

# **Patagonia Case Study**

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Outdoor clothing company founded by a nature Lover (YVON CHOUINARD)

The company is known for its commitment to sustainability, ethical business practices, and environmental activism.



" I know it sounds crazy, but every time I've made a decision that's best for the planet, I've made money"





- Environmental impact of producing the jacket.
- Criticised fast fashion
- Ad was widely praised for honesty and transparency.



# Marketing Strategy

Patagonia excels in unconventional marketing as the company enjoys testing the limits with its atypical marketing approach.



# Marketing Strategy-1

Patagonia's marketing strategy sets itself apart by customizing its stores according to the location. Although most stores have comparable products and layout, the company imparts each store with a distinct character that caters to the target market of that region.

For instance, in its Encinitas store located in a Southern California surf town, Patagonia showcases a wide assortment of surfboards, board shorts, and bathing suits to complement the beach vibe. Conversely, if you were to step into one of their Colorado stores, you would notice an abundance of snow gear along with visuals of mountains and daring snow sports.

**Limitation:** Earlier they also used to customize jackets with logos for brands but when the employees of that company left their jobs they could not use those expensive and sustainable items. This declined their B2B business.

# Marketing Strategy-2

The "Worn Wear" campaign by Patagonia originated as a series of temporary events, but has since expanded to include a brief film, a traveling exhibit, and an online platform. The documentary, which runs for 30 minutes, highlights eight loyal Patagonia customers including a surfer, hiker, cyclist, organic farmer, and wildlife photographer. Instead of persuading people to purchase new clothing, the film emphasizes the significance of investing in long-lasting, high-quality garments.

**Limitation:** Some customers may be more interested in fashion or affordability than in environmentalism or community building. While the high prices are partially justified by the quality and sustainability of the products, they may limit the company's appeal to customers on a budget.



# Balancing growth with sustainability



To address this challenge Patagonia uses sustainable materials in its products. For example, the company has developed a range of apparel made from organic cotton, recycled polyester, and other environmentally friendly materials. Patagonia also invests in sustainable manufacturing practices, such as using renewable energy sources and reducing water use.



In addition to its sustainable products and manufacturing practices, Patagonia also supports environmental causes through its activism and philanthropy. The company has donated millions of dollars to environmental organizations and has been vocal in advocating for policies to address climate change and protect public lands. One of the key initiatives of Patagonia's philanthropy is its 1% donation for the Planet program.



This program pledges that 1% of Patagonia's sales are donated to environmental causes, supporting grassroots organizations that work to protect natural resources and promote sustainability. Since its inception in 1985, Patagonia has donated over \$110 million to environmental organizations.



Furthermore, Patagonia has taken a unique approach to its philanthropy by actively engaging in legal and political advocacy for environmental causes. For example, the company has sued the US government to protect public lands and advocated for stronger environmental regulations. This does not hamper their growth, instead popularises them.

Patagonia has also taken steps to reduce its own environmental footprint as a company. This includes reducing waste and carbon emissions in its operations, as well as promoting sustainable transportation options for employees.

# Supply Chain Management

Patagonia's SCM includes several key elements, including **sourcing, production, distribution, and customer service**. Here's an overview of each of these elements:

## Sourcing:

Patagonia sources its materials from suppliers who meet its **rigorous environmental and ethical standards**. The company uses **organic cotton, recycled polyester**, and other sustainable materials in its products. Patagonia also works with **Fair Trade Certified™** factories to ensure that workers receive **fair wages and safe working conditions**.

## Production:

Patagonia manufactures its products in factories that meet its **high standards for environmental and social responsibility**. The company has a rigorous auditing process that ensures that its factories comply with labor laws and environmental regulations. Patagonia also works to **minimize waste and reduce energy consumption** in its production processes.

## Distribution:

Patagonia operates its distribution centers in an environmentally responsible manner, using **energy-efficient lighting** and other sustainable practices. The company also uses **eco-friendly shipping materials** and partners with carriers who have sustainable practices.

## Customer service:

Patagonia offers a **repair and reuse program** that allows customers to extend the life of their products. The company also provides information on how to care for and repair its products to help customers minimize waste.

Overall, Patagonia's SCM is focused on sustainability and ethics at every stage of the supply chain. The company's commitment to these values has helped it to build a loyal customer base and set an example for other companies in the industry.



# Conclusion

In conclusion, Patagonia's success story is a testament to the fact that it is possible to balance growth with sustainability. The company has set a standard for ethical and sustainable business practices, particularly in its supply chain management and marketing strategies. Patagonia's commitment to environmentally friendly materials, sustainable manufacturing practices, and philanthropy has earned it a loyal customer base and increased its popularity among environmentally conscious consumers. It places a strong emphasis on designing products for quality from the outset. Patagonia's unique marketing approach has also set it apart from its competitors by customizing its stores to cater to the target market of that region, and by emphasizing the importance of long-lasting, high-quality garments through its "Worn Wear" campaign. Patagonia serves as an example for other companies to follow by proving that success can be achieved through sustainable practices that benefit both the environment and society.



# Conclusion

Patagonia's success story proves that growth and sustainability can go hand in hand. Whether it be material used, production method or supply chain, Patagonia has set a standard for ethical and sustainable business practices.

Its unique marketing strategies and long-lasting, high-quality products have earned it a loyal customer base and increased popularity.

"Worn Wear" campaign. On the other hand, this has limitations as well as the company gives quality product it increases the cost of the final product.

supply chain Provide greater visibility into the results of audits to stakeholders, including customers and investors. This will enhance the credibility of the program and increase stakeholder trust.

Patagonia serves as an example for other companies to follow by proving that success can be achieved through sustainable practices that benefit both the environment and society.

A low-angle, upward-looking shot of a palm tree. The trunk is thick and textured, with visible leaf scars. The fronds are long and feathery, fanning out towards the top of the frame. A bright sunburst is visible through the fronds on the left side. The background is a clear, bright blue sky.

**THANKS!**