

CAS 827, Digital Media Strategies – Final Strategic Plan

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EXECUTIVE SUMMARY

As consumers, our group has spent much of our lives in the outdoor sporting world. Whether it was rock climbing, hunting, fishing, or even simply running, we've recognized throughout the years that Patagonia has remained a leading brand even among all of the constant change. Early on in our research, we realized that Patagonia as a brand goes so much farther than just creating clothing; they are doing all things possible to make this world a safe and enjoyable place to live in. They are working to inspire people to want to do the same thing, and by simply wearing a Patagonia jacket, a customer is automatically advertising their support for the company's widespread initiative - Patagonia Action Works, which sets out to help solve the world's issues specific to land, water, climate, communities, and biodiversity. We noticed that by encouraging the brand to expand awareness of all that they do (and want) to change within our environment, they will continue to receive support across the globe. This will lead to increased sales of their products, which will ultimately lead to more revenue and the potential for Patagonia to make an even greater impact on the climate crisis than they are today.

Patagonia was founded nearly 50 years ago on the basic idea that people could enjoy the outdoors without leaving behind traces of their presence. What started as a backyard project by Yvon Chouinard as a way to design and manufacture quality mountain climbing gear for himself and friends evolved over the years to the global outdoor lifestyle and clothing brand we know today. However, Chouinard's initial desire to enjoy outdoor sports while maintaining the integrity of the environment around him remains central to the spirit of today's brand.

Profit is not the driving force behind Patagonia's mission statement. The company defines its mission through its values, to make the highest quality products, consider the environmental impact of everything it does, engage and support their communities, and contribute a portion of its sales to philanthropy (Chouinard, 2018).

For Patagonia's target market, its products are secondary to the sense of satisfaction they feel when buying products from a company whose mission reflects their shared values and ideas. However, the product quality and monetary value for price cannot be overlooked, so brand loyalty is established and maintained.

Consumers are focused on spending less, but see value in quality and are willing to reward businesses that champion their beliefs. Because of this, U.S. consumers frequently choose to spend money on services over goods, overall spending more on health, beauty and wellness products. (Mergent Online). For companies, embracing that circular economy is key, as driven by consumer demands and environmental pressure (Euromonitor).

The challenge for Patagonia is to maintain its place as a leader in environmental activism, while providing quality products consumers want, and influencing other businesses to embrace similar practices and make environmentally conscious choices. Patagonia is well-positioned to take advantage of these changes by already offering recycled, eco-friendly products, and practicing sustainability. Meaningful growth and revenue will occur for companies and brands that invest in sustainable investment practices and environmentally friendly business practices. By increasing their overall media presence, Patagonia will remain at the forefront of people's choices when it comes to conscious consumerism.

ORGANIZATIONAL GOALS

- Use business to inspire and implement solutions to the environmental crisis
(Patagonia.com)
- Make the highest-quality products
- Consider the environmental impact of everything we do
- Engage and support our communities
- Contribute a portion of our sales to philanthropy

SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ● Support from company leaders ● An established leader in environmental issues ● Inline with changing consumer desires ● Strong distribution network ● Consumer loyalty ● Strong revenue ● Product diversity ● In-house production studio ● national platform ● Already a global brand with known reputation ● one of California’s first B Corps (benefit corporations), which means that the values that helped make our company successful are now etched into our legal charter. ● Helped initiate the Sustainable Apparel Coalition, an organization of companies that produces more than a third of the clothing and footwear on the planet. 	<ul style="list-style-type: none"> ● Product demand and inventory turnover (how long does it take to move seasonal products) ● Production costs ● Retail cost (prohibitive for some people) ● Global supply chain weaknesses (thanks COVID-19) ● Lack of sharing/awareness of the many initiatives they either create, lead, or support

<ul style="list-style-type: none"> • launch \$20 Million and Change, an internal fund to help like-minded, responsible start-up companies bring about positive benefit to the environment. (Patagonia.com) 	
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Online retail market • Increased consumer awareness (woke culture) • More stand-alone stores 	<p>THREATS</p> <ul style="list-style-type: none"> • Cancel culture (will people stop buying the product due to political activism) • Rising labor costs in the US • Global market fluctuations (foreign exchange rate) • Cybersecurity risks • Competing companies • Online retail sites (i.e. Patagonia won't sell products through Amazon) • Patagonia Beer from Anheuser Busch https://qz.com/1703157/patagonias-lawsuit-against-anheuser-busch-is-still-on/ • Federal lawsuit against President Trump https://www.patagonia.com/stories/hey-hows-that-lawsuit-against-the-president-going/story-72248.html https://www.nytimes.com/2018/05/05/business/patagonia-trump-bears-ears.html

COMMUNICATION GOALS

1. Increase brand recognition of the “Worn Wear” line.
2. Increase Patagonia’s name in top of mind brand awareness among upper income households.

