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Enhancing Customer Experience through Generative AI: A Strategic Case Study of Alo Yoga

Unit title: Advanced Marketing Strategy (FU010148)

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Word count: 3025

EXECUTIVE SUMMARY

This report focuses on Alo Yoga, a premium athleisure brand, and explores how Generative AI technology can enhance its customer experience and brand competitiveness. Alo Yoga is at a critical stage in its transformation from a 'digital content platform' to a 'smart lifestyle partner', as consumers' demand for personalised service, emotional value, and consistent experiences across platforms intensifies in the context of the growing global trend towards digital healthy lifestyles. Alo Yoga is now at a critical stage of transformation from a 'digital content platform' to a 'smart life partner'.

Through PESTLE macro-environment analysis and competitive comparative study, the report points out that although Alo Yoga has made initial progress in virtual shops, Alo Moves platform and XR content, there is still a strategic gap in the systematic deployment of AI technology and integration of customer journeys. As a result, this report makes a core strategic recommendation: to build a generative AI-based customer experience upgrading system, categorised into the following three major application scenarios:

1. Alo Moves personalised fitness and dressing recommendation system: combining the user's physical state, emotional needs and shopping data, it intelligently generates adapted courses and clothing matches to achieve both emotional and physical satisfaction.
2. Virtual AI styling consultant system: Users can upload scenes or images to get personalised dressing suggestions and style lookbooks, increasing shopping conversion rates and social sharing behaviours.
3. AI network-linked shop recommendation system: by integrating users' online behavioural data and offline interactive touchpoints, personalized recommendation content is generated to optimize shop experience paths and product display strategies.

The strategy is based on the theory of Customer Experience Management (CXM), combined with the Technology Acceptance Model (TAM) and Elements of Value model for on-the-ground evaluation, to ensure that the application of technology is not only feasible, but also responds to the deep value needs of users.

In summary, through the integration of generative AI in multiple scenarios, Alo Yoga is expected to reshape its customer experience ecosystem, consolidate the dual advantages of 'High Perceived Value + Intelligent Service', and solidify its leadership in the global digital health and fashion market.

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1.0

COMPANY & MARKET INSIGHT

This report focuses on Alo Yoga's Athletic & Leisure industry, identifying and assessing customer experience pain points and growth opportunities in light of current technology trends. A systematic analysis of the macro-market and competitors resulted in a technology proposal with a strategic fit: a personalised recommendation system based on generative AI to achieve the goal of customer experience and emotional connection.

1.1 COMPANY OVERVIEW

Alo Yoga was founded in 2007 in the United States by Danny Harris and Marco DeGeorge (Alo Yoga, 2025). The brand name 'Alo' is an acronym for 'Air, Land, Ocean', which means to extend the positive concepts of yoga into all aspects of daily life. Alo's mission is to create the world's leading high-performance yoga apparel that promotes a balanced and sustainable lifestyle (Alo Yoga, 2025; Jackson, 2024). To date, the brand has over 130 shops worldwide (McEvoy, 2025).

The brand's core products include highly functional yoga apparel such as sports bras, leggings, and hoodies that are both professional and stylish, and can be worn in a variety of settings from the yoga mat to the street. In addition, Alo has created a complete healthy lifestyle ecosystem, including the Alo Moves digital fitness platform (offering on-demand yoga, meditation and fitness classes), a skincare line and more (Alo Yoga, 2025).

Alo Yoga is a high-end athleisure brand that promotes a 'studio-to-street' lifestyle, emphasising community building to promote positive thinking and enhance the health and quality of life of people around the world (Alo Yoga, 2025; Jackson, 2024). With its recognisable style and lifestyle positioning, Alo has attracted a number of celebrity users including Taylor Swift, Hailey Bieber and Gigi Hadid, and the use of celebrity as part of its influencer marketing strategy has generated significant revenue for Alo (McEvoy, 2025).

Alo Yoga's core target audience is the high-income urban consumer with a healthy lifestyle and a balanced mind and body, especially middle to high-end women between the ages of 25 and 40 who are passionate about yoga, fitness and sustainable fashion (Nemirovsky, 2024). They are often brand-conscious and self-expressive, preferring brands that offer functionality, fashion and emotional value.

BRAND IDENTITY PRISM

PHYSIQUE

High-performance yoga wear, minimalistic design, glossy fabrics, and contour-enhancing tailoring.

PERSONALITY

Calm
mindful
disciplined
an aspirational and fashion-forward personality.

RELATIONSHIP

Builds emotional connection through community support, wellness companionship, and immersive hybrid experiences.

CULTURE

Deeply rooted in Californian mindfulness and sustainability, with values grounded in "Air, Land, Ocean" harmony.

REFLECTION

Urban middle-class women (and increasingly men) pursuing wellness, discipline, and elevated style.

SELF-IMAGE

Users perceive themselves as refined, balanced individuals embodying a mindful and elevated lifestyle.

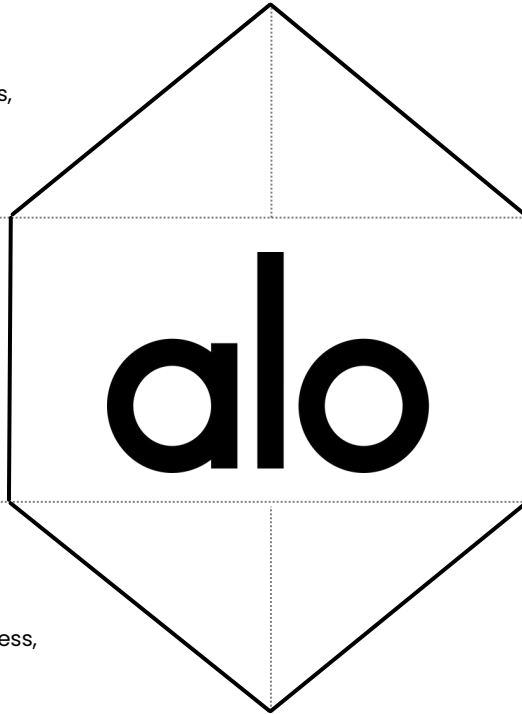
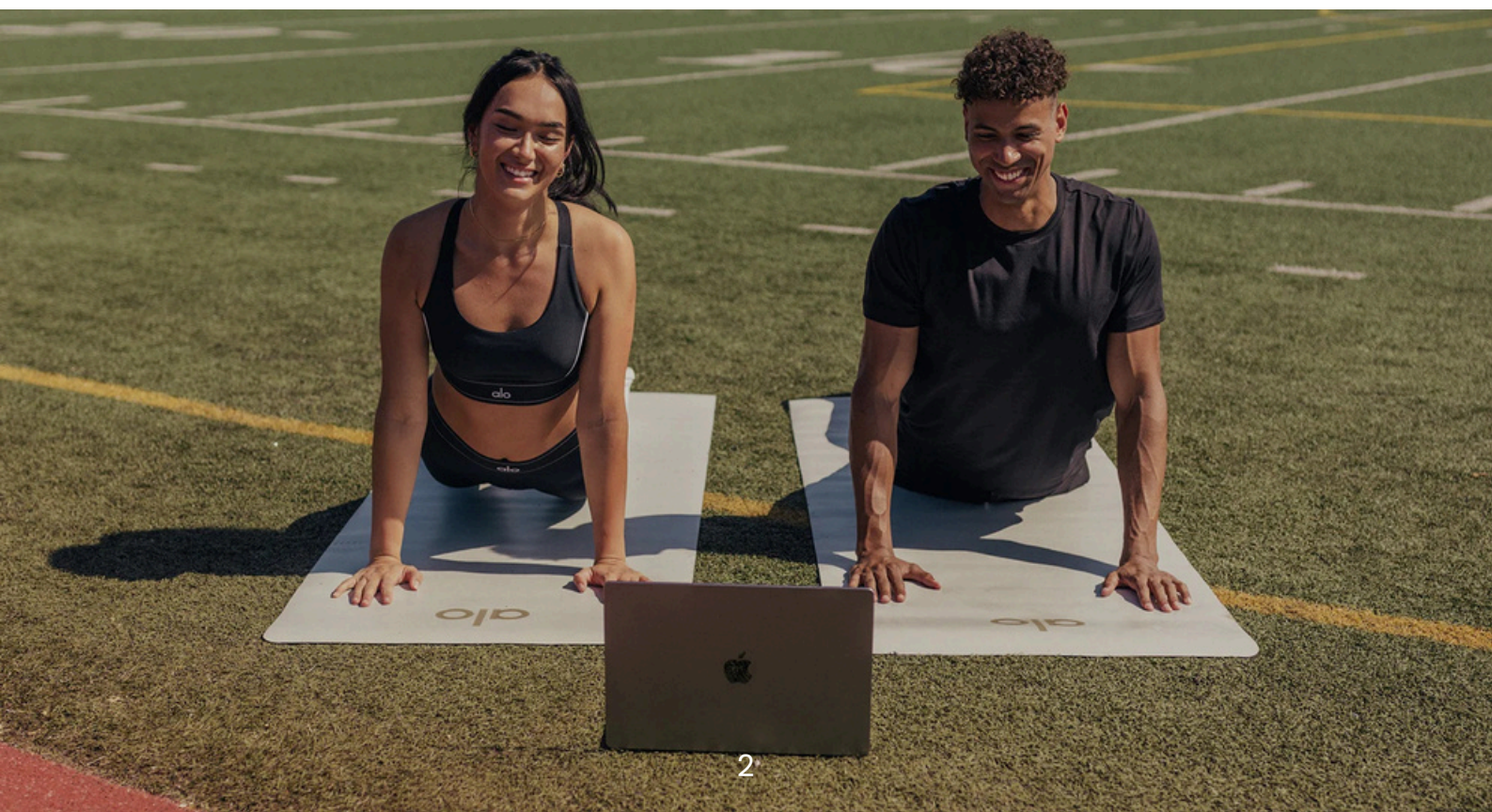


