

How Successful is the Marketing Strategy of a Social Enterprise in the Case of Patagonia?

Sustainability - Part 2/2 In recent years, companies have become increasingly aware of the importance of social responsibility and sustainability in their operations. Social enterprises have emerged as a concept that aims to blend social objectives with profit-making characteristics. For social enterprises to succeed, a well-designed marketing strategy is essential. Ideally, this strategy should clearly communicate unique purposes and future visions, while justifying any high prices associated with their commitment. Patagonia is an example of a social enterprise that implements a purpose-driven marketing strategy.



The Promotion

The marketing strategy of Patagonia places an extremely high value on extravagant promotional tactics and strategies in use. Promotion is central to the company's marketing and allows it to reach its target group more effectively and directly.

In recent years Patagonia has also made itself a name in the world of digital marketing. The company frequently uploads various content to its stories section on the homepage. The content includes everything from articles to podcasts and interviews. Surprisingly, there is no trace of promotion within that content. There are no links to their products and often, they do not advertise their products. By integrating storytelling into its marketing efforts, Patagonia nurtures a sense of purpose that extends far beyond product promotion.

Similar patterns can be observed on the company's socials. Patagonia's Instagram is comparable to charities, yet does not want customers to donate, but instead encourages them to take action themselves. Even on TikTok the company solely posts clips about the activities it sells clothing for. Patagonia does not obey any of the standard e-commerce rules and gives viewers no hint of any commercial intent. The intention behind this cause and mission promotion is to target people who support their values and are more likely to engage in their social initiatives (Cameron, 2022).

Patagonia also uses its influential social media presence to engage with its audience by communicating with them. Furthermore, the company collaborates with unpaid brand ambassadors. These ambassadors can be pro climbers, runners or surfers.

Patagonia reposts content they post on their social media, wearing its clothing. This indirect marketing works wonders, also because the ambassadors are professionals in their field, which means if they trust Patagonia with their gear, customers can too (Ambassadors - Patagonia Australia, n.d.) (A, 2022).

Patagonia does not rely heavily on expensive advertising, but they still make use of both traditional and non-traditional promotional approaches. Their guerrilla advertising strategy often includes creative and unique approaches that capture public attention. One such example is the 'Don't Buy This Jacket' advertisement part of the Common Threads Initiative.

This campaign was launched just before Black Friday. A day which is normally associated with huge discounts and special

