

**ERASMUS UNIVERSITY ROTTERDAM**

**Erasmus School of Economics**



***“Impact of Sustainable Branding on Consumer Decision-Making:  
the case of Patagonia”***

**Bachelor Thesis:** International Bachelor Economics and Business Economics

**Student:** Giulia Pagnucco

**Student ID:** 534647

**Supervisor:** Drs. de Boer B.J.

**Second Assessor:** Dr. Beltman S.H.

**Date Final Version:** July 14, 2023

The views stated in this thesis are those of the author and not necessarily those of the supervisor, second assessor, Erasmus School of Economics or Erasmus University Rotterdam

# Table of Contents

- Executive Summary ..... 2**
- Chapter 1: Introduction ..... 4**
  - 1.1 CASE STUDY “PATAGONIA” ..... 4**
    - 1.1.1 *History of “Patagonia”* ..... 4
    - 1.1.2 *Patagonia’s Branding and Marketing Strategy* ..... 4
    - 1.1.3 *Summary: Case Study “Patagonia”* ..... 9
  - 1.2 RESEARCH RELEVANCE ..... 9**
  - 1.3 RESEARCH (SUB) QUESTIONS ..... 10**
  - 1.4 ETHICAL RESEARCH ISSUES AND LIMITATIONS ..... 11**
  - 1.5 RESEARCH STRUCTURE ..... 11**
- Chapter 2: Literature Study ..... 13**
  - 2.1 THEORETICAL SUB-QUESTIONS ..... 13**
    - 2.1.1 *#1) What entails sustainable branding?* ..... 13
    - 2.1.2 *#2) What entails the outdoor apparel market?* ..... 14
    - 2.1.3 *#3) What entails the consumer decision-making process?* ..... 15
    - 2.1.4 *#4) Which product attributes affect the purchasing decisions of outdoor clothing consumers?* ..... 16
  - 2.2 SUMMARY OF KEY FINDINGS ..... 17**
  - 2.3 CONCEPTUAL FRAMEWORK ..... 18**
  - 2.4 HYPOTHESES ..... 18**
- Chapter 3: Research Methodology ..... 19**
  - 3.1 DATA COLLECTION: SURVEY ..... 19**
  - 3.2 RESEARCH DESIGN: CONJOINT VALUE ANALYSIS ..... 20**
    - 3.2.1 *Attributes and Attribute Levels* ..... 20
  - 3.3 SURVEY RESPONDENTS DATA ..... 21**
- Chapter 4: Research Outcome ..... 23**
  - 4.1 EMPIRICAL SUB-QUESTIONS ..... 23**
    - 4.1.1 *#1) How effective is the sustainable argument of Patagonia?* ..... 23
    - 4.1.2 *#2) To what extent each product attribute affects the purchasing preferences/decision of outdoor apparel consumers?* ..... 26
  - 4.2 KEY FINDINGS EMPIRICAL SUB-QUESTIONS ..... 29**
- Chapter 5: Conclusions and Recommendations ..... 30**
  - 5.1 LITERATURE STUDY KEY FINDINGS ..... 30**
  - 5.2 KEY FINDINGS QUANTITATIVE RESEARCH & HYPOTHESES RESULTS ..... 31**
  - 5.3 CENTRAL RESEARCH QUESTION AND RECOMMENDATIONS TO PATAGONIA ..... 32**
  - 5.4 RESEARCH LIMITATIONS & SUGGESTIONS FUTURE RESEARCHERS ..... 33**
- Reference List ..... 34**
- Appendices ..... 39**

## Executive Summary

Patagonia is a renowned outdoor and gear clothing brand founded in 1973 by Yvon Chouinard. The company stands out in the current apparel market thanks to the high-performance, quality, and durability of its products, and its noble ultimate mission. Overall, Patagonia found its way to success in the highly competitive outdoor clothing market by implementing a branding and marketing approach based on a distinct combination of sustainability, quality, performance, and integrity and by offering great eco-friendly products perfectly aligned with its consumer base's needs.

This research holds academic relevance as it aims to add to the existing academic literature on sustainable branding by examining specifically the brand "Patagonia" and the Outdoor Clothing Market, sector belonging to one of the most polluting industries worldwide, the Apparel Industry. Moreover, the study aims to contribute to the existing literature on Consumer Behaviour by the analysing the impact of unique product attributes on the purchasing decisions of outdoor apparel consumers and therefore determine the relative importance of the Sustainable Argument of outdoor clothing brands among outerwear consumers. Lastly, the results of this study will ultimately help business leaders, marketers, policy makers, and academics who want to comprehend how impactful sustainable branding is in determining consumer preferences, and how it can be exploited strategically to enhance business growth while contributing to environmental and social welfare.

The study attempts to explore the impact of sustainable branding on the purchasing decisions of outdoor apparel consumers, using "Patagonia" as a case study. Therefore, the question that stands at the centre of this paper is: *"What is the impact of Patagonia's sustainable branding on the purchasing decisions of outdoor apparel consumers?"*. In order to address the above-mentioned central question and to obtain verifiable results, the research will examine the theoretical and empirical sub-questions presented below.

### **Theoretical sub-questions:**

1. What entails sustainable branding?
2. What entails the outdoor apparel market?
3. What entails the consumer decision-making process?
4. Which product attributes affect the purchasing decisions of outdoor clothing consumers?

### **Empirical sub-questions:**

1. How effective is the sustainable argument of Patagonia?
2. To what extent each product attribute affects the purchasing preferences/decisions of outdoor apparel consumers?

3. What is the relative importance of the sustainable argument for outdoor clothing brands, compared to the other product attributes affecting the purchasing decisions of consumers?

According to the academic research, a positive relationship between sustainable branding and purchasing behaviour exists, as the sustainability factor often translates in increased likelihood of purchase, brand loyalty, and overall, in promoting long-term sustainable behaviour. The outdoor apparel market can be described as highly competitive, fragmented, and influenced by various factors such as: increased awareness of sustainable products, societal & fashion trends, and changing consumer preferences. Moreover, the current market leaders in terms of revenues are the brands The North Face, Patagonia, and Columbia. The consumer decision-making process involves various stages that individuals experience before making a purchasing decision. Moreover, External Stimuli such as the “Marketing Mix” and Environmental Stimuli, but also Internal Factors such as Consumer Characteristics and Psychology may influence the consumer decision-making process. Lastly, the literature study outlines that some of the most relevant product attributes affecting the purchasing decisions of outdoor apparel consumers are the attributes “Sustainability”, “Price”, “Brand”, and “Reviews”. In light of these findings, the hypotheses presented below were formulated.

**Hypothesis 1** → *The Sustainable Argument of outdoor clothing brands (i.e., “Sustainability” attribute) is going to impact positively the purchasing preferences of outdoor apparel consumers.*

**Hypothesis 2** → *Compared to the attributes “Price”, “Brand” and “Reviews”, “Sustainability” is going to be the most important attribute for outdoor clothing consumers.*

With regards to the empirical research, primary data was obtained through an online distributed questionnaire, built specifically with the aim of performing “Conjoint Value Analysis”. Subsequently, survey data was analysed using a linear regression method. The results ended up accepting all the previously mentioned hypotheses and showed that Patagonia effectively communicated its sustainable argument to the surveyed audience. Overall, it was concluded that Patagonia's sustainable branding has positively impacted the purchasing intentions of the surveyed outdoor apparel consumers, with Sustainability being the most important attribute affecting “utility” derived from consumption and therefore consumers’ likelihood to purchase. However, it is important to note that also the attributes Price, Reviews, and Brand resulted playing substantial roles in shaping consumer preferences. Therefore, Patagonia’s managers, when developing business & marketing strategies, should continue emphasising the brand’s commitment to product quality and sustainability, but should also strategically enhance other important aspects that may influence consumers’ purchasing intentions should be, for example pricing strategy, brand popularity/usage/loyalty, customer satisfaction, innovation in terms of product designs, etc.

# Chapter 1: Introduction

## 1.1 Case Study “Patagonia”

### 1.1.1 History of “Patagonia”

Patagonia is a renowned outdoor and gear clothing brand founded in 1973 by Yvon Chouinard, a passionate rock-climber. The company, initially named “Chouinard Equipment”, started as a small business producing primarily climbing tools and hardware. However, over the years Chouinard’s business grew steadily and, as a method to support its less profitable hardware business, the founder expanded the brand’s product line by introducing outdoor clothing and gear, which ultimately transformed into a proper business venture by 1972. To reflect the mysticism and adventurousness of the lands situated at “the end of the world”, the name chosen for this first clothing line was indeed “Patagonia” (Ferrell et al., 2021). During the 1980s/90s, alongside its founder’s commitment to environmentalism, the company reinforced its focus on sustainability and started implementing environmentally conscious & ethical practices in its production process and supply chain. Particularly, in 1996 Patagonia decided to change its production by using a more costly and durable organic cotton, a risky but ultimately profitable strategy that certainly reflected the company’s underling core values of integrity and accountability. Nowadays, Patagonia is a globally renowned, debt-free, and privately held company, counting annual revenues of approximately 1,5 billion US dollars in 2022 (Patagonia, 2022).

The company stands out in the current apparel market thanks to the high-performance, quality, and durability of its products, and its noble ultimate mission. In fact, Patagonia Inc. is devoted to produce clothing of the highest quality while minimising the impact on the environment and relying on solid core values such as integrity, justice, and environmentalism. The American company boasts an incredibly progressive corporate culture and is currently referred as one of the “World’s Most Ethical Companies”. Moreover, Patagonia’s commitment to responsible manufacturing and environmental issues, has earned the brand a loyal following among conscious consumers (Ferrell et al., 2021).

### 1.1.2 Patagonia’s Branding and Marketing Strategy

To provide a comprehensive overview of Patagonia’s branding and marketing strategy, but also to understand how the company gained its competitive advantage and what aspects could possibly jeopardise the established market position in the industry, the paper will begin presenting a situational analysis and therefore, outlining the factors impacting the internal and external environment of the company (See Appendix for PESTEL Analysis). Additionally, the Case Study will continue with an analysis of Patagonia’s marketing mix (e.g., Product, Price, Place, Promotion) and it will be concluded with a SWOT analysis (e.g., Strengths, Weaknesses, Opportunities, Threats).

## a) Situational Analysis

Patagonia is a well-established American apparel brand which offers both traditional (e.g., casual t-shirts, trousers, vests, shirts, sweatshirts, etc.) and more technical outdoor products (e.g., waders, fishing accessories, surf apparel, thermic base-layers, climbing technical clothing, etc.). Patagonia's **customer environment** is characterised by environmentally conscious individuals belonging to different age groups (i.e., 48% of Patagonia's consumers being 25-44 years old, 19% being 18-24 years old, 19% being 45-54, and 14% above 55), commonly outdoor enthusiast who appreciate a good sense of style and with a middle-high annual income (StatSocial Insights, 2019). Specifically, the company aims to attract conscious consumers, who appreciate outerwear, but also minimalist designs, and share a strong sense of community.

Patagonia's revolutionary and noble ultimate **mission and core values** certainly contributed to the brand's exceptional success and subsequent gaining of competitive advantage in the outerwear industry. Chouinard's business relies on five main core values, namely Quality, Integrity, Environmentalism, Justice, and Not being bound by convention. In fact, Patagonia strives to build the best product and provide the best service while minimising the impact on the environment and its inhabitants, but also to use business as a powerful tool to protect and preserve nature (Patagonia Corporate Report, 2021). Moreover, the Californian brand's ultimate mission consists of being in business with the sole scope of saving our home planet (Patagonia, 2023).

With regards to Patagonia's **financial performance**, the company is currently privately owned, debt-free, and boasting an estimated value of about 3 billion US dollars (The New York Times, 2022). According to research conducted by Statista (2022), the brand's revenues increased by approximately 32% in 2022 compared to 2021. It is also relevant mentioning that in August 2022, Patagonia's founder Yvon Chouinard donated 98% of the company to "The Holdfast Collective", a newly established non-profit organisation founded to fight the environmental crisis and maintained the ownership of the remaining 2% (i.e., Patagonia Purpose Trust) and the entirety of the voting stock (The New York Times, 2022).

## b) Marketing Mix

To successfully analyse Patagonia's market positioning, the research will attempt to investigate the marketing strategy of the company in terms of product, pricing, distribution, and promotion, which is generally referred to as the Marketing Mix or "four Ps".

- **Product:** Patagonia produces "casual" and outdoor specific technical clothing (e.g., jackets, shirts, trousers, swimwear, underwear, jumpers, etc.), but also diverse types of accessories and sport equipment (climbing tools, backpacks, hats, surf & ski equipment, etc.). The company currently

extended its product line introducing a new organic, sustainable food line called “Patagonia Provision”, and “Patagonia Films”, a film production line. Patagonia’s products follow unparalleled standards with regards to product quality, sustainability, and durability. Specifically, according to Patagonia’s official website (2023), the firm currently produces goods made of approximately 69% recycled and 18% renewable materials of the highest quality but strives to obtain 100% recycled and renewable materials by 2025.

