

## GREEN MARKETING: A CASE STUDY OF THE OUTDOOR APPAREL BRAND PATAGONIA

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### Abstract:

This case study will examine the main aspects of a Green Marketing strategy and give a concrete example of the outdoor retailer brand Patagonia. First of all, the relation of companies towards sustainability and the brand Patagonia will be introduced. Afterwards, the evolution of fast fashion and its change towards sustainability will be discussed. A short literature review will outline different definitions of Green Marketing. Subsequently, the Green Marketing strategy of Patagonia and two of its campaigns will be presented. Lastly, the discussion and conclusion will follow.

**Keywords:** Green Marketing; Sustainable Fashion; Patagonia

**JEL Classification:** M31; 052

## MARKETING VERDE: UN ESTUDIO DE CASO DE LA MARCA DE ROPA EXTERIOR PATAGONIA

### Resumen:

Este estudio de caso examinará los aspectos principales de una estrategia de Marketing Verde y brindará un ejemplo concreto de la marca minorista de actividades al aire libre Patagonia. En primer lugar, se realizará una introducción sobre la relación de las empresas con la sustentabilidad y la marca Patagonia. Posteriormente, se hablará de la evolución del fast fashion y su cambio hacia la sostenibilidad. Una breve revisión de la literatura describirá las diferentes definiciones de Marketing Verde. Posteriormente, se presentará la estrategia de marketing verde de Patagonia y dos de sus campañas. Por último, se procederá a la discusión y conclusión

**Palabras clave:** Marketing Verde; Moda Sostenible; Patagonia

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## 1. Introduction

More than ever, companies worldwide are constrained to turn their back on harmful resources and socially irresponsible practices. Some companies have taken this trend further and built a business model based on social responsibility and ecology. This sudden change in mentality goes back to the climate crisis creeping up on humanity. Now, more than ever, people need to take action. It goes without saying that it is not only drastic but also difficult to adapt a lifestyle accordingly to this situation. Thus, companies have taken the lead in guiding customers to more responsible consumerism. To put forward their sustainability and social responsibility engagement, companies try adapting their product, their placement and business models.

A good example illustrating the concept of Green Marketing is the outdoor apparel brand Patagonia. The enterprise was founded in 1973 by the US native rock climber Yvon Chouinard. His main goal was to create products from materials with a low negative environmental impact (Patagonia Inc., 2022a). Today, the company is considered one of the leading outdoor retailer brands caring for protecting the environment. Their products range from clothing and sports equipment to books and food.

However, many companies aspire to more purposes than protecting the planet. As the 'sustainable trend' developed, firms tried to achieve particular objectives by assuming the role of preserving ecology. One of the main goals is to become distinctive from competitors from the customer's perspective. Companies will try to obtain a competitive key factor that improves the customer's brand perception. This distinction will improve sales, brand development, ecological footprint and, therefore, the company's long-term development.

By adopting Green Marketing, companies are quite sensible to neglect the basic principles at stake. Those principles are ecology and sustainability. Yet, as companies promote their ecological and social actions to diversify themselves from the competition, they often diverge from that path and create a paradox. They apply unethical or unsustainable principles to achieve those craved critical advantages over their competitors. Such contradictions can be found in companies that advertise the usage of 'green' recycled materials in their manufacturing procedures. At the same time, they only process a small percentage of it while the majority is made of non-sustainable resources, purchased from doubtful suppliers, or produced in an explorational work environment. These *Greenwashing* practices are the negative result of Green Marketing and should be avoided.

## 2. Conceptual Aspects

### 2.1 Fashion brand's change: From fast fashion to more sustainable practices

Decades ago, most fast fashion brands primarily focused on mass production and low quality and tried to satisfy customers' needs as fast as possible. Following trends and being up-to-date was one of their main issues. Collections changed weekly, and this is also more of a recent development with fast-fashion brands like *Shein*. As the products are cheap, customers do not think twice about it as it boosts their confidence the next time they go out. One survey found that 20% of clothing in the United States is never worn, as in the United Kingdom, the percentage is even 50% (Cho, 2021). Compared with sustainable brands, which tend to be more expensive, fast fashion or mass production allows low-income people to buy affordable products.

#### 2.1.1 What is sustainable fashion?

Sustainable fashion aims to protect the environment and garment production by reducing CO<sup>2</sup> emissions, providing safe working conditions, paying workers a fair wage, reducing waste, and supporting biodiversity (Henninger, 2016).