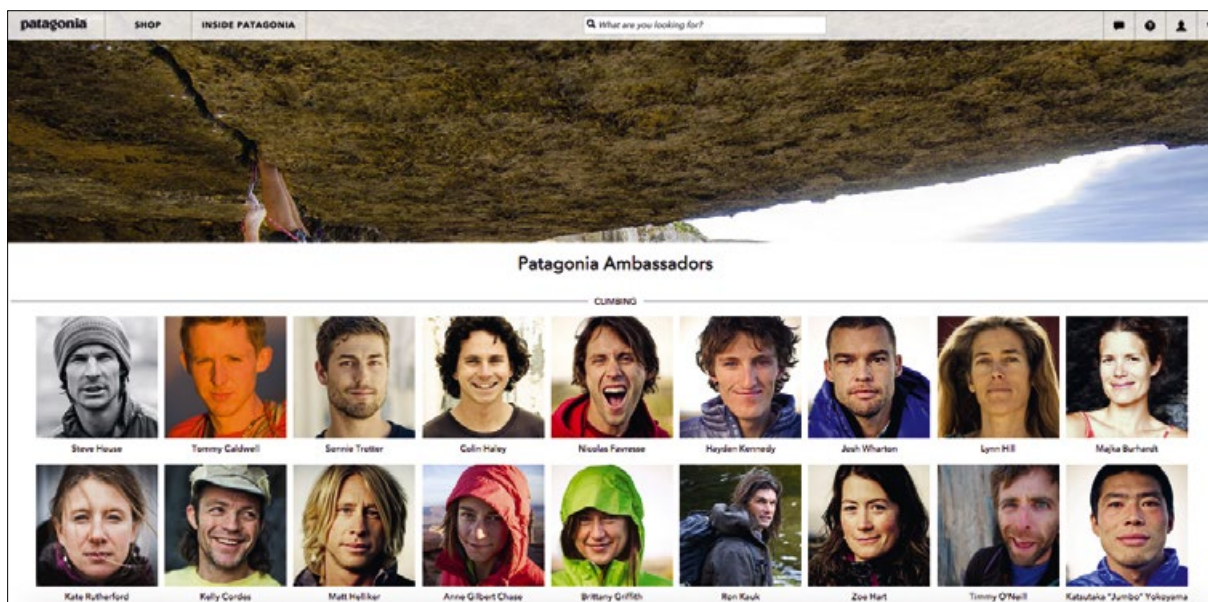


FIGURE 3: Patagonia Climbing Brand Ambassadors
Source: <https://www.digitaloperative.com/blog/2015/the-rule-of-three-as-applied-to-a-brand-ambassador-program/>

Fotos: © Shutterstock, Unternehmen

deals. Instead, Patagonia published this advertisement in the New York Times urging people to buy less. The company took a strong stance against this consumer-driven event, as part of their efforts to minimise their own environmental footprint (Durisin, 2016).

In 2016, the company decided to donate 100% of sales made on Black Friday to environmental organisations. Alex Weller, Patagonia's European marketing di-

rector defines the aim of the anti-consumerism campaign, as to clearly communicate the brand's values and make a statement against mass consumerism (Rogers, 2018).

Non-traditional marketing is where Patagonia likes to push the boundaries.

DON'T BUY THIS JACKET



FIGURE 4: Don't Buy This Jacket Advertisement dors
Source: https://www.patagonia.com/blog/wp-content/uploads/2016/07/nyt_11-25-11.pdf

In one of Patagonia's newest campaigns called "Buy Less, Demand More", the company urges customers to reduce their consumption by buying fewer items, but also to demand more from the products they purchase.

As part of this new campaign, Patagonia is now offering used products on the same website as new ones. All of the US websites now have a 'buy used' button, which redirects customers directly to the Worn Wear shop.

By seamlessly integrating used products into the regular buying process, customers are more likely to consider Recommerce as a viable option. Patagonia's integration of Recommerce into mainstream e-Commerce is a critical step in promoting sustainable practices and reducing waste (Weaver, 2022). The impact of this social marketing campaign could be significant, also due to its potential to challenge consumer behaviour.

Challenging the typical way consumers behave is a vital aspect of the Worn Wear campaign, which is the promotional part of the Common Threads Initiative. The campaign itself aims for more conscious behaviour with the disposal of clothing.

To do this the company wants its customers to develop responsible purchasing habits by causing a behavioural change. Patagonia integrated free permanent repair shops at different locations, which were temporarily supported by a biodiesel-converted truck. At each stop, they hosted sessions on how to repair clothing and repair clothing for customers. Instead of heavily promoting the initiative, the company let participants tell their own stories. Some of the stories

