

**Shopping for a better world:  
a strategic assessment of  
THE BODY SHOP**

**Project**

**MK358 Strategic Marketing**

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## **Introduction**

We have chosen The Body Shop as the basis for our project on a brand and before we start our work as managers we would like to provide a brief history of the company in order to explain and examine its culture.

The Body Shop is a manufacturer and retailer of own brand cosmetics and toiletries. Anita Roddick opened the first shop in Brighton in 1976. They promote their products using the P.R. advantages of their fair trading policies and their opposition to environmental injustices such as animal testing of cosmetics. They currently sell over six hundred products in one thousand shops in over forty countries around the world. Their retail sales top £400 million a year. The Body Shop works on a franchise basis throughout all its stores. It's manufacturing and operational headquarters are situated in West Sussex, with the design and product press office situated in London.

The Body Shop is a diffuse organisation which operates in a moral-driven, high income sphere of society. It has developed an environmentally friendly image in which to promote its products. We seek to test the strength of that image, especially in front of lower cost competitors and also the viability of their claims of moral correctness.

### **Analysis of Secondary Information.**

We have found great problems in the use of secondary sources in evaluating a brand. A brand is developed and operates in peoples minds and so is different to every personality. A company developing a brand seeks an overall favourable view from its target audience, its customers both potential and actual.

In this case, the main source of information we were able to obtain from secondary sources was either subject to questionable objectivity or was purely financial in basis. Our main source of data came from press cuttings, internet sites including The Body Shop's own page and interviews. Every thing in this case was open to various interpretation.

## **Strategic assessment**

### ***Products***

#### **Overview**

The Body Shop currently sells over 600 different products and over 600 accessory items. The best selling products worldwide include the White Musk range, Cocoa Butter Hand and Body Lotion, Vitamin E Cream, Banana Conditioner, Peppermint Foot Lotion, Aloe Vera Moisture Cream, Carrot Moisture Cream, Jojoba Moisture Cream, Mostly Men Face Protector and Black Mascara (see appendix). For a detailed description of the full range of products that The Body Shop offers, see appendix.

#### **Product development**

The Body Shop uses traditional wisdom, ancient herbal remedies and modern scientific research to make effective use of plants, herbs, fruits, flowers, seeds and nuts in their cosmetics and toiletries. Many of the natural raw ingredients in their products have been used for centuries as traditional methods of skin and hair care by indigenous peoples around the world. For example, Tahitian women massage their skin with cocoa butter. Sri Lankan women use fresh pineapple to keep their skin clean and clear.

Anita Roddick visits many indigenous communities around the world and often brings back raw ingredients for the R & D scientists to test in their laboratories.

In June 1989 Anita visited the Kayapo village of A-Ukre to explore the possibility of trading. A number of rainforest ingredients were brought to England where The Body Shop's Research & Development Scientists looked at the beneficial properties of the ingredients and how they could be incorporated into the skin and hair care products. It was found that Brazil nut oil was a very effective ingredient for hair conditioner.

BSI enlisted the help of ICI Brazil to work out a process whereby the Kayapo could extract high quality oil from Brazil nuts using only hand-operated machinery in the

forest. A trading link was soon established, and with the help of ICI and BSI the Kayapo have developed a Brazil nut oil harvesting and pressing operation to supply the high grade oil used in BSI's Brazil Nut Hair Conditioner. (The women; traditional crafters of ornaments; also produce beaded bracelets which are sold in selected branches of The Body Shop). The Brazil Nut Hair Conditioner is The Body Shop's best selling hair conditioner.

### **Product Quality**

The Body Shop's Quality Control department is responsible for the quality of products that reach The Body Shop's shelves throughout the world. There are five QC labs on the Watersmead site each one with a different area of responsibility.

All products and raw materials are subject to physical and chemical testing. Physical tests include:

Appearance, Odour, Viscosity, pH, density and colour determination. Chemical tests include, water content, level of preservatives & raw materials and stability/quality of essential oils, fragrances and colours.

Microbiological tests are also carried out by QC. These tests are carried out each day, constantly monitoring the environment in which The Body Shop's products are made. QC technicians visit areas around the Watersmead site, including manufacturing, raw ingredients store, production and the warehouse. Swab samples will be taken from these areas to test the cleanliness of the plant.

Any products, chemicals, or ingredients which are rejected, or any waste water produced must meet strict guidelines before it may be passed into the environment. The Body Shop is concerned with the impact that businesses have on the environment and is determined to set examples by leading the way in the battle against waste.

