

Body shop analysis essay



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Executive Summary The Body Shop is in the business since 1976. At that time, it was just a concept by the Anita Roddick which clicked and made her a millionaire. The concept was supported by the tag of natural resources and it has helped the company is placing the brand positioning at the right place. The purpose of this report is to analyze how the Body Shop started and how the concept of one lady is transformed into a millionaire company. A detailed brand analysis is being conducted to observe step by step developments in the Body Shop.

1. Introduction 2. 1 Purpose: The Body Shop is one of the leading cosmetic manufacturers worldwide. From the beginning, it has maintained incredible level of customer satisfaction which was only possible through continuous brand improvements. The purpose of this report is to develop a clear understanding of the brand positioning of Body Shop. I want to learn how the Body Shop has managed to maintain its monopoly in the market for so long. From the growth to maturity stage of brand, everything is being studied in this project. In the recent years, the Body Shop is being gathered by intense competition.

The analysis is being carried out to found the current position of Body Shop and the way forward. Overall, it was a good learning experience. 1. 2

Background The Body Shop was founded by the Anita Roddick in the 1976. The concept behind the Body Shop was to sell the products in variety of sizes which makes it easier for the average consumer to buy. Before that time, the cosmetics were only available in the giant family size. The Anita Roddick saw an opportunity opening and hence thought that the products should be available in small sizes like in sachet.

This should make it easier for a common man to buy a cosmetic for his personal use. Another concept which became the base of success for Body Shop was the humble beginning from the Founder. She refused to use the ingredients that were tested on the animal's skin. She opted for natural ingredients which were free from any kind of animal testing. From the launch year of 1976, the Body Shop saw a massive and continuous growth which stayed for a number of years. Each year, the Body Shop faced a massive expansion of up to 50%.

In the beginning of 1984, the Body Shop was first floated in the London Stock Market with an opening price of 95p. Within a very short time of listing in the stock market, the Body Shop shares gained the increase of up to 500%. Due to the tag of “ Natural Ingredients”, the Body Shop used environmental and social campaigns to quickly promote their business. In 2006, the Body Shop was taken charge over by L'Oreal for ? 652 million. Currently, the Body Shop is recognized as the world's second largest cosmetic franchise with more than 2, 400 stores spread over 61 countries.

The body Shop designs products for both male and female and their product range is over 1, 200. All of their product range is full of natural ingredients with no harmful materials included. The company offers fully recyclable and green-packing products. A research shows that the women admired the ethical stand of the Body Shop. They are happy with the fact that the company actually delivered with green actions rather than only focusing on making promises. The company has managed to portray with a tag of “ fresher brands”.

As mentioned earlier, the Body Shop has a wide range of products from the beginning and this is why it has managed to maintain a strong position in the market (The Body Shop, 2012). The Body Shop deals with hair, body and face products. According to the Body shop, they use “sesame seed oil” and “marula oil” as a main ingredient of their products which gives a clear message to consumers that our products are “inspired by the nature”. The detail of Body Shop products are as follow:

* Make Up. * Body Butters. * Hair care. * Skin care for men and women. *
Fragrances. Soaps and Shower gels. Surprisingly, the Body Shop has no advertising and media department. According to them, the human values are more important than marketing campaigns. The marketing strategy of founder Anita Roddick focused only on conferences and campaigns. To keep the cost of the product lower, the Body Shop always avoided from advertising in magazines and newspaper. They think that their outlets and awareness schemes like “Activate Self-Esteem” are good enough to promote the product. Recently, the Body Shop is working on a new marketing campaign “home business”.

In this venture, the trained marketing consultants from the company will visit your home to demonstrate the product and create awareness. Currently it is on trail and they are only using this campaign in the United States. The company is interested in expanding this venture in the near future. 1. 3

Scope: This research project is going to deliver all of the information related to brand management of Body Shop. All the sufficient information is provided along with facts and figures to display the best possible picture of the Body

Shop. At first, the Body Shop is analyzed individually by looking into the past performance.

By using current information afterwards, a comparison is carried out to see the market standing of Body Shop. After the analysis, suggestions are given about which areas Body Shop needs to improve to enhance productivity. By using the information provided in this report, a business or an individual can easily study the brand management of any company. 1. 4 Methodology: The goal of this assignment was to develop a clear understanding about the brand management of Body Shop. Each section of this research report is done carefully and the report is accompanied with facts and figures.

The type of research was analytical rather than descriptive. The report is formulated through the available information in books, journals, and case studies. The fundamental method of research was used with generalization overview. The qualitative and quantitative research methods of data collection were used to support the findings. 1. 5 Assumptions: All the variables used in the research were measurable. The measuring instrument used for research was reliable and hence the research was accompanied by facts & figures. Through the SWOT analysis, the future performance of Body Shop was assumed.

A lot of assumptions were also extracted from the qualitative data analysis and these are believed to be true. 1. 6 Limitations: The methods and sources to grab information for this report were limited. I had to carry out a lot of supportive analysis to reach to a conclusion. The biggest limitation of information was the future growth. I only had to use SWOT analysis to

assume the future growth of the company. 2. Brand Positioning and Values

The brand positioning involves a detailed program that focus on combining the feelings, association, experiences, perceptions and attitudes people have towards that brand.

