Creative advertising as a profitable tool in De-marketing
-Patagonia. Inc case study-

Rabia BADREDDINE 1*, Karim BICHARI 2

1 University of Blida 2, Algeria (Alger), raabadr@gmail.com
2 University of Blida 2, Algeria (Alger), karimbichari@yahoo.com

Abstract:

This article explores De-marketing creative advertising as a tool to improve sales and profits. As De-marketing refers to a way for managers to cope with excess and/or undesirable demand for their products or services, many brands prove that De-marketing can be a profitable alternative.

Patagonia is a company, encourage customers not to buy their product; the brand uses De-marketing to manage the flow of its product, to keep it more sustainable and long last, Patagonia's De-marketing creative advertising campaigns enables Patagonia to interact more closely with customers and achieve both of the sustainability and profitability of its goals.

Keywords: De-marketing; creative advertising; Patagonia.Inc

Jel Classification Codes: XN1, XN2
1. Introduction:
Companies try to attract customers to their different products; to increase and maintain profits; raise their market share and to gain a position in the marketplace. The strategies they use to promote their products differ, whether using traditional marketing or De-marketing, which gives companies an additional advantage in the ways they attract their customers.

De-marketing is a drive to change behavior to improve consumers ways of life and reduce wrong behaviors. It may appear that De-marketing is limited to specific cases, but it can make contributions that achieve social and economic goals that benefit both company and community.

Advertising is one of the oldest and most used tools for influencing buyers. It is the most visible and most discussed form of mass communication (Alena, Mária, & Petra, 2012, p. 201); But when it comes to De-marketing, most studies refer to reduce and limit advertising efforts and campaigns, whether traditional or creative, therefore the following question was asked:

How can creative advertising affect the results of De-marketing?

To understand the previous issue, it was divided into a set of sub-questions that included aspects of the topic, and they were as follows:

- What does De-marketing mean? And what are its strategies and types?
- What is creative advertising in De-marketing?
- When to address an advertisement as a creative one?
- How can advertising campaigns affect the demand for products?
- How did Patagonia, Inc. manage its De-marketing creative advertising practices, and how did that affect the brand's performance?

To answer the questions above, this article started first with studying the literature on De-marketing principles, definition, types, creative advertising in De-marketing, then it showed some creative advertising strategies that were used by Patagonia, after introducing the brand, and how Patagonia used De-marketing and its successful results. Finally, the conclusion of this article.
2.1 De-marketing concept

The concept was first articulated by Kotler and Levy (1971). Since then scholars have focused on De-marketing, and tried to phrase definition for it. (Philip & Levy, 1971, p. 75) defined De-marketing as ‘that aspect of marketing that deals with discouraging customers in general, or a certain class of customers in particular on either a temporary or a permanent basis’, almost at the same basic (Koontz, 2020) defined De-marketing as The process of reducing the demand for a product or decreasing consumption, while (Chief Marketing Officer, 2020) sees that De-marketing aimed at limiting the market growth.

Furthermore, (Suh, Ahn, & Rho, 2009, p. 2) emphasized that De-marketing is not just an activity to eliminate demand, but an activity to manage demands which thereby increase profitability. In other words, it is possible that decreasing cost for relationship management and turning non-profitable customers into profitable customers; (Cambridge University Press, 2021) researcher’s defined it by understanding which customers merit De-marketing company can focus its efforts on the “right customers” and increase its profitability. (Srinivasan, 2010) Sees De-marketing as a strategic choice of not serving certain customer segments, De-marketing is about finding the segments whose needs cannot be met and making sure they are not self-select to be their customers, it is about getting the right customer mix whose expectations can be met and needs to be served by company’s product.

The various definitions listed for De-marketing focus on a set of points, the most important ones are:

- Protect resources and control their use also control products demand;
- Discouraging customers who present low-utility for the product;
- Attract customers with a greater utility to the product;
- Influencing the behavior of individuals and customers in the event of products that are harmful to people and the environment;
- Using marketing methods and marketing mixes for goals that differ from profit.

From this, it follows that De-marketing can be defined as:
De-marketing represents the use of various marketing methods, strategies, and tools to change market customer’s orientation, and to control the flow of products and resources by distinguishing them in the mind of the customer, or by discouraging the consumption to protect the resources, customers, and markets.

2.2. De-marketing strategies and types

De-marketing is about making choices! Turn away the wrong customers so you won’t turn off the right customers (Srinivasan, 2010).

