**CH 18 PART A: Research and Evaluation** (19 pts)

**PRODUCT/SERVICE ANALYSIS. *You will note what you observe and why it is a strength or weakness and reasoning. Use marketing terms and the names of tools used.***

Patagonia: [Patagonia Outdoor Clothing & Gear](https://www.patagonia.com/home/) (4 PTS)

**Market Segments –** Patagonia targets many different market segments to reach their ultimate target market. Firstly, Patagonia typically targets people in an age range of usually ages 16-40 for their age demographic. This segment is based entirely on age because Patagonia understands that younger people are more interested and active in an outdoor recreational lifestyle. Furthermore, Patagonia segments their customers by age due to income reasons. People between the ages of 16-40 are more likely to have a disposable income. Considering consumers in this age group are likely somewhere in the family life cycle between living with their parents, and living on their own without children; consumers in this group are more likely to have a disposable income, and use it to purchase Patagonia’s highly priced products. Another market segment that Patagonia targets is based on lifestyle. Patagonia is aware that their product spread is intended for consumers who have a very active lifestyle and rely on quality products to do so. So, by segmenting the market based on lifestyle, Patagonia can better influence these consumers and convince them to buy their products. Next, Patagonia segments the market based on geographic segmentation. While Patagonia offers a plethora of outdoor essentials, they are primarily known for their cold weather outerwear, including puffer jackets, coats, and more. By segmenting the market based on geographic data, Patagonia is able to target consumers who live in colder, more rugged environments. Another segment that Patagonia targets is consumers who highly value the environment, and want to support eco-friendly brands. Patagonia has done more than most companies regarding supporting, protecting, and maintaining Earth’s natural environment. Considering these are Patagonia’s mission values, they are likely targeting consumers who share similar values. Finally, Patagonia segments the market by usage rate. People who maintain an active lifestyle outdoors are likely to put a lot of use into their products. The consumers using Patagonia’s products or other similar products want a product that is high quality, and can be used many times before it is ruined. Patagonia targets this segment because they sell high end, high quality, and high price merchandise.

**Target Market:** Patagonia’s target market is comprised of multiple different market segments, including the consumers that fit precisely into most or all of these segments. Patagonia’s main target market consists of consumers who are aged 16-40, have a disposable income, maintain a very active lifestyle, live in cold and rugged locations, and value high quality, eco-friendly products. I believe that Patagonia targets these specific consumers because they offer high priced, quality products built for an active lifestyle, while acting sustainably and respectfully towards the environment. Patagonia knows that these consumers are able to spend money on their products, will get good use from them, and will be willing to continue buying these products because they appreciate the company’s values. By targeting this market, Patagonia is able to not only attract new customers, but also retain current customers and even convert them into heavy-usage customers. By committing to their core values, Patagonia can leverage their target market to gain a very loyal consumer base.

**Target Market Appeal:** Patagonia’s products are very appealing to both their target market and their current customers in many different ways. First, Patagonia’s products are all very durable, high-quality products, which perfectly appeals to consumers in the target market who live an active lifestyle outdoors. Additionally, considering 87% of Patagonia’s products are made with recycled materials, their products are very appealing to consumers in their target market who value eco-friendly and sustainable products. Additionally, Patagonia’s products are appealing to their target market of people age 16-40 because they are stylish yet comfortable. While Patagonia is known for their durable and comfortable clothing and outerwear, the brand has also become a fashion statement in recent years. By appealing to both a sense of comfort and style, Patagonia’s products are very appealing to their target market.

