

Critical evaluation of ethical marketing marketing essay



**ASSIGN
BUSTER**

This proposal concentrates to critically evaluate the Ethical Marketing and its practices implemented by Lush Fresh Handmade Cosmetics. Lush has an overwhelming response and a strong customer loyalty. Here the aim is to examine the Innovative Marketing practises of Lush Cosmetics, reason behind their Ethical Marketing strategies and consumer motivation behind buying Lush products.

Critical Evaluation of Ethical Marketing and Innovative Practices adopted by LUSH Fresh Handmade Cosmetics

Extensive investigation and detailed concepts have been established by Business researchers to identify the relationship between brand personality and the consumer. In spite of such vast research, consumers association with a brand still remains a question. This piece of work will appraise in the area of consumer buying behaviour and its perception of a brand, to contribute valuable information for marketers.

This research's point of attraction is the innovative ethical marketing strategies that revolve around the ethical beauty products made by Lush Fresh Handmade Cosmetics. Charles Knell (2009) emphasised that Marketing is a significant part of any business and by applying ethics it generates customer's interests and builds an affiliation between the product and consumer. This leads to a socially responsible and culturally sensitive business community, embracing these concepts as a member of the community directly effects on the survival of the human society in long run.

Although Lush has a strong base of loyal customers but it is still limited to a certain age group majority of its customers are youngsters. There is a group that believes they are wasting food.

Lush is experimenting with different dimensions of cosmetics but in order to do so would they remain committed to their core principles, or multiple variables will eventually moderate the decisions of Lush, is this gimmick aimed for sales and targeting environmentally conscious customers globally.

This piece of work will argue the controversial marketing approach adopted by Lush Cosmetics and critique the efficiency of their strategy as well as understand if the ethical promise is the main reason for a consumer to buy this product.

Individuals are unique; we all have personal moral codes. The ethical behaviour boundaries are determined by an individual so they vary from person to person, cultures and religions.

With regards to business ethics remaining true to fundamental beliefs and ethics is a challenge. Almost all business starts with ethos but usually somewhere along the road they get lost and the reason fades away.

Rationale for the Chosen Topic:

Selected topic is of a personal interest as a strong believer of ethical marketing, initiatives taken by personal favourite brands have further inspired to research on this particular area.

Moreover a statistical fact reflected by the annual statistics is that skincare is the only area that showed growth even during recession as.

Researcher has a small scale family business that makes handmade cosmetics using cultivated roses. The writer had an opportunity to work for cosmetic industry and experienced the change process of cosmetic business adopting ethical practices. Personal curiosities to comprehend the motives of cosmetic industry behind ethical marketing are genuinely social or environmental responsibility has persuaded to choose this topic.

Additionally as an educated and responsible individual I find myself obligated to contribute to the betterment of our environment in any possible form.

“ A man’s ethical behaviour should be based effectually on sympathy, education, and social ties.....” (Albert Einstein)

Research Objectives:

Lush has an overwhelming response and a strong customer loyalty

Here the aim is to

Critically evaluate the marketing practises of Lush Cosmetics and the reason behind their marketing strategies.

Understand the significance of ethical marketing in cosmetic industry.

Comprehend the global meaning of ethics.

Understand is it the ethical promise reason for a customer to buy Lush cosmetics or the quality of the product.

Do ethics really matter in customer buying behaviour?

Is Lush wasting food?

To make recommendations to Lush based on the research to broaden customers with respect to age, gender social and economical groups.

Research Questions:

This research seeks to develop an improved understanding; the paper will also scrutinize the following areas . To reveal evident and rational answers for the questions below which are the aim of this study.

Challenges and advantages of Lush Cosmetics as an ethical company with regard to managing its business growth and sustaining its values in long term.

Innovative styles of marketing adopted by Lush, which group of consumers respond to it.

Can Lush as a brand attain a unique meaning globally?

What holds ethical consumers to a cosmetic brand?

Understand the consumer identification with a Lush. Why they purchase this brand.

Effects of facial image and cosmetic usage on perception of brand personality.

What obstacles Lush faces, due to their unique marketing strategies.

Research Context:

This research is based on popular, creative and natural Lush Fresh Handmade cosmetics. It has been in the list of top 100 companies to work for, established in 1994; by Mark and Mo Constantine Lush Cosmetics brand which offers all natural, organic skin care and make-up products. Reduced packaging, minimal use of preservatives, its stand against animal testing, campaigning not to use palm for green reasons oil and have launched two-pronged campaigns to spread awareness among consumers the impacts of palm cultivation on tropical forests. Lush also organise parties on main train stations encouraging people to travel by train to minimise air travelling. All these activities make Lush more than just a cosmetics brand. There exceptional products have managed to build a growing business with more than 678 stores in 44 countries.