3. Expand brand awareness into youth global markets through environmental education.
4. Emerge as the brand leader in environmental activism/socialism.

TARGET AUDIENCE

In thinking about Patagonia's target audience, it is important to recognize not only the general demographics of their consumers, but also their values and how/where they engage with the brand. Overall, the U.S. market reaches mainly married men, ages 55-69, who also are considered part of the upper middle class - income over \$100k (Helixa, 2018). While women are a part of Patagonia's customer base, men usually are seen participating in the sporting/outdoor activities that their products support. Because most of Patagonia's biggest fans have high interest in outdoor activities, most can be found in cities/states that are closer to mountain ranges or the ocean, such as Colorado, Hawaii, California, and Washington (Helixa, 2018).

While Patagonia's customers' key interests are in outdoor athletic gear and activities, they also are interested in supporting the environment, which aligns with the brand's overall message/values. People who buy, wear, and promote Patagonia products are politically motivated, socially responsible, and concerned about climate change. Due to the higher prices and the fact that their main audiences are those with a higher income, people purchasing Patagonia are seeking quality, durability, and innovation (Morin, 2020). These same people interact with the brand over social media in very similar ways - mainly just sharing their photos or videos of beautiful scenery in the mountains, oceans, or other outdoor landscapes. Analyzing

the main target market of middle-aged men within various social media platforms, it is clear that they want to engage with the brand in a way that showcases to other consumers that with Patagonia products, they can do some of the most amazing outdoor activities while also helping the environment thrive. In addition, the people that Patagonia have successfully reached over the years share the same core value that they want to create and use some of the best products in the industry, but also continue to protect the environment in every way possible (Morin, 2020).

SOCIAL MEDIA AUDIT

In order to properly assess Patagonia's social media presence, we looked at three of the main platforms - Twitter, Instagram, and Facebook. In addition, we thought it would be helpful to assess some of Patagonia's biggest competitors, so we included The North Face and Canada Goose in our audit as well. The reason we chose these two competitors is because they have also created a significant presence for themselves amid the world of environmentalism and social activism, which is what Patagonia has been working toward for years now. We thought it would be helpful to know the way that consumers are interacting with these brands, in order to understand how Patagonia may either fall in line with them or are lacking a strong social media presence. The content that was reviewed spanned about 25 of each brand's latest posts, including original posts as well as retweets, replies, mentions, etc. It was interesting to see the frequency, and time, of posts and how that affected consumers' interactions with the brands.

WHO	WHERE	FOLLOWING	WHAT	WHEN	WHY
Patagonia	Twitter	454.3k	-sharing/retweeting government-related accounts about climate change -imagery/videos promoting brand - products/services/etc -engagement with customer complaints or inquiries	5-10 original tweets per week - responses/retweets/likes multiple times each day	-promote awareness of the brand's current initiatives -ensure people are having a positive experience with their products/services
	Instagram	4.4m	-breathtaking images & videos showing where people can use their products **mostly outdoor scenes (mountains, oceans, etc.) **almost all of their posts give credit to customers that tagged Patagonia when sharing their content	5 posts per week	-definitely not just trying to sell products - more of a testament to nature & the earth's climate, etc. -good engagement
	Facebook	1.6m	-sharing people's photos -original brand content	5 posts per week	-promoting sales or new product lines, etc. -showcasing the activities people can do with their
The North Face	Twitter	471.9k	-lots of customer engagement (replies) -overall positive content - beautiful images/videos showing products	3-4 original tweets per week -barely any likes -most retweets or replies are direct to customers	-drive traffic to website -speaking to customers in ways other than just promotion/sales
	Instagram	4.5m	-original branded content showing all that their products have to offer -some customer storytelling	5 posts per week	-drive traffic to website to promote sales (use of tagging products on a post) -raise awareness for company goal/purpose - #neverstopexploring
	Facebook	5.8m	-almost identical to Instagram ^	5 posts per week	-almost identical to Instagram ^

Canada Goose	Twitter	39.4k	-raising awareness on how to prevent polar bears from becoming extinct -new initiative for promoting use of indigenous art and products	5-10 posts per week	-some customer replies/engagement - ensuring they are having a positive experience -average engagement rate 7.51% -applause ratings 7.58%
	Instagram	625k	-using spokeswoman, Kate Upton, to speak to their current initiatives on both products and the climate/world around us - employee/customer stories	7-8 posts per week	-barely any product promotion/sales -more so trying to establish a positive brand image since some people struggle with the way they create their products
	Facebook	612k	-short films showing polar bear initiative -spokespeople promoting products	7-8 posts per week	-thousands of views on content, but little engagement (few comments/likes) -gaining more attention to initiatives/causes that they support and/or endorse

