



Research on Self-identity and Consumer Behavior of Generation Z women: a CRM Perspective Based on the Lululemon Case

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Abstract. As Generation Z emerges as the largest and most influential consumer demographic globally, understanding the intersection of their self-identity construction and consumption behavior has become critical for brand strategy. This study examines how Lululemon, a Canadian premium sportswear brand, leverages Customer Relationship Management (CRM) strategies to meet the evolving needs of Generation Z female consumers. Drawing on Social Identity Theory, Self-Determination Theory, and Maslow's Hierarchy of Needs, the paper analyzes how Generation Z women's pursuit of self-identity — driven by community belonging and intrinsic motivation — shapes their consumption patterns in a progressive manner, from basic functional needs to higher-order self-actualization needs. Through a case analysis of Lululemon, this study explores the brand's multidimensional CRM approach, encompassing market segmentation, service culture, loyalty programs, data-driven personalization, and community-centered operations. The findings reveal that Lululemon's success lies in its ability to transcend traditional product-function marketing by transforming sportswear into a cultural symbol of independence, health, and female empowerment, thereby achieving deep emotional resonance with Generation Z women. The study further examines how Generation Z female consumers' feedback has prompted brand adjustments in product innovation, value communication, and digital experience optimization. This research contributes to the understanding of identity-driven consumption in the digital era and offers practical implications for brands seeking to build sustainable customer relationships with Generation Z women through values-based CRM strategies.

Keywords: Generation Z women; self-identity; consumer behavior; Customer Relationship Management (CRM); Lululemon; brand loyalty; community marketing; Maslow's Hierarchy of Needs

1 Introduction

1.1 Research Background

In the 21st century, CRM has become an essential tool for enhancing market competitiveness. Generation Z currently accounts for 25% of the global population and is expected to become the largest and wealthiest generation in history (Businesswire, 2024). As "digital natives," Generation Z consumers advocate "self-pleasing," pursue quality-price ratio, and value unique experiences, requiring brands to adapt their CRM strategies accordingly.

Notably, as figure 1, Generation Z women are reshaping the consumer landscape with unique value propositions. They deconstruct traditional gender roles through "self-comfortable consumption," viewing consumption as a medium of self-expression rather than mere family purchasing decisions (Jones Lang LaSalle, 2024). Data show that the average annual growth rate of Chinese Generation Z women in beauty, sports, and personal growth consumption is 18.7%, confirming the transition from functional needs to emotional value demands (Pilot Study, 2024).

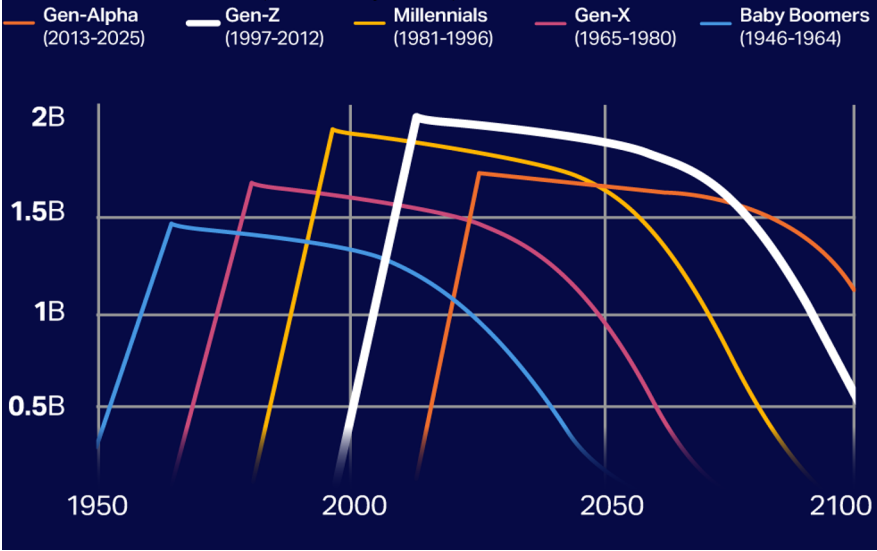


Fig. 1. Generation Differences

1.2 Research Objectives

Under the trend of feminism, Generation Z women increasingly pursue self-identity, thus influencing their consumption behavior — particularly in sports apparel. More than 60% of Generation Z women in 2022 have exercise habits (Mob Institute, 2022), representing a huge potential consumer group. This paper explores how Lululemon,

through CRM strategies, has transformed sportswear from a functional product into a symbolic carrier of "self-disciplined lifestyle" and "healthy aesthetic standards."

