

# UNIVERSITAT JAUME I

## MARKETING PLAN OF ECOALF

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## INDEX

<b>A. INDEX OF FIGURES .....</b>	<b>3</b>
<b>B. INDEX OF TABLES.....</b>	<b>5</b>
<b>C. INDEX OF GRAPHICS .....</b>	<b>5</b>
<b>1. EXECUTIVE SUMMARY .....</b>	<b>6</b>
<b>2. SITUATIONAL ANALYSIS .....</b>	<b>7</b>
<b>2.1. Internal analysis .....</b>	<b>7</b>
<b>2.1.1. Presentation of the company.....</b>	<b>7</b>
<b>2.1.2. Company Resources.....</b>	<b>12</b>
2.1.2.1. Human resources .....	12
2.1.2.2. Financial resources .....	14
2.1.2.3. Physical resources.....	16
2.1.2.4. Marketing resources .....	19
2.1.2.5. R&D.....	35
2.1.2.6. Corporate Social responsibility.....	36
<b>2.1.3. Company capabilities .....</b>	<b>40</b>
2.1.3.1. Chain value.....	40
2.1.3.2. Distinctive capabilities .....	42
<b>2.2. External analysis.....</b>	<b>43</b>
<b>2.2.1. Macroenvironment (PESTEL Analysis) .....</b>	<b>43</b>
2.2.1.1. Political Factors .....	43
2.2.1.2. Economic Factors.....	45
2.2.1.3. Sociocultural Factors .....	49
2.2.1.4. Technological Factors .....	53
2.2.1.5. Ecological Factors .....	56
2.2.1.6. Legal Factors .....	58
<b>2.2.2. Microenvironment (PORTER) .....</b>	<b>61</b>
2.2.2.1. Bargaining power of customers.....	61
2.2.2.2. Bargaining power of suppliers.....	62
2.2.2.3. Threat of new entrants.....	63
2.2.2.4. Threat of substitute products.....	63
2.2.2.5. Rivalry between competitors .....	64
<b>2.2.3. Competitive Analysis .....</b>	<b>65</b>
2.2.3.1 Levels of competition.....	65

2.2.3.2. Main competitors .....	67
<b>2.3. Market analysis .....</b>	<b>71</b>
2.2.2. Sector Analysis.....	71
2.3.2. Consumer Analysis.....	73
<b>3. SWOT ANALYSIS .....</b>	<b>77</b>
<b>4. SEGMENTATION .....</b>	<b>81</b>
4.1. Segmentation strategy .....	81
4.2. Positioning.....	84
<b>5. OBJECTIVES .....</b>	<b>85</b>
<b>6. MARKETING STRATEGY .....</b>	<b>86</b>
6.1. Growth and diversification strategy .....	86
6.2. Competitive Strategies .....	87
6.3. Strategy as a competitive advantage .....	88
<b>7. ACTION PROGRAMS.....</b>	<b>89</b>
7.1. Summary of action plans .....	89
7.2 Product decisions .....	91
7.3. Price decisions .....	93
7.4. Distribution decisions .....	94
7.5. Communication decisions .....	94
<b>8. TIMELINE .....</b>	<b>108</b>
<b>9. BUDGET .....</b>	<b>109</b>
<b>10. CONTROL .....</b>	<b>110</b>
<b>11. REFERENCE LIST .....</b>	<b>111</b>

## A. INDEX OF FIGURES

Figure 1. Logo of Ecoalf .....	7
Figure 2. Ecoalf points of sale .....	8
Figure 3. Founder and president, Javier Goyeneche .....	9
Figure 4: Mission and Vision of Ecoalf .....	11
Figure 5. Organisation chart of Ecoalf .....	14
Figure 6. Madrid store .....	16
Figure 7. Paris, Tokyo and Berlin store .....	17
Figure 8. Recycled materials used by Ecoalf .....	18
Figure 9. Ecoalf's ad: Fashion is not just about looking good .....	19
Figure 10. Ecoalf's products .....	20
Figure 11. Products by categories .....	21
Figure 12. Portfolio of Ecoalf - Clothing (Women) .....	22
Figure 13. Portfolio of Ecoalf - Shoes and accessories (Women) .....	23
Figure 14. Ecoalf's new lines .....	24
Figure 15. Pet's products .....	25
Figure 16. Because Collection .....	25
Figure 17. SS22 new collection's colours .....	26
Figure 18. Ecoalf's label .....	26
Figure 19. Ecoalf's packaging .....	27
Figure 20. Ecoalf's distribution methods .....	30
Figure 21. Description of the products on the website .....	32
Figure 22. Ecoalf's website, commitment .....	33
Figure 23. Ecoalf's newsletter .....	33
Figure 24. Upcycling The Oceans, Thailand .....	37
Figure 25. The BCOME Evaluation System .....	38
Figure 26. Generic Value Chain .....	40
Figure 27. World corruption map .....	45
Figure 28. Map of actors for the diagnosis of the current state of waste collection in the Spanish textile sector .....	57
Figure 29. Porter's 5 forces .....	61
Figure 30. Influence of the 5 forces of Porter in Ecoalf .....	65
Figure 31. Levels of competition .....	66
Figure 32. SWOT Analysis .....	77
Figure 33. Segmentation is done within the product-market .....	82
Figure 34. Product- Market of Ecoalf .....	82

Figure 35. Market segments .....	83
Figure 36. Positioning Map .....	85
Figure 37. Ansoff matrix .....	86
Figure 38. Kotler's Competitive Strategies .....	88
Figure 39. Porter competitive strategies .....	88
Figure 40. New Packaging for Ecoalf (with box) .....	92
Figure 41. New Packaging for Ecoalf (with envelopes) .....	93
Figure 42. Google's Keyword Planner .....	95
Figure 43. Story section on website .....	97
Figure 44. Contest example .....	100
Figure 45. Content example for social media .....	101
Figure 46. Ecoalf Talks .....	102
Figure 47. Newsletter example .....	104
Figure 48. App design for Ecoalf .....	106
Figure 49. Ecoalf participating in a fair .....	107

## **B. INDEX OF TABLES**

Table 1. Management positions of the company's directors .....	13
Table 2. The price range of clothing .....	28
Table 3. Table price of accessories .....	29
Table 4. Ecoalf social networks. Followers and links in February 2022 .....	34
Table 5. Influence of Macroenvironment in Ecoalf .....	60
Table 6. Comparison of competitors .....	70

## **C. INDEX OF GRAPHICS**

Graph 1. Operating income (2010-2019) .....	15
Graph 2. Net amount Sales (2011-2019) .....	15
Graph 3. Corruption index in Spain .....	44
Graph 4. Quarterly variation of employment. Thousands of people .....	46
Graph 5. Quarterly variation of unemployment. Thousands of people .....	47
Graph 6. Report on the number of companies in the textile industry 2011-2020 .....	49
Graph 7. The ten branches of activity with the highest percentage of turnover in electronic commerce (I-21, percentage) .....	50
Graph 8. Invoicing of electronic commerce in Spain .....	50
Graph 9. Population pyramid in Spain 2022 .....	52
Graph 10. Evolution of births and deaths in Spain .....	53
Graph 11. Evolution of internal R&D Expenditure in Spain .....	54
Graph 12. Expenditure on R&D in relation to GDP in Spain .....	54
Graph 13. Importance of sustainability when making a purchase .....	75
Graph 14. Prefer to buy sustainable brands .....	76
Graph 15. Online fashion buyers by gender in Spain 2012-2020 .....	76
Graph 16. Google trends .....	96
Graph 17. Most popular social networks worldwide as of January 2022, ranked by the number of monthly active users .....	98
Graph 18. Products purchased online from mobile devices in Spain 2021, by category .....	105

## 1. EXECUTIVE SUMMARY

Ecoalf is a Spanish slow-fashion company, with a mission and values that differentiate it from other clothing brands, since all its products are ecological, high quality and highly durable. All the raw materials used are 100% recyclable: waste from the bottom of the sea, recycled polyester, recycled tires, etc.

Ecoalf obtained in 2018 the B-Corp Certificate, becoming the first Spanish brand to receive it. This certificate identifies the company that creates a positive impact on society.

In recent years, society and companies have become aware of environmental problems and a greater environmental concern has been perceived. This has affected people's consumption habits, which consider the environmental impact of the products and the ethics of the company. Therefore, many companies have had to adapt to this change.

In this marketing plan, we have carried out an internal analysis to study the resources and capabilities of Ecoalf and external analysis of the micro- and macro-environment, as well as the analysis of the main potential competitors of the company.

Subsequently, the objectives to be achieved and the actions to be carried out to achieve them have been established. 12 actions have been proposed, most of which focus on promoting the company.

Finally, these actions have been assigned a budget and a schedule to determine their duration. Control methods have also been established for monitoring the objectives.

## 2. SITUATIONAL ANALYSIS

The purpose of the situation analysis is to evaluate the company concerning its environment, obtaining all the information necessary for more efficient decision-making.

In order to know what the current situation of the Ecoalf company is, it is important, on the one hand, to carry out an internal analysis with which we know what the company is like, what its mission, vision and values are with which to identify and guide its actions, as well as the different resources available to carry out its activity. On the other hand, the situation of the environment and the market in which Ecoalf is located and develops its activity is critical.

### 2.1. Internal analysis

#### **2.1.1. Presentation of the company**

Ecoalf (Figure 1), is a Spanish ecological company based in Madrid that was born in 2009 with the idea of creating a sustainable fashion company.

**Figure 1. Logo of Ecoalf**



*Source: Ecoalf website.*

Its founder and president Javier Goyeneche lead it as a result of his frustration with the excessive use of material resources, the polluting waste created by industries and guaranteeing the needs of future generations. That is why he undertook and innovated with recycled clothing. Thanks to his hard work and constant travel, Goyeneche has managed to position Ecoalf as one of the few brands capable of producing, designing and selling a wide range of products.



The company has also suffered plenty of difficulties. Mainly due to the high costs involved in manufacturing its products and the promotion of its materials, organic fashion is currently still a market with a not very high number of customers.

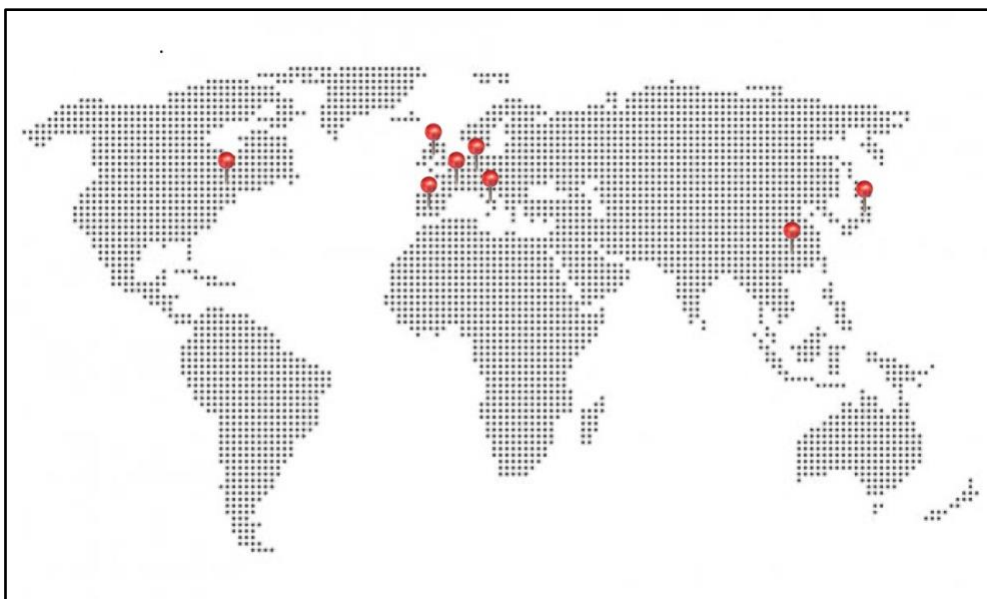
Ecoalf manufactures, designs and markets clothing, accessories and footwear for adults and children from waste that has been 100% recycled. This company managed to revolutionise sustainable consumption, achieving, through constant R&D and research technologies and investments, the transformation of recycled and disposable materials and fabrics into reusable raw materials, without having to give up good design and high quality in its products.

In 2012 it became one of the leading and most prestigious companies sustainably in a short period.

Currently, its offices are in Madrid. Its sales occur internationally.

On the one hand, through its online store, and on the other hand, through its intermediaries. The intermediaries, which, although they generate low margins for Ecoalf, account for most of the sales volume, are mainly department store chains and online stores, many of them well-known such as El Corte Ingles, Harrods, Amazon, Yoox, Saks Fifth Avenue or Bloomingdale's, among other stores in Spain, the United States, France, Germany, the United Kingdom, Italy, China, and Japan (Figure 2).

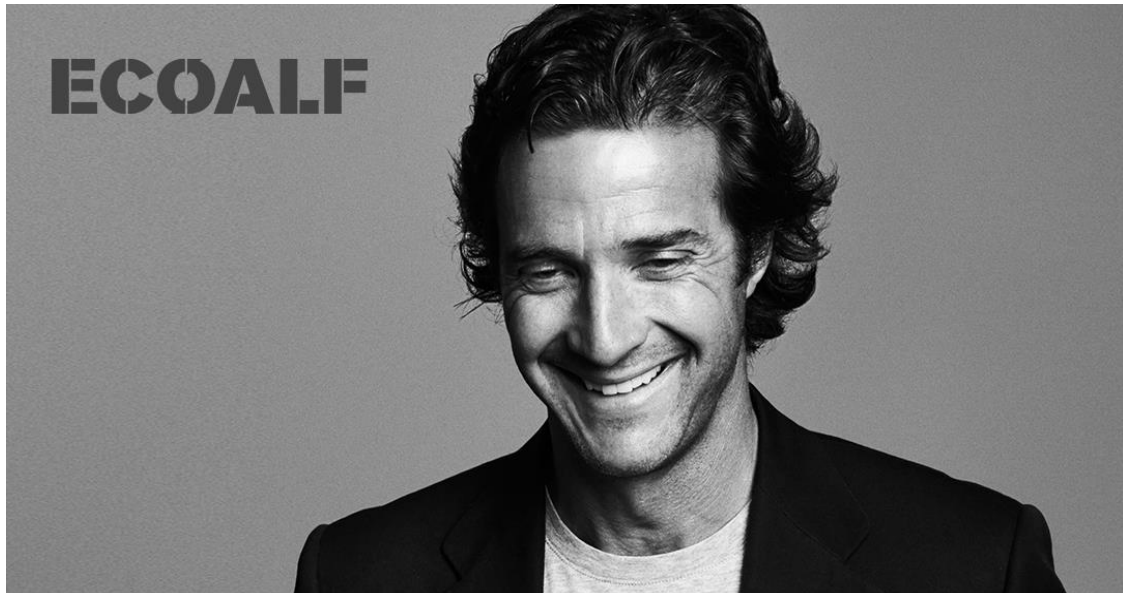
**Figure 2. Ecoalf points of sale**



*Source: Ecoalf website.*

Ecoalf, as previously mentioned, was founded by Javier Goyeneche (Figure 3) from Madrid in 2009 as a means of protest the waste of raw materials and the waste created by the most industrialised countries. The main drawback was the limited supply of recycled materials, because of them, the company was faced with the need to make international alliances and collaborations to develop the fabrics ecologically.

**Figure 3. Founder and president, Javier Goyeneche**



*Source: Ecoalf Website.*

In December 2012 the company opened its first store in Madrid. Technology, innovation and sustainability were the values with which the interior designer Lorenzo del Castillo designed the store to promote the spirit of the brand.

For the following two years, Ecoalf has collaborated with different brands. In 2013 with Barneys NY in a limited edition of briefcases created with abandoned fishing nets and with an Apple-exclusive collection of sustainable laptop sleeves, they managed to get their brand for sale in their stores. In 2014 Coolhunting with a design of jackets made of lightweight nylon that could resist water and joined the designer Helena Rohner to create a collection of jewellery made from exclusively recycled materials. That same year, 2014, he also entered the Japanese and Chinese markets through Galeries Lafayette.

In 2015, the launch of the Ecoalf Foundation and the Upcycling the Oceans project with the collaboration of HAP. This project had as its main objective the conservation of the oceans, they worked with fishermen and collected waste from the oceans for the creation of fabrics.

# ECOALF

In 2016, Seaqual was born, a joint venture created by Ecoalf, Antex and Textil Santanderina, a supplier of recycled materials for Ecoalf and other companies.

The Ecoalf Foundation, the Thai Minister of Tourism and the Executive Director of PTT Global Chemical reached a three-year agreement to replicate the Upcycling the Oceans project in Thailand. In addition to creating citizen and tourist awareness, organising, and coordinating beach cleaning associations in the country.

In 2017, the investment group Manor Group, which specialised in sustainability agricultural and renewable energy companies, acquired a majority stake (66% of the brand) in the Spanish company and in 2018 Ecoalf became a B Corp company, becoming the only fashion brand in Spain that is recognized for its social commitment and commitment to the planet. This same year began its international expansion with the opening of the brand's first store in Berlin. They receive the PETA Award for the 100% vegan FELDER collection, awarded by the PETA Foundation.

In 2019 it launched a collaboration with Desigual. He collaborates with Camper in the reissue of their classic "Pelotas" sneakers. Condé Nast Traveller Spain awards them the Sustainable & Eco Award for the Ocean Waste sneaker.

In 2020 Upcycling the Oceans joins Enaleia through an agreement to clean up the coast of Greece. The "Mediterranean Clean Up" project, it motivates fishermen by collecting plastic from the sea. Currently, the company ECOALF supports Enaleia in the ports of Girona where more than 100 ships collaborate. Later, the company Ecoalf will convert these found plastic bottles into textiles.

The model Blanca Padilla created a collection for the brand in 2021. She debuted as a designer with a collection for the firm. "Many times, I have considered the need to build a more conscious, more responsible wardrobe, but I didn't know where to look. It seemed important to us to give women those sustainable basics that we often cannot find" (Vogue, 2021).

10 years later, the company's mission remains the same and with much greater transparency. The beginnings have not been easy, but with all the effort and alliances made over the years, Ecoalf has managed to become part of the B Corp movement and become a worldwide benchmark.

## Mission

As for the mission of this company, we can say that it intends to create 100% recycled clothing, shoes and accessories and in addition to being aesthetic of the same style and quality as other products made with non-recycled products that we can find on the market. (Goyeneche, 2021)

## Vision

Ecoalf's vision, that is, the way forward for this company is to stop using the planet's natural resources in a careless way (Figure 4), and to pollute less. With this, it would demonstrate that products of all kinds can be made with the same quality, and the same design without having to harm our planet. (Goyeneche, 2021)

Figure 4: Mission and Vision of Ecoalf



Source: Ecoalf website.

## Values

According to Ecoalf's website, Ecoalf values are:

- Commitment to the environment and people, consistency with what they say and do, transparency with everything they do, integrity, innovation, and sustainability. In October of last year, at the Barcelona New Economy Week Goyeneche said

“Fortunately, “a new generation of companies is appearing that wants to do things much better, and those that continue with traditional strategies will realise that society, at least part of it, will turn its back on them because consumers want transparency. (The NBP, 2021)

- The generic need is to offer consumers clothing, to cover an essential personal need, without the need to harm our planet. They try to cover this need with products that humanity will appreciate in the long term. In addition, it seeks to have an environmental, social and economic balance.
- Innovation, it can be said that this company seeks the most innovative and sustainable machinery. For Ecoalf, the most important thing is innovation and sustainability and they also go hand in hand since innovation allows them to have solutions in terms of sustainability.

## **2.1.2. Company Resources**

### 2.1.2.1. Human resources

Ecoalf is a medium-sized company. Currently, the company has 113 employees (einforma, 2022).

The company establishes an organisational culture that is people-oriented coupled with a high degree of control. Ecoalf employees are organised by functions and by the projector. With this, it is intended to establish an organisation based on the most ethical and sustainable behaviours. In addition, the company seeks to invest in human capital and research.

This company is also characterised by paying attention to its workers, providing facilities to work, as well as providing training for them. Therefore, they feel satisfied with their work, they feel valued and motivated. In addition, they also take customers into account, since they consider their evaluations, both positive and negative, important, since thanks to them they can improve certain things that customers consider important.

There are 20 administrators or directors in this company. The president is the founder, Javier Goyeneche.

In 2018 the company signed Rafael Campos Pérez as the new financial director. Rafael Campos, a graduate in Business Administration from the Autonomous University of Madrid,

has developed his career at Tendam (formerly Grupo Cortefiel), where he was treasury director since 2002. (Riaño, 2021)

He also signed Marcos Pérez Díaz as the new commercial director. He had previously been the commercial director for the Iberian Peninsula of Lacoste.

After Marisa Selfa (who held the position of CEO) left the company in March 2020, the company hired Andrés López, former general director of operations at Pepe Jeans, as can be seen in Table1.

**Table 1. Management positions of the company's directors**

Management position	Name
Operations director	Andrés López
Head of Human Resources.	Antonio Sánchez Redondo
COM.	Carolina Alvarez- Ossorio Speith
CFO.	Rafael Campos Perez
Head of Marketplaces.	Ximena Pan de Soraluze
Head of Innovation and Sustainability.	Carol Blázquez García:
Head of Ecommerce.	Javier Bosque
CCO.	Marcos Pérez Díaz
Head of collaborations.	Monica Oliart Rein

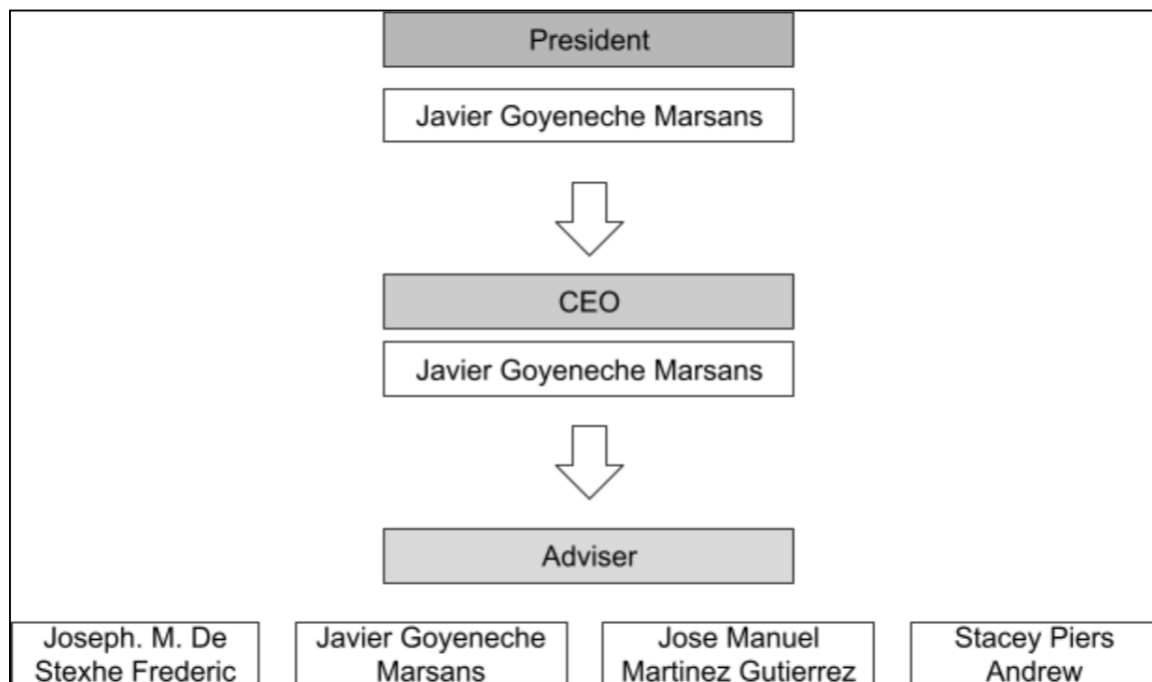
*Source: Own elaboration.*

In addition, the company has reinforced its board of directors with an independent director. This is José Manuel Martínez Gutiérrez, with extensive experience in the sector in companies such as the German Esprit or Inditex.

The owners of the Manor Group fund, Stephanie David and Julien Halley, have directly taken over the stake they held until now. 66% of the capital that Manor controlled until now is in the hands of Treis, an investment group owned by the same shareholders.

The company's board of directors is made up of four members: two representatives of Treis, Javier Goyeneche and José Manuel Martínez Gutiérrez. (Figure 5)

Figure 5. Organisation chart of Ecoalf



Source: *Datoscif website. Data: Datoscif (2022)*

### 2.1.2.2. Financial resources

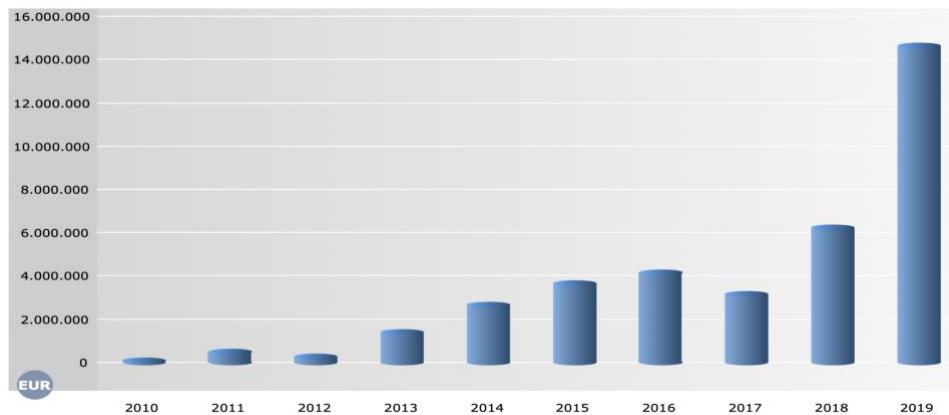
Ecoalf does not have the best economic situation compared to others in the same sector. To achieve a more extensive offer, Ecoalf has increased its capital and has extended to the market of France, the United States, Japan, Italy, etc since at first, its main markets were Spain and Germany.