Source: [[https://www.freepik.com/free-vector/flat-hand-drawn-sustainable-fashion-infographic\\_12202027.htm](https://www.freepik.com/free-vector/flat-hand-drawn-sustainable-fashion-infographic_12202027.htm)], available at 15.11.2022

### 2.1.2 Issues with fast fashion

The following issues apply to fast fashion:

- a) Workers are working in unhealthy conditions for a meagre wage. Brands strategically choose countries where human and worker rights are almost non-existent, leading to cost minimisation.
- b) Pollution: Mass-produced clothes are usually made of cheap materials like Cotton Fabric, so they are not supposed to last; on average, every piece has a lasting average of only seven wears (Sanvt Journal, 2022).
- c) It is not only harmful to humans but to animals too. They drink contaminated water with microfibers and many chemicals. Annually fabrics use around 93 billion cubic metres of water, equivalent to 37 million Olympic swimming pools (Chan, 2020).
- d) A sort of addiction can be developed due to the constant change of collection and social pressure to have the newest piece. Customers constantly seek new trends due to social media and compare themselves with celebrities (Sanvt Journal, 2022).
- e) Greenwashing: Brands hide their supply chain and production process from the beginning to the end to gain a sustainable brand image (Sanvt Journal, 2022).

### 2.1.3 Timeline of the fast fashion industry

In the 1800s, the fashion industry did not exist the same way today. People usually owned fewer pieces and produced their own clothes from raw materials. This changed with the industrial revolution and the invention of the sewing machine in the mid-1800s (Sanvt Journal, 2022). Now, clothes could be produced more quickly, and people started wearing them for style, not only necessity. By the 1960s, cheaper, mass-produced clothing was widely available. Shopping for new styles has become widely affordable and practised. In the 1990s, the term fast-fashion was coined by the New York Times after Zara implemented an accelerated production model with faster turnover from the design stage to selling the items in clothing stores (Sanvt Journal, 2022). Nowadays, Fast fashion is booming and has reached a more rapid production turnover than ever.

### 2.1.4 Is fast fashion in decline?

Changes have been identified in the fashion industry, but the full potential of positive changes still needs to be reached. Millennials and Gen Zers are aware of the main issues of fast fashion, and some are trying to change their fashion consumption. Many are aware of the ecological crisis and engaged in initiatives like *Fridays for future*, giving up fossil fuels, and buying less but more sustainable products (Rauturier, 2022).

However, fast fashion brands are still controlling the industry, like *Shein*, whose main consumers are younger generations, such as GenZ and Millennials (Rauturier, 2022).

## 2.2 Definition of Greenwashing

Greenwashing describes practices applied by companies to market themselves are more environmentally friendly than they actually are. The term became popular after 1996 when Gerr and Bruno (1996) discussed it in their book on environmental marketing. Companies that engage in Greenwashing promote Green Marketing communications while not committing to align their actions with the symbolic communication they advertise (Seelen & Gatti, 2015).

## 2.3 Definition of “Green Marketing.”

Green Marketing can be defined as company strategies to change their ecological impact. Green Marketing has a much broader definition than just relying on sole ecology. It is about being socially responsible, considering social ethics and having a somewhat responsible impact on consumer behaviour, which will be applied through different marketing techniques. It is essential to say that Green Marketing doesn't have a unique definition yet.

The literature suggests many definitions for Green Marketing. Green Marketing will be defined in many ways based on the company's specific goal of applying that marketing technique. Polonsky (1994) describes the term as “*all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the environment.*”

According to Kumar Kar and Harichandan (2022), Green Marketing focuses on reducing the company's environmental impact to its minimum and underlining that purpose through its marketing strategy. The goal of Green Marketing is to change consumers' mindsets gradually. The second part focuses on improving the ecological footprint companies leave behind. Thus, Green Marketing focuses on the behaviour of both the consumer and the producing company. The company establishes an ecological positioning through its brand or a specific range of products.

As ecology is a responsibility to be carried by both parties, the consumer, in most cases, will be subject to the burden of paying a higher price, accounting for the ecological costs. “*It is the use of material goods, energy, and immaterial services so that their environmental effect is minimised, allowing human needs to be addressed not only in the present but also for future generations*” (Kumar Kar & Harichandan, 2022, p. 7). This definition suggests that Green Marketing goes back not only to the environmental effects of the company but more to the management of material goods, immaterial services and energy in a specific way. Therefore, it allows the environment and humans to be preserved in the best possible way.

## 3. Case development

### 3.1 Patagonia's Green Marketing and strategy

After defining the main aspects of Green Marketing, this report will analyse the critical elements of the outdoor apparel brand's Green Marketing strategy. First, Patagonia's vision is to apply business practices to protect the planet and fight the climate crisis (Gossen & Kropfeld, 2022). The company differentiates itself from the general apparel industry as it engaged in environmental topics decades ago. Since 1985, Patagonia has been donating one per cent of its annual revenues to preserve the planet. Their *1% for the Planet* initiative encourages other businesses to follow this example (Patagonia Inc., 2022b). The brand stands for high-quality, durable, and timeless items produced sustainably. Furthermore, Patagonia is known for its famous campaigns, two of which will be described in the following paragraphs.