### ***Distribution***

The Body Shop's products are sold in over 1200 The Body Shop stores in 45 countries. Their shops conform to a tightly controlled format, which has been designed to offer consistency around the world. In certain key cities, the company

have been experimenting with new ideas for flagship stores located in prime locations. In the past year, flagship stores have opened in Belfast, Geneva, Milan and San Francisco, Paris and Vienna.

Elsewhere, The Body Shop continues to develop alternative ways of reaching customers through non-traditional outlets. One example of this is a mobile truck. The Body Shop on Tour, which is now being trailed as a means of bringing new customers into their stores in the US.

Approximately 80% of The Body Shop's stores around the world are franchised. Franchise stores and those owned by the company are operated in much the same way. All have the same generic style and carry the same product range. Many of the store managers have worked their way up from assistant level and have a key competency programme of training which ensures they are empowered and capable of implementing the company's environmental and social values and developing their staff.

They take full responsibility for profitability, sales, shrinkage and product knowledge for themselves and all their staff. A business development manager looks after an area of company store managers, reporting directly into the UK Retail Board.

### ***Promotion***

When Anita Roddick opened her first shop, she wanted it to be somewhere that everyone felt comfortable visiting. She wanted it to be non-judgmental, non-elist, a place where you wouldn't feel self-conscious or worry what others think. So she intended to provide products, promote products for everyone. This is quite obvious in The Body Shop's bath products. From a sophisticated soak for adults to a bath - bubbly splash for kids you'll find something for every member of the family.

The Body Shop promotes itself through its commitment to the environment. They present an image of 'You take care of the world around you as you would take care of yourself'. This promotion calls for The Body Shop to be responsible for the waste it makes e.g. in its packaging, the consumer has the choice of refilling, reusing or recycling. In advertising and promoting their product, The Body Shop do not promise miracles. For 20 years it has been making effective products and explaining their

benefits clearly and simply. For The Body Shop, beauty is character, individuality, humour, not some ideal arrangement of physical features. That is why The Body Shop has never used idealised images of beauty to promote its products. The Body Shop is promoted by looking beyond the label, understanding the product and the company. This is the strong message which they send out to customers. It means that there are a lot of things you don't see that go into each one of The Body Shop's products. An example would be the values which are put in place.

The Body Shop does not test products or ingredients on animals<sup>1</sup> - never have, never will and have and will campaign globally for a ban on animal testing<sup>2</sup> in the cosmetics industry. In this way it promotes itself as caring for the environment.

The Body Shop offer free make-overs, demonstrations and practical application tips. These appointments can be made through each store. Its success in this department is recognised as The Body Shop was named cosmetics brand of the year 1995 by Vogue magazine in the U.K.

The Body Shop is committed to keeping its customers as up-to-date as possible about their products and values. This is achieved through their advertising campaigns in magazines and their internal promotions. They recognise that the best customer is the informed customer.

One thing The Body Shop has learned after 29 years in business is that men want to look good but they don't want to fuss about themselves. The Body Shop for men promotes and designs a quick and easy skin and hair care with special attention paid to shaving because that is one activity that all men have in common.

When you buy from The Body Shop you get just what you pay for, because The Body Shop makes and sells its products without the hidden costs of expensive packaging.

People ask The Body Shop 'what could be better than a natural product?'. The Body Shop's answer is how it promotes its product - 'a natural, ethical and effective one'.

The Body Shop's design and press office are located on Oxford Street in London. Also based in London is Jacaranda, the in-house video production company which

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<sup>1</sup> see also: "animal testing" in the appendix

<sup>2</sup> see also: "banning the test" in the appendix

produces educational and training videos. These include The Body Shop's weekly news magazine, BSTV, which is distributed to all U.K. shops, and a monthly version which is translated into 19 languages and is distributed to the shops world-wide.

## ***Customers***

### **The Profile of The Body Shop customer.**

The customer to whom marketer are now appealing has become increasingly sophisticated, demanding and literate - basically harder to persuade. This is particularly true of younger consumers for whom consumption is often an act of self-expression and empowerment.

The Body Shop customer isn't satisfied alone with the product, even if it is of a high quality. They want more and The Body Shop tries to fulfil this want.

