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Economics of Organization PATAGONIA Case * Introduction Corporate

Social Responsibility (CSR) is a broad-based movement in business that encourages companies to take responsibility for the impact of their activities on customers, employees, communities and the environment. Patagonia is a manufacturer of high quality outdoor and adventure sport clothing.

Patagonia have found unambiguous ways to couple their products' function and the brands environmental values.

Their business model raises major sums for environmental causes and their technological innovation reduces the environmental impact of their products.

* How Patagonia turned CSR into a competitive advantage ? One important issue for a balanced management has been the willingness of the company to create a profit business but with the desire to respect the environment. We might think that this commitment to the environment is not an internally competitive advantage because it can raise costs and hurt margins. Indeed environmentally-friendly policies are not the most financially savvy.

This issue is important because Patagonia's entire brand and business is associated with preserving the environment. However, externally, this gave Patagonia a competitive advantage because of the brand loyalty it developed. For example, Patagonia's existing customer base rose in median age to approximately 44 years old in 2002. Externally, this proved to be a significant strategic issue because competition brands like Columbia and North Face were able to attract younger demographics, which represented a significant source of future income.

The company had a particularly strong commitment to the environment - so much so that the management was placed inside implement a policy of slow growth to promote a business model that is more respectful of the environment. Beyond simply slowing growth, the company has undertaken several initiatives for energy efficiency and recycling center for its customer service and retail. This is show how the company controls its growth and reduces waste. Patagonia's methods also show that a slew of counterintuitive business tips can lead to do good while increasing the bottom line and that this is why they got to where they are today. Is this competitive advantage sustainable? In my mind, CSR is a competitive advantage. Firstly corporate social responsibility helps rise the companies prestige and fame, which implicitly leads to an increase in the sales, protection in times of crisis and therefore a greater competitive advantage. Even if certain actions may affect economic performance on the short term, they will eventually lead to an increase in the corporations' long-term competitive capacity due to their beneficial effects at society level and to the creation of a favorable external environment.

Secondly, we may state that social responsibility is the corporations response to the requirements of the environment, in the sense that the companies' own actions andgoals should be linked to the common interests and major tendencies of the reference environment. It also gives a competitive advantage to the corporations themselves, helping them ensure a sustainable development.