**Marketing environmental factors effecting the firm/product:**

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| Economic Factors | Cultural Factors | Competitive Factors | Environmental Factors |
| Currently, the United States is experiencing a difficult recession, with high interest rates caused by increasing inflation. Undoubtably, Patagonia is facing financial issues due to this factor, as every firm is. This factor is likely affecting Patagonia’s profit, operating ability, and sustainability procedures. The recent state of the economy in the United States has likely made it more difficult for Patagonia to continue with their mission statement and promise to protect our natural Earth. | Culture is always changing and adapting with people, and people are always changing and adapting with culture. There has recently been a huge cultural shift, specifically within younger generations, where there has been increase value placed on protecting and sustaining the natural environment. These cultural factors have definitely added pressures to Patagonia and other firms to use sustainably material, and to be eco-friendly with their business and procedures. However, Patagonia has been able to leverage this cultural shift into a strength, and likely will continue to do so. | Competition is a huge factor currently affecting Patagonia. The outdoor industry has recently seen a massive increase in demand and importance. Regarding Patagonia, their main competition comes from firms like The North Face, and Columbia Sportswear amongst others. Today, Patagonia seems to be leading the charge regarding popularity and visibility, but they are likely always concerned with competition. The competition Patagonia currently faces has forced the firm to give themselves a competitive advantage (sustainable sourcing/materials), and to fight constantly for a dominant market share. | Environmental factors are affecting Patagonia almost positively. Currently, humans are facing a climate crisis like never before. Temperatures are rising, CO2 emissions are soaring, and natural disasters are becoming more and more frequent. However, Patagonia has been able to turn these disasters into a strength for their company. By focusing their product spread on environmentally friendly, responsibly sourced, and eco-friendly materials they have been able to leverage a serious share of the outdoor clothing industry. Patagonia will likely continue to make progress in this regard, giving them a huge competitive edge. |

**SWOT – a table might be useful for this.**

* **Strength (related to Product, Price, Place and Promotion):**
* **Weakness (related to Product, Price, Place and Promotion):**
* **Opportunities:**
* **Threats: Strength (related to Product, Price, Place and Promotion):**

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| **Strengths**   * Patagonia offers very high quality, durable products. * Patagonia is able to charge a relatively high price due to their product quality, enabling them to earn more profit. * Patagonia offers Eco-friendly products that aren’t readily available at many other stores. * Patagonia has a large digital platform, as well as multiple physical storefront locations. * Patagonia uses sponsored athletes to create influential promotion campaigns. * Patagonia has a very loyal consumer base, built around a strong sense of community and purpose. * Patagonia has a strong mission statement, and is heavily committed to maintaining it. | **Weaknesses**   * Patagonia offers high priced products, which may force consumers to purchase elsewhere. * Patagonia has a weaker E-commerce presence than its largest competitors. * Patagonia has fewer physical stores than many of its competitors. * Patagonia is politically inclined, which may sway consumers with opposing views. * Patagonia relies mostly on the domestic market area. Where as they are lacking competitively in foreign markets. * Patagonia often faces supply chain issues, which may be increase due to the sustainable nature of their materials and sourcing. |
| **Opportunities**   * Patagonia can leverage its domestic market share by opening more physical storefront locations. * Patagonia can increase sales by expanding their E-commerce platform and focusing more on profit rather than values. * Patagonia can extend their product lines to feature everyday clothing, allowing it to extend its target market to people who are less active outdoors. * Patagonia can leverage its core values to increase demand for sustainably and eco-friendly products. * Patagonia can tap into a larger market by expanding to foreign markets. | **Threats**   * Patagonia’s biggest threat is the high level of competition that they face from brands like The North Face, or Columbia Sportswear. * Patagonia may face declining sales as retail shopping has seen a decrease from the Covid pandemic. * Patagonia also faces environmental threats, as environment issues worsen, they could see increased issues with their supply chain. * Patagonia’s lack of E-commerce presence may force them to lose market share to competitors who are doing better online. * Patagonia’s high prices may force more and more consumers to purchase with competitors. * The current recession may push consumers to only purchase items they need, rather than expensive hobby-based items like Patagonia products. |

The North Face: [The North Face® Outdoor Clothing & Gear](https://www.thenorthface.com/en-us) (2 PTS)

**Strength (related to Product, Price, Place and Promotion):** The North Face offers a wide and deep spread of product offerings, they have been very successful in diversifying their products. Additionally, they have been very successful in acquiring market share and moving into new markets. By positioning themselves internationally and domestically, they should be able to gain more market share and increase revenues. The North Face also has very high-quality products, many of which share similar price points with Patagonia’s products. By leveraging increased marketing, The North Face can gain further success with sales regarding some of their most popular products.