The strategy of The Body Shop is to transform these demands into wants. Therefore they use the basic methods of consumer behaviour very well. On the one hand they apply to a very involved customer who acquires and uses information carefully. On the other hand they provide their customers with the information they need to make a "reasonable" decision.

### **The target market/ segmentation:**

The target customer is<sup>3</sup>:

- female,
- between 15 and 40,
- interested in good quality of cosmetics
- involved or at least interested in social and ethical topics and
- willing and able to pay more (for the added values).

This group wants on the one hand cosmetics of a good quality, but on the other hand they are (very) concerned about their environment.

### **Needs - identified as a market niche**



Consumers buy psychological benefits as well as the more tangible physical and service benefits of any product. As mentioned above, the target group is very concerned about its environment. There are also needs which can be transferred into wants and demands.

There has been a lot of talk about the contradiction between cosmetics and animal testing especially in the 80's. Ms. Roddick has noticed this niche (niche strategy) in the (mass) market and started selling high quality products (see *products*) with added values. These added values are ethical and social principles, to which the target group mostly agree. So there are two main reasons to buy products of the Body Shop; the product itself and the "added values".

### **The Values of The Body Shop**

*High perceived values* (HPV) is the extent to which a company will compete on the relative differentiation of its products or services and hence the perceived value of the product or service to the customer. So it is very important for a company to explain this "difference" to the customer.

It is no longer enough to sell good products, the customer of today wants more. Because of its importance, this "more" is described in more detailed now.

### **The role of the Product**

The characteristics of the product are already described above. Here, it should only be remembered that product quality plays a very important part, like it is demanded by the consumer.

### **Principles (added values):**

The Body Shop "difference" are the principles which the name is standing for:

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<sup>3</sup> see also Questionnaires in the appendix.

- Ethical principles<sup>4</sup> like no animal testing<sup>5</sup> and
- Social principles like human rights (especially the rights of women) and fair trade.

Therefore they have created a mission statement named as “our reason for being”, to make readers aware of how they could obtain more detailed information. They describe their reason for being (values) as follows:

- To dedicate the business to the pursuit of social and environmental change.
- To creatively balance the financial and human needs of the stakeholders: employees, customers, franchisees, suppliers and shareholders.
- To courageously ensure that the business is ecologically sustainable, meeting the needs of the present without compromising the future.
- To meaningfully contribute to local, national and international communities in which they trade, by adopting a code of conduct which ensures care, honesty, fairness and respect.
- To passionately campaign for the protection of the environment and human and civil rights, and against animal testing within the cosmetics and toiletries industry.
- To tirelessly work to narrow the gap between principle and practice, while making fun, passion and care part of our daily lives.

As part of their commitment to observing legal requirements and regulations The Body Shop has now produced two independently verified environmental statements<sup>6</sup>. The first, in 1992, was entitled "The Green Book". It contains a number of targets and commitments for the future on issues such as waste management, energy efficiency, purchasing and auditing. The subsequent annual editions of The Green Book have measured their achievements and set further targets.

In Jan/Feb. 1996, The Body Shop, published an integrated statement of its ethical performance, called The Values Report 1995. Each component of the Report has an element of independent verification in line with established best practice where this exists.

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<sup>4</sup> see also: “ethical principles” in the appendix

<sup>5</sup> see also: “animal testing” in the appendix

<sup>6</sup> see also: “promotion” on page 5.

**Psychological aspects:**

The target group are women between 15 and 40. This market segment has several characteristics in common. The most important are:

Self-Concept: You are what you consume

People use individual's consumption behaviours to help them make judgements about who that person is. The image of The Body Shop (products) on the other hand is: sensitive, warm, justice... like the appearance and outfit of the shops.

Sex roles: The Body Shop tries to encourage women to fight for their right.

Body image: One principal campaign concerns women's self image and the horrendous problems, particularly in relation to eating disorders, this can cause. Therefore The Body Shop created a computer-generated and well-rounded doll called Ruby and posters of her are being displayed throughout the company's outlets with the slogan: "There are three billion women in the world who don't look like supermodels and only eight who do"<sup>7</sup>. This rubensque being - in appearance a full-figured Barbie - is The Body Shop's response to the persistent promotion in the fashion industry of thin as an ideal.

**Involvement and attitudes:**

All the efforts of The Body Shop are worthless, if the target group doesn't recognise them. So it is extremely important, to reach the customers with the kind of information they shall get to make the "right" kind of decision (buy at The Body Shop).

