

Target Market Project
Beauty Retail Industry
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Marketing Environment

1. Industry Potential

The beauty industry is always evolving and altering with different ingredients, technological advancement, and innovative formulas. Specifically in the skin care products, market has shifted from older consumers to an expanding younger consumer. It is found that the the skin care market is benefiting from an increasing demand of organic and natural products (Web #15). The cosmetic industry grew four percent in 2016 compared to the previous year and skin care is the leading category – 36% of the global market. Because skin care is predicted to be the most profitable product category with market value that is predicted to grow \$20.1 billion U.S. between 2014 and 2019, many companies are offering innovative products that would satisfy the consumers – by using environmentally friendly ingredients. (Web #15)

Lush reported worldwide sales in 2016 were approximately \$900 million, 26% increase from the previous year (Web #6). As of now, they are experiencing 394.9 million GBP turnover with 113.9 million GBP of net assets (Web #16). While for Bath & Body Works, under the head company L Brands, reached net sales of \$12.574 billion in 2016 (Web #17). The company L Brands, as of now the beginning of 2017, has \$3.465 billion of assets (Web #18). In retail, the growth of a company is determined by its sales. Both Bath & Body Works and Lush are proved to be popular companies in the beauty industry and they receive high demands from the population.

Implications: These numbers show that as new owner in the beauty industry, I am entering to a growing and competitive market. Beauty industry is a large industry and it is directed to each consumer personally, making it difficult to identify the perfect store. Customers will move on to another store if my store does not meet their expectations and experiences of skin care products. If I cannot satisfy their personal preferences, I could lose customers both in-store and online. I need to be able to know and fulfill my consumers' needs in both forms of shopping in order for my company to grow in sales. Beauty industry falls under the category 'good and services,' meaning that economy is a factor on how much customers will spend. I need to determine the price of my products based on the quality. As time goes on, beauty supplies will become a luxury.

2. Current Trends in the Industry

The beauty industry, specifically in cosmetics and body products, is always demanded by girls especially those who care a lot in taking care of their face and body. One of the major trend in this company is the constant change depending on each customer's scents preferences. For example, during the Fall Season, the trending scents are usually sweet and warm scents such as marshmallow pumpkin latte, sweet cinnamon pumpkin, salted caramel apricot, and spiced pumpkin cider. These scents are only available during the season and the company launches other scents depending on the current seasons and theme. Overall, consumer tastes in scents are constantly changing and usually they wait for seasonal scents the most because it is not always available in the

store. The company always tries to keep up with the high demand from the consumers during the certain seasons (Art #2).

Another major trend in the beauty industry is the preference of body / face care products on the condition of the consumer's skin. For example, there are customers who constantly buy body scrub and bath bombs because not only does it smell good, but it also maintains their skin condition (C.I. #6). The customers' preferences on body care products are always evolving and the company has to keep up with high demands of body / face care products from the consumers in the industry. The consumers usually expect the company to launch products with new ingredients that can help to soothe or regenerate the skin better than the previous products. The beauty industry can make women feel excited of the upcoming products that can help their skin condition.

The last major trend in the beauty industry is the natural ethical sustainability that shows the company's awareness of its environment and ethical issues. For example, customers tend to look for products that are environmentally safe, against animal testing, homemade, and green. Consumers are starting to alter to a healthier lifestyle, not only in food but also in the products they use for their skin. Customers demand on companies who focus on social and environmental issues (Art #3, 5). It is found by researchers that 51% purchases are influenced by the social involvement of companies (Web #12). Therefore, the beauty industry is aware of this new trend that some companies have started to be involved socially and ethically to bring awareness of the healthier lifestyle that they are trying to portray

Implications: After observing all the current trends that are dominating this industry, it is important to find practical ways on how to integrate them in my industry. Each businesses in the beauty industry have different approach in selling their newest products. In order to sell them to effectively, not only do they need to keep up with the consumer's' demands of seasonal scents and expectations on the use of new ingredients but they also need to be socially and ethically aware of the environment. I need to make sure that the beauty products that I sell meets the beauty industry's expectations and even create new trends. I need to employ all of the current trends and acknowledge the industry's competition in order for my business to maximize to its potential in this market. I think it would be very useful when I take the time to understand my customer's preferences scents and beauty products in order to market them by focusing on their individual skin condition and scent preference. I would also try to let my new company be aware of the social environment so my customers would be more comfortable into buying my products.

3. **Competitive Factors**

The two direct competitors that I will be analyzing are Bath & Body Works and Lush Cosmetics. These companies are both women's beauty products retailer that target women who take good care of their skin and want to express their individuality through their skin. Both of these companies are similar in the

products that they sell and in proximity of location. However, there are a number of other indirect competitors such as the Body Shop, L'Occitane, and Crabtree & Evelyn (Web #8, 9). Also, indirect competitors could be different cosmetic brand retailer such as Kiehl's, Clinique, Lancome, Clarins, Aveda, C.O. Bigelow, Glossier, and Neutrogena. America, especially in big cities like Los Angeles, has started to be a country in which the image of individuals is portrayed through perfection of their skin. Celebrities and models in the city of Los Angeles are the trendsetter that started the no-makeup movement. The beauty industry is a highly competitive industry that continues to be more competitive in the future.

Implications: As the owner of a new business in this industry, I acknowledge the presence of tremendous competition among the beauty industry. I have to find a strategy to differentiate my company from my competitors by showing a solid brand image and loyal customers. I need to plan in making my beauty store special from my competitors' store in order to be successful. I need to have a good quality of clothing and satisfy the customers through an enjoyable ambience and a fulfilling shopping experience. Not only does my company try to fulfill all those demands, but it also needs to go beyond customers' expectations in order for them to buy my company's products instead of the competitors'

4. **Technological Factors**

Technological factors have affected the beauty industry greatly. The biggest technical factor that is experienced in retail is the role of extensive social media presence and try-on applications. Companies in the beauty industry will start putting technology as their core strategy and important part of their products. The technology advancement that is used in the beauty industry specifically for skin care products is usually for customer service and interaction. There is a skin care diagnostic tools that come as online questionnaires, in-store devices, or applications (Article #11). One of the application that help beauty brands gather data from customers by giving them chances to win beauty products in exchange for answering questionnaires is called Poshly. The questions in the questionnaire include everyday beauty treatment to personal preferences. This helps beauty companies to make crucial decisions in marketing strategies, product development, and recognizing new markets (Website #13). There is an at-home device called OKU that can analyze skin condition aiming to provide professional skin care examination at home, for the customer's comfort (Article #11). Another technological factor that is used by beauty companies to attract customers to repeat their purchase of products is through the use of reward programs. Bath & Body Works has their own mobile application that lets customers to keep track of their rewards – it tells how much they should spend in Bath & Body Works to achieve the next reward. The application also lets the customers to earn free product, birthday gift, and members-only exclusives that includes app-only offers and features (Website #1). While Lush also has its own application that gives the customers an interactive experience. Through the mobile application, customers can shop products, discover background stories

about the company's ethical values and product innovation, browse products based on customer's favorite scents and personal preferences, purchase products through various means of transaction, and find the closest Lush stores (Website #2).

One technological factor that beauty industry is conquering is e-commerce. Customers want to have the same experience online as they do in store such as to know what the product look like, smell like, or feel like. It is predicted that by 2020 there will be 87% of people who shop online and 45% of people who shop via mobile phones (Web #13, Art #12). In order to satisfy the customers demand, beauty companies need to use the most advanced technology to present new products to digital customers. Beauty companies need to develop digital strategies and focus on the importance e-commerce and that is through the brand's website. E-commerce is not just a transaction or selling and buying products online, but it is more about giving the real beauty experience for customers at home. Beauty retailers still struggle to implement the "touch-and-feel" experience through online but this problem is reduced by social media influence (Web #14). Online content and social media expansion has affected the beauty industry for its effectiveness in marketing and branding. It is found that 66% beauty product consumers were influenced by YouTube that help them visualize how the products are suitable for them (Website #13). Social media influencers help beauty companies in its marketing aspect because they review the products they bought and share their experience customers of those companies. Lush is known for its bath bombs and face masks that were showcased by beauty influencers and it gains interests from people to try those products that were used by them (Website #11, C.I. #6, 8). People who keep up with beauty influencers usually look up to them and want to copy their lifestyles which is why they buy the same products those influencers purchased. Beauty companies use social media to let followers actively engage by sharing reviews and liking posts. One of the tool that beauty companies use to promote their products to attract new users into their brand is by creating hashtags and sharing customer reviews (Website #13).

Implications: In order for my new business to thrive in this rapidly changing market, I need to be ahead to implement technology in beauty industry. My new business should keep up with the technology advancement including the online buying trend, branding through social media, and letting customers to have the same experience in-store as they do at home. I need to have a consumer friendly website that lets the customer to know the products well just like how they experience in-store. I may also need to have beauty tool that lets the customer to know which products that will match her personal preference – such as questionnaire and diagnostic tool. I believe that the social media presence for my new business should be more active than other competitors in order to market the products. Since social media has the biggest effect in gaining consumers' attention, I will focus on this when starting my new business.

5. Political & Legal Factors

There are several political and legal factors that beauty companies need to be aware of before starting their business. The first and most important thing that they need to practice is to follow the law that the Food and Drug Administration (FDA) has set. Beauty products are required to have approval by the FDA before they launch to the public. Some regulation that beauty companies need to follow is the use of color additives, poisonous or deleterious substance that may cause injurious to health are prohibited. The FDA checks businesses to make sure that they are operating under the regulations (Web #19).