- **Price:** Patagonia’s products are commonly priced employing perceived value pricing (i.e., price equals the value that consumers derive from the purchased product/service) and a premium pricing strategy. In fact, compared to other outdoor apparel brands like The North Face or Columbia, the Californian brand’s prices result much higher. Therefore, Patagonia’s pricing strategy probably reflects the company’s dedication to implement high-quality, sustainable materials and ethical production techniques.
- **Place:** Patagonia’s distribution strategy mainly relies on a network of physical authorised dealers (currently only available in the United States), a functional e-commerce platform and on retail stores located in strategic major cities. Specifically, to appeal each different local market, every individual store is characterised by a slightly different personality. Moreover, in Europe the brand’s products can be purchased in selected fashion online retailers such as Zalando, Bever, Daka, JD sports, etc.
- **Promotion:** The ability to create a sense of community, purpose, and belonging is the core of Patagonia’s innovative promotion strategy. Specifically, the brand is renowned for its unconventional events, product launches, loyalty programs, or collaborations with key influencers (usually outdoor sports athletes such as Tommy Caldwell or Colin Haley), to promote its products and ultimately strengthen the brand’s image. Furthermore, Patagonia relies also on more traditional forms of promotion such as newspaper/television advertising and social media marketing.

### c) SWOT Analysis

Patagonia was capable of establishing a competitive edge over its rivals in the outdoor clothing industry through a solid commitment to environmentalism, justice, and product quality. Particularly, an exceptional set of strengths allowed the company to satisfy its customers’ needs and, as a result, gain its strong market position in this industry.

#### **Strengths**

- A **powerful brand image and reputation**, cleverly built through an unparalleled commitment to corporate environmental & social responsibility and an attentive look to materials quality and durability.
- A **highly diversified product line**, boasting products for diverse type of occasions: ranging from basic or “casual” clothing to technical outdoor gear and sports equipment. Moreover, the company

currently owns a fully sustainable food line “Patagonia Provisions” and produces short movies about nature, adventure, and outdoor sports (i.e., Patagonia Film).

- Patagonia is a **privately held company**. Therefore, independent from any kind of stakeholder and free to make its own business decisions.
- An **extensive** and **environmentally responsible international supply chain**, constantly subject to controls and improvement in terms of sustainability targets (i.e., Patagonia’s Supply Chain Environmental Responsibility Program).
- A **purpose driven marketing strategy**, and fully **sustainable & ethical** direct and indirect **operations**. Aspects which certainly contributed building Patagonia’s large and loyal consumer base.
- A highly devoted and **satisfied working force** (i.e., only 4% turnover rate). Specifically, the firm pays constant attention to its employees’ welfare, and boasts one of the most progressive corporate culture approaches existing. Patagonia not only has demonstrated to be prioritising employee health over profits, but it also promotes a proactive management style and ethical leadership (Ferrell et al., 2021).

However, Patagonia’s performance and competitive advantage in the outdoor apparel market could eventually be undermined by some main weaknesses.

### **Weaknesses**

- Patagonia’s products **high prices** and **price competitiveness**. Considering that other brands like The North Face or Columbia offer products with similar characteristics for a lower price, the result could be that eventually Patagonia’s alternatives may appear less attractive.
- The brand’s **dependence on a narrow market**. Patagonia is in fact heavily reliant on the US market, which is currently counting the vast majority of its total global revenues (ecommerceDB, 2022).
- Patagonia’s **low market presence**. Research made by Statista (2022) on Patagonia’s brand profile revealed that even if the firm boasts great brand awareness among US and European consumers, other aspects like brand popularity and brand usage (i.e., which brand’s products consumers actually own) result particularly low.
- Even if the brand’s engagement with environmental & social activism enhances the community well-being, Patagonia’s controversies related to its **involvement in political matters** may eventually jeopardise the performance of the company.

The study will now present relevant opportunities and threats that may positively (i.e., opportunities) or negatively (i.e., threats) affect Patagonia’s performance, and should be therefore taken into consideration to ultimately maintain the acquired competitive advantage in this industry. It is relevant mentioning that differently from Strengths and Weaknesses, which are internal factors, Opportunities and Threats consist in possible external factors that may impact on the firm (Ferrell et al., 2021).



## Opportunities

- Nowadays, fashion consumers are becoming increasingly more aware of the impact of their purchasing decisions on the environment (Dickson, 2001). Therefore, the **growing market for sustainable products** can be seen as a great opportunity for Patagonia to strengthen its market position in the future.
- A central opportunity for Patagonia would be **expanding into new markets** and focus more closely on the **European and Asian market**, for the purpose of increasing its global presence and enrich its consumer base. In fact, according to Bloomberg (2022), during the forecast period 2022-2031, the Asia Pacific outdoor clothing market is expected to grow at a highest grow rate. Moreover, the European outdoor clothing market constitutes an increasingly significant segment, as European countries like Norway, Germany, UK, and Sweden resulted in 2022 the largest purchasers of outdoor clothing worldwide (Maximize Market Research, 2022).
- Patagonia should also consider implementing new promotion strategies (e.g., Influencer marketing, event sponsorship, social media advertising, etc.) to **increase its market presence**. Nowadays, the “overall buzz” and market presence of Patagonia Inc. is particularly low and weak, while other competitors like Salomon, Arc’teryx or The North Face are successfully exploiting different promotion tools and new social media platforms like TikTok to create demand and excitement around their products.
- **Branching out into new ventures other than apparel** could also be beneficial for Patagonia, as it could translate into brand’s growth, new revenue streams, lower dependency on a single product category, but also possibility to use the brand’s values and reputation in new ways. For example, in order to be better aligned with its core anti-capitalist and anti-consumerist principles, an option could be introducing sustainability & ethics consultancy and advisory programs to help other companies reach their sustainability goals.

## Threats

- The outdoor apparel industry's **high competitiveness** may pose a severe danger to Patagonia, for example in terms of innovation or pricing pressure. Moreover, considering the easy replicability of the brand’s products and business model, nothing really prevents from additional competition.
- **Changes in consumer preferences**, spending patterns, societal or fashion trends may eventually jeopardise Patagonia’s performance and profitability.
- Unexpected **economic downturns** and financial crisis scenarios (e.g., Covid-19 outbreak), may result in sales slowdown and consequent decrease in profitability for Patagonia.

### **1.1.3 Summary: Case Study “Patagonia”**

To summarise, Patagonia's branding and marketing approach revolves around the company's commitment to Corporate Social & Environmental Responsibility. Specifically, this unique approach allowed the Californian brand to differentiate from competitors, attract environmentally concerned purchasers, and foster long-term customer loyalty. Patagonia's marketing efforts emphasise the quality and durability of the brand's products, appealing to clients who value performance and functionality in clothing. Nonetheless, in a sector like outdoor clothing, in which additional competition is difficult to prevent, aspects such as customer loyalty, adaptability, and a strong brand image should be taken into consideration to maintain the company's acquired competitive advantage. Overall, Patagonia found its way to success in this highly competitive environment by implementing a branding and marketing approach based on a distinct combination of sustainability, quality, performance, and integrity and by offering great eco-friendly products perfectly aligned with its consumer base's needs. However, Patagonia's performance and competitive advantage could eventually be undermined by some main weaknesses such as high prices, dependence on a narrow market, low market presence, and involvement in political matters.

## **1.2 Research Relevance**

Over the years, the outdoor clothing sector took an always larger share of the global fashion market (Fortune Business Insights, 2022). Specifically, the outdoor apparel industry is predicted to be worth about 36,67 billion US dollars in 2023 and to reach a value of 45,22 billion US dollars by 2027 (Statista, 2022). Despite the upsurging expansion of this market, the fashion industry is often recognised as one of the most polluting sectors in the world, counting approximately 1,2 billion tons of CO<sub>2</sub> emissions per year throughout its lifecycle (Ellen MacArthur Foundation, 2017). Moreover, approximately 73% of the global manufactured clothing ends up disposed in a landfill or incinerator, and only 15% of this production ends up recycled or downcycled (Ellen MacArthur Foundation, 2017).

The excessive emission of carbon dioxide has brought great impact on the environment, and the climate crisis has gradually become a central issue of public concern. Nowadays, consumers became increasingly conscious of the environmental and social costs deriving from their purchasing decisions and in response to this phenomenon, companies began considering adopting sustainable initiatives across their business operations (Yang et al., 2017). Over the years, the topic of Sustainable Branding, especially related to Purchasing Behaviour, has often aroused the interest of researchers, sociologists, and economists, who interrogated themselves on the factors influencing the decision-making processes of consumers and on the effectiveness of sustainable branding in attracting buyers and favouring sales.

This research holds academic relevance as it aims to add to the existing academic literature on sustainable branding by examining “Patagonia”, one of the companies that has most effectively combined sustainability within its business strategy, and the Outdoor Clothing Market, an increasingly important sector belonging to one of the most polluting industries worldwide, the fashion industry. Moreover, the study aims to contribute to the existing literature on Consumer Behaviour by the analysing the impact of unique product attributes on the purchasing decisions of outdoor apparel consumers and therefore determine the relative importance of the Sustainable Argument of outdoor clothing brands among outerwear consumers. Lastly, the results of this study will ultimately help business leaders, marketers, policy makers, and academics who want to comprehend how impactful sustainable branding is in determining consumer preferences, and how it can be exploited strategically to enhance business growth while contributing to environmental and social welfare.

### **1.3 Research (Sub) Questions**

This study will attempt to analyse the peculiarities of sustainable branding, consumer decision-making, the outdoor clothing market and particularly focus on Patagonia, global leader in sustainable fashion. Specifically, the purpose of this study is to explore the impact of sustainable branding on consumer preferences and purchasing intentions, using Patagonia as a case study. Therefore, the question that stands at the centre of this paper is: *“What is the impact of Patagonia’s sustainable branding on the purchasing decisions of outdoor apparel consumers?”*

In order to address the above-mentioned central question and to obtain verifiable results, the research will examine the theoretical and empirical sub-questions presented below.

#### **Theoretical sub-questions:**

1. What entails sustainable branding?
2. What entails the outdoor apparel market?
3. What entails the consumer decision-making process?
4. Which product attributes affect the purchasing decisions of outdoor clothing consumers?

#### **Empirical sub-questions:**

1. How effective is the sustainable argument of Patagonia?
2. To what extent each product attribute affects the purchasing preferences/decisions of outdoor apparel consumers?
3. What is the relative importance of the sustainable argument for outdoor clothing brands, compared to the other product attributes affecting the purchasing decisions of consumers?

## 1.4 Ethical Research Issues and Limitations

The study will draw conclusions based on the outcomes of both the literature and the empirical study. In particular, the research will adopt a quantitative approach to evaluate the Sustainable Argument of prominent outdoor clothing brands (i.e., Patagonia, The North Face, and Columbia) and to examine the impact of Sustainable Branding on the purchasing decisions of consumers. For this purpose, primary data will be gathered through an online distributed survey. Possible **ethical issues** could concern the confidentiality of the survey participants' information. In fact, even if responses were fully anonymised to ensure privacy protection, a professional ethical protocol was not implemented.

With regards to **research limitations**, a possible issue could concern the validity and representativeness of the sample. In fact, respondents' answers may be not truly valid due to the fact that, even if the survey attempts to mirror as close as possible a real-life shopping situation, participants will not have to actually "live" with their choices. Moreover, there may be other control variables or external and internal factors, such as environmental stimuli or personal characteristics, that may explain the respondents' purchasing preferences. Lastly, considering that the survey was distributed through social media platforms and groups related to outdoor activities, the sample may be not fully representative, as many participants are acquaintances.

## 1.5 Research Structure

**Chapter 1: Introduction** → With the aim of providing background to the research, the paper begins by reviewing the brand's history and analysing Patagonia's Branding and Marketing Strategy to understand how the company gained its competitive advantage, but also what aspects could possibly jeopardise the established market position in the industry. The Chapter also includes Research Relevance, Definition of Research (Sub) Questions, Ethical Research Issues and Limitations.

**Chapter 2: Literature Study** → The second chapter provides an overview of the existing research concerning sustainable branding, the outdoor apparel market, consumer decision-making process, but also identifies the unique product attributes which may impact the purchasing preferences/decisions of outdoor apparel consumers. Specifically, the Literature Study aims to provide answers to this research's Theoretical Sub-Questions. The chapter ends with a Conceptual Framework and the formulation of the Hypotheses that will be tested in the research.

**Chapter 3: Research Methodology** → The third chapter provides an overview of Data Collection, Research Design and Survey Respondents Data. This study will conduct quantitative research to verify the validity of the previously formulated hypotheses and ultimately determine the impact of Patagonia's sustainable argument on the purchasing decisions of outdoor apparel consumers. Primary data will be

collected through an online distributed survey and “Conjoint Value Analysis” will used as research method.

**Chapter 4: Research Outcome** → The fourth chapter provides an answer to the previously mentioned empirical questions and depicts all the outcomes of the survey analysis.

**Chapter 5: Conclusions and Recommendations** → Lastly, the fifth chapter presents a summary of the key findings originated from both the theoretical and the empirical study, but also provides conclusions regarding the paper’s central research question and whether the hypotheses can be accepted or rejected. The chapter ends with a reflection on the possible research limitations and recommendations for future studies.

