

patagonia

Innovation History

Jordan Wright | 13.11.2020

MADE
MANUFACTURE
ADVANCED
DESIGN
ENGINEERING



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

“If you wait for the customer to tell
you what they want, you’re too late.”

— Yvon Chouinard, Patagonia Founder



Company History



**Why. How.
When. Where.**

Why

Continual commitment to battle climate change and with their transparent approach to business. This is a business with a heart. A business that is successful by doing good and being good.

When

Patagonia have been industry leaders from the day they started in 1973. Chouinard's focus on making climbing gear pivoted to climbing clothing.

How

Before Patagonia was born by surfer, mountain climber and environmentalist, Yvon Chouinard, accidentally found his entrepreneurial feet after deciding to become a blacksmith and make his own climbing gear.

Where

Patagonia's passion for environmental innovation is interesting because it doesn't come come at the forefront on the list of innovative tech brands.

Patagonia's Timeline 1957 - 2020

1957

Yvon Chouinard become a blacksmith and began making his own tools from carabiners to pitons.

1973

Chouinard turned his attention to clothing. His rugby shirt idea proved more profitable than making pitons. Patagonia was born.

1988

Two years later they launch their first national environmental campaign.

1996

Patagonia committed to manufacturing only 100% organic cotton clothing. As well as becoming founding member of the Fair Labor Association.

1970

Chouinard Equipment made their mark on in the climbing industry becoming one the largest suppliers for climbing gear in the U.S.

1986

Patagonia gives 10% of their yearly profits to environmental groups.

1993

Patagonia became the first company to make fleece from post consumer plastic soda bottles.

Patagonia's Timeline 1957 - 2020

2005

The Common Thread recycling program started. People could send in their old Patagonia clothing to be recycled.

2009

Walmart and Patagonia began an unlikely partnership that led to the Sustainable Apparel Coalition.

2014

Officially become Fair Trade Certified™ paying directly into special workers' fund.

2017

Patagonia launches their Worn Wear program.

2019

Patagonia opened their first ever physical Worn Wear store for three months, selling the products that have been fixed ready for resale.

2007

Launched The Footprint chronicles. Being completely honest and transparent about where your products came from.

2012

Qualified as a B Corp, alongside 500 corporations in 60 different industries.

2015

Encourages customers to make their clothes last a lifetime during a mobile tour. 'If it's broke, fix it.'

2018

Proves that companies can profit by doing good and being good, surpassing \$1 billion in sales.

The Strategy

How has Patagonia achieved success?

Counterintuitive marketing strategies.
One of the first brands to drive growth by creating anti-consumerist campaign.

Fair Trade Certified.
Meaning they care about their workers. This approach proves to businesses that it works.

Workplace Childcare.
Introduced childcare in the workplace to help the 70% of women working for the company.



Uses storytelling to turn consumers into activists.
Inspires personal and corporate action.

Worn Wear - Reuse Recycle Program.
Encouraging customers to take mutual responsibility for the life of the products Patagonia make.

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WORN WEAR[®]



patagonia[®]

Patagonia Worn Wear

**Taking a problem
and finding an
innovative solution.**

Problem?

The amount of used clothing going to landfill.

Idea?

‘If it’s broke, fit it!’

Solution?

Patagonia has confidence in their clothing. These high quality garments are built to last for years, not seasons.

They encourage the consumers to repair what they wear.

Also offering garment repairs for life “lifetime guarantee”.

Alternatively, you can recycle your old gear and receive in-store credit.