In its beginnings, more than half of what it billed went to innovation since everything was developed by the same company, but today only 3% of its billing because there were beginning to be alliances with other companies.

Since its inception, it has managed to obtain income, but until 2013 it did not exceed one million euros. From 2014 to 2015 the income multiplied and since then they have been growing little by little. However, the results are negative due to the high costs of exploitation and supply.

As can be seen in Graph 1, the company Ecoalf has experienced growth in operating income every year since its inception. Except for the year 2017, when its operating income decreased compared to the previous year. In 2019, a clear growth of the company is seen, reaching more than 14 million in operating income.

**Graph 1. Operating income (2010-2019)**

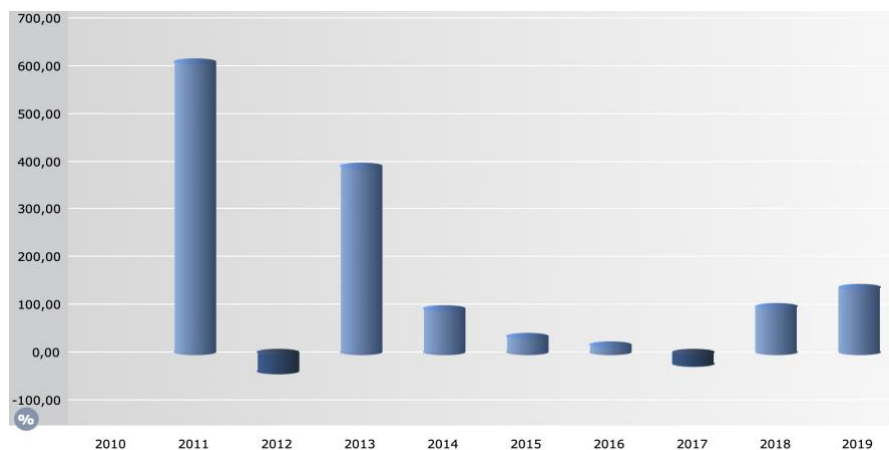


Source: SABI, Ecoalf 2019 annual accounts.

In Graph 2 we can see how in 2011 the sales figure is over 600%. From 2013 to 2017 it was decreasing to the point of having negative results. And in 2018 it began to increase, having almost 150% in 2019.

Ecoalf, ended the sales exercise in 2020 with an increase of 64% (Sanchez-Silva, 2021), despite the pandemic. It has managed to close 2020 with a turnover of 24 million euros. This is due to the increase in the online channel and its development in wholesale sales in Europe. Despite the Covid-19 crisis, Ecoalf managed to grow, comparing its accounts to previous years. 3.7 million in 2017 to 6.4 million in 2018 and 14.6 million in 2019.

**Graph 2. Net amount Sales (2011-2019)**



Source: SABI, Ecoalf 2019 annual accounts.

Despite the impact of the closure of shops and the limitation of commercial activity due to Covid-19, the company attributes the growth registered in 2020 to two factors, mainly.



On the one hand, online development has tripled sales, going from 1.4 million in 2019 to 3.9 million in 2020.

On the other hand, the evolution of the wholesale business in Europe, especially in markets such as Germany and Austria, although in Spain the company has also managed to increase its sales.

### 2.1.2.3. Physical resources

#### - **Stores**

Ecoalf has 300 points of sale, including its stores and multi-brand points of sale, around the world, such as in Spain, Germany, Japan and Paris. It also has a virtual store that can be accessed through its website. And they also offer their products on other virtual platforms.

In 2012, the first store opened, located in the centre of Madrid (Figure 6). It is a space that has a space dedicated to your events and an office in addition to the store, with an area of 300 square metres.

**Figure 6. Madrid store**

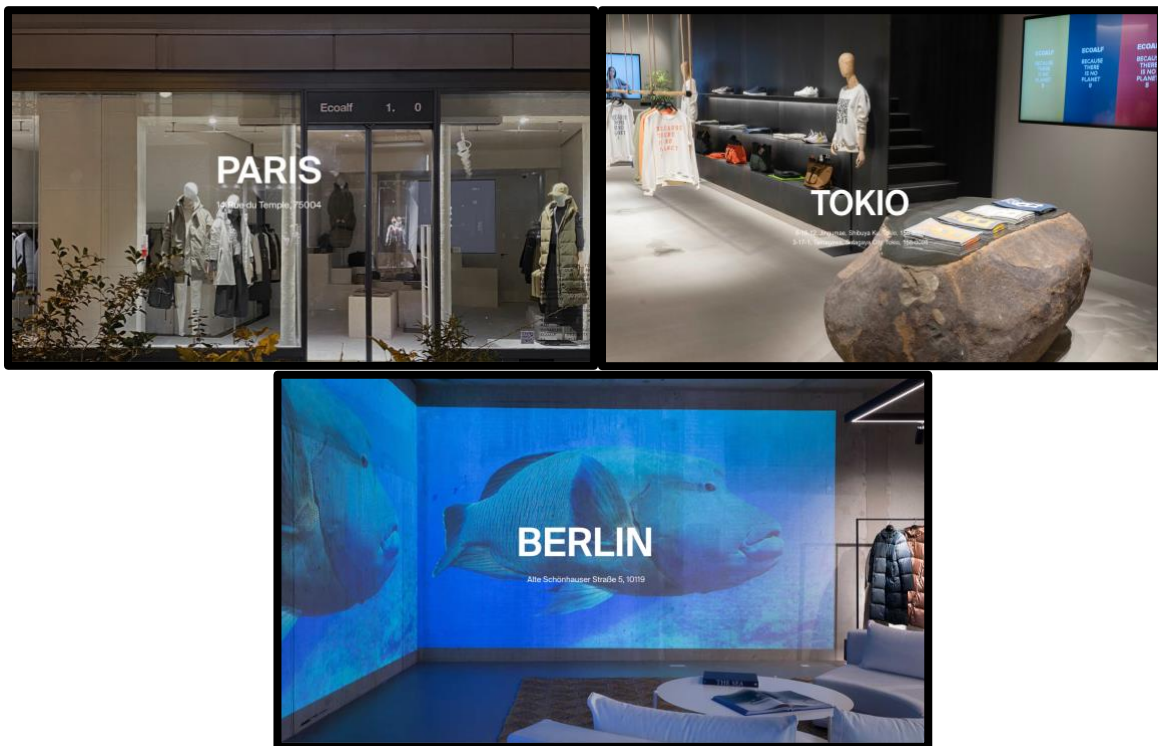


*Source: Ecoalf website.*

In 2018 Goyeneche opened a clothing store in Barcelona with an area of 40 square metres. The following year, she expanded throughout the national territory, opening in Malaga, and throughout Europe, with a store in Amsterdam.

In 2020 he closed his store in Holland and spread out, opening a store in Tokyo. Finally, in 2021, Goyeneche opens a new store in Paris. (Figure 7)

Figure 7. Paris, Tokyo and Berlin store



Source: Ecoalf website.

As has been seen, Ecoalf operates in the national market through its own sales channel, it has five stores, in Madrid, Barcelona and Malaga in Spain, Berlin, and two stores in Tokyo and Paris. In addition, it sells through the El Corte Ingles department stores, thus reaching a larger market. Ecoalf has 15 points of sale in this warehouse distributed throughout different Spanish provinces.

Today, Ecoalf has 6 stores. All of them are dedicated to selling clothes, in addition to offering other activities in a space called ACT NOW where monthly events and experiences are held, such as yoga classes, conference rooms, book sales, etc.

- **Recycled materials.**

Ecoalf uses different recycled materials (Figure 8) to reduce its impact on the environment. These materials are

Figure 8. Recycled materials used by Ecoalf



Source: Ecoalf website.

Recycled polyester, this material reduces water consumption by 20%, energy consumption by 50% and CO2 emissions by 60%. In addition, this polyester can be recycled again.

This material is obtained from different places. Most of the polyester they use comes from recycled plastic from water bottles, that is, post-consumer waste. It also comes from post-consumer waste found in the oceans, but only 5-10% of the garbage collected is used to make polyester yarn. This garbage collection from the bottom of the sea is done through the Upcycling the Oceans project developed by the Ecoalf Foundation. And they also use the post-industrial and post-consumer waste from other garments.

Recycled nylon, with which they make most of their down jackets. This material allows reducing the steps in the production process and in this way the consumption of CO2 and water is reduced. In addition, recycled nylon can also be recycled again. To obtain recycled nylon, they use abandoned fishing nets in the ocean and fabric leftovers from their manufacturing processes. It also has a collaboration with ECONYL to source regenerated nylon made from discarded netting, carpet scraps, and pre-consumer nylon waste.

Other elements are recycled cotton from post-industrial waste from the weaving and cutting processes and recycled wool, which is obtained from post-industrial wool.

They also use recycled tires with which they make flip-flops. This product is 100% ecological, developed, designed and manufactured in Spain. Another of the materials used by Ecoalf is organic cotton.

Figure 9. Ecoalf's ad: Fashion is not just about looking good



Source: Ecoalf website

Ecoalf also uses low-impact materials, fibres that, despite being of natural origin, have a low environmental impact.

These materials include wood-based fibres and synthetic cellulosic fibres such as Tencel, Ecovero, and Modal, as well as fibres such as Cupro, Linen, or Hemp.

In addition, the company is committed to respecting animals, so for the filling of jackets and coats it uses a PrimaLoft filling made up of a mixture of RDS feathers and 50% recycled PET polyester, and a filling made from synthetic fibres.

Finally, they use post-consumer coffee grounds, thanks to the collaboration with the patent company to transform coffee grounds into granules, they are able to finish their garments that normally require chemical treatments.

#### 2.1.2.4. Marketing resources

##### **1. Product**

Its product portfolio covers different categories of the textile sector. The products are aimed at men, women, children and pets.

The design of the garments follows sports lines with a casual touch where simplicity prevails. as the following picture shows (Figure 10).

Figure 10. Ecoalf's products



Source: Ecoalf website

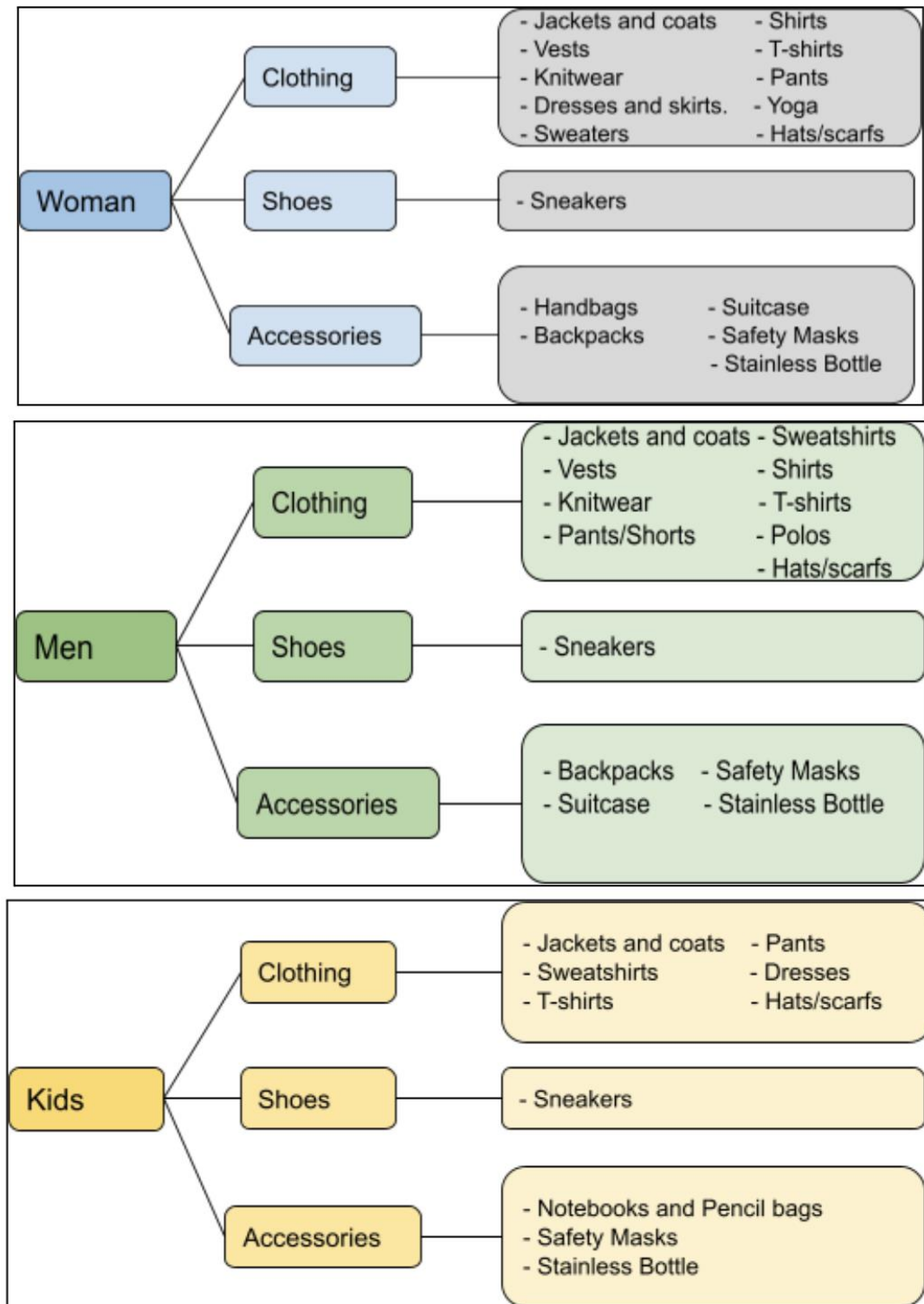
The best-selling products are coats and jackets. Backpacks also have high sales. All products are produced with recycled materials to a lesser or greater extent.

All their clothes are in sizes: XS, S, M, L XL. Some of them are also in XXL sizes, especially in their coats. With original colours in all garments. Ice green, Bleached Sand, Dusty Blue, Mist or Midnight Navy are some of the examples that the brand uses.

On the other hand, it also sells footwear and accessories. In addition, as mentioned above, it collaborates with other brands to manufacture products such as flip-flops or computer cases.

In the following diagram (Figure 11), we can see the different products that are sold in the different categories.

Figure 11. Products by categories



Source: Own resource.

In Figures 12 and 13 we can see the portfolio of products aimed at women. It is worth noting the original name of the products (Optimism, freedom, equity, etc.).

**Figure 12. Portfolio of Ecoalf - Clothing (Women)**

Jackets and coats	Shirts	Knitwear	T-Shirt
<ul style="list-style-type: none"> <li>• Atlantic Jacket Woman</li> <li>• lam Jacket Woman Ginebra</li> <li>• Jacket Woman</li> <li>• Aia Jacket Woman</li> <li>• Lisa Jacket Woman</li> <li>• Isla Jacket Woman</li> <li>• Niord Jacket Woman</li> <li>• Kat Jacket Woman</li> <li>• Blue Bell Jacket Woman</li> <li>• Maritza Jacket Woman</li> <li>• Sali Jacket Woman</li> </ul>	<ul style="list-style-type: none"> <li>• Inin Shirt Woman</li> <li>• Tour Shirt Woman</li> <li>• Tour Shirt Woman</li> <li>• East Shirt Woman</li> <li>• Bliss Polo Woman</li> <li>• Aris Shirt Woman</li> <li>• Annie Shirt Woman</li> <li>• Berta Shirt Woman</li> </ul>	<ul style="list-style-type: none"> <li>• Poppy Knit Woman</li> <li>• Dandelion Knit Woman</li> <li>• Brezo Top Woman</li> <li>• Rose Knit Woman</li> <li>• Brezo Top Woman</li> <li>• Primrose Knit Woman</li> <li>• Musk Sweatshirt Woman</li> <li>• Optimism Long Sleeve Sweater Woman</li> <li>• Nor sweater Woman</li> </ul>	<ul style="list-style-type: none"> <li>• Rami T-Shirt Woman</li> <li>• Vie T-Shirt Woman</li> <li>• Bib T-Shirt Woman</li> <li>• Lit Long Sleeve T-Shirt Woman</li> <li>• Gladiolo T-Shirt Woman</li> <li>• Tata Long Sleeve T-Shirt Woman</li> <li>• Min T- Shirt Woman</li> <li>• Ani T-Shirt Woman</li> <li>• Rio T-Shirt Woman</li> <li>• Adia Shirt Woman</li> <li>• Amtu Top Woman</li> <li>• Gigi T-Shirt Woman</li> <li>• Cob T-Shirt Woman</li> <li>• Gred T-Shirt Woman</li> <li>• Greta T-Shirt Woman</li> <li>• Lupa T-Shirt Woman</li> <li>• Tita T-Shirt Woman</li> <li>• Adida Shirt Woman</li> <li>• Mul T-Shirt Woman</li> <li>• Wind T-Shirt Woman</li> <li>• Sprint T-Shirt Woman</li> <li>• Core T-Shirt Woman</li> <li>• Aura T-Shirt Woman</li> <li>• Trust T-Shirt Woman</li> <li>• Balance T-Shirt Woman</li> <li>• Un T-Shirt Woman</li> <li>• Mara Top T-Shirt Woman</li> <li>• Zer T-Shirt Woman</li> </ul>
<b>Sweaters</b>		<b>Vest</b>	
<ul style="list-style-type: none"> <li>• Back B Because Sweatshirt Woman</li> <li>• Anemona Oversize Sweatshirt Woman</li> <li>• New Because Sweatshirt Woman</li> <li>• Cilantro Sweatshirt Woman</li> <li>• Anemona Oversize Sweatshirt Woman</li> <li>• Newborn Oversize Sweatshirt Woman</li> <li>• Mons Sweatershirt Woman</li> <li>• Call Top Woman</li> <li>• Optimism Long Sleeve Sweater Woman</li> <li>• Conscience Sweatshirt Woman</li> <li>• Neo Sweatshirt Woman</li> <li>• Pren Sweatshirt woman</li> </ul>		<ul style="list-style-type: none"> <li>• Atla Vest Woma</li> <li>• Sinka Vest Woman</li> <li>• Roana Vest Woman</li> <li>• Tain Vest Woman</li> </ul>	
		<b>Pants</b>	
<b>Yoga</b>		<ul style="list-style-type: none"> <li>• Zami Pants Woman</li> <li>• Opaz Shorts Woman</li> <li>• Maranra Shorts Woman</li> <li>• Sum Pants Woman</li> <li>• Safron Shorts Woman</li> <li>• Boh Pants Woman</li> <li>• Tulip Pants Woman</li> <li>• Rani Pants Woman</li> <li>• Ter Shorts Woman</li> <li>• Freedom Jumpsuit Woman</li> <li>• Equality Shorts Woman</li> <li>• Lava Short Woman</li> <li>• Clavel Pants Woman</li> <li>• Lirio Pants Woman</li> </ul>	
<ul style="list-style-type: none"> <li>• Because' Legging</li> <li>• Because' Bra</li> </ul>			

Source: own elaboration. Data: Ecoalf website.

Figure 13. Portfolio of Ecoalf - Shoes and accessories (Women)

SHOES		HANDBAGS	
Sneakers	Sandals	Handbags	Backpacks
<ul style="list-style-type: none"> <li>• Pinalf Knit Sneakers Woman</li> <li>• Lenalf Sneakers Woman</li> <li>• Elioaf Knit Sneakers Woman</li> <li>• Oregalf Sneakers Woman</li> <li>• Malibaf Sneaker Woman</li> <li>• Actalf Sneakers Woman</li> <li>• Energy Mid Sneakers Woman</li> <li>• Brisbanealf Woman</li> <li>• Sandalf Basic Sneakers Woman</li> <li>• Mailibaf Sneakers Woman</li> <li>• Niloalf Sneakers Woman</li> <li>• Obialf Sneakers Woman</li> <li>• Prince Sneakers Woman</li> <li>• Actalf Now Sneakers Woman</li> <li>• Elioalf Contrast Sneakers Woman</li> <li>• Rinalf Sneakers Woman</li> <li>• Riera Sneakers Woman</li> <li>• Malibu Sneakers Woman</li> <li>• Jonic Sneakers Woman</li> </ul>	<ul style="list-style-type: none"> <li>• Mantalf Sandals Woman</li> <li>• Carlalf Sandals Woman</li> <li>• Amazonalf Knit Sandals Woman</li> <li>• Africalf Sandals Woman</li> </ul> <p><b>Flip-Flops</b></p> <ul style="list-style-type: none"> <li>• Bicolalf Flip Flops Woman</li> <li>• Algalf Flip Flops Woman</li> </ul> <p><b>Moccasins</b></p> <ul style="list-style-type: none"> <li>• Johnalf Moccasins Woman</li> <li>• Marta Ballerinas Woman</li> </ul>	<ul style="list-style-type: none"> <li>• Clemente Vertical Shopper Woman</li> <li>• Claudia Big Sac</li> <li>• Nica Women's Bag</li> <li>• Atlanta Soft Hobbo Bag</li> <li>• Lupita Toiletry Bag</li> <li>• Lupita Clutch W/Message</li> <li>• Clemente Horizontal Shopper Woman</li> <li>• Pandora Soft Bag</li> <li>• Spoo Medium Size Shopper Woman</li> <li>• Spoo Big Size Shopper Woman</li> </ul>	<ul style="list-style-type: none"> <li>• Rufina Puffy Bag Backpack Woman</li> <li>• Michi Backpack Woman</li> <li>• Hagen Backpack Woman</li> <li>• Oslo Backpack Woman</li> </ul> <p><b>Suitcase</b></p> <ul style="list-style-type: none"> <li>• Small Duffle Bag</li> <li>• Big Duffle Bag</li> </ul> <p><b>Toiletry bags</b></p> <ul style="list-style-type: none"> <li>• Single Zipper Vanity Case</li> <li>• Spoo Small Vanity Case</li> </ul>
ACCESORIES			
Bottles	Safety masks	Caps	
<ul style="list-style-type: none"> <li>• Bronson Stainless Bottle</li> </ul>	<ul style="list-style-type: none"> <li>• Unisex Top Mask</li> <li>• Unisex Mask</li> </ul>	<ul style="list-style-type: none"> <li>• Ecoalf 1.0 Cap</li> </ul>	

Source: own elaboration. Data: Ecoalf website.

- **Depth:** As we have seen in the company's product portfolio, the number of versions of some products is deeper than others, as there are many models. On the one hand, we can see greater depth in jackets, t-shirts and pants. On the other hand, there is less depth in Ecoalf's dresses and accessories.
- **Length:** Refers to the number of products that the company has. Ecoalf has a great length of products. Because the products that we find in the figures above are only the products aimed at women and it has a total of 138 products.
- **Consistency:** Refers to the relationship between the different product lines. In this case, there is a high level of consistency, because the clothes, shoes and accessories have a great relationship with each other.



In Figure 14 are the new Ecoalf women's lines.

Ecoalf launched a premium sustainable line. Ecoalf 1.0 was born not only to change the way consumers dress, but also their way of living. A selection that brings together around 50 essential pieces for men and women. (M.Tapia, 2021)

**Figure 14. Ecoalf's new lines**

Ecoalf 1.0 New premium line	Because collection	Ecoalf by Blanca Padilla
<ul style="list-style-type: none"> <li>• Tain Vest Woman</li> <li>• Roana Vest Woman</li> <li>• Nor sweater Woman</li> <li>• Clavel Pants Woman</li> <li>• Lirio Pants Woman</li> <li>• Maritza Jacket Woman</li> <li>• Aris Shirt Woman</li> <li>• Sail Jacket Woman</li> <li>• Hera Dress Woman</li> <li>• Zer T-sShirt Woman</li> <li>• Un- T-Shirt WOmAn</li> <li>• Neo Sweatshirt Woman</li> <li>• Ecoalf 1.0.</li> <li>• Mara Top T- Shirt Woman</li> <li>• Spoo Medium Shopper Woman</li> <li>• Sanoalf Espadrilles woman</li> <li>• Berta Shirt Woman</li> <li>• Spoo Big Size Shopper Woman</li> <li>• Spoo Medium Size shopper Woman</li> <li>• Spoo Medium Vanity Case</li> <li>• Spoo Small Vanity Casa</li> <li>• Samara Baf Man</li> <li>• ValdenBackpack Man</li> <li>• Pren sweatshirt Woman</li> <li>• Annie Shirt Woman</li> <li>• Spice Dress Woman</li> <li>• Jonic Sneakers Woman</li> <li>• Etna Skirt Woman</li> <li>• Jonic Slip On Woman</li> </ul>	<ul style="list-style-type: none"> <li>• Back B Because Sweatshirt Woman</li> <li>• Rami T-Shirt Woman</li> <li>• Ani T-Shirt Woman</li> <li>• Cilantro Sweatshirt Woman</li> <li>• Rio T-Shirt Woman</li> <li>• Min T-Shirt Woman</li> <li>• New Because Sweatshirt Woman</li> <li>• Bib T-shirt Woman</li> <li>• Cali Top Woman</li> <li>• Bronson Stainless Bottle</li> <li>• Lupita Toiletry Bag</li> <li>• Take Shopper Backpack Man</li> <li>• Take Weekend Bag Man</li> <li>• Leandra Bag Woman</li> </ul>	<ul style="list-style-type: none"> <li>• Conscience Sweatshirt Woman</li> <li>• Freedom Jumpsuit Woman</li> <li>• Balnace T-Shirt Woman</li> <li>• Bliss Polo Woman</li> <li>• Energy Mid Sneakers Woman</li> <li>• Optimism Long Sleeve Sweater Woman</li> <li>• Equity Shorts Woman</li> <li>• Serenity Oversize Dress Woman</li> <li>• Trust T-Shirt Woman</li> <li>• Ocean Hoddie Woman</li> <li>• Lava Short Woman</li> <li>• Earth Sweater Woman</li> <li>• Wind T-Shirt Woman</li> <li>• Spirit T-Shirt Woman</li> <li>• Core T-Shirt Woman</li> <li>• Aura T-Shirt Woman</li> </ul>

Source: own elaboration. Data: Ecoalf website

- **Width:** Number of lines and sublines. Ecoalf currently has only 3 lines, so it is not very wide.