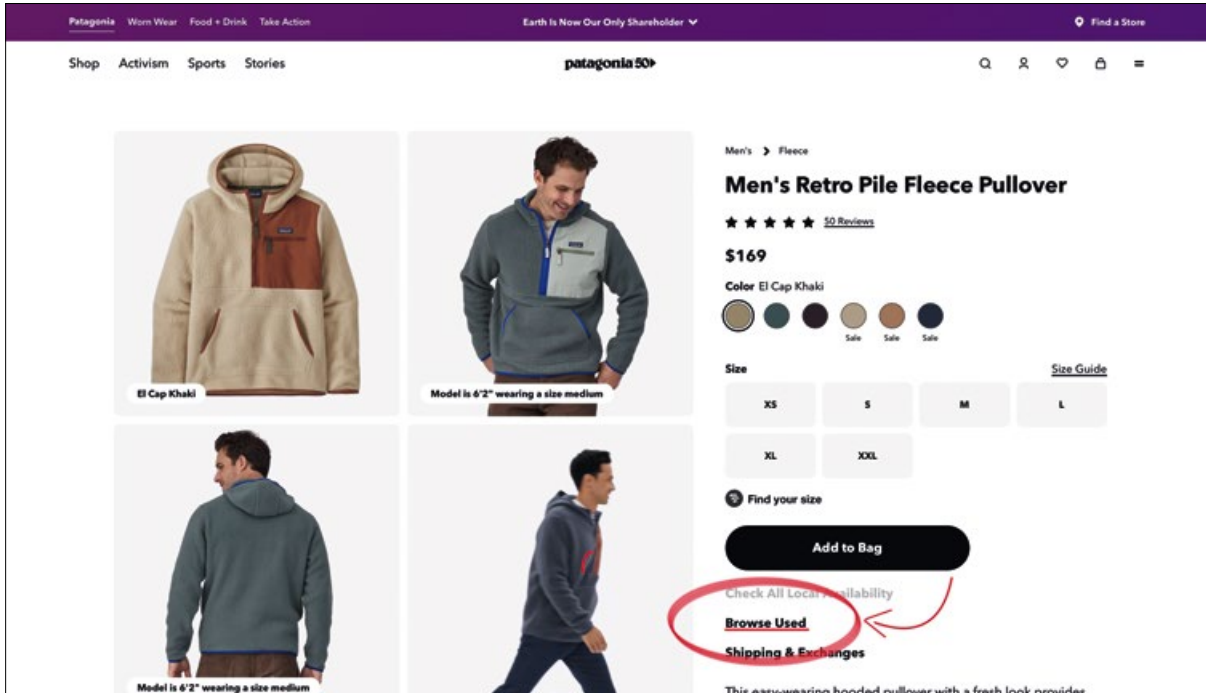


FIGURE 5: Buy Used Button on Patagonia's website
Source: Patagonia.com

found on patagonia.com, include pieces of clothing, that have been worn for more than 2 decades.

Patagonia's Worn Wear campaign resonates well with its mission and values, which allows it to target both future and present customers simultaneously (Basil et al., 2019).

Patagonia's promotional strategy sets itself apart from competitors by placing a greater emphasis on its core values and mission than on traditional product promotion. Thereby the approach not only aligns with the company's mission but also creates a brand identity that resonates with consumers who share its commitment to both environmental and social responsibility. Patagonia's goals extend beyond mere profits, as they strive to create a healthier and more sus-

tainable future for their customers and the planet as a whole.

Conclusion

As mentioned earlier in the definition of a social enterprise, profit is never at the top of the agenda. In any social enterprise success of a marketing strategy can therefore not be measured solely on financial gains. Hence, we must change perspective to accurately determine the success of the marketing strategy. Success does not have to be redefined completely but rather be adapted to each social enterprise we are examining. In the case of Patagonia, success can be a realisation of the brand purpose, characterised by achieving both environmental sustainability and profitability, as well as reaching

a bigger target audience. This does not mean that sales are not a valuable measure of our analysis. However, due to the limited availability of Patagonia's financial data, the conclusion needed to be adapted accordingly.

Chouinard is proud to share that the company only spends 0.5 % of its total revenue on advertising. Significantly lower than the average of 15% in the retail sector (CopyPress, 2023). Despite the low budget, Patagonia's campaigns have frequently caused a stir in the past. Taking political stances on issues such as climate change and public land protection, allowed Patagonia to demonstrate commitment to its values, but also effectively increase brand awareness.

The "Don't buy this Jacket" advertisement is seen as one of

the most impactful in Patagonia's history. Following the publication in the New York Times, sales increased by 30% (Explains, 2022). However, the sale increase also means successfully achieving the original intention, raising awareness. Patagonia knows its customer very well, in this case, the use of relationship marketing can be very impactful. In this advertisement, the company says exactly what its current and potential customers want to hear.

