

Patagonia: An Inside Look



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“Build the best product, cause no unnecessary harm, and use business to inspire and implement solutions to the environmental crisis.”

“



Industry Trends



47% Athleisure

Activewear Meets Casual

50%
Women (18-34)

70%
Men (18-34)

Rise of Outdoor Enthusiasts



10 Outdoor Companies

Go Green & Save Green



Competitors

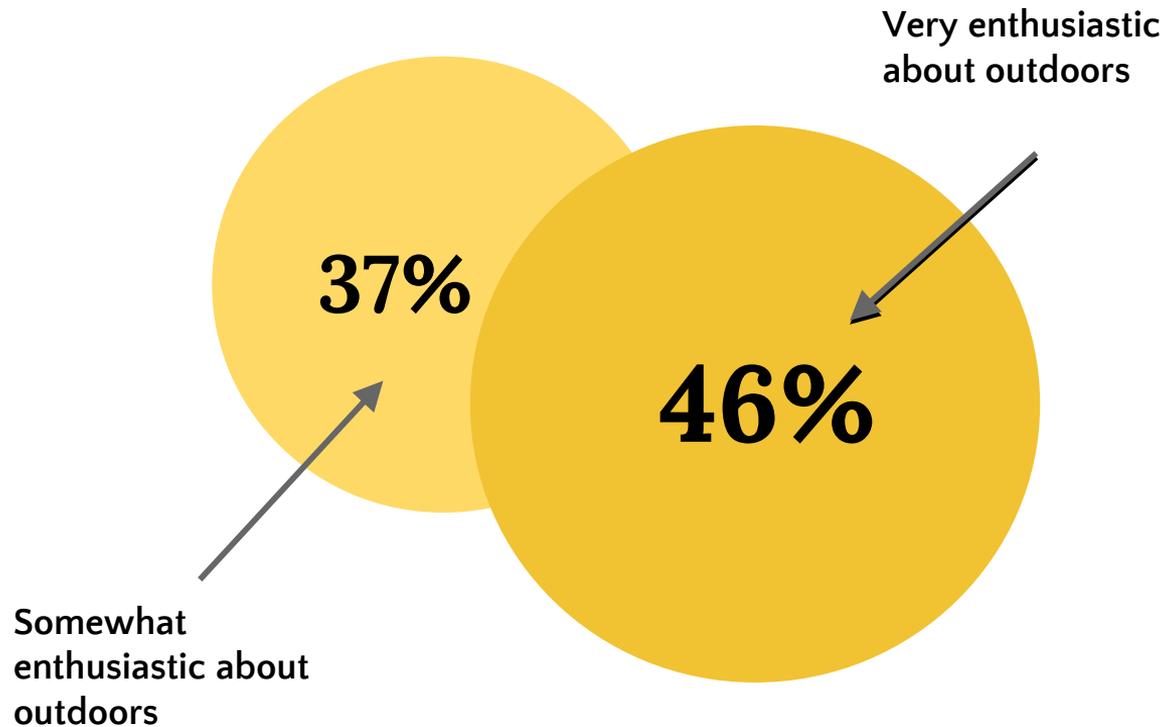


Marmot®



Current Customers

- Generation Z'ers
- Millennials
- Adventurers
- Outdoor Lovers



DOES BRAND NAME MATTER?

Consumers' opinions about activewear





**How can Patagonia expand its
business and compete with
similar companies?**

“



Research Questions

Product

Do people like the look and style of Patagonia?

Price

What price point will consumers purchase Patagonia products?

Place

Where do consumers shop for outdoor wear?

Promotion

What age demographic knows about the company?



