parts, the role of ambassador’s trust plays in the process of brand community engagement, and the results of changing in customer engagement would be tested to figure out the relation between ambassador’s trust as factor x and customer engagement of brand community as factor y. Besides, the model of separating impacts on customer engagement into emotional, behavioral, and cognitive engagement would be applied to make the impacts on customer engagement more specific. Data regression would be used as the data analysing tool to build a relation between trust as an independent variable and customer engagement of lululemon’s brand community as the dependent variable.

A total of 105 responses were received from respondents who had purchased Lululemon products and had participated in Lululemon brand community activities. 57.1% of the 105 respondents were female, while 42.9% were male. 42.9% of the respondents were aged 18-25, 28.6% were aged 26-30, 10.5% were aged 31-40 and 15.2% were aged 41-50. The remaining proportion of respondents was greater than 51 years old. In terms of income level, the largest proportion of respondents earned between 2001-3500$ per month, followed by 36.2% and 33.3% of respondents earning 501-2000$ per month, respectively. Out of the 105 responses, 93.9% of the respondents exercise regularly.

4. RESULT

Based on the 105 valid responses collected, regression analysis was used to determine the quantitative interdependence of the multiple variables (see Table 1,2,3).
According to Table 1, where Multiple R represents the correlation between two variables, generally between -1 and 1. The closer the value of Multiple R is to -1, the higher the negative correlation is, and vice versa. R square is the square of multiple R, usually between 0 and 1, and the larger the value, the better the fit of the regression model to the actual data. The R square in Table 1 is 0.63118503, greater than 50%, indicating a good fit between the data and the model.

Table 3 is a table of regression parameters, and the p-value helps to prove the existence of a relationship between characteristics, trust, emotion, behaviour, cognitive, and engagement level. The p-value of each independent variable can be used to test the null hypothesis that the variable is not correlated with the dependent variable. No correlation means that there is no association between the two variables. When the p-value is less than the significance level, it indicates that the null hypothesis is rejected. In comparison, a p-value larger than the significance level indicates that the null hypothesis is accepted. Based on the p-value of each variable in Table 1, it can be concluded that the p-value of behavior and cognitive are greater than the significance level, and the null hypothesis is accepted. The null hypothesis is rejected because the p-value of characteristic, trust, and emotion is less than 0.05. Therefore, only the relationship between characteristic, trust, emotion, and y can be proved significant. The coefficients in the first column correspond to the regression coefficients of the model. The coefficient can be used to test the strength of the linear relationship.
between the independent and dependent variables, with larger values representing a stronger linear relationship. In Table 1, only the coefficients of characteristic and trust are greater than 0, and the coefficients of emotion are negative, thus indicating that the relationship between the two variables is negatively correlated under this data collection. The coefficient of Trust is 1.6667, which has the strongest linear correlation with engagement level. This is followed by characteristics.

5. DISCUSSION

This study offers two contributions to studying the effect of brand ambassador’s trust on customer engagement. First, it provides conceptual insights into how customer understands the role of brand ambassador and what factors decide ambassador’s trust, as the basis of building relationships between brand ambassador and customer. Data collected by the survey reveals that 33% of respondents consider spreading the brand culture as the value of brand ambassador and 27.4% of respondents consider representing the brand image as the value. Ability and personality are taken as two major factors when these respondents decide to trust, which indicates that brand ambassador is not only an image of beauty to exhibit products, but also a representative closely associated with the brand culture and manifesto. This illustrates that recent customers tend to care more about what the brand of the product stands for rather than the product itself, more about the ability rather than enjoyable visibility, indicating the significance of the characteristics of a brand ambassador. Second, the result of the research approves the hypothesis that ambassador’s trust is supposed to have a positive relationship with customer engagement. This result fits the theory that CE is an establishment of an emotional connection between the brand and customers [2], assuming that an ambassador’s trust could effectively strengthen the connection and be a crucial factor influencing the increase of customer engagement.

To apply the result of these studies on lululemon’s brand community issue, lululemon takes professional training ability and sense of appetency as two factors to position the identity of their brand ambassador, and employs local yoga trainers as their brand ambassador to engage in the events of their brand community. With these two factors related to trust according to the contribution of the survey, lululemon can build strong emotional connections between the brand ambassador, as the representative of the brand image, and customers. Through the ambassador’s trust, taking brand community events is transferred into engaging interactions with the brand ambassador as a specific individual with emotional contact, making brand community events an individual’s daily habit instead of consumer behavior and increasing customer engagement of the brand community.

This study found that trust had a positive impact on consumer engagement and that the characteristics of brand ambassadors had a significant impact on consumer engagement. It was concluded that consumers' trust in brand ambassadors led to an increase in their engagement, measured in terms of the number of times they engaged with the campaign. This study reaffirms the relationship between trust and engagement confirmed by Liu et al. in 2018 [29]. However, in contrast to previous studies, the important influence of security and meaningfulness in relation to customers on customer engagement, as discussed by Kahn et al. in 1990, was not represented in this study [23]. Although feelings of security and meaning are present in trusting relationships, the current study did not consider either's impact on client engagement in the questionnaire design. Secondly, Kahn et al., in their 1990 study, used cognition, emotion, and behavior as three aspects of measuring consumer engagement. Still, this study used these three variables as independent variables to observe the relationship with the level of engagement [23]. And the relationship between emotion and engagement was found to be negative. Although studies by Barbalet in 2009 and Camprosei et al. in 2017 illustrate trust arising in situations of uncertainty and risk avoidance as a way of theoretically demonstrating that ambassadorial characteristics lead to the existence of trust [17, 18]. This study, however, confirms the impact between characteristics and trust separately and does not explore the relationship between characteristics and consumer engagement by using trust as a moderator.

6. CONCLUSION

This study examines the level of customer engagement with Lululemon brand ambassadors in Canada in the context of the widespread use of the brand ambassador concept. To explore which factors associated with brand ambassadors influence the level of customer engagement, this article conducts a literature review on three aspects of brand ambassadors, trust, and customer engagement, to draw out the important relationship between trust and customer engagement from previous research. The quantitative study collected questionnaire responses and regression analysis concluded that brand ambassador characteristics and trust in brand ambassadors significantly impact customer engagement, with trust having a stronger impact on customer engagement. By summarizing the theory and analyzing the data, we conclude that customer trust in brand ambassadors is key to the ability of Lululemon's brand community to be an important customer engagement strategy for the brand. The result is supposed to reveal the relation
between ambassador’s trust and customer engagement, providing a new view for companies to set the identity or the image of brand ambassador and target customer engagement. So that companies could include ambassador’s trust into consideration when deciding a customer engagement strategy. Besides, the result verifies the original assumption of the research to prove that there is a positive relationship between brand ambassador’s trust and customer engagement of the offline community. It is considered to compensate the research gap of offline community’s reflection to trust and brand ambassador.

However, since this study mainly focuses on lululemon’s brand ambassador and customer engagement of their brand community, taking lululemon’s customers who attend their brand community events before as the subject of the survey, the research meets limitations in the generality of application. The contribution of lululemon’s customer group characteristics of middle-class, well-educated women on customer engagement is ignored during the research. Besides, during the design of the survey, scale question meets a lack of attention, and point system is used to research the linear correlation between ambassador’s trust as an independent variable and customer engagement as the dependent variable. Future study on the effects of ambassador’s trust on different customer groups is expected.

REFERENCES