**Weakness (related to Product, Price, Place and Promotion):** The North Face has a weak link with their marketing of products. Although they have been rather successful regarding sales, they have lacked a central product marketing point and are likely missing out on sales due to competition. Due to this weakness, competitors such as Patagonia have been able to gain a large market share in the outdoor retailing industry. The North Face also has a weakness regarding price, being that they also offer products at a high price point. Considering both The North Face and Patagonia have high price points, either firm could leverage their supply chain efficiency to decrease prices while gaining further profits from increased sales.

**Target Market:** The North Face has a very similar target market to Patagonia, considering they offer very similar products this is no surprise. Their Target market mainly consists of individuals age 16-40 who maintain a very active lifestyle. Furthermore, their target market is comprised of individuals who often recreate outside, and depend on quality clothing and accessories to do so. Additionally, The North Face’s main focus in the outdoor market is based on geography. Their main target market amongst people aged 16-40 who have a very active lifestyle are people who live in cold and mountainous regions of the world, specifically in The United States and Canada. Additionally, they target markets in other countries of the world for similar reasons; but North America seems to be their main target market.

**Target Market Appeal:** The North Face’s products appeal greatly to their target market and current customers for multiple reasons. First, considering that consumers in their target market typically live in cold and rugged locations, their products appeal to their consumers need for quality, warm, and durable outerwear and clothing. Also, these products may seem more appealing based on their high price point, although this may turn some consumers away, others may find higher value in the products based on the high price point.

**DIGITAL MEDIA PROMOTION** (see section 18-5 of textbook & lecture)(3PTS total for this section*)*

Patagonia (2 PTS)

Patagonia uses multiple forms of digital media promotion, either through paid promotion or donating and contributing to important causes. Patagonia has used the firm Nativve to employ digital marketing campaigns as well as paid media promotion. They have used content marketing through partnerships with nonprofit organizations to promote good causes and to build online public relations. Additionally, Patagonia has deployed a number of paid social media ads, social media advertising, blogs, and videos and images regarding their social campaigns and products on their website.

[Patagonia's Digital Marketing Agency | nativve](https://www.nativve.com/work/patagonias-digital-marketing-agency/)

The North Face (1 PTS)

The North Face primarily focuses on social media as well as interactive digital campaigns as a platform for positioning their products. The North Face also relies on paid advertising, however, they use influential partnerships and social media to push their brand’s message. By partnering with famous athletes worldwide they are able to increase brand awareness and consumer relations. Additionally, by leveraging social media they are able to grab attention, promote their brand, and their online digital relations.

[Marketing Strategies and Marketing Mix of The North Face (thebrandhopper.com)](https://thebrandhopper.com/2023/08/23/marketing-strategies-and-marketing-mix-of-the-north-face/#:~:text=The%20North%20Face%20uses%20emotional,exploration%2C%20challenge%2C%20and%20achievement.)

[How The North Face Put A New Face On Its Marketing | AdExchanger](https://www.adexchanger.com/online-advertising/how-the-north-face-put-a-new-face-on-its-marketing/)

**SOCIAL MEDIA PROMOTION** (5 PTS total for this section)

Patagonia

**Social Media Platforms & Actions (3pt):** Patagonia primarily uses and focuses on five social media platforms. The platforms they use most are Instagram, Twitter, Blogs, LinkedIn, and Facebook. Patagonia uses these forms of social media mostly to promote brand awareness and to let consumers know their values and mission statement. Additionally, Patagonia uses blogs, specifically on their website, to advocate for nonprofit organizations and important causes. Mostly, Patagonia is leveraging social media platforms and use to gain attention, and to illicit emotion and understanding about their brand. Patagonia’s social media use is a strength for the firm as it allows them to gain plenty of owned and earned media attention. Social media marketing is one of the biggest leaders in marketing today, and by leveraging this Patagonia will surely increase brand awareness, public relations, and revenues.