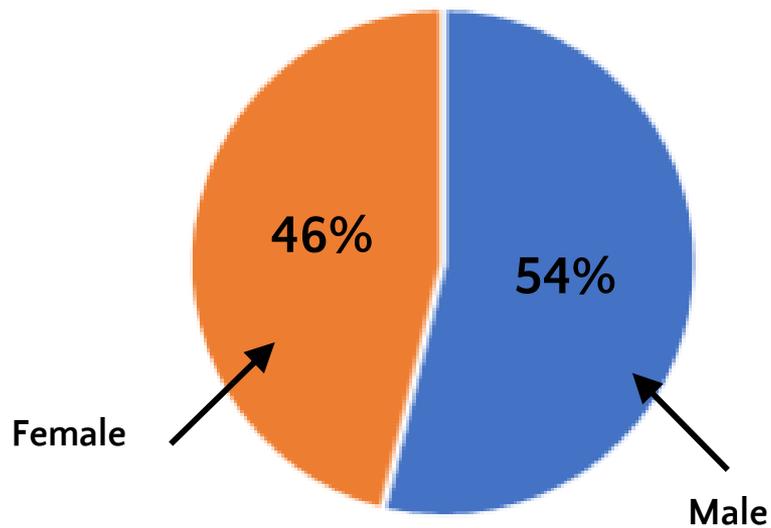
Observational Research

- Dick's Sporting Goods
- REI
- Nordstrom
- Macy's Department Store

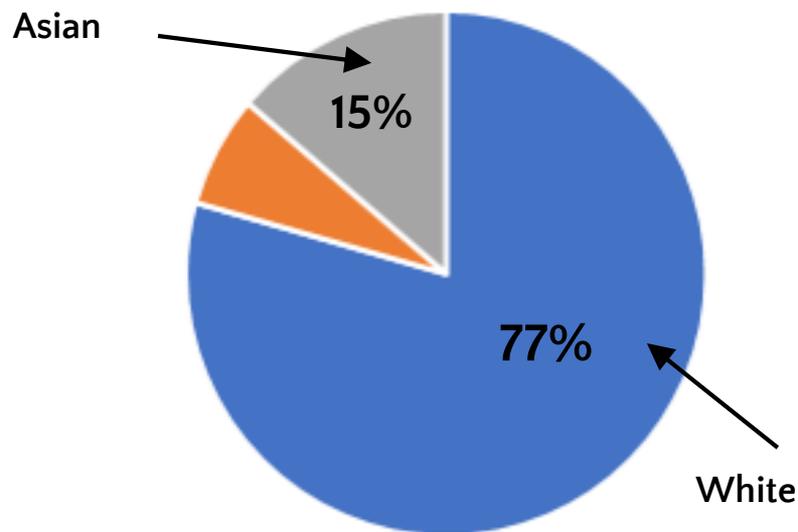


Observational Research

Gender



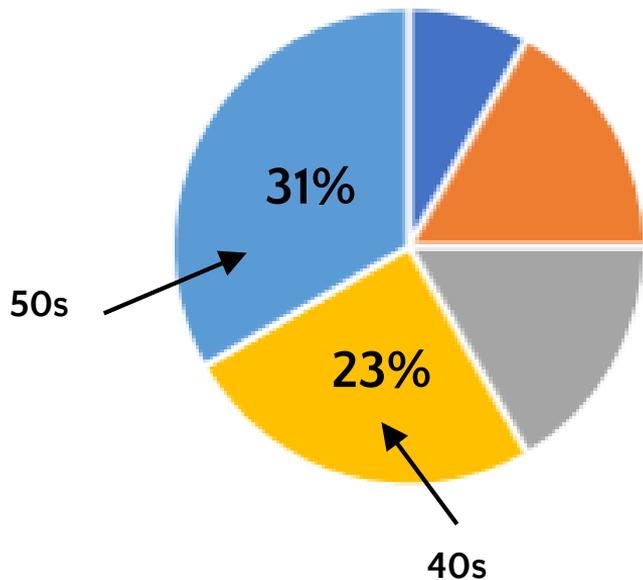
Race



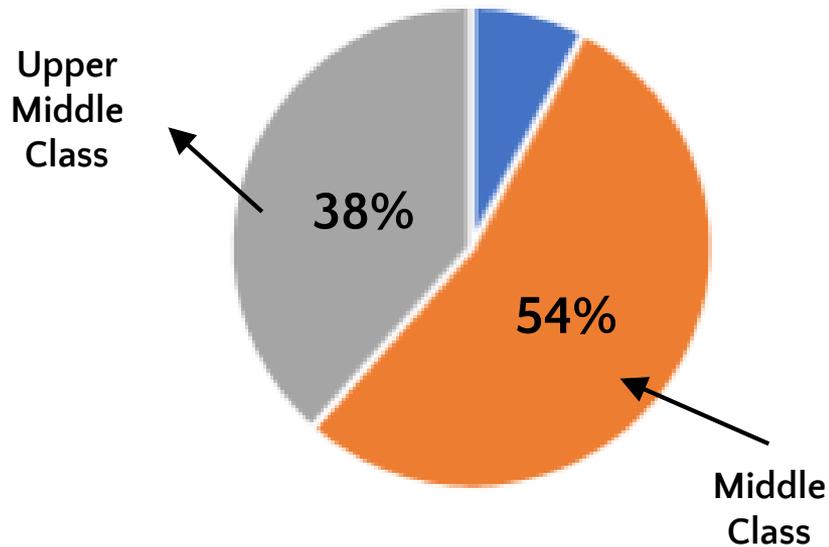


Observational Research

Age



Income Level (est.)