#### 3.1.1 2011 Campaign: DON'T BUY THIS JACKET

In 2011, Patagonia published an advertisement in the newspaper *New York Times*. It was released during *Black Friday*, which might be the world's biggest consumption day. As shown in figure 3, the advertisement stated not to purchase the depicted jacket.

**Figure 3:** Campaign “Don’t buy this jacket”



Source: [[https://www.researchgate.net/figure/Dont-Buy-This-Jacket-print-advertisement-Property-of-Patagonia-Inc-Used-with\\_fig1\\_281150826](https://www.researchgate.net/figure/Dont-Buy-This-Jacket-print-advertisement-Property-of-Patagonia-Inc-Used-with_fig1_281150826)], available at 15.11.2022

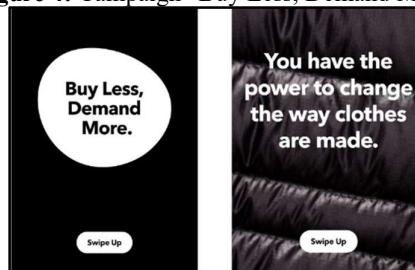
Patagonia intended to convey the message of anti-consumerism to their customers: to think twice before making a purchase, or rather not purchase if not necessary. Furthermore, the campaign addressed other companies to produce fewer goods but ones of a higher quality (Patagonia Inc., 2022c). This might be done by, for instance, using sustainable materials and greener production processes.

The commercial attracted much attention, and the feedback was highly ambivalent. For many, it enhanced Patagonia's role as the pioneer of environmental engagement and sustainable behaviour in the clothing industry. On the other hand, the advertisement was blamed for being hypocritical, as Patagonia's sales increased more than 30 per cent after publishing that campaign (Hwang et al., 2016). As a reaction to the critics, Patagonia published an article on their website explaining that reduced consumption is not considered hypocrisy. Moreover, the enterprise focused on selling only valuable and durable products that people need (Patagonia Inc., 2022c).

### 3.1.2 2020 Campaign: *Buy Less, Demand More*

Nine years later, Patagonia launched another campaign on Black Friday: *Buy Less, Demand More* (see Figure 4).

**Figure 4:** Campaign “Buy Less, Demand More”



Source: [<https://business.ladn.eu/news-business/actualites-annonceurs/patagonia-contre-black-friday-consommation-responsable-manifesto-achetez-moins-exigez-plus/>], available at 15.11.2022

In 2022, the outdoor brand launched another campaign on sustainable consumption behaviour and requested consumers to buy only according to their needs. This time they additionally invoked their customers to demand more: Demand high-quality and fair-trade apparel, request recycled and worn gear. Repair damaged items rather than discard them.

When customers participate in those actions, they can shift the power from the fast-fashion industry towards a more environmentally-friendly and ethical-fair production (Patagonia Inc., 2022d). According to the motto: the more people, the more power to change. After this campaign, Patagonia observed a considerable decline in online sales, which they booked as a success in sustainable consumption (Gossen & Kropfeld, 2022).

To sum up, the core of Patagonia's Green Marketing strategy is driven by environmental protection. They produce high-quality apparel in sustainable ways. Moreover, Patagonia encourages customers to consume responsibly and well-considered, e.g., by repairing garments rather than purchasing new items. The enterprise originated many sustainable initiatives in which customers and other businesses can participate in social or environmental activities. Generating attention through publishing provocative advertisements is also part of their marketing strategy.

### 3.2 Patagonia's Milestones

According to Kamprad (2022), some of Patagonia's milestones are:

- a) *Don't buy this jacket* campaign increased revenues by about 30% in 2012 and 5% the year after. In 2017 the company made \$ 1 billion in sales.
- b) Patagonia has a 51-60% traceability score by the 2021 Fashion Transparency Index, which means they share production information about their products, such as where items and materials originate.
- c) 87% of their products are made with recycled materials.
- d) Has been certified as a B Corp company since 2011 and earned B Corps best for the World Environment award
- e) Foundation of the initiative *1% for the Planet*
- f) Patagonia's main goal is to use 100% recycled polyester by 2025

## 4. Questions for discussion

**Question 1:** What motivated companies to implement sustainable policies 20 years ago?

Though it might seem to be a bit of a trend to act ethically and *green* as a company, Green Marketing was already a topic 20 years ago. Companies must pursue differentiation from competitors and intend to be the leader in the market (Kotler et al., 2018). Other than the beneficial aspect, ecology is a matter that goes back many years. Increasing environmental concerns are the leading reason companies and people have begun to be conscious of what is happening.