According to the Federal Food, Drug, and Cosmetic Act (FD&C Act), the marketing of adulterated or misbranded products are not allowed. Beauty products are considered adulterated if it contains poisonous substance, packed under unsanitary conditions, and contains color additive that is unsafe. Beauty products are considered misbranded if the labeling is misleading, does not include all required information, the container is misleading, and if the required information is not clear or visible (Web #19).

In addition, beauty companies need to be aware to those with allergies. There are many people who have allergies to certain ingredients that are included in the beauty products. It is important that all employees are fully aware of the consumer's preferences and prohibition toward certain ingredients so they are able to provide the right beauty products for them. It is important to make sure that people with allergies to feel welcomed in using and purchasing beauty products by providing alternatives for them. This is important to make the people with allergies to not feel discriminated.

Implications: If beauty companies are not taking note of these political and legal factors, they will most likely be shut down. These factors are very crucial and important in a successful business because they determine the potential risk in order for the companies to take steps to prevent them. By understanding the risk, beauty companies can provide possible solutions to the problems as well as to minimize it.

6. Social & Cultural Factors

The biggest social factor that plays in the beauty industry is the appearance influence and impact from the environment. Currently, society is aware on what we look like, how do we smell like, how much care we put to our skin, etc. Appearance seems to be the center of it because society judges others from first impressions through outer appearance. The entire industry represents, economic, cultural, and status changes. With an ever-changing lifestyle of consumers, beauty companies need to keep up in creating products that enhance a long lasting and easy to use beauty products with health benefits in addition (Art #3, 5, C.I. #20). The beauty industry is targeted primarily toward women because they are mainly conscious of their outer appearance and how to appear more attractive. The social trends within the beauty industry changes the

basis of consumer's preferences. They may have certain products that they are comfortable to use but because of the trends that are constantly changing, those products will be less appealing and lead to a decreasing demand.

In addition to the pressure of society that forces consumers to take care of their outer appearance. The role of social media and beauty influencers have impacted greatly to the consumers demand of beauty products. The consumers tend to look up to them and follow the trends that they set. For example, a lot of beauty influencers use platform such as YouTube, Instagram, and other social media to showcase the beauty products that they use. Often times, they do a beauty haul where they buy different products from one store and do a review in a video. Because people today are very exposed in social media and portray their life on social media as well, they want to follow these famous people in terms of the products that they wear (Web #14, P.I. #7, 10) . If people start wearing beauty products that work well on their skin – letting them to smell good and have a smooth skin – they would gain acceptance from the society.

Implications: As a business owner, I need to adapt of the changing demands in the society by keeping up with the trend that the society set. However, my business still needs to maintain personal standards so they won't get corrupted by the society as well. If other companies try to make their consumers to put their worth on the outer appearance, I would not do the same. I would make products that portray the importance of taking care of their skin by using the products that are right for them and not products that are trendy. I would make products that let the consumers to feel confident.

7. **Consumer Behavior Factors**

The following have a direct influence of consumer's purchasing behavior:

- 1) The price of the product (C.I. #1, 10, 15, 18, 20, 21, 22, 23, 24, 25, 26, 27, 29)
- 2) The customer service (C.I. #1, 2, 3, 6, 7, 9, 18, 25, 28, 29)
- 3) The quality of the product (C.I. #6, 8, 9, 20, 22)
- 4) Scent of the product (C.I. #2, 4, 7, 9, 12, 18, 19, 21, 23, 28)
- 5) Social media (C.I. #8, 27)
- 6) Promotions in store and online (C.I. #9, 10, 11, 14, 18, 20, 21, 23, 25, 26, 28)
- 7) The awareness of ethical behavior (C.I. #8, 20, 22, 25, 27)
- 8) Influence of other people (C.I. #1, 3, 5, 9, 11, 29)
- 9) Location (C.I. #6, 7, 9, 19, 26, 28)
- 10) In-store try on and samples (C.I. #7, 9, 25)
- 11) The choice and variety of products (C.I. #10, 23)
- 12) The choice and variety of scents (C.I. #19, 23)
- 13) Scent of the store (C.I. #15, 20, 22, 23, 28, 29)
- 14) Display, lighting, and atmosphere of the store (C.I. #12, 25, 28)
- 15) The benefit of products to the skin (C.I. #11, 20, 25, 26)
- 16) Seasonal products (C.I. #16, 24, 27)

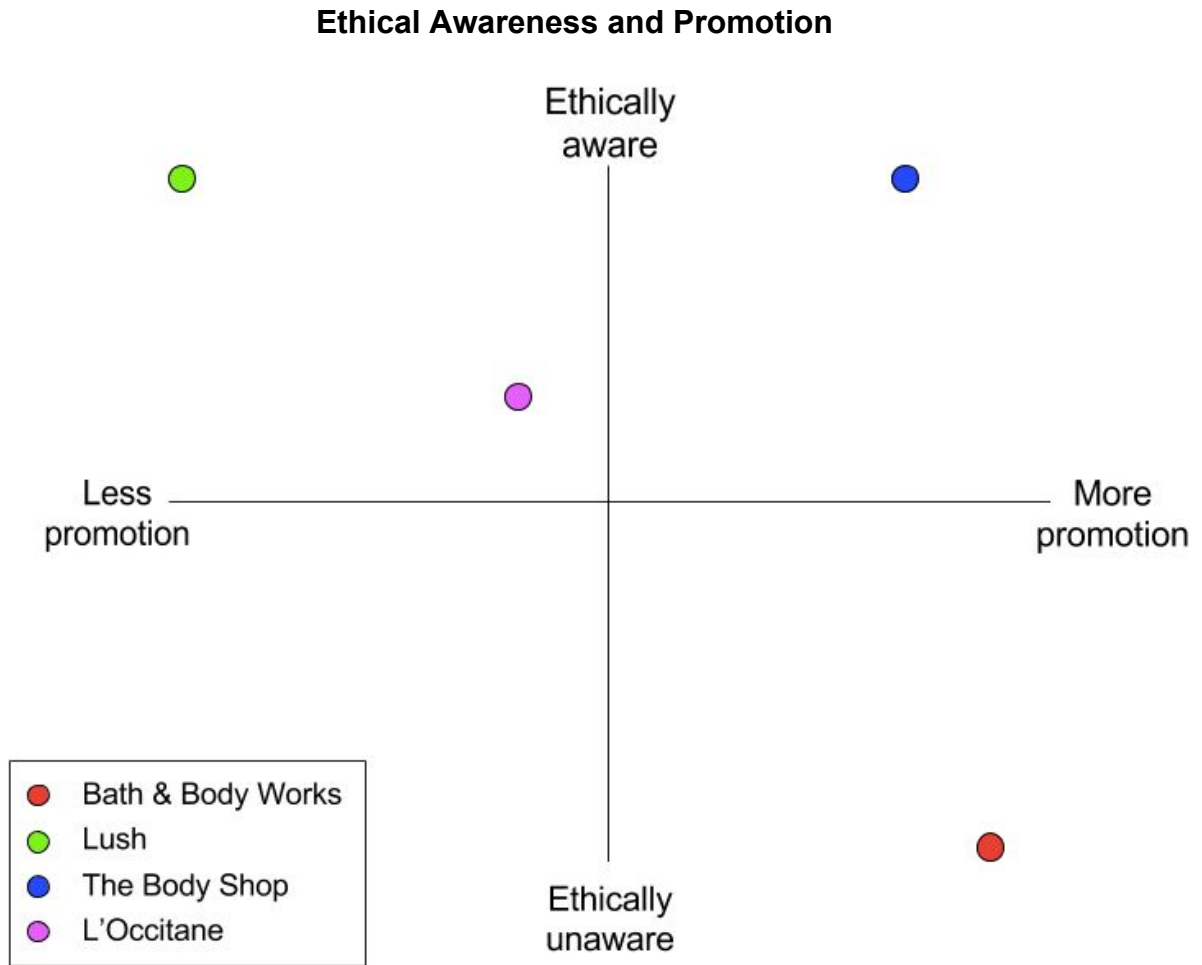
Implications: From what I have found, customers are really attracted to the

service given by the employees and the quality of the products itself. Both Bath & Body Works and Lush have very friendly employees. Social media has fewer influence on consumer behavior than the display and location of the store. Most customers are drawn coming into the store simply because of the atmosphere and smell of the store. The quality of the product is very important but the smell also attracts consumer's buying decision.

Competitive Analysis Competitor #1

Bath&BodyWorks®

1. Positioning Map



Why: Bath & Body Works is placed closer to the promotion part of this positioning map because many customers are attracted to the store because of the promotions and sales (C.I. #10, 13, 15, 19, 24, 26, 28). Several customers think that the original price of the products despite the promotions are expensive (C.I. #18, 19, 23). Although the original price is expensive, the promotion and sales really help to reduce the price, making it more affordable to purchase the products. The reason behind why it is placed on the more ethically unaware end of the spectrum is because of the ingredients of the products are mostly chemical based rather than natural based. Some customers complain of the quality of the products that harm their skin (Web #3, C.I. #26) and wish that they have a specific line that sells higher quality products that are organic and good for the skin (C.I. #1).

