

Patagonia

ABOUT

Category:

Apparel – outdoor apparel, sportswear; Retail – fashion stores; e-retail; FMCG Food – confectionery & chocolate; soups, sauces & seasonings; dry goods; savoury snacks; meat, fish, eggs & frozen food; FMCG Alcoholic beverages – beer & cider

Owner of the brand:

Patagonia Works

Key competitors:

The North Face, Columbia Sportswear, Kathmandu

BRAND STRATEGY ANALYSIS

Brand essence

An activist company on a mission to make the best product, cause no unnecessary harm and help the environment.

Brand values

Nature, sustainability, exploration, highest quality.

Brand character

Passionate, adventurous, outdoorsy, pioneering, premium, serious, tough.

Dominating archetype



The Explorer

EVIDENCE

Comments

1

Patagonia, similarly to Ben & Jerry's, had been practising purpose marketing many years before the concept became popular among brand marketers. Patagonia sees itself as an activist company and defines its mission as “building the best product, causing no unnecessary harm, using business to inspire and implement solutions to the environmental crisis”. However, unlike Ben & Jerry's, which is owned by a public company (Unilever) and focuses equally on social causes and delivering profit, Patagonia is a privately held business with the status of a benefit corporation (in the US). It is, therefore, required by law to “create a material positive impact on society and the environment” and report publicly on its social and environmental performance.

2

For Patagonia, caring for the environment is more than just a strategy to position its brand and market its products. The company goes as far as stating that this is its reason for being. Since 1985, Patagonia has made an annual donation of at least 1% of its sales (or 10% of its profits, whichever is higher) to numerous environmental organizations. It has launched Patagonia Action Works to connect environmentally conscious individuals with environmental non-profit organizations; it has been investing in “green” start-ups, encouraging consumers to buy second-hand clothing as well as helping them repair it. However, despite Patagonia's commitment to reducing its environmental impact, it also acknowledges the fact that it is, in

effect, part of the problem (“We can’t pose Patagonia as the model of a responsible company. We don’t do everything a responsible company can do, nor does anyone else we know.”)

3

Patagonia was founded in 1973 by Yvon Chouinard, who is still involved in managing the business (when not fishing). Before the company started selling outdoor apparel, it had been making tools for climbers. This background is significant as it has influenced Patagonia’s approach to design and production. Patagonia makes apparel for climbing, surfing, skiing, snowboarding, fly fishing and similar disciplines, and treats its clothes more as tools than a fashion statement. For this reason, it focuses primarily on the functionality and simplicity of its products and less so on their visual attributes. Until the late 1980s, Patagonia had been run like any other business but after experiencing a financial crisis, it re-evaluated its goals and values, developing into the company it is today – famous for its environmental activism and high-quality, durable products.

4

Patagonia has found itself in a paradoxical situation. On the one hand, it is a growing business with an increasing global presence and substantial environmental footprint. On the other hand, it supports environmentalists, wants to stay close to nature, and promotes anti-consumerism by encouraging people to buy less (its most famous piece of advertising created for Black Friday in 2011 said: “Don’t buy this jacket”). Patagonia has received overwhelming praise from marketing and business publications for its attempts to be more sustainable. Some, however, remain more skeptical over concerns that growth of Patagonia’s business creates more problems than it solves. The brand has even attracted the nickname “Patagucci”.

5

In addition to its clothing business, Patagonia has started several other ventures. It currently owns a number of sub-brands which all reside within its corporate brand, Patagonia Works. The main business line of outdoor apparel is called simply Patagonia. Patagonia Provisions is a food division offering sustainably produced snacks, canned products and beer; the company's executives envisage Patagonia Provisions potentially becoming more important than the core clothing business. There is also Patagonia Media (books and films etc.), Patagonia Government Sales and a separate brand of surfboards, Fletcher Chouinard Designs.

6

Patagonia is famous not only for its focus on the environment but also for its employer value proposition (EVP). Chouinard has introduced a progressive work culture promoting independence and freedom among employees. They are taught to make decisions and, providing they meet targets, are not tied to a fixed work schedule. They are also encouraged to spend time outdoors. Chouinard has asserted: "We have a policy that when the surf comes up, you drop work and you go surfing". He has also claimed that, according to psychologists analysing Patagonia's culture, its employees "are so independent they are unemployable anywhere else".

7

Patagonia is a textbook example of an Explorer brand. Exploration, adventure and care for the environment are firmly embedded in Patagonia's brand equity.

Tagline

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Official brand statement

“We’re in business to save our home planet.

Our Reason for Being

At Patagonia, we appreciate that all life on earth is under threat of extinction. We aim to use the resources we have—our business, our investments, our voice and our imaginations—to do something about it.

Patagonia grew out of a small company that made tools for climbers. Alpinism remains at the heart of a worldwide business that still makes clothes for climbing—as well as for skiing, snowboarding, surfing, fly fishing, mountain biking and trail running. These are silent sports. None require an engine; rarely do they deliver the cheers of a crowd. In each, reward comes in the form of hard-won grace and moments of connection with nature.

As the climate crisis deepens, we see a potential, even probable end to such moments, and so we’re fighting to save them. We donate our time, services and at least 1 percent of our sales to help hundreds of grassroots organizations all over the world so that they can remain vigilant, and protect what’s irreplaceable. At the same time, we know that we risk saving a tree only to lose the forest—a livable planet. As the loss of biodiversity, arable soils, coral reefs and fresh water all accelerate, we are doing our best to address the causes, and not just symptoms, of global warming.

Staying true to our core values during forty-plus years in business has helped us create a company we’re proud to run and work for. To stay in business for at least forty more, we must defend the place we all call home.

Core Values

Our values reflect those of a business started by a band of climbers and surfers, and the minimalist style they promoted. The approach we take toward product design demonstrates a bias for simplicity and utility.

Build the best product

Our criteria for the best product rests on function, repairability, and, foremost, durability. Among the most direct ways we can limit ecological impacts is with goods that last for generations or can be recycled so the materials in them remain in use. Making the best product matters for saving the planet.

Cause no unnecessary harm

We know that our business activity—from lighting stores to dyeing shirts—is part of the problem. We work steadily to change our business practices and share what we’ve learned. But we recognize that this is not enough. We seek not only to do less harm, but more good.

Use business to protect nature

The challenges we face as a society require leadership. Once we identify a problem, we act. We embrace



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risk and act to protect and restore the stability, integrity and beauty of the web of life.

Not bound by convention

Our success—and much of the fun—lies in developing new ways to do things.”

Interesting facts

Chouinard famously said in his book, “Let My People Go Surfing: The Education of a Reluctant Businessman”: “When I die and go to hell, the devil is going to make me the marketing director for a cola company. I’ll be in charge of trying to sell a product than no one needs, is identical to its competition, and can’t be sold on merits”.