Figure 1: Brand Identity Prism (Kapferer, 2012) (Alo Yoga, 2025)



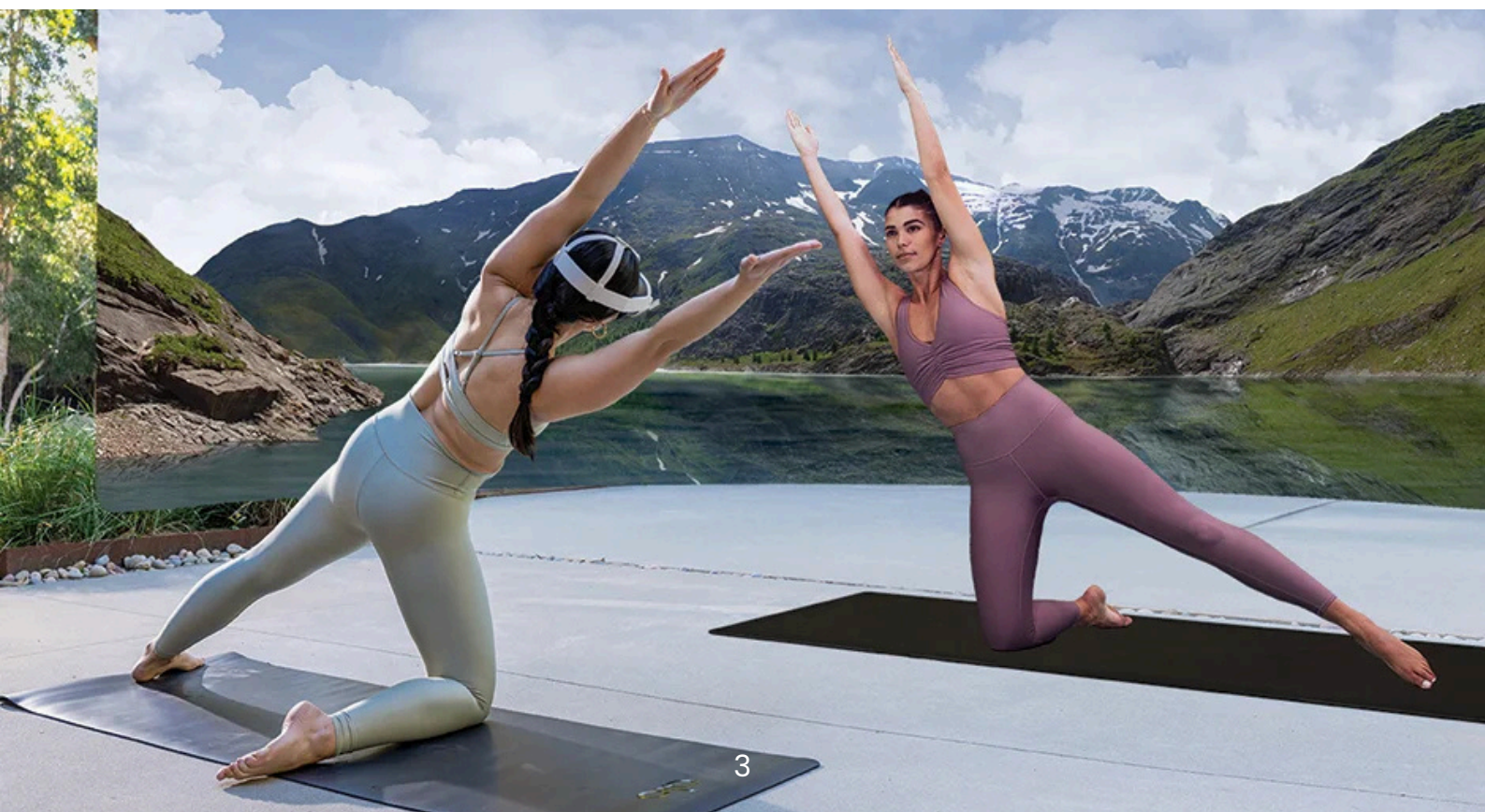
1.2 CURRENT BRAND TECHNOLOGY IMPLEMENTATION

Alo Yoga has demonstrated a systematic approach to strategic thinking and execution in its technology-enabled marketing practices. 2023 saw the launch of its immersive virtual shop, which allows users to browse products, place orders, and participate in online meditation and fitness classes in 3D via desktop, mobile, and the Oculus VR headset (Nemirovsky, 2024; Obsessar , 2024; Alo Yoga, 2025). This not only seamlessly integrates digital content with the product experience, but also enhances immersion and user engagement through interactive virtual environments, reinforcing the brand's emotional connection and differentiated value.

Further, Alo has integrated Extended Reality (XR) content into the Alo Moves platform, allowing users to practice yoga, meditation and fitness flow classes in realistic virtual spaces, reinforcing the brand's digital lifestyle attributes and expanding the boundaries of its innovations in the field of 'virtual exercise companionship' (Alo Moves, 2024).

Additionally, Alo has created a virtual wellness space called Alo Sanctuary through Roblox as a key extension of the brand's meta-universe strategy (Hill, 2025). The platform allows users to experience sound baths, meditation, and yoga practices, explore an interactive island map, and win virtual goods through digital quests.

In terms of underlying data technology, Alo has also applied artificial intelligence to analyse user behaviour and personalise content. The brand dynamically adjusts its homepage content, advertising strategy and product recommendations based on users' browsing history, geographic location and interests to increase conversion rates and customer satisfaction (Nemirovsky, 2024). This AI-driven personalised experience not only improves the efficiency of the customer experience, but also demonstrates the brand's ability to execute on data-based marketing automation



1.3 COMPETITOR BENCHMARKING: AI STRATEGY & CUSTOMER EXPERIENCE INNOVATION

Alo Yoga operates in the Athleisure industry, which is forecasted by Dimension Market Research (2024) to exceed USD 900 billion by 2033. This growth trend is driven by a combination of rising global health awareness, popularity of daily exercise habits, and digital lifestyle transformation (Grandview Research, 2025).

Alo Yoga's core competitor brands are summarised in **Table 1** (Jackson, 2024), which analyses each brand's key strategies for AI adoption.

Brand name	Type of technology	Application Methods
Lululemon	AI Recognition Mirror Smart Fitness Mirror	AI mirroring system was utilised to provide real-time fitness feedback, but was announced to be discontinued in 2023 as its high maintenance costs combined with declining market demand made the project unsustainable (Song, 2023)
Vuori	None	None
Nike (NTC App)	Generative AI Recommender System (Personalisation) + Virtual Coaching	Using AI for personalised matching of classes and introducing AI voice coaches to create and dynamically adjust personalised fitness plans based on users' goals, schedules and fitness levels (Sanjay Kidecha, 2025)
Technogym	Generative AI Recommender System (Personalisation)	Using AI to generate personalised training plans based on users' physical data and fitness goals (Technogym Reform, 2025)
Gymshark	Virtual Fitness Platform+ Generative AI Recommender System (Personalisation)	Providing personalised training plans and virtual fitness coaching through its Training App, helping users to achieve an immersive, self-directed workout experience on mobile devices (Kirkup-Lee, 2020)
Skims	None	None

Table 1: Competitors analysis

Nike, Lululemon, Technogym, etc. have taken the lead in deploying systematic generative AI and virtual fitness technologies to create a more emotionally rewarding and data-driven user experience through real-time feedback, smart recommendations, and virtual trainers. This shift from 'product-orientation' to 'service-orientation' not only enhances brand differentiation, but also increases customer stickiness and satisfaction (Jackson, 2024; Hoyer et al., 2022).

For example, Nike introduces AI voice coaching and personalised course matching mechanism through the NTC App, which dynamically adjusts to the user's goals, schedule and physical condition (Sanjay Kidecha, 2025); Technogym generates personalised training plans based on the user's health data, forming a closed-loop health management system (Technogym Reform, 2025); Gymshark combines AI recommendation and virtual platform interaction mechanism to achieve immersive and autonomous fitness paths on mobile (Kirkup-Lee, 2020). Gymshark combines AI recommendations with a virtual platform interaction mechanism to achieve an immersive, autonomous fitness path on mobile (Kirkup-Lee, 2020).

In contrast, although Alo Yoga already has basic capabilities in XR immersion experience and meta-universe content personalisation, it is still in the initial stage of deep integration of generative AI systems and construction of intelligent training paths, and has not yet formed a closed-loop mechanism from user identification, content generation to behavioural incentives.