Variety of Scents and Number of Employees



Why: Bath & Body Works is placed at having more variety of scents than its competitors (Art #10). This is proven by customers who are satisfied and continue to purchase products from this company because of the diversity of fragrance that it provides (C.I. #2, 7, 10, 12, 18, 19, 23). Many of them agree that Bath & Body Works is distinct from its competitors because of their seasonal scents, customers get disappointed whenever certain scents get discontinued (P.I. #10, C.I. #24). Bath & Body Works is also placed in having quite a number of employees, many customers are satisfied with the service given by the them (C.I. #1, 2, 9, 18). The employees themselves admit that they try to provide the best service to the customers by identifying their personal preferences in order to find the best product that would match with their need (P.I. #10, 11).

2. Primary Target Market Analysis

Primary Benefits - Ranked #1

Benefit is the primary reason that people come to Bath & Body Works because the beauty industry focuses specifically on providing the best products to the customer's need, something for their benefit. Bath & Body Works has customers coming buy to purchase products that have the scent that they desire and match their personal preferences (P.I. #10, 11, C.I. #1, 2, 7, 9, 15, 23). Being a beauty company, the benefits offered to customers are critical in their decision-making factors when they are choosing the scents that they prefer.

Unlike Lush, Bath & Body Works offers a whole lot of different scents including the seasonal scents, it lets customers to choose whichever matches best with their taste. These scents are marketed to connect with the customer's emotions (Web #9). The chief executive of this company, Beth Pritchard, said "Hopefully, our products smell so good you'll want to eat them," meaning that she aims for the products they provide to customers in Bath & Body Works to smell really good (Art #1). This is why the most important decision-making factor to Bath & Body Works' customers is the primary benefits.

Primary Psychographic - Ranked #2

The psychographic profile of customers at Bath & Body Works is ranked second because it is very specific and play a huge role in choosing Bath & Body Works' target market. The typical lifestyle of a Bath & Body Works customer is a life filled with fragrance and scent that match with their current mood and emotions (Web #9). Most customers come to Bath & Body Works specifically to find scents that match with their taste (C.I. #7, 8, 12, 23, 24). The taste, preference, and mood are different for each customers and usually their surroundings affect their emotions greatly, therefore, it impacts their decision making factor in buying particular scents. Bath & Body Works is mostly targeting women from all ages who care deeply of their body aroma, leading them to buy body care products from this store that supplies variety of scents.

Primary Demographic - Ranked #3

Bath & Body Works aims for a broad demographic that varies across the board. However, they were very focused in selling their products specifically to teen girls and mothers. Their store appearance and packaging attract teen girls and the products that they sell such as home fragrance and hand soap attract mothers who take care of the household. But today Bath & Body Works innovate by selling diverse products that let everyone to be able to purchase their products. They launch new scents and even have a line for men's products (Art #10, C.I. #11). They target their market through the use of social media such as Facebook, Instagram, Twitter, and YouTube (Art #10, P.I. #10). However, it is important to note that Bath & Body Works' customer base is still varied by age, gender, and ethnicity. Economic status for customers at Bath & Body Works are

primarily middle class.

Primary Geographic - Ranked #4

The geographic locations of Bath & Body Works do not play a crucial part in regards to customers. Bath & Body Works stores are mostly located in shopping malls and district, the locations don't really influence the customer's decision making factor. Since most of the customers are loyal customers for many years, they only come to the store to restock their body care and fragrance products at home (C.I. #1, 2, 4, 9, 13, 15, 23). Customers usually come to find products that they need such as body wash, hand soap, and body lotion. Therefore, geographic location does not play a huge role in their purchasing decision because customers will come to buy the things they need not regardless of where they are located.

3. Customer Experience

Product Objective:

Bath & Body Works' objective is committed in providing fragrance-filled lifestyle to both men and women customers through their variety of products including home fragrances and bath & body care. They ensure that the products they sell, through the variety of scents, provide happiness to the customers according to their personal preferences (Web #1). Specific objectives in developing product for Bath & Body Works include:

1. Welcoming and friendly employees
2. Variety of body care products
3. Variety of scents

Product Strategy:

Bath & Body Works separate itself from the competition by creating a lifestyle out of various home fragrance, gifts, and body & bath products. They attempt to provide happiness to the customers through the scents created into their quality products (Web #1, Art #10). The scents, decorations, and even the service of the store all go into the warm environment that is distinctly different from the other beauty companies in the mall. The scents are strategically picked by a handful of buyers, each with different type of preferences in mind including teen girls, working women, mother, men, etc (P.I. #10, 11). Each piece is selected accordingly with the hope of giving, whoever purchases it, happiness because they are marketed to connect with the customer's emotions (Web #9).

Bath & Body Works wants their customers to feel happy whenever they purchase their products, happiness of their customers is their priority (Web #1). The company makes sure to provide the best service through personal relationship with the customers by asking questions about their preferences. This company also develops new scents and fragrances to match with the theme in specific time of the year, this attracts customers because they want to get the

latest / newest scent to fill their house with ambience that matches with the season. They work very well to appeal their products to the customers through the display and arrangement of the store (P.I. #10). Through the festive decorations and organized display, they want to make their seasonal products stand out (P.I. #1).

Unlike Lush, Bath & Body Works is fairly unique because they have many promotions that attract a lot of people who walk by. Having promotions let customers to buy more products with variety of scents with cheaper price. Customers think that the original price of products in this company is quite expensive but because of the promotions, they are willing to buy the products. While Lush ranges from \$10 - \$30 for body lotions, Bath & Body Works ranges about \$10 - \$20 (Web #1, 2). The prices are fairly the same but Bath & Body Works offer a lot of discounts and promotions which bring down the original prices (Web #9). This company tends to sell their variation of scents, very different from Lush that focuses more to the ingredients of the products.

Product Strengths:

- variety of home fragrances and bath & body care products (C.I. #4, 7, 10, 14, 18, 23)
- variety of scents (Web #9, Art #10, C.I. #2, 7, 10, 23, 24, 28)
- one-on-one relationship between customers and employees (P.I. #10, 11, C.I. #2, 7, 9, 28)
- promotions (Web #9, P.I. #10, C.I. #1, 10, 13, 15, 18, 23, 24)
- men section (Art #10, P.I. #10, C.I. #11)
- store decoration (P.I. #1, 10, C.I. #7, 9, 10, 12)
- packaging (Art #1, C.I. #15, 19)

Product Weaknesses:

- price (C.I. #3, 10, 18, 23, 26)
- unavailability of certain scents in store (P.I. #10, C.I. #9)

4. Pricing Objective

	Bath & Body Works	Lush	Industry Average
Body Lotion	\$13 - \$17	\$10 - \$30	\$5 - \$35
Body Wash	\$12 - \$17	\$10 - \$18	\$5 - \$35

Price Objective:

Bath & Body Works' price objective is at the high end of meeting competition because their prices are in the middle to high industry average price. The company doesn't differentiate themselves from other competitors by price, therefore, their primary price objective would be meeting competition.

Price Strategy:

Bath & Body Works offers their products with similar price to the industry average price, however, the prices get less expensive for they constantly have in-store and online promotions. Their strategy is to provide happiness that is guaranteed from the products or they will give the customer's money back (Web #1, Art #7). This company separates itself from the competition through their variety of products and scents (Web #9, Art #10). Because of the uniqueness that this company provides through the variation of products, the pricing is justified by customers. At first, customers think that the price is quite expensive for products that are used daily such as body wash and hand soap but the promotions are very helpful to cheapen the price (C.I. #3, 10, 18, 19, 23, 26).

Bath & Body Works has displayed its products in store strategically, placing the most appealing products and the sale items at the front of the store. Customers who come to the store are mostly attracted by the display of the store and the promotions that are well marketed (C.I. #7, 9, 10, 11, 12, 13). Promotions attract customers the most because the original price of the products are quite expensive but because there are promotions, people are more willing to spend on the products sold. This company gives customers the mindset that their products worth more than they paid – the discounted price. **Unlike** Lush, Bath & Body Works focuses more in providing the best scents and fragrances for customers – the price determines how satisfied they are of the scents that match their mood, emotions, and personal preferences (Web #9).

Price Strengths:

- Customers get products that match their taste (Web #9, Art #10, P.I. #10, C.I. #18, 19, 23)
- Sales and promotions bring price down (C.I. #9, 10, 15, 23, 26, 28)
- Products sold are customer's necessity (C.I. #4, 7, 13, 16, 23)

Price Weaknesses:

- Original price is expensive (C.I. #3, 18, 19, 23)
- Customers wait for items to go on sale before purchasing (C.I. #10, 15, 18, 19, 26, 28)

5. Place Objective

Bath & Body Works is mostly located in middle to upper class shopping malls and complex. Bath & Body Works is very popular in these areas and its store display attracts customers very well. However, moving the shops a little closer to the entrance door would draw more potential customers and people passing by.