In addition, Ecoalf has also added to its product line, as shown in the Figure 15, two coats for dogs in two different colours and sizes S, M and L.

**Figure 15. Pet's products**



*Source: Ecoalf website.*

It's Because Collection (Figure 16) should be highlighted. With its slogan Because there is no planet B. 10% of the sales, they make go to the Ecoalf Foundation to help with its Upcycling the Oceans project.

**Figure 16. Because Collection**



*Source: Ecoalf website*

# ECOALF

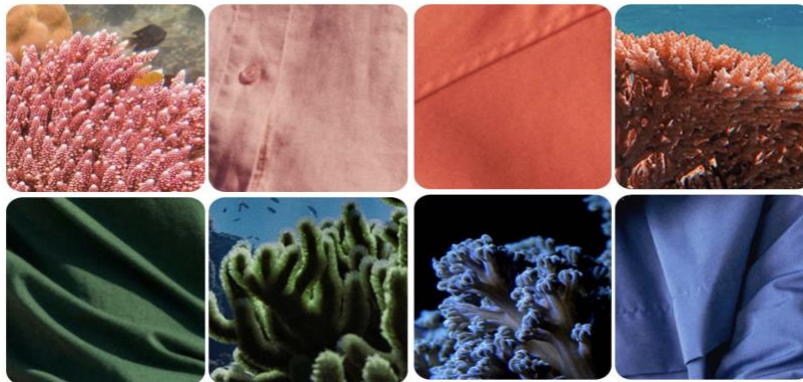
Over 50 pieces of clothing essentials for men and women. With the line, the brand wants to change not only the lives of consumers but also their way of living.

The colours used are minimalist (navy blue, black, white...etc.) and have a more formal style compared to its casual and colourful line. Goyeneche pointed out that it was designed to maximise its resources and extend the life cycle of garments if possible.

Finally, his latest collection is called SS22 New collection for men and women. It has garments with the most vibrant colours of the ocean's "lost colours" (Figure 17), to remind consumers of the importance of helping save the ocean.

The company wants to limit emissions to get below 1.5°C and try to reach zero emissions by 2030.

**Figure 17. SS22 new collection's colours**



Source: Ecoalf website.

In addition, each Ecoalf garment has a label that is on the outside that indicates what the fabric that is being used is made of and what waste has been obtained to be able to produce it. (Figure 18)

**Figure 18. Ecoalf's label**



Source: Ecoalf website.

Finally, regarding product packaging, Ecoalf also uses leftover waste bags to deliver its products. Use 100% recycled cardboard for shoe boxes and bags. In addition to a polyester strip also 100% recyclable. The packaging is minimalist with the company's slogan "Because there is no planet B". (Figure 19)

**Figure 19. Ecoalf's packaging**



*Source: Ecoalf website.*

## **2. Price**

Ecoalf makes a great economic effort and therefore a great continuous cost in R&D. They consider research in materials the engine of the company. This is the main reason why the price of the Ecoalf product is high. It must be said that the company, by prioritising and considering this R&D cost essential to offer products with their design and timely quality, is not concerned with generating these costs, but rather reducing them, to promote the idea of economic sustainability in these types of companies.

The prices of each product vary quite a bit in price as we can see in the figure. Some of the garments are currently discounted by 20% and 30%, making some of the garments, shoes or accessories more accessible to the consumer.

The price ranges (Table 2), as can be seen, are quite similar for men and women. For children, prices on all garments are lower than in the other two categories.

On the other hand, the price of jackets and coats is higher than the other clothing items. And it is the most successful product at Ecoalf.

**Table 2. The price range of clothing**

Women		Men		Kid	
Article of clothing	Price interval	Article of clothing	Price interval	Article of clothing	Price interval
Jackets and coats	135,92€ - 475€	Jackets and coats	139€ - 494,91€	Jackets and coats	55,93€- 123€
Vests	163€	Vests	127,92€ - 163€		
Knitwear	62,93€ - 190€	Knitwear	69,93€- 193€		
Dresses and skirts	83,93€ - 123€			Dresses and skirts	67€
Sweaters	55,93€ - 102€	Sweatshirts	55,93€ - 103€	Sweatshirts	41,9- 73€
Shirts	27,93€- 82€	Shirts	27,93€- 53€	T-shirts	20,93€ - 61€
T-shirts	79€ - 93€	T-shirts	55,93€ - 102€		
Pants	63,93€ - 123€	Pants/ Shorts	63,93€ - 123€	Pants/ Shorts	57€- 47€
Yoga	45€ - 75€	Polos	71€- 78€		
Hats/ Scarfs	23,92€ - 63,92€	Hats/Scarfs		Hats/ Scarfs	23,92€ - 63,92€
Shoes	47,94€ - 120€	Shoes	47,94€ - 120€	Shoes	48,93€- 71,92€

Source: Own elaboration. Data: Ecoalf website.

In the following table (Table 3) you will find the price range of Ecoalf accessories.

The highest prices are the largest women's handbags and suitcases.

**Table 3. The price range of accessories**

Accessories	Price Interval
Handbags	33€ - 355€
Backpacks	62,93€ - 280€
Suitcases	118,93€ - 355€
Safety Mask	9,90€
Stainless Bottles	29€
Dress dog	69,90€
Notebooks and Pencil Bags	9,90

*Source: Own elaboration.*

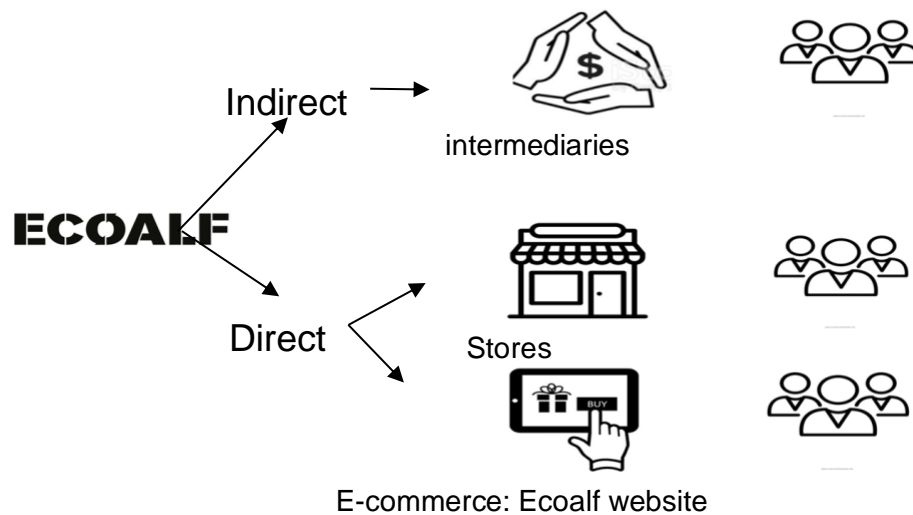
Regarding pricing strategies, Ecoalf uses psychological pricing strategies:

- Prestige Pricing. Because of its large investment, the company must price higher than the competition to make a profit. But in addition, with its high prices, it manages to create an elite perception so that status-seeking customers want to buy them.
- Although he does not make excessive use of it, the company sometimes uses odd-even pricing. Is when a marketer sets the price of a product a few cents or a few dollars under an even number. The psychology behind this strategy is that consumers perceive the item as costing less than it actually does.

### **3. Distribution**

Once the product has been made with the suppliers, Ecoalf keeps a part of the production to be later sold in its physical stores and online store. The rest of the production is sold to independent intermediaries with whom the brand works. (Figure 20)

Figure 20. Ecoalf's distribution methods



Source: Own elaboration.

On the other hand, the direct channels, where consumers can buy through physical stores (B2C) or through the Ecoalf website.

Some customers decide to choose to deal only with the selling company, for reasons of trust. In addition, the consumer experience increases if it is done directly, since the company can add value to the customer's purchasing process, through advice and experience. Finally, the margins are the physical sales that it makes in its physical stores and in the online ones with which it sells to its intermediaries.

On the other hand, Ecoalf benefits from indirect sales, since it achieves a higher sales volume and its products reach different parts of the world without the need to open Ecoalf's own store and have to build a margin in that place. Indirect distributors are often in markets that brands are not yet in, giving brands almost instant presence in those markets. With this, it also benefits from the prestige that these intermediaries already have in the different countries. (MarketingNews, 2014).

In addition, the brand gains access to channel partner customers without having to spend its own resources, time, or money recruiting those customers. Brands can also exploit their partners' logistics, sales, support systems and other infrastructure, such as warehouses.

Regarding Ecoalf's supply chain, it begins with the collection of raw materials and continues with suppliers to be subsequently manufactured.

Once the product is finished it is distributed to the client.

The supply chain starts with the procurement of raw materials and then continues with suppliers and the manufacturing of products. Once the products are finished, they are distributed to intermediaries, who are responsible for providing them to the final consumers.

## Raw Materials, Supplier and Manufacturer

A large part of the materials used by Ecoalf are recycled. The most common is nylon obtained from plastic bottles or fishing nets recovered from the sea. They also work with post-consumer cotton and wool fabrics or dust from old tires that gave life to the brand's first generation of flip flops. For some garments such as t-shirts or pants, they use natural fabrics with low environmental impact such as lyocell or hemp.

Ecoalf has suppliers of fabrics, products and labels, most of them located in Asia.

The company purchases fabrics from its fabric suppliers and delivers them to product suppliers to manufacture the items they have ordered. And finally, the product goes to the label suppliers for the labels to be sewn on.

The company manufactures where it recycles, both in Spain and in Asian countries to avoid the environmental impact of moving raw materials and transporting goods, they prefer to make their products in the same place from which they extract the garbage. They have the necessary certifications to ensure decent working conditions for workers.

## Distributor, Intermediaries and Consumer

Ecoalf keeps part of your protection to sell to your physical and online store so that it reaches the customer. The rest is sold to a series of intermediaries.

Ecoalf has a long list of intermediaries, the best known are:

El Corte Ingles, Harrods, Amazon and Saks Fifth Avenue.





## 4. Communication

Ecoalf uses various communication tools to publicise its products and reach its public. Two types can be distinguished, on the one hand, online communication and on the other offline communication.




First, is **online communication**.

Ecoalf has a website to be able to buy its products online. In the description of each of them (Figure 21), we can see how much CO2 and water have been saved and their sustainability report.

**Figure 21. Description of the products on the website**

 **0.66** kg CO2 eq saved  
 **1.23** liters of water saved

Sustainability Report —

 <b>Planet</b>	<i>Best environmental initiatives</i>	<b>75.0 %</b>	<b>C +</b>
 <b>People</b>	<i>Best social &amp; ethical initiatives</i>	<b>80.0 %</b>	<b>B +</b>
 <b>Transparency</b>	<i>Best traceability initiatives</i>	<b>87.0 %</b>	<b>B +</b>

*The BCOME Evaluation System scores Ecoalf's degree of environmental, social and ethical efficiency according to its best sustainable initiatives carried out throughout its value chain.*

powered by BCOME

Product Details —

The Atlantic jacket is made from recycled polyester from used bottles. Water-repellent and super lightweight, thanks to the Fellex® fill.

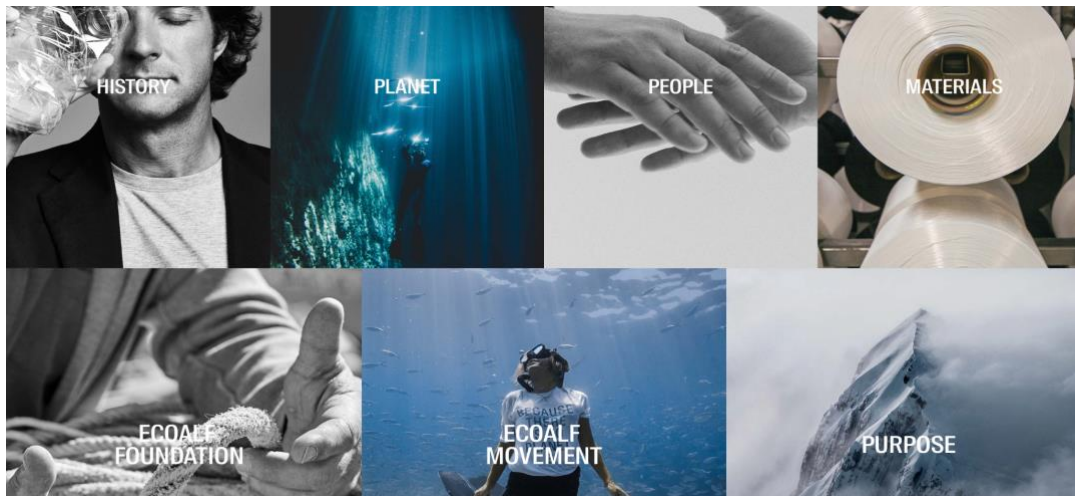
- Women's jacket
- Main fabric: 100% Recycled polyester
- Lining: 100% Recycled polyester
- Fill: 100% Recycled polyester (Fellex®)
- This item contains bluesign® APPROVED fabrics
- Zip closure
- ECOALF Logo on the sleeve
- Water-repellent
- PFC-free
- Vegan

Source: Ecoalf website.

Through this page we can know what the points of sale are, where the addresses of all their stores are located.

There is also a commitment section (Figure 22), in which he explains his history, the collaborations he has made, the awards he has received, etc.

Figure 22. Ecoalf's website, commitment

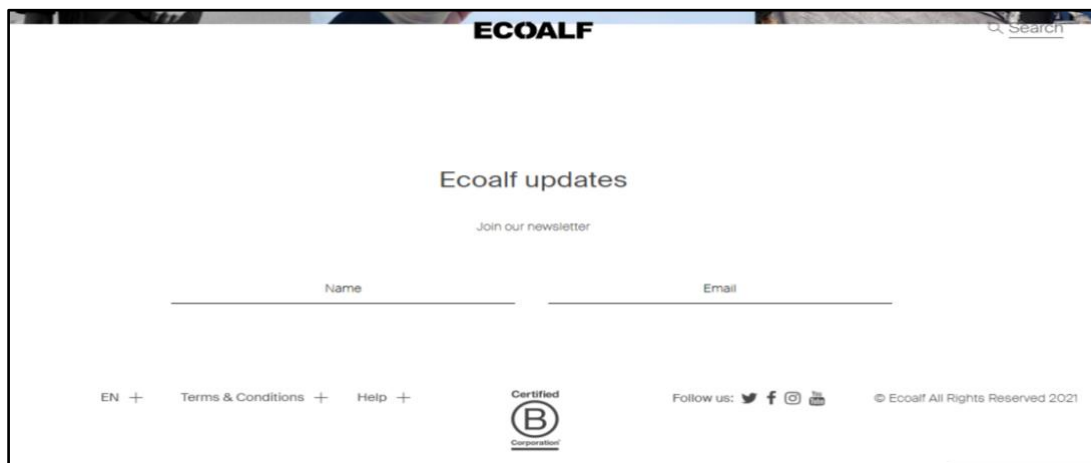


Source: Ecoalf website.

And it is a way to contact the company directly with a chat where you can leave the message you want to send to the company.

There is a section at the bottom of the page where you can sign up for their newsletter by entering your name and email. (Figure 23)

Figure 23. Ecoalf's newsletter



Source: Ecoalf website.

Ecoalf is also present online with its social networks. It communicates with consumers through Facebook, Instagram, Twitter, YouTube, LinkedIn and Pinterest.

We can see in the Table 4 that the social networks with the most followers are Facebook with 52,525 followers and 49,498 likes on Instagram with 209,673 followers and 2,226 publications. In addition, Ecoalf has an Instagram account for Japanese consumers: Ecoalf Japan with 21,973 followers and 1,028 posts.

His least followed networks are Pinterest with 1,110 followers and YouTube, with 1,500 subscribers and 56 videos. 3 years ago, he published his first video about his Upcycling the Oceans project.

**Table 4. Ecoalf social networks. Followers and links in February 2022**

Social networks	Followers	Link
Facebook	52.525	<a href="https://es-es.facebook.com/ECOALF/">https://es-es.facebook.com/ECOALF/</a>
Instagram	209.673	<a href="https://www.instagram.com/ecoalf/">https://www.instagram.com/ecoalf/</a>
Twitter	10.198	<a href="https://twitter.com/ecoalf">https://twitter.com/ecoalf</a>
YouTube	1500	<a href="https://www.youtube.com/channel/UC7_eR7Uf2yN5CD7IHut5_A">https://www.youtube.com/channel/UC7_eR7Uf2yN5CD7IHut5_A</a>
LinkedIn	33.881	<a href="https://es.linkedin.com/company/ecoalf">https://es.linkedin.com/company/ecoalf</a>
Pinterest	1110	<a href="https://www.pinterest.es/ecoalf/">https://www.pinterest.es/ecoalf/</a>

Source: Own elaboration.

Now we will talk about the second area, **offline communication**.

Regarding the brand image, Ecoalf is characterised by having a very good brand image thanks to the fact that it is dedicated to the production of sustainable fashion. It is also one of the few Spanish companies that have the B Corp certificate, which certifies that it is a company with a regenerative force for society and for the planet, that is, it contributes to generating a global profit.

## Public relations

And the collaborations. In addition, the company has collaborations with other brands such as Inescop and Camper, with which it can become better known. Apart from collaborations with some luxury brands such as Marc Jacobs to produce fabrics for some of these collections.

An effective way to promote yourself is through sustainable fashion conferences, which the president of the company attends. In these conferences, they report on the mission, vision and values of the company to increase its recognition of the company in new markets.

In 2020, the company started a social movement through social media with the hashtag and tagline #BecausethereisnoplanetB. Celebrities such as Alejandro Sanz, Saúl Craviotto and Ariadne Artiles joined the movement. It reached countries outside of Spain such as Italy, Germany and the US, where well-known faces also joined the movement.

## **Advertising**

Ecoalf uses canopies, billboards and billboards near the store to promote the brand.

## **Sales Promotion**

The brand carries out a wide variety of consumer promotions in the form of monetary incentives (promotional codes and discount coupons).

### 2.1.2.5. R&D

One of Ecoalf's main pillars is an investment in R&D, since thanks to the company's commitment to technology and innovation from the beginning, they have managed to develop more than 300 fabrics with recyclable raw materials that have been transformed into high-quality garments. An example of his latest innovation has been the Ocean Waste collection of sneakers, made with fabric that has been recycled and the sole is composed of algae.

The company has shown that there are benefits to be gained by recycling and reusing materials, and energy is saved in the process. The company manages to make polyester from plastic bottles and nylon from fishing nets that are no longer used.

The company uses a circular economy, and continuously invests in innovation, to ensure that materials are sustainable and to increase the quality of products. That is why, in the recycling process, it does not use chemical mechanisms that can contaminate.

The company tries to make the design of the products clean and timeless. In addition to its high quality, resistance and durability are very important to extend its life cycle. That is why the use of advanced technologies is necessary.

The company has technologies that allow it to transform recycled products into threads, obtaining raw materials to produce garments and accessories with recycled materials. It also uses nanotechnology to eliminate odours.

It should be noted that the company invests heavily in R&D to improve its technologies to produce this type of product. In addition, the technology it uses requires greater investment compared to other companies in the sector that do not require as much specialised and specific technology.

The company is developing an R&D product with scientists from Valencia to introduce a structure within the polyester polymer that would eliminate the output of filaments.

They are currently developing a new technology that allows their suppliers to transform used garments into recycled yarn to create new recycled fabrics to use in their collections.

It also uses nanotechnology to neutralise the smell of recycled tires.

It has recently incorporated the Pureti technology into its garments in five garments, which allows it to purify the air and eliminate bacteria. This allows them to reduce up to 40% of the pollution of the air in your environment. (Editor pinker, 2020)

#### 2.1.2.6. Corporate Social responsibility

Corporate social responsibility is part of the identity of the Ecoalf company. It can be confirmed with the various projects that the company has founded or collaborated on.

The company, in addition to dedicating itself to the production and sale of clothing and accessories, created the Ecoalf Foundation to favour the recovery of waste in order to recycle them and avoid its harmful impact on the environment. With this Foundation, he has developed several projects, among which are "Upcycling the Oceans" (Figure 24). This project has a presence in Spain, Thailand, Greece and Italy. The objective of this project is to eliminate waste from marine ecosystems with the help of fishermen, give this waste a second life and raise awareness about the problem of marine litter.

Figure 24. Upcycling The Oceans, Thailand



Source: *Marine Plastic website.*

Another of its projects is "Clean rivers save oceans" which was launched in 2020 on the Jarama river. This project is carried out together with the Biotherm company with the purpose of recovering river environments and thus also preventing waste from reaching the oceans.

Carolina Álvarez-Ossorio is ECOALF's director of global marketing and communication. She works with her colleagues to raise awareness among consumers through different initiatives and the different activities they carry out to fight for a more sustainable planet.

ECOALF seeks to raise awareness among all consumers, especially the youngest, giving talks around the world and holding "ACT NOW" events in which they present projects on the development and impact of the brand. In addition, its marketing campaigns focus on "impact" communications that transmit not only the launch of collections, but also the story behind these productions in the face of protecting the planet. Its 2019 winter collection, for example, managed to save 38 million litres of water.

There are different corporate social responsibility strategies. These strategies have made Ecoalf a leader in sustainable fashion at a national and international level (Guerras and Navas, 2020).

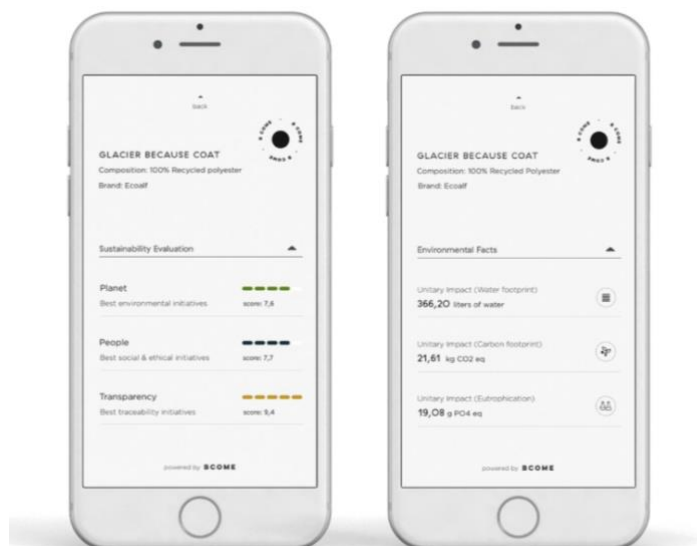
Firstly, concerning the different interest groups. The company always ensures that the values of the company are maintained throughout the value chain. Surrounding it with groups that

also share its values and cultures. It establishes a transparency policy where it provides the necessary information throughout the production process.

To minimise any conflict that may occur with its stakeholders, almost 70% of the company's shares belong to the Menor Group, an investor that specialises in investments in sustainable companies. It also requires BSCI/SA8000 certification from its suppliers. Being certified promotes work practices that are socially acceptable and beneficial in the supply chain. It is a sign of commitment to social responsibility and also shows an ethical treatment of the company with its employees.

Ecoalf has an alliance with BCOME (Figure 25). A tool that allows knowing the impact that a company's garments have on natural and social resources. In this way, consumers can know the environmental and social impact of the garments they consume.

**Figure 25. The BCOME Evaluation System**



*Source: Ecoalf website.*

Second, concerning resources and capabilities. As a result, the company has accumulated a large sum of awards and gained a good reputation and loyalty among consumers. It is worth noting that it was the first Spanish company that was integrated into the B Corps companies by obtaining the certificate.

This last 2021 has achieved a total of nine awards. All of them related to its commitment to the environment and sustainability.

It is also worth noting the raw materials used. In addition to the collaborations with which it works to access these resources and investigate to innovate and improve its production. In addition to wanting to make a social change that influences and educates people with social responsibility.

Some examples of their latest collaborations have been:

- INESCOP in 2020 to reduce CO2 emissions in the manufacture of footwear.
- La casa de Carlota and friends, promotes the inclusion and development of creativity in groups of artists, students and people with down syndrome or autism.
- 2022 Formula E. Has collaborated with Monaco's Formula E. They will carry a collection of recycled and low-impact materials. This will take place starting in Season 8. It will be the ROKiT Venturi Racing team who will carry this collection, which will include pieces such as jackets and vests made of 100% polyester. They have managed to recycle 12,000 plastic bottles and reduced 2,500 kg of CO2 emissions.

And finally, focused on the differentiation of its processes.

The company's production process to recycle water bottles is to use a mechanical process that first transforms them into flakes, then into pellets, and finally into top-quality yarn.

The cotton recycling process is also a mechanical process. It begins with post-industrial waste; these fabrics go through various processes where they are crushed and torn until they are converted into fibres to be spun again. Finally, some finishes are made to improve its touch and make it softer. To achieve the colour, Ecoalf eliminates the dyeing process, what it does is mix the fibres of the same colour from the recycling process.

To recycle wool they use a process similar to that of cotton.

The tire recycling process is complicated since they are made up of various materials, both textile and metallic, and these have to be separated. Once they manage to separate the rubber from the rest of the materials, they obtain a powder that allows them to compact into sheets with only the use of heat and pressure, without using any adhesive. Finally, they add a top layer of EVA foam to add colour and comfort.