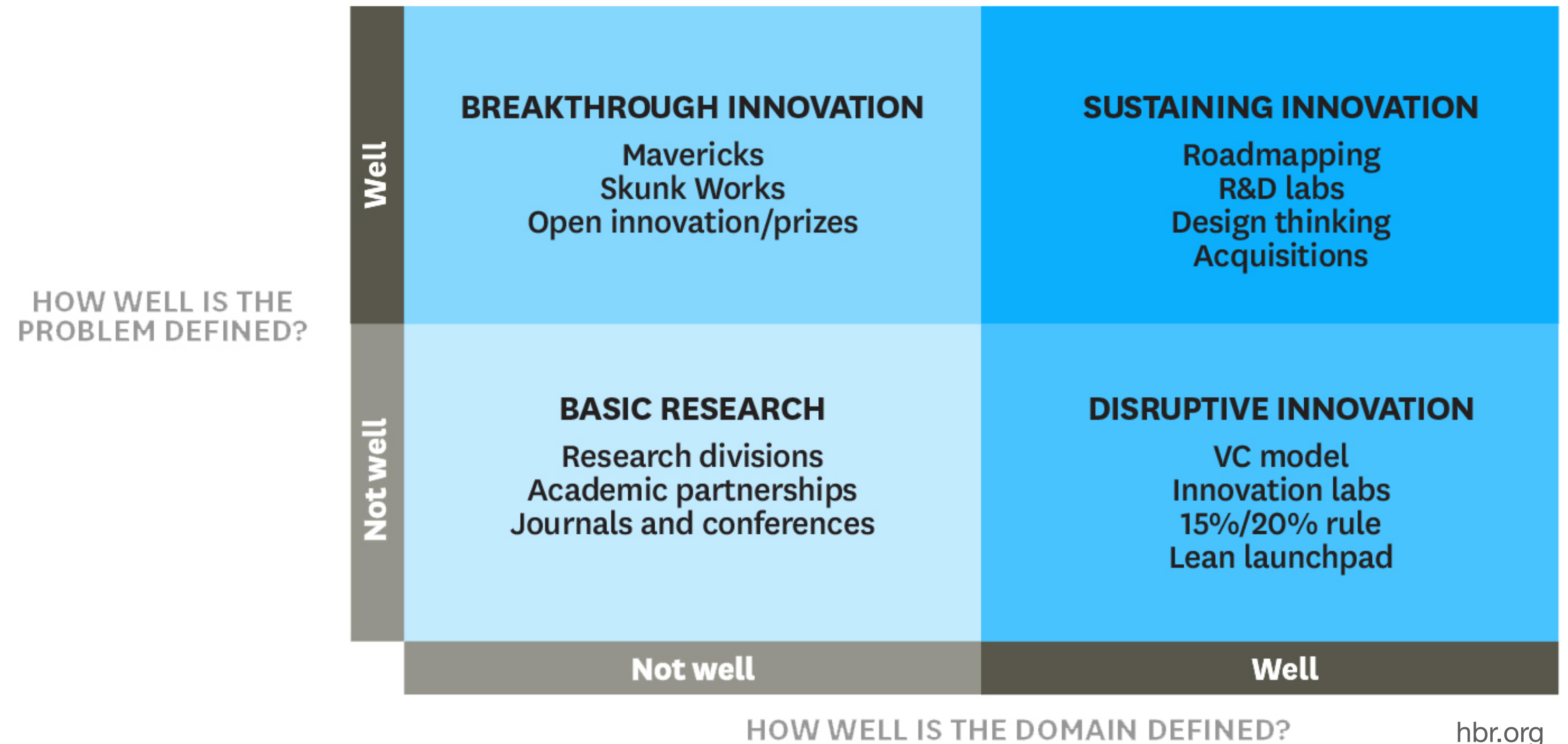


Innovation Matrix



Source:
Greg Satell

Innovation = Risk + Change = Risk



“Innovation is, at its core, about solving problems and there are as many ways to innovate as there are different types of problems to solve.” — Greg Satell

Business Model

What is the business model for Worn Wear?

Circular economy strategy.

Patagonia have kept “more than 130,000 used items in play, and given them a second life.”

Reduction in carbon.

Buying used have shown a 60% reduction in carbon.

Customer incentive.

Exchange your old Patagonia clothing for in store credit. Anything from \$0 to \$100.



New product line.

Through the recycling and fixing of previously own Patagonia clothing, the company have produced a new clothing line at a lower price.

High quality products.

Producing durable and good quality products ensures they stay in use for longer. If they don't last, Patagonia will repair them.

Reduce clothing waste.

Encouraging consumers to repair what they wear and avoiding landfill.

Innovation Developing

**Making it easier
for the consumer.**

Why aren't other companies doing the same?

Inspired by nature and taking the approach that creates as little harm as possible.

Digital platform.

Worn Wear website is a second hand 're-commerce' service.

Circular economy.

Trade in your old Patagonia clothing in exchange for in-store credit.

Financial benefits.

i.e. If the value for a top is \$10 it would then gets resold at \$35-45.

Expanding brand reputation.

The re-commerce site is also a great way to sell old inventory easily.



