

CHAPTER I

INTRODUCTION

The Body Shop International Limited is arguably one of the world's biggest sustainable beauty retailers. The company was founded in 1976 by Dame Anita Roddick and originally located in Brighton, England. Roddick was a British businesswoman, famously known as a human right activist and environmental campaigner. The Body Shop started its journey as a small local store selling just 25 products. In 2020, The Body Shop has more than 3000 stores in over 70 countries and continuous to grow. The company uses multilevel marketing channel called "The Body Shop at Home" by encouraging its existing distributors and consultants to recruit new people to sell and market its products. This marketing strategy was successfully implemented in countries like Australia, France, South Korea, and Indonesia. Globally, The Body Shop has a strong promotion of CSR and advertise itself as a green corporation. Therefore, the company specifically markets its products towards customers who desire healthy, organic, and eco-friendly beauty products. It also focuses on people who are interested in social responsibility and environmental sustainability. Based on demographic segmentation, the company main target audience is 15-60 years old women (Bashin, 2019). Due to this wide range of ages, the product segmentation is also wide. The Body Shop provides over 300 kinds of beauty products, such as facial wash, shower gel, facial oil, body butter, gel cream, perfume, face mask, etc.

In 2006, L'Oreal bought The Body Shop at the height of its success but it has failed to thrive since. Under L'Oreal's ownership, the company experienced its lowest point. It had lost its former glory and brand value among its customers. Some other factors such as increasing competition and lack of innovation were reasons that also caused its downward trend (Hope, 2017). After controlling The Body Shop for almost 11 years, L'Oreal decided to sell the company to Natura in 2017. Under Natura, The Body Shop started going back to its root, bringing back the eco-friendly beauty brand image, and certified as a B-corporation (Danziger, 2019). The

company continued to make headways in its transformation plan and the revenue has gradually increased from 2016-2019.

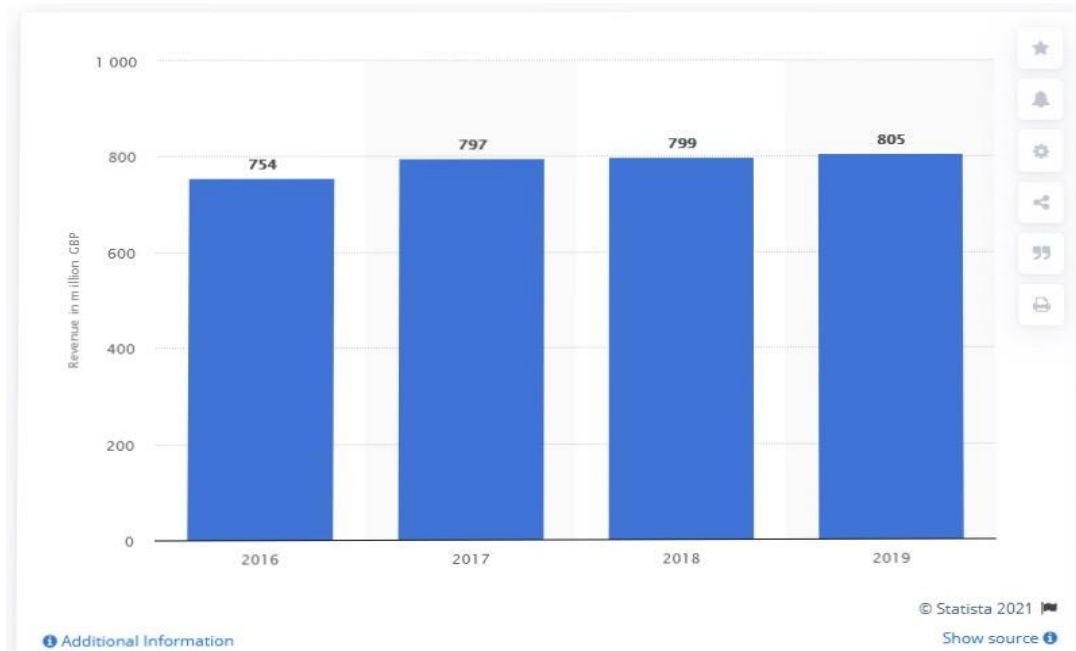


Figure 1: The Body Shop's total revenue worldwide from 2016-2019. Source: Statista (2021)

In 2019, the total revenue was measured at £805 million. It is proven that The Body Shop succeeded in transforming itself and focused on their core competencies. Currently, the company keeps creating new innovations and valuable CSR projects in order to gain stronger competitive advantage.