In-class Interviews

“Simple and versatile.”

“It’s the brand for travellers.”

“Durable and lasts long.”

“Why do you choose to purchase Patagonia?”

“Committed to serving the community...”

“Has good quality.”

“Unique.”



In-class Interviews

“More youthful.”

“Cheaper.”

“Not really what I’m
going for...”

*Why do you choose
Patagonia’s
competitors?*

“More availability.”

“Not really my
aesthetic.”

“Not serious enough.”



Focus Group



SOMEWHERE, SOMEONE IS GOOGLING THIS.



Focus Group

“Kind of feel unsafe. Makes me want to go to bed.”

“How can you Google it if you don’t know what it is?”

“I just see myself fitting it. It’s too adventurous.”

“...memories of Costa Rica.”

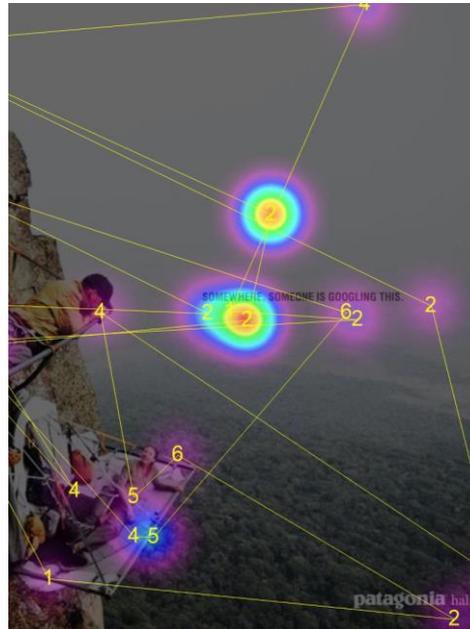




Eye Tracking Results

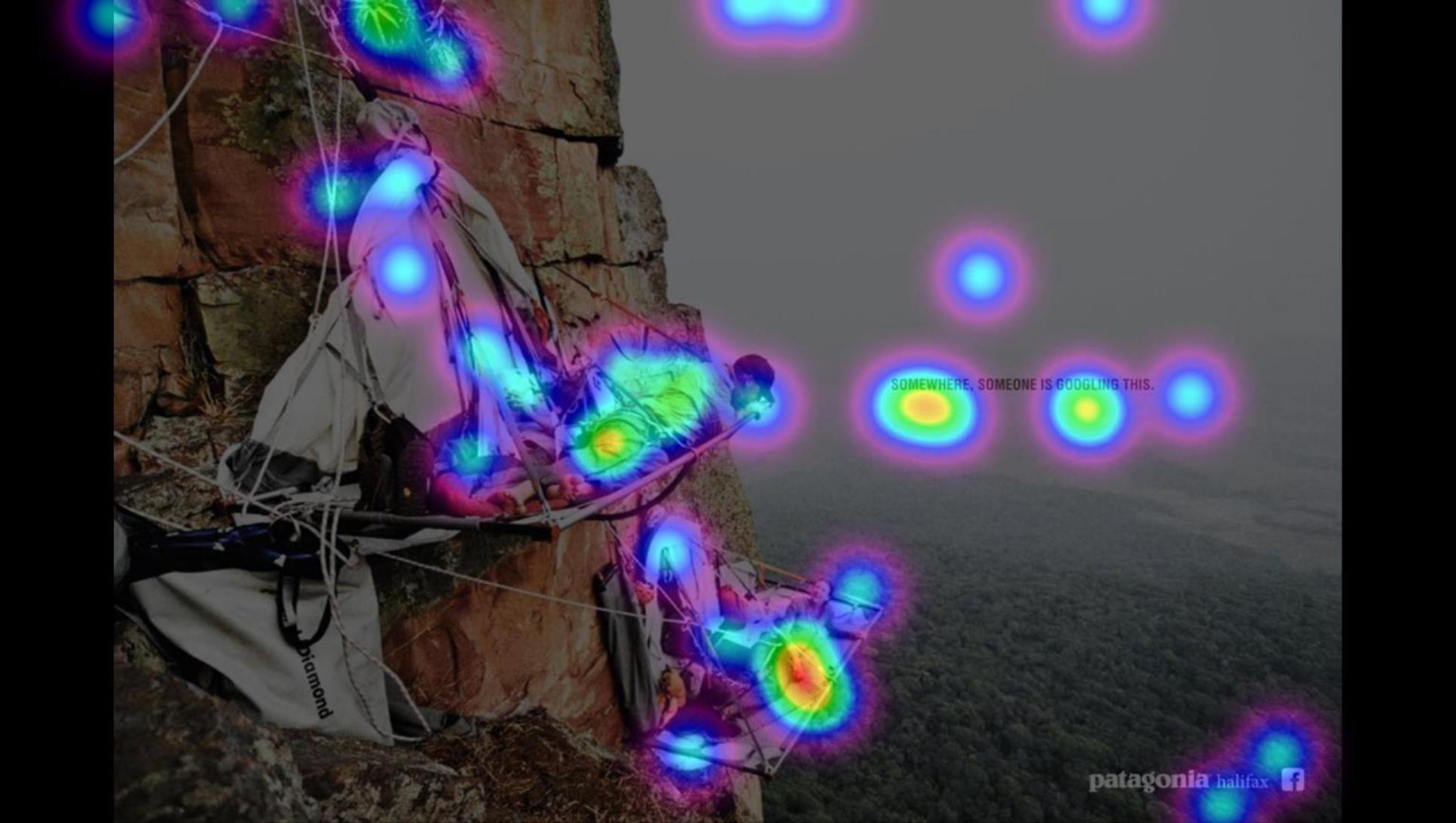
Path

- Looked at people in the ad and then slogan
- Did not look at logo
- Attention focused on activity

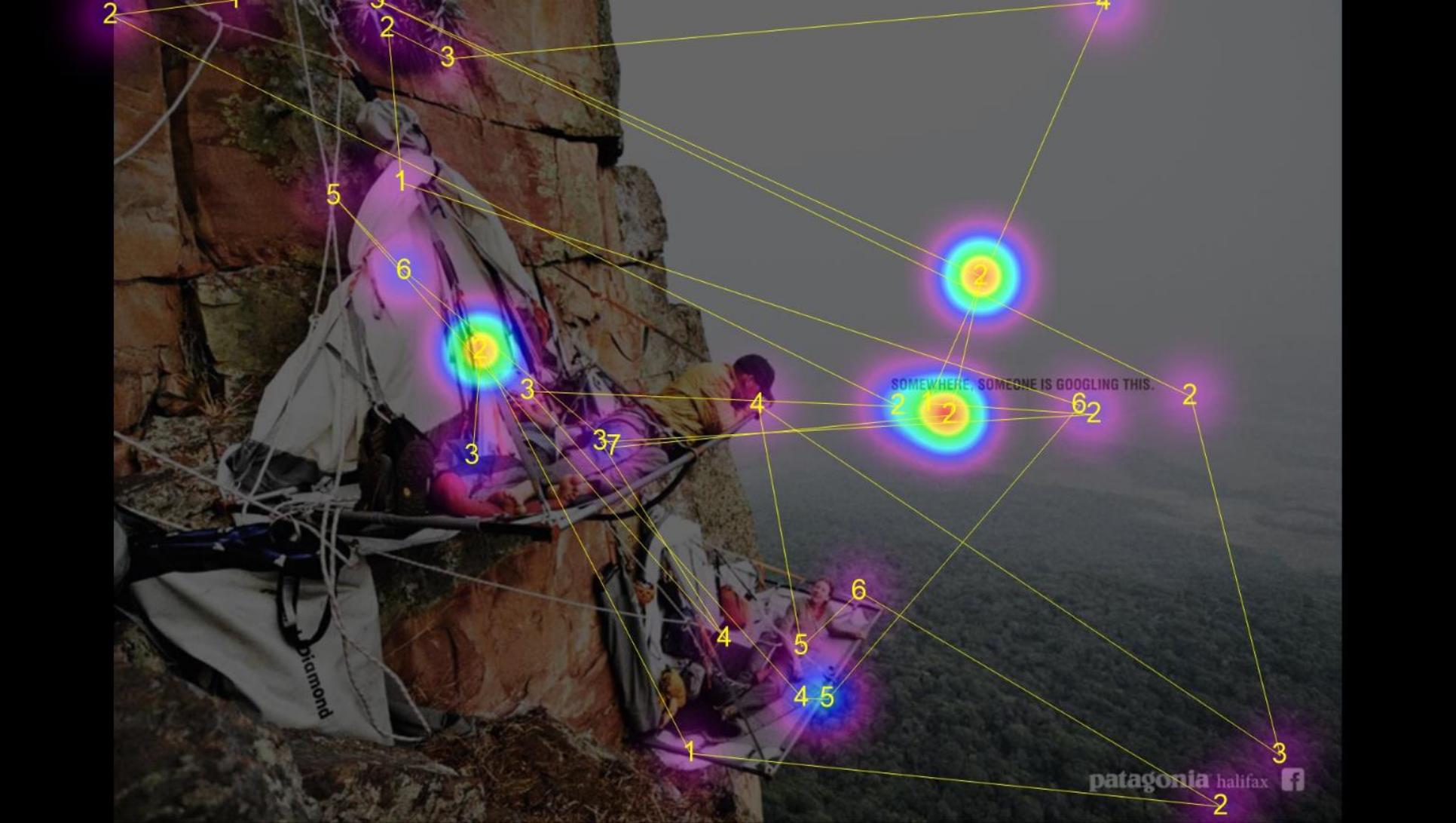


Steps to Redesign

- Make logo more prominent
- Find ways to showcase Patagonia products
- Improve flow of ad