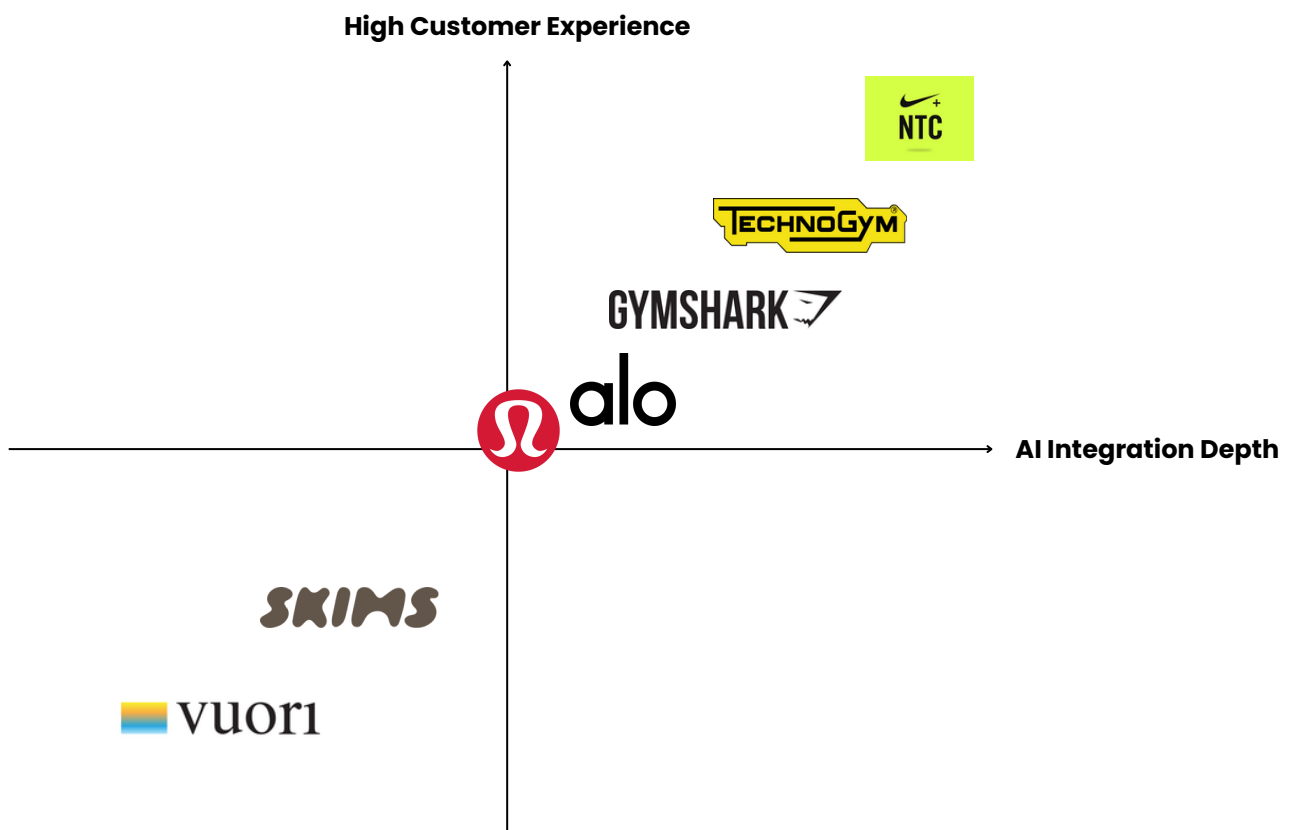


Figure 2: Competitors MAP

1.4 MACRO ENVIRONMENT ANALYSIS-PESTLE

<p>Politics & Legal</p>	<p>As global concerns about the potential risks and ethical issues of AI rise, several countries are accelerating the development of AI-related regulations. For example, the Artificial Intelligence Act (AI Act) being promoted by the European Union aims to enhance the transparency and safety of AI technologies and ensure their responsible application to various industries (European Union, 2024; European Commission, 2021). To date, nearly 70 countries have released national-level AI strategies, with generative AI widely recognised as a key force in reshaping the industry landscape and driving high-quality growth (Nakazawa and Pisa, 2025).</p>
<p>Economic</p>	<p>The post-pandemic era is driving a continued global consumer focus on wellness, self-improvement and smart services. Consumers are increasingly willing to pay a premium for high-quality, personalised experiences (Grand View Research, 2025). Meanwhile, the AI industry is experiencing exponential growth, with the global market expected to reach \$990bn by 2027 (Gwyther and WGSN Insight, 2025).</p>
<p>Social</p>	<p>According to WGSN's Future Consumer: Emotions 2027 report, emotional value has become a key driver of consumer decision-making. Consumers are increasingly choosing brands that convey identity and emotional support (Napoli, White and Lim, 2025), and AI life advice systems are becoming 'digital companions' that help users build deep emotional connections, which in turn increase brand loyalty and the frequency of daily interactions. AI life advice systems are becoming 'digital companion' tools that help users build deep emotional connections, thus increasing brand loyalty and the frequency of daily interaction.</p>
<p>Technological</p>	<p>AI is expected to deliver more efficient and personalised experiences, but users are also highly concerned about its security, transparency and ethical boundaries (Napoli, White and Lim, 2025). When deploying AI systems, brands should convey the concepts of trustworthy mechanisms and human-centred care, in addition to functionality. Currently, global retail giants such as Walmart, Amazon and Alibaba have widely used generative AI technologies in semantic search, content generation, virtual fitting and intelligent customer service, reflecting the feasibility and maturity of AI in business scenarios (Gwyther and WGSN Insight, 2025).</p>
<p>Environment</p>	<p>AI can be used to optimise resource utilisation, reduce waste, and improve supply chain efficiency, but on the other hand, the energy consumption and carbon footprint of large-scale generative AI models is also a cause for concern, highlighting the need to prioritise the development of green computing strategies and the establishment of frameworks for ethical and environmentally responsible AI applications (Benson and WGSN Consumer Tech. Benson and WGSN Consumer Tech 2023)</p>

To sum up, the current macro environment is driving the sports and leisure industry to accelerate from a 'product + function' orientation to an immersive experience competition driven by 'technology + emotional value'. On the political and legal level, the world is accelerating the introduction of AI-related regulatory policies to ensure its responsible application in business scenarios; on the economic dimension, consumers' willingness to pay for high-quality and personalised services continues to rise; social trends show that emotional support and identity resonance are becoming an important source of brand appeal; technologically, generative AI has been widely used in the retail sector, helping brands achieve more efficient and intelligent customer interactions; and environmentally, generative AI has been widely used in the retail sector, helping brands achieve more efficient and intelligent customer interactions, On the environmental and ethical level, the carbon emissions associated with big-model AI are prompting brands to seek greener, more transparent technology paths.

According to McKinsey (2025), more than 78% of companies have already introduced AI technologies into their marketing and sales processes, accelerating the transformation of the industry. Against this backdrop, brands' core competencies will depend on their ability to build truly differentiated customer journeys of value and sustainable impact around technology capabilities and emotional resonance.



1.5 STP ANALYSIS: DEFINING ALO YOGA’S CORE CONSUMER SEGMENTS

To align Alo Yoga’s AI strategy with its core customer base, the STP framework is used to define who the brand currently serves and how these users justify the proposed innovations.

SEGMENTATION
<ul style="list-style-type: none"> • Health and wellness lifestyle: Individuals who regularly engage in yoga, meditation, and mindful fitness routines. • Urban and professional lifestyles: Consumers who balance demanding work lives with personal wellness practices. • Digital nativity: Users who adopt wellness apps (e.g., Alo Moves), participate in online classes, and engage with social media content related to fitness and fashion. • Style orientation: Preference for versatile, fashion-forward athleisure wear that transitions from studio to street. <p>This aligns with findings from Grand View Research (2025), which indicate that demand for premium athleisure is driven by a rising global focus on “wellbeing, self-improvement, and integrated lifestyle experiences.”</p>
TARGETING
<p>Based on available brand and industry data, Alo Yoga’s primary target market is:</p> <ul style="list-style-type: none"> • Women aged 25–40, particularly Millennials and younger Gen X (Nemirovsky, 2024) • Urban, high-income professionals, primarily in North America, Western Europe, and select Asian cities • Interested in wellness, performance, aesthetics, and ethical lifestyle alignment • Comfortable with mobile-first platforms and value personalised digital interactions <p>According to Alo Yoga’s official website, the brand positions itself around the values of mindfulness, community, and holistic living—a focus that resonates particularly with wellness-oriented consumers in this age and income bracket (Alo Yoga, 2025).</p>
POSITIONING
<p>Alo Yoga is positioned as a premium lifestyle brand at the intersection of yoga-inspired performance wear and digital wellness culture. The brand’s tagline and mission—to bring “mindful movement” and “inspire wellness” (Alo Yoga, 2025) , signal a focus on integrated physical and mental wellbeing, rather than athletic competition.</p> <p>This positioning differentiates Alo from brands such as Nike or Under Armour, which emphasise high-performance sport. Alo instead appeals to consumers seeking a balanced, intentional lifestyle, supported by both physical products (apparel) and digital services (Alo Moves, XR experiences). This strategic identity aligns well with the implementation of AI tools that provide personalised, consistent, and meaningful experiences across touchpoints.</p>

Table 3: STP analysis

2.0

STRATEGIC GAP AND OPPORTUNITY IDENTIFICATION

2.1 SWOT ANALYSIS OF ALO YOGA'S GENERATIVE AI STRATEGY

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">• Established digital ecosystem (Alo Moves + XR + virtual store)• High-end branding with strong emotional appeal• Active community and social engagement	<ul style="list-style-type: none">• AI is currently limited to basic recommendation• Lack of systemic integration of generative AI• Fragmented O2O customer experience
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">• Rising demand for personalised and emotional experiences(Napoli, White and Lim, 2025)• Generative AI gaining maturity in fitness, styling, and retail• Consumer expectation for seamless physical-digital integration	<ul style="list-style-type: none">• Leading competitors already deploying intelligent AI systems• Increasing scrutiny on data privacy and AI ethics• High development costs with uncertain short-term ROI

Table 4: SWOT analysis

2.2 Strategic Value Mapping through the Elements of Value Pyramid

To gain further insight into Alo's strategic opportunities in customer experience upgrades, this paper introduces the Elements of Value Pyramid model for analysis (Almquist, Senior and Bloch, 2016). The model states that brands that consistently create perceived value across multiple value tiers, including functionality, emotionality, quality of life and social impact, will be more likely to build solid user loyalty and brand preference (Almquist, Senior and Bloch, 2016).