Therefore, it is important to identify the needs of the target group, to increase the involvement and to influence the attitudes. The company's aim is to make women believe that it is a fair solution to the problems to buy at The Body Shop.

Decision making Process: To make things easier for their customers and to be sure that the customers do get enough information and the "right kind" of information, The Body Shop creates great publicity. Ms. Roddick is a famous writer, The Body Shop spends a lot of money in information brochures and there are several

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<sup>7</sup> see cover page.

“scientific” programs and studies which are designed and financed by The Body Shop. In the end, this all ensures again, that the customer can easily get information - that kind of information, which leads automatically to The Body Shop’s products.

**The added Values and the Characteristics of The Body Shop consumer: that’s target marketing live**

Involvement describes the level of perceived personal importance. So it is very important for The Body Shop, to keep their customers informed (the way which is good for the company).

The Body Shop has done their homework very well. This company is a good example for target marketing. On the one hand it, looks at the consumer’s problems and attitudes and on the other hand it offers the “ideal” solution for these problems. Furthermore, it makes it easy for the customer to keep informed (again in the way which is good for the company) and so to have a good conscience while consuming goods which are not (normally) morally incorrect.

The needs of the consumer and the values of The Body Shop fit together. So there is a market.

***Competitors***

Both at home in the U.K. and abroad, The Body Shop faces many potential and existing competitors. Beauty products became more and more important in the ‘vain’ eighties leading to the exponential growth of the cosmetics industry. Although we are now in the advanced ‘what matters is what’s on the inside’ nineties and cosmetics are now euphemistically called ‘health and beauty products’ the industry remains a huge one.

The ‘Health and Beauty’ industry is so vast and wide-ranging that it would be impossible, or at least impractical, to list all of The Body Shop’s competitors here. The Body Shop produce a range of soaps, shampoos, perfumes, make-up and accessories for these products. The majority of people are mostly aware of the soaps and shampoos but few are aware of the other products. As well as competing across

this broad spectrum of products it should also be noted that The Body Shop is a retailer and hence it is in competition with any outlets selling any of these products.

A list of The Body Shop's competitors might look a little something like this: L'Oreal, Procter and Gamble, Boots, Colgate-Palmolive, Revlon, Rimmel, HCR Chemists, Arnotts, Marks and Spencers etc.

When The Body Shop was first launched they were known, along with companies such as Tie Rack, as niche investments. They catered to a small and specialised market using a unique product or service. Over the years, as people became more aware of The Body Shop's campaign and as pressure increased on people to be environmentally friendly, The Body Shop experienced rapid and unrivalled growth. This growth all but forced The Body Shop into launching new ranges to keep its growing customer base happy and brought them out from the niche market and into the mainstream.

The change in their position had an adverse affect on The Body Shop in terms of competition. Other firms in the 'Health and Beauty' area realised that environmentally conscious consumers weren't just a fad but were here to stay. Hence, they began producing 'natural' ranges that had not been tested on animals. The "No. 17" range from Boots for instance was launched in direct competition to The Body Shop's range in that it carried the same guarantee of not having been tested on animals. Other companies followed suit, producing and selling products made from natural ingredients<sup>8</sup> and untested on animals.

Not only did their move towards the limelight prompt increased direct competition, but it forced The Body Shop to make some moves that some believe are in conflict with their 'animal friendly' image. In order to pitch itself towards the largest slice of the market The Body Shop had to use some bases (i.e. ingredients in its products) that had been tested on animals. They argued that this was in line with their policy, as they had not been the ones who tested the products on animals. Many though saw this move as being forced from increased competition and not one The Body Shop enjoyed making.

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<sup>8</sup> for example: "Timotei"-shampoo, Elida-Gibbs, is now the number one in Japan

Indeed, one might notice that on certain The Body Shop products the usual statement that 'This product has not been tested on animals' is changed to 'Against animal testing'. The reason for this is that state laws prevent The Body Shop making any false claims. The media which played such an important and extensive role in The Body Shop's rise has now latched on to this and it has become a popular activity to question the company's ethics and engage in The Body Shop 'bashing'.

This has led to a serious erosion of their image as animal friendly. More importantly it has in some consumers minds eliminated the uniqueness of their product, making life easier for competitors who have no animal friendly range.

None the less it has been difficult for certain firms to reposition themselves as being animal friendly. L'Oreal for instance, has had great difficulty in trying to convince the public that some of their products have not been tested on animals. Their track record as a company with few morals spoke more to consumers than their floundering attempts to jump on the environmental bandwagon. Despite the The Body Shop's slightly tarnished image they would be seen as more animal friendly than most of the major firms in consumers' eyes.