## Chapter 2: Literature Study

The second chapter provides an overview of the existing research concerning sustainable branding, the outdoor apparel market, consumer decision-making process, but also identifies the unique product attributes which may impact the purchasing decisions of outdoor apparel consumers. Specifically, desk research will be conducted to provide an overview of the main topics discussed in this study.

### 2.1 Theoretical Sub-questions

#### 2.1.1 #1) What entails sustainable branding?

According to Burke (2013), nowadays individuals became more and more conscious of their consumption behaviour. More specifically, in the recent years apparel consumers, who demonstrated an increasing level of awareness with regards to the environmental and social impact of their purchasing decisions, rightfully demand from clothing brands a more transparent and conscious approach in their direct and indirect operations (Dickson, 2001). As a result, nowadays clothing companies seem to pay increasingly more attention to “Corporate Environmental and Social Responsibility” and to incorporate this commitment to sustainable business practices in their marketing strategies and claims (Bhaduri and Ha-Brookshire, 2015).

Sustainable branding involves how a company can apply its commitment to responsible manufacturing, corporate social responsibility, and environmental matters to the practicalities of brand management (Foroudi & Palazzo, 2021). Specifically, sustainable branding consists in the adoption from a company of ethical & environmentally conscious practices such as minimisation of waste and carbon emissions, but also implementation of sustainable materials and fair labour standards for manufacturing, distribution, and supply chain (Grubor and Milovanov, 2016).

The existing literature identified a positive relationship between sustainable branding and consumer behaviour, as the sustainability attribute often translates in increased likelihood of purchase, brand loyalty, and overall, in promoting long-term sustainable behaviour. In fact, according Carrigan and Attalla (2001), by engaging consumers with a more ethical and conscious branding, marketers result capable of positively influencing purchasing behaviour, willingness to pay and loyalty of consumers. However, although sustainable branding had been proven to be effective in influencing consumer preferences positively, research conducted by Luchs et al. (2010) outlined that consumers who result particularly sceptical of a company’s sustainability claims, appear less likely to finalise the purchase of environmentally conscious products. Therefore, full transparency on companies’ sustainable and

socially responsible practices can be considered the key to build a trust relationship between brands and consumers, and ultimately ensure purchases.

### **2.1.2 #2) What entails the outdoor apparel market?**

As previously mentioned, the outdoor clothing market is becoming an increasingly competitive environment, with a market size of 13,9 billion US dollars by 2021 and an estimated compound annual growth rate (CAGR) of approximately 6% from 2022 to 2031 (Bloomberg, 2022). Consumers often associate the firms operating in this industry with aspects like Sustainability, Environmentalism, and commitment to Corporate Social Responsibility (Lindah, 2019). In fact, brands such as Patagonia (Ferrell et al., 2021) and The North Face (Jones & Gettinger, 2016) are commonly associated to environmental activism because of the noble ideals and commitment to sustainability of their founders. “Corporate Environmental and Social Responsibility” represents the acknowledgment of a company’s social and environmental obligations to its stakeholders, or more specifically, the commitment of a certain firm to a more attentive consideration of the environmental and social costs involved with production, supply chain, and other business operations (Dargusch & Ward, 2010).

Some key players operating in this industry are brands such as The North Face, Patagonia, Arc’teryx, Burton, Columbia Sportswear, Jack Wolfskin, Marmot, PrAna, Recreational Equipment Inc. (i.e., REI), Mountain Equipment Co-op (i.e., MEC) and many more. However, according to research conducted by Butow (2014), when evaluated for Product Sustainability Benchmarking, only the brands Patagonia, The North Face, REI, MEC, and PrAna, scored the best results.

The global market for outerwear clothing is particularly fragmented and is currently dominated by multiple brands, each accounting a market share of approximately 10% of the total market (Overfelt, 2020). Specifically, the current market leaders in terms of revenues are The North Face (i.e., belonging to VF Corporation), Columbia Sportswear, and Patagonia Inc., with respectively global net sales of 2,46 billion US dollars (VF Annual Report, 2022), 3,46 billion US dollars (Statista, 2022), and 1,5 billion US dollars in 2022 (BBC News, 2022).

Moreover, according to research conducted Transparency Market Research (TMR Outdoor Clothing Market Report, 2022) and reported by Bloomberg (2022), in the foreseeable future is estimated a steady and rapid growth for the outdoor apparel sector due to an increasing necessity for more comfort and convenience in clothing, but also growing environmental awareness, increasing demand for outdoor activities, and the rise of new fashion trends such as streetwear and “Gorpcore” (i.e., Clothing style that can be described as utilitarian and is characterised by functional outdoor wear such as Gore-Tex apparel, fleece jackets, etc.). The study identified also North America as the current major player of the global outerwear market, followed by the regions Europe and Asia Pacific. Specifically, the research estimated that, during the forecast period 2022 to 2031, Asia Pacific’s market share is expected to grow at

promising pace, and that in Europe, consumer demand for outdoor apparel will mature consistently (TMR Outdoor Clothing Market Report, 2022).

With regards to brand awareness, in 2022 in the United States brands like The North Face and Columbia lead the ranking, with respectively 78% and 76% of recognition by online consumers, whereas other brands like Patagonia and Jack Wolfskin show lower scores, respectively 49% and 22%. Moreover, still in terms of brand awareness, The North Face appears to dominate also in the UK, leading the ranking with a score of 89% and followed by other brands like Jack Wolfskin with 51%, Patagonia with 44%, and Columbia with 43% (Statista, 2022).

Over the years, Patagonia established its powerful position in this highly competitive industry through a solid set of strengths and an unparalleled commitment to corporate social & environmental responsibility (Michel et al., 2019). In fact, the brand was capable of differentiating itself from its competitors by successfully embodying honourable core values such as integrity, trust, accountability, and by adopting an environmentally conscious, anti-capitalist, and anti-consumerist approach for the entirety of its operations.

### **2.1.3 #3) What entails the consumer decision-making process?**

Consumption inevitably influences every individual's daily life, and it refers to the process of using resources to fulfil current desires or necessities (Panwar et al., 2019). The topic of consumer behaviour has aroused the interest of many experts belonging to the marketing society over the past years (Stankevich, 2017). Specifically, research conducted by Salomon et al. (2012) identified consumer behaviour as the study of the processes involved when consumers (i.e., individuals or groups), in order to satisfy their ultimate needs and desires, are commonly used to select, purchase, use or dispose of products and services. Moreover, from a marketing perspective, consumer behaviour research represents a fundamental tool for marketers worldwide, necessary to develop and implement successful marketing strategies, perform market segmentation, and therefore create value for consumers (Salomon et al., 2012).

With regards to the decision-making process, it assumes a situation in which a certain problem needs to be solved or a specific goal achieved. According to Szmigin and Piacentini (2018), a central factor influencing the decision-making process refers to the consumer's level of perceived relevance related to a certain purchase, also called "Involvement". Specifically, the authors identified two principal decision-making processes, respectively a "High Involvement decision-making" and a "Low Involvement decision-making". The main difference between the two processes is that high involvement consumers result active during the learning and decision-making process, by extensively searching, acquiring, and evaluating knowledge before purchase, whereas low involvement ones present a more passive approach and usually refer to less crucial decisions. Additionally, the decision-making process is commonly



characterised by five main stages, namely problem recognition, search for product information, alternative evaluation, product choice & purchase, and lastly, post-purchase use & evaluation (Szmigin and Piacentini, 2018).

Furthermore, the authors Kotler and Keller (2016) identified as key factors influencing the consumer decision-making process some specific External and Internal factors. As Figure 1 outlines, the main determinants of the consumer buying behaviour pattern refer to external factors such as the Marketing Mix (i.e., Product, Price, Place, Promotion) or Environmental stimuli (i.e., Economic, Technological, Demographic, etc.), but also to internal factors such as the Consumer Psychology (i.e., Beliefs, Motivation, Perception, Learning) and the Consumer Characteristics (i.e., Cultural, Social, Personal).

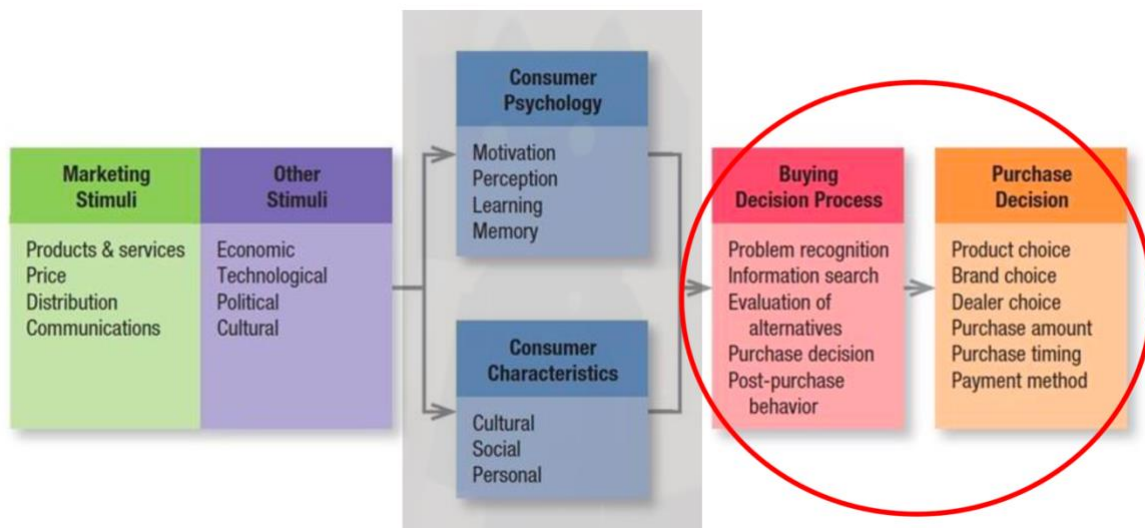


Figure 1 Model Consumer Behaviour

Adapted source: Kotler and Keller, *Marketing Management*, 2016.

#### 2.1.4 #4) Which product attributes affect the purchasing decisions of outdoor clothing consumers?

Nowadays, Sustainability became an increasingly crucial aspect influencing the purchasing decisions of buyers, especially considering that today's consumers are progressively conscious of the damaging consequences that their purchasing behaviour have on the planet planet and his inhabitants (Yang et al., 2017).

Overall, outdoor clothing consumers can be described as enthusiasts of outdoor activities who are particularly aware of the environmental costs of their consumption decisions (Wang et al., 2022). According to research conducted by the Outdoor Industry Association (2017), 70% of outdoor consumers engage with digital environments to either gather product information and useful

recommendations. In particular, outdoor consumers' purchasing process begins with an initial consideration of a specific set of brands, based on the individual preferences, impressions, and marketing influences, and proceed with a stage of active evaluation, based on other specific product attributes (OIA ConsumerVue Segmentation Report, 2017). The purchasing process terminates with a moment of purchase, a post purchase experience, and eventually a loyalty loop, for which consumers becomes either actively or passively loyal to certain brand (OIA Path to Purchase Report, 2017).

With regards to the key product attributes that consumers look for when deciding to purchase outdoor clothing, OIA's ConsumerVue segmentation research (2017) identified the attribute "Sustainability" (i.e., whether a certain product is produced sustainably or not), as well as the factors "Price", "Brand", "Reviews", "Style", and "Technical Quality", as the most relevant product attributes affecting the purchasing decisions of outdoor apparel consumers. However, due to time and resources constraints, and considering that features like Style and Technical Quality may be difficult to determine and analyse precisely, this research will focus specifically on the more general product attributes, namely "**Price**", "**Brand**", "**Reviews**", and "**Sustainability**" (i.e., Sustainable Argument).

## 2.2 Summary of Key Findings

A concise summary of the Literature Study's main findings consists in the following.

1. Sustainable Branding refers to the method that companies implement in order to apply their commitment to corporate social and environmental responsibility to the practicalities of brand management. Moreover, existing literature demonstrates positive relationship between sustainable branding and purchasing behaviour, as the sustainability attribute often translates in increased likelihood of purchase, brand loyalty, and overall, in promoting long-term sustainable behaviour.
2. The outdoor apparel market can be defined as highly competitive, fragmented, and influenced by various factors such as: increased awareness of sustainable products, societal & fashion trends, and changing consumer preferences. Considering the fierce competition characterising this industry, companies who prioritise customer engagement, quality, environmentalism, and innovation are more likely to succeed. Moreover, the current market leaders in terms of revenues are the brands The North Face, Patagonia, and Columbia.
3. The consumer decision-making process involves various stages that individuals experience before making a purchasing decision, namely: problem recognition, search for product information, alternative evaluation, product choice & purchase, and lastly, post-purchase use & evaluation (Szmigin and Piacentini, 2018). Moreover, External Stimuli such as the Marketing Mix and Environmental Stimuli, but also Internal Factors such as Consumer Characteristics and Psychology may influence the consumer decision-making process.

4. With regards to which unique product attributes affect the purchasing decisions of outdoor apparel consumers, the literature study allowed to identify the attributes “Sustainability”, “Price”, “Brand”, “Reviews”, “Style”, and “Technical Quality” as the most relevant product attributes that consumers look for when deciding to purchase outdoor clothing. However, due to time and resources constraints this study will focus specifically on the most general product attributes, namely “Sustainability”, “Price”, “Brand”, and “Reviews”.

