

Lush marketing plan

[Business](#), [Marketing](#)



Executive Summary

This report is to provide a marketing plan and analysis of entering in uk market for lush cosmetic's products over the next three years. This report explores and considers the various factors which impacts lush cosmetic's product in term of entering the market.

There are methods which can be taken with this organisation, were researched; the main focus will be to:

- Spread information about fresh handmade cosmetic product.
- Advertise existing products and introduce new products to the market.
- Expand market by existing and new products such as massage bars, shampoo bars, kids soaps, naked products
- Expand sales through online retailing websites, high street store. The main focus of this report is growth a three-year Marketing Plan of lush products which will improve the sale of company in the UK market.

The main elements of this report will include:

- Introduction about lush and clarify lush's position
- Analyse the UK structure market
- Marketing objectives
- Marketing strategy
- Strategic implementation and control

Lush

Lush is a handmade cosmetics company headquartered in Poole, Dorset in the UK. In 1994, husband and wife Mark and Mo Constantine opened the first

Lush store in Poole under the name Cosmetic House Limited. Lush adopted its current name on 10 April 1995.

There are now more than 600 stores in 43 countries. Lush produces and sells a variety of handmade products, including soaps, shower gels, shampoos and hair conditioners, bath bombs, bubble bars, hand and body lotions and face masks. Lush uses fruits and vegetables, essential oils, synthetic ingredients, honey and beeswax in their products. In addition to not using animal fats in their products, they are also against animal testing and perform tests solely with volunteers instead. As the company was in its early stages it has limited distribution.

Now, Lush sells products in UK France, USA, Philippine, Australia and more than 38 countries, however its objective is expand in the future.

The SWOT

With the SWOT Analysis, the paper describes Lush's internal and external environment which is essential for its process of strategic planning. From a SWOT Analysis" a marketing strategy can be developed using corporate strengths, avoiding corporate weaknesses, benefits from the future opportunities and regards of future risks" (Bohm, 2009). Strength: | Weakness: All the products are fresh handmade . Low cash flow. Lush only focus on making ethical products . Less marketing and advertising . Reduce packing cost. Less outlet and store . Environmental green products, close to nature. Prices are high considering the position they are Less or no artificial ingredients . Wide range of products . Unique display style. Opportunities: Threats: People wish to use fruit and vegetable made skin care products . Less knowledge for use of lush products . Using recycled material will

increase interest from customers | Strong competition . Against animal testing
increase customer loyalty . Lowering speed to made products . Lush can
develop further with in the uk and many more countries . Very few
competitors as sole ethical companies .

The UK Structure Market

Market analysis is determining the attractiveness of a market and looking for growth opportunities and threats related to the strengths and weaknesses of the company (Aaker, 2008).

The most strategic market-planning contexts, the first logical step is to analyse the customers”(Aaker and McLoughlin, 2010, pp 26). Customer analysis is one of the important factors used to create the success of a firm as it enables firms to understand the current activities of customer and their behaviour, which helps firm to increase profits and competitive advantage in the market (Paley, 2006). Hand made cosmetics is a fairly new market which is up coming within the cosmetics industry, where the issues of production and trading can be complex. According from the survey of Mintel (2007-2008), 60% customers thinks it is important that a company acts ethically (See appendix 3).

The Marketing Objectives of Lush

Mission and Vision Fresh handmade cosmetics lush believes in making effective products out of fresh fruit and vegetables , the finest essential oils and safe synthetics, without animal ingredients , and in writing the quantitative ingredient list on the outside ... in buying only from companies that test for safety without the involvement of animals and in testing our

products on humans ... in making our own fresh products by hand, printing its own labels and making its own fragrances ... in long candlelit baths, sharing showers, massage and filling the World with perfume and the right to make mistakes, lose everything and start again ... that its products should be good value, that we should make a profit and that the customer is always right ... that words like " fresh" and " organic" have honest meaning beyond marketing

A company often plan its objectives based on the existing products and new products in existing market and new market.

However, in limited report, my study only focuses on analyzing marketing strategy of Lush in the UK market.

Selling online may the huge potential market for Lush to afford in the UK market. The internet has been hugely important as in many other areas of retail. About 70% adults use shopping online, especially the ages from 25 to 34, the rate is around 85% (See appendix 4). In addition to online retailers, there is a growing number of websites and blogs devoted to green issues. Many of the sites give full detailed information about ethical production and the different ingredients used, websites helps to increase selling by improving knowledge about ethic products for consumers.

Lush can use their own website to sell products or through big website such as Amazon or Argos in the UK.

Marketing Strategy

If Lush wants to achieve the above objectives, its products need to be created a successful mix of: the right product, sold at the right price, in the right place and using the most suitable promotion (Marketing Mix' 4P).