The process followed by the coffee grounds begins by removing moisture with a pressing and drying process. Afterwards, the wells are separated from the oil and the coffee powder that



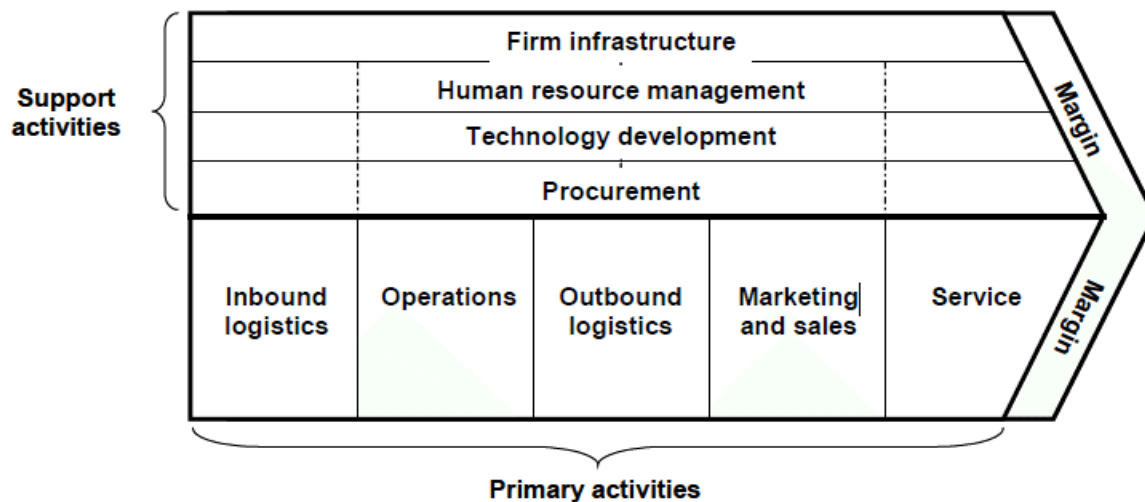
remains is pressed and compacted and turned into pellets to be mixed with the PET or nylon pellets.

## 2.1.3. Company capabilities

### 2.1.3.1. Chain value

The value chain (Figure 26) of a company classifies all those activities that manage to provide value to consumers and generate profit. In order for the company's resources to be valuable, they have to be transformed into activities that generate less cost or more value for their competitors.

Figure 26. Generic Value Chain



Source: Porter, 1985, p.37.

The Ecoalf company, which is dedicated to the manufacture of sustainable clothing and footwear products, has more than 10 years of experience in the fashion industry. It has a store in Madrid and over the years it has expanded to 11 countries. In addition, due to the development of more innovative and digital commerce, they have virtual stores where most of their sales are registered. The organisation currently has more than 300 points of sale.

In the beginning, only the founder of Ecoalf was in charge of the company. And in a year, he managed to form a team of nine people with different profiles who had different functions. Currently, the staff is made up of young people, between 23 and 35 years old, and involved in a project with which they believe.

# ECOALF

The main requirement of the brand's products is that their materials are 100% recyclable so that the environmental impact is as low as possible and the fact that the production of these products is clean must be certified. The packaging is minimal, it uses recycled cardboard or fabric bags that are leftover from its production process and deliveries to the customer must be made with logistics operators that are committed to the environment.

Another of Ecoalf's main pillars is an investment in R+D+I, since thanks to the company's commitment to technology and innovation from the beginning, they have managed to develop more than 300 fabrics with recyclable raw materials that have been transformed into high-quality garments. An example of his latest innovation has been the Ocean Waste collection of sneakers, made with fabric that has been recycled and the sole is composed of algae.

The company has shown that there are benefits to be gained by recycling and reusing materials, and energy is saved in the process. The company manages to make polyester from plastic bottles and nylon from fishing nets that are no longer used.

The entire supply chain is controlled by the company, the raw materials and the transformation process of its products. Ecoalf manages to make alliances with suppliers to collect waste on land and with the help of fishermen, since it works with around 3,000 in different parts of the world, they obtain it from the bottom of the sea, which is later deposited in the containers that Ecoalf has placed in ports. Then these are collected and it is checked if they are useful for the manufacture of the fabrics and those that are not being sent to a recycling centre. As for the plastic bottles, they go through cleaning processes and are crushed to obtain plastic flakes. Then, through mechanical processes, they convert them into a polyester thread to create fabrics, cords or labels.

One of the logistical challenges due to the supply chain, the supply of materials and the arrival of the fishermen, which also implies education, responsible production and marketing processes, since it is a disadvantage in a market with companies that sell garments at low prices. For this reason, it faces the low costs of its competitors and the high investments it has to make for its ready-made and sustainable products.

Javier Goyeneche, the founder of the company, was the first shareholder, in 2017 Manor Investment acquired a large stake, 69.9% of the shares.

As explained above, Ecoalf seeks to raise awareness among consumers, giving talks and holding events such as "ACT NOW" in which projects that have to do with the development and impact of the brand on the environment are presented. Their marketing campaigns focus

above all on communicating the impact they convey and above all the story behind the production of their products and their main objective of protecting the planet.

### 2.1.3.2. Distinctive capabilities

Its most distinctive capability is manufacturing products sustainably. Although Ecoalf is somewhat limited in terms of production due to raw materials, it is capable of producing a wide variety of products including clothing, such as jackets and dresses, shoes, and accessories, such as backpacks, bags, or masks.

It has the ability to recycle materials obtained from waste, something that most companies in the textile sector cannot do.

The products offered by this company are products made with 100% recycled materials, which is what differentiates it from other textile companies. The complexity that the company has is that it is difficult to obtain all its garments and accessories with recycled materials.

In this industry, there are beginning to be brands that work with recycled materials, but there are few that offer all their products made 100% with sustainable materials, that is, most begin to have some garments or accessories made with recycled products but not 100%.

For customers, the quality of the garments is very important, therefore, it is important that quality products and a good image are obtained, although in this case they are garments made with recycled products and it is more difficult to obtain.

In an interview offered to Código Único in 2020, its founder Javier Goyeneche was very clear about the response of his clients: "There is a mix. I always say that very few people are going to buy your jacket because you are cleaning the ocean, they also want it to fit well and for the price to be right... There are many people who consider that it represents values with which they feel identified." (L.M.Marco, 2020)

The capabilities according to the criteria for maintaining competitive advantage are characterised by their non-transferability, inimitability or durability. For Ecoalf, the products make its competitive advantage in relation to the competition not easy to obtain or achieve, since it requires a great effort in innovation and development, as well as economics. Although that is later rewarded since its competitive advantage is sustained over time and currently there are no other products within the sustainable fashion and in countries that operate at the same level of quality and level of recycling as Ecoalf.

Goyeneche stresses that the "coherence" of the company is important. That a store is sustainable "is not just using a fabric for that reason, but it is the model you want to create around your company."

His processes are complicated, but his company is not about "storytelling", but about "storydoing". They do not want to tell how the ocean is or just report about the planet, but what they want is to clean the ocean and find solutions and carry them out.

## **2.2. External analysis**

### **2.2.1. Macroenvironment (PESTEL Analysis)**

#### **2.2.1.1. Political Factors**

Spain is one of Ecoalf's main markets. It is a member country of the European Union. Currently, it has a stabilised government since elections were held in November 2019, in which the Spanish Socialist Workers' Party (PSOE) was elected, which is led by Pedro Sánchez, the current president of the government.

However, he was not elected in the elections with an absolute majority, which implied a series of constant government conflicts in Spanish politics.

In January 2020, Pedro Sánchez was confirmed for a second term by the deputies of Congress. His alliance with the United We Can political party has governed since that date.

The government budget for 2021 proposed an increase in public spending after the COVID-19 crisis, this will require an increase in positive income of 13%. This proposal was approved by Parliament, with the support of 11 political parties.

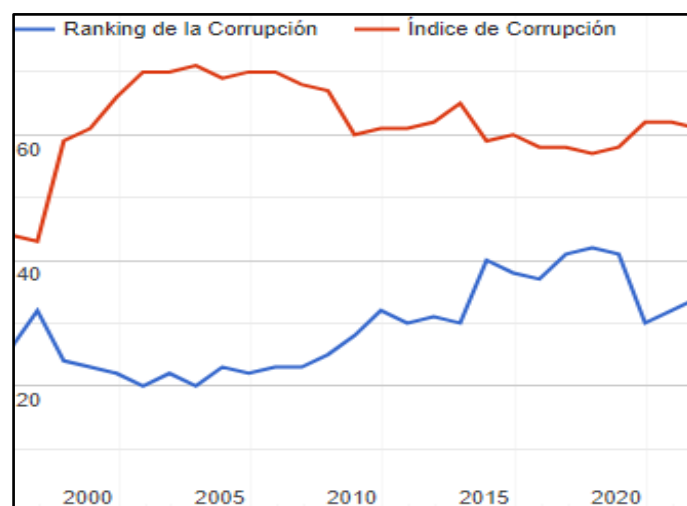
On March 14, a state of alarm was declared to manage the health crisis situation caused by COVID-19. The containment of the progression of the disease entailed temporary limitations to free movement together with the reduction of the labour supply due to the quarantine and containment measures.

Spain has obtained 61 points in the Corruption perception index. Its score has dropped in the latest report by the Organisation for International Transparency. This means that Spaniards perceive an increase in corruption in the public sector.

This has caused a worsening until being in the 34th position, with respect to the rest of the 180 countries. The perception of corruption in the last five years in Spain has improved, which has also led to an improvement in its position in the international corruption ranking. Currently, in 2021, his score is 61, down one point from the previous year.

This index classifies countries by counting them from 0 (high perception of corruption) to 100 (low perception of corruption) based on the perception of corruption in the public sector. In the table and graph below, we show the evolution of Spain's position in the Corruption Perceptions Index. (Graph 3)

**Graph 3. Corruption index in Spain**



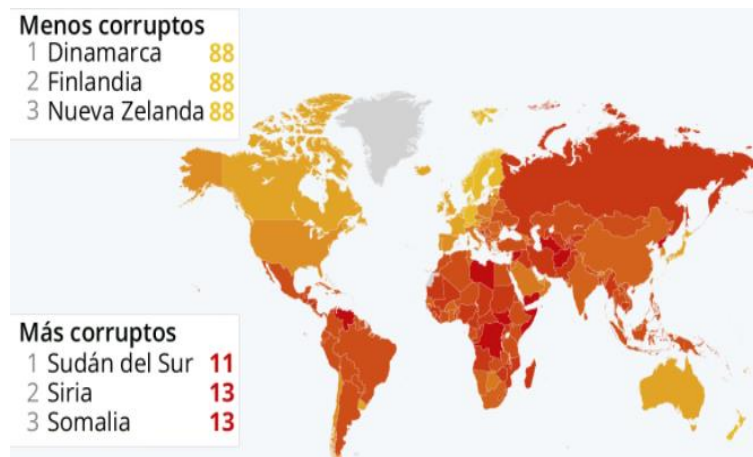
Source: *datosmacro.com*

Globally, of the 180 countries in the ranking, two-thirds of the countries have scored below 50 with a world average of 43. 131 countries have made no progress against corruption.

In 2021, the countries with the lowest level of corruption were: Denmark, Finland and New Zealand, with a score of 88. (M.M. Roa, 2022)

In contrast, the countries with the highest level of corruption were South Sudan, Syria and Somalia. With a score of 11 on the first and 13 on the other two. Venezuela, Yemen and North Korea are also among the low scoring countries. (Figure 27)

Figure 27. World corruption map



Source: Statista.

Finally, Russia's invasion has caused a crisis, both in terms of development and reaction by the European Union. Awareness of the seriousness of the situation and its geopolitical implications have led the European Union to apply strong sanctions to Russia. Spain, being a member country of the EU, participates in the approved sanctions.

### 2.2.1.2. Economic Factors

The pandemic caused by **Covid-19** in March 2020 has negatively affected the economy. It started as a health crisis that has caused an economic crisis, which a high percentage of countries in the world are suffering. The state of alarm caused the textile and footwear sector to suffer a large drop.

This virus managed to suspend the manufacture and consumption of clothes and shoes. The interruption of the supply chains and the closure of establishments completely destabilised the industries and the paralysis of consumption greatly aggravated the commercialization in various countries. This caused a drastic reduction in sales and many companies had great financial difficulties, even causing the closure of many of them.

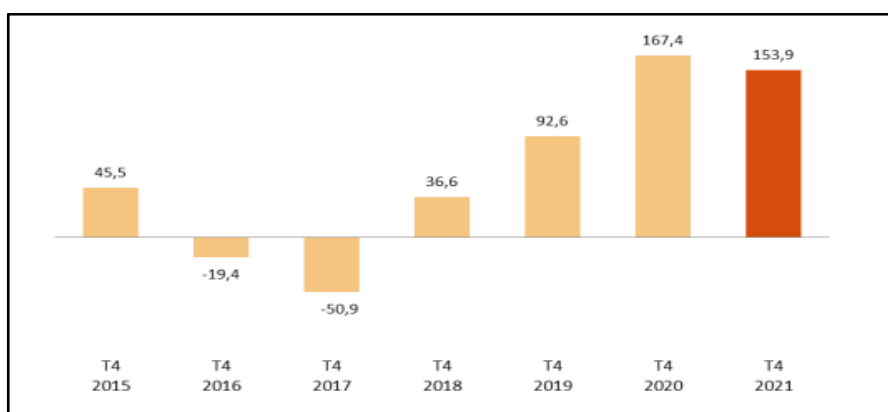
In addition, the sudden closure of shops and factories left thousands of people unemployed. The market recession and the decrease in demand that will follow the immediate crisis put companies and employees in this sector in great danger.

Other economic factors that have caused the drop in production and exports have been the slowdown in the world economy and also the digital transition that has not helped many of the companies in the sector.

The **number of employed persons** increased by 153,900 people in the fourth quarter of 2021 compared to the previous quarter (0.77%) and stood at 20,184,900. The variation for the quarter is 1.21%. Employment has grown by 840,700 people (4.35%) in the last 12 months. (El Mundo, 2022)

The employment rate is 50.83%, being 167.4% in 2020 and 153.9% in 2021. In an annual variation, this rate has risen 2.03 points. (Graph 4)

**Graph 4. Quarterly variation of employment. Thousands of people**



Source: Instituto Nacional de Estadística (INE), Enero 2022.

Spain is the country with one of the highest **unemployment rates** in the OECD. In November 2021 it was at 14.1%. Putting itself above countries like Greece or Colombia.

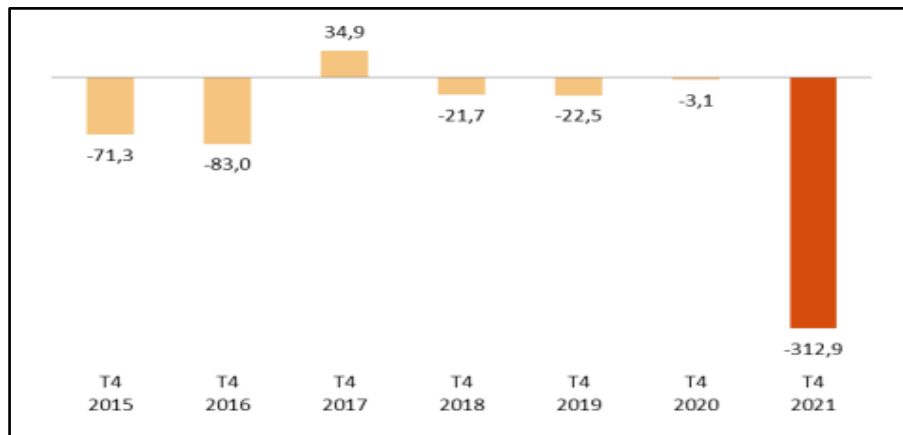
The unemployment rate is four-tenths higher than when the pandemic took place.

Spain is also the second country in the classification of youth unemployment. Unemployment for those under 25 reached 29.2% in November.

Unemployment falls this quarter by 312,900 people. The total number of unemployed stands at 3,103,800. In relative terms, the quarterly variation of unemployment is -9.16%.

The unemployment rate decreases 1.24 points and stands at 13.33%. In the last 12 months, this rate has dropped 2.80 points. (Graph 5)

**Graph 5. Quarterly variation of unemployment. Thousands of people**



Source: Instituto Nacional de Estadística (INE), Enero 2022.

The **Spanish GDP** managed to register a historic drop in 2020 that affected the drop in gross value added in the fashion sector. The GDP went from 2.8% in 2019 to 2.4% in 2020 (Economic Report on Fashion in Spain, 2021)

In 2022, **inflation** is expected to remain high due to supply chain disruptions and rising energy prices.

The increase in the cost of electricity, raw materials and logistics have affected the turnover in the textile trade in recent months. In addition, we must begin to repay the loans that the Official Credit Institute (ICO) granted so that companies could overcome the effects of the pandemic.

One of the consequences that have been noted since the beginning of hostilities is the price of gas, which has skyrocketed due to the lack of this fuel. And the Government has already announced that Spain will suffer more negative consequences due to this war.

The **invasion of Ukraine** by troops is affecting energy, trade and financial markets around the world.

Inflation continues to rise and in Spain, it has reached 6.5% mainly due to the increase in gas prices and energy dependence.

The blow of inflation is suffered throughout the Spanish territory, but some provinces have experienced more pronounced price increases than others, affecting to a greater or lesser extent the purchasing power of consumers.



The Spanish Intertextile Council (CIE) has argued that the war in Ukraine has made the cost of supply unaffordable for the textile industry and adds that the increase in energy prices is "a new setback" for the sector.

The fashion sector in Spain has been one of the most affected by the war in Russia and Ukraine, due to the drop in exports.

"The sanctions imposed on Russia by different countries are reinforcing tensions in the prices of certain products and raw materials, after a few months of significant increases, greatly penalising the results of companies in many sectors." (DBK Sectoral Observatory, 2022)

The rise in fuel prices has affected companies in the transport of goods.

The other immediate consequence is the rise in energy prices: 25% of the oil imported by Europe and 40% of the gas come from Russia

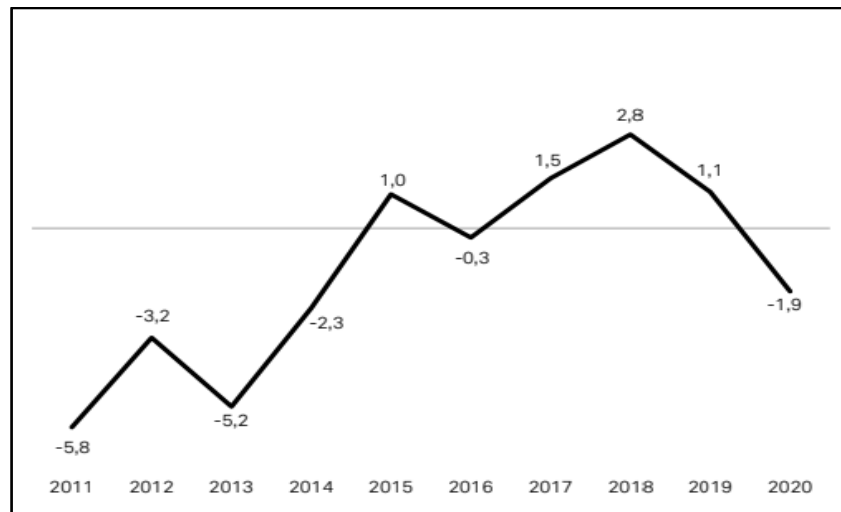
In 2021, Spain exported 45.8 million euros worth of clothing and footwear to Ukraine, more than before the pandemic, according to the latest data from the Ministry of Industry, Trade and Tourism. To Russia, clothing and footwear exports amounted to 419.3 million euros last year, while to Poland they were close to 1,195 million euros.

What negatively affected stores has helped boost online sales channels in the fashion sector, which ranked first in **E-commerce** in Spain in 2020, with 8.4% of online sales among all sectors. (J.G. Marcos, 2022)

E-commerce came to mean 19.4% of total fashion sales in Spain. In 212 its evolution was already foreseen. At that time its share in the total business of the sector was only 1.4%.

The **growth of the textile industry** in Spain was stagnant in 2020 even before the pandemic crisis. In 2020, the clothing industry and the leather and footwear sector had a total of 10,106 companies, 1.9% less than the previous year. This is a smaller decrease than in the Great Recession which caused the disappearance of 5.5% of companies. (Graph 6)

Graph 6. Report on the number of companies in the textile industry 2011-2020



Source: Informe Económico de la Moda en España (2022)

In 2021 the situation improved, but even so, it ended with a drop in sales of 13.1%. In December of last year, Christmas sales fell by 3.2%. The increase in Covid infections caused a change in trend that slowed down sales in the second half of December 2021.

In January 2022, it was the month that registered a sales growth of 34.8% compared to last year. The association warns that this growth was lower than expected due to the increase in the number of infections caused by the omicron variant.

Eduardo Zamacola, President of the Textile, Accessories and Leather Trade Business Association, points out that the data at the beginning of the year has been positive but lower than expected, since in 2021 January sales fell by 53.3%. (Acotex,2022)

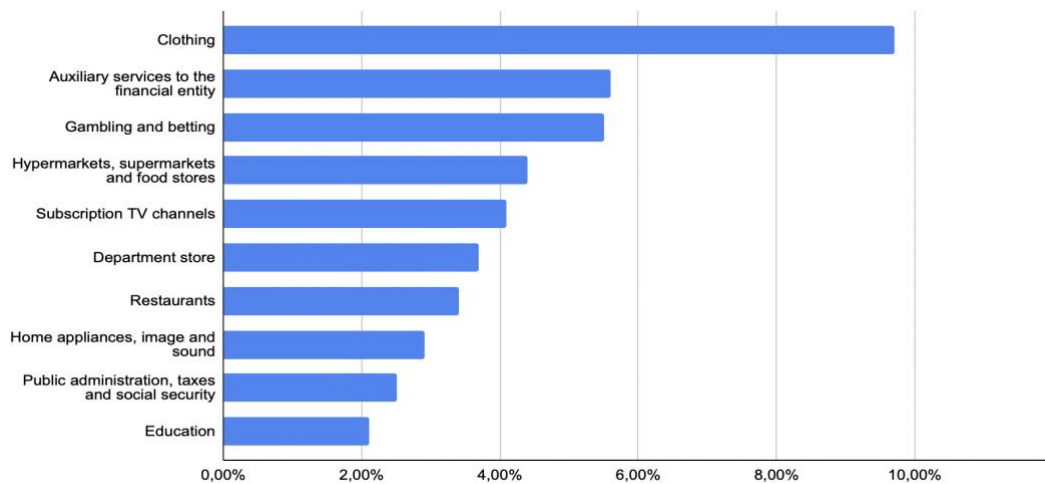
### 2.2.1.3. Sociocultural Factors

Covid-19 caused fear of infection in society, causing the Spanish population and many countries in the world, society to leave their homes much less consumed.

In addition, many young people continue to take classes online and many of the employees telecommute from home. This means that people need to buy fewer clothes and new clothing collections are not as successful. Online purchases have been an opportunity to try to stabilise sales, in the sectors that have increased the most have been food, reading and sportswear.

The sectors of activity with the highest income have been clothing, with 9.8% of the total turnover; channel subscription with 5.1% and games of chance with 4.9%. (Graph 7)

**Graph 7. The ten branches of activity with the highest percentage of turnover in electronic commerce (I-21, percentage)**



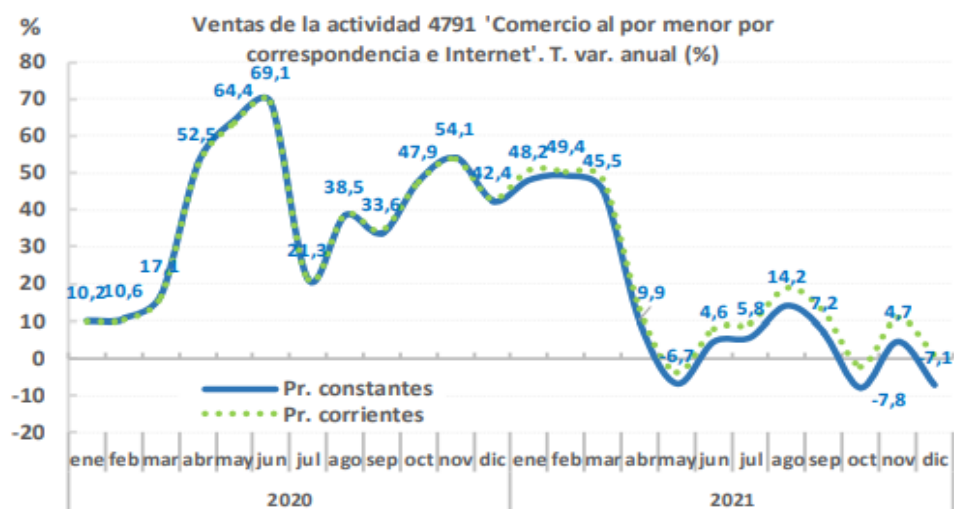
Source: own elaboration, CNMC.

In 2020, Ecommerce in Spain grew more than 20% in B2C cases.

Quarterly evaluation of the business volume of electronic commerce and intellectual variation.

The turnover of electronic commerce in Spain (Graph 8) increased in the fourth quarter of 2020 by 9.3% to reach 14,613 million euros. In 2020, it exceeded 51,600 million euros, 5.8% more than the previous year. In the second quarter of 2021, turnover increased by 13.7% year-on-year to reach 13,661 million euros. (J.G. Marcos, 2022)

**Graph 8. Invoicing of electronic commerce in Spain**



Source: CNMC.

On the other hand, the rise of fashion is known as slow-fashion. Nowadays, people give more importance to the fact that the clothes they wear are respectful of the environment and that they are also of high quality and durable.