Customers of Patagonia seek to differentiate themselves from the mass and stand apart by embracing their own set of values. In this case, it is being aware towards the impact of a single shopping event like Black Friday.

In fact, the company goes far as to explicitly acknowledge the harm caused by its products, to underscore their commitment to tackling the issue. By being transparent about their impact on the environment, Patagonia aims to engage customers in this effort as well. Customers will not only recognise the company's commitment to sustainability but also gain an understanding that the overall impact is a lot lower compared to Patagonia's competitors.

The emotional impact from a consumer perspective is a sense of fulfilment because they are making the right decision for themselves but also for the environment.

Over the course of the last 5 years, Patagonia has expanded its social media presence. Growing its followers on Instagram from 3.5 million in the summer of 2018 to over 5.1 million in 2023 (Instagram Analytics – InsTrack. app, n.d.).

New followers are directly engaged by both the content they see and the opportunity they have to be part of the brand.

The purchase of a piece of clothing new or old is not even necessary. Patagonia allows people of similar beliefs to connect through its socials. By deliberately excluding its products from posts, Patagonia tries to show its true purpose, which is not maximising sales, but rather minimising their impact on the environment. This strategy is very beneficial as new followers will not be pressured to buy a product. Instead, they are given time to make connections with the brand. The follower never sees the commercial side of Patagonia, preferably they are asked to make conscious purchasing decisions. What they see is the activist side, which is a more accurate representation of the brand. This freedom of choice seems very appealing and unique to followers. Rather than simply promoting products, the company focuses on promoting its values. This resonates well with the target audience and builds brand loyalty. Patagonia is hitting the bar with

its social media marketing and has successfully grown to be one of the most popular sports brands on the platform.

Yet, social media is not the only place where the company has seen growth. Patagonia's US eCommerce business has doubled net sales from 2018 to 2022 to account for 2573\$ million US dollars (patagonia.com Revenue | ecommerceDB.com, n.d.). Additionally, revenue for the year 2022 is expected to grow by nearly 50% compared to 2021, accounting for a total of 1.5\$ billion US dollars (Armstrong, 2022). The unexpected turn of Patagonia becoming a social enterprise and Chouinard giving away his stake has made headlines all around the world, reaching lots of potential customers, who perhaps had not heard of Patagonia before. Strong revenue growth undermines Patagonia's success in attracting new customers. Besides, the ethical fashion market is expected to grow by a compound annual growth rate (CAGR) of 8.1% from 2021 to 2027 (Global Ethical Fashion Market Report, 2023). Patagonia is operating in a market that is expected to see promising future growth, presenting an opportunity for the company.

2023 will be Patagonia's first full year as a social enterprise. Environmental concerns increase and the call for sustainability is loud. Patagonia's brand purpose can be identified as a driving force in everything they do. Through its marketing strategy, the company addresses not only the outdoor adventurer of the past but rather all people who cherish the natural environment and want to protect it. In the fu-



List of references
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ture Patagonia's brand purpose will become even more critical, as they are also marketing themselves to younger customers, including Generation Z. Generation Z is the first generation confronted with climate anxiety since their birth. Their identity has been shaped by the threads of climate change, developing a high awareness towards this concern. Patagonia is the brand identifying exactly with the values, this generation is searching for. Of significant importance are sustainability, loyalty and involvement from the company itself. As can be observed from the marketing mix, these values are communicated and addressed constantly throughout the marketing strategy. Strong relation-

ships and a reputation for ethical behaviour are likely to ensure the company's ongoing success in the future. Their untraditional approach to marketing is successful because it is unique, transparent, and skilfully aligned with the company's purpose.

Patagonia has grown to become one of the most ethical brands on a global scale.

Marketing has successfully allowed Patagonia to target a new audience amid a vast transition in consumer behaviour. Furthermore, the company has built

a loyal customer base by ensuring that its actions always speak louder than its words. Patagonia's marketing strategy succeeds in building a brand of like-minded individuals, striving for one common goal, to save their home planet. ■



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