## 2.3 Conceptual Framework

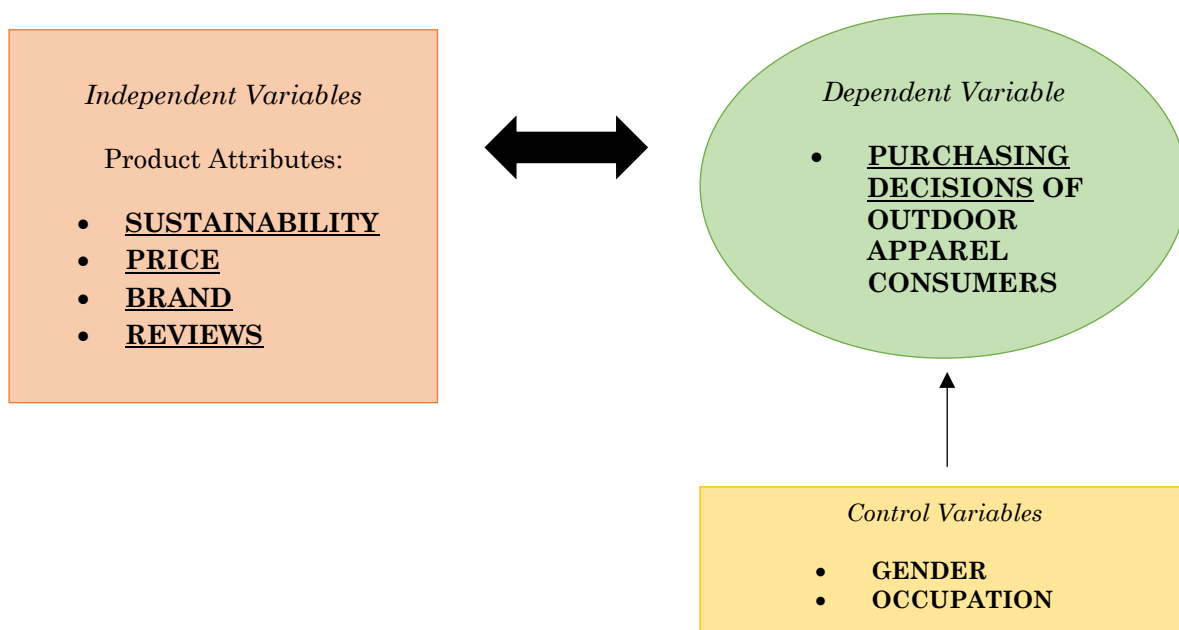


Figure 2 Conceptual Framework of research conducted by the student Giulia Pagnucco, illustrating the study’s research process and the expected correlation relationship between Independent and Dependent variables.

## 2.4 Hypotheses

The ultimate goal of this research would be to provide an answer to the central research question: “*What is the impact of Patagonia’s sustainable branding on the purchasing decisions of outdoor apparel consumers?*”.

For this purpose, and in light of the findings of the Literature Study, the following Hypotheses were formulated:

**Hypothesis 1** → *The Sustainable Argument of outdoor clothing brands (i.e., “Sustainability” attribute) is going to impact positively the purchasing preferences of outdoor apparel consumers.*

**Hypothesis 2** → *Compared to the attributes “Price”, “Brand” and “Reviews”, “Sustainability” is going to be the most important attribute for outdoor clothing consumers.*

## Chapter 3: Research Methodology

The study will conduct quantitative research, through an online distributed survey, to verify the validity of the previously formulated hypotheses and ultimately determine the impact of Patagonia's sustainable argument on the purchasing decisions of outdoor apparel consumers. Quantitative Research can be distinguished from Qualitative Research for multiple reasons. Contrarily to Qualitative Research, in which data are commonly gathered through in-depth interviews and results are presented in form of non-numerical data (i.e., words), the Quantitative Approach commonly gathers data through surveys or experiments and makes use of statistical methods to present numerical and statistically relevant results (Arghode, 2012).

Empirical research will be conducted by obtaining primary data with an online distributed questionnaire, built specifically with the aim of performing "Conjoint Value Analysis". Moreover, with the purpose of obtaining results that could eventually help further enhancing Patagonia's branding and marketing strategy, the empirical research will focus specifically on the current leading brands (in terms of revenues) of the outdoor apparel market: **Patagonia, The North Face, and Columbia Sportswear** (Overfelt, 2020) and therefore, will compare Patagonia to its most fierce competitors in the market.

### 3.1 Data Collection: Survey

To assess the impact of Patagonia's sustainable branding on the purchasing preferences/decisions of outdoor apparel consumers and to identify what product features result most attractive to this group of consumers, primary data will be collected through an online distributed survey (i.e., See Appendix), created with Qualtrics XM, a renowned survey software. The survey will be built with the aim of performing Conjoint Analysis, more specifically "Conjoint Value Analysis", a method allowing the estimation of the structure of consumer preferences and in which participants will rate an orthogonal subset of product profiles, differing in one or more attributes/levels, on a scale from 1 to 10 (Nunan et al., 2020).

The questionnaire will also include two questions about individual preferences, three questions about the association level with brands' characteristics, two questions about the perceived importance of the issues Climate Change and Unethical Working Practices, but also five crucial socio-demographic questions (i.e., age, gender, occupation, familiarity with outdoor clothing brands), designed to obtain useful insights on the representativeness and heterogeneity of the sample, but also to provide meaningful context to the whole research and illustrate the background of the survey respondents (Connelly, 2013). With the purpose of enhancing the research's internal validity, the variables Gender and Occupation (i.e., Control Variables) will be used to account for the effect of possible external variables on the dependent variable. Finally, to obtain an overview of Patagonia's Brand Profile among the survey

respondents, it was decided to inquire participants regarding the aspects Brand Awareness, Brand Popularity, Brand Usage, and Brand Loyalty.

The survey will attempt to mimic as closely as possible a real-life purchasing situation, in order to enhance the external validity of the research. Moreover, with the aim of ensuring a large sample size and implementing “snowball sampling”, the questionnaire will be distributed online through social media platforms and groups related to outdoor activities.

The survey was published in date May 26th, 2023, and collected observations from 153 respondents. Among those participants, **141 individuals confirmed to be buyers of outdoor clothing** (See Appendix for Survey Raw Data), while 12 respondents stated to have never purchased outdoor apparel before. Since the objective of this study is to investigate the purchasing decisions of outdoor apparel consumers, the analysis and observations presented in this study will be exclusively based on the data collected from the respondents who affirmed to be outdoor apparel consumers.

## 3.2 Research Design: Conjoint Value Analysis

As previously mentioned, the survey will be built with the aim of performing “Conjoint Value Analysis”, a specific conjoint analysis method efficient in determining how each product attribute (i.e., Price, Brand, Reviews, and Sustainability) affects the utility level derived from consumption (i.e., the comprehensive advantages derived by consuming a product or service) and therefore investigate on what product features result most attractive to the surveyed sample (Louviere, 1988). In particular, the Conjoint Value Method or “metric CA” will be performed by requesting survey participants to rate several product profiles, differing in one or more attributes/levels, on a scale from 1 to 10 (Nunan et al., 2020). Subsequently, data will be analysed using a linear regression method with the software for data visualisation and analysis “Microsoft Excel” (See Appendix for Survey Raw Data).

In the survey, participants will be exposed to a hypothetical shopping situation in which they will need to purchase a fictitious fleece jacket with basic style and technical quality characteristics. The attributes and attribute levels that will be used to create each product profile were determined analysing the official Outdoor Clothing Industry’s reports and the current outdoor clothing market, specifically with the purpose of enhancing the research’s external validity and being as much realistic as possible. Moreover, as previously mentioned, the study will specifically compare Patagonia to its most fierce competitors and fellow market leaders in terms of revenues, The North Face and Columbia.

### 3.2.1 Attributes and Attribute Levels

- **Price:** (80€, 110€, 140€)
- **Brand:** (The North Face, Patagonia, Columbia)
- **Reviews:** (3 out of 5 stars, 5 out of 5 stars)

- **Sustainability:** (Sustainable Production & Materials, Not Sustainable Production & Materials)

All the attributes and respective levels were selected to avoid meaning overlapping and therefore to be independent from one another and to mirror reality (Klink & Smith, 2001). Additionally, a fractional factorial design with an orthogonal subset of potential attribute levels combinations will be implemented and determined using the tool “DOE: Main Effects Screening Designs” of the statistical software JMP. The above-mentioned tool generated an orthogonal array of twelve possible profiles with “Design Chi-Square Efficiency” of 98.21 (See Appendix). Lastly, to avoid possible survey bias, the order of appearance of each product profile will be randomised.

To conclude, utilising a Conjoint Value Method will enable to investigate on what product features result most attractive to the surveyed sample, and therefore it will allow to obtain insights regarding the impact of Patagonia’s sustainable branding strategy on consumer preferences/decisions and the relative importance of those key attributes for outdoor apparel consumers.

### 3.3 Survey Respondents Data

The target demographic for this research consists in outdoor apparel consumers who previously experienced or are familiar with the brand Patagonia. Specifically, the survey aims to gather data from a diverse range of respondents within Patagonia’s customer environment and therefore, it will target both men and women within the age range 18-55 years old and with a good level of awareness and interest in ethical practices and environmental concerns.

Table 1 provides an overview of the socio-demographic characteristics of the considered sample of respondents. The sample consists of **141 individuals** with mean age of 28,5 years old, median age of 24 years old, and **who previously confirmed to be outdoor clothing consumers**. In terms of gender distribution, the percentage of males and females seems rather equally distributed in the sample, with women counting approximately 50% of the sample, men approximately 49%, and about 1% of individuals who identified as “Other” gender. Additionally, in terms of occupation status, a slight majority of respondents claimed being Employed, approximately 55% of the sample, whereas about 45% reported being Unemployed. Moreover, a vast majority of the sample appears to be aware of outdoor clothing labels Patagonia, The North Face, and Columbia Sportswear. In fact, when questioned about their familiarity with those brands, around 94% of respondents confirmed to be familiar with the brand Patagonia, 98% confirmed to be aware of the brand The North Face, and about 79% reported knowing the brand Columbia Sportswear.

Thus, the sample determined by the survey data consists in mainly young adults (i.e., average age 28,5), most probably students (i.e., 45% Unemployed) or young professionals (i.e., 55% Employed), who have

purchased outdoor clothing before and are highly familiar with the outerwear brands Patagonia, The North Face, and Columbia Sportswear.

*Table 1: Socio-demographic characteristics of the full sample*

Baseline Characteristic	Full sample		Median
	<i>n</i>	%	
Age (Years)	141	28,5	24
Gender			
Female	70	49,70	
Male	69	48,90	
Other	2	1,40	
Occupation			
Unemployed	63	44,68	
Employed	78	55,32	
Do you know the brand Patagonia?			
Yes	132	93,62	
No	9	6,38	
Do you know the brand The North Face?			
Yes	138	97,87	
No	3	2,13	
Do you know the brand Columbia Sportswear?			
Yes	112	79,43	
No	29	20,57	

*Note: N = 141 for each characteristic.*

## Chapter 4: Research Outcome

To provide a comprehensive answer to the central research question: “*What is the impact of Patagonia’s sustainable branding on the purchasing decisions of outdoor apparel consumers?*”, the study analysed the existing literature and conducted empirical research. Specifically, this chapter depicts all the outcomes of the quantitative analysis (i.e., survey).

### 4.1 Empirical Sub-Questions

#### 4.1.1 #1) How effective is the sustainable argument of Patagonia?

##### a) Evaluation sustainable argument of the outdoor clothing brands Patagonia, The North Face, and Columbia

To examine the participants’ familiarity and perspective of environmental issues and unethical production practices, respondents were inquired on their perceived importance of Climate Change and Unsafe Working Conditions/Exploitation. **Results outlined that participants highly valued and were particularly aware of environmental concerns and unethical production practices.** In fact, the average importance rating (i.e., on a scale of 0 = not at all important and 5 = very important) for Climate Change resulted 4,10 out of 5 and for Unsafe Working Conditions & Exploitation 4,24 out of 5.

Additionally, when asked to rate on a scale from 0 (i.e., least priority) to 5 (i.e., highest priority) their main priority when shopping for outdoor clothing, respondents on average identified the attributes **Price and Reviews as the most important**, with ratings of respectively 3,62 and 3,56, **followed by the attributes Sustainability and Brand**, with respective ratings of 3,06 and 3,01.

According to results depicted in Figure 3 below, the characteristics “**Corporate Social & Environmental Responsibility**” and “**Products Quality and Durability**” were mostly associated by respondents with the brand Patagonia, with ratings of respectively 3,72 out of 5 and 4,3 out of 5. On the other hand, the characteristic “**Fashionable & Innovative Designs**” resulted mostly associated with The North Face, with average rating of 3,76 out of 5. The brand Columbia, compared to Patagonia and The North Face, resulted poorly associated with all the three characteristics analysed. From the graph below, it is also noticeable that the characteristic “**Fashionable & Innovative Designs**” has been associated by respondents with the brand The North Face almost as much as the characteristic “**Corporate Social & Environmental Responsibility**” with the brand Patagonia. Nevertheless, respondents associated with similar average rating the brands Columbia and The North Face with regards to “**Corporate Social & Environmental Responsibility**”, respectively 2,36 out of 5 for Columbia, and 2,57 out of 5 for The North Face.