Market Position Comparison

craft.co - 2020



Outdoor apparel company.

'Worn Wear'

Founded: 1973
HQ: Ventura, US
Employees: 2240
Revenue (est.):
\$1 billion (2018)



Outdoor recreation product company.

'Clothes The Loop'

Founded: 1968
HQ: Alameda, US
Employees: 3190
Revenue (est.):
\$13.8 billion (2019)



Minimalist running shoe company.

'Revivo'

Founded: 1997
HQ: London, UK
Employees: 101
Revenue (est.):
£26 million (2019)



Apparel company that provides jeans wear.

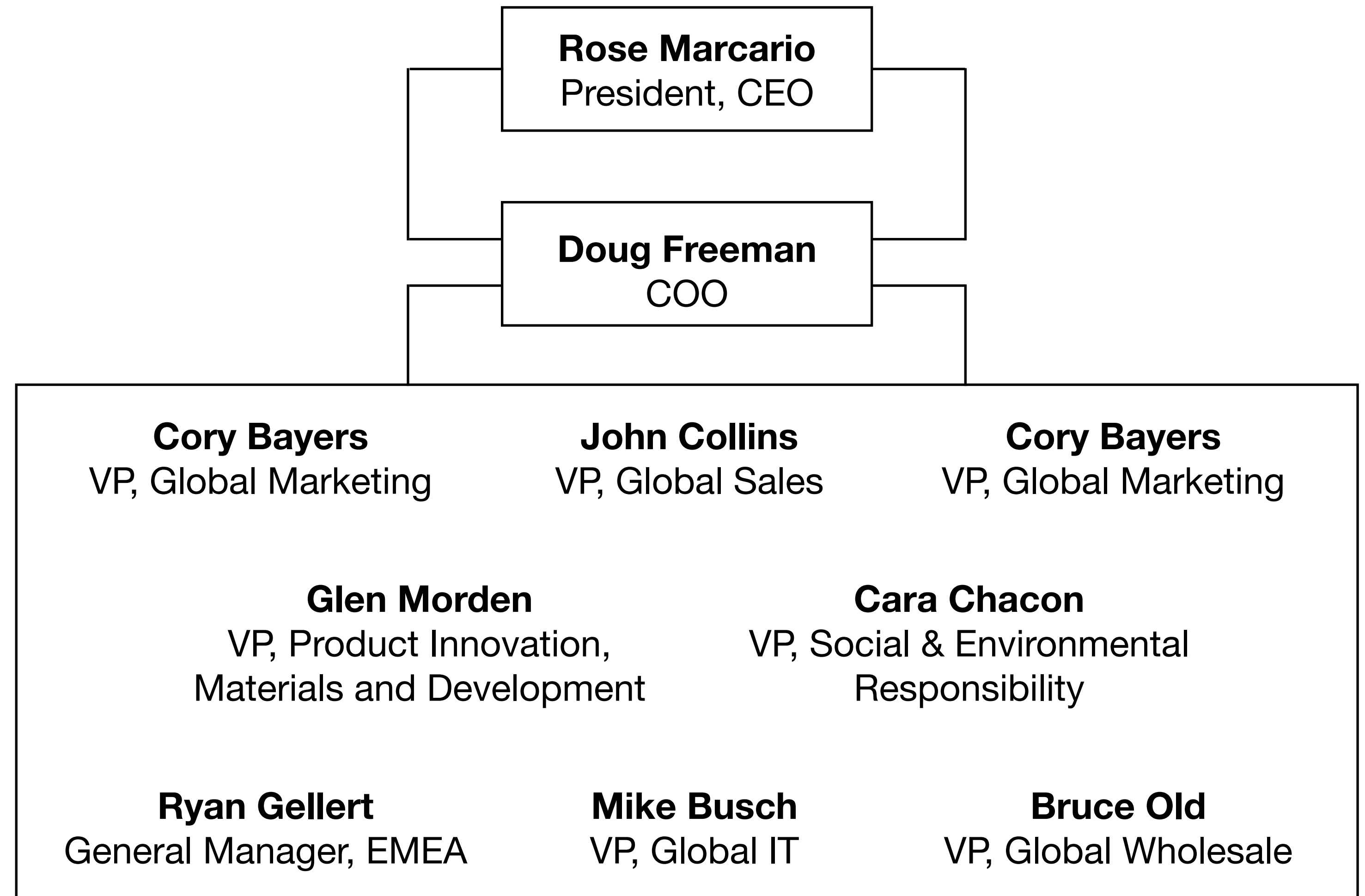
'Blue Jeans Go Green™'

Founded: 1853
HQ: San Francisco, US
Employees: 15800
Revenue (est.):
\$5.8 billion (2019)

Internal Structure

Management Process.