Considering the kinds of companies with whom The Body Shop compete, it is remarkable that they have done so well. Companies such as Procter and Gamble, who produce products such as Pantene, Head & Shoulders and Wash & Go, are multi-million pound organisations capable of funding huge R&D efforts and expensive high publicity marketing campaigns. Pantene has only been around for the past few years and yet it already has a loyal customer base, high brand recognition and strong market share. This has largely been due to the advertising campaign, coupled with intelligent R&D, which has led to the product winning a number of awards.

In a market such as this, brand loyalty is a major issue. There are some people who will only buy from The Body Shop and others who couldn't be seen shopping anywhere other than Brown Thomas. In between these two extremes lie a range of market segments, each concerned primarily about different issues. For some it is price, for others image and for a small minority it is whether the product will react badly with their skin.

This has meant a slightly different focus from each competitor in the Health and Beauty industry. Some compete in many different segments by producing a range of different brands separate from the company itself e.g. Procter and Gamble aim for people with dandruff (Head & Shoulders) along with people in a rush (Wash & Go).

In truth, this leaves The Body Shop with few direct competitors. While there will always be a struggle between them and other firms to gain yet more market share the reality is that each will probably hold on to its particular segment with slight fluctuations from time to time, depending on what the competition do.

Of the few remaining in competition against The Body Shop, Boots is probably the major player. A well-known and trusted firm, with a wide range of health products and accessories, and also associated with quality should be of concern to The Body Shop. Boots, however, would not have the same high reputation for protecting animal rights, which has allowed The Body Shop to differentiate itself and survive in an increasingly competitive market.

### **Brand evaluation**

The Body Shop has built up a very successful name throughout the world. This is obvious by their £400 million-a-year sales and the fact that their profits in Africa and Asia are the fastest growing of any of their geographic segments. But after our research and description of the company brand, how would we rate it?

The Body Shop has been very successful at developing the image Anita Rodderick had decided on, upon foundation. They have created a brand instantly recognisable for its social conscience. The social responsibility and environmental awareness are the very ideals that The Body Shop pertains to and the factors that influence people to buy there.

This brand has been achieved solely through the use of PR and not through mass advertising and marketing gimmicks. They obtain positive PR through their support of minorities and social injustice and by producing products which are produced without abusing anyone or anything. However, the biggest PR tool the franchised company has is Anita Rodderick herself, who is often quoted and more often

outspoken about social injustices and lending her support to agencies for the improvement of the greater world.

The Body Shop brand is successful in the sphere in which it was designed but the people who shop here are not just people with a need or want to help fight the exploitation of workers in under-developed countries or care that animals were not hurt in the development of this product. There is a status element associated with The Body Shop' products. They are more expensive, of a desired quality and also come in a more decorative packaging without the gaudy branding many main stream cosmetics producers engage in. This facilitates the brand not only as an ego-driven product, but the ability to charge a price premium and the distinctive packaging also lends a certain prestige making it suitable for gifts as well as everyday use.

However like all brands there is criticism from somewhere. In the case of The Body Shop, the magazine "Consumer Choice" has berated the franchise for not following the sourcing practices they preach. Consumer Choice believes the majority of product sourcing takes advantage of underpaid labour in poorer countries. The Body Shop, as a franchise, is very closed-mouth about its operations and this is seen as proof of guilt, as they do not allow their organisation and structure to undergo scrutiny. So far, the mass media has not picked up on this and it has had little effect on overall brand perception.

So how can the company continue to expand its operations or to improve on what it has? We believe that The Body Shop, if it has not already done so, should look at branching out in to the providing of all natural food stuffs and health foods. This area of the market has expanded rapidly in the last few years and could be an opportunity for The Body Shop to offer more services without diluting its brand reputation.



## Conclusion

This has been our analysis of the brand name known as a The Body Shop. Although only one name, it is a collection of many different products in the cosmetic field. The Body Shop has created a new type of company, one entirely focused on the particular ideals and their association with their products. They operate in a cosmetic industry and seek to facilitate a price premium in their product by adopting the principles of fair trade and being environmentally conscious.

Their total brand identity is borne out of this envisaged moral superiority which preys on the social conscience of the customer. But there is also another dimension to their products and that is a presupposed standard of quality. As with everything in life, quality ensures good word of mouth coverage and repeat use. They do not use the banner social awareness to mask an inferior product.