Place Strategy:

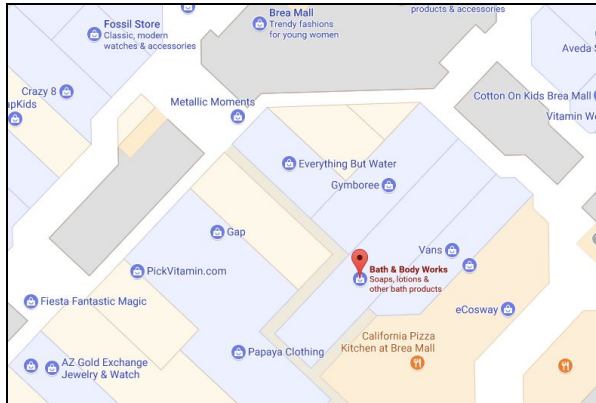


Figure 1 – Bath & Body Works at the Brea Mall

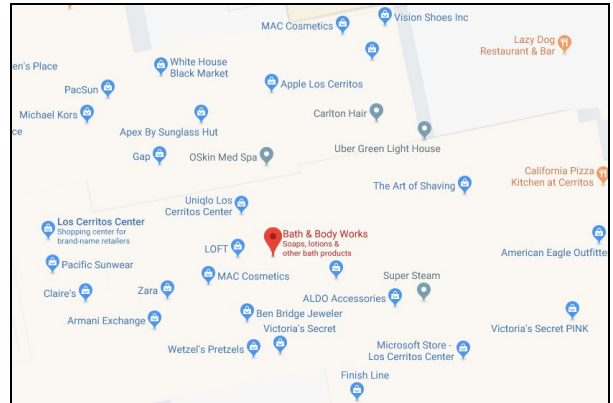


Figure 2 – Bath & Body Works at the Los Cerritos Mall

Figure 1 shows that Bath & Body Works is in a middle upper class shopping mall in the suburbs of the Orange County city of Brea. It is surrounded by fashion and beauty stores such as Kiehl's, Vans, Mac Cosmetics, Cotton On, and Steve Madden. This company is usually placed in shopping malls that have popular shopping destinations like Nordstrom's, Macy's, and JCPenney. Bath & Body Works is strategically located in Brea Mall, a very popular shopping destination for people in the Orange County area. This shopping mall gets crowded especially during the weekend. This mall provides a lot of space for parking which also contributes to the purchasing decision by Bath & Body Works' customers.

Figure 2 shows Bath & Body Works' location in Los Cerritos Center, a middle upper class shopping mall in the city of Cerritos. The shopping mall is quite similar to Brea Mall but it has several stores that Brea Mall does not offer such as Zara, Uniqlo, and Adidas. Here, Bath & Body Works is located very close to its sister company, Victoria's Secret and Pink. Los Cerritos Center is fairly smaller than Brea Mall, which makes it easier to find Bath & Body Works considering that Los Cerritos Center only has one floor. This shopping mall also has a huge space for parking.

Bath & Body Works has more stores in Los Angeles than Lush has (C.I. #19), it is proven that Bath & Body Works has a store in Los Cerritos Center while Lush does not. In Brea Mall, Bath & Body Works' store is located quite close to Lush's store and both are on the second floor. I think if the Bath & Body Works move right next to other beauty stores including Lush and Sephora, people would be more attracted to come to the store because of the intriguing display of products and promotions (C.I. #7, 11, 12, 26). The store could be located more optimally for their target market if it was moved right next to Lush or

Sephora.

Place Strengths:

- Located in popular area (C.I. #19)
- Located in middle to upper class shopping malls (Web #1)
- Store is located near fashion and beauty stores

Place Weaknesses:

- Harder to find parking on the weekend when it's crowded
- Busy traffic in the mall during weekends (C.I. #9, 18)
- Hard to find the store when it's located on the second floor

6. Non-Digital Promotion

Promotion Objective:

Bath & Body Works' promotion objectives are to differentiate themselves using their promotion strategies to increase demand from their customers.

Promotion Analysis:

A. New / Acquisition Strategies

Bath & Body Works uses strategies specifically to acquire new customers. The lighting and front display of the store welcome customers in warmly (C.I. #7, 11, 12, 28). An attractive arrangement and lighting of the store show the variety of products that they sell to the people who are passing by (P.I. #1, 10). In addition to the visual display, the company uses their strength, variety of fragrance and scent, to attract customers (Art #6, C.I. #15, 19, 23, 28). This company is huge on promotions and sales to advertise the products. Bath & Body Works love to offer promotions to customers, specifically targeting on new customers, by having '50% Off Home Fragrance,' 'Buy 3 Get 2 on Body Care,' or '3 for \$12 on Candles.' They put colorful banner and posters about the promotions available around the store, especially at the entrance of the store, to attract people who pass by the store (Web #9, C.I. #9, 10, 26). Bath & Body Works contributes in special events such as Black Friday and Cyber Monday to offer an even bigger promotion to customers. This company uses the means of sampling to attract new customers who have never tried or purchased any products from the store (C.I. #9). Bath & Body Works has one to two sinks in every store to let customers try the body scrub, hand soap, and other products right at that moment. For any other products sold in the store, the company provides tester for every product and scent that let the customers to smell the scent and try the product on their skin. This service is an excellent way for new shoppers to experience the brand and the products for the first time. **Unlike** Lush, Bath & Body Works is inviting experience for first time guests because of the

various strategies that they use to appeal community by using promotions (Web #9, C.I. #15, 18, 23, 26, 28)

B. Existing Customer Strategies

Bath & Body Works extends promotion for their existing customers as well. The brand sends notifications through social media to let customers know on current offers and sales (Art #10). This company sends out email to subscribers letting them know of their seasonal products. After new customers bought products from the store, they will be given coupons that have promotions they can use for the next purchase (C.I. #11). This is an effective strategy as incentive to attract existing customers to return and it makes them to be a loyal customer to this company (C.I. #9, 10, 19, 20). Another strategy used by this company to bring back customers is the rewards program that they just recently launched through mobile application. By using the mobile application, Bath & Body Works' customers can get a free product after purchasing certain amount in the store. Customers may also receive a treat as a special gift on their birthday (Web #1, P.I. #10). Although this reward program is not unique, it is special for Bath & Body Works since it connects and creates relationship with returning customers. Bath & Body Works prioritizes their customer, they train their employees to serve the customers very well by asking their personal preferences, tastes, and scent favorites. It is very important for the employees know what the customers want and need. This creates a special relationship between the employees and the customers, making the customers to feel special because the company can help them to choose products through customization (P.I. #10, 11, C.I. #3, 4). **Unlike** Lush, Bath & Body Works uses the same strategy to attract existing customers as they do toward new customers and that is through promotions (C.I. #9, 10, 18, 19, 20, 23, 26, 28).

Promotion Strengths:

- Store serves promotion through display and notifications (Art #10, C.I. #11, 18, 19)
- Customization of products in choice of scents based on personal preference (P.I. #10, C.I. #3, 4)
- In-store sampling that lets customers try the products (C.I. #9)

Promotion Weaknesses:

- Limited use of media to advertise
- Inconsistent customer service (P.I. #5, C.I. #9, 18)

7. Digital Promotion

Promotion Objective:

Bath & Body Works' digital presence is as big as their retail presence. It

serves as a continuation of lifestyle that the brand portrays through the variety of scents and fragrances they offer in order to differentiate themselves from the competition.

A. New / Acquisition Strategies

Bath & Body Works uses several digital promotion aiming toward new customers acquisition. Their online website is very colorful and ecstatic, a portrayal of their goal to ensure happiness toward their customer. When customers first opened the website, they will see a banner with bright colors that has current offers and promotion (Web #1). By letting them know of the promotions available, customer who open the website will be prompted to purchase the products. Bath & Body Works utilizes their website greatly to show all collections of their products available including the seasonal scents. They also use other social media platform such as Facebook, Twitter, YouTube, and Instagram in order to drive traffic. This strategy is very effective because their demographics are mostly women and they follow trends that people on social media set. These platforms are used for first-time customers to let them know of promotions and products.

B. Existing Customer Strategies

Bath & Body Works uses digital promotion for existing customers very well. The company uses the means of website and social media by letting them know through notifications. Existing customers who follow Bath & Body Works through Facebook, Twitter, and Instagram will know of the current news from this company. They also have the ability to sign up for emails through the websites, they will be informed of special offers and product exclusives (Web #1). Bath & Body Works utilizes Instagram very well, they have 3.3 million followers on Instagram. This gives them the privilege and ability to reach out to a lot of people in letting them know of the news including their seasonal scents and promotions. This company is helped by beauty bloggers and social media influencers who use their products because they do a haul on YouTube to let their followers and subscribers know of the latest products from Bath & Body Works. These people are not paid by Bath & Body Works to do this, therefore, it is beneficial for the company for having people like these to promote their products (P.I. #10). Bath & Body Works also has a mobile application that is really useful for existing customer because it triggers them to come back and purchase products in the store. By displaying the products and current promotions, customers are influenced to return to the store and buy the products. Bath & Body Works surrounds their customers with many forms of digital promotion that give them the ability to build a first time experience and a long term bond for the customers.

