

# The body shop marketing plan marketing essay



The purpose of this paper is through analysis the current market environment to establish the marketing plan of The Body Shop in Hull to help it hold the competitively position during the spring of 2013.

The context will analysis the external environment and the internal environment of the Body shop in Hull, and based on these information to do the SWOT analysis to evaluate the current market and try to build reasonable marketing objectives which are benefits for the development of the their market share.

## **background of the Body Shop**

According to the Body's Shop website, their " business is about engaging and inspiring customers around their individual needs for skin care and hair care... this relies on attracting and retaining the skills, knowledge and creative talent to deliver excellent products with exceptional service to their millions of customers worldwide". The company has a presence in over 51 countries, conducts business in 21 languages, operates nearly 2000 stores (about 70% are franchised), and employs over 6000 people in company stores, regional offices and UK-based Service Centre. Products are also sold via the Body Shop at Home, an in-home sales program that operates in 48 US states and Australia and via a company website in the US.

## **Environment analysis**

In order to increase marketing share in a current market, companies must carefully examine a host of issues. One of the most important issues is the marketing environment. The marketing environment includes two essential

elements, one is external environment, the other one is internal environment.

## **External Environment**

This part explores that the trading and ability of an organization to satisfy its customers who are influenced by the external forces which fall into two categories: the macro and micro forces of the marketing environment (Dibb, 2006).

## **Macro Environment**

The macro-environment defined by Worthington and Britton (2009, p. 6) as “those macro-environmental influences on business which affect a wide variety of businesses and which can emanate not only from local and national sources but also from international and supranational developments” comprises the PEST checklist which stands for Political, Economic, Sociocultural and Technological.

### Political

The government will shrink the finance expending, which may further reduce consumers' shopping willingness. At the same time, governments have passed specified law to forbid animal-testing (CNN, 2003). Additionally, this series of industries need to deal with the waste and rubbish, which comes with production. In this way, all over the nations, societies, and companies would keep a sustainable development and material recycle using. The Hull Council have doorstep recycling collections and a network of recycling sites, and they make it easy for people to recycle.(www. hullcc. gov. uk, 2012)Above all, the whole industry should not make any pollution to our <https://assignbuster.com/the-body-shop-marketing-plan-marketing-essay/>

environments. Lastly, the country's political steady is the root line to keep a regular industry chain (Nicholls A, Opal C, 2005).

### Economic

Not only in the UK but also in the whole EU, governments are now all suffering from financial issues more or less. Following debt-fuelled growth, households remain laden with debt. As a result, the beauty and personal care market saw increased price consciousness among consumers and thus a switch to family and bulk purchases during 2011 (Euromonitor International, 2012) . In this situation, it's really not a positive circumstance for private label products development. More importantly, in such a negative economic situation, the companies need to do something more, such as promotion and discounting, or develop some more products for some more potential consumers.

### Sociocultural

In this section, the health and beauty industries need to take the aging and male potential consumers into consideration, in which way to satisfy their special needs (Euromonitor International, 2012).

Secondly, an industry should be responsible for their customers. The products need to be developed without any synthetic ingredients in order to lower the risk for health (Euromonitor International, 2012), and also over half of women refuse to use any beauty products, which have been tested on animals first.(SkinInc, 2008). Lastly and equally importantly, “ Consumers

upgraded to one time bulk purchases in categories such as bath and shower, deodorants, hair care and oral care” (Euromonitor International, 2012)

## Technology

Increasing the potation of e-commercial sale methods, such like new coming products introduction and promotion on line, dealing and negotiation over the internet, or business consultants with live video chat. And the company is highly recommended to build their own website or with some relative partners, via which to display the productions and deepen their brands as well(Euromonitor International, 2012).

Meanwhile, companies should focus on developing new technologies, for example, whitening, In this way, related companies would also in a positive competitive. Most importantly, an efficient product is the root of a brand as to a company.

## **Micro Environment**

Micro environment have a very board influence on every organisation operating in a particular market, from market to distributers to competitors to customers, and such an impact is largely universally felt by such organisations (Dibb, 2006, p89).

## **Market**

2010 is a year of prosperity and growth for the beauty and personal care industry. The growth rate of the industry value increased from 4% to 5%, which was contributed mostly by the mass market. In particular, with 3% value growth following a 0. 5% drop in the last year, the recovery of

cosmetics was the most eye-catching in this industry(Beauty and Personal Care State of the Industry, 2011).

## Customers

Target audience<sup>1/4</sup>

The first target audience is females, age 18 to 34, who have low brand awareness for the body shop and little discretionary income but still want to indulge in the 'spa-at-home' products.

The second target audience is females, age 35 to 55. Currently in the US, there are 43.98 million total women ages 35 to 55. Buyer power(see appendice3).

Customer behavior

The price in Hull are similar low in the market, and people use less money to buy convenience products or high price products like house, so people have more free money to buy beauty products like products which are sold in the Body Shop especially the average earnings have increased. (www.hullcc.gov.uk/, 2012)(see appendice8).