Kotler and Levy (1971) identify three types of De-marketing that may be practiced:
1. General De-marketing: to shrink the level of total demand;
2. Selective De-marketing: Required when a company wants to discourage the demand coming from certain customer classes;
3. Ostensible De-marketing: Involves the appearance of trying to discourage demand as a device for actually increasing it. (Medway, Warnaby, & Dharni, 2011, p. 126);

But three other types were added since then:
4. Synchro-marketing: Involves looking at the overall market for the product and trying to manipulate it so that sales occur at times which synchronize with the firm's production scheduling.
5. Counter-marketing: This type is a deliberate attempt to counteract a pressure to buy; (Bradley & Blythe, 2014, p. 3)
6. Unintentional De-marketing: This type occurs when the attempts to increase the demand for a certain product, which result in driving customers away from this product. (Azzam, 2019, p. 111)

There are many strategies for De-marketing based on the approach of the study and researcher tools and objectives. Hypotheses and environment of the study play a major role to define and choose strategy types also whether these strategies are for decreasing consumption and demand or to maximize profits.
The following De-marketing strategies can be executed in business to maximize profits: (Gerstner, Hess, & Chu, 1993, p. 50)

1. price discrimination strategy: businesses input cost transactions on product payment. This can be just a flat rate transaction cost irrespective of whether one is buying 1 product or 100 products. It discourages people from buying just 1 and gears them towards buying as many as possible in other words to spread the cost and maximize gain;

2. Bait and switch strategy: This can be illegal and one can get sued for this as it thrives on deception. This strategy is advertising an extremely great product at an extremely low price. It's also called the "too good to be true" price when actually the product isn't available. It’s a “bait” to catch people’s attention and then “switch” them to another product;

3. Stock Outage strategy: This is to create an artificial shortage of products; this will make people pay in advance. This might help a business use the money paid as advance payment to finance the production.

4. Crowding cost De-marketing: special days, there could be queues which would make a few customers willing to pay higher just to evade the queue.

5. Differentiation Strategy: This De-marketing strategy hinges on the 4Ps of marketing to implement De-marketing efforts. It emphasizes place, product, price, and promotion (Emeli, 2020)

2.3 Advertising in De-marketing

Advertising is the action of calling public attention to something that affects behavior, attitude, and perception (Mahmood & Rudaina, 2018, p. 212).

The standard definition of advertising includes main elements, it is usually a non-personalized form of communication, paid by an identified sponsor, implemented in a certain way through the media and other legal means, and aimed to familiarize with some products and its further acquisition by a possibly large audience of consumers. (Frolova, 2014, p. 5)

Advertising Campaigns: Advertising is the action of calling public attention to something That affects Behavior, attitude, and perception

Understanding why and how advertising works is complicated by the fact that it is situation-specific. As with other forms of communication, it depends
on the message, sender, receiver, medium, and context. Further, ads have multiple purposes, among them to build awareness, sell products, and fight off competition. Advertising has three important components that are always present: advertisement content; attention; persuasion (Teixeira, 2014, p. 1)

As generally known, advertising in De-marketing is about reducing and limiting it from customers, who are prevented to buy a product or behave in a certain way, like limiting ads on television (Rudaina, 2014, p. 34). Advertising in De-marketing is also related to other concepts: reverse psychology marketing, anti-marketing, paradoxical marketing. The reverse psychology of the De-marketing advertising strategy surprises customers with its unexpected advertising stimuli, like “Don’t trust advertising” in the marketing campaign of BMW in 2007. Therefore customers are interested in searching for more information because of this paradoxical tagline. This advertising tactic involves great cognitive processing since the time spent on the advertising is longer.

In addition, missing or vague information in advertising seems to be the opposite of the traditional marketing tactic. Customers will like to find out more information about the brand when there is no product attribute cue. It is suggested that when the company is sure that information searched by the customers is positive, it may withdraw from advertising its products with positive attributes (Winslet & Leung, 2018, p. 324)

2.4 Creativity and its importance in Advertising

What is Creativity? Each company/organization has its target markets and goals. All are different, and therefore all companies have different approaches to their creativity. (Yoong & Yazdanifard, 2014, p. 19)

Creativity can be defined as the production of something original and valuable. Creativity involves coming up with new and fresh ideas or plans. It is characterized by the use of imagination and expression. Creativity might be viewed as a natural gift also as a talent that can be learned and developed. However, creativity seems to be a combination of both. Research in psychology reveals that creativity arises through the confluence of knowledge, creative thinking skills, and motivation. And it is the reason why
particular agencies are preferred to others. Creativity and innovative tasks are handled by the creative department of an advertising department or agency. Creative staff writes the advertising copy, chooses illustrations, prepares artwork, selects models or actors, and supervises the scripting and production of radio, television, and web ads. (Terkan, 2014, p. 243)