[How Patagonia is Doing Social Media Right | by Victoria McGowan | Medium](https://medium.com/@vmcgowan/how-patagonia-is-doing-social-media-right-b3bc6e1b06d7)

**Location-Based Social Media (.5 pt):** Patagonia uses Location-Based Social Media in the same way they use other aspects of social media. Specifically, they have different accounts on social media for different geographic areas. By using multiple different accounts for different areas in the world, Patagonia is able to connect on a deeper level to local communities and increase their brand awareness. This is a huge strength for Patagonia as it allows them to create more tightly knit communities around their brand, enabling them to increase brand awareness, customer loyalty, and public relations.

[How Patagonia is Doing Social Media Right | by Victoria McGowan | Medium](https://medium.com/@vmcgowan/how-patagonia-is-doing-social-media-right-b3bc6e1b06d7)

**Gaming Sites (.5 pt):** Not Applicable

**Apps or Widgets (1pt):** Patagonia no longer uses apps to promote the brand, Not Applicable.

The North Face(5 PTS total for this section)

**Social Media Platforms & Actions (3pt):** The North Face primarily uses Facebook, Twitter, and Instagram for most of their social media marketing. They mostly use these platforms to gain earned media attention and to create an emotional connection to their primary target markets. The North Face’s social media use is a strength for the company as it allows them greater access to consumers, and it allows them a better opportunity for owned marketing and public relations.

[Social Community Guidelines | The North Face](https://www.thenorthface.com/en-us/policies/social-community-guidelines)

**Location-Based Social Media (.5 pt):** The North Face used location-based social media mostly to create communities offline and to inspire families and friends to engage in fun activities outside. By leveraging their social media platforms successfully to create a cross functional platform, they have been able to create successful offline communities of customers who want to be engaged in outdoor activities. This is a strength for the firm as they can use these communities to increase public relations, brand awareness, customer loyalty, and more.

[Social Media Marketing Success Story: The North Face | Social Media Today](https://www.socialmediatoday.com/content/social-media-marketing-success-story-north-face)

**Gaming Sites (.5 pt):** Not Applicable

**Apps or Widgets (1pt):** The North Face uses an app to offer increased brand awareness as well as make shopping more convenient for their customers. The North Face app allows customers to create an account, which increases brand loyalty, and do all of their shopping directly without having to use Safari or Google. This is definitely a huge strength for their brand as it may increase sales, brand awareness, and customer usage and loyalty. Additionally, this is a strength because Patagonia doesn’t currently have an app.

[The North Face - Apps on Google Play](https://play.google.com/store/apps/details?id=com.thenorthface.tnf&hl=en_US&gl=US&pli=1)

Additional Sources:

[In-Depth Marketing Strategy of The North Face - 2023 | IIDE](https://iide.co/case-studies/marketing-strategy-of-the-north-face/)

[The North Face SWOT Analysis Matrix [step by step] Weighted SWOT (fernfortuniversity.com)](http://fernfortuniversity.com/term-papers/swot/1433/1411-the-north-face.php#google_vignette)

[Patagonia SWOT Analysis (2023) | Business Strategy Hub (bstrategyhub.com)](https://bstrategyhub.com/patagonia-swot-analysis/)

[How To Get A Patagonia Sponsorship? - Shrink That Footprint](https://shrinkthatfootprint.com/patagonia-sponsorship/#:~:text=Patagonia%20sponsors%20athletes%20at%20the,regularly%20competing%20at%20high%20levels.)

[Top 15 Patagonia Competitors & Alternatives | Business Strategy Hub (bstrategyhub.com)](https://bstrategyhub.com/patagonia-competitors-alternatives/#:~:text=The%20main%20competitors%20of%20Patagonia,hiking%2C%20skiing%2C%20and%20snowboarding.)

[How Sustainable Is Patagonia? All You Need to Know | Impactful Ninja](https://impactful.ninja/how-sustainable-is-patagonia/#:~:text=Since%2087%25%20of%20Patagonia%20products,it%20comes%20to%20their%20materials.)