People just don't consider a brand for its name only; they seek for it for a specific need and look for a solution in that product. The detailed brand position strategy gives a brief guideline of how a specific brand is presented to the consumers. The brand positioning strategy involves a series of steps starting from brand logo, name and colors, distribution and communication channel, and finally the message conveyed (Kotler, Armstrong, 2008). The operational brand strategy of the Body Shop is on a belief that to enhance and maintain the performance, the core business activities related to brand positioning must be broaden.

To achieve long-term success, the Body Shop has managed to develop a joint approach to public reporting and performance measurement. In the last year, the Body Shop was unable to correctly achieve brand positioning goals; they were spot on then and managed to figure out what went wrong. The current brand positioning strategy of Body Shop focuses around grabbing the opinions from the key stakeholders. The focus of the company is to fully achieve both long and short-term objectives. The overall strategy surrounds around enhancing the values of the stakeholders.

The Brand positioning strategy of Body Shop is based on achieving three key principal objectives. It includes: 1. Enhancing the Value of the brand. 2. Improvement in the operational efficiency. 3. The strengthening of

stakeholders' culture. Along with the major objectives, the Body Shop is now focusing on another alternate objective. They are now considering market needs as an important part for making a brand positioning strategy. 2. 1 The Environment Friendly Logo Being one of the most famous beauty brands, the Body Shop has always positioned its brand under the “ natural ingredients” category.

This brand positioning has really helped the company to achieve the desired results. When it comes to the skin products, customers not only look for personal satisfaction but also want an environmental friendly product. The environmental friendly logo used as a brand positioning strategy has really helped the Body Shop in achieving the status of a ‘ Green Company’. Company is using the natural resources as a strong element for their brand promotion and it is bringing the required results. Body Shop has always been recognized as a “ Brand with a difference”.

The marketing team of the Body Shop has positioned the brand in such a perfect manner that now marketers deem it as an Icon. The great thing about the brand positioning of Body Shop is that they have not used the conformist advertising method to create a value for their brand. They instead consider social activism an effective way of promoting their brands. The success of Body Shop solely relies on its exceptional business model which is accompanied by effective brand positioning. When the brand positioning is done right, the brand creates value for itself and all this is reflected in the company's profit.

The company's profit is largely dependent on its word of mouth and PR. The products are very simple and the ideas behind them are driven through the needs of common people.

3. Brand Characteristics

The brand characteristics refer to the unique elements of a product which company design and then advertise to create and maintain a competitive advantage. The value of a brand is actually defined by the brand characteristics. The more the unique elements a brand has, the longer it will work for the company (Moore, Pareek, 2010). The brand characteristics of the Body Shop Includes:

- * No Animal Testing.
- Protection of our Planet.
- * Direct Marketing.

No Animal Testing: The company can always have two types of customers. One is called actual customers and others are potential customers. For the company, both are important. The Body Shop has given a clear message that none of its products are tested on the animals. This has become a brand characteristic for the company. Company is generating more potential customers and maintaining the actual customers through this proactive logo.

Protect our Planet: Social Activism is yet another brand characteristic being used by the Body Shop.

The company has always been busy in creating awareness through seminars and awareness programs. The purpose of such social interactions is to convey a clear message to the people that Body Shop products are actually environment friendly and hence it is contributing towards the protection of the environment.

Direct Marketing: Since the Body Shop is engaged in maximum social interaction, they have adopted direct marketing tools to promote their product. They are using the direct marketing as a brand

characteristic tool. The company is achieving two goals with the direct marketing.

One is that it helps in keeping the product cost low because it doesn't involve any advertisement and secondly the company is creating awareness of their product (Dufour, Lamothe, 2009). 4. Customer Benefits and Satisfaction Reaching the customer and delivering the product is indeed the most important part of marketing for any company. Whoever gets it right on the right time and right place in the right way maintains the competitive edge over the other companies. The Body Shop has managed to grab almost all of the 4 P's of the marketing. Due to this, the customers are always found in the happy mood.

The customer satisfaction all depends on the benefits provided by the company's product. The more the benefits are, the longer a customer will retain the product. The key customer benefits provided by Body Shop are: * Massive Skin care Product line * Environment friendly products * Mid Range products Massive Product line With more than 2, 400 stores in 65 countries, the Body Shop has managed to reach in every corner of the world. The Product line of Body shop is indeed huge and covers almost every category of skin. When a company is already having a good reputation for natural products, the customers' satisfaction level becomes really high.

Environment friendly products The strongest selling point for the Body Shop is its advertisement of environment friendly products. All of the skin care products by the Body Shop are totally made of natural extracted resources. Along with that, none of these are tested on the animals. This makes it an

ideal choice for the customers. Mid range products The advertisement budget of Body Shop is really low as they feel that promoting products through awareness campaigns is much better than spending money on advertisement. Since, the Body shop uses the direct marketing; the cost of promotion is indeed very low.

