

# ***Research on the Positioning and Development Strategy of Archaeopteryx Brand in Chinese Market***

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**Abstract:** As people focus more and more on health, outdoor activities are becoming more and more popular, and Arc'teryx, as a leading brand in outdoor activities, has received a lot of attention recently, this paper adopts the literature review and case law method around Arc'teryx's itself, and researches on Arc'teryx's market strategy, technological innovation, market adaption, market competitiveness, etc., one by one, and this thesis has certain reference value for the positioning and strategy of Arc'teryx as well as other outdoor brands in the Chinese market, as well as in brand marketing, product innovation, consumer relationship management, and digital application. This thesis has certain reference value for Arc'teryx and other outdoor brands' positioning and strategy in the Chinese market, as well as in brand marketing, product innovation, consumer relationship management and digital application. It also points out that the brand recognition and product line concentration in Arc'teryx's high-end market are relatively low, and the future should further explore the regional market performance, changes in consumer behavior and the application of virtual technology.

**Keywords:** Archaeopteryx Brand, Development Strategy, Chinese Market

## **1. Introduction**

Among the outdoor activities that are growing in popularity as people become more conscious of their physical and mental health include hiking, climbing, skiing, and even marine diving. Without a doubt, the information and research presently available on outdoor activities shows the advantages that those who spend more time in nature have [1]. Arc'teryx, which has recently gained significant attention as a leading brand in outdoor activities, has undergone several significant ownership changes that have shaped its growth trajectory. Known for its high-quality and innovative outdoor gear, Arc'teryx has become a favourite among outdoor enthusiasts. In 1996, the brand secured a pivotal licensing agreement with Gore for the use of Gore-Tex fabric. This was followed by its acquisition by the Adidas-Salomon Group in 2002. Three years later, Finland's Amer Sports Group took over Arc'teryx following the spin-off of Salomon. The whole Amer Sports group, including Arc'teryx, was purchased by the significant Chinese business ANTA Sports in the beginning of 2019.

According to the provisions of the contract, Amer Sports would keep running as a separate business with no adjustments to personnel or management. Amer Sports would, however, have access to R&D funding and market research from the Chinese market. The previous Amer Sports president

was replaced by an ANTA official after a just 18 months in office. It was clear that Amer Sports would change course and give the Chinese market first priority [2]. Since its inception, Arc'teryx has steadily developed in the global market, winning wide recognition and loyal customers with its excellent product quality and innovation capabilities. The brand is particularly strong in North America and Europe, and through continuous technological innovation and marketing, Arc'teryx has become a leader in the outdoor equipment industry. However, with the increasing competition in the global market and the increasing popularity of outdoor activities, Arc'teryx is also actively exploring and expanding new market opportunities.

As one of the world's largest consumer markets, the Chinese market has huge development potential and strategic importance. With the rise of China's middle class and the improvement of living standards, more and more Chinese consumers have begun to pay attention to and participate in outdoor activities. The demand for high-quality outdoor equipment is also growing. The Chinese government's promotion of sports and outdoor activities and the implementation of a national fitness program have further boosted the trend.

For Arc'teryx, the Chinese market is not only an important sales growth point but also a key link in the brand internationalization strategy. Through cooperation with Anta, Arc'teryx can better understand and meet the needs of Chinese consumers and further enhance the brand's visibility and influence in the Chinese market. Arc'teryx has made local adjustments to its product design and marketing strategies. For example, the brand has introduced lightweight, breathable clothing tailored for the hot and humid climates of southern China and developed marketing campaigns that resonate with Chinese cultural festivals. Additionally, Arc'teryx has expanded its coverage in the Chinese market by opening brand flagship stores and expanding online sales channels.

In short, Arc'teryx's strategic approach in the Chinese market highlights its significant potential for growth and tailored strategies for success. The Chinese market, with its large consumer base and growing demand for high-quality outdoor products, is critical to Arc'teryx's expansion plans. With the support of Anta Sports and a focus on localized marketing and product development, Arc'teryx aims to consolidate its market position and continue its success in the dynamic Chinese market.