Promotion Strengths:

- Many different aspects of digital contact
- Strong application and website
- Social media and beauty influencers' presence
- Well designed and engaging website
- Vast amount of followers on social media

Promotion Weaknesses:

- Not all existing customers used to the digital platform
- Not all customers have access to the offers
- The use of these digital platforms depends on each customer's own interaction

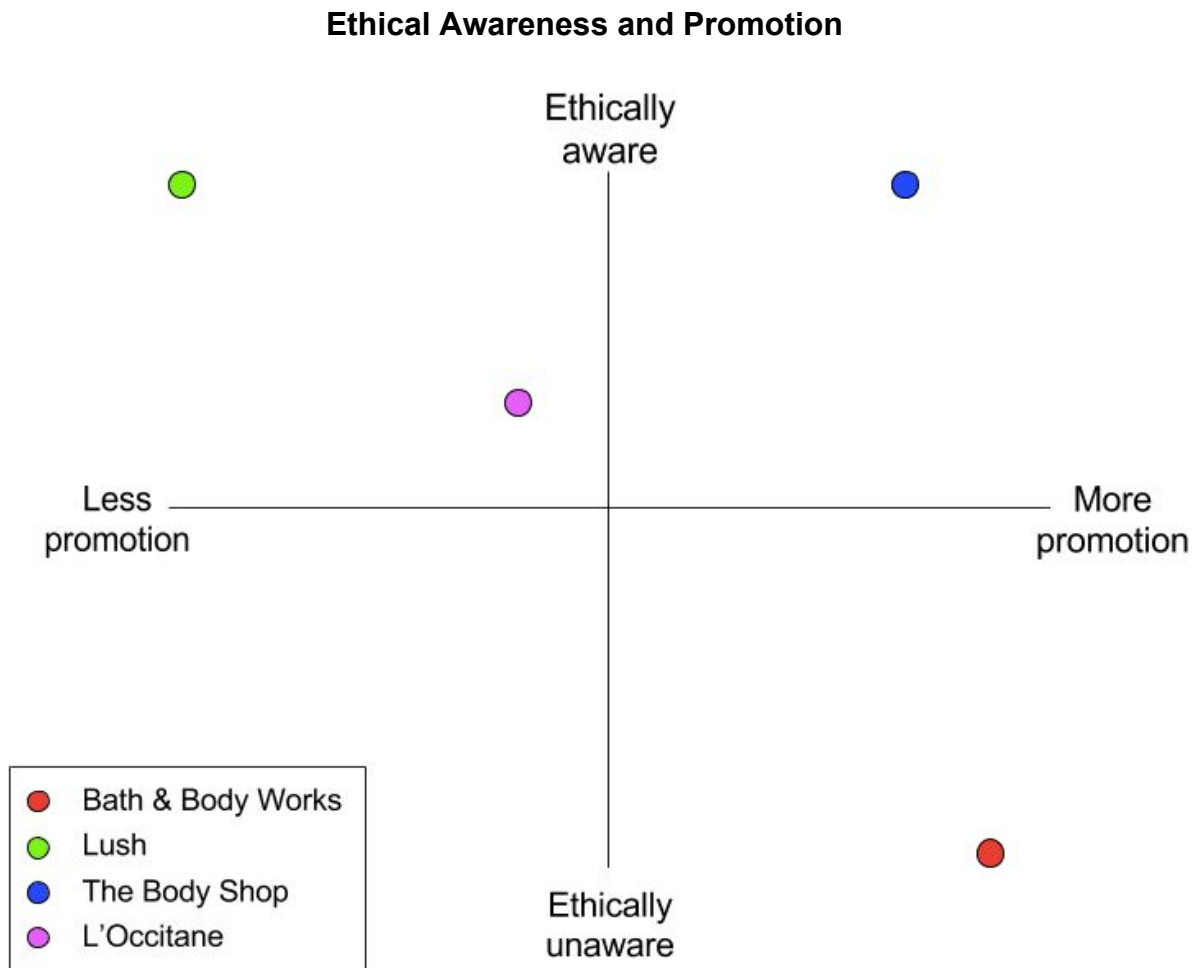
Competitive Analysis

Competitor #2

LUSH

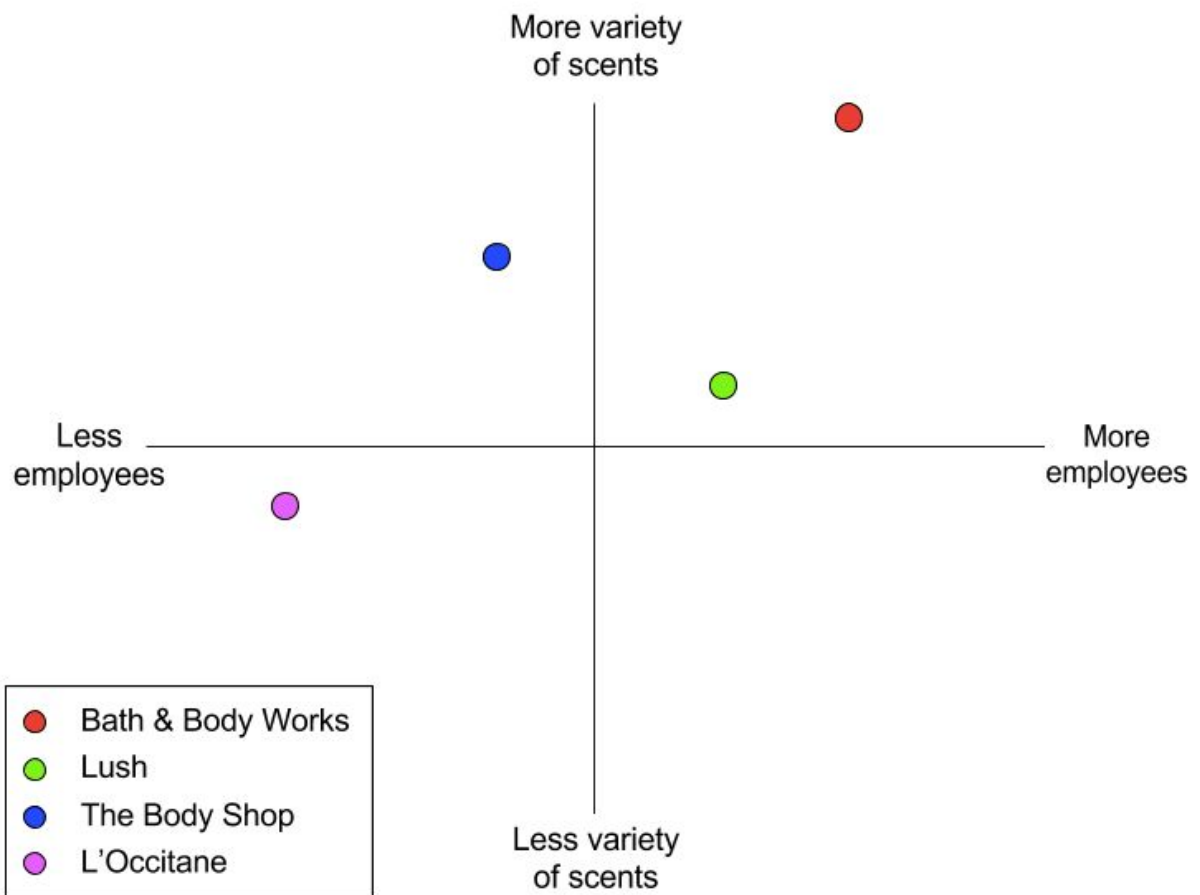
FRESH HANDMADE COSMETICS

1. Positioning Map



Why: Lush is placed closer to the ethical awareness part of this positioning map because many customers are drawn into the store because of the value that makes them distinct from other competitors (C.I. #8, 20, 21, 25, 27). This company has done very well in attracting customers to start a healthy lifestyle by using their products that are made out of natural ingredients. They concentrate heavily on their belief that is against animal testing. Practicing a good ethical behavior is very controversial but this company has successfully made it as their identity (Web #2, 5, Art #3). However, several customers think that the price are quite expensive and there are not many promotions that they offer (C.I. #20, 21, 22). The reason for the pricing of the products is because their products are made out of ingredients that cost more and their products are all handmade, specifically written on the packaging (C.I. #21, 25). But there are other customers who think that the products sold in Lush are worth the price, knowing that they have good quality products (C.I. #27, 29).

Variety of Scents and Number of Employees



Why: Lush is placed at having quite a number of scents compared to its competitors although it is not everyone's favorite because the scent can be too strong often times (Web #6, Art #2, C.I. #8, 21, 29). The scent is not the primary thing that customers look for in this brand, they are looking more to the quality and innovation of the products sold in the company. Lush is also placed for having a decent number of employees in store but several customers think that they should have more employees to serve everyone in the store (C.I. #6, 25, 27). This company is aiming to have an one-on-one relationship with their customers by understanding their needs and preferences (P.I. #3). Because this company sells products for skin care, their employees are required to know about the customer's concern about their skin in order to provide the right products that can help the problem with their skin (C.I. #25).

2. Primary Target Market Analysis

Primary Psychographic - Ranked #1

The primary psychographic is ranked first for Lush because the brand targets a healthy lifestyle for everyone who shop here. They have successfully managed to attract their customers of the lifestyle that they portray, a healthy and natural lifestyle with a fun and entertaining impression. One of the products that they produce as an innovative trend to show their fun lifestyle is the bath bombs (C.I. #8, 20). Psychographic has a huge role in targeting their market, they understand the market that they serve very well. Customers wants to have a healthy lifestyle but not too strict, Lush has successfully fulfill this expectation because their products are environmentally-caring and they have an easy going and chill environment (P.I. #6). Their value is very selfless and community concerned, they sell their products to serve the community and they put all their effort in helping their surroundings. This influenced their customers to do the same by providing the opportunity to do that. By purchasing their products, customers would help the community by going against animal testing and using natural ingredient products (C.I. #20). **Unlike** Bath & Body Works, this company does really well in portraying and influencing the customers to have a healthy lifestyle (C.I. #25, 27).