## Competitors

The body shop's main rival is Bath & Body Works who offers a variety of beauty products. Bath & Body Works runs more than 1600 stores in the UK compared to the body shop's 300 nationwide stores. In 2009, the turnover of Bath & Body Works exceeded 2,300 million dollars, at the same time, it spent more than 915,000 dollars in advertising(see Appendice7). Compared the website page with The Body Shop, they are similar except the color, but <https://assignbuster.com/the-body-shop-marketing-plan-marketing-essay/>

The Body Shop have a higher high brand loyalty(www. dmnews. com/beauty-product-retailers-tick-all-the-boxes-but-only-one-passes-the-sniff-test/article/265442/, 2012)(see Appendice9).

## **Suppliers**

The suppliers of this industry could also be divided into three classes. The first one is Top-level brands, Most of the suppliers are sold in bulk and the diversity of special ingredient is not too much, so the power of the suppliers is stronger than other suppliers. The second one is Mid-Level Brands. In this level, the suppliers also produce non-differentiated products and specialized . The power of those suppliers is also strong, and the switching costs are low as the same as top-level brands. The last one is Generic Brands. There are various suppliers in this group, the diversity of the products is low, therefore, the switching costs are low(IAA Cosmetics, 2002).

## **Distributors**

There are two main kinds of distributors. One is according to the traditional distributors, the supermarkets played a dominant role in the distribution channel of beauty and personal care industry in the UK, it accounted for a 49. 8% share of totality in 2010. (Hand & Body Care Industry Profile, 2011)

Another one is internet retailing, The internet retailing makes beauty and personal care advanced remarkably.

## **Internal environment**

The last step in the Environment Analysis is gathering information for the internal environment.

## **Brand Image**

The Shop ensures their image by guarantying “ its cosmetics and personal care products are not tested on ani-mals, and that they contain sustainably sourced oils and other vegetarian ingredients” (The Body Shop). In addition, the campaigns in which The Body Shop participates is another step they take to make a difference both environmentally and individually.

The company promotes “ beauty is in the customer’s eye instead of the beholders” (Hoovers, 2004).

## **Competitive advantages**

If the company can sell the products which are hard to copy and have great value which their competitors cannot have, the company own the competitive advantages which can increase their market share and build their brand identity. We compare The Body Shop with L’Oreal and Olay&Nivea(see Appendices3, 4).

## **Product/Service**

The Body Shop operates in the global cosmetic and toiletries (C&T) industry. From Euromonitor, the C&T industry includes the following broad group of products; baby care, bath and shower products, deodorants, hair care, color cosmetics, men’s grooming products, oral hygiene, fragrance, skin care, sun care and depilatories. Skin care products are the majority occupying 27% of all products. (Schieffer Multimedia: The Body Shop Media Plan ). Company has already produced a range of over 600 beauty and health products and more than 400 related accessories including exfoliating bath gloves, mitts, body buffers and so on until March, 2010. These products



can further be segmented into two categories based on product ingredients – those made from natural materials and those made from synthetic chemicals.

As green policies TBS always pursues, company reduces their packaging by use as little packaging as possible in the first place. For the vast majority of products they use simple bottles and jars, with no secondary packaging (The Body Shop Values Report, 2009) and most of their gift packaging can be reused.

TBS also provides varieties of services for customers. TBS official website includes a Technical Support area designed for those experiencing difficulty with the online store. An extensive FAQ section with categories pertaining to shopping, ordering, shipping, returns and so on(see appendice1, 2).

## **Price**

The prices are ranged from highest 43 pounds to lowest 2 pounds. Compared with the average income level in Hull, the price of TBS's products can be considered as relatively affordable level. Compared with competitors in Hull, the price of TBS is medium level described as “ massige price”.

## **Place**

In Hull city, TBS owns two stores managed directly by headquarter. There are also some shops which are run on a franchising basis in Hull. These two shops locating separately in Princes Quay Shopping Centre and St Stephens Shopping Centre which are largest shopping centers in the Hull where can attract quantities of people especially on the weekends.

In order to satisfy the customers requirements and obtain timely and detailed market information, the body shop the reduce the distribution channels, they want to do the direct market which do not contain any agents to sell their products. They use their own shops and websites to do the selling.

## **Promotion**

The body shop does little advertising because they regard stores as the most effective platform to advertise themselves.

### Advertising

Traditional media: the TBS in Hull advertises on traditional media such as magazines.

New media: the body shop try to use new media to attract more customers, they make a high profit through the website campaign.

TBS develops an e-CRM structure as network marketing of TBS matures and evolves. This system provides different services containing the Body Shop SPA, personalization program and so on. And TBS in Hull also sells products face to face with kind service. Staff of stores in Hull have been train well to be familiar with products and offer good service.(see appendice5)

Following the development of the apple online shop they promote their own app software called ' Love Your Body'. They also build the home shopping party plan in the UK.