The name “The Body Shop” does, in itself, evoke an image of social correctness and the company itself is highly profitable, leading us to believe it is a successful brand.

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## **Appendix:**

### ***SWOT-Analysis:***

#### **Strengths:**

The Body Shop's main strength lies in their ability to differentiate themselves from their competitors. Their brand image is one of as high quality and is also attributes with not being tested on animals, even though some products have been. The natural ingredients also give it a high level of differentiation from competitors' products which are more chemical-based.

#### **Weakness:**

Due to the high level of quality involved The Body Shop products are slightly more expensive than their rivals are. This means they must maintain the perception of quality at all times which will require constant investment. Otherwise customers may switch to cheaper substitutes if they are introduced.

#### **Opportunities:**

Although based in the UK, The Body Shop has performed well world-wide. They will never see type of growth which they experienced in the early eighties but their brand is relatively new in mainland Europe, Australia and Far East. The real opportunities lie, not in producing new products, but in penetrating new markets.

#### **Threats:**

There are many competitors who would like to have market share and power which The Body Shop enjoy, given this it is likely that some of the bigger firms will launch animal friendly ranges to compete with The Body Shop, as is evidenced by Boots No. 17 range. Another problem that they have is that many critics have been questioning the moral and ethics in the press recently. The Body Shop take contention with this but even if the allegations are proved to be false a trace of doubt may linger in the consumers' minds and they may lose some customers. The whole business relies on

the creditability of the body-shop image: Claiming the The Body Shop, to be not so “green“ will hurt it; a proof will kill it.

Furthermore, there are more and more ECO-labels, which make supermarkets to competitors. Changes in the law or government proposals often prompt The Body Shop’s campaigning and lobbying activities. In 1993 the EU introduced an eco-labelling scheme giving ecological backing to products. The proposals take no account of whether a cosmetic product has been tested on animals, however. This will allow a company that tests its products on animals to use an eco-label. Therefore the ‘information work’ of The Body Shop gets more and more important.

### ***Brand Values***

The Body Shop is not simply a manufacturer and retailer of toiletries and cosmetics.

The company is committed to environmental protection and respect for human rights; to developing trading relationships with communities in need; they are against animal testing in the cosmetics industry; and they encourage education, awareness and involvement among their staff and customers.

### **Animal testing**

The Body Shop is against animal testing of cosmetics products and ingredients. They do not test their products or ingredients on animals. Nor do they commission others to do so. They consider such tests to be morally and scientifically indefensible. The Body Shop uses its purchasing power to try to stop cosmetics ingredient suppliers from animal testing. They also support and use alternative tests, inform the public and, most importantly, campaign to ban cosmetics tests on animals.

However, the fact is that almost all cosmetics ingredients have been animal tested by somebody at some time for someone. So no cosmetics company can claim that its ingredients have never been animal tested. But they can take action to stop the tests.

The crucial thing is for a cosmetics company not to test or commission animal tests and to do everything to try to stop ingredient suppliers animal testing in the future. The Body Shop does all this, through its ingredient purchasing rule, supplier monitoring and rating systems.

### **Banning the Tests**

The Body Shop campaigns with animal groups around the world for a ban on animal testing of products and ingredients for or by the cosmetics industry.

In Europe, the company's efforts, combined with others, led to a decision in principle to ban the sale of animal tested cosmetics within the EU from 1998. In November 1996 The Body Shop presented a petition of over 4 million signatures to the European Commission (EC) calling for them to enforce this decision. However, the ban was subsequently postponed on the grounds that alternative testing methods have not been validated (scientifically accepted), in accordance with the standards of the Organisation for Economic Co-operation and Development (OECD). The OECD includes influential countries like Japan and the US, whose cosmetics industries conduct animal testing extensively.

This is totally unacceptable to The Body Shop.

The company is continuing to campaign with animal groups for a ban. There are plenty of existing cosmetics ingredients as well as others, such as some plants and foods, which do not need animal testing. They also believe imposing a ban will lead to more rapid progress in validating alternative tests. This is because the traditional cosmetics industry innovates using new ingredients that are animal tested. A test ban would stop the use of these ingredients until alternative tests are developed and validated. As a result more effort and resources will go into this area.