In response to Alo Yoga's premium brand positioning and healthy lifestyle strategy, generative AI technology has the potential to play a role in a number of key dimensions: from personalised recommendations at the functional level, to motivation and emotion regulation at the affective level, to self-actualisation and sense of community at the lifestyle level, all of which can be captured through systematic AI experience design.

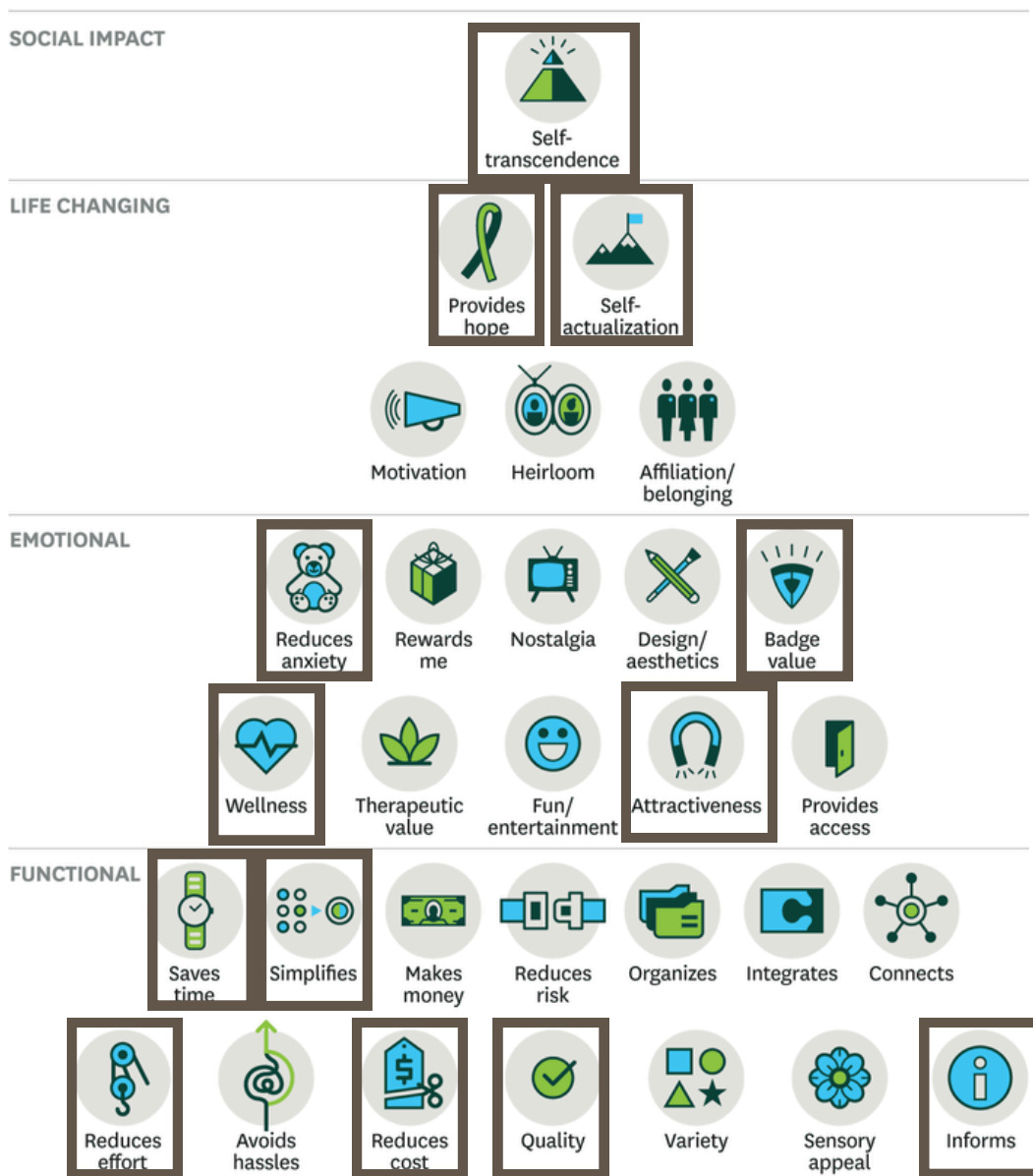


Figure 3: Elements of Value Pyramid model (Almquist, Senior and Bloch, 2016)

3.0

STRATEGIC PROPOSAL: ENHANCING CUSTOMER EXPERIENCE THROUGH GENERATIVE AI

In the context of a digital health lifestyle driven by technology + emotional value, how to deeply reshape the customer experience through technology has become a core proposition for strategic upgrading of brands (Napoli, White and Lim, 2025). Generative AI, with its dynamic content generation and multimodal interaction capabilities, is increasingly becoming a key engine for building personalised experiences. Research suggests that the shaping of contemporary customer journeys, 'often driven by AI, is profoundly reshaping the logic of brand-consumer interactions' (Hoyer et al., 2022). Through AI's understanding of users' behavioural preferences, health goals and emotional states, brands are able to leapfrog from "passive service" to "active companionship", significantly increasing user stickiness and perceived value.



3.1 GENERATIVE AI APPLICATION STRATEGY: ENHANCING CUSTOMER EXPERIENCE THROUGH SYSTEM-LEVEL INTEGRATION

Alo Yoga can base its existing digital assets on the following three scenarios for deploying a generative AI system. Creating a closed-loop user journey of ‘intelligence + empathy’:

1

Alo Moves Platform: a generative AI-driven personalised fitness and outfit recommendation system

Alo can integrate the Alo Moves platform, e-commerce product databases and user behaviour data to build an intelligent recommendation system. The system will dynamically generate customised course content and outfit recommendations based on the user's physical state, fitness goals, browsing history and clothing preferences. For example, for users with stiff shoulders and necks, the system will recommend a ‘Soothing Flow Yoga’ class with a meditation top in soft colours to achieve both physical and emotional satisfaction, thus significantly increasing user stickiness and brand interaction frequency.

Case reference: Nike Training Club (NTC)

Nike has successfully merged personalised training with outfit recommendations through the Nike Training Club app. The platform uses AI to analyse a user's training goals, physical feedback and schedule to dynamically generate a personalised training path and recommend the right outfit through the Nike App (Patov, 2024). NTC has been upgraded from a course library to a ‘life coach’, effectively increasing the frequency of daily interactions and brand affiliation (Patov, 2024).





AI Stylist Consultant: Generative AI Dressing Recommendation System

Based on the image recognition capability of generative AI, Alo can launch a virtual styling assistant (AI Stylist), which supports users to upload a photo, describe the usage scenario or input keywords to generate a complete dressing suggestion and personalised lookbook. The system can integrate variables such as weather, body type and training content to perform image matching and The system can combine weather, body type, training content and other variables to make image matching and product recommendations, and support one-click ordering or social media sharing. This not only simplifies the purchase decision process, but also enhances user engagement and brand identity, echoing the core path of 'interactivity and personalised experience' in the Customer Experience Management (CXM) model.

Case reference: Sephora

Sephora launched an intelligent AI system that combines image recognition technology and user input to provide personalised product recommendations for different skin types and care needs, significantly improving decision-making efficiency and purchase confidence (Van Loon, 2025). After the system went live, skincare sales increased by 35%, validating the potential of AI personalised recommendations to drive conversions and increase customer loyalty (Patov, 2025).

Integration Recommendation: Alo AI Intelligent Health and Styling System

In order to enhance the intelligence and integration of the platform, Alo can deeply integrate the above two AI application modules to create an all-around 'AI Health and Styling Recommendation System'. The system can automatically generate the appropriate dressing suggestions for the training situation when the user makes a training plan, forming a dual recommendation path of 'training + dressing'. For example, when a user chooses to do high-intensity yoga training, the system will not only recommend relevant courses, but also recommend breathable sportswear and matching accessories. By seamlessly connecting fitness and dressing, the brand further strengthens its positioning as a lifestyle leader in 'technology + emotional value'.