SOMEWHERE, SOMEONE IS GOOGLING THIS.



SOMEWHERE SOMEONE IS GOOGLING THIS.



Ad Redesign





Ad Redesign



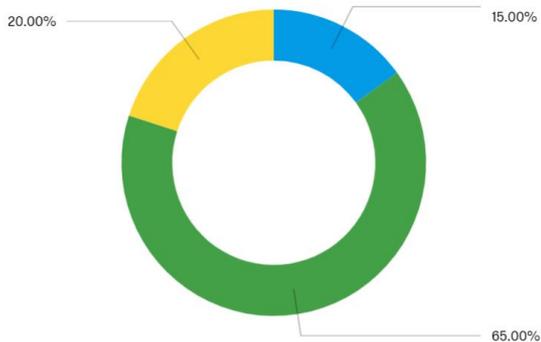


Escape the ordinary.
Embrace the unknown.





Survey Results



Extremely unlikely Somewhat unlikely Neither likely nor unlikely Somewhat likely Extremely likely

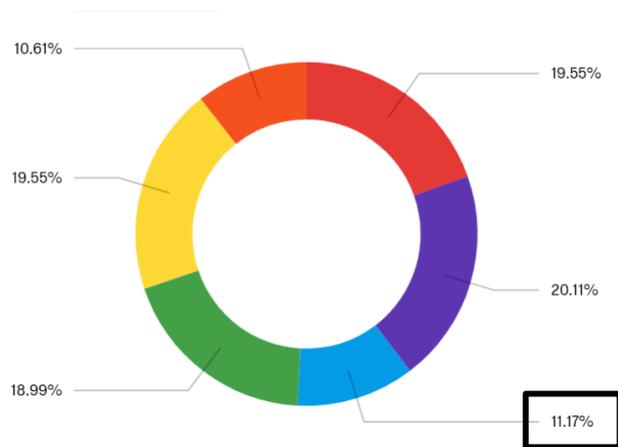
☉ *Sell products in department stores and/or other retailers*



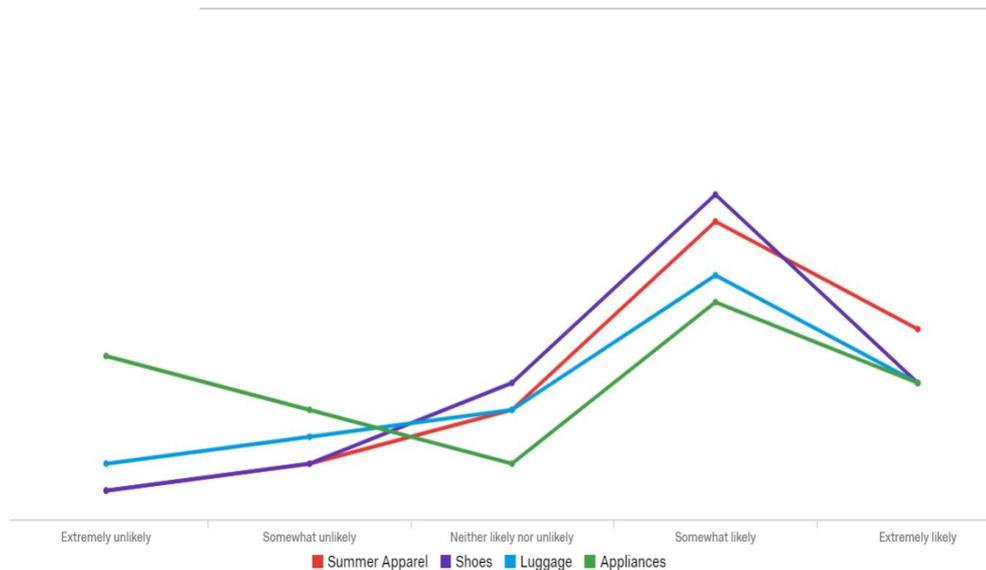
☉ *Simpler colors and patterns*



Survey Results



🟡 *Increase brand awareness*



🟡 *Create new products*

In-Person Experiment

Will participants be able to accurately price a jacket?