The purpose of this paper is to explore the positioning and development strategy of the Arc'teryx brand in the Chinese market and analyze its changes and impacts after being acquired by Anta. Through systematic research on the brand's performance, competitive environment, and market strategy in the Chinese market, this study tries to reveal how the brand Arc'teryx maintains its core competitiveness in fierce market competition and achieves sustainable development in the Chinese market.

The significance of this study is to provide a detailed analysis of the Arc'teryx brand in the Chinese market, offering strategic insights for brand managers and market strategists. By examining the impact of Anta's acquisition, this paper serves as a reference for other brands to adjust their marketing strategies both in the Chinese market and post-acquisition. Additionally, it explores the uniqueness of the Chinese market and consumer behaviour, providing strategic advice for the expansion of the Arc'teryx brand and other international brands in the Chinese market.

## 2. Arc'teryx Brand Evolution and Market Strategy

Founded in 1989 in Vancouver, Canada, Arc'teryx was started by a group of enthusiastic mountaineers who wanted to make high-end, high-tech sportswear. With an initial emphasis on climbing equipment, the company quickly expanded its product portfolio to include clothing for winter sports, hiking, and even urban wear—all while maintaining its dedication to innovation and functionality [3]. The brand was originally called “Rock Solid Manufacturing” until it was renamed Arc'teryx in 1991. The well-known Arc'teryx logo is derived from the fossil of Arc'teryx, which has also become the Chinese name of the brand.

As the first land animal to grow wings and evolve into a bird, Arc'teryx is significant in biological history, symbolizing natural evolution and the spirit of exploration, as well as the founder's vision for disruptive innovation in the outdoor industry. Arc'teryx's vice president of brand marketing, Karl Aaker, who just acquired the company, encouraged the company's leadership to stick to its roots by doing away with "Universal" apparel. The company needed to develop in order for the anticipated IPO, but Aaker intended to expand Arc'teryx shops while extending the product range without diminishing the core of the brand [4].

With the goal of creating lightweight, durable, and high-performance products. Chinese corporation Anta Sports purchased Arc'teryx and its parent company, Amer Sports, in 2018 [3]. The core concept of Arc'teryx is not to blindly follow the trend, pay attention to details and practicability, pursue perfection, deduce perfection, and never stop exploring. As a leader in high-end outdoor clothing equipment, Arc'teryx attracts senior outdoor enthusiasts and people who pursue high-end outdoor experience with its high-quality and high-performance products, especially the hardcore mountaineering single product known for GORE-TEX fabric shows the brand's technical strength and professional level, and establishes a solid market leadership position. Arc'teryx's product line covers high-performance, high-tech sportswear, and equipment for mountaineering, skiing, hiking, and everyday urban wear. Its main products include waterproof and breathable GORE-TEX jackets, functional backpacks, technical climbing clothing, professional ski clothing, and lightweight hiking gear, which are known for their durability and protection.

In addition, Arc'teryx presents a collection of everyday clothing that blends outdoor technology and urban fashion and is suitable for various activities in urban life. The core competitive advantage of the brand lies in the persistent pursuit of details and quality and continuous innovation ability. The main factors affecting the development of the Arc'teryx brand include market trends, consumer behaviour, and the competitive environment. The worldwide popularity of outdoor activities and the emphasis on health and nature experiences in the post-pandemic era have driven the growth in demand for high-quality outdoor equipment. At the same time, the trend of environmental protection and sustainable development has also influenced the brand's product design. Modern consumers value product performance, design, and brand values, and Arc'teryx meets these needs through technological innovation and localization strategies. In addition, in the face of competitors such as Patagonia and The North Face, Arc'teryx further captured market share by differentiating its competition.