1.3 Brand Selection: Lululemon

Since entering the Chinese market in 2016, Lululemon's stores have surged from 8 to 177, with Generation Z women accounting for 67% of its core customer base (Farsighted Think Tank, 2022). Through its "yoga community operation + lifestyle narrative" dual-track strategy, Lululemon transforms products into cultural symbols for women highlighting "independence, confidence, and sense of control." Its Align series yoga pants have become "social currency" in gyms and triggered viral UGC content on platforms like Rednote and TikTok.

1.4 Research Question

How does Lululemon meet the needs of Generation Z female consumers through CRM strategy?

2 Correlation Analysis of Generation Z Women's Self-Identity Construction and Consumption Behavior

2.1 Integrated Drivers of Self-Identity Construction

Community Belonging Drive. Social identity theory explains the community mechanism of CRM: once basic functional needs are satisfied, Generation Z women use brand communities to classify themselves and others, turning participation in classes, ambassador circles, or Rednote discussions into a visible identity signal. This mechanism corresponds mainly to Maslow's belonging and esteem levels. CRM activities that create repeated peer interaction, shared symbols, and brand rituals strengthen in-group recognition, so loyalty is anchored not only in product utility but also in the social meaning of being a Lululemon user (Tajfel & Turner, 1979; Yuning, 2023).

Intrinsic Motivation Drive. Self-determination theory explains why loyalty persists after entry into the community. When CRM tools allow consumers to choose activities, monitor progress, receive personalized encouragement, and feel supported by peers, they satisfy autonomy, competence, and relatedness. These mechanisms correspond to Maslow's esteem and self-actualization levels: the brand becomes a partner in self-improvement rather than only a seller of apparel. Thus, community belonging may trigger identification, but intrinsic motivation sustains continued participation, repurchase, and advocacy (Deci & Ryan, 2000; Zhu Jianhui et al., 2023).

2.2 Consumption Behavior Characteristics Based on Maslow's Hierarchy of Needs

Physiological Needs: Generation Z women first prioritize basic product functionality and comfort. In the post-epidemic era, fashion based on sports and leisure has become mainstream, with yoga pants appearing as fashionable urban wear across global cities (Sisi, 2022).

Social Needs: The element of "identity labels" permeates Generation Z life. On platforms like Rednote, style labels such as "old money style" and "American high school style" help Generation Z women gain belonging and social capital, while invisibly linking to brand images — "American high school style" immediately evokes Lululemon.

Esteem and Self-Actualization Needs: Generation Z women choose brands conveying positive values that express their self-identity. Lululemon communicates values of "health, independence, and diversity" through brand stories, becoming an important medium for self-expression. When brand values align with customer values, loyalty is consolidated.

Taken together, the three theories explain a sequential CRM logic. Maslow identifies the order of needs addressed by the brand; social identity theory explains how community-based touchpoints convert belonging into symbolic attachment; and self-determination theory explains how personalized participation converts attachment into internally motivated persistence. In other words, community belonging answers "who I am with," intrinsic motivation answers "why I continue," and the hierarchy of needs explains why these mechanisms become decisive only after product comfort and service quality are secured. Lululemon's loyalty among Generation Z women therefore emerges from a layered process of functional satisfaction, group affiliation, and self-development rather than from discounts alone (Maslow, 1943; Tajfel & Turner, 1979; Deci & Ryan, 2000).

2.3 Lululemon Brand Identity Fit

Brand Positioning. Founded in 1998, Lululemon initially focused on women's yoga pants, using patented fabric technology to solve comfort problems. Its core customer base has expanded from high-income women aged 25–35 to the male market (25% by 2023) and emerging Asian markets, with China's revenue share growing from 7% in 2021 to 10% in 2023 (Hao, 2025).

Market Segmentation. Lululemon segments from four perspectives: demographic (18–49 age group, 63% women), geographic (North America as base, Europe expanding, Asia-Pacific emerging), behavioral (usage frequency, loyalty cultivation, benefits sought, occasion-based marketing), and psychographic (health/wellness values, active lifestyles, mindfulness) (Pereira, 2024; Hiebert, 2019).

Three-Dimensional Brand Value Delivery. In the product dimension, Lululemon creates series for different life scenes, connecting functionality with fashion and prioritiz-

ing user needs in design (Easterling, 2019). In the spatial dimension, it creates seamless online-merge-offline experiences combining convenient digital shopping with in-store yoga classes and fitness activities (PPBlessing, 2024). In the cultural dimension, programs like "Sweat Collective" and community-based marketing transform the brand from a commercial symbol to a lifestyle symbol.

3 Lululemon's CRM Strategies

3.1 Market Segmentation

Demographic Segmentation: Lululemon anchors on "high-income urban women" aged 25–45 with annual income above \$80,000. The "On the Move" collection serves professional women, while the Lab series uses limited release at 30%–50% premium pricing for high-net-worth customers (Li Wanting, 2022; Wang Fulin & Zeng Yanling, 2023).