How much do you think this jacket costs?

- Covered logo of fleece jacket with duct tape
- Asked people to guess prices and rate the jacket's quality





In-Person Experiment: Variables

Independent



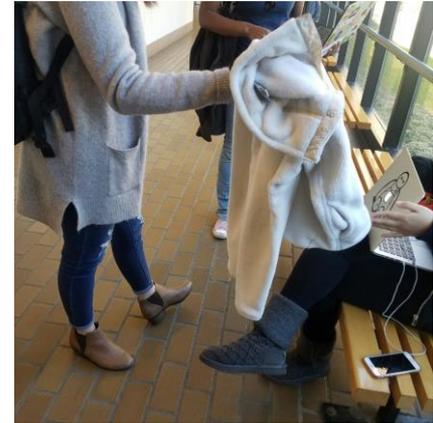
Brand told participant

Dependent



*How participant rated
jacket*

Control



Jacket



In-Person Experiment

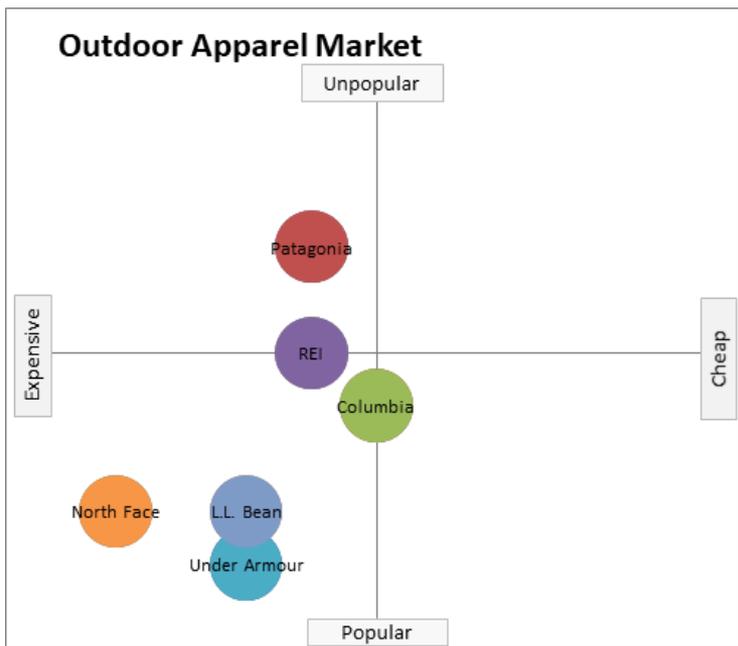
Brand
High Quality
Average Price

Patagonia
78%
\$ 94.72

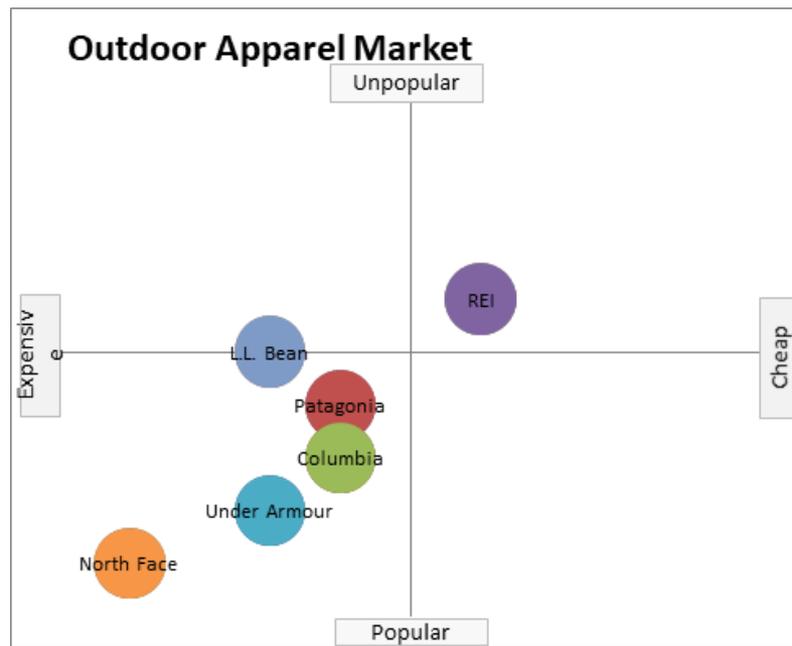
Columbia
44%
\$ 53.06



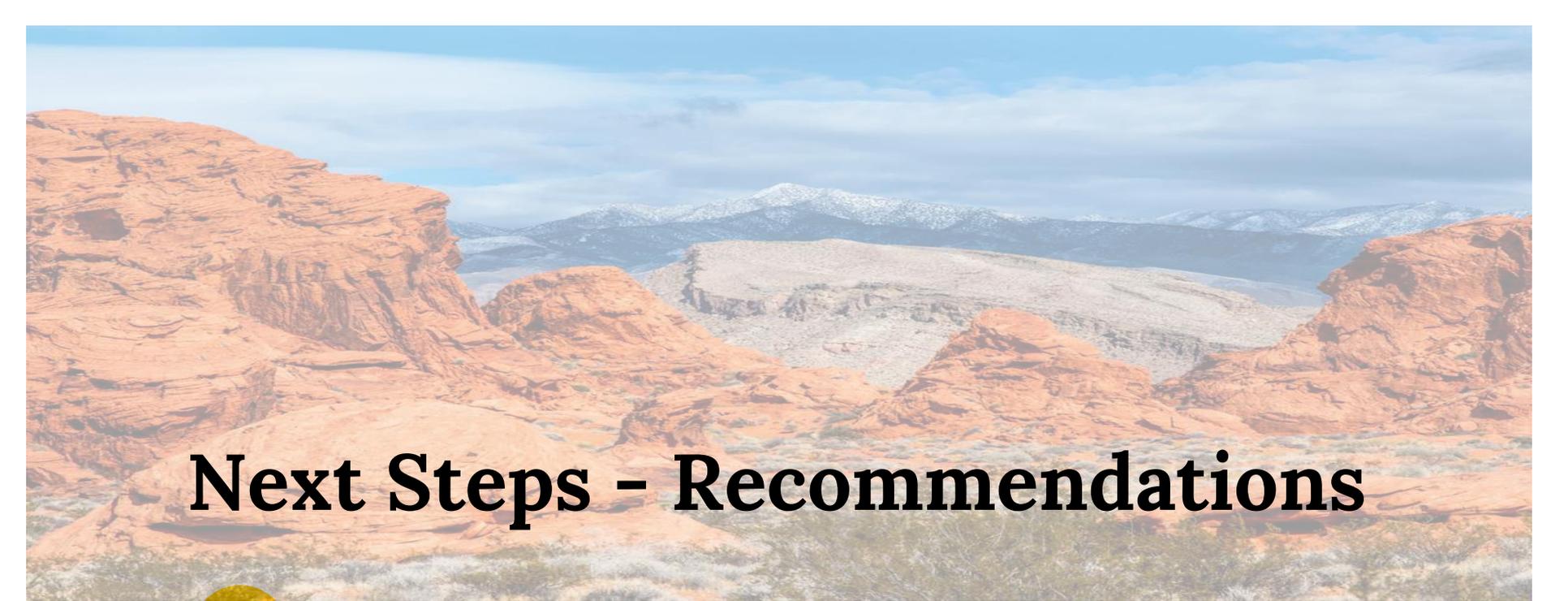
Perceptual Maps



Income Group 1: \$0 - \$59,999



Income Group 2: \$60,000 - \$150,000



Next Steps - Recommendations



Product

Do people like the look and style of Patagonia?

- Develop new products beyond clothing and traditional gear



Place

Why do competitors sell their products in discount retailers? How come Patagonia doesn't?

- Sell outdoor clothing and gear from stores like Walmart, Target, TJ Maxx.
- Consumers with income of \$50,000 – \$100,000 shop at a variety of places

68%



Price

Why does Patagonia price its product the same as its competitors?

- Emphasize the quality of products
- Increase awareness of materials used and impact on environment



DON'T BUY THIS JACKET

COMMON THREADS INITIATIVE
Together we can reduce our environmental footprint.