### 3. Technological Innovation and Market Leadership

Arc'teryx has built a reputation for high quality and innovation in the outdoor sports industry, particularly excelling in technological advancements and the application of cutting-edge materials. At the Winter Market in 1997, Arc'teryx unveiled a revolutionary range of Gore-Tex alpine jackets, trousers, and bibs that revolutionised the market and demonstrated their unwavering dedication to innovation. Since then, designers from rival businesses as well as retail shoppers have come to appreciate Arc'teryx [5]. It is generally believed that Arc'teryx formed differentiated competition through its high-end market positioning and technological leading advantages, and the low-key image of the brand became its professional and elite competitive advantage. The research on the Arc'teryx brand mainly adopts a combination of quantitative and qualitative methods. In terms of data collection, most studies obtain information through market research, consumer interviews, and sales data analysis.

For example, some studies use questionnaires to understand consumers' cognition and satisfaction with the Arc'teryx brand and analyze the brand's market penetration combined with sales data. Although these methods can fully reflect the market performance of brands, they also have the limitations of sample selection bias and underrepresentation of data. Previous studies have found that

Arc'teryx performs well in the global market, especially in North America and Europe, with high brand awareness and consumer satisfaction. With an annual income of 36.3 billion US dollars, the United States is the biggest outdoor sports market, according to a Jing Daily article. In contrast, China generates \$20.5 billion in sales [6].

In addition, Arc'teryx has maintained strong competitiveness in a highly competitive market through high-end market positioning and continuous technological innovation. This casual costume illustrates the power of celebrity, further boosting popularity and influence in the Chinese market.

#### **4. Consumer Behavior and Market Adaptation**

In terms of consumer behaviour, modern consumers' emphasis on product performance, design, and brand values has further promoted Arc'teryx's position in the high-end outdoor equipment market. Although a large number of studies have conducted in-depth analyses of the Arc'teryx brand, there are still some things that could be improved. For example, some studies have less specific analysis of the Chinese market and fail to reflect the unique needs and preferences of Chinese consumers fully.

In addition, there are few studies on the brand strategy adjustment and market reaction after Anta acquired Arc'teryx, and there needs to be more systematic studies on the long-term impact of this change. This study aims to make up for these deficiencies, reveal its positioning and development strategy in the Chinese market through a detailed analysis of the performance and strategic adjustment of Arc'teryx in the Chinese market, and provide a reference for other brands.

#### **5. Sustainability and Corporate Social Responsibility**

Following the outbreak, many have thought critically about how they interact with the environment and have made suggestions for leading greener lives in an effort to lessen ecological damage [7]. In the choice of clothing, more and more people are beginning to pay attention to the concept of "Sustainable". Arc'teryx, as a high-end outdoor brand, has actively responded to this trend by integrating sustainability into its brand strategy. Arc'teryx incorporates sustainability into its brand through a number of concrete measures, including using recycled and sustainably certified eco-friendly materials, optimizing production processes to reduce waste and energy consumption, designing durable and restorable products, managing a transparent and localized supply chain, launching a recycling program for older products, and promoting environmental awareness through education and community activities.

In addition, Arc'teryx actively fulfils its corporate social responsibility and participates in and supports various environmental and charitable projects, thus setting a benchmark for sustainable development in the industry. Since being acquired by Anta in 2019, Arc'teryx has reactivated the originally stagnant brand through a series of strong capital and marketing operations. From 2020 to 2022, Arc'teryx's revenue increased by 74% from \$547 million to \$952 million. In the first three quarters of 2023, Arc'teryx Greater China achieved revenue of \$453 million, accounting for more than 40% of the total global revenue of Arc'teryx. China became the largest market for Arc'teryx, accounting for 43%, while the United States and Europe accounted for 35% and 13%, respectively. Celebrity endorsements are also important to Anta's branding.