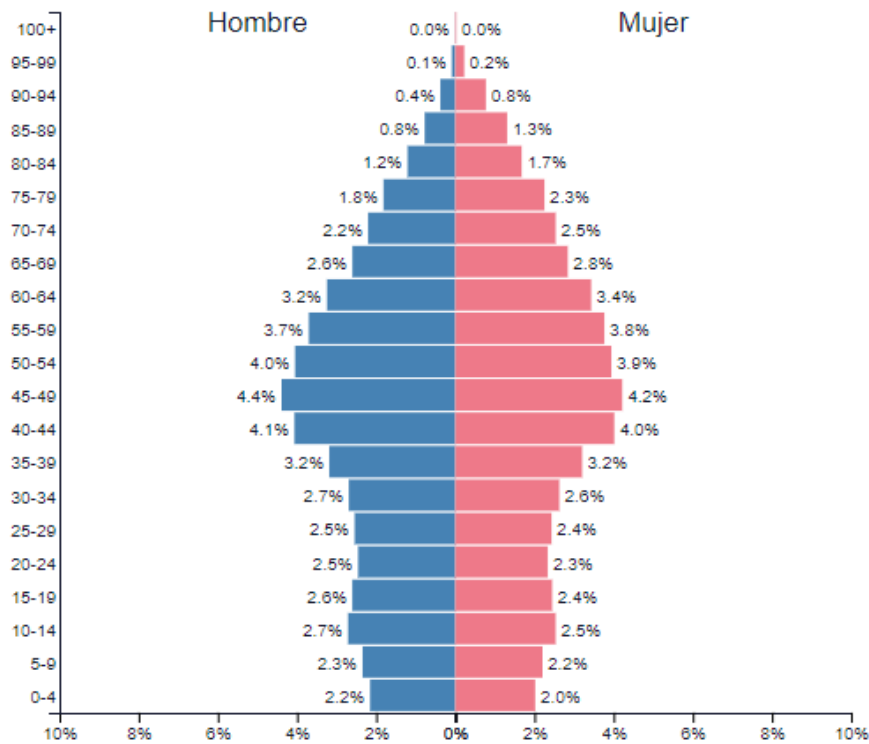
A global trend that positively affects Ecoalf is that today consumers value the Corporate Social Responsibility (CSR) of companies. When buying a product, consumers no longer only look at price and quality, but also at the company's commitment to the community, the environment or its employees, among other variables that can be found within the CSR policy in a company.

According to the international report: The consumer-facing the corporate social responsibility of brands (Nielsen, 2014), 40% of consumers would be willing to pay more for a product from a responsible person. For 35% of consumers. The responsible component is a key and determining factor for your purchase.

According to the World Global Style Network, fashion is highly influenced by ecological and social awareness. More and more ecological fashion events are being held, such as the 5th Sustainable Fashion Day held in Madrid or Sustainable brands Barcelona. More and more companies dedicated to the sale of environmentally friendly clothing are also appearing. Other bigger brands adopt eco-friendly fashion like H&M or Levis. Even renowned fashion designers include an ecological component made with materials that are recycled or unpolluted like Stella McCartney, whose garments are organic.

On the one hand, the demographic pyramid in Graph 9 shows us by age the population in Spain in 2022, which is 46.719 million. As we can see, the most abundant population is between 45 and 49 years old.

**Graph 9. Population pyramid in Spain 2022**

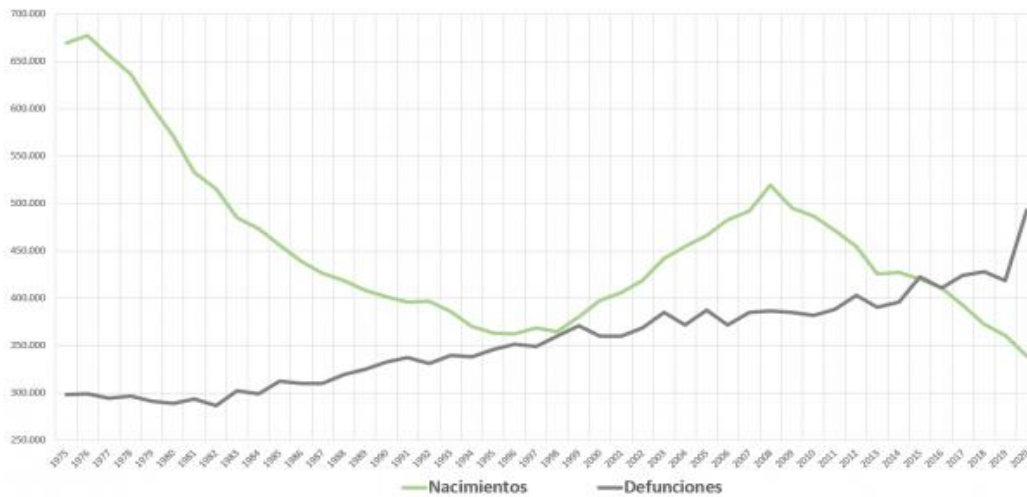


Source: *PopulationPyramid.net*

This data is important since a large part of consumers who consume their products with this trend are young people. Millennials are now the most important group of consumers. Thus, as the current young and middle-aged population ages and therefore, with greater consumption capacity, the demand from the organic market will also grow, which will be positive for Ecoalf.

Finally, the birth and death rate. A total of 310,224 children were born in Spain in the first 11 months of 2021. (INE, 2021). The death data for 2020 (498,699) and 2021 (452,140) are the highest in the last five years, coinciding with the Covid-19 pandemic. In this graph 10, we can see that since 1996 Spain has been ageing rapidly. The great recession was the turning point. The pandemic caused a 17.7% increase in mortality. (E.S. Bank, 2021)

**Graph 10. Evolution of births and deaths in Spain**



Source: INE.

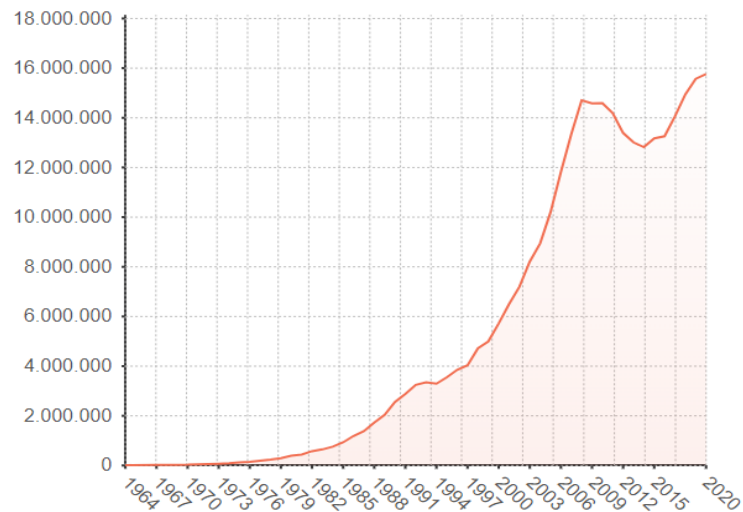
### 2.2.1.4. Technological Factors

Spain is one of the countries that invests the least in R&D and this affects technologies in Spanish companies, 15% less than most European countries. Almost half of the investment spending produced by companies went to small and medium-sized companies. One of the main problems is the lack of financing by the public sector and the little participation by the private sector.

Spending on Research and Development (R&D) has been increasing, as can be seen in the Graph 11, over the years. Only in the 2008 crisis, did this expense fall. In 2008 it stood at 14,701 million and fell to 2014 at 12,820 million euros.

Internal R&D amounted to 15,768 million euros in 2020, which represented an increase of 1.3% compared to the previous year. In 2019 it was at 15,572 million euros.

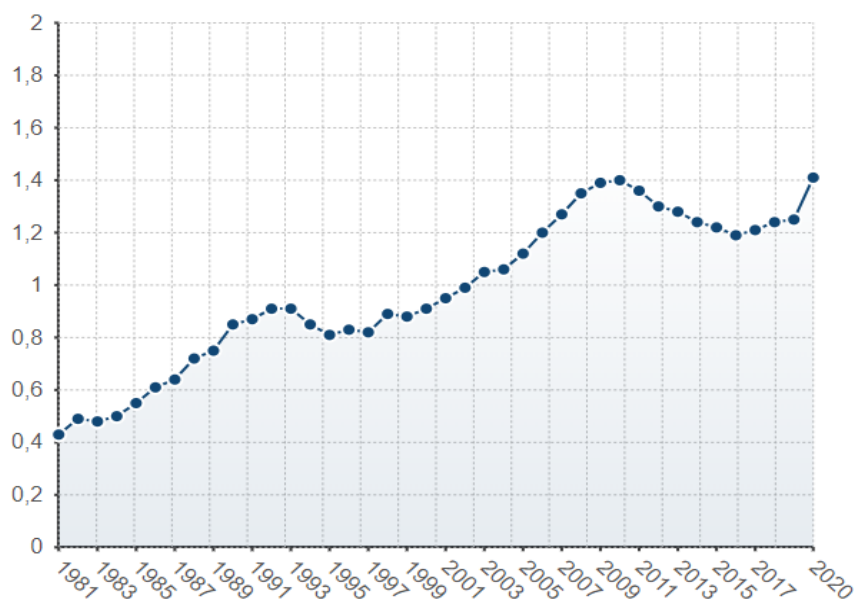
**Graph 11. Evolution of Internal R&D Expenditure in Spain**



Source: epdata.

Spanish investment in R&D accelerated in 2020 to approach 1.47% of GDP, according to estimates by the Cotec Foundation for innovation through its leading indicator, published this Monday, June 7. If this calculation is confirmed, the weight of knowledge in the productive structure of the country would have grown 0.22 percentage points in a single year (in 2019 it reached 1.25%).

**Graph 12. Expenditure on R&D in relation to GDP in Spain**



Source: INE, [www.epdata.es](http://www.epdata.es)

It is expected that this data will improve in the coming years since the Government is going to invest more than 11,000 million euros between 2021 and 2025 in three different plans, whose objectives are to digitise both the Public Administration and the private company, specifically SMEs in order to promote their development and improve their competitiveness (Ministry of Economic Affairs and Digital Transformation, 2021).

In the textile sector, technologies have managed to evolve to improve product manufacturing processes and achieve cost reduction.

Some of the new technologies that have revolutionised the sector are the electronic devices that you can wear, such as GPS shoes, smartwatches or bracelets that count steps or pulses. Another technology has been the reality of the festival, nowadays you can see fashion shows from home, without having to go out or even try on clothes without having to undress. Sustainable fashion has also become a trend, with technologies that manage to protect the environment. In addition to the digitization that companies are experiencing.

"The retail industry is undergoing a great change as a result of digitization, changes in consumer behaviour and the constant growth of the online channel" (H&M, 2021)

Many companies are implementing the "Just in time" model. The application of this model will be possible through technologies within the production process such as automation and interconnection between phases in order to function with stock according to demand (Rivera, 2019). This is to achieve maximum profitability, speed and customer satisfaction as well as stock reduction (Alvernia, 2006).

It has been reinforced after the outbreak of Covid-19. This trend allows for minimum stocks, flexibility to adapt to trends and a balance between discounts and a wide margin.

Big data is playing an important role in the sector. Big Data is a discipline that refers to large data sets and makes use of computer applications to be able to treat them properly.

Focused on the sector, there are platforms that are designed to collect information in real-time on electronic transactions and interactions on social networks.

AI and big data allow online commerce to be able to anticipate demand and prepare its campaigns and new seasons, managing its inventory and improving commerce results. One of the large textile groups, INDITEX, recognizes its importance and for this reason, in 2019 it invested more than 8 million euros to build a centre dedicated to data processing.



## 2.2.1.5. Ecological Factors

These last two years after the outbreak of the pandemic, the fashion sector is beginning to adjust to the new scenario that COVID-19 has left. New consumption models have been created, customer priorities have changed and the supply chain has been forced to reorganise. Consumer demand and increased legislative pressure have forced a shift towards sustainability. Transparency in sourcing has become an obligation for companies. (L. Faz, 2022)

The concentration of CO<sub>2</sub>, a greenhouse gas, reached 413.2 parts per million (ppm) in 2020 and is 149% above pre-industrial levels. "These data have major negative repercussions for our daily lives and well-being, for the state of our planet and for the future of our children and grandchildren," said the Organisation's Secretary-General, Professor Petteri Taalas. (Noticias ONU, 2022)

Approximately half of this carbon dioxide remains in the atmosphere and the other half is absorbed by the oceans and ecosystems.

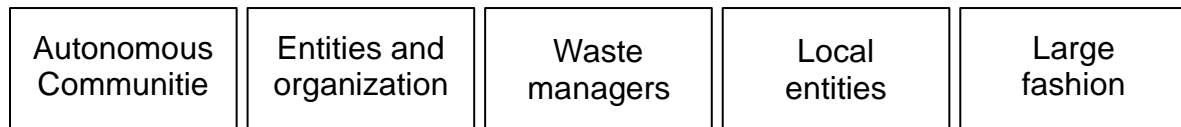
The National Oceanic and Atmospheric Administration (NOAA), published last February 12, announced that the monthly average figure for the concentration of carbon dioxide (CO<sub>2</sub>) recorded by the Mauna Loa Observatory (OML) in January, reached 418.19 parts per million (ppm). This value exceeds the figure recorded in the same month of 2021 when 415.52 ppm had already triggered alarms about the presence of this greenhouse gas (GHG). (Global Monitoring Laboratory, 2022)

Companies are increasingly aware of the importance of the environment and try to get involved and adapt to generate a positive social impact and improve the image of their brands. And on the part of consumers, especially young people, they are also taking into account pollution and the damage that companies do to the environment thanks to the amount of information found on the networks on this subject. Millennials and those known as Generation Z are moving away from supporting 'fast fashion' firms and paying a little more for higher quality, eco-friendly items at a slightly higher cost.

Spain collects 12.16% of the textile waste it generates per year. Some 990,000 tons of garments end up in landfills annually. Analysis of the collection of used clothing in Spain. (Fashion, 2021).

The agents involved in the collection of textile waste, as shown in the Figure 28, have been the public administrations (CCAA; councils and local entities) and private organisational entities, which act in different territories.

**Figure 28. Map of actors for the diagnosis of the current state of waste collection in the Spanish textile sector.**



Source: *modare.org*

On a global scale, 30% of companies say that the main focus of their sustainability plans is on raw materials, and 26% of companies set their sights specifically on organic cotton or the Better Cotton Initiative (BCI), a project that is intended to promote more environmentally responsible cotton farming systems. The BCI has more than thirty Spanish members, including Tendam, Mango, Desigual, El Ganso, El Corte Inglés and Inditex (Global Fashion Drivers, 2022).

27% of the most important companies focus on reducing their emissions of gases that are harmful to the environment into the atmosphere. Fashion distribution companies such as Foot Locker and department stores such as El Corte Inglés and El Palacio de Hierro include this factor as one of the main priorities of their environmental objectives.

In the last year, the commitment to reduce gas emissions into the atmosphere in the fashion industry has increased to align with the objectives of the Paris Agreement, On October 2'21, promoted by The Aspen Institute, companies such as Inditex and Patagonia joined the Cargo Owners for Zero-Emission Vessels initiative. The goal is for goods to be transported in fuel-efficient ships without CO2 emissions by 2040.

The International Crisis Group (ICG) includes climate change for the first time. Due to the need to deal with problems related to food security, water scarcity and competition for basic resources. The poorest regimes are those that suffer most from climate problems such as Africa and the Middle East.

In the case of Europe, in March 2020 the "Circular Economy Action Plan" was established, an initiative that was promoted by the commission to promote recycling and innovation in the textile industry. (European Parliament, 2020).

On the other hand, a global initiative is "the 2030 Agenda for Sustainable Development" agreed upon and promoted by the member countries of the UN (United Nations). Within this Agenda, 17 objectives are set to be met in fifteen years, known as Sustainable Development Goals (SDGs), whose objective is to call on all entities and individuals worldwide to eradicate the main economic, social and environmental problems.

In the specific case of Spain, its most recent initiative was to decree a climatic and environmental emergency in January 2020.

### 2.2.1.6. Legal Factors

There are different regulations and legal factors that influence Ecoalf, in labour, fiscal and sustainability aspects.

International environmental law. It is made up of a series of international standards in order to protect, conserve and preserve the environment and ecosystems. Among these rules are a large number of conventions and treaties (hard law). As well as a series of legal principles that unite and provide dynamism to the discipline. On the other hand, soft law instruments, such as declarations and resolutions, form a fundamental part of international environmental law.

On the other hand, a process was established to develop a set of goals to achieve sustainable development, which culminated in the adoption in 2015 of the 2030 Agenda for Sustainable Development, which contains the so-called "Sustainable Development Goals" (SDGs), a series of 17 goals with a view to ending poverty, fighting for the protection of the environment and sustainable development and tackling climate change. (Mexican Environmental Law Manual, 2021)

The Kyoto Protocol was approved on December 11, 1997. Due to a complex ratification process, it entered into force on February 16, 2005. Specifically, the Kyoto Protocol puts into operation the United Nations Framework Convention on the Climate Change committing industrialised countries to limit and reduce greenhouse gas (GHG) emissions

The United Nations framework convention on climate change. It entered into force on March 21, 1994. Today, it has almost universal membership. The 197 countries that have ratified the Convention are called Parties to the Convention. The ultimate goal of the Convention is to

stabilise greenhouse gas concentrations "at a level that would prevent dangerous anthropogenic (human-induced) interference with the climate system."

The European Directive EU 2018/85 is framed in the "Circular Economy Package" of the EU, which will come into force in Spain through the Law on Waste and Contaminated Soils, which is still in process (AITEK, 2021)

Its purpose is to improve waste management, among other aspects, in order to meet the objectives established by the EU (Ministry for the Ecological Transition and the Demographic Challenge, 2021).

Waste and soil law. Destruction of products not sold as of 2021 is prohibited. In 2022, post-consumption collected materials will be mandatory. This implies that unused materials have to be recovered to give them a "second life" through recycling or reuse.

The first objective of any waste policy must be to minimise the negative effects of waste generation and management on human health and the environment. Likewise, and in accordance with the principles that govern the circular economy. (Official Bulletin of the general courts, 2021)

Table 5. Influence of macroenvironment in Ecoalf

Factores claves del entorno	Very negative	Negative	Neutral	Positive	Very positive
<b>POLITICAL-LEGAL</b>					
Change of president					
Estado de alarma					
Corrupción					
Leyes ecológicas					
<b>ECONOMIC</b>					
COVID-19 Crisis					
Number of employed persons in Spain					
Unemployment Rates in Spain					
Spanish GDP					
Inflation in Spain					
Invasion of Ukraine					
E-commerce in Spain					
Growth of the textile industry in Spain					
<b>SOCIOCULTURAL</b>					
Online Shopping					
RSC, conciencia ecológica					
Pirámide demográfica					
<b>TECHNOLOGICAL</b>					
R&D investment					
New technologies in the textile sector					
Just in time					
Big Data and IA					
<b>ECOLOGICAL</b>					
Collection of textile waste in Spain					
Business sustainability					
Action Plan for Circular Economy					
SDG					

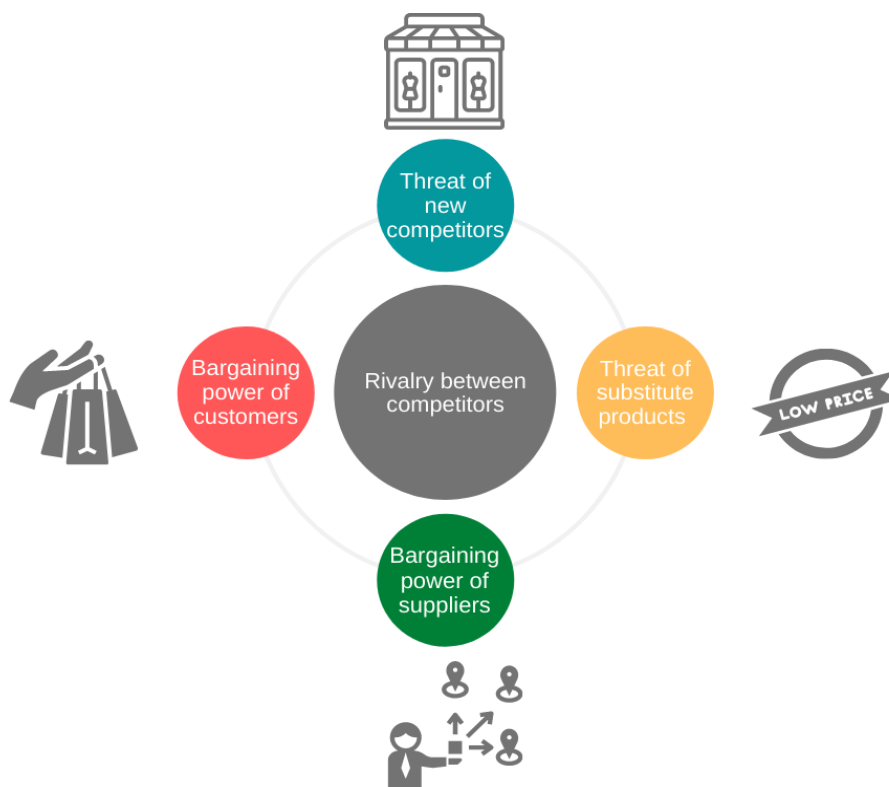
Source: Own elaboration.

Once the PESTA analysis has been carried out, we can see that the dimensions that have negatively affected the company have been political, economic and social due to Covid 19 and the consequent crisis that it has contributed to the economy. They have had to close stores during the state of alarm, they have had to cancel some of their international expansion plans and they have had to carry out “ertes” Temporary Employment Regulation Files” for their employees during this period.

Although Javier Goyeneche has given another approach to this world crisis, and in one of his recent interviews he has commented that we must learn from the crisis for decision-making. Realise that their economic model in fashion was not working and therefore, it must be restructured or modified. And above all, take into account the use of new technologies, since they have had a positive impact on the company and to be able to make its production process reality with recyclable materials.

## 2.2.2. Microenvironment (PORTER)

Figure 29. Porter's 5 forces



Source: Own elaboration.

### 2.2.2.1. Bargaining power of customers

Thus beginning with the analysis, Porter's first strength would be the one that refers to the "power of the client in the negotiation". This force considers that the more organised and demanding consumers are with prices, quality or services, the less attractive the market will be.

The existence of entry barriers does not characterise this type of industry since the existing tariffs are not very important and in a certain way, there is no protection of the local product either. Customers are the only ones who could exercise local protection since, as they want to consume sustainable products, they may not buy in stores outside their country because the transport of products could have a great impact on the environment.

The demand for this type of clothing is very similar in all countries since what characterises these consumers is that they want clothing made from recycled material, sustainable clothing. These types of companies usually offer a wide variety of models, in addition to offering the models that are trending at the moment in all types of clothing companies. So, the behaviour of consumers is quite similar.

Consumers in the textile sector are increasingly demanding with the products they buy and their quality. This is so because it is an industry that is made up of a large number of companies with a wide range in which consumers can satisfy their needs in many different ways. That is why we would say that this is an unattractive sector since the client is the one who decides or acquires greater bargaining power with respect to companies in the textile sector.

Although for Ecoalf, like any other company within this sector, it seems that this disadvantageous situation does not benefit them, there is a possibility that this is not a problem for sustainable fashion, since these consumers, being more aware of what they buy, maybe more inclined with its products knowing that few companies in the textile sector dedicate their efforts to committing themselves to this type of product or fashion.

#### 2.2.2.2. Bargaining power of suppliers

Porter's second strength would be the one that refers to the "power of the supplier in the negotiation". If the suppliers have a lot of organisations within their sector, relevant resources and conditions on prices and order sizes, it is when they make a more competitive market. attractive. The smaller the supplier base, the less bargaining power and the less attractive the market. This strength for the company Ecoalf would explain one of its main problems since its opening to the market.

Ecoalf has had to travel to certain geographical areas to acquire the raw materials necessary for its products. And these suppliers, being a small number, concentrated and with little demand for their raw materials, have not made it easy for Ecoalf how it could have happened

if there were more demand from other companies for their raw materials. Therefore, the bargaining power of suppliers is high and makes it unattractive for other potential companies in this sector.

### 2.2.2.3. Threat of new entrants

Then Porter's third force would be the one that refers to the "threat of new entrants" and if the entry barriers to the industry are very restrictive, then the industry is not attractive.

The most frequent barriers for new competitors are related to legal aspects, patents, the cost of the initial investment and the necessary technologies.

The fashion industry has low barriers from a manufacturing point of view. However, the economies of scale derived from large volumes of production have an important effect on those who enter the sector, as they force entrants to produce on a large scale if they want to avoid higher costs than their competitors.

When entering the market, one of the biggest difficulties for brands is to become known and preferred by consumers. Global brands are known internationally, a barrier that hinders the success of incoming fashion companies.

In conclusion, this threat that other companies may arrive with the same products and new resources and take market share exists in the textile sector for both "fast fashion" and "slow-fashion" companies such as Ecoalf. The barriers to entry into the industry are limited or not very restrictive and allow easy access to it for the different geographical areas where Ecoalf competes and operates.

### 2.2.2.4. Threat of substitute products

Porter's fourth force would be the one that refers to the "threat of substitute products". A market will not be attractive if there are substitute products or when the products are more technologically advanced or have lower prices.

If we talk about a company in the textile sector that is part of "fast fashion" in which the threat of substitute products is continuous given the high rivalry between companies, the sector in this aspect of "fast fashion" is not very attractive for any company that potentially wants to



enter the market. The threat of substitution in this industry is high. Technologies, economies of scale and outsourcing allow companies to obtain higher margins.

For Ecoalf, this threat of substitute products to the market is reduced thanks to the fact that its products are in constant development with the most advanced and current technology with respect to its main competitors.

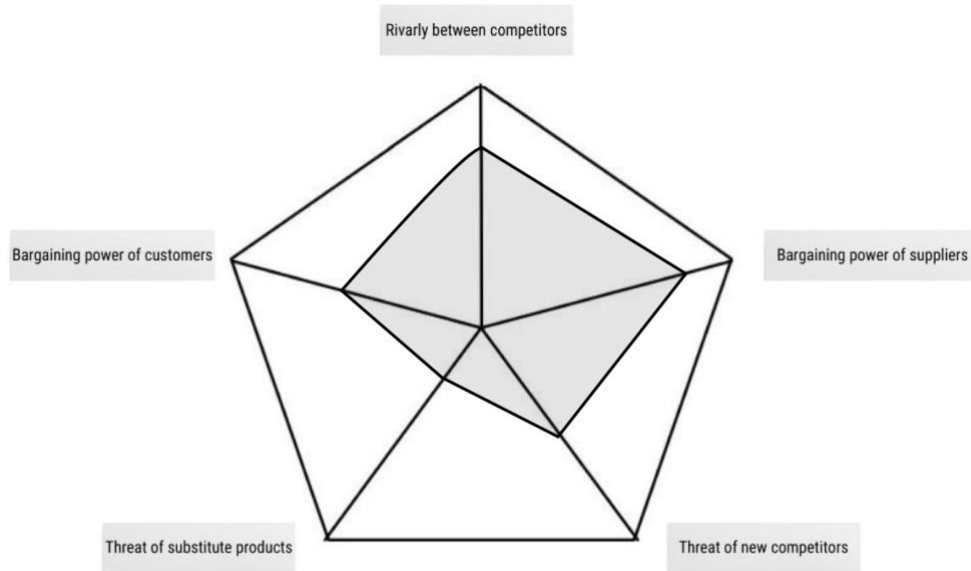
#### 2.2.2.5. Rivalry between competitors

Finally, Porter's fifth force would be the one that refers to the "nature of rivalry". This factor is the result of the previous four and is what provides the company with the necessary information for the development and implementation of strategies in the most appropriate way possible in the market. Each competitor establishes strategies with which to stand out from the others. A strong rivalry translates into many strategies if there are many competitors, they are very well positioned or have fixed costs, among other factors, the market would then be unattractive.