In looking at Patagonia’s Instagram and Twitter, it quickly becomes clear most consumer engagement comes from the content that they either promote others, or that is relevant to current events. While their original branded content, such as beautiful mountain scenery or videos of people performing activities with their products, is received positively, they do not receive as many likes or retweets. This is common for most companies/brands/people on social media today because several consumers turn to these platforms to either voice their opinion or are informed of news or other things going on. A lot of Patagonia’s tweets show engagement with various governmental organizations; for example, they recently promoted the breaking news in Colorado when the House approved a bill to protect 1.4 million acres of wilderness.

Several people who follow Patagonia saw this and either responded, retweeted, or liked. The other tweets that received strong engagement were some of the more powerful scenes, such as people climbing massive mountains or doing wild tricks out on a body of water. Overall, their Twitter page is active and a good outlet for them to connect with customers directly.

Patagonia's Instagram page has a large following. Most of their posts had a similar tone to their tweets, but less contact with customers and more pure brand/product promotion. Their most engaging posts recently consisted of mainly winter scenes, such as people ice picking/climbing, or outdoor snowy scenes. All of these had thousands of likes, and anywhere between 50-100 comments. The topic surrounding a lot of their posts on Instagram is related to climate change or how we can improve the environment, which typically received the most engagement from their followers or even people who don't follow them.

Overall, this shows that the current content (high-quality photos and videos of nature and outdoor activities) that Patagonia is posting on Instagram and Twitter, as well as their other platforms, is performing well. After analyzing their current social media presence, it is clear that one of their main goals as a company right now is to promote ways for a sustainable environment as well as the overall well-being of the earth. Patagonia as a brand is participating in several initiatives to promote the use of ethically-sourced materials, which they do within their products and believe they can begin to help with this worldwide.

INSIGHTS TO DRIVE STRATEGY

- Since Patagonia already participates in so many different types of initiatives that customers may not be aware of, we realized that we should set out to capitalize on these and let people who are already loyal to the brand go even deeper. Sharing more on their social media pages about these could help raise this awareness.
- As our world continues to change, focusing on expanding Patagonia's brand awareness as well as their specific audiences will allow them to continuously increase revenue while also maintaining a leader in improving the climate crisis.
- Competitors of Patagonia, such as The North Face, REI, and Canada Goose, have similar foundations and beliefs for environmental change, so the brand will need to create a unique atmosphere where their customers feel welcomed, valued, and like their needs are being met. For example, similar to Canada Goose' social media presence, Patagonia could begin to post more about the initiatives they lead or participate in, instead of just imagery/videos showing their products.
- Based on research found regarding Patagonia's current reach, a clear opportunity that we saw for them is by expanding their overall audience into new markets, they will increase brand awareness which leads to higher sales and revenue, therefore helping to achieve their goal as a company.

COMMUNICATION OBJECTIVES

1. Increase social media advertising of “Worn Wear” products over the next 12 months to attract environmentally conscious, middle and upper-income audiences, who are fashion conscious, to our webpage.
2. Prompt luxury brand consumers in the U.S. to join Patagonia’s social media pages over the next six months.
3. Increase market penetration in the United States of traditional college-age students who visit our social media pages over the next two semesters to increase dialogue of environmental issues.
4. Create an outlet for young people to participate and engage in/with each year’s Earth Day. Launch a cross-platform, social media ‘Earth Day’ campaign that promotes actionable ideas, teens and young adults can engage in, to save the planet. Run for one month leading up to and three-months following Earth Day 2020.
5. Increase number of followers on Instagram by one million (25% increase) in eight months.

STRATEGY STATEMENTS

1. The branded content Patagonia produces makes people feel inspired to support conservation efforts and helps the brand sell products to implement solutions to the

environmental crisis by providing informative, aspirational content that makes environmentally conscious, outdoor enthusiasts feel inspired so they can continue enjoying outdoor activities.

2. Position Patagonia as the preeminent thought leader on global climate issues and high performance outdoor gear in a friendly and engaging manner.
3. Leverage the website to build a grassroots following of socially conscious, like-minded outdoor enthusiasts to engage and inform on policy and environmental issues with its secondary goal to sell products targeting people who are more likely to support brands and companies they feel align more closely with their personal values.

