

**Module Name: Problem
Solving and Innovation**
Module Code: BMSW 4014

ALL 4 WIN TEAM

➤ **STUDENTS NAME: *FRNFST***

STUDENT NUMBER:

➤ **STUDENT NAME: *NACIIMA***

STUDENT NUMBER:

➤ **STUDENT NAME: *EUGENIA MIHAELA
RACACEANU***

STUDENT NUMBER: 2826388

➤ **STUDENT NAME: *IDRISS***

STUDENT NUMBER:



A summary of The Body Shop Contd.

- Competitors like Lush exit in product innovation and surpass the body shops offering.
- Digital marketing lag due to rivals using online marketing and e-commerce that outpacing the body shops bricks and mortar focus.
- The changing ownership effect with the L'Oreal acquisition brought a different corporate culture and diminished the company's original ethos.
- Growth in the demand for natural beauty products leaves the company struggling to keep up with the developing consumer preferences.
- The growth of online shopping and influencers presented new challenges and weakened the company's relevance.



SWOT analysis of The Body Shop

- The retail industry has seen a considerable change in the measures of ethical business conduction.
- Due to the growing trends of ethicality, there has been a constant demand for ethical practices by business organisations, among the customers.
- The advent of these changes has been leveraged by The Body Shop to deliver cruelty-free beauty products.
- Moreover, the quality of products delivered by the organisation has been able to increase its brand awareness to 88% in the UK (Statista, 2022).
- The Body Shop is reported to operate through 2500 retail locations in more than 80 countries (Thebodyshop.com, 2024).



STRENGTHS

SWOT analysis of THE BODY SHOP CONTD.



- Due to a large number of organizations' operating in the retail industry, there are various competitor organisations that offer lower-priced products.
- Then the high pricing strategy has the potential to limit The Body Shop from gaining the attention of a more price-sensitive customer base.
- The business was reported to be first bought by L'Oreal in 2006 for 650 million pounds (Jordan, 2024).
- Also, following constant changes of ownership, the company is now under the operations of the German company, Aurelius (Butler and Davies, 2024).
- These changes in administration remain one of the main weaknesses that limit it from maintaining a constructive chain of operations.

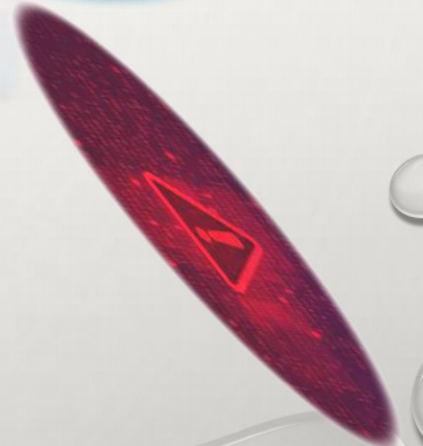
SWOT analysis of The Body Shop Contd.



- According to a report, there was a 71% rise in the demand for ethically sourced and sustainable products (World Wildlife Fund, 2021).
- Therefore, the Body Shop has a great opportunity to leverage these factors and promote its range of cruelty-free organic products.
- Due to the consistent development of technology, retail majorly integrate digital measures to facilitate organisational effectiveness (Proctor, 2019).
- The Body Shop can take a close account of technological factors and leverage its brand reputation to operate online shops and increase its digital customer base.
- Additionally, the organisation can further take an active opportunity of collaborative working with other organisations through partnerships and joint ventures.

SWOT analysis of The Body Shop Contd.

- Competitors like Lush and Neal's Yard excel in natural beauty with innovative products.
- Consumer shift especially the younger generation prefers brands with strong digital presence and influential marketing.
- Economic threats such as financial instability as led to administration and hamper operations and innovation investment.
- Ownership instability had led to frequent ownership changes with resulted in inconsistent strategies and loss of original brand Ethos.
- Shifting from physical stores to online sales required strategic adaptation to digital trends.



REFERENCES

- Jordan, D., (2024). *The Body Shop: What went wrong for the trailblazing chain?* [online] Bbc.com. Available at: <https://www.bbc.com/news/business-68273425> [Accessed 18 May 2024].
Thebodyshop.com., (2024). The Body Shop®. [online] Available at: <https://www.thebodyshop.com/en-gb/franchise> [Accessed 18 May 2024].
- Statista., (2022). *The Body Shop brand profile UK 2022 | Statista*. [online] Available at: <https://www.statista.com/forecasts/1340082/the-body-shop-hair-care-brand-profile-in-the-uk#:~:text=How%20high%20is%20the%20brand,and%20the%20written%20brand%20name>. [Accessed 18 May 2024].
- World Wildlife Fund., (2021). *Search for Sustainable Goods Grows by 71% As 'Eco-Wakening' Grips the Globe*. [online] Available at: <https://www.worldwildlife.org/press-releases/search-for-sustainable-goods-grows-by-71-as-eco-wakening-grips-the-globe#:~:text=New%20global%20research%20conducted%20by,during%20the%20COVID%2D19%20pandemic>. [Accessed 18 May 2024].
- Proctor, T., (2019) *Creative problem solving for managers : developing skills for decision making and innovation* . Fifth edition. New York : Routledge.
- WION., (2024). *The body shop's UK business in peril | World Business Watch*. YouTube. Available at: <https://www.youtube.com/watch?v=iI4q3AmvAGw> [Accessed 18 May 2024].
- Shankar, V., Grewal, D., Sunder, S., Fossen, B., Peters, K. and Agarwal, A., (2022). Digital marketing communication in global marketplaces: A review of extant research, future directions, and potential approaches. *International Journal of research in Marketing*, 39(2), pp.541-565.
- Chen, Q., (2024). From concept to capital: Investigating the influence of green innovation on equity financing in BRICS economies. *International Review of Financial Analysis*, 93, p.103233.
- Davis-Sramek, B., Ishfaq, R., Gibson, B.J. and Defee, C., (2020). Examining retail business model transformation: a longitudinal study of the transition to omnichannel order fulfilment. *International Journal of Physical Distribution & Logistics Management*, 50(5), pp.557-576.
- Jiang, M.Y., (2024). *Consumer nationalism in China: examining its critical impact on multinational businesses*. Anthem Press.