The level of competition in this sector is very high. Innovation and differentiation play a much more important role in this fashion sector.

Ecoalf in this aspect coexists with thousands of companies dedicated to the same sector with different priorities and with a great rivalry in costs. That is why although this company is distinguished by its purposes or business model from its competitors, it is in a sector that is unattractive and very competitive among the companies that form it. A sector that is generally characterised by its difficulty in achieving market share unless products are differentiated in aspects such as quality or design (a strategy applied by Ecoalf given the high rivalry observed in the sector), and thus be able to achieve an advantage in competition in which to work and exploit with strategies.

Figure 30. Influence of the 5 forces of Porter in Ecoalf



Source: Own elaboration.

## 2.2.3. Competitive Analysis

### 2.2.3.1 Levels of competition

To carry out the competition analysis, we first identified Ecoalf's competition levels. Afterwards, the main competitors will be chosen and evaluated and the objectives and their strengths and weaknesses will be analysed.

We will divide the competition into two. Direct competitors are those that are in the same market as Ecoalf and target green consumers who prefer sustainable brands. And the indirect ones, which are those that offer the same products as Ecoalf and satisfy the same need that is dressing.

From the consumer's perspective, there are four levels of competition as can be seen in the Figure 31.

Figure 31. Levels of competition



Source: Own elaboration

- **Competition in product form.** In this first category, competition refers to brands that offer the same service in the same market. Direct competitors of Ecoalf are those whose objective is to improve and protect the environment. Brands such as El Naturalista, Skunkfunk, Patagonia, Genuins, Re/Done or IAIOS.
- **Competition in the product category.** This second level of competition includes indirect competitors. Brands that offer the same attributes but in a different presence. Brands like Guess, Chanel, Dior, Gucci or Louis Vuitton
- **Generic Competition.** They are those substitute products that can solve the same need, in this case dressing. There is no product other than clothing that can cover this need.
- **Budget competition.** Finally, the fourth level of competition is those who fight for the same consumer budget. Like Nike, Patagonia and North Face.

## 2.2.3.2. Main competitors

After having determined the strategic sector, we are going to analyse the potential competitors of Ecoalf.

The logo for Patagonia, featuring the word "patagonia" in a bold, lowercase, sans-serif font. A registered trademark symbol (®) is located at the top right of the word.

First of all, Patagonia is one of Ecoalf's main competitors. It is based in Ventura, California. Patagonia was born in 1973 to protect wild places and discover its environmental footprint as much as possible.

Although it was not officially a company until 1965, when its products began to be manufactured industrially, and it was not called Patagonia until 1972, Patagonia began its activity several decades before in an improvised and artisanal way on the patio of the house of the parents of its founder, Yvon Chouinard. The brand is dedicated to manufacturing sportswear for extreme sports such as surfing, climbing or snowboarding.

Since the 1980s, they donate 1% of their profits to small associations that fight to preserve the conditions of the soil, water and air. Its motto is: "We are in business to save our home planet. His idea is to use all the elements that the organisation has to use as a tool to raise awareness and generate a positive impact.

Patagonia has developed in line with the principles of its founder, but also responding to the needs of a new society, a changing world and a new environmental situation. Patagonia has been and is a liquid and flexible brand that adapts.

The company has developed in line with the principles of its founder Yvon Chouinard. But also responding to the needs of a new society, a changing world and the situation in which the environment finds itself.

The company offers facilities to repair its products (some even for free) and bets on materials of the best possible quality. This philosophy has made them position themselves as one of the largest companies in the textile sector.

It uses recycled and recyclable materials so that its products can last over time. In addition to designing and producing outdoor clothing and other accessories for silent sports, Patagonia

# ECOALF

wants to "responsibly give consumers what they need, contributing to a better world", making marketing its core business.

Recycled materials include recycled nylon, polyester, wool, organic cotton and hemp, a natural fibre grown with low environmental impact, among many others.

Its products are aimed at men, women, children and babies. It includes jackets, fleeces, vests, t-shirts, jumpers, sweatshirts, pants, swimsuits, accessories and even wetsuits and fishing overalls.

The company uses the 5Rs, reduce, repair, reuse, recycle and reimagine, in its strategy. Through its advertising campaigns, Patagonia encourages consumers to repair the environment and use used products instead of buying new ones. As its CEO, Rose Marcario, says, "The more we conserve our products, the more pressure we will take off our planet."

In conclusion, Patagonia is Ecoalf's strongest competitor. The main reason is that the company's mission and objectives are very similar to those of Ecoalf. In addition, the products of the two brands are very similar and both seek durability in their products made with recycled materials. Therefore, your target audience is the same.



The North Face was born in the North Beach neighbourhood of San Francisco in 1966 by two lovers of hiking. In the 1960s, the brand became a hit with mountaineers and began sponsoring expeditions to uncharted corners of the planet.

It is a brand of sports equipment and is known throughout the world for the quality and qualities of its products that make them suitable for practising mountaineering, hiking and skiing sports.

The brand philosophy is a bit different from that of Ecoalf: create the best equipment for the outdoors, support the protection of unexplored places, and promoting a global movement of exploration of the outside world (The North Face)

# ECOALF

Its products are aimed at men, women and children. It includes jackets, t-shirts and shirts, vests, pants, skirts, dresses, thermals, footwear, accessories and even sleeping tents.

Its products are not produced with recycled materials, but it does have a strong Social Responsibility (CSR) policy. It stands out for its effort in eliminating per fluorinated substances from its garments, which are harmful to the environment.

The design is similar to Ecoalf and its products have similar characteristics such as water repellent techniques, breathability and the thermal aspect that is common in many of Ecoalf's products.

It presents an average of prices similar to those of Ecoalf. Some of the products do have a much higher price, some of their jackets costing 700 euros.

The north face is a potential competitor, due to the great similarities it has with Ecoalf. Although it is not a company that uses 100% recyclable materials, it is also known for being socially responsible for the environment.



Skunkfunk was founded in 1997 by Mikel Feijoo, a Basque history graduate, who began selling in Spain the leather jackets he bought in London.

The brand is a great competitor of Ecoalf since it is a company dedicated to slow fashion, that is, it produces sustainable fashion. Skunkfunk designs all their clothes from scratch in Bilbao. It was founded 20 years ago and has several stores in Spain and a few in France, Portugal and Chile. It also produces its articles with recycled material and collaborates with other brands. It also offers the option of renting its garments for a lower price than the purchase price.

The brand's message is: dress as you are, as you feel, as you live; strengthen your identity, express your essence and take care of your environment.

The products are aimed only at women and the garments are not so sporty but more casual. They define their garments as functional, feminine and casual with a creative touch. Regarding the prices, they are similar to those of Ecoalf depending on the garment. Jackets, which are the most expensive products at Ecoalf, at Skunkfunk are no more than €200. Therefore, prices tend to be more or similar or lower.

**Table 6. Comparison of competitors**

	<b>patagonia®</b>	<b>THE NORTH FACE®</b>	<b>S K F K™</b>
Date	1973	1966	1997
Founder	Yvon Chouinard	Douglas Tompkins and Susie Tompkins Buell	Mikel Feijoo Elzo
Origins	Ventura, California (USA)	North Beach, San Francisco (USA)	País Vasco (Spain)
Website	<a href="http://www.patagonia.com">www.patagonia.com</a>	<a href="http://www.thenorthface.es">www.thenorthface.es</a>	<a href="http://www.skfk-ethical-fashion.com/es">www.skfk-ethical-fashion.com/es</a>
Level of presence	International	International	International
Target	- Women and men (18-35 years old) with disposable income, have an active lifestyle, enjoy nature and the outdoors, prioritise quality products and conscious shoppers. - Kids.	- Women and men (15-45 years old). Trendy outdoor enthusiast. Cares about quality and innovation. Consumers who are athletic and have a healthy lifestyle.	- Women (24-40 years old) who want to differentiate themselves and who are not exclusively looking for the trend. They also care about the environment.
Sales model	Retail stores and online.	Retail stores and online	Retail Stores and online
Mission	"We're in business to save our home planet."	"Provide the best gear for our athletes and the modern-day explorer, support the preservation of the outdoors, and inspire a global movement of exploration."	"Teaching respectful design and production"
Social	Facebook, Instagram,	Facebook, Instagram,	Facebook,

networks	Twitter, YouTube and LinkedIn, Pinterest and TikTok.	Twitter, YouTube and LinkedIn, Pinterest and TikTok.	Instagram, LinkedIn and YouTube.
Competitive advantage	Differentiation	Differentiation	Differentiation
Strengths	<ul style="list-style-type: none"> <li>- Excellent reputation and philosophy</li> <li>- Eco-Conscious Mindset</li> <li>- Effective Marketing</li> <li>- Loyal clients</li> <li>- Good H.R strategies</li> <li>- Intense dealer community</li> </ul>	<ul style="list-style-type: none"> <li>- High-quality products</li> <li>- Strong global presence</li> <li>- Huge focus on product technology</li> <li>- Commitment sustainability</li> <li>- Sell more than a product (experiential marketing)</li> </ul>	<ul style="list-style-type: none"> <li>- Brand and group management</li> <li>- Specific target</li> <li>- Commitment sustainability</li> </ul>
Weaknesses	<ul style="list-style-type: none"> <li>- Low market presence</li> <li>- Dependence on the US market</li> <li>- Expensive products</li> <li>- Lagging on Technological Sector</li> </ul>	<ul style="list-style-type: none"> <li>- Products perceive as "too expensive"</li> <li>- Initial difficulty in attracting the consumer on their first purchase.</li> <li>- High attrition rate in the workforce</li> </ul>	<ul style="list-style-type: none"> <li>- Products more expensive than average</li> <li>- Little known brand</li> <li>- Lack of brand promotion</li> <li>- Little use of social media</li> </ul>

Source: Own elaboration.

## **2.3. Market analysis**

### **2.2.2. Sector Analysis**

The textile sector is currently picking up and adapting to many changes in which the different or new purchasing behaviours of consumers, new production channels or new product manufacturing technologies stand out, among others.

That is why when an analysis of the current industrial district is made for this sector, we find many peculiarities that are different from the rest of the sectors.

In the first place, an industrial district refers to a community of companies located in a certain geographical area, regardless of the sectors or activities that they are engaged in within this delimited area.

According to the last sectoral report published by CESCE in 2019 where the textile sector was analysed in detail, it was said that the most important communities or where this sector



generates the most employment, number of companies and turnover would be the following: Valencian Community (concentration of companies in footwear especially in Elche, Elda and Petrer), Catalonia (the main geographical area of the textile industry where the logistics platforms of the Inditex Group are located for brands such as Massimo Dutti, Bershka, Oysho and Stradivarius), Galicia (where the clothing industry would be It is the most important in employment in the textile industry and the headquarters of the Inditex group is located there, in addition to its logistics platforms for Zara and Pull&Bear) and Andalusia. Regarding the geographical distribution of the industrial districts of the textile sector in Spain, it can be seen that this sector is very diversified geographically. This diversification or lack of geographical concentration of the textile sector means that Spanish companies, with reference to international competition, offer quality textile products focused on the differentiation of their products rather than costs.

The problem with this sector is that, given the operational efficiency, the strong economies of scale and global production located in Asia, the concentration of these companies in the autonomous communities or the emergence of different industrial districts in Spain is not entirely taken advantage of by these businesses since they do not see it possible to acquire the level of competitive advantage in costs that the companies that produce their products in those regions have.

Ecoalf does not consider this problem as relevant, even though it is part of the textile sector since its business model is completely different. In other words, they are guided by their company values and do not focus on low-cost mass production and maximising profits like most companies in the sector.

What really worries you as a company about this lack of efficiency in the textile sector in Spain is that it does not delve into the recycling processes, use of resources, and reuse processes that an industrial district could offer you. In addition to the fact that it could arise among the companies concentrated in the defined geographical area to share a spirit of collaboration and innovation with the products and thus be more likely to lean towards sustainable fashion or environmental responsibility with their products.

In addition to the fact that Ecoalf, as has been mentioned, in its beginnings it was difficult for them to organise themselves with everything related to logistics since they always maintain that their manufacturing and recycling process must be located where the materials or waste necessary for the production processes and products. And although this company rule sometimes supposes a problem to integrate into the industrial districts in Spain to which they

always move abroad due to lack of materials for their products (for example in Thailand), they would prefer that even so these industrial districts were strengthened already who also currently work on many waste collection projects in the Mediterranean Sea and that implies an adaptation of their manufacturing and recycling processes in that area.

On the other hand, the instruments used by companies to introduce sustainability into the core of their decisions and their strategy are not homogeneous either, but a clear indication that the commitment is firm is that 82% of the large global companies in the sector have approved formally, through its board of directors, a policy on sustainability. (Shaking Sustainability, 2021)

Pablo Bascones, a partner at PwC, says in this regard that, although "there is no single model, sustainability should be represented in the highest governance bodies, since financial and non-financial conditions influence business." (Pablo Bascones, 2021)

For the PwC executive, fashion "is in line with other sectors" in terms of sustainability, but he warns that "the question is whether it is a sector that requires a more relevant effort than others." "Let us bear in mind that the textile industry has doubled its production in recent years and is one of the most intensive industries in greenhouse gas emissions," he underlines.

He also points out the lack of visibility. However, limited the subcontracting chains between suppliers are (restricted by most company codes of conduct), experts point out that it is impossible to measure the impact when the origin of the fibres, yarns and fabrics is not known. of most of the garments that are manufactured.

According to Shaking Sustainability, 42% of the main international companies in the fashion sector acknowledge that they do not have visibility on the environmental impact in Tier 3, that is, those companies that supply the companies that in turn serve the suppliers of Fashion. Those that measure this impact generally do so with estimation models.

### **2.3.2. Consumer Analysis**

In recent years, the trend of ecological and social awareness in fashion products has grown. The new generations of consumers have incorporated these environmental and social concerns into their scale of values and into their purchasing process.

The value system of sustainable fashion consumers attaches great importance to ecological sensitivity, sustainable awareness and social responsibility. (Barbeta Viñas, 2019).

Some of the common traits that define these consumers is that they are informed and intellectually curious people. Searching for information on companies that produce clothing is the first step towards sustainable consumption.

Their purchases are generally made at a higher cost than fast fashion consumers, since there are other variables that they consider when buying, such as the values of the brand, its sustainable strategy, the quality of the garment or the tendency. Highlighting a more timeless style so that the duration of the product can be extended. (D.C. Angelis, 2021)

79% of consumers are changing their purchasing preferences taking into account the criteria of social responsibility of the company and the environmental impact. COVID-19 has increased the level of awareness and commitment to sustainability. (A. Erdozain, 2021)

A study carried out in Spain by SPA and Qualtrics, indicates that 42% of consumers consider sustainability an important issue for them.

84% assure that they frequently certify the origin of the raw materials of the products they buy. The study also indicates that 50% ignore the recycling policies that clothing items have.

The characteristics or behaviours that sustainable consumers share are:

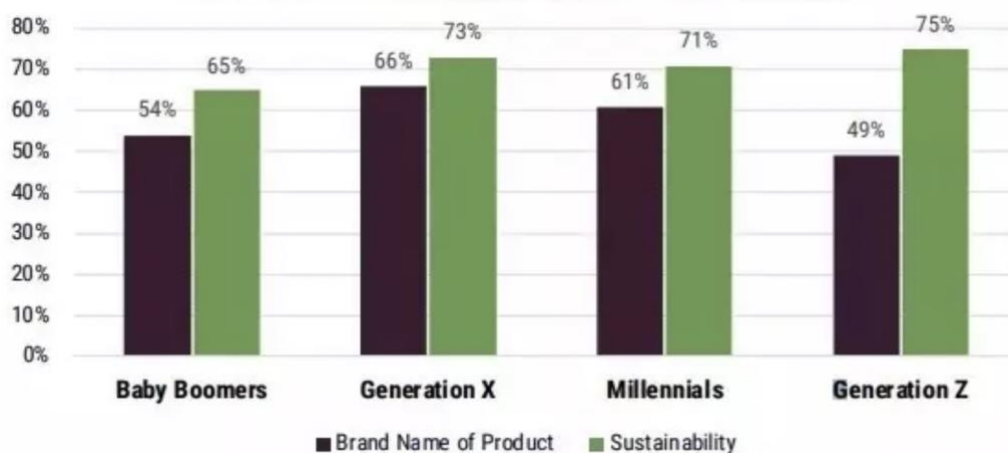
- It prioritises quality over quantity and the low price of other aesthetically similar products.
- Choose garments that are less subject to the seasons so that they can be used longer and do not go out of style.
- They reject unethical brands. That they do not treat their workers well or with poor working conditions.
- They reject companies that use products with a high environmental impact such as chemicals, plastics or nylon.

- Age: young people between 18 and 25 years old are the most aware when it comes to consumption. They are those who are committed to sustainability and responsible consumption.

As we can see in Graph 13, Generation Z cares more about sustainable purchasing decisions. It is the one that cares the most about the well-being of the planet. 75% of generation Z takes into account the sustainability of the company. Followed by generation X (35-45 years) being 73%.

On the other hand, those who care the most about the brand name are those of generation Z with 66%.

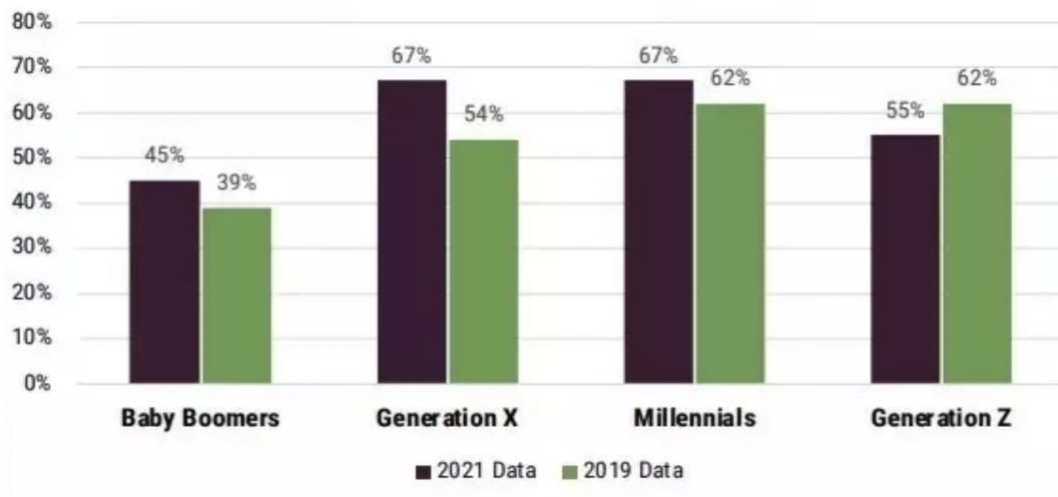
**Graph 13. Importance of sustainability when making a purchase**



Source: World economic forum website.

Spending on sustainable brands and products by Generation X has increased by 24%, it has been the most significant change. The behaviour of the other groups has followed a similar trend. Except for generation z, which has reduced sustainable purchasing to 55%.

**Graph 14. Prefer to buy sustainable brands**



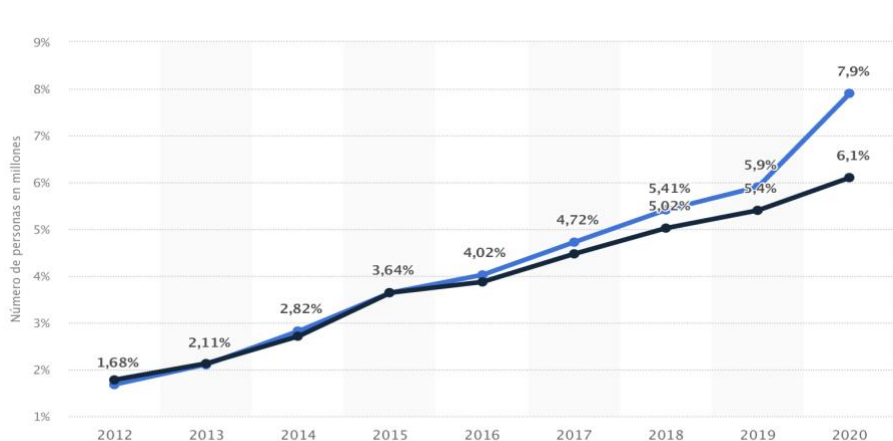
Source: World economic forum website.

- Gender:

There is a greater trend over the years that women generally buy more clothes than men.

In the Graph 15 we can see online shopping by gender from 2012 to 2020. In recent years the difference has been greater. In 2020, women have surpassed men by 1.8% (Number of people in millions).

**Graph 15. Online fashion buyers by gender in Spain 2012-2020**



Source: Statista.

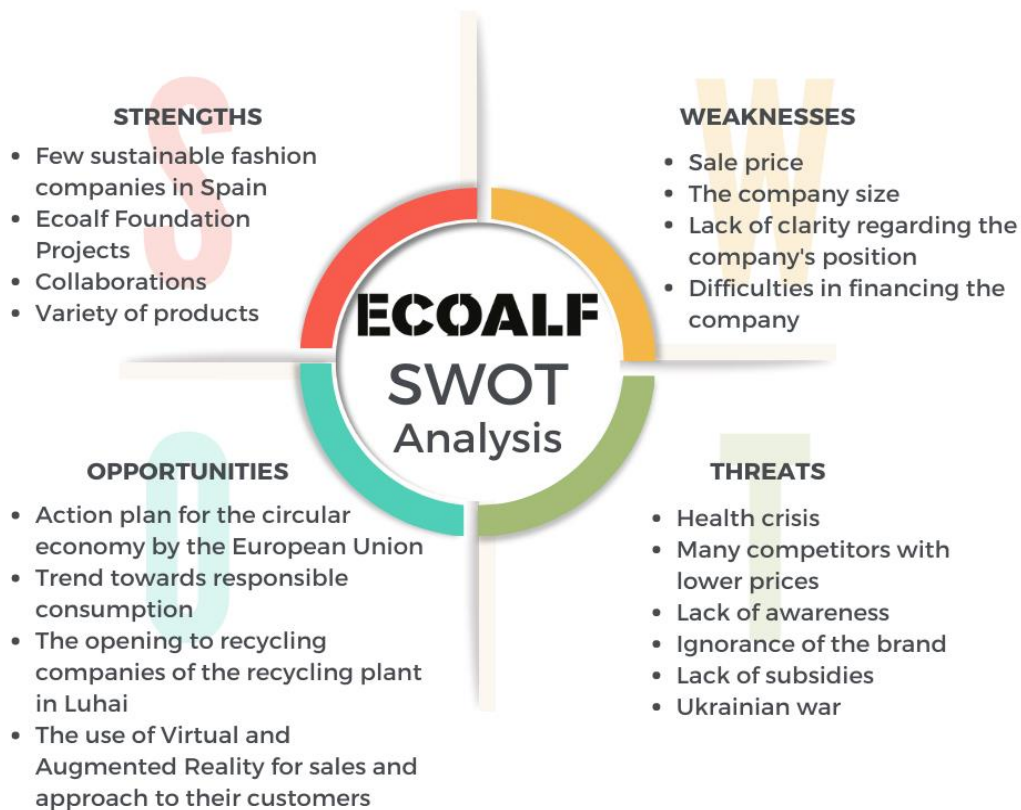
On the other hand, women are more environmentally aware and adopt more sustainable behaviours. 61% of women acknowledge their responsibility for climate change. They also give more importance to the social responsibility of the company than to men when deciding which products to buy (28% vs. 20%).

Other examples that demonstrate greater awareness on the part of women are the consumption of products packaged in trays (12% women and 21% men), the use of plastic bags (72% women vs. 78% men) or the purchase of second-hand clothing (26.5% women and 22.8% men). Only 4% of women do not take any action to reduce their environmental footprint, 10% in the case of men. (Susanna Capecchi, 2018)

### 3. SWOT ANALYSIS

Below is an analysis of the situation. On the one hand, the internal situation, in which the weaknesses and strengths of Ecoalf will be analysed. And on the other hand, an external analysis of the external situation through the opportunities and threats that affect Ecoalf.

Figure 32. SWOT Analysis



Source: Own elaboration

Every company needs to know and evaluate its internal situation. **Strengths** are those positive points where the company outperforms the competition and manages to create a differentiation in the market.

- Ecoalf's main strength is that it is dedicated to producing sustainable fashion, which is why it can attract a large number of customers who are concerned about the environment. Furthermore, as it is one of the few Spanish companies in this sector dedicated to sustainability, this represents another strong point for the company.
- Another of Ecoalf's strengths is the projects carried out by its Foundation, which can generate a lot of interest in the public.
- It is also worth highlighting the collaborations it carries out with other companies. These help you expand at a lower cost.
- Finally, mention that although Ecoalf has to limit itself to producing the products that the raw materials used to allow, it manufactures a wide variety of garments and accessories. It also produces all kinds of products and does not focus only on sports products as other sustainable fashion companies do.