For example, Anta, the official sponsor of the Beijing 2022 Winter Olympics, has strong relations with Chinese President Xi Jinping. It seems that Xi's outfit instantly became popular across China. On the day he wore the Arc'teryx parka for the first time, Anta's shares shot up 9.4% thanks to his support of the company [8]. With an annual revenue of \$36.3 billion, the United States leads the outdoor sports industry, followed by China (\$20.5 billion), according to a paper published in *Frontiers in Public Health* [9]. Through deep cooperation with mountaineers and expansion to high-end

business people, Arc'teryx has firmly established a high net worth core circle and made the brand a social currency.

At the same time, after entering the Chinese market, the brand reaches users in an all-around way through outdoor mountaineering, indoor rock climbing, store communities, and online classes to enhance user stickiness. Thus, it continuously breaks through the consumer circle and becomes a household name brand. After the acquisition of Arc'teryx, Anta carried out drastic reforms, transforming to a direct retail mode by eliminating dealers and recovering the management rights of Ole stores and online stores. At the same time, through the adoption of a contraction growth strategy, closing stores with annual per-unit production below 10 million and building more high-end offline stores by choosing luxury locations, Anta enhances the user experience while improving the brand image. In terms of products, the 2021 Veilance series introduced women's products for the first time, targeting independent female customers in urban life.

In the same year, a new series, System A, was launched, focusing on outdoor functional clothing aimed at young trend customers. This two-pronged approach finally achieved the goal of developing a high-consumer group. Arc'teryx also further expands its brand influence through star endorsements and joint cooperation in cross-border art, film, and fashion. In terms of user community management, Arc'teryx has also made great efforts. By carrying out offline mountain classroom activities and mountain shops, user stickiness is greatly improved, thus ensuring the continuous export of the brand's outdoor genes. This is Anta's growth strategy for Arc'teryx, aimed at premium brands. A top Anta Group official reportedly said at a public event in August that "In the future, Arc'teryx will comprehensively mark Hermes in the business strategy, and the purchase of classic models will need to be allocated" owing to ongoing supply problems. Then, the post "Arc'teryx needs to be allocated to buy classic models" shot to the top of the Weibo search results [10].

## 6. Competitive Analysis with Patagonia

When comparing Arc'teryx with its main competitor, Patagonia, the analysis is made from two aspects: market positioning and strategy. Arc'teryx specializes in high-tech outdoor gear. Chief Executive Officer Stuart Haselden of Arc'teryx said that in the last three years, the company has increased its focus on technical goods by "Rationalising" its product line and getting rid of items that damaged the brand's reputation. The target market for this more condensed product line is core mountain athletes. Arc'teryx's new approach also calls for bolstering direct marketing channels [11]. In contrast, Patagonia focuses on environmental protection and social responsibility, and its extensive product line covers different levels of outdoor needs, attracting a diverse consumer group from recreational outdoor enthusiasts to environmentalists. For what reason is Arc'teryx? Similar waterproof Gore-Tex coats are sold by companies like Patagonia and The North Face.

However, if you're not an avid REI shopper or alpine skier, Arc'teryx may be a less-known brand in comparison to other outdoor megabrands. Devotees of Arc'teryx see the brand's relative obscurity as a plus since it gives the impression that it is more specialised and elite than its popular rivals [12]. Compared with its competitors in the same industry, Arc'teryx technological leadership and professionalism have enabled it to occupy a place in the high-end market. Its compact product portfolio and enhanced direct marketing channels have enhanced user experience and brand loyalty. At the same time, Arc'teryx's relative obscurity adds to its brand's elite feel and professionalism, appealing to core mountain athletes and professional outdoor enthusiasts.

However, Arc'teryx has low awareness in the mass market, which may limit the rate at which its market can expand. In addition, Arc'teryx's product line is focused on high-end technology products, which puts it at greater risk of sales fluctuations in times of economic downturn or changes in market demand. In contrast, Patagonia has gained a large number of loyal customers worldwide through its broad brand recognition and strong commitment to sustainability. Although Patagonia is slightly less

specialized than Arc'teryx, its diversified product line and broad market reach make it more competitive in the middle and low end of the market.