3

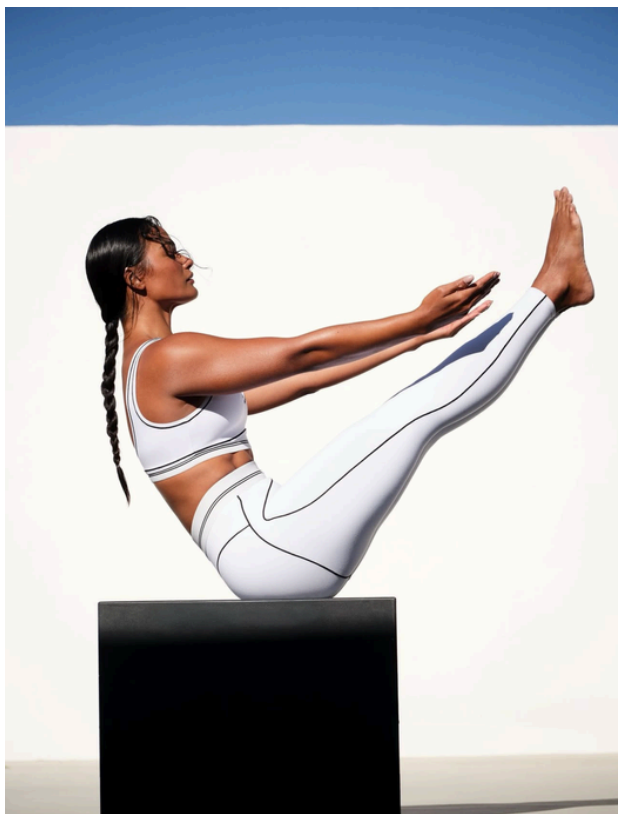
AI Network

To achieve consistency between online and offline customer experiences, Alo Yoga can deploy a Wi-Fi-based smart identification system in its stores. Once users authorise connection to the brand's network, the system automatically identifies their identity and retrieves their online behaviour data (such as training history, shopping records, and preference settings) (Business Reporter, 2023).

When customers enter an Alo store, the system immediately displays a welcome message, such as: 'Welcome to Alo. We have prepared exclusive recommendations for you, and new arrivals are on display on the first floor.' At the same time, the user's device will display personalised product recommendations and course suggestions in real time based on their course preferences and styling preferences.

Recommended content is generated in real time by generative AI, combining context and user habits to create a highly relevant shopping experience. This system builds a three-dimensional integrated customer journey (Course – Dress – Buy) from course selection to outfit coordination to purchasing behaviour, achieving seamless integration between content, context, and sales.

This usage scenario strategy not only improves the efficiency and privacy of store interactions, but also strengthens brand memory, enhances user stickiness, and effectively promotes repeat purchases through an AI-driven 'recognition → recommendation → interaction' path (Business Reporter, 2023). The AI network is not only a data connection tool, but also a key engine driving Alo's upgrade to an intelligent, emotional lifestyle brand.



Case reference: Ahold Delhaize

The European retail giant deployed an intelligent Wi-Fi network in its shops through a partnership with Cisco Spaces (Peppin, 2024). When a customer connects to the shop's Wi-Fi, the system identifies him or her and sends personalised promotions and recommendations based on his or her past purchases and behavioural data. This strategy enhances the customer shopping experience and increases customer engagement and loyalty (Peppin, 2024).

3.2 Technology Acceptance Model

To assess user acceptance of the three main scenarios of generative AI introduced by Alo (Intelligent Training Recommendation, Virtual Styling Consultant and Store AI Networking System), theoretical support can be provided by the Technology Acceptance Model (TAM). The model, proposed by Davis (1989), emphasises that technology adoption behaviour is influenced by two core variables: Perceived Usefulness and Perceived Ease of Use.

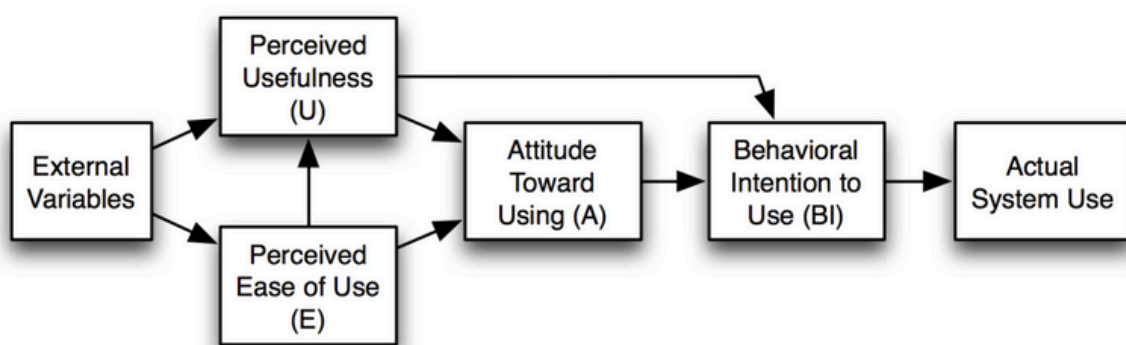


Figure 4: Technology Acceptance Model (Davis 1989)

In Alo Yoga's application scenarios, all three systems significantly enhance the user's perception of 'usefulness':

- In Alo Moves, AI can recommend training courses and outfit combinations based on physical condition and historical data to meet the needs for efficient fitness and aesthetics;
- AI Stylist provides image recognition and scene-linked AI Stylist provides image recognition and scene-linked matching suggestions to enhance decision-making efficiency and interactivity; and
- AI Network optimises the shop experience through online behavioural continuity and intelligent reminders to enhance the user's 'sense of being understood'.

In terms of 'ease of use', all three combines natural language processing and contextual recognition, allowing users to easily obtain recommendations through keyword input, image upload or shop entry, lowering the threshold of use. For example, a personalised solution such as 'what to wear for a three-day business trip' can be obtained without complex operations, thus increasing the overall acceptance of the technology.



However, according to McKinsey (2023), although 75% of consumers are open to AI personalised recommendations, they show significant trust barriers when it comes to data privacy, algorithmic bias and content transparency (McKinsey, 2023). This means that Alo needs to find a balance between ‘high personalisation’ and ‘user data protection’ when designing its systems. For example, when deploying AI Skin Advisor, Sephora emphasises that the algorithm does not store user photos, and that all recommendations are based on skin texture information and user-initiated inputs only (Patov, 2025); while Nike also sets a “user control switch” and “algorithmic source explanation” in AI fitness recommendations. Nike has also set up ‘user control switches’ and ‘algorithm source explanations’ in its AI fitness recommendations to enhance the system's “interpretability” and ‘self-regulation’ in order to increase users’ trust in the technology (Patov, 2024).

Therefore, if Alo wants its generative AI system to become an ‘intelligent companion’, it should consider the following key points: transparent mechanisms for data collection and usage, user-controlled adjustment of the degree of recommendation, and avoidance of algorithmic homogenisation and gender and body type bias. These designs will not only effectively mitigate Perceived Risk, but also help to strengthen the Attitude and Intent pathways in the TAM model, thus improving the feasibility of strategy implementation.

3.3

STRATEGY IMPLICATION

3.3.1 7P's Marketing Mix

PRODUCT	<p>Integrate three core Generative AI applications:</p> <ul style="list-style-type: none"> • AI-powered personalised fitness and outfit recommendation system (via Alo Moves) • Intelligent Virtual Styling Consultant (AI Stylist) • AI Network system for in-store behavioural continuity
PRICE	The AI services will be free for all users to promote adoption.
PLACE	Through the Alo Moves app, official website, and in-store internet (WIFI).
PROMOTION	<ul style="list-style-type: none"> • Announce AI services through Alo and Alo Moves official channels and publish PR campaigns. • Release promotional videos on all Alo-owned social media platforms. • Launch #AloAIJourney campaign to encourage users to share their daily AI-recommended workouts and outfits.
PEOPLE	<p>Key teams involved:</p> <ul style="list-style-type: none"> • Social Media & Digital Marketing Team • Customer Relationship Management (CRM) Team • AI Product Development Engineers • Customer Support Representatives <p>Human support remains essential to ensure AI outputs are practical, personalised, and trustworthy.</p>
PROCESS	<ul style="list-style-type: none"> • Upon login, the system identifies each user's training status, outfit preferences, and behavioural data. • Generates smart workout and style recommendations following a "recognise → recommend → experience → feedback" loop. • In-store, users connecting to Alo Wi-Fi will trigger real-time personalised product push notifications, creating a seamless O2O journey.
PHYSICAL EVIDENCE	<ul style="list-style-type: none"> • In-app, users will see AI-generated visual recommendation flows, dynamic Lookbooks, and image-based feedback. • When connected to in-store Wi-Fi, the Alo app will push tailored product and class suggestions to reinforce brand intelligence and interactivity.