It is important that the idea used in advertising have a creative character. Creativity has a large influence on the effectiveness of advertising. Its influence is fulfilling one of the main objectives of advertising, which is the ability to capture the intended recipient enough to be willing to purchase the goods or services. Therefore, creativity becomes the core of successful and effective advertising, it must pass all areas related to advertising, media planning, brand building, and of course the creation of advertising itself. It is not unequivocally. Creativity in advertising is not the end in itself, advertising creativity is different from artistic creativity, especially in its purpose. creativity in advertising is set out to achieve communication goals, which in the case of artistic creativity does not have to be filled, To meet creativity in advertising, its role, the recipient must remain registered and stored in memory, and also must meet other specific objectives. If not, then advertising creativity has not fulfilled its main purpose. (Alena, Mária, & Petra, 2012, p. 202)

As the concept of brand loyalty diminishes, marketers need to devise creative and innovative ways of attracting and retaining customers. Creative and innovative advertising strategies serve as major tools.

### 2.5 Definition of Creative Advertising

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<thead>
<tr>
<th>Defining Creativity</th>
<th>Key References</th>
</tr>
</thead>
<tbody>
<tr>
<td>“A creative ad is both divergent (i.e. novel or unusual) and relevant.”</td>
<td>Smith, &amp; Yang, 2004</td>
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<td>“We define advertising creativity as original and imaginative thought designed to produce goal-directed and problem-solving advertisements and commercials.”</td>
<td>Reid, Whitehill King, &amp; DeLorme, 1998</td>
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<td>“A creative ad is one that involves newness, risk, divergent thinking, and a sense of humor.”</td>
<td>Jewler &amp; Drewniany, 1998</td>
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“This nebulous thing called “creativity” is the art of establishing new and meaningful relationships between previously unrelated things in a manner that is relevant, believable, and in good taste, but which somehow presents the product in a fresh new light.”

*Source:* (Tsiotsou, Plakoyiannaki, & Triantos, 2010, p. 137)

According to the previous table, creative advertising may be defined as: divergent and original thinking, which has a risk, and relevance, and can establish a relationship between an advertiser and customer.

### 2.7 Characteristics of advertising creativity and its benefit

Creativity is the soul and life of advertising design, while highlighting the theme of advertising, it interacts with the audience through creative thinking, it shocks the audience's psychology with its special artistic appeal and manifestation, and causes its psychological transformation.

Advertising creativity can break through the simple information transmission of advertising, endows it with deeper connotation, and meets the needs of the market, economy, and environment. Splendid advertising creativity can effectively grasp the psychology of the audience so that its memory is deep, unforgettable, or amazing shock, to achieve companies' marketing goals.

Advertising creativity is also characterized by the promotion of audience understanding of brand image and brand concept through creative and innovative methods, to guide the audience to change their brand attitude, and induce their behaviors to satisfy the advertisers' demands, its connotation includes 3 parts (Bing & Ruiqiu, 2018, p. 379):

- Creative advertising strategy, how to extract information to design and produce more effective advertising, attract the attention of the audience, achieve product sales, guide customers to buy;
- Use creative thinking, and to be unique;
- Fully grasp the psychology of the audience, through design and interaction with the audience.
Extant research shows that creative advertising can lead to more favorable brand positioning. That advertising creativity in traditional media leads to increased unaided recognition and recall, thereby providing additional evidence for the widely-held notion that “creativity sells”. Novelty, meaningfulness, and connectedness, key components of the advertising creativity cube, produce higher levels of recall and attitude towards the ads (Anjala & Homer, 2012, p. 1145).

3. Patagonia's De-marketing creative advertising strategy

Patagonia is the most famous brand around the world that encourages customers not to buy their product; the brand uses many De-marketing techniques to keep their product more sustainable and long last. Patagonia's promotion channels are mostly social media and their corporate social responsibility program, this enables Patagonia to interact more closely with customers and better reach the millennial that often use technology to disseminate information on social media platforms (Sohaib, 2012, p. 9)

3.1. Patagonia overview

Patagonia, Inc., “We’re in business to save our home planet” (Patagonia Mission 2021), is an American clothing company that markets and sells outdoor clothing. The company was founded by Yvon Chouinard in 1973 and is based in Ventura, California. (Wikipedia, 2021) The company worries about producing high quality products by using the best materials and experts in the production process, Products are produced overseas by third parties (Patagonia, Inc, 2021), the company is operating in 50 countries with 3,000 employees and has generated $ 1 billion in revenue in 2018 and a turnover of $ 356 million (Schillmann, 2019). Unlike its competitors, Patagonia sells their products mainly through their retail stores at a premium price, avoiding discount retailers to sell it at a lower price at the end of the season; Patagonia diversified its business scope, starting selling garment for other outdoor sports such as skiing, snowboarding, and surfing, (Patagonia, Inc, 2021) and even started to operate in different categories such as food (Patagonia, Inc, 2021) Patagonia core values reflect those of a business started by a band of climbers and surfers, and the minimalist style they promoted (Patagonia, Inc, 2021):
1. Build the best product; rests on function, reparability, and durability;
2. Cause no unnecessary harm;
3. Use business to protect nature;
4. Not bound by convention, success lies in developing new ways to do things.