Flat organisation structure for their employees so that they can have more freedom in making decisions and pursue goals.



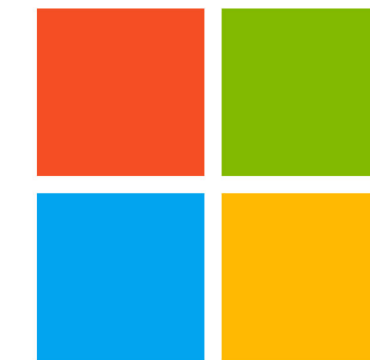
Technology Dependence

Tools to help improve the company.

Patagonia isn't a brand naturally associated with technology is an understatement.

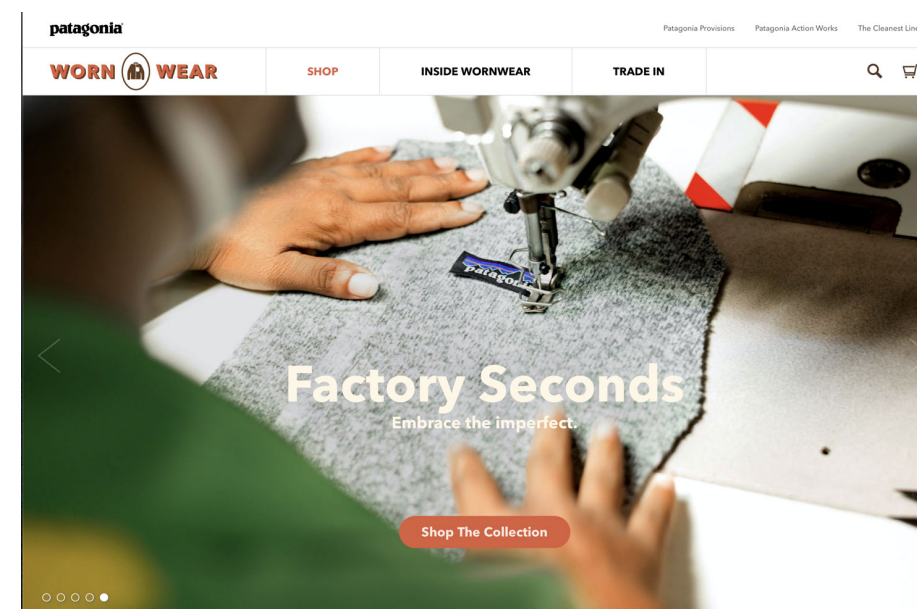


1. White-label business that operates resale for brands.



Microsoft

2. Supporting across all areas of the company.



3. Provides a place for both financial and educational growth.



4. Online advertising is the 'voice' for its marketing campaigns.

Success So Far...

What has Worn Wear achieved?

In 2019, nearly 70% of Patagonia's products are made from recycled materials. Their goal is to use 100% renewable or recycled materials by 2025.

Within the first 6 months of the Worn Wear website going live, they sold \$1 million worth of used clothing.

More than 100,000 items are repaired each year in 72 repair centres globally.

Opened their first pop up shop in Boulder in November 2019.

In addition to the success of the pop-up shop, Worn Wear also operate mobile repair stations visiting over 135 locations worldwide.

Continually looking to improve and do good.



Final Thoughts

**What knowledge
have I gained?**

Innovation doesn't have to be a product or a service, it can be a business model.

Each innovation typology study is different and it's ok if your idea does not fit perfectly within one of these.

It is true that there is no one "true" path to innovation.

Innovation isn't an overnight success.

When there is a shift in the marketplace you have to innovate your business model.

Don't get stuck into a single approach, keep an open mind on new solutions for your problem.

Storytelling and marketing helps give your business a voice and heart.



**“If you want to understand an entrepreneur,
study a juvenile delinquent.”**

— Yvon Chouinard, Patagonia Founder



Q+A



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