TAKE THE PLEDGE

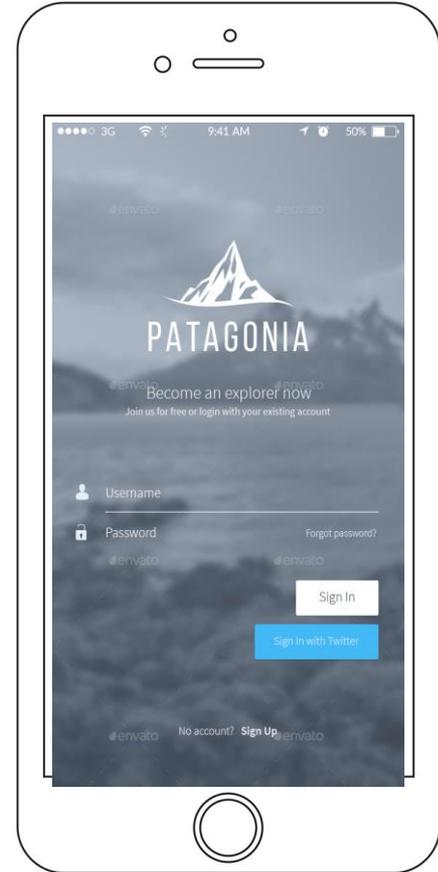
The image shows a blue Patagonia fleece jacket centered on a light gray background. Above the jacket, the text 'DON'T BUY THIS JACKET' is written in large, bold, black capital letters. Below the jacket, the text 'COMMON THREADS INITIATIVE' and 'Together we can reduce our environmental footprint.' is written in smaller black font. At the bottom, there is a small orange rectangular button with the text 'TAKE THE PLEDGE' in white capital letters.

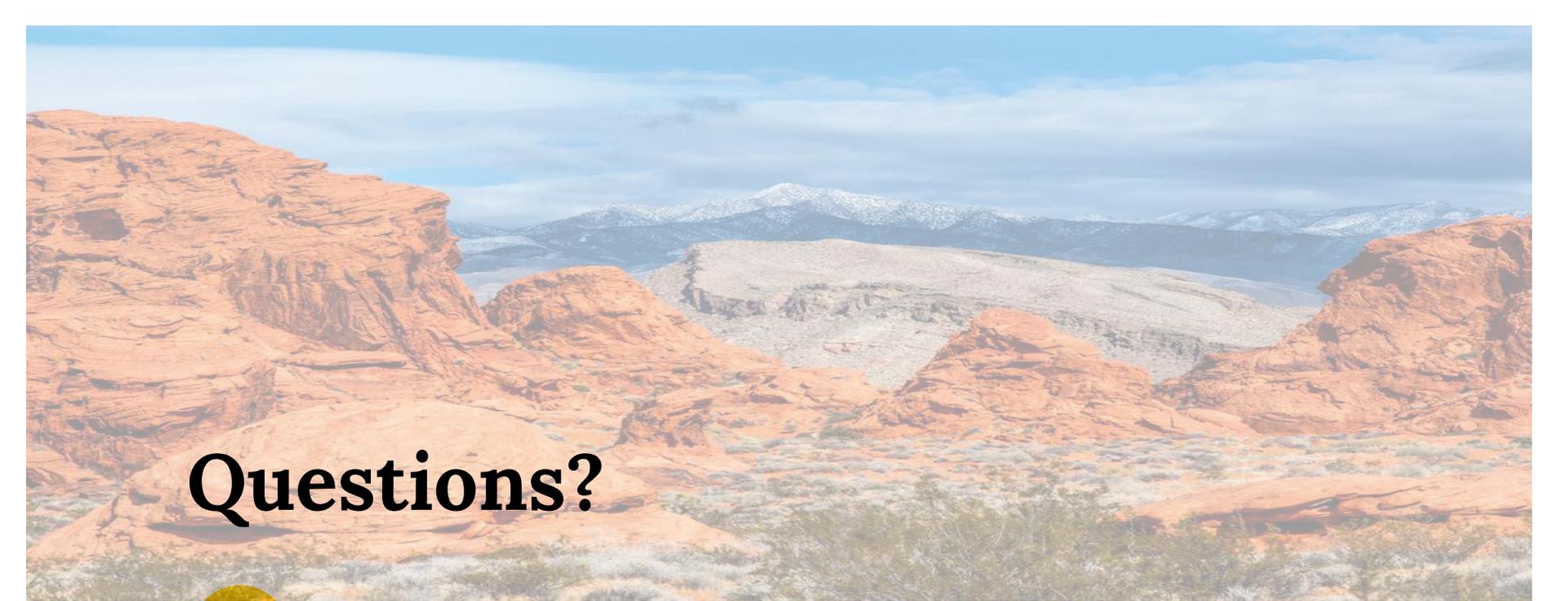


Promotion

What demographic knows about the company? Do people in other countries shop at Patagonia?

- Focus on “word-of-mouth” marketing
- Foster a welcoming community of outdoor enthusiasts (social media or app)





Questions?





References

<http://academic.mintel.com/display/748303/>

<http://academic.mintel.com/display/821705/>

<http://academic.mintel.com/display/821699/>

<https://www.patagonia.com/static/on/demandware.static/-/Library-Sites-PatagoniaShared/default/dw883f0dc2/PDF-US/2016-B-CorpReport-031417.pdf>