Lush core principles are:

CHAPTER TWO

LITERATURE REVIEW

A great deal has been documented on this research area. Marketing ethics and social responsibility are intrinsically contentious, even after extensive researches they are conflicts, various points of views have been augmented further in this study. Related literature will built a foundation for further research in terms of ethical marketing, investigate why companies choose to do ethical marketing, examine can a company stand for a unique meaning worldwide despite ethical conflicts introduced by globalization, consumer

identification with a brand, the and off course the innovative marketing strategies of the chosen cosmetic brand Lush.

2. 1- Business Ethics and Globalization:

Ethics derived from a Greek word “ Ethikos”. (Tsalikis/ Fritzsche, 1989)

delineate ethics as an assessment of the moral judgments, values, and set of conduct.

Wiley (1995) states that business ethics are a code of conduct that is directly related to morality, obligations fair dealing with humanity, ethics demonstrate the personality and in contemporary time’s business trade. If we further broaden the definition of ethics as globalization has made it crucial to understand ethical conflicts across cultural boundaries, we find that strong impact of cultural background is undeniable as supported by (Thorne & Sanders, 2002 cited in MacDonald, 2000) they say that diverse cultural backgrounds strongly influence the discernment of an individual this leads to disagreement in ethical reasoning. Lush has established itself as an ethical cosmetic brand but do customers buy this brand for similar reasons. Is consumer buying Lush for its ethical values worldwide?

To conquer superior ethical standards in business many approaches have been recommended. One suggested by (Byron, 1977) is to go back to the basic common sense, basic reasoning and religion to daunt personal achievement at the expenditure of common good. Lush’s fundamental principles are quite the same, they believe in keeping things simple and no frills attached in regards to all their departments from production to management and marketing.

2. 2 – Ethical Marketing:

Why ethical marketing has been of such an interest for businesses? Change is a factor that insists on adopting more eco- friendly and green practices worldwide. Governance and media educates people and is spreading awareness to adopt healthy life styles and use environmental friendly safe products to ensure a green future for coming generations.

The pioneers of ethical marketing are the Giant Food Inc. First chain business to write down the ingredients and its nutritional value etc the company succeeded in gaining competitive edge over its competitors and established a reputation for a responsible organisation. Sceptics argue that this cannot be considered ethical as companies only demonstrate the positive image of their merchandise a classic example is of tobacco industries where being heavily pressurised by government authorities they have to print a caution note but it is a billion dollar industry that gives huge revenue sales. Lush states they are 100% against animal testing and do not test on animals, but at the same time they do use ingredients that have been tested on animals.

In terms of Ethical Marketing an interesting perception of Gaski (1999) gives another dimension to the argument. This critique of ethical marketing implies that the ethical guidelines are nothing more than to “ obey law” and “ act in your self interest.” Here it would be worth quoting one of the Lush’s core beliefs in black and white on their website.

“ We believe that our products are good value, that we should make a profit.”

Does this statement support Gaski understands of ethical marketing, if yes wouldn't it be unethical and dishonest to use ethics as a marketing tool?

Gaski's perception gives a thought-provoking facet to synthesise the practice of ethical marketing.

2. 3- Ethical Cosmetics:

The number of consumers for natural and organic cosmetics is escalating, publicized by statistics as well. Moffat (1997) one definite reason is due to wide spread awareness of manufacturers adding a high number of hazardous chemicals in cosmetics every day so what are ethical cosmetics? A simple definition could be Cosmetics that leave minimal carbon foot print and use minimum preservatives. Lush claims fair trade, minimal carbon foot print and reduced packaging do these points justify lush as an ethical cosmetic brand? Here we the point to be noted is that (Naomi1991) believes that it may seem undisruptive to wash with a fruity soap women are unaware that these scented soaps underline and intensify their anxieties for food and ultimately organisations make profit from insecurities.

The pseudoscientific discussion to feed body organs like hair, skin and nails suggest depriving of nutrients that come from food they promise fundamental needs and desires to look beautiful and loveable naturally this leads to a wastefulness of slathering food on bodies and convinces consumer to gain beauty with an expensive tag. Naomi's psychological perspective of fruity cosmetics makes Lush's ethical marketing seem cynical. The whole concept of lush ethical cosmetics is based upon being as close as possible to nature and the original goodness and wholesomeness of the actual food.