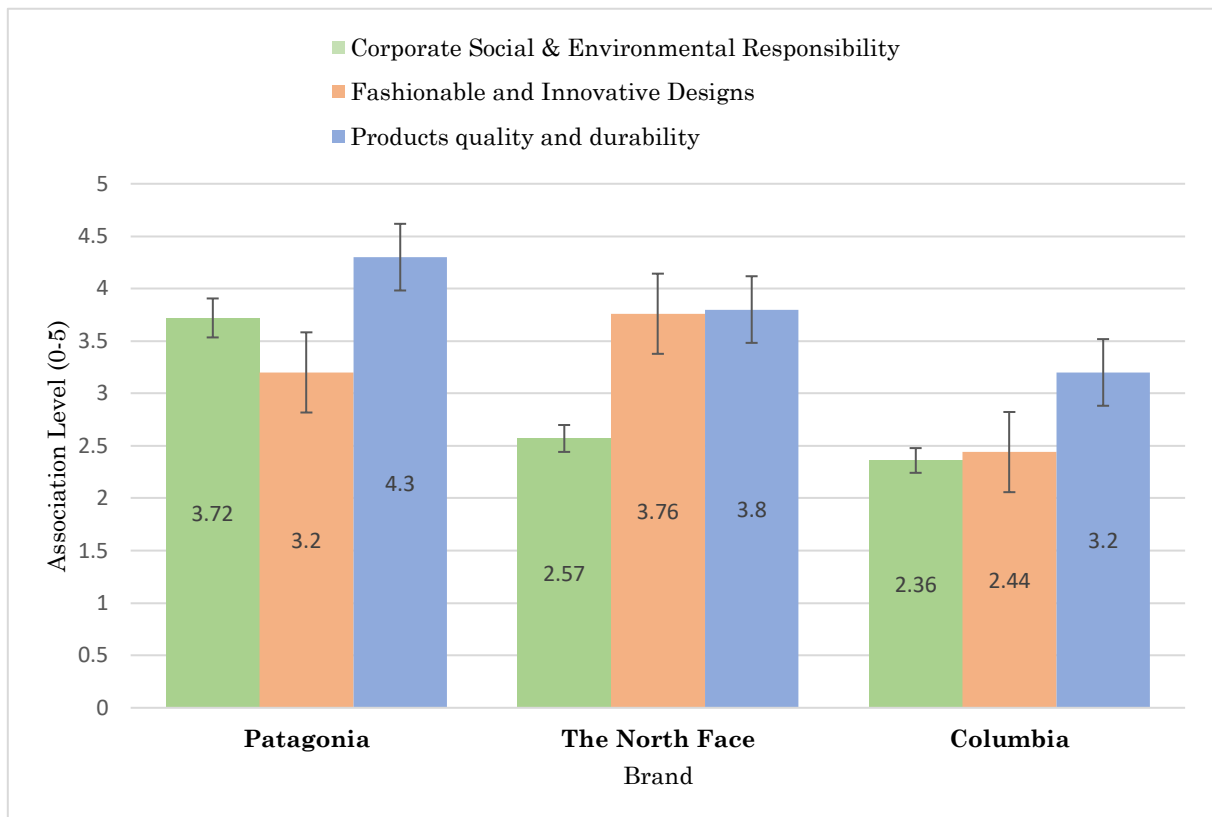


Figure 3 Survey respondents' association levels of characteristics "Corporate Social & Environmental Responsibility", "Fashionable & Innovative Designs", and "Products Quality & Durability" to each Brand "Patagonia", "The North Face", and "Columbia" (0 = No association, 5 = High association); 95% confidence interval Bar Chart with error bars.

### b) Brand Profile of Patagonia

With regards to Patagonia's Brand Profile among the survey respondents, results outlined The North Face and Patagonia as the most popular outdoor fashion brands among respondents. In fact, with regards to brand popularity, about 32% of the participants reported The North Face as a liked brand, 31% reported Patagonia, 19% Other, 11% Arc'teryx, and only 7% reported Columbia (See Figure 4).

Moreover, with regards to Brand Usage, 35% of participants indicated The North Face as a currently owned brand, about 24% stated Other, 20% indicated Patagonia, 17% Columbia, and about 5% reported Arc'teryx (See Figure 5).

Finally, in relation to Brand Loyalty, when asked about which brands the respondents would be likely to purchase again in the future, approximately 38% of the current owners answered The North Face, 27% of Patagonia's current owners reported Patagonia, and 10% of Columbia consumers reported Columbia (See Figure 6).

Question 7 - When it comes to outdoor fashion, which of the following brands do you like? (You can select more than one opt... Page

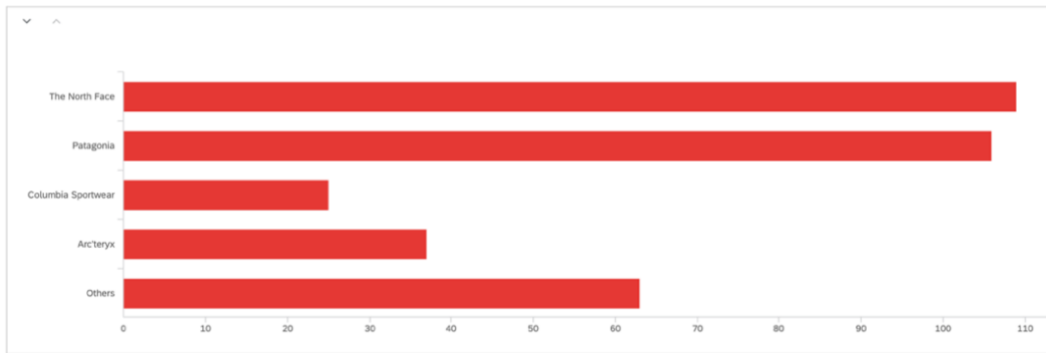


Figure 4 Brand Popularity: Survey respondents' appreciation levels of various Outdoor Clothing Brands.

Question 8 - When it comes to outdoor fashion, which of the following brands do you own currently? (You can select more tha... Page

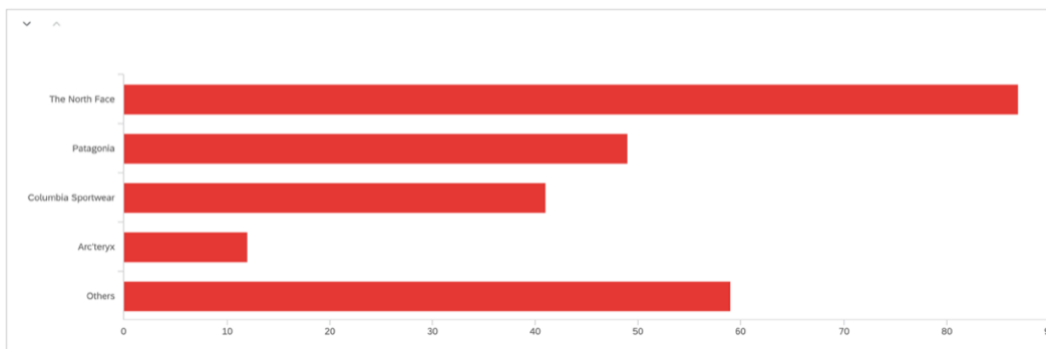


Figure 5 Brand Usage: Survey respondents' levels of current products ownership of various Outdoor Clothing Brands.

Question 9 - When it comes to outdoor fashion, which of the following brands are you likely to purchase again in the future? (... Page

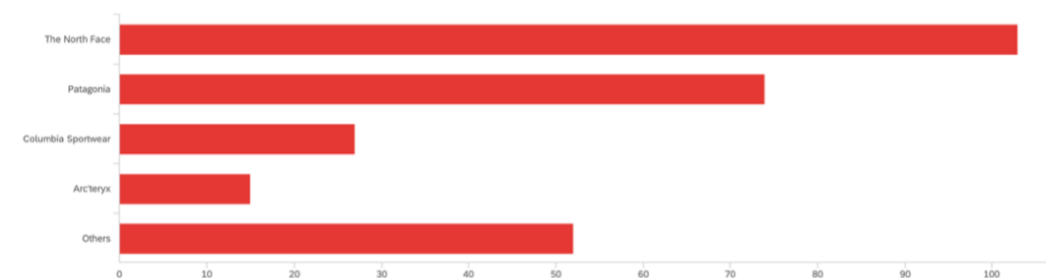


Figure 6 Brand Loyalty: Survey respondents' loyalty levels to various Outdoor Clothing Brands.

To summarise, the findings show that **Patagonia successfully communicated its sustainable argument to the surveyed audience**, with the Californian brand being highly associated with the aspects “Corporate Social and Environmental Responsibility” and “Products Quality and Durability”. **However, the sustainability arguments of brands The North Face and Columbia Sportswear appear to have had less of an influence on the study's participants.** Moreover, the analysis of the respondents' brand

preferences outlined The North Face as the most popular brand among respondents, followed closely by Patagonia. Finally, with regards to brand usage and brand loyalty, The North Face remained the most appreciated brand, boasting strong brand loyalty among its consumers.

#### **4.1.2 #2) To what extent each product attribute affects the purchasing preferences/decision of outdoor apparel consumers?**

Conjoint Value Analysis was performed to determine the impact of each product attribute on the purchasing preferences/decisions of the surveyed outdoor consumers and examine the relative importance of the sustainable argument for outdoor clothing brands among survey respondents. For this purpose, a linear regression model with the following dummy variables was constructed:

$$\begin{aligned} \text{Rating (i.e., Utility derived from purchase)} = & \beta_0 + \beta_1 * \text{Brand (Columbia)} + \beta_2 * \\ & \text{Brand (The North Face)} + \beta_3 * \text{Price (80)} + \beta_4 * \text{Price (140)} + \beta_5 * \text{Reviews } \left(\frac{3}{5}\right) + \beta_6 * \\ & \text{Not Sustainable} + \varepsilon \end{aligned}$$

Based on the respondents' ratings of twelve product profiles differing in one or more attributes (i.e., orthogonal subset of potential attribute levels combinations), it was possible exploring the existence of a correlation relationship between the attributes Brand, Price, Reviews, Sustainability, and the purchasing decisions of respondents.

Table 3 depicts the outcome and interpretation of the above-mentioned linear regression (See Table 2 in Appendix for full results). Results showed that on average respondents would **rate with a score of 8,1 out of 10** a hypothetical fleece jacket with the following characteristics: **Patagonia, Price 110€, Reviews 5/5, Sustainable Production & Materials (i.e., Base Case)**. According to Table 3, **all the attribute levels (i.e., Coefficients) apart from the coefficient for "Brand (The North Face)" appeared to be statistically significant** (i.e., p-value < 0,001). Therefore, a correlation relationship exists between the product attributes Price, Reviews, Sustainability, Brand (i.e., only for Patagonia and Columbia) and the dependent variable "Rating" (i.e., Utility level derived from consumption by the surveyed individuals, on a scale of 0 to 10).

Table 3 : Linear Regression Results and Interpretation for the relationship between “Rating” or utility derived from purchase and the attributes “Brand”, “Price”, “Reviews”, and “Sustainability”

Attribute Level	Beta	Coefficient	Interpretation	p-value
(Intercept)	0	8,065 (0,110)	Expected value of <b>Base Case (Patagonia, Price 110€, Reviews 5/5, Sustainable Production &amp; Materials)</b>	0,000***
<b>Columbia</b>	1	-0,979 (0,111)	Expected value change when <b>Brand is Columbia</b> , compared to Base Case	0,000***
<b>The North Face</b>	2	-0,044 (0,111)	Expected value change when <b>Brand is The North Face</b> , compared to Base Case	0,693
<b>Price 80€</b>	3	0,672 (0,111)	Expected value change when <b>Price is 80€</b> , compared to Base Case	0,000***
<b>Price 140€</b>	4	-0,908 (0,111)	Expected value change when <b>Price is 140€</b> , compared to Base Case	0,000***
<b>Reviews 3/5</b>	5	-1,277 (0,088)	Expected value change when <b>Reviews is 3 out of 5 stars</b> , compared to Base Case	0,000***
<b>Not Sustainable</b>	6	-1,764 (0,088)	Expected value change when Production & Materials are <b>Not Sustainable</b> , compared to Base Case	0,000***

Note: N = 141. Standard errors are in parentheses; the dependent and independent variables are scores between 0 and 10; \*p<0,1; \*\*p<0,05; \*\*\*p<0,001.