3.2 Patagonia De-marketing creative advertising

Patagonia has been known to promote used wear and gears, repair and fix it, and ask customers to think twice before buying its products. The company gives 1% of its sales to the environmental group. Patagonia calls it "1% for the Planet" (1985) (Patagonia, Inc, 2021)

The following examples represent some of Patagonia De-marketing creative advertisement:

- The recycling program campaigns - Common Threads Initiative -(2005) (Szekely & Dossa, 2019)

  Patagonia created a closed-loop system for their clothes, in full 2005; Patagonia launched The Common Threads Program, to reduce the number of products Patagonia customers purchased through a two-fold effort.

1. The DIY campaign (do-it-yourself repair guides ): “IF IT'S BROKE, FIX IT!” Patagonia believes in repairing damaged gear before buying something new. The brand offers repair services in its retail stores and Reno repair center. If customers would rather do the repair themselves, the DIY Repair Guides can show them how. Customers will learn a new skill and their favorite jacket will become their go-to piece and traveling companion again—it still has stories to tell! (patagonia, Inc, 2021)

  In this campaign, Patagonia provided an alternative for customers who were unable or unwilling to repair their clothing, by charging an affordable fee to have garments shipped to their repair facility. (Patagonia, Inc., 2021)

2. The second-hand market: Patagonia created a market to revive garments that did not fit or that were no longer worn and put them to use again. (Michele Bianchi, 2021). On other hand, Patagonia prohibits its authorized dealers from selling on online marketplaces, as well as in brick-and-mortar
discount retailers. Patagonia cannot assure that products customer buys from these platforms or in these stores are authentic (patagonia, Inc., 2021)

- Don’t buy this Jacket (2011)
  "Why to run an ad in The New York Times on Black Friday telling people, "Don't Buy This Jacket"?”, Underneath was a detailed description that defended Patagonia’s rationale based on the negative environmental impacts caused by consumerism, everyone needs to consume less. Businesses need to make fewer things but of higher quality. Customers need to think twice before they buy. (Patagonia, Inc., 2021)

  Based on a “buy less, buy quality” philosophy, the brand literally tells its customers not to buy its clothing and invest in used versions instead (MORIN, 2020). This campaign spelled out precisely how Patagonia negotiated the apparent conflict of interest, aligned with reduce, repair, reuse, recycle mantra of environmentalists. Under "Reduce" they declared "We make useful gear that lasts a long time; you don't buy what you don't need," to reimagining together "a world where take only what nature can replace." (GUO, 2018).

  A question was asked about the provocative headline if Patagonia was only asking people to buy less and buy more thoughtfully? And they answered by "To call attention to the issue in a strong, clear way"; Patagonia declared that they used the line "Don't Buy This Shirt" several years ago before "don't buy this jacket" in a catalog essay, to a strong response. In the hope that this headline will prompt as many people as possible to read the full ad, then go to the company website to take the Common Threads Initiative pledge. (Patagonia, Inc., 2021)

- Worn wear (2013)
  Worn Wear is Patagonia’s hub for keeping gear in play. Patagonia sells used gear online and in selected stores, offer trade-in credit for Patagonia items its customers no longer use. Why extend the life of gear? Because one of the best things people can do for the planet is cut down on consumption and get more use out of stuff they already own. (Patagonia, Inc, 2021)

  Patagonia created this campaign, a program that highlights thousands of videos and pictures from customers around the globe who treasure their worn,
patched-up Patagonia garments with pride. While most companies would encourage customers to repeat their purchases, Patagonia prides itself and its customers on waste-free purchases. (Szekely & Dossa, 2019)

The brand’s Worn Wear events help customers repair their products. Alternatively, customers can bring the company their Patagonia products that need repair, and they’ll fix them free of charge. The brand operates the largest garment repair facility in North America, and it’s done 40,000 individual repairs year 2020 alone (Danao, 2020).

Patagonia’s “Worn Wear” campaign included many creative advertising strategies, among them: short film, a mobile tour, online website, and Company's brand ambassadors: (Drawbridge, 2018).