2. 4- Innovative Marketing Strategies:

Marketers have been using scent as a marketing tool but only relatively little research has been done on this, Baron (1983) investigated the power of scent by conducting mock job interviews and found that regardless of abilities candidates wearing scents were given higher ratings as compared to ones not wearing perfume. Lipman (1990) presented the fact that pleasant ambient fragrance increased customer persistent in store.

Lush personifies the sensory stimulation; it is the scent that allures you right to the shop. The atmosphere of the shop itself is like entering in candy land. In words of Mark Constantine Co- founder of Lush

“ Packaging is so boring. Smelling and touching is just more fun for the senses.”

Philip Kotler defines marketing as ‘ satisfying needs and wants through an exchange process Lush makes in shop experience delightful for every customer, best part is you get to see all in open soaps are stacked one on top of each other like rainbow and you may touch and smell all you want, unusual display and bizarre names of the products such as shower jellies named “ Buffy the backside slayer” and “ Frankincense and Beer” attract attention. This study will analyse with this non traditional approach and synthesise will lush be able to compete in long run with the advanced marketing strategies of its competitors as well as remain strong to its ethical values defined.

“ Walk around its (Lush’s) remarkable stores that reject every instruction of scientific retailing and create instead a warm, messy space that screams differentiation.”

(Mark Ritson, Associate Professor of Marketing, Melbourne Business School, 2005)

In quest of finding the relationship of consumer identification with Lush an interesting Model is Kapferer Brand identity prism.

Lush target consumer group is supposedly consumers who share similar ethical values and personality. Ashforth and Mael (1989), it is imperative for brands to develop a positive identity that draws the attention, support and loyalty of customers. Consumer’s perception of relativity of self-identification and brand image gives them self-expressiveness.

Above mentioned literature, similar studies and researches have provided considerable areas for thought to aid the design and conducting research based on Lush ethical and innovative marketing strategies. Optimistically this study will provide more food for thought and support other relevant researches with paying particular attention to ethical marketing and Lush’s unique marketing strategies and its consumer’s identification with the brand.

CHAPTER THREE

3. 0 – RESEARCH METHODOLOGY

3. 1- Research Philosophy:

Three fundamental approaches are defined by Saunders et al (2003) with regards to research philosophy

<https://assignbuster.com/critical-evaluation-of-ethical-marketing-marketing-essay/>

Positivism: Positivism is the philosophical attitude that stands on authenticity of observation made by the researcher like scientists; the researcher assumes and makes interpretations as an analyst.

Interpretive: All efforts in this philosophy are aimed to comprehend the reality behind the visible. This is a subjective mode as researcher perception is beyond the apparent.

Realism: This would be most practical point of view as it acknowledges the fact that any behaviour has a strong influence of internal and external forces that may be recognized or not by an individual.

A combination of Realism and Interpretive approach shall be adopted to conduct this study. Onwuegbuzie and Leech suggest that interpretive approach supports quantitative results with its rich data. Researchers goal is to recognize the intention of Lush Cosmetics to adopt ethical marketing, the outcome of its innovative practices and there relation to consumer buying behaviour of lush products.

3. 2 – Research Approach:

Due to the nature of the selected topic Ethical Marketing and Innovative practices adopted by Lush, deductive research approach would be the best option.

This reasoning method will flow from observing practices adopted by Lush, following the rules of ethical marketing and make a conclusion whether it is valid concept.

3. 3- Research Strategy:

There are two basic methods, quantitative which is more accurate and scientific method of research and then qualitative research method which is based on descriptive structure. Sarantakos, (2005) Qualitative research is more flexible and relies more on pictures diagrams and descriptions. Ethical marketing researchers find it more beneficial to use qualitative methods to find customer needs and first hand information.

3. 4- Data Collection Method:

Substantial evidence is required to support the hypothesis and verify research. Research information is collected from this stage to reach a logical conclusion. Two sources of information are used primary and secondary data.

Primary Research Data: Interviews with open questions, unstructured observations and direct surveys and will provide first hand credible information.

Lush Handmade Fresh Cosmetics: Lush is a private business which claims not to have a Marketing Department, Manager of the branch takes the responsibility to display and market their new arrivals. A questionnaire based interview with the Lush Wimbledon Manager will be conducted. The questions asked would be descriptive and open ended. This will help in understanding the strategies of Lush innovative marketing and consumer attitude towards ethical marketing.