“ A retailer could stock the most attractive merchandise priced very competitively and have a convenient location but still fail to attract customers if he or she did not communicate with them” (Cox & Britain, 2000). The UK structure market analyze (Part 3. 1) stated that the issue of handmade cosmetics products complicated and not all of the UK customers understand it.

Therefore, promotion should be the first step Lush need to carry out before they can sell their products. The customer analyze (Part 3. 2) indicates that if Lush wants to sell their fresh hand made products, they should improve knowledge about handmade production for the customers. And the success of the Lush's promotion are informing, persuading and reminding customers about Lush's handmade products through advertising, publicity, personal selling and sales promotion. a. Advertising Advertising is a non-personal communication of information usually paid for and usually persuasive in nature, about products, services, or ideas by identified sponsors through various media (Kotler, 1999).

The objectives of lush's advertising in the first year is bring lush image to the UK customer awareness. In the UK, advertising by press is popular, about 29.6% total share in 2009 (See appendix 7). However, internet advertising has quickly developed, increase 39.5% in 2008 (See Appendix 6). As a result, lush should focus on two advertising ways: press and internet. b. Sale

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promotion In short-term incentives, Lush can encourage consumers by promotion activities. For example, in special holiday such as Christmas, mother's day, valentine's day, season sale, Lush sells online with free shipping, or discount price for old season products. c. Personal selling

Personal selling is oral communication with potential buyers of a product with the seller's representative through face to face or telephone contact to gain benefit. Personal selling is an option help Lush to improve knowledge about handmade cosmetics for the UK customers. d. Public relations (PR) LUSH has generously supported seven Small Change Fund projects in full, through the Charity Pot Program. 100% of the retail price (minus taxes) of LUSH Charity Pot hand and body cream goes directly to carefully selected charities around the world that support animal rights, environmental protection, and humanitarian concerns That is an advantage of Lush to create a good image in public.

Hence, public relation activities are essential in building Lush brand in the UK market. Distribution strategy Distribution strategy (place strategy) refers to how an organisation will distribute the product or service they are offering to the end user. Efficient and effective distribution is important if the organisation is to meet its overall marketing objectives. There are three main common distribution strategies included intensive distribution, exclusive distribution and selective distribution (Hollensen, 2008). With the specific characteristics of handmade cosmetics products, Lush should choose the second or the third: exclusive or selective distribution. a. Selling online (exclusive distribution)

As the paper analyses in the lush objectives (Part 4. 2. 1), selling online is potential distribution channel for lush. Thus, firstly, lush need to develop their website to become more attractive with customers. Consumers can conveniently shopping with lush website like easily select, purchase even exchange or refund. The website keeps continuously updating new products and offers. Secondly, lush can sell their products through other famous shopping websites in the UK such as Amazon or Argos. Thanks to three websites, customer can faster know lush products. b. Opening shops in England (selective distribution) Recently, lush only sells through 100 shops in England.

But in the UK, there is high rate of consumers buying cosmetic products in high street and department store, 56% and 32% (Figure 3) Figure 3: Where they regularly buy cosmetics products, November 2000 Base: 1, 526 adults aged 15+ [pic] Source: Ipsos MORI/Mintel As a result, lush should open their own more lush shops in some of big cities in England. Opening the shops in England, lush can realise in the second years of strategy. The first years, lush should focus on develop selling online and promote brand.

A product is anything that is offered to a market for attention acquisition, use or consumption and that might satisfy a need or want (Kotler et al, 2008). a. Developing existing product: naked solid bars Because of the reasons which were introduced in lush's objectives (part 4. . 2), the target product which is chose as the most important product in the UK market is naked solid bar products. Although lush can introduce and sell all their collection such as bathing bars, massage bars and henna bars but in the 3 years of objectives the main product lush should focus on is only naked solid bars. Product

design Recently, lush has limited the number of design, naked conditioning bars, shampoo bars. lush should invest to variety products not only particular solid bars but also some liquid kind of hand made products. Product quality lush products are guaranteed high quality made from fruit and vegetables.

Product feature

All of lush products are fresh handmade from fruit and vegetables. It makes the specific for Lush's products. That is also the reason why the price is often higher. Brand Lush now is not famous brand but Lush can promote itself like Oxfam as ethical brand. b. Experimenting new product: makeup products Based on the analysis in lush objectives (part 4. 2. 3), lush can experiment new product makeup products in the UK market in the third years of strategy. Preparing introduce makeup in the third year, lush need to research the UK makeup market, customer analysis, and designing in the first two years.

Pricing has greatest impact on immediate performance of the business (Gilligan, 2009).

With particular characteristics of ethical and handmade cosmetics, price of LUSH is just right. In the first three years, Lush is a not well - known in the UK market, therefore, at that time, Lush should focus on promotion strategy to improve brand value in customer's image. It can be implementation by price strategy. In the first three years, Lush can attract new customers by reducing their profit to sell their product with cheaper price.