**Weaknesses** are areas of the organisation where the company falters and causes the company itself to be at a disadvantage compared to competitors. Taking them into account or identifying them and striving to remedy them is the objective of this analysis.

That is why these weaknesses for Ecoalf would be the following:

- One of the main ones is the sale price since it is quite high and many consumers cannot afford it or are not willing to pay. In addition, these high prices take away from the company the ability to have a competitive advantage.
- Small company size and small own physical stores.
- Little precision and clarity regarding positioning. The company stands out for the differentiation of its products, design and quality, but its price is low considering that they are ecological, so this price takes away the prestige of the brand. But they offer a price not high enough to compete with non-ecological fashion brands.
- Difficulties regarding the financing of the project, although the company has increased its income, it has not grown enough to improve the results. The company has a very high-cost structure due to quality, the promotion they want to offer their customers and

the investment in the manufacturing process so that it is less harmful to the environment.

Regarding the external environment of the company, opportunities and threats.

The **opportunities** will be analysed, which are all those external factors that favour the company directly or indirectly.

- The most important and very current opportunity for Ecoalf is the presentation of a new action plan for the circular economy by the European Union. This is one of the main elements of the European Green Deal that supports sustainable growth in Europe. After the COVID-19 crisis, the EU is trying to carry out an economic recovery plan that further integrates environmental responsibility. Companies with design and production with circular economy criteria will be prioritised and new legislation will be incorporated so that products manufactured in the EU last longer and can be easily recycled and reused.
- Other opportunities that have arisen after COVID-19 have been that the trend that has been observed in recent years regarding consumer behaviour towards responsible consumption has increased due to greater awareness of the environment. Exactly, according to the study "THE NETWORK OF CHANGE: consumers facing the challenge of sustainable recovery", carried out by Wallapop in collaboration with Ipsos, said that: "83% considered that each individual is as responsible for the sustainability of the planet as the government, international organisations and companies, and 76% had already changed their habits before to fight climate change. Of that 73% of Spaniards believe that, in the long term, the climate crisis is as important as that of COVID-19 and two-thirds support a "green recovery" for this crisis. This means for Ecoalf an expansion in its clientele since consumers now value the climate change crisis more and are more aware of their purchases.
- Another opportunity that Ecoalf can take advantage of when operating and travelling in Asian regions such as China is the Luhai recycling plant by TOMRA Sorting Recycling. A facility designed to process tons of solid waste per year and reduce millions of tons of CO2. It is equipped with the most advanced recycling technology that recycling companies like Ecoalf can use to facilitate their transformation process.



- The latest technology that could be an opportunity for Ecoalf is Virtual and Augmented Reality, which companies in the sector have been using for the last few years. These technologies make it possible for customers to see and “try on” how they would look in that specific garment and its properties. Ecoalf could verify the quality and materials of its products to its customers with these technologies, and thus make their comparisons with other more polluting products and thus evaluate their purchase.

Finally, **Threats** are factors that can harm the business in the future.

- The main threat today is the health crisis we are experiencing worldwide. Like every crisis, it has had a strong economic impact on all families, which is why many of them can no longer afford to consume these types of goods very often. In addition, because of this, they will also prefer cheaper clothes. The company is affected by not being able to obtain as many benefits and thus lowers the production of its garments and accessories.
- Another threat that should be highlighted for this company is that there are many competitors in the textile sector, and in addition, many of the competitors have cheaper prices, although probably not all of them have good quality. Therefore, consumers may prefer other types of brands or garments.
- On the other hand, today there is more environmental awareness than a few years ago, but even so, there is not enough awareness among some groups of people, so many people are not attracted to this company since they do not care if they use this kind of materials for their goods.
- It should also be noted that the brand is still very unknown to many people, so many people still do not know that equally good and attractive garments can be made with other materials that respect the environment.
- Another threat that this company faces is the lack of subsidies from the State, which greatly affects this type of company, which should be more backed by the Government.
- Finally, the war in Ukraine and Russia has affected companies that are in the fashion sector. This is due to the rise in fuel and energy prices, which has affected the transport of garments and raw materials.  
This affects many Spanish companies, including Ecoalf.

In addition, the conflict will probably cause a general increase in the shopping basket, so that the purchasing power of consumers will decrease.

Ecoalf is a company with quite high prices, so consumers may prefer to buy more affordable clothing without caring about the sustainability factor.

Each of the weaknesses and strengths has been identified, in addition to the opportunities and threats that the company currently has. In other words, the high costs that differentiation entails for Ecoalf, thus achieving this company's position in the market with a high sale price. Opportunities such as the trend of consumers in the textile sector toward sustainable fashion, reinforce its strengths that come from the characteristics and quality of its products with respect to its competitors. And also, the health and economic crisis of Covid-19 had already been mentioned, which makes the survival and profitability of businesses difficult at the moment.

However, after further evaluating these four factors at Ecoalf, we can conclude that although Covid-19 is slowing down and weakening companies in any sector, including textiles. The opportunities offered by the action plan for the circular economy by the European Union or the increase in cases of customers who support responsible consumption can show that in the coming years, the business model carried out by Ecoalf will be reinforced, turning it into a reference of sustainable fashion. Since few competitors can afford to restructure their business models and improve the quality of their products. Although they still need to improve certain aspects that weaken them as a company, such as the lack of clarity of the company's position in the market.

## **4. SEGMENTATION**

### **4.1. Segmentation strategy**

After identifying and establishing the levels of competition of the company and the main competitors of Ecoalf.

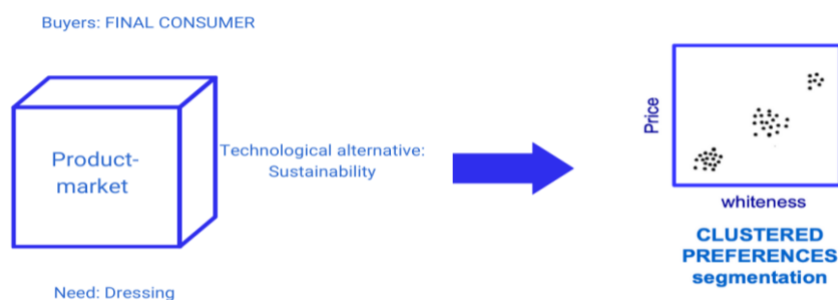
Market segmentation has been carried out where Ecoalf divides the fashion market into smaller and clearly identified groups to focus their production and marketing strategies on a specific target market.

We can define segmentation as the process aimed at identifying consumers with homogeneous preferences in order to establish an offer or differential marketing program, for each segment chosen by the company (Fundamentos de Marketing, 2014)

Ecoalf has considered that consumer preferences are grouped, the company has designed a distinctive product from other clothing brands, in this case, 100% ecological garments with recycled raw materials. Ecoalf clearly differentiates groups of individuals with homogeneous characteristics that are different from each other, proposing different offers for each one of them.

Therefore, as they have grouped preferences, the company will carry out a single marketing strategy for all its segments, that is, it will carry out segmented marketing. (Figure 33)

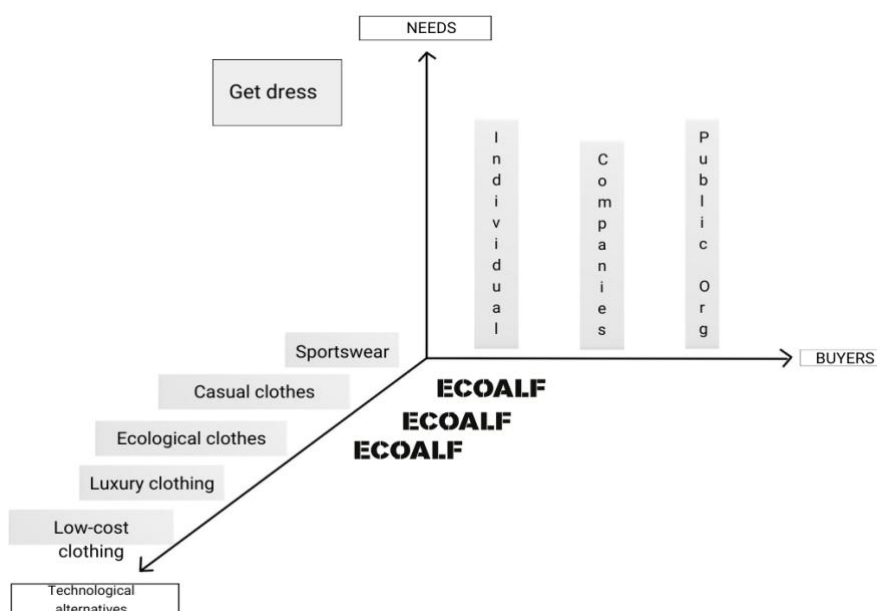
**Figure 33. Segmentation is done within the product-market**



Source: *Fundamentos de Marketing, 2014.*

Ecoalf's product-market is made up of the need to dress, which is satisfied with the technology of sportswear, casual and ecological clothing. (Figure 34)

**Figure 34. Product- Market of Ecoalf**



Source: *Own elaboration.*

Next, we will analyse the product-market that Ecoalf is targeting, taking into account the demographic and psychographic segmentation criteria. The demographic criterion is important because Ecoalf is characterised by targeting young people since its garments are youthful and urban. The psychographic criterion is also relevant because the company targets people with a specific lifestyle and values.

Based on these criteria, four segments have been identified in Figure 35.

**Figure 35. Market segments**



*Source: Own elaboration.*

- **Green people:** Young people (18 - 35 years old) aware of the environment. They are young people with families that have medium/high purchasing power. They will be doing their university studies, developing their professional career or working and have a good salary, since the garments are not characterised by being cheap. This segment is not sensitive to prices. This segment is distinguished by its lifestyle and its values: they prefer types of clothing that help reduce waste in the oceans and help the environment. They care about looking at what the materials of the garments are made of and their conditions.

- **Non-Green people:** Young people (18 - 35 years old) with medium/high purchasing power. They are also fast fashion buyers and consume non-ecological products. His impulse when buying clothes is the attractive and youthful design and the good quality of the product. They are characterised by being young travellers with an intrepid attitude. They also like fashion and being in the latest trend.
  
- **Online shoppers:** This segment includes people who buy clothes online. They are young people who are used to using the Internet and shopping online (both on the computer and on the Smartphone) on a daily basis, so it is easy to reach this segment through social networks. These online shoppers gain insight into the companies they buy from and are critical of the brand. They tend to compare different brands to buy the best products and the best prices. The values by which they move are quality and trend.
  
- **Non-Online shoppers:** people who belong to this segment live in the capitals and are close to clothing stores. They are older than people in the online shopping segment and prefer to go to the physical store and try on clothes before buying. They like to be informed about what to buy and are less price-sensitive than the previous segment.

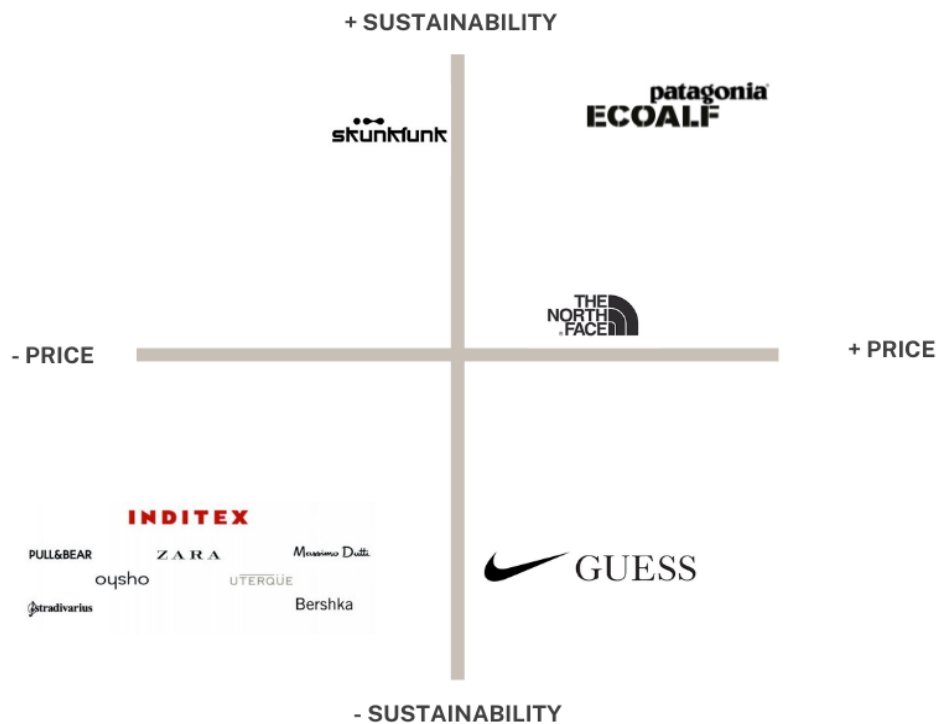
Green people is the segment that Ecoalf targets, but they also have to take into account the other segments. Since not all of them consume slow fashion, it is an opportunity for the company to bring awareness to this non-ecological segment. In the case of Ecoalf, as we have seen, the brand uses a **differentiation segmentation strategy** for their product market.

## **4.2. Positioning**

In this section, we have created a positioning map to see what consumers think about Ecoalf compared to its competition. We have defined two variables: price and sustainability. For the company, the sustainability factor is important to position itself against its competitors.

As can be seen on the positioning map (Figure 36), Ecoalf's potential competitors have been included.

Figure 36. Positioning Map



Source: Own elaboration.

## **5. OBJECTIVES**

After analysing the vision, vision and values of Ecoalf, the objectives to be achieved have been established accordingly.

There are different levels of goals that need to be considered. To achieve long-term goals, it is necessary to establish more specific short-term goals (less than 12 months). These goals have been categorised into finance, relationship, and business.

### **Financial Objectives:**

1. Increase profits from Ecoalf products by 10% in the next 12 months.

### **Relationship Objectives**

2. Customer retention: Increase customer loyalty by 20%. Through discounts and improved customer service.
3. Acquisition of new clients. Increase the number of visits to the website by 20 until the end of the year. In order to increase the number of visitors to the website, an updated version of the website will be created.

## **Business Objectives (Marketing activities)**

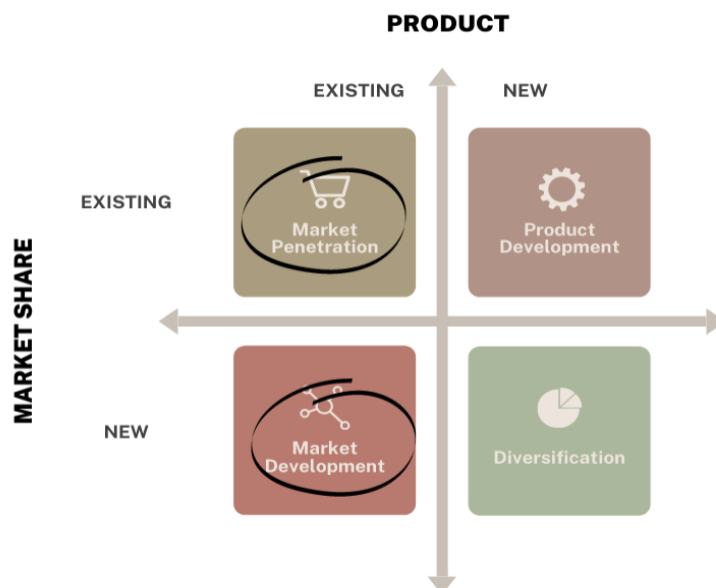
4. Improve sales by 10% in the next 5 months.
5. Increase the notoriety of the brand among the target audience, favouring its recognition and remembrance. Especially within the sustainability sector. If the client thinks of sustainable fashion, Ecoalf must appear in his mind.
6. Increase interaction with customers over the next year through online contests, raffles for their products or discounts, and through social networks, so that customers participate more with the company and, as a result, relationships last longer.

## **6. MARKETING STRATEGY**

### **6.1. Growth and diversification strategy**

To analyse which growth strategy Ecoalf should carry out, we will use the Ansoff growth matrix (Figure 37):

**Figure 37. Ansoff matrix**



Source: own elaboration.

After analysing the different strategies of Ansoff's growth matrix, Ecoalf must carry out the market penetration strategy. Try to increase the sale of your existing products by trying to increase the share of the current market that you are in.

The justification for choosing the strategy is that it is one of the safest and must be used more extensively before introducing the brand into new markets, creating new products or diversifying.

The choice of strategy is due to the fact that Ecoalf already produces a wide variety of sustainable products that already satisfy consumers. The creation of a completely new product would be a very high cost for the company.

Ecoalf operates in Europe, the USA, China and Japan. But the brand is especially found in the European market since it is the market in which Ecoalf sells directly, without the need for intermediaries, only through its physical store and its e-commerce.

Ecoalf is expanding to markets in different European countries. That is why it also uses and should continue to use the market development strategy. At the beginning of this year 2022, the company opened its first own company in Paris, thus expanding its market.

## **6.2. Competitive Strategies**

According to the four strategies of Kotler and Singh (Figure 38), the strategy that best suits the company is the challenger strategy because, without occupying the position of leader (competing companies such as Patagonia), it intends to achieve it.



**Figure 38. Kotler's Competitive Strategies**



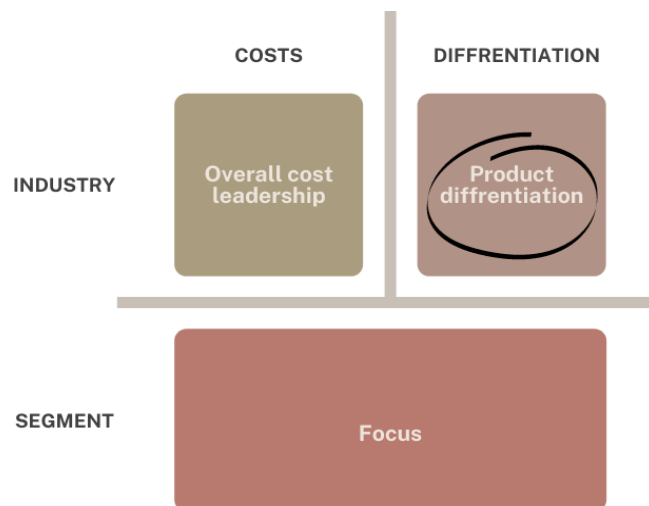
Source: own elaboration.

In the case of Ecoalf, it is a company that is beginning to be known internationally, so its objective is to take on the leading companies that are currently on the market.

### **6.3. Strategy as a competitive advantage**

On the other hand, if Porter's strategies are analysed concerning the desired competitive advantage (Figure 39), Ecoalf must carry out the differentiation strategy through its sustainable products.

**Figure 39. Porter competitive strategies**



Source: own elaboration.

Ecoalf began with the exclusive sale of clothing products, but due to collaborations it has been expanding and offering products from other sectors such as iPad cases, perfumes and jewellery. The entire range of the company's products has a characteristic that differentiates it from other fashion brands and that is the ecological recyclable raw materials with which all the products are made so as not to harm the environment.

CSR practices in a company imply high costs, either due to investment in manufacturing processes that are less harmful to the environment. Due to this, in comparison with the other competitors in the textile sector, the company cannot carry out a cost leadership strategy.

## **7. ACTION PROGRAMS**

### **7.1. Summary of action plans**

Actions	Objectives
<b>1. Select a new Packaging model and order its production</b>	<b>2.</b> Customer retention: Increase customer loyalty by 20%.  <b>5.</b> Increase the brand's notoriety among the target audience, favouring its recognition and remembrance.
<b>2. Choose the definitive range of discounts by points, both for online and in-store purchases.</b>	<b>1.</b> Increase profits from Ecoalf products by 10% in the next 12 months. <b>2.</b> Customer retention: Increase customer loyalty by 20%. <b>4.</b> Improve sales by 10% in the next 5 months.
<b>3. Conduct reviews each season of channel members.</b>	<b>1.</b> Increase profits from Ecoalf products by 10% in the next 12 months.  <b>5.</b> Increase the brand's notoriety among the target audience, favouring its recognition and remembrance.
<b>4. Improvement of SEM and SEO for the website.</b>	<b>1.</b> Increase profits from Ecoalf products by 10% in the next 12 months.  <b>3.</b> Acquisition of new clients. Increase the

	<p>number of visits to the website by 20 until the end of the year.</p> <p>4. Improve sales by 10% in the next 5 months.</p>
<p>5. Change the current images of the landing page of your website.</p>	<p>2. Customer retention: Increase customer loyalty by 20%.</p> <p>5. Increase the brand's notoriety among the target audience, favouring its recognition and remembrance.</p>
<p>6. Be more active on the social network YouTube.</p>	<p>3. Acquisition of new clients. Increase the number of visits to the website by 20 until the end of the year.</p> <p>6. Increase interaction with customers over the next year.</p>
<p>7. Perform a monthly contest on social networks.</p>	<p>4. Improve sales by 10% in the next 5 months.</p> <p>3. Acquisition of new clients. Increase the number of visits to the website by 20 until the end of the year.</p> <p>6. Increase interaction with customers over the next year.</p>
<p>8. Generate brand content on social networks.</p>	<p>2. Customer retention: Increase customer loyalty by 20%.</p> <p>3. Acquisition of new clients. Increase the number of visits to the website by 20 until the end of the year.</p>
<p>9. Organise monthly conferences</p>	<p>3. Acquisition of new clients. Increase the number of visits to the website by 20 until the end of the year.</p> <p>5. Increase the brand's notoriety among the target audience, favouring its recognition and</p>

	<p>remembrance.</p> <p><b>6.</b> Increase interaction with customers over the next year.</p>
<p><b>10. Send personalised newsletters to each client.</b></p>	<p><b>2.</b> Customer retention: Increase customer loyalty by 20%.</p> <p><b>5.</b> Increase the brand's notoriety among the target audience, favouring its recognition and remembrance.</p>
<p><b>11. Create an App for Android and IOs.</b></p>	<p><b>1.</b> Increase profits from Ecoalf products by 10% in the next 12 months</p> <p><b>4.</b> Improve sales by 10% in the next 5 months.</p> <p><b>5.</b> Increase the brand's notoriety among the target audience, favouring its recognition and remembrance.</p>
<p><b>12. Select and organise the most interesting sustainable fashion fairs for Ecoalf.</b></p>	<p><b>3.</b> Acquisition of new clients. Increase the number of visits to the website by 20 until the end of the year.</p> <p><b>6.</b> Increase interaction with customers over the next year.</p>

## 7.2 Product decisions

Action 1: Select a new Packaging model and order its production.

<p><b>Objective to which it contributes:</b></p> <p><b>2.</b> Customer retention: Increase customer loyalty by 20%.</p> <p><b>5.</b> Increase the brand's notoriety among the target audience, favouring its recognition and remembrance.</p>
<p><b>Implementation period:</b> 2 months</p>

**Responsible:** Department of production, purchases and Marketing (to agree on the new design)

**Description:** create a more resistant Ecoalf Packaging that is recognized by Ecoalf's target audience. That promotes originality and the ecological aspect. Offer a more efficient and sustainable one, that respects intact Ecoalf products.

These two aspects have been neglected lately, since orders are being shipped in conventional cardboard boxes.

The packaging has disfavoured the opinion of Ecoalf customers. Because the garments are shipped in a cardboard box with little protection.

They will use white corrugated cardboard boxes to protect the product further and wrap them with parchment paper. Use boxes that include a double closing system that facilitates opening and closing without damaging the flaps. The slogan “Because there is no Planet B” or “Act Now!” will be written on the box. In the corner of the box, the consumer will be able to read a phrase that motivates recycling.

Add adhesive tape to reinforce the security of shipments. This tape will have the Ecoalf logo.

**Figure 40. New Packaging for Ecoalf (with box)**



*Source: own elaboration.*

And in the case of being a more sensitive and lightweight garment (such as shirts), it can be sent with personalised and ecological compostable envelopes. This envelope will have the same design as the box.

Figure 41. New Packaging for Ecoalf (with envelopes)



Source: own elaboration.

The price would be €0.5/ each packaging. In 2020 the company had 6,822,458 clients, to be taken into account in the budget for the year.

### 7.3. Price decisions

Action 2: Choose the definitive range of discounts by points, both for online and in-store purchases.

**Objective to which it contributes:**

1. Increase profits from Ecoalf products by 10% in the next 12 months.
2. Customer retention: Increase customer loyalty by 20%.
4. Improve sales by 10% in the next 5 months.

**Implementation period:** 2 weeks

**Responsible:** Department of Marketing and Finance

**Description:** Choose the range of discounts, both on online purchases and in the store. These discounts will be made due to:

- Seasonal discounts

Seasonal discounts occur around a specific date or season and are often recurring.

Ecoalf will include discounts during celebrations, such as promotions for Nature Day or World Recycling Day.

- Volume discount

When you offer a volume discount, your customers end up paying less per item if they buy a

large quantity of that item.  
Discounts on high-priced items like jackets.

## **7.4. Distribution decisions**

### Action 3: Conduct reviews each season of channel members.

**Objective to which it contributes:**

1. Increase profits from Ecoalf products by 10% in the next 12 months.
5. Increase the brand's notoriety among the target audience, favouring its recognition and remembrance.

**Implementation period:** 12 months

**Responsible:** Sales Department

**Description:** Perform reviews every season to the members of the channel. Reviews on the volume of sales, the image of the brand, the margins they generate for Ecoalf, etc.)  
This action will be carried out to increase the notoriety of the brand since intermediaries offer visibility and promotion to the brand in different parts of the world.

## **7.5. Communication decisions**

### Action 4: Improvement of SEM and SEO for the website.

**Objective to which it contributes:**

1. Increase profits from Ecoalf products by 10% in the next 12 months.
3. Acquisition of new clients. Increase the number of visits to the website by 20 until the end of the year.
4. Improve sales by 10% in the next 5 months.

**Implementation period:** 2 months

**Responsible:** Marketing department

**Description:** Use this digital marketing tool to attract new customers and make them use

Ecoalf's website and thus improve SEO positioning.

One way to improve positioning is through the content of the web, the more related it is to the theme, the better positioned it will be in search engines. Another factor that improves the positioning is the loading speed.