Table 5: 7P's Marketing Mix

3.3.2 MOCK-UP

*Mock-up reference: Nike Training Club (NTC)
(Patov, 2024) (NIKE, 2025)*

1

**Alo Moves Platform:
a generative AI-driven
personalised fitness and
outfit recommendation
system**

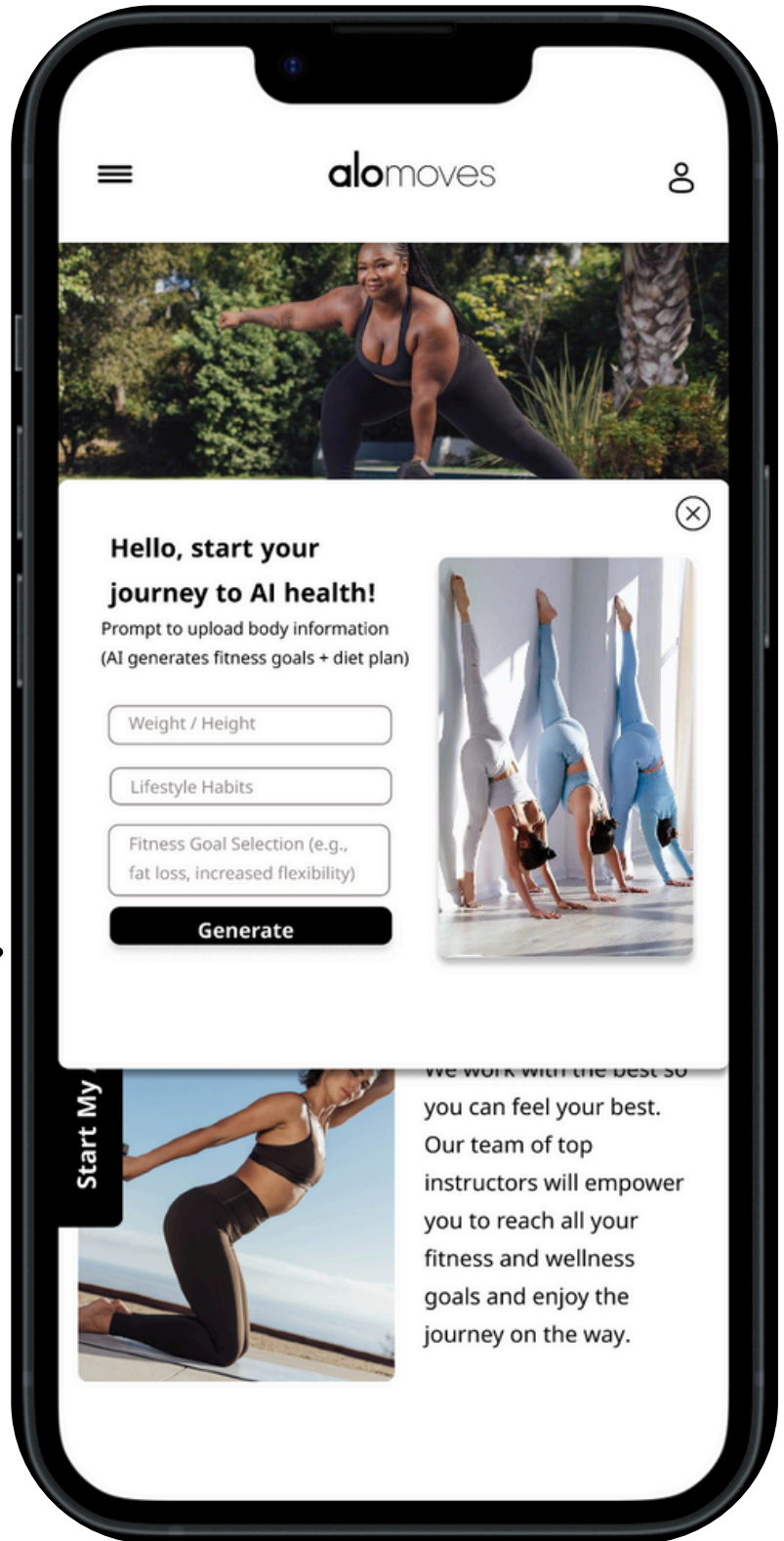
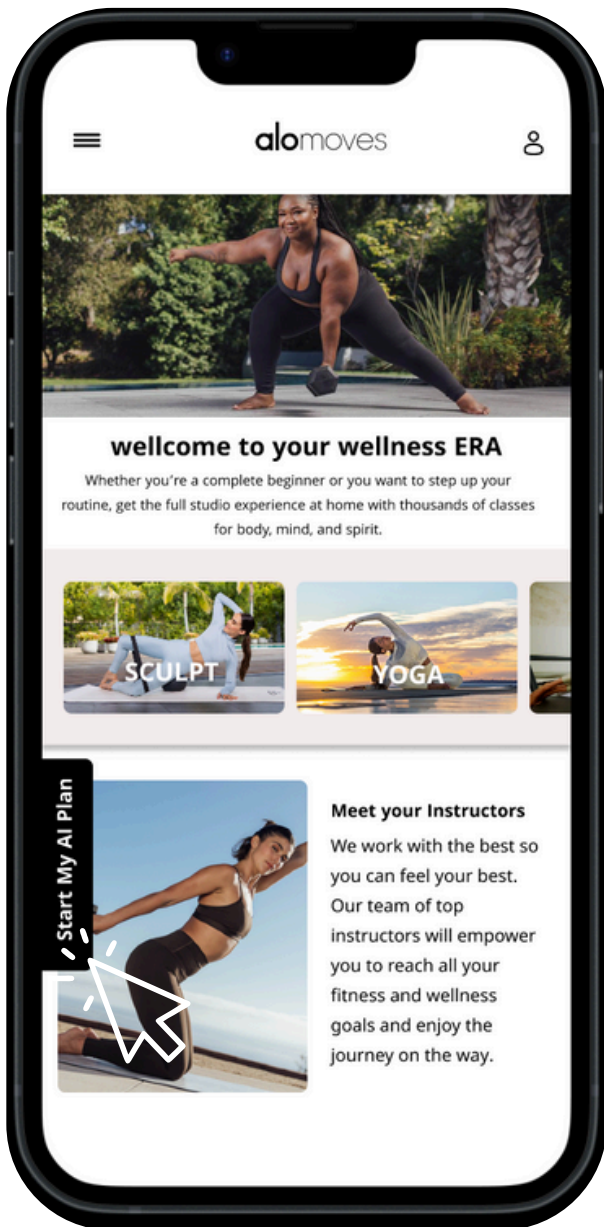
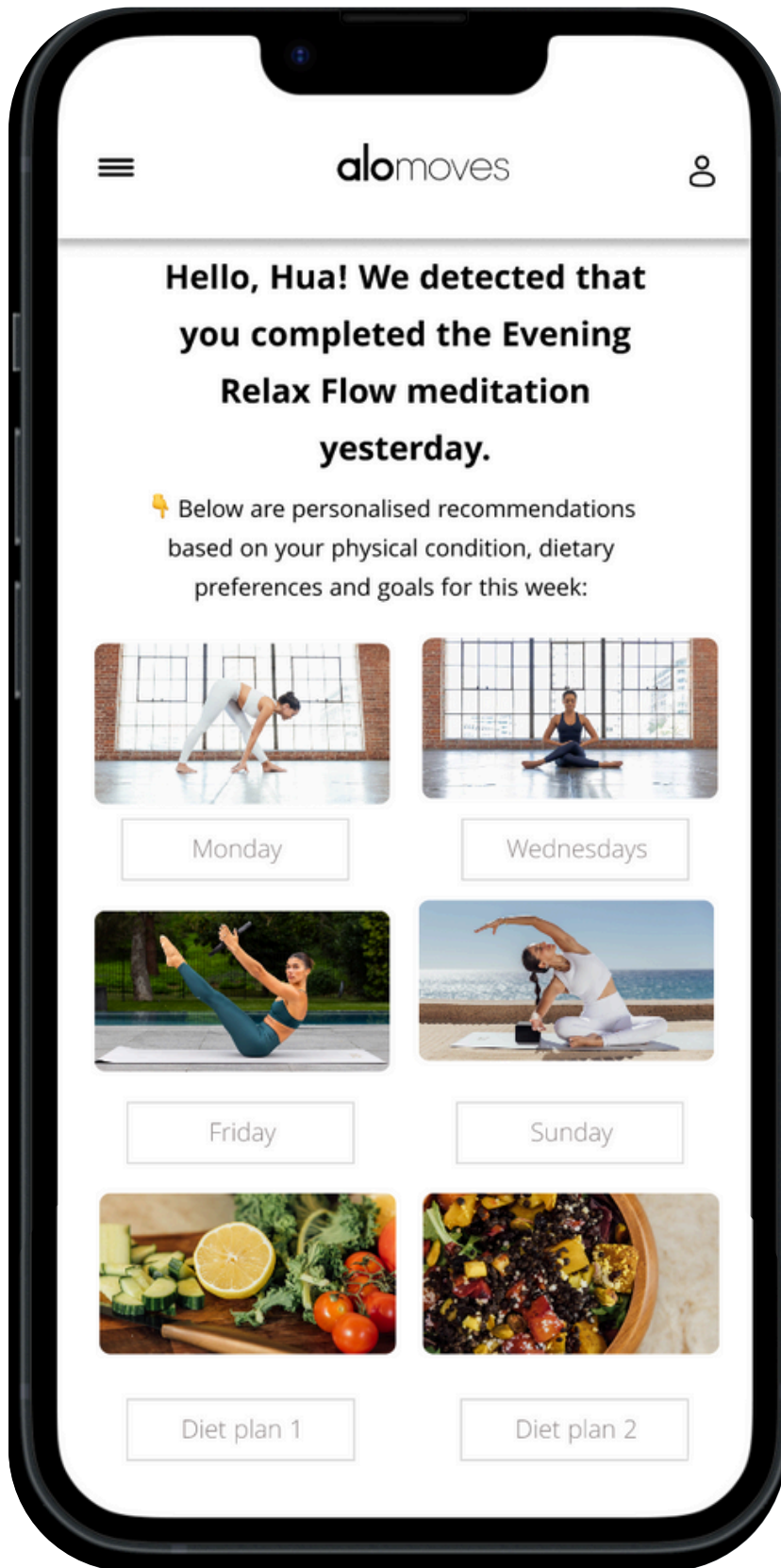


Figure 5: a generative AI-driven personalised fitness and outfit recommendation system Mock-up



ONCE THE NEXT-GENERATION AI IS ACTIVATED, BACKGROUND DATA WILL BE AUTOMATICALLY RETRIEVED AND DISPLAYED — NO MANUAL SETUP REQUIRED.

