

The Body Shop shouldn't have failed in an age when consumers want activism from their brands. What happened?

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We are in an era of brand activism and conscious consumerism. More than [70% of consumers](#) expect brands to publicly stand for sociopolitical issues.

And more than [half of Australians](#) consider sustainability an important purchasing criterion. Experts also predict a [major shift in consumer attitudes](#) with sustainability evolving from a "nice-to-have" to a baseline requirement.

In this climate, The Body Shop—promoted as a global beacon of ethical retailing—shouldn't have failed. However, in February, it entered administration in the [United Kingdom](#). The following month, The Body Shop in the [United States and Canada](#) filed for bankruptcy.

The Australian subsidiary remains profitable, boasting about 100 stores. But it is [reportedly facing](#) a "cash flow crisis" with "unsustainable levels of debt" following the collapse of its UK parent company last month.

The Body Shop was once a ground-breaker

Founded by UK businesswoman and human rights activist Anita Roddick in 1976, The Body Shop was a trailblazer of cruelty-free products, fair trade and environmental sustainability.

It was as well known for its advocacy and ethics as its flagship products, including White Musk scent, Dewberry oil and peppermint foot scrub.

The [brand](#) helped [change 24 laws in 22 different countries](#) by mobilizing customers to campaign against [animal testing](#) in cosmetics.

However, The Body Shop's trajectory over the last two decades diverges

sharply from its founding ethos.

First sold in 2006 for [A\\$1.26 billion](#) to cosmetics and personal care company L'Oreal, the brand was abandoned by many customers because of perceived betrayal of its core values.

In 2017, The Body Shop was bought by Brazilian cosmetics giant Natura for [A\\$1.7 billion](#), which its CEO Ian Bickley promised would start "a new chapter." Natura then sold the brand to asset management company Aurelius in 2023, just three months before its UK collapse, for [only A\\$399 million](#).

This signaled significant value decline and raised questions about the viability of the brand worldwide.

Activism fatigue

Countless brands are vying for marketplace positioning based on social and environmental justice. This saturation of ethical messaging leaves consumers [fatigued](#) and they're likely to tune out.

The most recent [Gallup survey](#) shows consumer interest in brands engaging in sociopolitical issues is waning.

What was once an extraordinary point-of-difference for The Body Shop is now seen as standard.

The Body Shop has also faced extreme competition. Brands including Aesop, LUSH and Neal's Yard Remedies emerged as worthy rivals, leveraging credible ethical branding to attract eco-conscious shoppers.

The Body Shop had the advantage of being the first in its field but the sale to L'Oreal [compromised its core purpose and consumer connection](#).

It struggled to recover its founding values and was crowded out by competitors.

Dwindling brand bravery

[Our research](#) shows activism must be backed by [brand bravery](#) to be credible in the eyes of consumers. In the past, consumers supported [activism aligned](#) with corporate values. We found alignment on its own was not enough.

[A brave brand](#) considers the greater good, sticks to its core values, defies dominant norms, takes risks to be unconventional and even controversial as a brand and shows resilience to setbacks such as consumer backlash.

When [The Body Shop opened in 1976](#), cruelty-free products and ethical business practices were unheard of. It is now challenged by competitors with more radical claims.

LUSH boldly [deleted its social media accounts](#), citing concerns regarding impacts on young consumers' mental health. Considering potential revenue loss, as social media is the primary way to reach Gen Z, this was a brave move.

Falling short of true transformation

Recent research shows how important it is for brands to be [authentic activists](#). Brands must practice what they preach. The Body Shop originally did this well but consumer skepticism arose after L'Oreal's acquisition.

L'Oreal has [not tested on animals since 1989](#) but [consumers' distrust of the company's ethical standards](#) rubbed off on The Body Shop.

[Transformative brands](#) must also lead by example on both business and social fronts. The Body Shop did both in the beginning but neither by the end.

Under Roddick's leadership, The Body Shop transcended mere profit-making and [revolutionized the beauty industry](#). However, it later became part of faceless global conglomerates and private equity firms. While the brand initially served as a catalyst for change to industry and consumption standards, cruelty-free products eventually became [expected of all companies](#) in the saturated beauty market.

As a commercial business, The Body Shop became [estranged from its original customer base](#) and failed to meaningfully engage with a younger demographic.

It missed the mark on evidence-based skincare products, which rely on [scientific research](#) and formulations—[another major trend](#). Consumers have also [traded down](#) to cheaper options, amidst a cost-of-living crisis, as they must prioritize price over ethical claims made by brands like The Body Shop.

Reclaiming an activist brand heritage

What should The Body Shop and other ethical brands do? The UK business is trading in administration but [remains](#) "fully focused on exploring all options to take the business forward."

Our research offers several possible pathways. The Body Shop needs re-energizing as a brand leader on product innovation, customer connection and social change. For ethical brands, a shared [focus on market and societal goals](#) is essential to be transformative.

The Body Shop must seek to not only reclaim its position as a leader in

sustainability but adapt to survive the struggling retail sector. They could start by rebuilding customer relationships.

The Body Shop has a history of [activism](#). This can continue and it can be more effective in achieving change if it stays relevant and delivers on the brand's vision long-term.

This means taking risks by adopting innovative and unconventional promotional strategies and updating its messaging to ensure it can attract the next generation of shoppers.

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