### **Customer Safety and Alternative Tests**

At The Body Shop customer safety is paramount. In developing products they use ingredients with a history of safe human use and naturals like bananas and Brazil nut oil. The ingredients are subject to non-animal tests such as micro-biological analyses using computer modelling and their products are developed using controlled testing on carefully monitored groups of human volunteers. Many ingredients are also screened using alternative tests like Eytex.

### **The Body Shop Purchasing Rule**

The company also encourages ingredient suppliers to stop animal testing. They will not purchase any ingredient which they have tested or retested on animals for cosmetic purposes since at least 31st December 1990. This is called The Body Shop Purchasing Rule.

The Body Shop Purchasing Rule is not the same as the 'fixed cut off date' operated by a number of cosmetics companies. The company's view is that a conventional 'fixed cut off date' does little to persuade suppliers to stop animal testing. This is because 'fixed date' companies are concerned with the date an ingredient was first marketed and not necessarily with the last animal testing date. As a result they may not monitor suppliers testing practices. In effect, this means that 'fixed date' companies may purchase ingredients recently retested by their own suppliers. This would not happen under The Body Shop Purchasing Rule. However, no policy works without effective monitoring of ingredients and suppliers.

### **Monitoring and Enforcing The Body Shop Purchasing Rule**

The Body Shop's Technical Information department sends out over one thousand supplier ingredient declarations every year. Each supplier must certify that the ingredients they sell to the company comply with the Purchasing Rule.

If, despite follow-up, a supplier fails to complete the declaration or reports conducting an animal test for cosmetics purposes after 31st December 1990, the company stops buying the ingredient from them and look for an alternative source which meets the purchasing rule. If no source can be found, and the product cannot be reformulated, they company will stop making it. No other cosmetics manufacturer is known to act similarly.

Customers are keenly aware and share the values that The Body Shop brand represents and is trying to achieve, as it is perceived as a brand which personifies environmental care, animal protection, ethics, self-esteem, political expression, justice, naturalness, health and beauty.

### ***Ethical Principles***

The Body Shop's Trading Charter: The way they trade creates profits with principles. They aim to achieve commercial success by meeting their customers' needs through the provision of high quality, good value products with exceptional service and relevant information which enables customers to make informed and responsible choices.

Their trading relationships of every kind - with customers, franchisees and suppliers - will be commercially viable, mutually beneficial and based on trust and respect.

Their trading principles reflect their core values.

They aim to ensure that human and civil rights, as set out in Universal Declaration of Human Rights, are respected throughout their business activities. They will establish a framework based on this declaration to include criteria for worker's rights embracing a safe, healthy working environment, fair wages, no discrimination on the basis of race, creed, gender or sexual orientation, or physical coercion on any kind.

They will support long term, sustainable relationships with communities in need. They will pay special attention to those minority groups, women and disadvantaged peoples who are socially and economically marginalised.

They will use environmentally sustainable resources wherever technically and economically viable. Their purchasing will be based on a system of screening and investigation of the ecological credentials of their finished products, ingredients, packaging and suppliers.

They will promote animal protection throughout their business activities. They are against animal testing in the cosmetics and toiletries industry. They will not test ingredients or products on animals, nor will they commission others to do so on their behalf. They will use their purchasing power to stop suppliers animal testing.

They will institute appropriate monitoring, auditing and disclosure mechanisms to ensure their accountability and demonstrate their compliance with these principles.

### **Monitoring Ethical Policy**

In Jan / Feb 1996, The Body Shop, publishes an integrated statement of its ethical performance, called The Values Report 1995. Each component of the Report has an element of independent verification in line with established best practice where this exists.

There are four components to The Values Report, namely a guide to how the auditing and disclosure has been conducted plus three separate statements dealing with the Company's ethical performance regarding the environment, animal protection and social issues.

In addition to the published Values Report, The Body Shop will be launching a new site on the net - The Values Report. It will create a meeting point for media, educationalists, campaigners and become a hub of discussion on social responsibility in business.

Available on the internet is a case study describing the detail behind the behind The Body Shop's approach to ethical accountability. The Body Shop's business activities are described, together with the company's ethical policies and how these are implemented and audited. Sections dealing with environmental protection, social issues and animal protection are presented and emphasis is given to the importance of auditing and disclosure of performance as the key to establishing stakeholder support.



## *Questionnaires<sup>9</sup>:*

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<sup>9</sup> of course, this Questionnaire is but representative, but it was/ is very informative!

# *Products:*

*- an overview -*