To sum up, Arc'teryx has a clear advantage in terms of technological leadership and professionalism, while Patagonia has a greater advantage in terms of brand recognition and market coverage.

## 7. Competitive Analysis: Arc'teryx vs. Patagonia

Arc'teryx research in the Chinese market shows that it has a clear competitive advantage in the high-end outdoor equipment market, mainly due to the "Rationalization" of the product portfolio and the strengthening of direct marketing channels. However, low brand recognition and product line concentration in the high-end market may limit the speed and scope of its market expansion.

Patagonia, by contrast, has gained a large number of loyal customers through extensive brand recognition and a strong commitment to sustainability. This shows that Arc'teryx is superior in terms of professionalism and technological leadership, but there is still room for improvement in brand awareness and market coverage. Fashion and technology are becoming increasingly integrated, from digital fashion to Non-Fungible Token artwork, the arrival of the meta-universe, the growth of the digital economy and virtual technology, a new era of digital consumption is about to begin, and the fashion industry will leverage science and technology to realise the digital transformation of dematerialization.

Clothing brands can engage in the meta-universe through three main channels, as demonstrated by practice: releasing virtual footwear NFT products; entering the meta-universe platform; creating a virtual headquarters or experience hall; and improving brand interaction through cooperative games [13]. For Arc'teryx, these emerging technologies and platforms provide new development opportunities, helping to enhance the brand's innovation ability and market influence.

## 8. Digital Transformation and Market Expansion Strategies

Based on the above research results, the following suggestions are put forward: First of all, Archaeopteryx should improve its brand marketing strategy, increase brand publicity through social media, outdoor activity sponsorship and celebrity endorsement, improve brand awareness, and enhance brand exposure and influence. Attract core users and potential customers by telling brand stories and technology advantages.

Secondly, on the basis of maintaining high-end technology products, Archaeopteryx should strengthen product innovation, expand product lines, meet more mid-market needs, develop diversified and moderately priced products, and attract more outdoor enthusiasts. At the same time, Archaeopteryx should pay attention to the application of sustainable materials and environmental protection technologies, in line with the global sustainable development trend.

In addition, Archaeopteryx should strengthen consumer relationship management, enhance user experience and brand loyalty by enhancing interaction with consumers and combining online and offline methods. Increase user engagement through outdoor activities, training sessions and community activities.

Finally, Archaeopteryx should actively embrace new technologies and new things, explore the application of meta-universe and virtual technology, such as the development of brand experience museum on the virtual platform, the release of virtual clothing and NFT products, attract young consumers, and enhance the brand's cutting-edge image. Through these strategies, Archaeopteryx can further enhance brand recognition and market coverage while maintaining technological leadership and professionalism, and achieve sustainable development.

## 9. Conclusion

This study shows that Archaeopteryx has achieved significant competitive advantages in the Chinese market by virtue of high-end technology and professionalism and further expanded its brand influence by rationalizing its product portfolio, strengthening direct sales channels, opening up new product lines to attract more users and customers, as well as through star endorsement and joint cooperation in cross-border art, film and fashion.

However, low brand recognition and product line concentration in the high-end market may limit its expansion speed and scope. With the development of the meta-universe, digital economy and virtual technology, Archaeopteryx has great potential in this emerging field. The theoretical and practical contribution of the study to the development of the Archaeopteryx brand lies in a detailed analysis of its positioning and strategy in the Chinese market, as well as suggestions for improvements in brand marketing, product innovation, consumer relationship management, and digital application.

In terms of future research, this study believes that regional market performance, consumer behaviour changes, and the effects of virtual technology applications can be further explored. This study highlights the need to increase brand awareness and expand market coverage and points out that the new opportunities brought by digital transformation provide support for the sustainable development of Archaeopteryx in the Chinese market and also provide a reference for other brands to adjust their market strategies.

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