At the beginning of the 80s, concerns began to arise regarding what effect different products or production processes have on the environment. For that reason, companies in the '80s and 90's introduced Green Marketing to persuade customers to reduce their ecological footprint and make a difference. The goal of that strategy was not solely to convince the customer to buy the company's products. Much more, companies wanted to lead and achieve a switch in people's mindsets. More than ever, it was time to take responsibility and ensure a world for future generations.

**Question: 2:** What are the similarities and differences between the two campaigns of 2011 and 2020?

The two campaigns, *Don't buy this jacket* from 2011 (Patagonia Inc., 2022c) and *Buy less, demand more* in 2020 (Patagonia Inc., 2022d), have one main message in common: to consume fewer items of higher quality to protect the planet. The apparel brand publishing a provocative anti-consumerism ad on a 'consumption day' like *Black Friday* generated much attention in the media. The reactions between both campaigns varied in terms of the profit Patagonia made afterwards.

The nine-year difference between both advertisements also plays a vital role. The current issues caused by the climate crisis have changed people's mindsets drastically since 2011. Consumers became more aware of the importance of sustainability in the textile industry.

Patagonia has been ahead of the sustainable fashion trend, standing up for environmental protection decades ago. Sending the message of anti-consumerism in 2011 created a more immense outrage than nowadays. Furthermore, the term *Don't Buy* carries a strong message stronger than "*Buy Less*".

Nevertheless, they intensified their call in 2020 by encouraging their audience to take part in changing the whole apparel industry. Consuming less is not enough anymore. Customers must participate actively in social or environmental activities in order to behave sustainably. Patagonia knows that the current manufacturing situation cannot be upheld for the future. Again, the company seems one step ahead of the rest of the clothing industry.

**Question 3:** Should Patagonia offer lower-priced products to cater to consumers who cannot afford the high prices but still want to consume sustainably?

It does not make sense for Patagonia to offer cheaper products to satisfy lower-income customers. Patagonia's target audience of upscale consumers is willing to pay more for good quality and reduced environmental impact. In addition, it is expensive to produce sustainable products. The materials used are of high quality. Moreover, employees receive a fair wage and benefit from labour protection rights. Prices affect the volume of sales. By reducing their costs, Patagonia might profit more, but that is not the company's primary goal.

Patagonia started as a sustainable brand. It could negatively impact their image if they offered a new line with more affordable products because it may affect their sustainable production. Patagonia already has outlet shops in the US, so that more people can afford specific items. Since 2017 the company even created a *worn-wear* website to distribute good condition second-hand Patagonia clothes. They apply a skimming strategy which means they start with high prices and lower them with time (Dolgui & Proth, 2010).

Patagonia started as a sustainable brand. Adjusting its strategy to sell more affordable clothing would only encourage increased consumption, which contradicts its sustainable mission of buying more wisely. Their products are supposed to last longer than other brands.

## 5. Conclusion

To conclude, this case study highlights the evolution of fashion and, more precisely, a sustainable manner. Patagonia was one of the first companies to produce sustainable products and has implemented sustainable practices since its founding in 1973. The company applies Green Marketing strategies, which are reflected in its campaigns. This case study analysed two of these campaigns, *Don't Buy This Jacket* and *Buy Less Demand More*. Both campaigns encouraged consumers to make more mindful purchasing decisions. However, due to the nine-year gap between both campaigns, the impact on consumers and the public varied greatly. The initial campaign, a pioneer strategy for its time, created a more disruptive effect. Patagonia's customers know that they are doing something good for the environment and get the feeling of contributing by purchasing their items. The result shows that more and more people are changing their mindset and caring for the environment.

Patagonia's Green Marketing technique and the highlighted campaigns showcase fundamental green-making principles, such as transparency. By being transparent with consumers about the adverse effects of fast fashion and mindless consumption, positive changes can be made. Applying transparency tactics, Patagonia created awareness and a positive change in the outdoor apparel industry. Other brands can benefit from the company's campaigns by advertising features of their items, contributing to sustainable consumption, such as the durability of the clothing. More companies are implementing Green Marketing strategies. Customers need to keep informed about the products they consume so as not to fall victim to greenwashing practices in the market.

The case of Patagonia is a great example to use in teaching Green Marketing strategies. It showcases the application of Green Marketing techniques, and the varying impacts campaigns can have if implemented at different times.

To end with a note by Yvon Chouinard, Patagonia's founder: "Despite its immensity, the Earth's resources are not infinite, and we've exceeded its limits. But it's also resilient. We can save our planet if we commit to it (Patagonia Inc., 2022a).

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