Primary Benefits - Ranked #2

Another reason that people come to Lush is because of the benefit that they provide to them. Most customers come to Lush with concerns with their skin and expect to find the right products that might be helpful. Lush's employees are taught to know the basics of the products, what works or does not work on different types of skin (P.I. #6). All of the products in Lush are handmade and specifically crafted using the finest quality ingredients. It is written on most of the packaged products on the detail of who compounded the product and when was it made (Web #2). Because their products are handmade, customers are drawn to buy them because they are made customized (P.I. #7, C.I. #21, 22). Lush has found a way to satisfy their customers so that they are using the right products by allowing returns. There are not many beauty companies that allow returns but Lush is taking risks by accepting customers who want to return or exchange the product they have bought (Web #2, P.I. #3). They want to ensure their customers to use products that useful to their skin (Art #6, C.I. #20, 25).

Primary Demographic - Ranked #3

Lush and Bath & Body Works have similar strategies in terms of their target demographics. Lush targets to wide range of gender, ethnicity, income, age, etc. (C.I. #5, 6, 8, 20, 21, 22, 25, 27, 29). The types of customers they are aiming to serve is anyone who needs assistance with their skin. The fun lifestyle they portray may seem like they are targeting the young generation but they actually have a broad demographics that welcomes everyone to purchase their products (C.I. #29). Not only women who have concerns with their skin, but men

also need to take care of their skin which is why their gender demographics are directed to both men and women. They provide products for all different types of skin which gives an availability for a wide range of demographic (C.I. #20, 25). They heavily promote their products to their market through social media such as Instagram, YouTube, and Twitter (C.I. #8, 27). Economic status for Lush's customers is primarily middle class.

Primary Geographic - Ranked #4

Primary geographic is ranked last for Lush because it does not play an important role in regards of target market. Lush stores are mostly located in middle to upper class shopping malls and complex, new customers are usually drawn in when they pass in front of the stores (C.I. #22, 25, 27, 29). Loyal customers would know the products that they need so they would only buy them online through the website or mobile application since they only purchase to restock (C.I. #29). Customers usually come to find products they need – such as face mask, body wash, or gifts – or seasonal exclusive products such as seasonal shapes of bath bombs (Web #2). They are willing to come all the way to the store to buy the products, therefore, geographic does not have a crucial role in the purchasing decision.

3. Customer Experience

Product Objective:

Lush's objective is focused on skincare by ensuring the customers to get the right products that match their skin and preferences. They want to help their customers in getting the best care for their skin through a healthy lifestyle that they offer in their natural ingredient products (Web #1). Specific objectives in developing product for Lush include:

1. Use of natural ingredients
2. Innovation of bath bombs
3. Personalized skin care

Product Strategy:

Lush is working to satisfy their customers through the quality of their products. They try their best to match products with the condition of the customer's skin as well as their personal preferences. Lush provides testers for the customers to identify which products would match best with their skin. They communicate with customers to know them better and identify the best products for them (Web #2, 3). The display, looks, vibe, and the service of the store are distinct and different from other competitors. They are providing a fun and lively environment in the store through the display of their products. Products are placed uniquely in the store to make them stand out. They have a creative way in packaging their products since they want to use less packaging as possible (Web #5, Art #2, 9). Products are made with natural ingredients that are healthy and

specifically made for different types of skin. Each piece is created accordingly to utilize whoever uses it. The ingredients used to make each products and the quality of the products itself make this brand stand out from other competitors (Web #5, 10).

Aside from their innovation, Lush is very devoted in helping the community by being aware of the ingredients they use in their products. Lush sticks to their value and belief strongly, they fight against animal testing by offering products that are made out of natural ingredients meaning that they don't include chemicals in their products. Their products are 100% vegetarian, even the packaging are from recycles and are recyclable. They create an incentive for this by allowing customers to return 5 empty containers for 1 free face mask. They do this because they want to reduce plastic usage, they are very environmentally aware (Web #2). This attracts customers to have a healthier lifestyle. Lush's products are also handmade, it is written in the packaging of the products of who made the products. These personalized products let the customers to feel that their skincare products are well-crafted and high quality (C.I. #22, 25, 27).

Unlike Bath & Body Works, Lush is distinct in their innovation since they are the first to invent bath bombs – in which other beauty companies started to create similar products (Web #11, C.I. #8, 20, 27, 29). Bath bombs attract many customers because they are very creative and make the customers to be curious to try this innovation that they have never found before. Not only that they fizz in water, but their bath bombs come in different effects and colors (C.I. #29). They always find a way to make new creative inventions that keep customers excited and interested in buying, an example would be 'toothy tabs' which is a chewable mouthwash (Art #14).

Product Strengths:

- Natural ingredients (C.I. #8, 20, 22, 25, 27)
- Quality of products (C.I. #8, 20)
- Innovation, bath bombs (P.I. #7, C.I. #8, 20, 27, 28)
- Testers (C.I. #25,)
- Handmade and personalized (P.I. #6, 7, C.I. #21, 22, 25)

Product Weaknesses:

- Price (C.I. #20, 21, 22, 25)
- No promotions (C.I. #20, 21, 25, 29)
- Need more employees (C.I. #27)

4. Pricing Objective

	Bath & Body Works	Lush	Industry Average
Body Lotion	\$13 - \$17	\$10 - \$30	\$5 - \$35
Body Wash	\$12 - \$17	\$10 - \$18	\$5 - \$35

Price Objective:

Lush uses the “meeting high quality competition” pricing strategy. This is revealed through their prices that are in the middle to high in the industry average price. The company may use the prestige price strategy but their prices are not high enough to reflect this strategy, therefore, their primary objective would be meeting competition because they don’t differentiate themselves from other competitors by their price.

Price Strategy:

There are several reasons as to why the pricing is the way it is at Lush. Overall, the pricing tends to be a little bit higher than other beauty companies that focus on selling body care products. One reason would be the quality of their products that they sell. Their products are all homemade and personalized, there is the detail on the container of the person who craft the product and the date of the products made (C.I. #21, 22, 25). Because of this, the cost to make one product is higher than massive production of products in other beauty companies. Another reason that they have their products to cost more than other beauty companies is the quality of the products itself. All products in Lush use natural ingredients and are environmentally-safe (Web #4, 7, C.I. #8, 20, 22, 25, 27). The roses they use to create their scents are all handpicked. I think because of this, their products cost higher than those of other companies because they have a greater value (Web #2). Although their products are quite costly and they don’t have a lot of promotions, many customers think that the money they spent on the products worth the quality that they receive (C.I. #25, 27, 29).

Lush lets the customers to return or exchange the product if they feel the products are not useful to their skin. They are brave enough to have these kinds of risk because they are confident that the price and the quality of the products are equivalent. Whenever the customers buy products from Lush, it would be worth it (P.I. #3). Lush believes that the price that they give for their products worth the same as the quality they have (Web #2).

Price Strengths:

- Higher quality of products (C.I. #8, 20)
- Use of natural ingredients and against animal testing (C.I. #8, 20, 22, 25, 27)
- Personalized and handmade products (P.I. #6, 7, C.I. #21, 22, 25)

Price Weaknesses:

- Prices are higher than industry average (C.I. #20, 21, 22, 25)
- No promotions or sales (C.I. #20, 21, 25, 29)

5. Place Objective

Lush is mainly located in middle to upper class shopping malls, popular areas. Lush is very common in these areas, however, moving the shops closer to

the entrance door would affect the crowds. If Lush is located closer to where most people pass by, Lush will have more customers coming by.

Place Strategy:

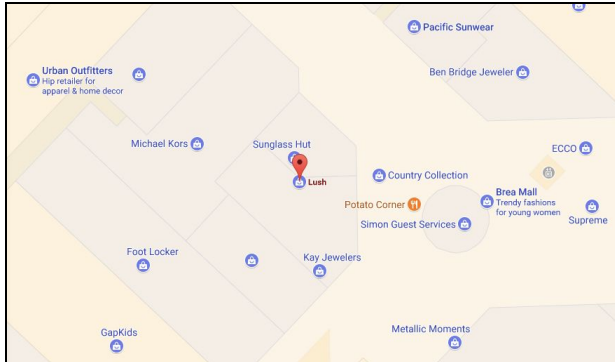


Figure 1 - Lush at the Brea Mall, CA

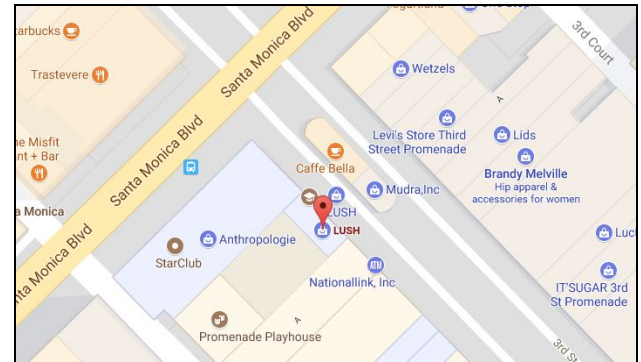


Figure 2 - Lush at 3rd Street Promenade, Santa Monica, CA

Figure 1 shows that Lush is in a middle to upper class shopping mall in the suburbs of the Orange County city of Brea. It is surrounded by fashion and beauty stores such as Sunglass Hut, Michael Kors, Foot Locker, and Urban Outfitters. By placing its store close to the competition, customers seek out Lush. This company strategically placed its stores in shopping malls that have other popular stores. Lush in Brea Mall targets people with middle to high income in the Orange County area. This mall gets very crowded in the weekend but this mall has a large space for parking to accommodate that. In addition to the foot traffic, this location serves a large store for more products and crowds coming in.