Lush Customers: In order to understand the actual motives of the Lush Cosmetics and its consumers, a formulated structured questionnaire (Appendix -A).

Keeping in mind scarcity of spare time in contemporary times the questionnaire has been adopted by Linkert 5 point scale which will be given to the Lush customers. This questionnaire will highlight the consumer target group and reason to purchase Lush products in terms of its organic nature, the efficiency of the product or ethical values. A sample population of 25 to 30 individuals is aimed to obtain factual data from consumers and corroborate them with Lush objectives. Researcher intends to post some questionnaires on social networking websites like facebook Lush fan page.

Secondary Data: Secondary information will acquired by accessing historical literature relevant to the chosen topic such as data from published sources, journals, research database, business magazines, literatures, case studies, raw data, and data available from electronically.

3. 5- Data Analysis:

In data analysis the collected information through primary and secondary sources is related with the established theories and models, this will lead to come up with a concrete conclusion and understanding of the subject matter. Researcher will be able to establish on the grounds of this data, if Lush is genuinely responsible for its contribution to the environment or if it is following the latest trend towards to become organic, to capture escalating organic consumer market.

Primary Data: Information collected through interviews, consumer research and target groups will be employed to sustain our analysis. This will give a vivid picture consumer perception of ethical cosmetics to support further conclusions.

Secondary Data: More explicit conclusions would be made to comprehend the intentions of Lush for practicing ethical marketing.

3. 6 Research Reliability:

Saunders et al, (2007) the consistency of results gathered by data collection techniques or analysis procedures is referred as reliability. A unification of Qualitative and Quantitative techniques will inspect the authoritativeness of sources.

3. 7 Research Ethics:

Researcher aims to take an unbiased approach in this research, keeping the integrity of Lush Handmade Cosmetics the privacy and confidentiality of the data under consideration. Respondents will be informed that the documented record is for research purposes, and will ensure that the qualitative analysis is within the study matter.

Due consideration and awareness of local rules, standards and regulation will be ensured and compliance to the same is accepted as a responsibility of the researcher. Undue intrusion into personal matters, individual issues and communal matters will be thoroughly and strictly avoided and at the same time dignity of the respondent and their privacy and interests will never be compromised in the course of the research or thereafter. Consent will be

obtained prior to accessing any information whether print or online library sources.

3. 8- Reflective Statement:

David Kolb's experimental learning cycle suggests that learning starts with a personal experience that escalates to a reflective segment and abstract conclusion and finally leads to an experimental stage that help mutate facts in the light of experience.

Kolb's experiential learning cycle. (Source www.johnmil.wordpress.com)

Kolb's Experimental Learning Cycle is very applicable with regards to Researcher expedition to writing a comprehensive groundwork for a comprehensive dissertation. Skills, valuable knowledge and first hand information acquired through this proposal writing process has laid a foundation to built a structure. Researcher has a clearer picture of the map to follow in order to achieve an exceptional piece of exposition; especially reading through thought provoking various literature reviews and case studies has given assorted point of views towards the chosen topic. Gained information will definitely furnish an improved approach towards aimed dissertation.

Researcher has always been an ambitious individual at a young age she became financially independent, being a highly interested in cosmetics she managed to produce a small scale home business of making skincare products using cultivated roses. Lush products and ethical practises are very similar to researcher's business approach are quite similar to Lush Fresh

Handmade Cosmetics objectives.

<https://assignbuster.com/critical-evaluation-of-ethical-marketing-marketing-essay/>

The process of writing of proposal and attending formal business education classes at Kaplan has persuaded the researcher to gain more strategic approach in her interested field. She finds this as an opportunity to gain a lucid understanding of diverse marketing tactics applied by the cosmetic company and scrutinize consumer feedback and company' intentions and off course reliability and stability of adopted strategies in long run. This will help her grow professionally and personally.

Objective of this desk research is to examine the Innovative Marketing practises of Lush Cosmetics, reason behind their Ethical Marketing strategies and consumer motivation behind buying Lush products.

Researcher has sketched out a structured action plan to approach Lush's managers and consumers with structured and unstructured interviews, questionnaires and capture gathered information in documents so that she can escalate to a concrete experience.

Researcher is very excited to put her plans in to action and highly appreciates Yvonne Moogan's and Marilyn May's encouragement to choose a topic of personal interest that motivated her to come up with chosen topic and thoroughly enjoy this learning course of action.