One tool Ecoalf can use is Google's Keyword Planner (Figure 43) which is used to estimate the monthly traffic volume for a keyword or phrase as illustrated in the figure.

Keyword relevance must be balanced against keyword search demand. There is no benefit in ranking for a search phrase that no one searches for. All things being equal, a website should target search phrases with a higher level of search traffic.

**Figure 42. Google's Keyword Planner**

<input type="checkbox"/> Keyword (by relevance)	Avg. monthly searches	Three month change	YoY change	Competition	Ad impression share	Top of page bid (low range)	Top of page bid (high range)	Account S
Keywords that you provided								
<input type="checkbox"/> ecoalf	10K – 100K	0%	0%	High	–	€0.13	€6.89	
Keyword ideas								
<input type="checkbox"/> ecoalf mujer	1K – 10K	0%	0%	High	–	€0.10	€2.14	
<input type="checkbox"/> ecoalf outlet	1K – 10K	0%	0%	High	–	€0.12	€1.86	
<input type="checkbox"/> ecoalf el cort...	1K – 10K	0%	0%	High	–	€0.44	€4.27	
<input type="checkbox"/> ecoalf hombre	1K – 10K	0%	0%	High	–	€0.09	€2.93	
<input type="checkbox"/> ecoalf rebajas	1K – 10K	-90%	0%	High	–	€0.11	€2.41	
<input type="checkbox"/> ecoalf blanc...	10 – 100	0%	-90%	High	–	€0.73	€7.18	
<input type="checkbox"/> ecoalf mujer ...	100 – 1K	0%	0%	High	–	€0.28	€2.73	
<input type="checkbox"/> el corte ingle...	100 – 1K	0%	0%	High	–	€0.96	€7.23	

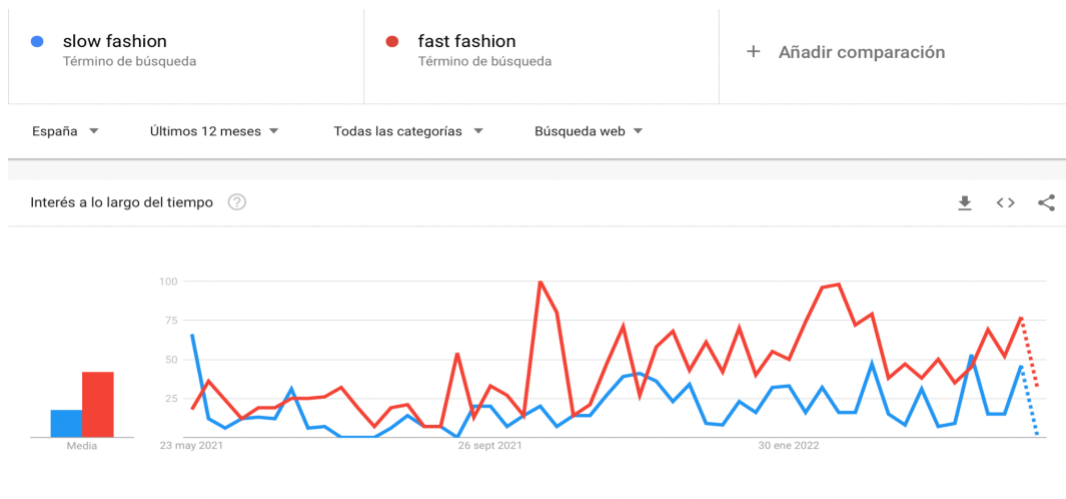
Source: Google's Keyword Planner.

Another useful tool is Google Trends (Graph 16), it allows you to follow the evolution of the search for a keyword over time. It can be useful to know if your brand's keywords are trending.

As can be seen in the figure 16The keywords “fast fashion” and “slow fashion” have been compared to find out which of the two has been searched for more in the last few months in Spain.



**Graph 16. Google trends**



Source: Google trends.

Regarding the SEM, Ecoalf will carry out an advertising action during June in Spain for the summer. To do this, you will use the Google AdWords platform. To do this, you will choose the target audience to which it is directed:

- Geography: Spain
- Device Type: Desktops, tablets and smartphones. Although the laptop is usually used to search for or buy clothes, young people use their mobile phones daily to do all kinds of searches.
- Timing: 10 to 12 and 18 to 20
- Language: Spanish

An adequate use of words and a correct segmentation of the target audience is necessary to reduce the cost of the advertisement. This cost will depend on the visits that the advertisement receives in June.

### Action 5: Change the current images of the landing page of your website.

**Objective to which it contributes:**

2. Customer retention: Increase customer loyalty by 20%.
5. Increase the brand's notoriety among the target audience, favouring its recognition and remembrance.

**Implementation period:** 12 weeks

**Responsible:** Department of marketing and graphic design

**Description:** Change the current images of the landing page of the Ecoalf website. Although it has a minimalist touch, the images are too cold and technical. That is why a change to the use of images in which the emotional side is enhanced.

Also, introduce stories associated with the brand with customer experiences.

An example is that of Patagonia (Figure 44), on its website it has a section just for that, which makes the brand feel closer to the customer.

**Figure 43. Story section on website**



*Source: Patagonia's website.*

## Action 6: Be more active on the social network YouTube.

**Objective to which it contributes:**

3. Acquisition of new clients. Increase the number of visits to the website by 20 until the end of the year.

6. Increase interaction with customers over the next year.

**Implementation period:** 12 months

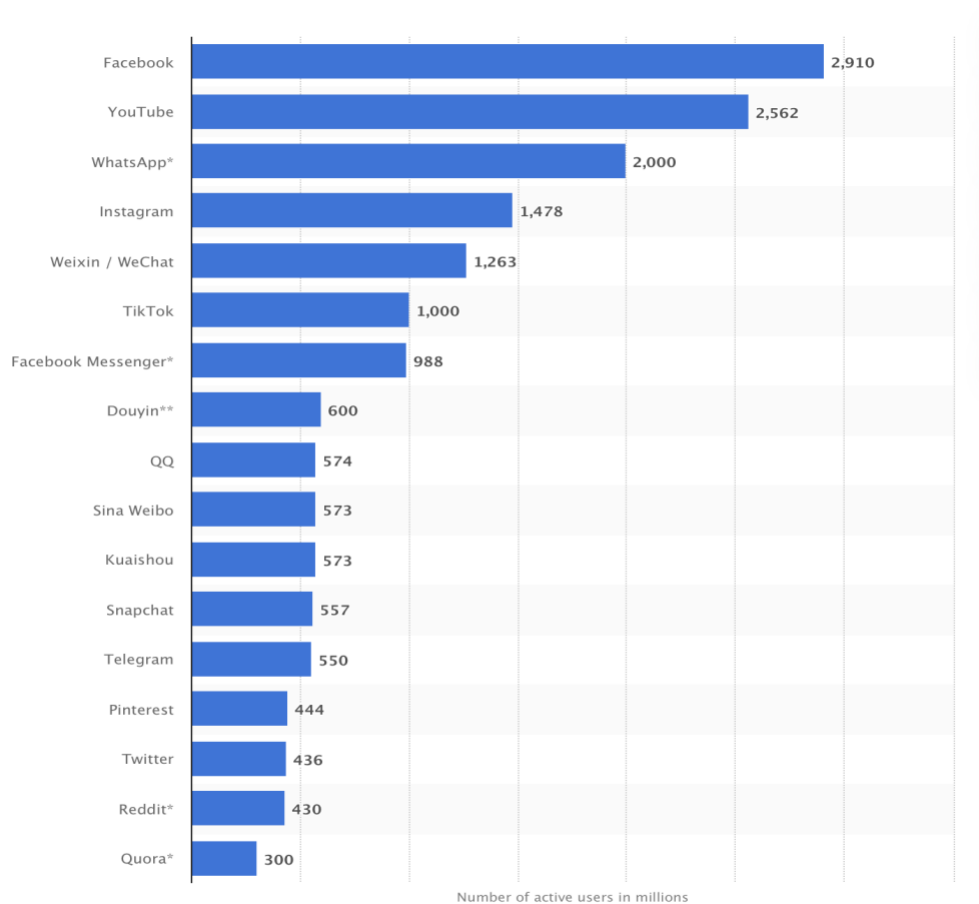
**Responsible:** Department of Marketing and graphic design

**Description:** Be more active on the YouTube social network to interact with existing Ecoalf customers and attract new ones to expand their community.

Ecoalf has a YouTube account that currently has 1,500 followers but is not very active on this platform.

YouTube is one of the most used social networks worldwide as we can see in the Graph 17.

**Graph 17. Most popular social networks worldwide as of January 2022, ranked by the number of monthly active users**



Source: Statista.

It is a way for people to get to know the company. Ecoalf has a wide variety of interesting content that you could upload. Some examples are:

- Production process of your products
- Stories of the workers and suppliers of the products
- Videos on the collection of recycled raw materials
- Shorts about the talks

## Action 7: Perform a monthly contest on social networks.

**Objective to which it contributes:**

4. Improve sales by 10% in the next 5 months.
3. Acquisition of new clients. Increase the number of visits to the website by 20 until the end of the year.
6. Increase interaction with customers over the next year.

**Implementation period:** 12 months

**Responsible:** Marketing Department

**Description:** Contest on the social networks to be able to interact with current and potential consumers.

My proposal is to hold contests every or almost every month. If communicated correctly without promotional intent, it can increase website visits and indirectly increase sales, thus also profits.

This will also improve customer satisfaction.

Contests will be held through social networks (Instagram).

- Carry out raffles with excess stock

In the publication (Figure 45), the participants will be asked some requirements: follow the Ecoalf account, put two accounts in the comments so that they can enter the draw and upload the photo uploaded by Ecoalf to their stories. With the #Ecoalf Giveaway

Figure 44. Contest example



Source: own elaboration.

- Hold contests where commitment to the environment is encouraged. (Instagram/Twitter)

For users to upload photos mentioning Ecoalf and contribute to the environment. Upload photos doing an ecological act. For example:

- Follow Ecoalf's Twitter
- Retweet the publication of Ecoalf where it announces the contest.
- Write a Tweet where people mention Ecoalf and put a photo of them doing an ecological act
- Use the hashtag #EcoalfActNow
- Run photo contests (Instagram)

Upload a photo of the last adventure in the environment (Hiking, biking, swimming in the ocean, etc.)

In it, Ecoalf must also be tagged in the publication.

## Action 8: Generate brand content on social networks.

### **Objective to which it contributes:**

2. Customer retention: Increase customer loyalty by 20%.
3. Acquisition of new clients. Increase the number of visits to the website by 20 until the end of the year.

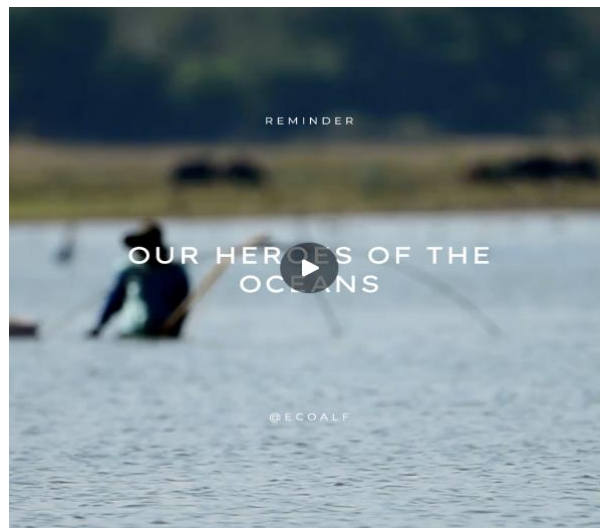
**Implementation period:** 12 months

**Responsible:** Department of Marketing and graphic design

**Description:** Generate original content about the brand on social networks. (Instagram, Facebook and Twitter). some of the examples:

- Produce reports on the materials with which Ecoalf products are made and the positive impact of their use.
- Show videos from inside the company: the employees, the workplace, etc. (Figure 46)
- Show products being used by customers, including posts they share on social media (with their permission)

**Figure 45. Content example for social media**



*Source: own elaboration*

## Action 9: Organise monthly conferences.

**Objective to which it contributes:**

- 3 Acquisition of new clients. Increase the number of visits to the website by 20 until the end of the year.
- 5. Increase the brand's notoriety among the target audience, favouring its recognition and remembrance.
- 6. Increase interaction with customers over the next year.

**Implementation period:** 12 months

**Responsible:** Director

**Description:** The Ecoalf Foundation participates in activities to make people aware of current environmental problems. To do this, he gives lectures around the world and for all audiences. The conferences are carried out by the Ecoalf team and are held in Ecoalf's own stores.

It is important to regulate these talks since this activity manages to capture the attention of many consumers. And it also promotes the values of the company and helps to interact with customers directly.

**Figure 46. Ecoalf Talks**



*Source: Ecoalf website.*

## Action 10: Send personalised newsletters to each client.

**Objective to which it contributes:**

- 2. Customer retention: Increase customer loyalty by 20%.
- 5. Increase the brand's notoriety among the target audience, favouring its recognition and remembrance.

**Implementation period:** 12 months (once a month)

**Responsible:** Marketing Department

**Description:** Optimise the quantity and quality of sending newsletters to customers. Sending them information about those articles or promotions that may interest them the most. Personalised emails, without resorting to mass messaging, with emails sent in a relaxed way over time and facilitating the option of unsubscribing at any time.

For this, it is necessary to analyse the information that Ecoalf has available from customers, in order to later send personalised newsletters to each of them with their: name, birthday, nationality, promotions, products that interest them, etc.

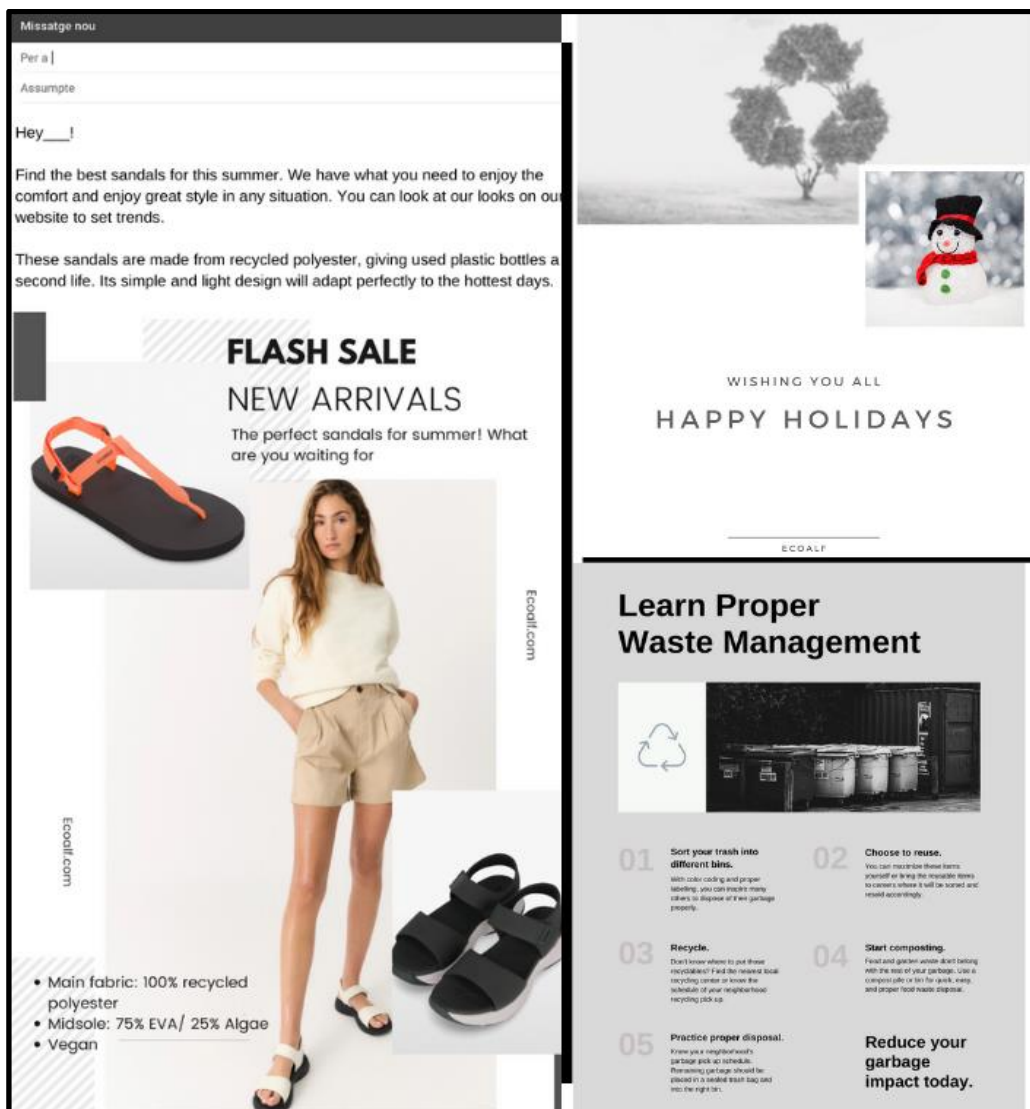
Some of the examples can be found in the Figure 47.

On the one hand, Ecoalf can send more personalised emails, such as a woman who is looking for comfortable sandals for the summer. Ecoalf sends a personalised email, greeting with the customer's name and offering the sandals on sale.

On the other hand, Ecoalf can send emails in more special seasons (Christmas, Easter, early summer, etc.) or emails about sustainability and how to protect the environment.



Figure 47. Newsletter example



Source: own elaboration.

This newsletter will be sent to the client once a month. For this, a payment tool is going to be used for it. The price of it will be approximately 12 euros per month.

## Action 11: Create an App for Android and IOs.

### **Objective to which it contributes:**

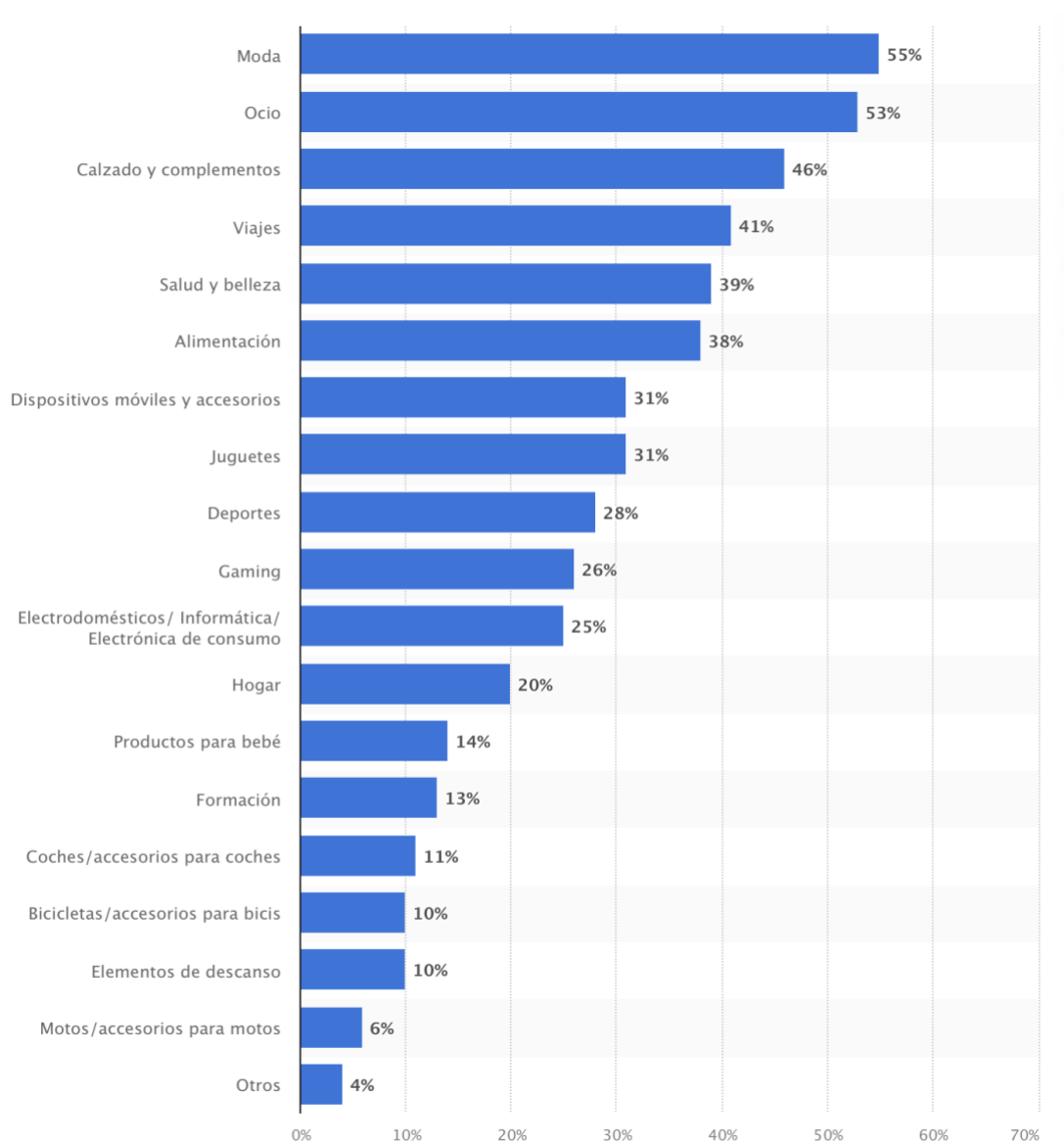
1. Increase profits from Ecoalf products by 10% in the next 12 months
4. Improve sales by 10% in the next 5 months.
5. Increase the brand's notoriety among the target audience, favouring its recognition and remembrance.

**Implementation period:** 6 months

**Responsible:** IT and design department

**Description:** Create an app to make online purchases through a mobile device to make it faster, easier and more comfortable. In addition, 55% of fashion products were purchased through a mobile device in Spain in 2021. Being the most purchased category in this way. (Graph 18).

**Graph 18. Products purchased online from mobile devices in Spain 2021, by category.**



Source: Statista

An example of a possible design of the Ecoalf application is shown in Figure 48.

Figure 48. App design for Ecoalf



Source: own elaboration.

Action 12: Select and organise the most interesting sustainable fashion fairs for Ecoalf.

**Objective to which it contributes:**

3. Acquisition of new clients. Increase the number of visits to the website by 20 until the end of the year.

6. Increase interaction with customers over the next year.

**Implementation period:** 6 months

**Responsible:** Marketing department

Description: Specialised fashion fairs are essential for contacting distributors who act as intermediaries for Ecoalf.

There are also very important fashion fairs in the sector such as:

- SEEK (<https://www.seek.fashion/en>) → Berlin
- Premiere Vision (<https://www.premierevision.com/en/?>) → Paris

These are two of the examples of fairs that Ecoalf could attend. For this, the company must rent the space and the equipped stand. In addition to insurance and cleaning.

Some to which Ecoalf has already attended, such as:

- Greenshowroom Berlin
- Ethical fashion show Berlin

These are the type of fairs that Ecoalf should attend, as shown in the figure 49.

**Figure 49. Ecoalf participating in a fair**



Source: Ecoalf's website.

## 8. TIMELINE

After analysing the different actions that are going to be carried out, this section shows the schedule of the activities to be carried out, and the duration that each one of them will have.

Action	1	2	3	4	5	6	7	8	9	10	11	12
1. Select a new Packaging model and order its production												
2. Choose the definitive range of discounts by points, both for online and in-store purchases.												
3. Conduct reviews each season of channel members.												
4. Improvement of SEM and SEO for the website.												
5. Change the current images of the landing page of your website.												
6. Be more active on the social network YouTube.												
7. Perform a monthly contest on social networks.												
8. Generate brand content on social networks.												
9. Organise monthly conferences.												
10. Send personalised newsletters to each client.												
11. Create an App for Android and IOs.												
12. Select and organise the most interesting sustainable fashion fairs for Ecoalf.												

## 9. BUDGET

<b>Actions</b>	<b>¿Who does the action?</b>	<b>Budget</b>
<b>1. Select a new Packaging model and order its production</b>	Produced by another company	3.200.000
<b>2. Choose the definitive range of discounts by points, both for online and in-store purchases.</b>	Own development	No money cost
<b>3. Conduct reviews each season of channel members.</b>	Own development	No money cost
<b>4. Improvement of SEM and SEO for the website.</b>	Own development	600€ (Cost per click, so it can vary)
<b>5. Change the current images of the landing page of your website.</b>	Own development	No money cost
<b>6. Be more active on the social network YouTube.</b>	Own development	No money cost
<b>7. Perform a monthly contest on social networks.</b>	Own development	No money cost
<b>8. Generate brand content on social networks.</b>	Own development	No money cost
<b>9. Organise monthly conferences.</b>	Own development	1000€
<b>10. Send personalised newsletters to each client.</b>	Own development	144€
<b>11. Create an App for Android and IOs.</b>	Develop by an engineer	4000€
<b>12. Select and organise the most interesting sustainable fashion fairs for Ecoalf.</b>	Own development	800€
<b>TOTAL</b>		<b>3.206.544€</b>

## 10. CONTROL

Objectives	Measuring frequency	Control method
<b>1. Increase profits from Ecoalf products by 10% in the next 12 months.</b>	Biannual	Review of the annual income and compare the results of the profits from the previous years.
<b>2. Increase customer loyalty by 20%.</b>	Four-monthly	- Customer survey every six months to measure consumer satisfaction and see if they will buy again. - Reading customer reviews
<b>3. Increase the number of visits to the website by 20 until the end of the year.</b>	Bi-monthly	Visit the counter on the web. (Google Analytics)
<b>4. Improve sales by 10% in the next 5 months.</b>	Four-monthly	Review of the annual income and compare the sales results from the previous years.
<b>5. Increase the notoriety of the brand among the target audience.</b>	Quarterly	Observe traffic in Google Analytics, the impact of branded keywords and mentions in social networks.
<b>6. Increase interaction with customers over the next year.</b>	Quarterly	Number of comments on social networks. And the number of participants in contests and giveaways held.

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