As previously mentioned, Table 3 shows that the respondents’ utility level derived from purchasing a “Base Case” fictitious jacket (i.e., Patagonia, 110€, Reviews 5/5, Sustainable) equals 8,1 out of 10. However, when Brand is changed to Columbia instead of Patagonia, the expected value of the utility derived from consumption would decrease on average by -0,979 compared to the base case. Moreover, compared to the base case, when Price is changed to 80€ instead of 110€, the expected value of the Rating would increase on average by 0,672, and instead when Price equals 140€, the expected value of Rating would decrease on average by -0,908. Lastly, compared to the base case, the expected value of the Rating would decrease on average by -1,277 if the attribute Reviews is changed to 3 out of 5 instead of 5 out of 5 stars, and it would decrease on average by -1,764 if the attribute Sustainability is changed to Not Sustainable Production & Materials instead of Sustainable. Overall, the variables (i.e., attribute levels) that appeared to be most attractive for respondents and that affected positively the purchasing preferences of the surveyed outdoor clothing consumers consisted in: Brand (Patagonia), Price (80€), Reviews (5 out of 5 stars), and Sustainability (Sustainable Production & Materials).

#### 4.1.3 #3) What is the relative importance of the sustainable argument for outdoor clothing brands, compared to the other product attributes affecting the purchasing decisions of consumers?

To understand which attribute can be considered the most important for the surveyed outdoor apparel consumers, the aspect “Importance” was calculated from the “Range” of the coefficients and reported in Table 4. Results outlined the factor “**Sustainability**” as the most important product attribute

affecting the purchasing decisions (i.e., Utility derived from consumption) of the Survey participants, with an importance rate of approximately 32%. Moreover, the attributes Price and Reviews, with importance rates of about respectively 28% and 23%, resulted the second and third most important attributes for the sample, followed by Brand, with an importance rate of about 18%.

Table 4: Summary Table including Importance Rates of each product attribute.

Attribute	Attribute Level	Importance	Utility (Coefficients)
<b>Brand</b>	Patagonia		0,000***
	<b>The North Face</b>	17,5%	<b>-0,044</b>
	Columbia		-0,979***
<b>Price</b>	Price 110		0,000***
	Price 80	28,2%	0,672***
	Price 140		-0,908***
<b>Reviews</b>	Reviews 5/5		0,000***
	Reviews 3/5	22,8%	-1,277***
<b>Sustainability</b>	Sustainable		0,000***
	Not Sustainable	31,5%	-1,764***

Note.  $N = 141$ . All the coefficients are statistically significant ( $p$ -value  $< 0,001$ ) apart from the coefficient “The North Face”; \*\*\*  $p < 0,001$ .

With the purpose of enhancing the research’s internal validity, the variables Gender and Occupation (i.e., Control Variables) were used to account for the effect of possible external variables on the dependent variable. Table 5 (See Appendix) shows how the Coefficients for each product attribute change if the control variables Gender (i.e., Female, Male, Other) and Occupation (i.e., Employed, Unemployed) are considered in the regression analysis. These results were used to generate Table 6 below, showing how the “Importance” level of each product attribute change based on the respondents’ Gender and Occupation. Specifically, according to Table 6, **Sustainability results the most important attribute for both Employed and Unemployed individuals**, but also for both **Females and Males**. However, respondents who identified as Other confer slightly more importance to the attribute Price (i.e., Importance rate of about 34%). Moreover, it is noticeable that **Females**, compared to the other genders, **attribute much more importance to the factor Reviews** (i.e., Importance rate of about 35%) and see Reviews as much important as the attribute Sustainability (i.e., Importance rate of about 35%). It is also relevant mentioning that **Males confer much more importance to the attribute Brand** (i.e., Importance rate of 21%), compared to the other genders, and that unexpectedly **Unemployed** individuals

confer less importance to the attribute **Price** (i.e., Importance rate of about 27%) **than to Employed** ones (i.e., Importance Rate of about 30%).

Table 6: Summary Table including Importance rates of each attribute divided for Gender and Occupation

Attribute	Importance				
	Gender: Female	Gender: Male	Gender: Other	Occupation: Employed	Occupation: Unemployed
<b>Brand</b>	14,4%	21,0%	12,3%	17,4%	17,7%
<b>Price</b>	29,6%	26,6%	33,8%	29,8%	26,7%
<b>Reviews</b>	34,6%	25,0%	21,8%	20,9%	24,5%
<b>Sustainability</b>	34,6%	27,4%	32,0%	31,8%	31,1%

Note.  $N=141$ . All the coefficients used to generate Importance Rates are statistically significant at 5% significance level ( $p\text{-value} < 0,05$ ) apart from the coefficient "The North Face". (See Table 5 in Appendix for Full Results).

## 4.2 Key Findings Empirical Sub-Questions

The sample is characterised by environmentally & socially conscious individuals, who identified Sustainability as 3<sup>rd</sup> most relevant product attribute for outerwear after Price and Reviews. Overall, the findings show that Patagonia effectively communicated its sustainable argument to the surveyed audience, with the Californian company being the brand mostly associated with the aspects "Corporate Social and Environmental Responsibility" and "Products Quality and Durability". On the other hand, the brand profile analysis outlined The North Face as the most popular brand among respondents, followed closely by Patagonia. In addition, The North Face stood out as the brand mostly associated to the aspect "Fashionable & Innovative Designs" and remained the most appreciated brand also in terms of brand usage and brand loyalty. Thus, even if Patagonia successfully conveyed its sustainable argument to the surveyed audience, results suggest that respondents find The North Face a particularly attractive option (probably due to the innovativeness of its designs), even if it is weakly associated to sustainable practices. The regression analysis revealed that, with the exception of the variable "Brand (The North Face)", all attribute levels' coefficients were statistically significant (i.e.,  $p\text{-value} < 0,001$ ). Each product attribute and respective levels affected the surveyed outdoor clothing consumers' preferences as depicted by the "Coefficient" and "Interpretation" sections of Table 3. Specifically, the variables that affected positively the surveyed outdoor clothing consumers' preferences were Brand (Patagonia), Price (80€), Reviews (5 out of 5 stars), and Sustainability (Sustainable Production & Materials). Lastly, results showed that the factor "Sustainability" is the most important product attribute affecting the purchasing decisions of the Survey participants, followed by Price, Reviews and Brand.

## Chapter 5: Conclusions and Recommendations

This chapter presents a summary of the key findings originated from both the theoretical and the empirical study, but also provides conclusions regarding the paper's central research question and whether the hypotheses can be accepted or rejected. The chapter ends with a reflection on the possible research limitations, managerial implications (i.e., how the results will possibly serve the outdoor clothing market and Patagonia), and recommendations for future studies.

In order to provide a solid answer to the central research question: *“What is the impact of Patagonia's sustainable branding on the purchasing decisions of outdoor apparel consumers?”*, the research was divided in theoretical and empirical study. The literature study addressed four theoretical sub-questions and provided an overview of the main topics discussed in this research. Moreover, quantitative research (i.e., survey) addressed three empirical sub-questions and provided numerical results useful to answer the central research question.

### 5.1 Literature Study Key Findings

Sustainable branding involves how a company can apply its commitment to responsible manufacturing, corporate social responsibility, and environmental matters to the practicalities of brand management (Foroudi & Palazzo, 2021). Specifically, sustainable branding consists in the adoption from a company of ethical & environmentally conscious practices such as minimisation of waste and carbon emissions, but also implementation of sustainable materials and fair labour standards for manufacturing, distribution, and supply chain (Grubor and Milovanov, 2016). According to the academic research, a positive relationship between sustainable branding and purchasing behaviour exists, as the sustainability attribute often translates in increased likelihood of purchase, brand loyalty, and overall, in promoting long-term sustainable behaviour. With regards to the outdoor apparel market, this latter can be described as highly competitive, fragmented, and influenced by various factors such as: increased awareness of sustainable products, societal & fashion trends, and changing consumer preferences. Moreover, the current market leaders in terms of revenues are the brands The North Face, Patagonia, and Columbia Sportswear (Overfelt, 2020). According to the literature study, the consumer decision-making process involves various stages that individuals experience before making a purchasing decision. Moreover, External Stimuli such as the “Marketing Mix” and Environmental Stimuli, but also Internal Factors such as Consumer Characteristics and Psychology may influence the consumer decision-making process. Lastly, the literature study outlines that some of the most relevant product attributes affecting the purchasing decisions of outdoor apparel consumers are the product attributes “Sustainability”, “Price”, “Brand”, and “Reviews”.

In light of these findings, the following hypotheses were formulated:

**Hypothesis 1** → *The Sustainable Argument of outdoor clothing brands (i.e., “Sustainability”) is going to affect positively the purchasing preferences of outdoor apparel consumers.*

**Hypothesis 2** → *Compared to the attributes “Price”, “Brand” and “Reviews”, “Sustainability” is going to be the most important attribute for outdoor clothing consumers.*

## 5.2 Key Findings Quantitative Research & Hypotheses Results

Firstly, survey results suggested that participants placed a high emphasis on environmental issues and unethical production techniques. Respondents ranked the problematics of climate change, as well as unethical working conditions and exploitation as crucial, demonstrating their strong closeness to environmental and social issues. Respondents selected the attribute Price and Reviews as the most essential product factor to prioritise when purchasing for outdoor clothing, followed by Sustainability and Brand. **This suggests that, while customers respect sustainability, it may not be the most important element affecting their buying decisions, with Price and Reviews taking precedence.**

Furthermore, the research investigated respondents’ association levels to brands characteristics. **Patagonia was identified as the brand mostly associated with the characteristics “Corporate Social and Environmental Responsibility” and “Products’ Quality and Durability”,** whereas **The North Face resulted the brand mostly associated with the aspect “Fashionable & Innovative Designs”.** On the other hand, the brand Columbia resulted weakly associated to all three characteristics. Given these premises, **findings suggested that Patagonia effectively conveyed its sustainable argument to the surveyed audience** and respondents view Patagonia as a much more Sustainable & Ethical company (i.e., “Corporate Environmental & Social Responsibility” rating of 3,72 out 5) than The North Face and Columbia (i.e., “Corporate Environmental & Social Responsibility” ratings of respectively 2,57 out 5, and 2,36 out of 5).

From the analysis of brand preferences, The North Face and Patagonia stood out as the most popular outdoor fashion brands among respondents. In particular, examination of the Brand Profile outlined The North Face as the most popular brand among respondents, followed closely by Patagonia. The North Face remained the preferred brand also with regards to brand usage and brand loyalty. **Thus, even if Patagonia successfully communicated its sustainable argument to the surveyed audience, results suggested that respondents find The North Face as a particularly attractive option (probably thanks to the brand’s fashionable and innovative designs), even if it is weakly associated to “Corporate Environmental & Social Responsibility”.**

Conjoint Value Analysis was employed in the study to establish the impact and relative importance of unique product attributes (i.e., Brand, Price, Reviews, Sustainability) on outdoor clothing buyers’ purchasing decisions (i.e., “Rating” or Utility Level derived from purchase on a scale of 0 to 10). The



regression analysis revealed that, with the exception of "Brand (The North Face)", all the coefficients (i.e., attribute levels) were statistically significant and had an impact on the overall rating of a fictitious fleece jacket. Specifically, each product attribute and respective levels impacted the preferences of the surveyed outdoor clothing consumers as depicted by the previously mentioned Table 3. The product features that resulted most attractive and that affected positively the preferences of surveyed outdoor clothing consumers were Brand (Patagonia), Price (80€), Reviews (5 out of 5 stars), and Sustainability (Sustainable Production & Materials). **In fact, results showed that the Sustainable Argument, intended as the adoption from outdoor clothing brands of a sustainable production and materials, influenced positively and significantly the purchasing preferences of the surveyed consumers.**

Therefore, based on the outcomes of the quantitative analysis reported above, Hypothesis 1 can be accepted (i.e., *The Sustainable Argument of outdoor clothing brands (i.e., "Sustainability") is going to affect positively the purchasing preferences of outdoor apparel consumers*).

Lastly, based on the calculated importance values, the attribute **Sustainability was identified as the most important attribute affecting the purchasing decisions of the surveyed consumers, followed by the attributes Price, Reviews, and Brand**. Moreover, the inclusion of control variables (i.e., Gender and Occupation) revealed additional insights regarding the importance of each product factor. In particular, across different genders and occupation types, the aspect Sustainability resulted once again the most important attribute. These results show that the sustainable argument of outdoor clothing brands (including Patagonia) played a particularly influential role in determining the surveyed outdoor clothing consumers' preferences.

Therefore, given these premises, also Hypothesis 2 can be accepted (i.e., *Compared to the attributes "Price", "Brand" and "Reviews", "Sustainability" is going to be the most important attribute for outdoor clothing consumers*).

### 5.3 Central Research Question and Recommendations to Patagonia

Considering those premises, *"What is the impact of Patagonia's sustainable branding on the purchasing decisions of outdoor apparel consumers?"*. The research findings, in accordance with the literature findings, suggest that **Patagonia's sustainable branding has positively impacted the purchasing intentions of the surveyed outdoor apparel consumers, with Sustainability being the most important attribute affecting "utility" derived from consumption and therefore consumers' likelihood to purchase**. However, it is noteworthy mentioning that also the attributes Price, Reviews, and Brand resulted playing significant roles in determining consumers' purchasing preferences/decisions. Overall, Patagonia effectively communicated its Sustainable Argument to the surveyed audience. In fact, Patagonia stood out as the brand mostly associated with the aspect "Corporate Social and Environmental Responsibility", contrarily to its competitors The North Face and Columbia.