The ultimate effect is reflected on the prices of products. The customer easily gets the mid range product which is indeed a huge level of satisfaction. 5. Brand Communities Brand community refers on forming a connection of consumers with a brand. The consumer behavior is what a company seeks which helps them in judging the need of the consumer. It today's competitive world, it is really important for the companies to judge the attitude of consumers. Hence, making a closer connection with consumers will help the company. This can only be achieved through brand communities.

The concept of brand communities is all about making a connection with the consumers. The direct marketing is indeed a good step from the Body Shop towards making the brand community. The most initial way of making a brand community is open a membership program. By doing this, Body shop can easily have the data of individual customer. By using this data, they can plan out a few activities that will engage the company with the customers. These days, almost half of the business of companies has gone on the web. This can be taken as an opportunity by the Body Shop to build a stronger brand community.

Social bookmarking, newsfeeds, forums, blogs and now cell phone communication can be taken as a form of brand community by the Body shop. The stronger the communication it, the quicker the results will come. The strong engagement of the customers will help the Body Shop in every step. 6. Brand Equity The brand equity refers to the position a brand has earned through the name recognition and goodwill over the specific time. Having higher brand equity gives the company a clear competitive edge over the other companies. It also helps the company when they want to expand their existing product line.

If the brand equity is higher, the customers would be easily willing to pay additional for the same product line (Hulten, Broweus, 2009). 7. 2 The Case of Body Shop To make things easier, the best thing a company can do for building perfect brand equity is to create awareness. The body Shop has managed to create brand awareness through using simple 4 P's of the marketing. Product Strategies: The Body Shop has huge product line which is divided into 400 main and 500 secondary products. All of their products are extracted from natural resources and no harmful material is being added.

The main ingredients of their brands include herbs, flowers and vegetables. To grab the customer's attention, they offer a free perfume bar which can be used for scenting lotions and oils. The trained staff is always there for hand and body massage services. This has indeed created a positive impact in the minds of customers. Packaging Strategies: As already discussed, the Body Shop doesn't believe on extensive promotion strategies. They want their products to be delivered in very simple packaging as they focus more on what's inside the product rather than how it looks.

One reason for keeping the packaging simple is because the company is in the campaign of bottle recycling. The recent developments at body shop have resulted in addition of new product labels and products are becoming sophisticated and proliferated. When customers opt for a new product, the Body Shop gives them a chance to first test the product and then buys it. Customers can easily test any skin product before buying. Distribution Strategies: The Body Shop uses the direct marketing technique and they also sell through their own distribution channels.

In the United States, the Body Shop products can be availed by placing mail order. Such convenience option has helped the Body Shop in maintaining the brand equity. Promotion Strategies: When it comes to skin products, a company needs to show a bright picture to customers regardless of whether the product really offers the solution or not. This strategy is strictly rejected in the Body Shop. The Body Shops' promotional strategy rotates around the traditional techniques where they only advertise which the product really offers.

The customers have always appreciated the Body Shop for being truthful. Pricing Strategies: At the Body Shop, the company believes on providing the high quality brands at a lower rate. Since the company targets various age groups, more than five product varieties are being introduced. On average, the prices of Body Shop products are about 10%-15% lower than the competitors. This strategy has helped the Body Shop in maintaining the competitive edge in the market. Making profits with principles: At Body Shop a new 'P' is being introduced and it is merged in the marketing mix strategies.

They have named the new P as “ making profits with principles. ” The company believes on the fair trade principles where they make profits with fair deals. The company only advertises which they think they can deliver. The company is also fulfilling its social responsibilities to create maximum brand awareness. By applying the marketing mix correctly, the Body Shop has managed to create very high brand equity. 7. Conclusion The Body Shop is in business for more than 30 years now. During the time of Anita Roddick, the company has seen massive and continues growth.

She has the right ideas in the mind and most importantly she implemented at the right time in the right manner. The natural product and social activism tags has really helped the Body Shop in maintaining the credibility and brand equity. After the takeover by L’Oreal, the company has taken its business to a whole new level. When there were smooth trails for the company, the company has also started suffering due to competitive products. The competitors like Nivea have taken full advantage of the mistakes made by Body Shop, and has come up with a better solution.

It is the time now that Body Shop needs to redesign its marketing and product placement strategies. They need to promote new product and promotion strategies. To create brand awareness and promotion, it is must for the Body Shop to use both electronic and print media. When it comes to skin products, a media promotion through a renowned personality is indeed very important. The Body Shop needs to use this medium. 8. Reflection I have conducted a detailed brand analysis of the Body Shop. In this whole assignment, I have gone through every aspect that is related to the branding of Body Shop.

From growth to maturity, every stage of the product is being discussed. A detailed analysis is conducted to figure out where was the Body Shop in the past and what is the way ahead. The key things that are learned in this assignment are how a company places its brand in the market and then how it is being reached to the final consumer. I have also learned the importance of the message that is being conveyed from the company to the consumer. In the end, I feel that a company should always look for introducing new methodologies for brand placing and promotion.