In 2017, the company said that certain Patagonia merchandise that is in good condition could be returned for credits. The used merchandise is cleaned, repaired, and sold on Patagonia's "Worn Wear" website. (THANGAVELU, 2020)

- differentiation strategy

Another unique aspect of Patagonia’s De-marketing strategy is its differentiation between stores based on location. While most of their stores offer the same general products, in a similar layout, the company gives each store a slightly different personality and attempts to appeal to the target market of the area. Its store in Encinitas, for example, showcases a large rack of surfboards and tables full of board shorts and bathing suits to match the beachy feel of this surf town in Southern California. However, when entering one of their stores in Colorado, customers would see much more snow gear along with images of the mountains and extreme snow sports.

3.3 The Success of Patagonia's Patagonia De-marketing campaigns

“I know it sounds crazy, but every time I’ve made a decision that’s best for the planet, I’ve made money.” — Yvon Chouinard.

Despite what looks like an anti-marketing effort, the company has seen its revenues grow in the face of a challenging environment for traditional retailers (THANGAVELU, 2020), this was the type of campaign that can grab consumers’ attention, a brand tells its customers not to buy its clothing and
Creative advertising as a profitable tool in De-marketing
-Patagonia. Inc case study-

invest in used versions instead (MORIN, 2020), Patagonia has experienced such growth. The company generated $1 billion in profits during the 2018 fiscal year. (Madrigal, 2020, p. 17).

- The recycling program campaigns have helped Patagonia decrease its reliance on virgin materials by recycling post-consumer textiles back into its chain of production. Additionally, the retail stores have increased earnings during this time as well (Madrigal, 2020, p. 16). Patagonia encourages its customers to share their DIY repair stories on Instagram with #wornwear (patagonia, Inc, 2021)

- Don’t buy this product: the buy less approach might not be as effective as it seems, in 2013, two years after the Don’t Buy This Jacket campaign, Patagonia’s revenue was $570 million. By 2017, they were reaching $1 billion in sales. (Nattress, 2020)

- In 2017, Patagonia expanded the Worn Wear program. The expansion created the Worn Wear website that sells second-hand Patagonia clothing. The program works by customers bringing in old clothes. The garment is then sold on Patagonia's Worn Wear site, which has many second-hand Patagonia pieces that are discounted by 50%. Despite selling it for 50% off its original price, Patagonia is still able to earn a profit off the merchandise

Both programs (Worn Wear program, the recycling program-) have been successful since their inception. According to Patagonia's published numbers, 85,000 pieces of clothing were traded using the Worn Wear program. Also, 100,000 pieces of clothing were fixed at Patagonia's repair centers. The recycling programme taken in over 200,000 pieces since its inception (We Take IT Back, 2019). (Madrigal, 2020, p. 16)

While Patagonia’s “anti-growth strategy” may seem like an adverse move by a for-profit company, the mantra of “reduce, repair, reuse, recycle” hasn’t dampened sales. In 2012, a year after Patagonia began appealing to customers to buy less, sales increased almost one-third, to $543 million. The following year, the company’s revenue increased another 6% to $575 million. In short, Patagonia’s cause De-marketing strategy has helped to sell somewhere in the range of $158 million worth of apparel. (Spivey, 2015)
The next chart shows how Patagonia's revenue increased in the period (2013-2017), with the existence of the Worn Wear program, the recycling program:

**Fig. Patagonia annual revenue and growth ($)**

Source: (craft.co, 2021)

4. CONCLUSION

De-marketing and its strategies are one of the ways of marketing concept and theory that focused on the consumer, Though De-marketing presented by (Kotler & Levy. 1971) and the scholars later, has been applied to rationalize and/or decreasing demands, on important topics, and its reflection to the whole societies economically, and on daily lives.

This study is an attempt to discover and understand the use of De-marketing to achieve companies' goals also to improve sales and profits, through one of the De-marketing tools, creative advertising, mostly focused on De-marketing and creative advertising, and how this tool affects companies' campaigns results. It was one of the questions raised through this study, the other one seeking how the Patagonia creative advertising practices affect subliminal messages carried through advertisements, which did lead the
company to her goals.

Patagonia case helped to reach other conclusions besides the success it gained from applying De-marketing creative advertising, this article revealed the relationship between creative advertising and De-marketing, also, it showed that creative advertising in De-marketing help marketer identify a great market segment as De-marketing can focus on specific audience characteristics,

In the end, it showed that De-marketing can really be a profitable alternative.

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Creative advertising as a profitable tool in De-marketing
-Patagonia. Inc case study-