On the other hand, it is relevant mentioning that, even if it was not strongly associated with sustainable practices, The North Face outweighed Patagonia in terms of Brand Popularity, Brand Usage and Brand Loyalty. A possible explanation could be related to the fact that The North Face appeared to be the brand mostly associated with the aspect “Fashionable & Innovative Designs”. Therefore, a recommendation this paper would like to give to outdoor clothing brands in general, but most specifically to Patagonia’s managers is, when developing business and marketing strategies, it is important to continue emphasising the brand’s commitment to Sustainability, product quality, and integrity. However, also other important aspects that may influence consumers’ purchasing intentions should be strategically enhanced and taken into consideration, for example pricing strategy, brand popularity/usage/loyalty, customer satisfaction, and innovation in terms of product designs. To conclude, Patagonia found its way to success in this highly competitive environment by implementing a branding and marketing approach that combines sustainability, quality, and integrity and by offering eco-friendly products of the highest quality aligned with its consumer base’s needs. However, to maintain the acquired competitive advantage in this highly competitive industry and be able to outweigh competitors, the Californian brand should be focusing also on other aspects such as customer loyalty, customer satisfaction, and market presence, but also attempt to innovate its product line and therefore, enhance its association level with the aspect “Fashionable & Innovative Designs”. By focusing on these areas, Patagonia could eventually be able to further solidify its position as a leader in sustainable outdoor clothing and maintain a strong relationship with its environmentally conscious consumer base.

#### **5.4 Research Limitations & Suggestions Future Researchers**

With regards to research limitations, a possible issue could concern the validity and representativeness of the sample. A larger and more diversified sample would allow an improvement of the reliability of this paper’s results. Due to time and resources limitations, this study focused specifically on younger adults (i.e., average age 28,5 years old), most probably students or young professionals. However, as mentioned in the case study section, Patagonia’s consumer base ranges between different age groups, from 18 years old to 55+ years old. Therefore, future research investigating older generations’ perspectives on sustainable branding in outdoor apparel could reveal variations in consumer priorities and preferences. Such research may help businesses to effectively adapt their sustainability messaging to diverse markets. Another issue could concern the fact that, even if the questionnaire attempts to mirror as close as possible a real-life shopping situation, participants didn’t have to actually “live” with their choices, and this may end up compromising the validity of the survey responses. A possible improvement for future researcher could be incentivising respondents to make sensible choices by offering the opportunity to win the product they will be surveyed for (i.e., Incentive Alignment). Lastly, there may be other factors affecting outdoor consumers’ purchasing intentions that were not considered in this research (e.g., other control variables, other product attributes like style and technical quality, other external and internal factors, etc.) and should be therefore investigated in future research.

## Reference List

- Arghode, V. (2012). Qualitative and quantitative research: Paradigmatic differences. *Global Education Journal*, 2012(4).
- BBC News (2022). *Patagonia: Billionaire boss gives fashion firm away to fight climate change*. Retrieved from URL <https://www.bbc.com/news/business-62906853>
- Bhaduri, G., & Ha-Brookshire, J. (2015). Gender Differences in Brand Information Processing and Transparency. *Journal of Product and Brand Management*.
- Bloomberg Business (2022). *Outdoor Clothing Market to Reach US\$ 13.9 Bn by 2021*. Retrieved from URL <https://www.bloomberg.com/press-releases/2022-05-20/outdoor-clothing-market-to-reach-us-13-9-bn-by-2021-tmr-study>
- Butow, J. (2014). Sustainability Issues and Strategies in the Outdoor Apparel Brand Industry. *University of Pennsylvania Scholarly Commons*.
- Burke, K. (2013). What are you wearing? Traceability in the global apparel and footwear industry. *Apparel Magazine*, 54, 37-39.
- Carrigan, M., & Attalla, A. (2001). The myth of the ethical consumer - Do ethics matter in purchase behaviour?. *Journal of Consumer Marketing*, 18, 560-578. 10.1108/07363760110410263.
- Connelly, L. M. (2013). Demographic data in research studies. *Medsurg Nursing*, 22(4), 269-271.
- Dargusch, P., & Ward, A. (2010). Understanding Corporate Social Responsibility with the Integration of Supply Chain Management in Outdoor Apparel Manufactures in North America and Australia. *International Journal of Business and Management Science*.
- Dickson, M. A. (2001). Utility of no-sweat labels for apparel consumers: profiling label users and predicting their purchases. *The Journal of Consumer Affairs*, 35, 96-119.
- EcommerceDB (2022). *E-Commerce Revenue Analytics Patagonia.com*. retrieved from URL <https://ecommercedb.com/store/patagonia.com>
- Ellen MacArthur Foundation (2017). *A New Textiles Economy: Redesigning Fashion's Future*. Ellen MacArthur Foundation: Cowes, UK
- Ferrell, O. C., Hartline, M., & Hochstein, B. W. (2021). *Marketing Strategy* (8th ed.). Cengage Learning US.

- Financial Times (2020). *Virus impact on fashion and luxury to be 'worse than recession*. Retrieved from URL <https://www.ft.com/content/4bee8020-5781-4658-839a-c8d56fc102e7>
- Foroudi, P., & Palazzo, M. (2021). *Sustainable Branding: Ethical, Social, and Environmental Cases and Perspectives (1st ed.)*. Routledge. <https://doi.org/10.4324/9780367855703>
- Fortune Business Insights (2022). *Outdoor Apparel Market Size, Share & Industry Analysis*. Retrieved from URL <https://www.fortunebusinessinsights.com/outdoor-apparel-market-105788>
- Grubor, A., & Milovanov, O. (2016). Sustainable branding. *ENTRENOVA-ENTerprise REsearch InNOVation*, 2(1), 329-336.
- Jones, G. G., & Gettinger, B. (2016). Alternative Paths of Green Entrepreneurship: The Environmental Legacies of the North Face's Doug Tompkins and Patagonia's Yvon Chouinard. *Harvard Business School General Management Unit Working*, 17-034.
- Klink, R. R., & Smith, D. C. (2001). Threats to the external validity of brand extension research. *Journal of marketing research*, 38(3), 326-335.
- Kotler, P., & Keller, K. L. (2016). *Marketing Management (14th edition)*. Shanghai: Shanghai People's Publishing House.
- Lindahl, E. (2019). *The Outdoor Apparel Industry: Measuring the Premium for Sustainability with a Hedonic Pricing Model*. Scripps Senior Theses, 1322.
- Louviere, J. J. (1988). *Analyzing decision making: Metric conjoint analysis* (No. 67). Sage.
- Luchs, M., Naylor, R., Irwin, J., & Raghunathan, R. (2010). The Sustainability Liability: Potential Negative Effects of Ethicality on Product Preference. *Journal of Marketing*, 74. doi: 10.1509/jmkg.74.5.18.
- Maximize Market Research (2022). *Outdoor Clothing Market Report*. Retrieved from URL <https://www.maximizemarketresearch.com/market-report/outdoor-clothing-market/42104/>
- Michel, G. M., Feori, M., Damhorst, M. L., Lee, Y. A. and Niehm, L. S. (2019). Stories We Wear: Promoting Sustainability Practices with the Case of Patagonia. *Family & Consumer Science Research Journal*, 48, 165-180.

- Nunan, D., Birks D., & Malhotra N. K., (2020). "Marketing Research: Applied Insight", 6th Edition ISBN13: 9781292308722 or Malhotra, Nunan & Birks (2017) "Marketing Research, An applied approach", 5th edition ISBN13: 9781292103129
- Outdoor Industry Association (2017). *Path To Purchase Report*. Retrieved from URL [https://outdoorindustry.org/wp-content/uploads/2017/07/CV-Path2Purchase\\_final\\_sm.pdf](https://outdoorindustry.org/wp-content/uploads/2017/07/CV-Path2Purchase_final_sm.pdf)
- Overfelt, M. (2020). *As The North Face battles Patagonia in outdoors market, it bets tackling climate change will pay off*. Retrieved from URL <https://www.cnn.com/2020/08/14/as-north-face-battles-patagonia-it-bets-climate-change-will-pay-off.html>
- Panwar, D., Anand, S., Ali, F., & Singal, K. (2019). Consumer decision making process models and their applications to market strategy. *International Management Review*, 15(1), 36-44.
- Patagonia (2011). *Don't Buy This Jacket, Black Friday and the New York Times*. Retrieved from URL <https://eu.patagonia.com/it/it/stories/dont-buy-this-jacket-black-friday-and-the-new-york-times/story-18615.html>
- Patagonia (2021). *Annual Benefit Corporation Report 2021*. Retrieved from URL <https://www.patagonia.com/on/demandware.static/-/Library-Sites-PatagoniaShared/default/dw18ad9c7c/PDF-US/Patagonia-2021-BCorp-Report-Updated-2-15-22.pdf>
- Patagonia (2023). *Owned and Operated Facilities*. Retrieved from URL <https://www.patagonia.com/where-we-do-business/owned-and-operated.html#:~:text=Patagonia%20is%20a%20global%20company,%2C%20Australia%2C%20Chile%20and%20Argentina>
- Patagonia (2023). *Patagonia's Mission Statement*. Retrieved from URL <https://www.patagonia.com.hk/pages/our-mission>
- Patagonia (2023). *Why Recycled?*. Retrieved from URL <https://www.patagonia.com/why-recycled/>
- Patagonia (2023). *Worn Wear*. Retrieved from URL <https://wornwear.patagonia.com>
- Piacentini, M., & Szmigin, I. (2018). *Consumer Behaviour*. United Kingdom: Oxford University Press.
- Solomon, M., Russell-Bennett, R., & Previte J. (2012). *Consumer Behavior*. Pearson Higher Education AU

- Stankevich, A. (2017). Explaining the consumer decision-making process: Critical literature review. *Journal of international business research and marketing*, 2(6).
- Statista (2022). *Outdoor clothing market value forecast worldwide from 2021 until 2027*. Retrieved from URL <https://www.statista.com/statistics/979475/outdoor-clothing-market-value-forecast-worldwide/>
- Statista (2022). *The Size of the Company 'Given Away' to Save the Planet*. Retrieved from URL <https://www.statista.com/chart/28257/patagonia-inc-revenue-company-db/>
- Statista (2023). *Most well-known outdoor fashion brands in the UK 2022*. Retrieved from URL <https://www.statista.com/statistics/1343799/most-well-known-outdoor-fashion-brands-in-the-uk/>
- Statista (2023). *Most well-known outdoor fashion brands in the United States 2022*. Retrieved from URL <https://www.statista.com/statistics/1343785/most-well-known-outdoor-fashion-brands-in-the-united-states/>
- Statista (2023). *Net sales of Columbia Sportswear Company worldwide from 2015 to 2022*. Retrieved from URL <https://www.statista.com/statistics/974043/columbia-sportswear-company-net-sales-worldwide/#:~:text=This%20statistic%20shows%20the%20sales,approximately%203.5%20billion%20U.S.%20dollars.>
- The New York Times (2022). *Billionaire No More: Patagonia Founder Gives Away the Company*. Retrieved from URL <https://www.nytimes.com/2022/09/14/climate/patagonia-climate-philanthropy-chouinard.html#:~:text=Patagonia%20will%20continue%20to%20operate,and%20ski%20pants%20each%20year.>
- Transparency Market Research (2022). *Outdoor Clothing Market Report*. Retrieved from URL <https://www.transparencymarketresearch.com/outdoor-clothing-market.html>
- VF Corporation (2022). *Annual Report Fiscal Year 2022*. Retrieved from URL [https://d1io3yog0oux5.cloudfront.net/\\_11675c2ecc8e70791317306a542a46ad/vfc/db/409/98649/annual\\_report/VF\\_FY2022\\_ShareholderLetter-DIGITAL-FINAL.pdf](https://d1io3yog0oux5.cloudfront.net/_11675c2ecc8e70791317306a542a46ad/vfc/db/409/98649/annual_report/VF_FY2022_ShareholderLetter-DIGITAL-FINAL.pdf)
- Wang, L., Xu, Y., Lee, H., & Li, A. (2022). Preferred product attributes for sustainable outdoor apparel: a conjoint analysis approach. *Sustainable Production and Consumption*, 29, 657-671.

Yang, S., Song, Y., & Tong, S. (2017). Sustainable retailing in the fashion industry: A systematic literature review. *Sustainability*, 9(7), 1266.

## Appendices

### Appendix A (PESTEL Analysis of Patagonia)

The study will now proceed with a “PESTEL” analysis, useful to examine the impact of Patagonia’s external environment on the company’s performance.