Figure 2 shows Lush in another upscale shopping and dining complex in Third Street Promenade in Downtown Santa Monica area. This location is located in the central part of the complex, it is a prime location for street traffic. Third St. Promenade is home to many fashion and beauty stores such as Anthropologie, Levi's, Brandy Melville, Fossil, and Cotton On. The city of Santa Monica is surrounded by many wealthy areas, making this location of both the complex and Lush prime for their target market. This shopping complex is very wide and has a welcoming vibe. This three blocks of open-air area is the perfect place to have a store because there are many passers-by.

Lush places their retail stores within shopping malls, where most of their buyers of young men and women go. They are often located close to their competitors, but not directly next to them. For example, Lush in Brea Mall is only a few stores away from Bath & Body Works. Although Brea Mall is not located in large area like Los Angeles, it meets the metropolitan and middle to upper class audience that it serves. Lush has less location in Los Angeles than Bath & Body Works has (C.I. #27, 29), however, it does not hinder the buyers to come by and purchase their products. Consumers are willing to drive far to purchase Lush beauty products. I think if Lush is located closer to other beauty stores such as

Sephora or Ulta, it would be more attractive since their store is unique in terms of display and structure (C.I. #25). Lush brings a fun and lively feeling to whoever comes into the store, regardless of their location, people would be attracted to come in.

Place Strengths:

- Located in the central part of the mall (C.I. #6, 25)
- Surrounded by other beauty and fashion stores
- Located in middle to upper class city (Web #2)

Place Weaknesses:

- Located in popular areas, leading to foot traffic and crowds (P.I. #7)
- Not close to entrance door
- Only several stores available in the city

6. Non-Digital Promotion

Promotion Objective:

Lush's promotion objectives are to differentiate themselves from their competition and to create a unique shopping experience for their customers by proposing a healthy lifestyle.

Promotion Analysis:

C. New / Acquisition Strategies

Lush uses specific strategies to obtain new customers. The lifestyle that Bath & Body Works uses strategies specifically to acquire new customers. The placing of the products in store that serves as a visual display attracts customers to come in and try the products. The lifestyle that they are trying to portray is an easy going and chill environment which welcome the customers very well (P.I. #6, 7). They successfully create a welcoming space for new customers to come into the store and they have amiable employees who are willing to help them. Another strategy they use significantly is sampling, Lush is very huge in giving samples genuinely to new customers. They want to ensure that their potential customers get the right products that match with their skin type. Therefore, they provide tiny containers that are filled with products like face mask, shower gel, body butter, or soap bar. This lets new customers to gain trust for this company because they know that Lush does not carelessly sell out any products for customers to purchase but they thoughtfully look for products that is beneficial for the customers by giving them samples to try at home (P.I. #3, 6). Not only that Lush gives out samples for new customers to bring home, but they also have their employees to try out the products in the store right at that moment. Lush has grand openings of stores that invite the public to come and check out the products. This attracts the customers

very well because many people who came to Lush for the first time will be triggered by the arrangement products on display and product trials. The grand opening party offers samples, consultations, music, and refreshments (Art #13). **Unlike** Bath & Body Works, Lush is doing very well in promoting their company through the use of effective sampling and special events such as grand opening parties (C.I. #25).

D. Existing Customer Strategies

Lush has quite unique strategies for their existing customers. Lush is very creative in terms of packaging for it engages well with the customers. Each packaging has the detail of the person who formulates the product and the date of the product made. This lets existing customers to feel special when purchasing the products because they are handmade and customized for them. This makes the customers to know that each products sold are unique for they are made out of natural ingredients (Art #9, C.I. #21, 22, 25). Since Lush is aware of the environment, they have a program that lets customers to exchange 5 empty containers with one face mask. This incentive gives customers motivation to come back to the store and purchase more products. By doing this, Lush is sharing an awareness toward customer to care about the environment by recycling the packaging (Web #2). This company also uses community involvement in order to promote their products and make them appeal to existing customers. Lush has a specific product, body lotion, called Charity Pot in which the purchase price of that product will be 100% donated to grassroots organizations around the country. This makes the customers to be conscious of the environment and surrounding, to care about those who are in need. This attracts existing customers to buy the products because by doing so, they can help the environment through an act of kindness (Web #2). **Unlike** Bath & Body Works, Lush is doing very well in promoting their products to existing customers by using incentive such as container recycling and unique packaging (C.I. #25).

Promotion Strengths:

- Distinctive packaging (Art. #9)
- Welcoming and fun environment
- Effective sampling
- Special events like grand opening parties
- Container recycling
- Community involvement and helping out the environment

Promotion Weaknesses:

- Not many people know about the incentive of recycling containers (C.I. #21)
- Limited use of media to advertise

7. Digital Promotion

Promotion Objective:

Lush's digital presence is very vast, just like their retail presence. It continues the lifestyle that the brand represents through the quality of products that they offer to differentiate themselves from their competitors.

C. New / Acquisition Strategies

Lush uses digital promotion to aim toward new customer acquisition such as their website that is used as a tool to inform customers of their products detail including the use and the benefits. Not only that Lush gives out description through words, but they also have videos to show the customers of what the products look like. This company also impacted greatly by social media influencers who do haul and demos of Lush's products. Lush did not pay them to do this so having social media influencers to 'promote' their products will be a huge benefit for the company. These social media influencers portray a healthy lifestyle by using Lush products, this will attract new customers for they follow these people on social media and they want to imitate their lifestyle. Apart from the content that social media influencers put online, Lush arranges short video to let new customers know more about the products Lush sell and the value they believe in. This draws the new customer's attention to have a better understanding about the company and making them consider to buy the products. Their YouTube also has videos about how the products are made, this will intrigue new customers because they would know that the company only uses natural ingredients and they are very specific in creating products for customers. These platforms are used for first-time customers to inform them about the products and the value that the company has.

D. Existing Customer Strategies

Lush uses digital promotion for existing customers as well. The company has done very well in reaching out to the new customers through the use of social media. For example, Lush uses Instagram to let the followers to know more about the products they sell by giving detailed description, the use of it, and the needs for this products. So far, Lush has 4 million followers on Instagram and almost 300 thousands subscribers on YouTube. Lush has a huge audience who is being informed through the utilization of social media. This company utilizes the website very well because compared to other competitors, Lush includes articles and stories that are related to beauty in their website. The stories have a huge impact in getting the existing customers to come back and purchase more products in Lush. There are beauty advices, inspiration stories, detailed information about new products, how-tos, and recent updates about the company. These information triggers the customers to trust Lush more

because the company genuinely cares about the customer's satisfaction through the connection and relationship that they are trying to build. Lastly, Lush has a mobile application that lets existing customers to know of the seasonal exclusive products, discover stories, browse products, and find the closest Lush store. Lush utilizes many different forms of digital promotion which give them the power to attract new customers and build a long term relationship with them.

Promotion Strengths:

- Many different platform of digital contact
- Strong social media content
- Solid information on website
- Beauty influencers' impact
- Vast amount of followers on social media

Promotion Weaknesses:

- Not all existing customers use those digital platform
- The use of these digital platforms depends on each customer's own interaction

Time Out

1. Ethical Issues and Action Plan

A. Hypothetical Situation

In my new beauty brand retail store, we work out best to try and bring in beauty products that fulfill the needs of customers and satisfy their personal preferences. However, since my brand is still new, I am figuring out what personal preferences and needs that customers usually demand for their body and skin care products.

In this ethical dilemma, I am challenged on whether or not I want to test my products through animals. Animal testing is used for research on health and medical for cosmetics manufacturing. Testing certain products on animals is useful in order to know if they cause irritation or sensitive reactions on humans and to what degree. It is quite useful for companies test their products on animals before they launch the products for human to use because it determines whether or not those products are safe to use. They use animals to test their products because animals have very similar physiology as humans do (Web #20). However, it is found that animal testing is unethical because it may cause the animals pain both internally and externally. It is not necessary to test products on animals that it requires to sacrifice many animals' lives. It is unethical to slaughter animals' lives for the sake of producing products that satisfy human needs. According to a lot of beauty companies who are experienced in the industry, animal testing is very useful and it is a fast procedure to help them create the products and launch them for public. They don't have to look for any other ways – which is time-consuming – to test their products before selling it in store because there are a lot of animals available for them to test on their products. This method is useful but there is an increasing dilemma in the situation.

The dilemma here is to either use animal testing to try on new products in my new company or to find other scientific ways that are more time and money consuming. My company is soon to be opened and there are still new products that are yet to be tested before it launches to the mass. Doing an animal testing on my products would fasten the process of finalizing my new products and it would also fasten the grand opening of my new company. We have the money to do animal testing on these new products but not enough money nor time to do other scientific methods to test on these products.

B. Personal Tension

As both a business owner in the beauty industry and a Christian believer, both options in these dilemma are very strong. From a business owner perspective, I should be deciding on what makes the most profit for my business, the most effective way to produce my products, and the less consuming time to launch those products. That means finding the cheapest and fastest way to manufacture, from the starting process of

formulating the products until the launching of those products. The only way to implement that is by using animal testing on my new products. It may not be ethically right to practice that, but it is the best way for my current situation – having to open a new business soon. Many other beauty companies are doing the same, it is not like my company is the only unethical one; practicing animal testing makes me just the same as other well-known beauty companies. However, I am also a Christian believer. In order to serve the Lord, I need to not only love people, but to also love His creation and animals are included as His creations as well. By doing animal testing may seem that I love God's people because I make sure that the products I sell are not harmful for them. But testing those products on animals may be harmful to them, who are God's creation too. Doing this may not be the best way to be a light to my secular surrounding and it doesn't reflect the Christ in me. I may compromise my own belief of loving God's creation and glorifying His name by practicing these procedures.