TACTICS

1. Produce a series (no less than four) of short format videos featuring benefits of “Worn Wear” to the environment. Especially targeting clothes that can be worn for fall and winter 2020. Videos will be placed on YouTube Patagonia page with links to drive more traffic to <https://wornwear.patagonia.com>.
2. Launch an Instagram campaign within Patagonia account that connects back to Worn Wear homepage and explains the mission. Ask followers to proudly display their “Worn Wear” item and encourage friends to do the same with hashtag - #IWearWorn.
3. Launch a cross-platform, social media Earth Day campaign that promotes actionable ideas on how to save the planet. The target audience would be teens and young adults, so some ideas that they might relate to the most include, but not limited to:

- Cultivating earth friendly habits like shutting off lights and unplugging electronics when not in use, as well as turning off the water while brushing your teeth
- Making sure online shopping retailers are sending orders in planet-friendly shipping materials
- Encouraging their middle & high schools to establish strong recycling programs, educating students on what goes in each bin, etc.

This campaign would run for one month leading up to, as well as three-months following each year's Earth Day.

4. Partner with U.S. Women's Surfing team in the 2021 Summer Olympics for product endorsement. Patagonia to create specific wetsuit for these athletes and brand ambassadors will showcase the materials used to develop the product. Leading up to the games, members of the surf team to use the already-existing hashtag, #ProtectYourPeaks, to show that they stand together with Patagonia to create products as well as actively participate in protecting the world's oceans from pollution. This will help reach the younger markets since a high percentage of female Olympians are between the ages of 20-30 years old.
5. Change Patagonia's overall persona on Instagram to showcase some of the initiatives/projects that they are leading or participating in, not just beautiful pictures and videos like it currently is. Specifically, using Instagram Stories to go live at certain events, having people share their videos/images and tag them, or just overall using more interactive content. Through Stories, Patagonia can also link their demonstrations

or live videos to their website to learn more, the specific Instagram page, etc - by “swiping up,” they can offer customers an easy route to additional information.

EVALUATION PLAN

- How much is it costing to increase social media followers, are those followers moving from social media to the website, are they buying products, supporting causes championed by Patagonia?
- Customer lifetime value: Are new customers profitable in the long run? Subtract the cost per acquisition (CPA) from the average revenue per acquisition, which refers to the total amount of money you actually made from one new customer. Determine value of existing customers, customers buying regular products, and customers buying Worn Wear.
- Monitor website traffic to lead ratio and landing page conversion to determine if the messages launched on Earth Day are making people click through the sales funnel How many website visitors convert? increase by how many?
- Monthly evaluation of new followers to determine quality of engagement, are people liking and retweeting content shared and created by Patagonia’s official accounts to amplify the message. If new fans/followers aren’t actively participating readjust

message and content.

- To measure the impact value of of followers on Instagram by one million (25% increase) in eight months, monitor the click through rate on sponsored stories as established by Is traffic increased (create Google dashboard).

- *Click-through rates

- *Engagement

- *Meaningful content

- *Competitor benchmarking

TIMELINE & BUDGET

Since our goals span across several different platforms, this project would probably take about 12-18 months. Beginning with the evaluation of our Earth Day 2020 campaign, the project would kick-off in early summer of 2020 (May-June). A brief layout can be found below:

- May 2020: evaluation of Earth Day 2020 campaign, establish revisions for 2021
- June 2020: launch new Worn Wear Instagram campaign
- July 2020: begin production on Worn Wear short videos
- August 2020: paid brand promotions on both Instagram and Facebook begin

- November 2020: begin reaching out to U.S. Women's Surf team to gather level of interest in promotion/endorsement
- January 2021: finalize 2021 Olympic plans and begin product development
- March 2021: finalize all plans for Earth Day - event planning, budget, etc
- April 2021: Earth Day commences and cross-platform campaign launches
- May 2021: re-release #ProtectYourPeaks and announce partnership with U.S. Women's Surf team - through official press release and all media platforms
- June 2021: evaluate success of Worn Wear Instagram campaign and determine how to keep relevant on Patagonia's main account moving forward
- July 2021: Olympic games begin and use of #ProtectYourPeaks increases across all platforms
- September 2021: Worn Wear videos launch again and presence of this initiative across each platform increases as customers prepare for fall/winter

Thinking about the budget from an overall perspective, there are several different parts of our campaign/project that would incur some costs. A breakdown can be found below:

- 12 month Instagram campaign: \$60,000
- 12 month Facebook campaign: \$90,000
- 4 short (12 min) video at \$5000/per minute for production and distribution: \$280,000
- \$10,000 to outfit the USA Women's Olympic Surf team with wetsuits, bags, t-shirts and other gear including trainers and coaches. \$15,000 for additional social media campaign will run for one month up to and through Olympic appearance - Total \$25,000.
- Earth Day cross-platform campaign: \$115,000

This includes events and sponsorships in middle and high schools across the country, as well as paid promotion through Instagram Stories (influencers and real customers/participants).

TOTAL = \$570,000

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