Behavioral Segmentation: Lululemon combines RFM, as figure 2, logic with community participation signals to distinguish high-value loyal users, price-sensitive customers, potential churners, and low-frequency adopters. High-value members receive early access and community privileges; price-sensitive segments respond to time-limited offers; and churn-risk users are reactivated through win-back communication. Secondary trade sources further suggest that a relatively small group of highly engaged users accounts for a disproportionate share of online word-of-mouth, but the frequently quoted claim that "20% of core users each influence over 500 potential customers" is not accompanied by a transparent sampling frame or platform-specific methodology (Chen, 2023; Sun Fengguo & Feng Jialong, 2024). For this reason, the present study treats the number as an illustrative industry estimate rather than a verified metric for the Chinese market. What can be stated more cautiously is that Lululemon's CRM seeks to convert heavy users into advocacy nodes that amplify eWOM and community visibility.

Geographic Segmentation: In North America, stores function as social centers with free showers and fitness classrooms. Climate-responsive products include graphene-heated "Thermal Tech" collections for Northern Europe and UPF50+ fabrics for the Middle East. The CRM system automatically adjusts regional inventory based on real-time climate data.

Psychographic Segmentation: Lululemon builds its "invisible moat" through value marketing, integrating meditation podcasts, nutrition programs, and sustainability initiatives within its APP. Exercise data from platforms like Strava can be redeemed for brand points, forming a "healthy behavior – reward – emotional bonding" enhancement loop.

3.2 Service Culture

Lululemon's service culture operates through employee empowerment (front-line staff authorized for immediate decisions like free repairs or class vouchers), comprehensive training ("Straight A's" program), and community operations (free yoga classes, "Sweat

Life" philosophy). The CRM system integrates omnichannel feedback in real time, while monthly "community roundtables" invite customer participation in product improvement. An incentive system — where customer-nominated employees receive additional time off — creates a two-way reinforcement loop of internal recognition and external loyalty.

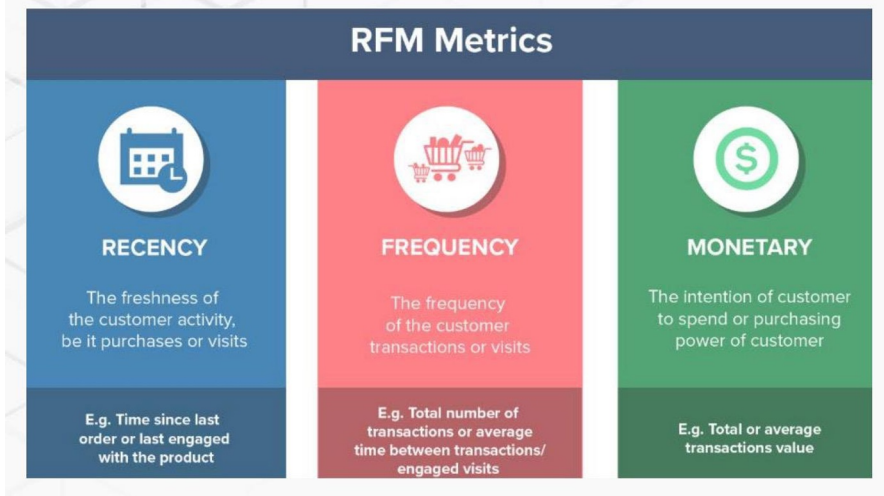


Fig. 2. RFM Metrics

3.3 CRM System

Lululemon's CRM operates through five processes: strategic development, value creation, multi-channel integration, information management, and performance evaluation. The system integrates omni-channel data for customer stratification through RFM logic, with particular attention to a relatively small group of high-value users who disproportionately affect revenue, repurchase, and advocacy.

For value creation, the Sweat Collective membership program uses points rewards and CLV predictive models to drive cross-selling. Multi-channel integration is exemplified by the "Hot Sweat Community" events — Lululemon's largest global operational investment — which are purely experiential with no product sales, subtly influencing participants through deep brand engagement (Chen, 2023). Performance evaluation monitors marketing ROI in real time through A/B testing and dynamic inventory adjustment.

3.4 Loyalty Program

Lululemon's loyalty program operates across four CRM dimensions: operational CRM (member points, omni-channel data integration), relational CRM (offline classes, #TheSweatLife user co-creation), technology-based CRM (mobile data synchronization, seamless returns), and analytical CRM (customer stratification, churn warning mecha-

nisms). Trust is built through transparent communication, environmental initiatives like the "Like New" second-hand platform, and surprise benefits including birthday gifts and free dry cleaning, ultimately transforming customers into brand co-creators.