#### The External Environment: PESTEL Analysis

- a) **Political factors:** Patagonia is a global company which operates in several countries across the world. Therefore, it is subjected to a variety of political factors such as the different countries’ labour and trade policies, tax regulations, but also environmental standards (Patagonia, 2023).
- b) **Economic Factors:** Factors influencing the economy such as economic stagnation, changes in consumer spending patterns, exchange rates and inflation rates, can certainly affect the brand’s ability to operate successfully. For example, amid Covid-19 crisis, Patagonia’s products experienced a sharp price increase due to the rise of manufacturing and distribution costs. This unexpected price increase, probably due to high inflation rate, may result in a sales slowdown and ultimately harm the firm’s performance (Financial Times, 2020).
- c) **Sociocultural Factors:** Considering that fashion items result particularly sensitive to societal and cultural trends and strictly dependent on each consumer’s individual preferences and characteristics. To sustain its high-performance levels, Patagonia must regularly adapt to the changing consumer lifestyles and preferences, as well as address the concerns and desires of clients from various ethnical backgrounds.
- d) **Technological Factors:** To ensure its high-performance standards and avoid supply chain disruption, Patagonia needs to keep track of and implement the newest technological advancements in terms of design, manufacturing processes, supply chain, e-commerce, and retail experience (e.g., Augmented Reality, AI, Payment systems, etc.).
- e) **Environmental Factors:** Chouinard’s business, as any other fashion brand, must comply with the existent environmental legislation of the countries where it operates. Moreover, Patagonia based the entirety of its business operations on the mission of saving the planet and educating individuals to adopt a more conscious and sustainable approach to fashion consumption. Therefore, in order to maintain its excellent reputation and performance level, the American brand must continue adopting and improving its Sustainability targets & Ethical practices for both direct and indirect business operations (Patagonia, 2023).
- f) **Legal Factors:** Patagonia, similarly to other fashion brands, has to comply with multiple legal aspects, for example with regulations related to environmental practices, intellectual property rights, copyright infringement, labour laws, and anti-counterfeiting laws.



## Appendix B (Orthogonal Design Product Profiles)

Main Effects Screening Design				
	Brand	Price	Reviews	Sustainability
1	The North Face	110€	3/5	Not Sustainable Production & Materials
2	The North Face	80€	5/5	Sustainable Production & Materials
3	Patagonia	80€	3/5	Not Sustainable Production & Materials
4	The North Face	140€	3/5	Sustainable Production & Materials
5	Columbia	80€	3/5	Sustainable Production & Materials
6	Patagonia	110€	5/5	Sustainable Production & Materials
7	Patagonia	140€	5/5	Not Sustainable Production & Materials
8	Columbia	140€	3/5	Not Sustainable Production & Materials
9	The North Face	80€	5/5	Not Sustainable Production & Materials
10	Columbia	110€	5/5	Not Sustainable Production & Materials
11	Patagonia	110€	3/5	Sustainable Production & Materials
12	Columbia	140€	5/5	Sustainable Production & Materials

Figure 7 “Main Effects Screening Design” used for an orthogonal estimation of main effects.

Adapted source: JMP Software, 29<sup>th</sup> of May 2023.

## Appendix C (Linear Regression Results)

Table 2: Linear Regression Results without control variables

Variable	Coefficient	Std. Error	t-Statistic	P-value
Intercept	8,065	0,110	73,496	0,000***
Columbia	-0,979	0,111	-8,779	0,000***
<b>The North Face</b>	<b>-0,044</b>	<b>0,111</b>	<b>-0.394</b>	<b>0,693</b>
Price 80	0,672	0,111	6,031	0,000***
Price 140	-0,908	0,111	-8,143	0,000***
Reviews 3/5	-1.277	0,088	-14,484	0,000***
Not Sustainable	-1,764	0,088	-20,010	0,000***

Note.  $N = 141$ . Standard errors are in parentheses; the dependent and independent variables are scores between 0 and 10; \* $p < 0,1$ ; \*\* $p < 0,05$ ; \*\*\* $p < 0,001$ .

Table 5: How Coefficients (i.e., Betas) change if the control variables Gender (i.e., Female, Male, Other) and Occupation (i.e., Employed, Unemployed) are considered in the regression analysis.

Attribute Level	OVERALL Coefficients	Gender: Female	Gender: Male	Gender: Other	Occupation: Employed	Occupation: Unemployed
<b>(Intercept)</b>	8,065**	8,049**	8,027**	8,275**	7,777**	8,402**
<b>Columbia</b>	-0,979**	-0,871**	-1,076**	0,100**	-0,861**	-1,116**
<b>The North Face</b>	-0,044	-0,074	-0,022	0,800	0,009	-0,106
<b>Price 80€</b>	0,672**	0,848**	0,524**	0,800**	0,662**	0,684**
<b>Price 140€</b>	-0,908**	-0,938**	-0,840**	-1,400**	-0,831**	-0,998**
<b>Reviews 3/5</b>	-1,277**	-1,283**	-1,280**	-1,417**	-1,048**	-1,544**
<b>Not Sustainable</b>	-1,764**	-2,089**	-1,406**	-2,083**	-1,592**	-1,964**

Note. N= 141. All the coefficients are statistically significant at 5% significance level ( $p$ -value < 0,05) apart from the coefficient “The North Face”; \* $p$ <0,1; \*\* $p$ <0,05; \*\*\* $p$ <0,001.

## Appendix D (Survey Questions)

### Introduction

Introduction | The survey aims to analyse how the attributes: price, brand, reviews, and sustainability affect the ...

This study aims to examine the effectiveness of Patagonia's sustainable branding by analysing how the attributes *Price*, *Brand*, *Reviews*, and *Sustainability* affect the purchasing decisions of outdoor apparel consumers.



Page Break

[Import from library](#)

[Add new question](#)

[Add Block](#)

### General Questions

Page Break

Question 1

▼ [Skip to](#)

End of Survey if No Is Selected

Have you ever purchased outdoor clothing?

(i.e., clothing designed to be worn outside, for example jackets, sweaters, or any clothing for outdoor activities like hiking, skiing, rock climbing, cycling, surfing, etc.)

Yes

No

Question 2

What is your main priority when shopping for outdoor clothing?

0 = Least priority  
5 = Highest priority

	0	1	2	3	4	5
Price						
Sustainable Production and Materials						
Brand						
Reviews						

Move 1 block

 Import from library

Add new question

Add Block

▼ Patagonia Brand Profile

Question 3



Do you know these clothing brands, even if only by name?

	Yes	No
Patagonia	<input type="radio"/>	<input type="radio"/>
The North Face	<input type="radio"/>	<input type="radio"/>
Columbia Sportswear	<input type="radio"/>	<input type="radio"/>

Question 4

▼ [Display this question](#)

If Do you know these clothing brands, even if only by name? Patagonia - Yes Is Selected

To what extent do you associate the following characteristics with the brand Patagonia?

0 = I don't associate at all the brand with this characteristic

5 = I highly associate the brand with this characteristic

	0	1	2	3	4	5
Corporate Social & Environmental Responsibility						
Fashionable and Innovative Designs						
Products quality and durability						

Move 1 block

Question 5

▼ [Display this question](#)

If Do you know these clothing brands, even if only by name? The North Face - Yes Is Selected

To what extent do you associate the following characteristics with the brand The North Face?

0 = I don't associate at all the brand with this characteristic

5 = I highly associate the brand with this characteristic

	0	1	2	3	4	5
Corporate Social & Environmental Responsibility						
Fashionable and Innovative Designs						
Products quality and durability						

Question 6

▼ Display this question

If Do you know these clothing brands, even if only by name? Columbia Sportswear - Yes Is Selected

To what extent do you associate the following characteristics with the brand Columbia Sportswear?

0 = I don't associate at all the brand with this characteristic

5 = I highly associate the brand with this characteristic

	0	1	2	3	4	5
Corporate Social & Environmental Responsibility						
Fashionable and Innovative Designs						
Products quality and durability						

Move 1 block

Page Break

Question 7

When it comes to outdoor fashion, which of the following brands do you like? (You can select more than one option)

- The North Face
- Patagonia
- Columbia Sportswear
- Arc'teryx
- Others
- None of the above

Question 8

When it comes to outdoor fashion, which of the following brands do you own currently? (You can select more than one option)

- The North Face
- Patagonia
- Columbia Sportswear
- Arc'teryx
- Others
- None of the above

Question 9

When it comes to outdoor fashion, which of the following brands are you likely to purchase again in the future? (You can select more than one option)

- The North Face
- Patagonia
- Columbia Sportswear
- Arc'teryx
- Others
- None of the above

Page Break

Description | Intro

Imagine you decided to purchase a new fleece jacket to use both as a casual everyday item but also in your future outdoor activities (e.g., hiking, skiing, camping, running, fishing, exploring, travelling etc.).

Move 1 block

, you have to choose which item you want to buy. The objects have very **similar style** and **technical quality** but will differ in one or more attributes/levels:

**Price:** (80€, 110€, 140€)

**Brand:** (The North Face, Patagonia, Columbia)

**Reviews:** (3 out of 5 stars, 5 out of 5 stars)

**Sustainability:** (Sustainable production & materials, Not Sustainable production & materials)

Sustainable = produced using 100% recycled raw materials/natural fibres and ethical manufacturing practices

Not Sustainable = Otherwise



 Import from library

Add new question

Add Block

Product Profiles



Question 10

Please rate a (fictitious) fleece jacket with the following characteristics:



The North Face

110€

Reviews 3/5 stars

Not Sustainable production & materials

0 1 2 3 4 5 6 7 8 9 10

Rate this jacket

Move 1 block

Page Break

Question 11

Please rate a (fictitious) fleece jacket with the following characteristics:



Columbia

140€

Reviews 3/5 stars

Not Sustainable production & materials

0 1 2 3 4 5 6 7 8 9 10

Rate this jacket

Page Break



Question 12

Please rate a (fictitious) fleece jacket with the following characteristics:



Columbia

110€

Reviews 5/5 stars

Not Sustainable production & materials

0 1 2 3 4 5 6 7 8 9 10

Rate this jacket

Move 1 block

Page Break

Question 13

Please rate a (fictitious) fleece jacket with the following characteristics:



Columbia

140€

Reviews 5/5 stars

Sustainable production & materials

0 1 2 3 4 5 6 7 8 9 10

Rate this jacket

Question 14

Please rate a (fictitious) fleece jacket with the following characteristics:



Columbia

80€

Reviews 3/5 stars

Sustainable production & materials

0 1 2 3 4 5 6 7 8 9 10

Rate this jacket

Move 1 block

Page Break

Question 15

Please rate a (fictitious) fleece jacket with the following characteristics:



The North Face

80€

Reviews 5/5 stars

Sustainable production & materials

0 1 2 3 4 5 6 7 8 9 10

Rate this jacket

Page Break

Question 16

Please rate a (fictitious) fleece jacket with the following characteristics:



The North Face

80€

Reviews 5/5 stars

Not Sustainable production & materials

0 1 2 3 4 5 6 7 8 9 10

Rate this jacket

Move 1 block

Question 17

Please rate a (fictitious) fleece jacket with the following characteristics:



The North Face

140€

Reviews 3/5 stars

Sustainable production & materials

0 1 2 3 4 5 6 7 8 9 10

Rate this jacket

Page Break

Question 18

Please rate a (fictitious) fleece jacket with the following characteristics:



Patagonia

110€

Reviews 5/5 stars

Sustainable production & materials

0 1 2 3 4 5 6 7 8 9 10

Rate this jacket

Move 1 block

Page Break

Question 19

Please rate a (fictitious) fleece jacket with the following characteristics:



Patagonia

140€

Reviews 5/5 stars

Not Sustainable production & materials

0 1 2 3 4 5 6 7 8 9 10

Rate this jacket

Page Break

Question 20

Please rate a (fictitious) fleece jacket with the following characteristics:



Patagonia

110€

Reviews 3/5 stars

Sustainable production & materials

0 1 2 3 4 5 6 7 8 9 10

Rate this jacket

Move 1 block

Question 21

Please rate a (fictitious) fleece jacket with the following characteristics:



Patagonia

80€

Reviews 3/5 stars

Not Sustainable production & materials

0 1 2 3 4 5 6 7 8 9 10

Rate this jacket



 Import from library

Add new question

Add Block



General questions

Question 22

What is your age? Please enter a number

Question 23

What is your gender?

- Male
- Female
- Other

Question 24

What is your occupation?

- Employed
- Unemployed

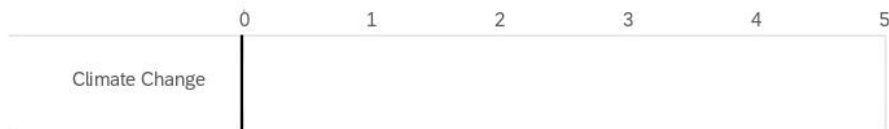
Page Break

Question 25

How important is the issue of *Climate Change* to you?

0 = Not at all important

5 = Very important



Question 26

How important is the issue of *Unsafe Working Conditions & Exploitation* to you?

0 = Not at all important

5 = Very important



[Import from library](#)

[Add new question](#)

[Add Block](#)

End of Survey

We thank you for your time spent taking this survey.

Your response has been recorded.

## Appendix E (Raw Data Survey)

Link → [Raw Data](#)

The image displays a vast grid of raw data survey information. The grid is composed of numerous rows and columns, each containing small, illegible text or symbols. A prominent vertical yellow bar runs down the right side of the grid, likely serving as a visual separator or highlighting a specific column of data. The overall appearance is that of a highly detailed and complex data set.