Mock-up reference Nike Training Club (NTC) (Patov, 2024) (NIKE, 2025)

Figure 6: a generative AI-driven personalised fitness and outfit recommendation system Mock-up

2

AI Stylist Consultant: Generative AI Dressing Recommendation System

Mock-up reference: Sephora
(Van Loon, 2025) (Patov, 2025).

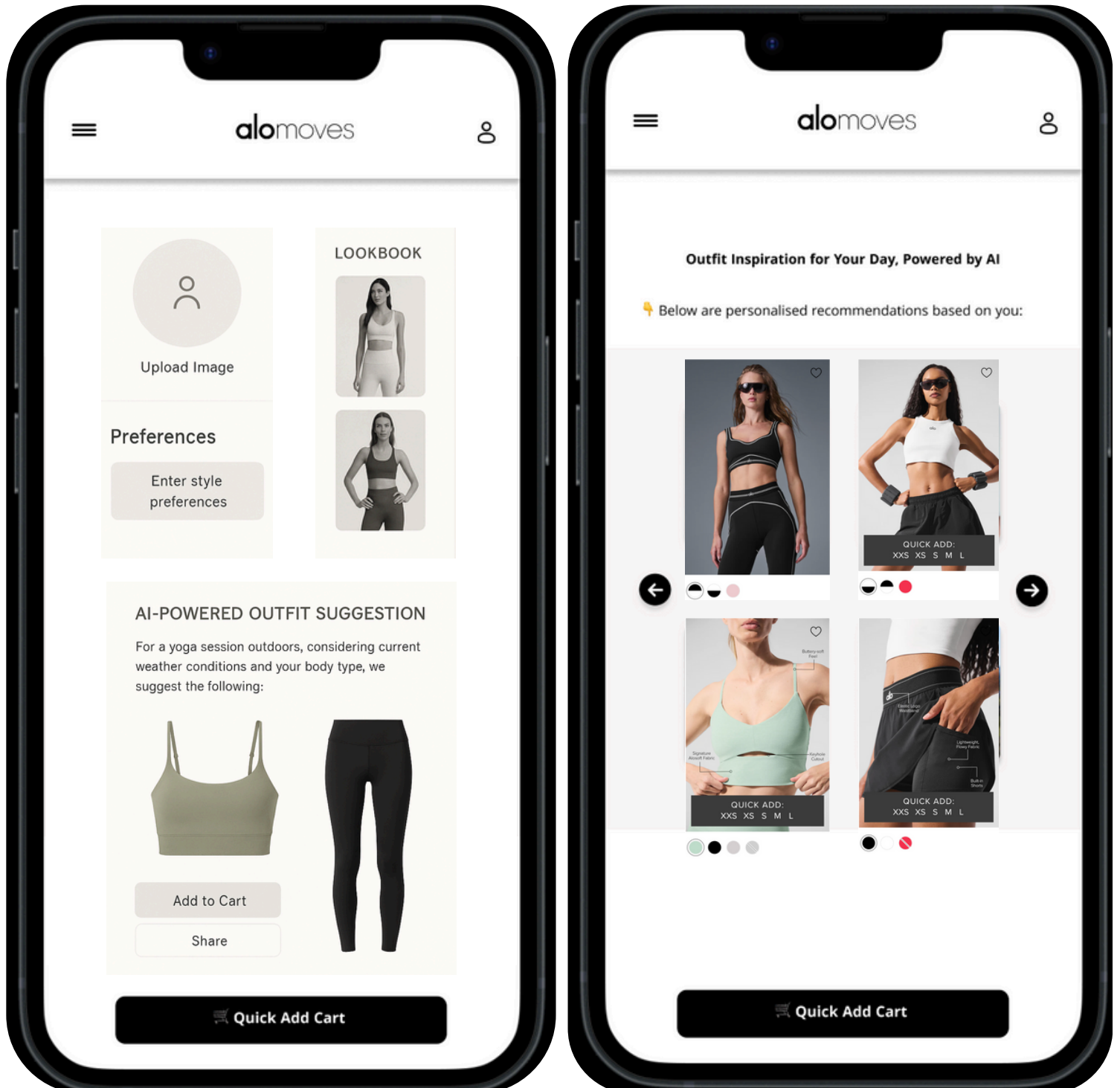
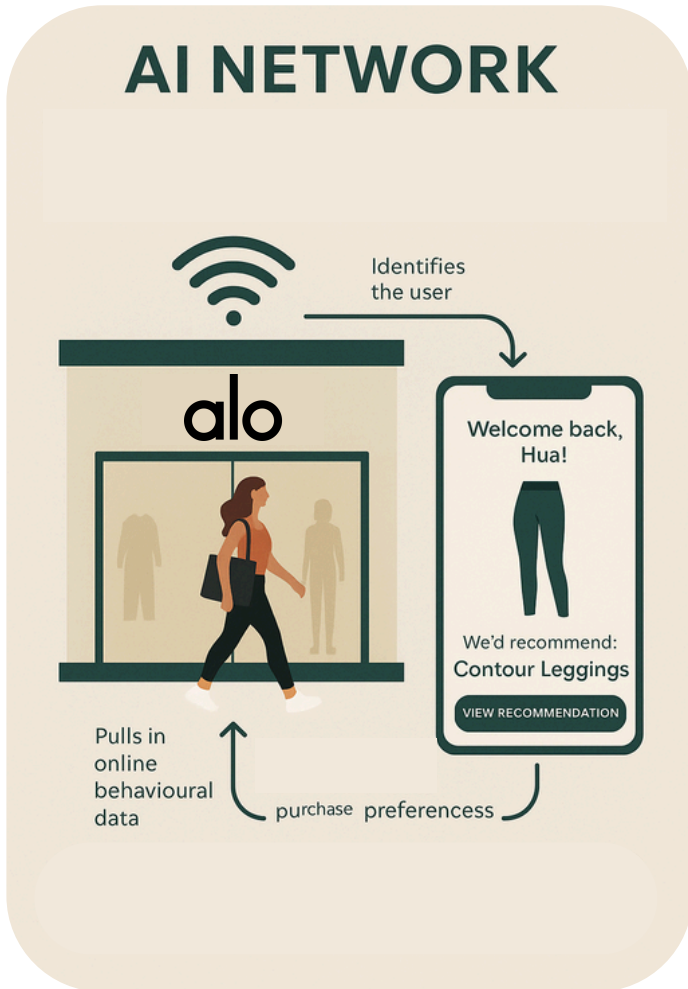


Figure 7: Generative AI Dressing Recommendation System Mock-up

3 AI NETWORK



Mock-up reference Ahold Delhaize (Peppin, 2024)