3.5 Data Warehouse and Customer Data Development

Lululemon partnered with Agilone to build a CRM system connecting online and of-line data from store POS, web access, email, customer service, and third-party platforms. In the Chinese market, the brand's privacy policy also indicates the collection of account information, browsing and search records, purchase and return records, customer-service communications, and location data when users register for nearby community activities or search for stores (Lululemon China, 2025). Such integration enables a unified view of the customer journey, but it also means that CRM performance and privacy governance are inseparable.

Accordingly, the reported use of hundreds of user-portrait variables and AI-predicted offers should be interpreted conditionally rather than celebrated uncritically. Chinese evidence as figure 3 shows that perceived information privacy infringement weakens the positive effect of AI-personalized recommendations on immersive experience and technology acceptance, while recurring privacy controversies increase Generation Z users' privacy concerns (Yin et al., 2025; Zhang & Yuan, 2024). For Generation Z women, this tension is especially salient because fitness, body-related consumption, and community location data can easily be interpreted as intimate information. Under China's Personal Information Protection Law (PIPL), personal-information processing should follow legality, necessity, purpose limitation, transparency, and data minimization. Therefore, intensive CRM contributes to loyalty only when it is accompanied by clear consent, first-party data priority, explainable personalization, user access and deletion rights, and easy opt-out. Otherwise, the same analytics capability may be perceived as digital surveillance and undermine trust (PIPL, 2021; Lululemon China, 2025).



Fig. 3. Customer Centricity

4 Feedback and Brand Adjustments from Generation Z Women

4.1 User Evaluation

Lululemon's products are favored for comfortable fabrics, close-fitting shapes, and design details — the Nulu yoga pants offer a butter-like soft touch with invisible pockets (Ming, 2023). However, some products like Breezethrough yoga pants faced criticism for design issues. Despite this, Generation Z women strongly identify with the brand's "Super Girl" image and lifestyle philosophy.

On social media, consumers focus on product selling points, usage scenes, and star products. Brand events and KOL collaborations generate significant discussion. Generation Z women share wearing experiences emphasizing fashion and personalization while showing strong interest in the brand's culture and values.

4.2 Brand Adjustment

Based on Generation Z feedback, Lululemon has optimized its CRM strategy in several ways. The brand strengthened value transmission through campaigns like "Wear Align to Invest" on Tmall Super Brand Day, satisfying emotional resonance needs (Zhan H, 2009). Product categories expanded to include walking series for urban outdoor enthusiasts, with cross-category innovation through "touch science" design concepts.

Community operations were enhanced through offline activities (yoga classes, product fittings) and responsive social media engagement. Online platform user experience was optimized with improved APP usability and faster customer service response, addressing Generation Z women's high digital expectations.

5 Summary and Outlook

5.1 Research Summary

Generation Z women construct self-identity through consumption, but this process is not purely symbolic. In the Lululemon case, loyalty forms through a layered mechanism: functional product and service quality meet lower-level needs; community participation supplies belonging and esteem; and personalized, growth-oriented CRM supports autonomy, competence, and relatedness, thereby encouraging self-actualization. In this sense, Lululemon's CRM turns sportswear consumption into a recurring ceremony of identity confirmation and self-development.

5.2 Success Factors

Lululemon's CRM success rests on five interlocking pillars: accurate customer positioning targeting Generation Z women with growing consumption power; personalized service through offline experiences (yoga classes, running clubs) and online community

interaction; omni-channel integration enabling seamless online-offline shopping; brand value resonance - advocating healthy lifestyles and uncovering women's power through design, narratives, and community operations; and trust-preserving data governance, which keeps personalization within a transparent and user-controllable boundary.

5.3 Future CRM Development Directions

Future CRM development should focus on technology-driven intelligent services, deeper community co-creation, and cross-channel experience optimization, but these advances should be governed by privacy by design. For Generation Z women, effective personalization is not unlimited data extraction; it is a negotiated value exchange. Brands should separate essential from optional data, obtain explicit opt-in for location- or body-related data, provide preference dashboards and easy withdrawal of consent, rely on anonymized or aggregated modeling where possible, and communicate why a recommendation or offer was generated. In the Chinese market, compliance with the PIPL is therefore not merely a legal obligation but also a loyalty mechanism, because transparent data governance converts precision marketing from surveillance into trusted service.

5.4 Research Significance and Limitations

In the dual context of consumerism and feminism, the Lululemon case shows that future CRM is not only about technical optimization but about coordinating values, communities, motivation, and trust. Brands must respond to Generation Z women with flexibility and authenticity, turning customers into brand co-creators and cultural communicators while ensuring that data-enabled service remains transparent enough to be experienced as care rather than surveillance.

This study nevertheless has limitations. It relies mainly on secondary literature, industry commentary, and public brand materials, so several operational indicators - such as the breadth of user-portrait variables or social-media diffusion effects - cannot be independently audited. Future research should combine proprietary analytics, social-media network data, and interviews or surveys with Chinese Generation Z women to test the causal links proposed here more directly.

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