### Personal selling

TBS had built a unique member club for loyal customers where rewards them with discounts, free gifts and access to the kinds of perks and privileges only club membership brings.

They also have a lot of discounts and gift packages in different seasons and festivals which can attract customers.

## **SWAT Analysis**

### Strengths

1. Leader of Animal Protection
2. Expand E-Commerce Activities
3. Innovative products
- 4.. High brand loyalty

### Weaknesses

1. Small number of stores in UK
2. Many products are in the mature of declining stage
3. little advertising

### Opportunities

Bans of animal-testing laws which help the body shop to attract more customers

2. Expand The Body Shop at Home Program

3. Increased awareness of organic and eco-friendly product

4. Increasing number of online buyers

#### Threats

1. the shrink finance which influence people's awareness to buy products

2. Competition in Cosmetic Industry

3. Risks in Material Supply

### **Marketing Objectives**

1. Reinvigorate the body shop in the minds of women who have previous experience with the brand to increase the market share.

The body shop can do some campaign like give people free samples and show people the material of the product.

2. Promote awareness of the Body Shop core brand and specific men's grooming product offerings through targeted channels such that at least 35% of the target demographic are aware of the products and the unique values of the Body Shop.

In Hull there are marginally more males in the general population than females whilst in the East Riding there are marginally more females, this is likely to be a function of the younger population in the city. The Hull City Assessment Report notes that in Hull in under 70 age bands males outnumber females in every age group whilst females outnumber males in older age groups. This highlights the continued trend towards higher female

life expectancy(Economic Development & Regeneration, 2011)(see Appendices8 ).

## **Conclusion**

In conclusion, in order to get a high market share and attract more customers, the body shop should do more advertising and extend their market to the men.

## **Appendices**

### **Appendice1**

FIGURE 1: The Body Shop UK: Estimated sales as share of UK cosmetics and toiletries specialists' sales, 2006-10

SOURCE: Mintel

### **Appendice2**

FIGURE 2: The Body Shop: Outlet data, 2006-10

2006 2007 2008 2009 2010

## **UK**

Outlet numbers

312

322

338

329

311

Of which:

Company owned

261

282

299

295

297

Franchises

61

40

39

34

14

Estimated sales per outlet (£'000)

542

577

511

477

490

Estimated sales per outlet (€'000)

797

849

639

536

581

SOURCE: L'Oréal Company Accounts and Annual Reports/Mintel

### **Appendice3**

FIGURE 3: The Body Shop shoppers in last 12 months, by gender, age and socio-economic group, November 2011

Note: Bars show The Body Shop shoppers relative to all people who have bought skincare, cosmetics and fragrances/aftershaves in the last 12 months

SOURCE: Ipsos Mori/Mintel

### **Appendice4**

FIGURE 4: The Body Shop shoppers in last 12 months, by ACORN group, November 2011

Note: Bars show The Body Shop shoppers relative to all people who have bought skincare, cosmetics and fragrances/aftershaves in the last 12 months

SOURCE: Ipsos Mori/Mintel

## **Appendice5**

FIGURE 5: The Body Shop: Online consumer demographics, three month average to October 2011

SOURCE: comScore/Mintel

## **Appendice6**

### **Table 1**

Table: United Kingdom hand & body care market distribution: % share, by value 2010

Channel

% Share

Supermarkets/hypermarkets

49.8%

Pharmacies/drugstores

19.0%

Specialist Retailers

13.2%



Others

18. 0%

Total 100%

Source: Datamonitor DATAMONITOR

## **Appendice7**

### **Table 2: Compare with other beauty brand**

The body shop

L'Oreal

Olay&Nivea

Product line

Mainly skincare

Broad

Focus on skincare

Market position

Environment friendly

Leader

Major competitor

In skin& body care market

Competitive advantages

Natural-base& brand value

Very experienced global brand

Low price Πuct innovation

Price range

Mid-range

Slightly lower than the body shop

Mid-low

(the body shop, Kannu Priya Rawat 30th Mar 2010)

ONS MYE 2009 Hull East Riding GB

## Appendice8

### Table 3: Resident population

#### ONS MYE 2009 HULL East Riding GB

**Number % Number % Number %**

**Resident Population (2009)1 262, 400 100%**

**337, 000 100%**

**60, 003, 100 100%**

**Males 132, 800 50. 6%**

**166, 000 49. 3%**

**29, 495, 400 49. 2%**

**Females 129, 600 49. 4%**

**171, 000 50. 7%**

**30, 507, 700 50. 8%**

**Source: ONS Mid Year Estimates 2009**

**1Percentage is proportion of total population**

## Appendice9

### Figure6: the average earning increase

**Source: HULL ECONOMIC SITUATION UPDATE No. 31  
28 April 2011**

## Appendice9

### Table 4: compare the Body Shop with Bath&Body works