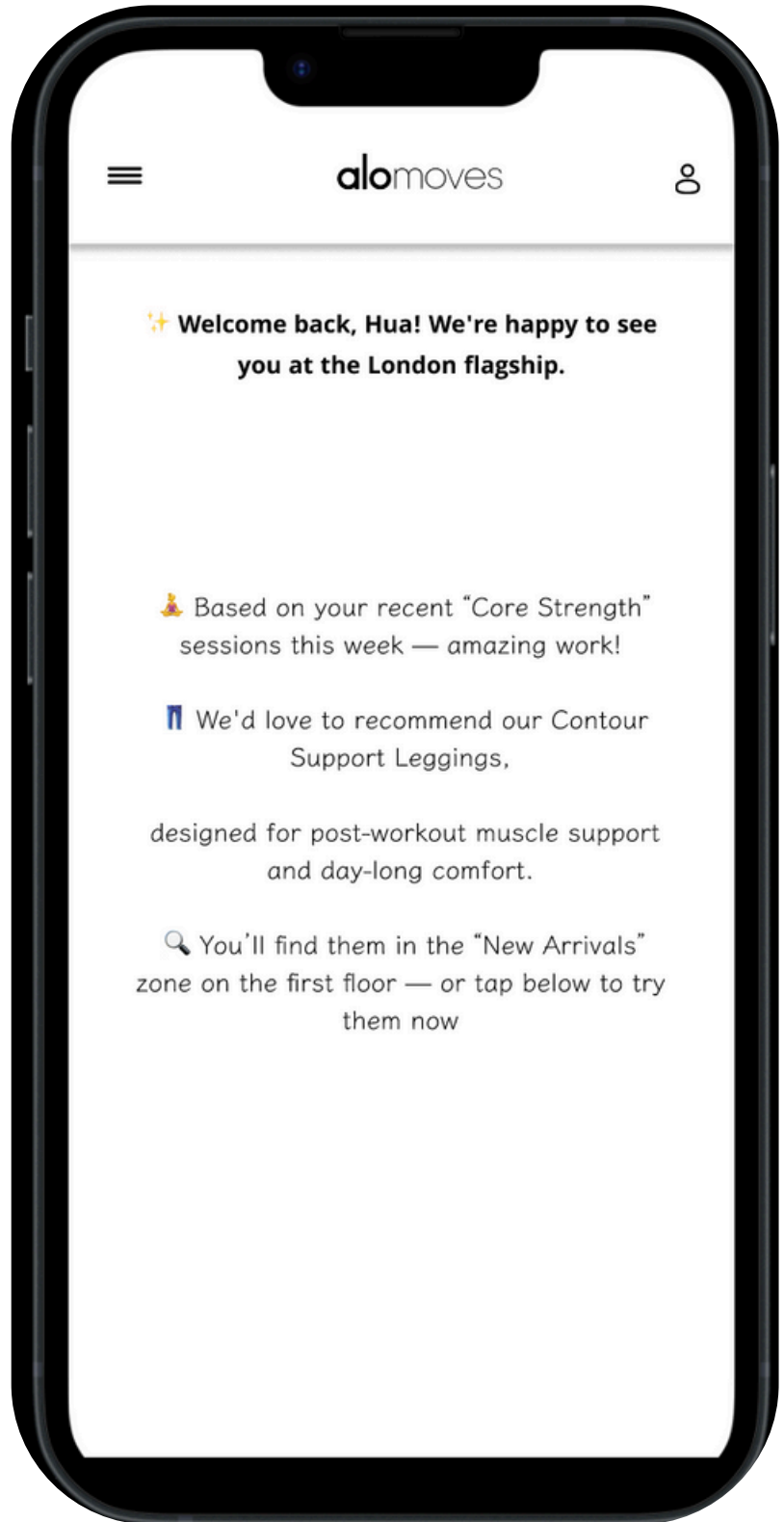


Figure 8: AI Network System Mock-up

3.3.3 SMART OBJECTIVES AND KPIS

<p>SPECIFIC</p>	<ul style="list-style-type: none"> • Consolidate Alo Yoga’s position as a digital wellness lifestyle leader through innovative use of generative AI • Enhance customer experience on Alo Moves by providing AI-powered personalised fitness and outfit recommendations • Create a seamless online-to-offline journey by connecting digital behaviour data with in-store experiences via the AI Network
<p>MEASURABLE</p>	<ul style="list-style-type: none"> • Measure monthly active users and opt-in rate for AI features on Alo Moves • Track user engagement rates with AI-generated fitness plans and outfit suggestions • Monitor social shares of AI-generated Lookbooks and satisfaction scores • Measure in-store Wi-Fi connection rate and AI-prompt click-through rates at flagship stores
<p>ACHIEVABLE</p>	<ul style="list-style-type: none"> • With existing AI-driven recommendation infrastructure, XR content, and behavioural data from Alo Moves and e-commerce, deploying generative AI modules across platforms and retail environments is highly achievable
<p>RELEVANT</p>	<ul style="list-style-type: none"> • Launching this AI system aligns with Alo Yoga’s brand positioning of “technology + emotional value”, and meets Gen Z consumers’ expectations for personalised, efficient, and emotionally resonant digital experiences
<p>TIMED</p>	<ul style="list-style-type: none"> • To be implemented in three phases across a 9-month timeline, with soft launch in Q4 2025 and full deployment completed before Q2 2026
<p>KPIS</p>	<ul style="list-style-type: none"> • Achieve 60% feature opt-in rate for AI services on Alo Moves within 3 months • Increase class + outfit bundle purchases by 25% • Increase average user session time on Alo Moves by 30% • Boost user retention rate on Alo Moves by 20% • Reach 35% engagement rate with in-store AI Network in pilot locations • Grow social sharing of AI-generated content by 15%

Table 6: SMART Objectives and KPIS

3.4

RISK VERSUS REWARD

Component	Potential Rewards	Associated Risks
1. AI-Powered Fitness & Outfit Recommendation (Alo Moves)	<ul style="list-style-type: none"> • Enhances user engagement and app retention by providing personalised fitness journeys and styling advice • Increases product cross-selling (outfits + classes) • Strengthens Alo Moves' positioning as a holistic digital wellness platform 	<ul style="list-style-type: none"> • Risk of algorithmic inaccuracy in physical condition detection • User privacy concerns over training data usage • Overdependence on AI might reduce human touch in brand experience
2. AI Stylist – Outfit Generator	<ul style="list-style-type: none"> • Simplifies decision-making and increases conversion through image-based outfit recommendations • Encourages social sharing and UGC with AI-generated Lookbooks • Reinforces brand identity as tech-enabled yet emotional 	<ul style="list-style-type: none"> • Possibility of biased or non-inclusive output (e.g., limited body types or style assumptions) • Users may distrust AI-generated style if not explained clearly • Technical challenge in real-time visual rendering
3. In-store AI Network	<ul style="list-style-type: none"> • Enables seamless continuity between online and offline experience • Increases store conversion and repeat visit rate via personalised prompts • Offers real-time behaviour analytics for store optimisation 	<ul style="list-style-type: none"> • Data privacy risks related to behavioural tracking via Wi-Fi • High implementation cost for in-store system integration • Customer backlash if interaction feels invasive or overly commercial

Table 7: Risk vs. Reward Analysis of Generative AI Strategy for Alo Yoga

Beyond immediate operational risks, ethical and sustainability factors are also critical when deploying AI at scale. **Appendix A** provides a strategic overview of how Alo Yoga's AI initiatives can align with global sustainability goals (SDGs) and responsible AI design practices.



4.0

CONCLUSION AND RECOMMENDATION

From immersive virtual shops to the integration of XR content into Alo Moves, Alo Yoga demonstrates a strong commitment to digital innovation and experiential engagement (Alo Yoga, 2025; Obsessar, 2024). However, Alo's current use of AI remains underdeveloped and fragmented at a time when major competitors such as Nike and Technogym are deploying AI systems on a large scale (Kidecha, 2025; Technogym Reform, 2025) and at a rapid pace.

While Alo has successfully built an emotionally resonant brand through health-focused content and lifestyle positioning, the next phase of growth requires deeper personalisation and system-level intelligence. The implementation of generative AI technologies, including personalised fitness and apparel recommendations, virtual styling assistants, and in-store AI networks, presents transformative opportunities to strengthen user engagement, simplify decision-making processes, and reinforce omnichannel brand consistency.

These innovations are not only technically feasible but strategically aligned with evolving consumer expectations. As research suggests, today's wellness consumers seek seamless, context-aware, and emotionally satisfying experiences (Napoli, White and Lim, 2025; Hoyer et al., 2022). Generative AI can provide exactly that—when designed ethically and implemented with transparency. Furthermore, supporting frameworks such as the Elements of Value Pyramid (Almquist, Senior and Bloch, 2016), Customer Experience Management theory (Lemon and Verhoef, 2016), and the Technology Acceptance Model (Davis, 1989) demonstrate that integrating intelligent systems can directly enhance brand loyalty, emotional value, and ease of adoption.

Importantly, potential risks such as data privacy, algorithmic bias or user alienation cannot be ignored. However, these risks can be mitigated through inclusive training data, user-controlled recommendation settings, and transparent communication around how AI works. Industries such as Nike and Sephora have demonstrated how AI can be used responsibly while improving customer satisfaction (Patov, 2025).

Ultimately, this strategy should not be viewed as a short-term technology upgrade, but rather as a long-term strategic direction for Alo Yoga. The proposed AI-generating system marks the beginning of a new era: the transformation of Alo from a digital health content provider to a personalised life companion, merging emotional intelligence with technological innovation. This evolution is both timely and necessary in an industry where personalisation, efficiency and emotional relevance are becoming key brand differentiators.



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APPENDIX A: SDGS & ETHICAL AI CONSIDERATIONS

SDG Goal	SDG Goal	How Alo Yoga's AI Strategy Aligns
SDG 3: Good Health and Well-being		By offering personalised fitness and wellness recommendations, Alo supports mental and physical well-being, encouraging healthy lifestyles through digital tools.
SDG 5: Gender Equality		The AI stylist and lookbook systems must be designed to recognise diverse gender identities and body types, promoting inclusive beauty standards and self-expression.
SDG 12: Responsible Consumption		The AI can recommend mindful purchases based on existing wardrobe or needs, reducing overconsumption and promoting conscious shopping behaviours.
SDG 9: Industry, Innovation and Infrastructure		By deploying AI across online and offline channels, Alo contributes to the digital transformation of wellness infrastructure in ethical and human-centric ways.

(UNITED NATIONS, 2025)

Artificial Intelligence Ethical Considerations

To ensure consumer trust and long-term adoption, Alo Yoga should incorporate key AI ethical principles into its development strategy:

Transparency: Clearly communicate how user data is collected, analysed and used to generate AI recommendations.

Inclusivity: Use diverse datasets to train algorithms and avoid gender, racial or physical bias in clothing or health recommendations.

Privacy: Ensure that all data used for AI personalisation is selected, encrypted and compliant with GDPR or equivalent standards.

Artificial Agents: Allow users to customise or override AI recommendations to prevent over-reliance and enhance autonomy.

By proactively addressing these issues, Alo Yoga not only protects its brand reputation, but also builds stronger emotional and ethical bonds with its health-oriented customer base.