C. Ethical Dilemmas

1. I would be following other beauty companies who are not ethically aware of the surroundings by risking animals' lives to make my beauty products.
2. I am risking the time and money to test on my products before they launch.
3. There is tension for having the reputation of not being environmentally caring.
4. I would not be obeying God's Words for using animals as God's creation to test on my products that may risk their lives.

D. Biblical References

1. Job 12:7-10
But ask the animals, and they will teach you, or the birds in the sky, and they will tell you; or speak to the earth, and it will teach you, or let the fish in the sea inform you. Which of all these does not know that the hand of the Lord has done this? In his hand is the life of every creature and the breath of all mankind.
2. Genesis 1:26
Then God said, "Let us make man in our image, after our likeness. And let them have dominion over the fish of the sea and over the birds of heavens and over the livestock and over all the earth and over every creeping thing that creeps on the earth."
3. Ecclesiastes 3:18-21
I also said to myself, "As for humans, God tests them so that they may see that they are like the animals. Surely the fate of human beings is like that of the animals; the same fate awaits them both: as one dies, so dies the other. All have the same breath; humans

have no advantage over animals. Everything is meaningless. All go to the same place; all come from dust, and to dust all return. Who knows if the human spirit rises upward and if the spirit of the animal goes down into the earth?”

E. Action Plan

My plan of action would be to go against animal testing even though it would cost more money and time to test out the new products that are going to be launched. I would find the best alternatives – cost-effective and time-efficient – to test out the beauty products that I’m going to sell in my new company. I am willing to do anything that does not risk any lives, I am going to stick to my Christian belief and take care of God’s creation.

F. Rationale

Although I would be risking my money and time even before my store opens, the value and integrity of the brand is more important. If I can lead the company to stick strongly to what it believes, it would show that my company upholds solid moral principles and ethics. I decide to have a value that obeys the Lord’s command and that is to take care of God’s creation including animals. I will not practice animal testing and even if it costs a loss financially, I will still stick to what I am committed to. This decision is difficult since as the owner of my new company is to ensure that I’m making profit which determines the success of this company. However, I will take care of God’s creation by going against animal testing even though it would cost more for my company to test out their products.

2. SWOT Analysis

Strengths

- Use of natural ingredients
- Promotions
- Welcoming environment
- Variety of products and scents
- Quality of products
- One-on-one relationship between employees and customers
- Attractive store display (lighting, structure, smell)
- Reasonable price
- Strategic location
- Access to online platform (website / mobile application)
- Recyclable Packaging
- Ethical behavior (donate to charity through purchase)
- Return or exchange products
- Fulfill customer’s needs with their personal preference and concern with their skin

- Seasonal exclusive products
- Creative innovation products
- Demographics (target market is for everyone)
- Testers
- Advertisement of products by social media influencers
- Having a lot of cash registers open
- Availability of products in store and online
- Large size of the store

Weaknesses

- No awareness of new brand
- Sustainable and good reputation of competitors
- Little experience of management and employees
- Loyal customers to existing companies
- Zero popularity and reputation
- Little number of employees

Opportunities

- Let people know about the company through social media
- Making a rewards program to create loyal customers
- Special promotions for loyal customers
- Reaching out to new customers through online platform
- Special events like grand openings, christmas, halloween
- Stay solid in company's value and belief
- Use business to serve others as ministry

Threats

- Competitive industry
- Safety hazard in product's ingredients and packaging
- Imitation of products launched by other competitors
- Reputation is determined by reviews by customers on social media
- Inconsistent customer service due lack of training

3. Competitive Advantages

Problem #1: There is a dissatisfaction regarding the pricing of the products (C.I. #3, 10, 18, 19, 20, 21, 22, 23). Customers are not satisfied with the price and they think the products are not worth the price.

Solution: Customers are willing to spend money if the price of the products are reasonable. If they know that the products are high quality and worth the price, they would definitely purchase those products (C.I. #1, 3, 8, 26, 27, 29). I think the best solution would be to give out promotions once in awhile, giving them incentives to purchase my products again. Having promotions too often would make my company look cheap, but seasonal promotions would draw in new customers who want to try my products (C.I. #26, 28).

Problem #2: There are too little number of employees in the store. Customers want to be helped maximally and to have customer relationship with the employees. They want to be understood by the employees of their needs and personal preferences (C.I. #1, 2, 3, 9, 18, 25, 27, 28).

Solution: Because each customers in the store wants to be treated well by the employees through their service, I'm going to have more employees available during the busiest time at the store. I will hire more part-time employees to stand by at the store during weekends. But other times, when the store is less crowded, I would only have the full-time employees to be in the store. This way, I can effectively serve the customers and limit the number of employees so my expenses are not spent too much in hiring full-time employees. I would also give a solid training for the employees so they can provide a consistent service to the customers.

Problem #3: Quality of the products are important in satisfying the customer's personal preferences. Different customers have different needs, there are some who care deeply of the scents and fragrance but others care about the function of the product to their skin (C.I. #1, 2, 7, 11, 18, 19, 23, 25, 26, 28).

Solution: Because of the variety of different needs and demands from customers, I will combine both the quality of products which include the scent and the function of the products. I will create products that moisturize well to the skin, matches well with different types of skin, and have very nice fragrance. This way, I can satisfy both customers who are looking for the perfect scent for their preference as well as those who are looking for body and skin care products that work well on their skin.

Problem #4: Display and lighting of the store affect the purchasing decision of customers. Some customers are drawn into the store because of the appearance or the scent of the store when they pass by. Bath & Body Works is doing very well in attracting their customers through the first impression that they may portray but Lush is less attractive (C.I. #7, 8, 9, 10, 11, 12, 22, 23, 25, 28, 29).

Solution: I would have my store to be arranged and structure in a way to make it spacious for customers to walk around the store. I want to make the store to feel welcoming and comfortable so people who walk by the store would be attracted to come in. I will have a bright and warm lighting as well as seasonal decorations – such as Christmas, Thanksgiving, and Halloween. I will display the products neatly and organized because it would make my products look more attractive. I would also arranged the products so they are reachable and easy to take by the customers – they wouldn't have to call the employees to take certain products.

Problem #5: Not enough cash registers open can be a problem when customers are about to purchase their products. Sometimes the stores get crowded, the line to the cash registers get very long, and customers can be bothered by this because they don't want to waste their time to queue. Customers are very

satisfied when they can come in to pick on the products they are buying and purchase them quickly (C.I. #9, 18, 25, 27).

Solution: I would have at least two cash registers open during the crowdest time at the store and I would also give every employees in the store a tool to let them serve customers who are going to pay for the products they bought. One way to do that is by installing a program in their phone that lets the employees to scan the products the customers bought and they can pay there right at that moment, by sliding their card onto the debit / credit card reader that is attached to their phone. This way, there will not be a long line in the cash registers and it would be faster for customers to purchase the products they have been wanting to buy.

4. Internal Marketing Strategies for Third Product

A. Systems of Quality and Consistency

Concern #1: Quality of products

Solution #1: Each products in my store will be priced differently but one thing will remain consistent, the quality of the products. I will create a system that helps my products to be well crafted and well manufactured. My products are all going to use natural ingredients and those ingredients will go through a careful and meticulous selection. I will ensure that those ingredients are healthy, fresh, and vegan. Customers don't have to worry about the safety when buying any of the products sold because we make sure all of them are safe to use and healthy for their skin.

Concern #2: Innovation and seasonal products

Solution #2: One way to make my company stands out from other competitors is to have creative innovation and launch seasonal products. Customers would not want to shop in a store that does not evolve or develop new products. I'm going to have a team whose job is to keep up with the current trends and find ways for my company to innovate new products in regard to those trends to satisfy the customers. I will make my company to consistently launch seasonal products such as products that have Christmas, Thanksgiving, or Halloween theme.

B. Employee Satisfaction and Training

Concern #1: Consistent customer service

Solution #1: Every employees will be chosen carefully and I need to make sure that those who are working in my company are actually passionate in what they are going to be do for my company. I will make sure that they have the same value and belief as I do for this company. I will create a system that trains the employees – through videos, handbook, and group activities – that may help them to serve the customers better. They will be trained on product knowledge, methods in

serving customers, actions to take when facing problems, etc. Both full-time and part-time employees will receive the same training in order to provide a consistent service to the customers.

Concern #2: Employee benefits

Solution #2: Some companies are lacking of employees because many of them don't enjoy working in those companies, therefore, they quit from their job. I will ensure that not only customers will be satisfied, but employees will also be satisfied while working in my company. I will train my employees through a fun and welcoming environment, making them feel comfortable working here. If necessary, I will hire a specific person that will help me train my employees to have the same value and perspective about my company. All of my employees need to care about one another and there will not be any competition between them. They will be rewarded for something they do well and the company will treat all employees the same.

C. Research Systems

Concern #1: Customer reviews and feedbacks

Solution #1: I am going to build an online platform that lets customers to share their experience and perhaps their feedbacks and recommendations for my company to improve. Especially knowing that my company is new, customers evaluation and reviews would be really helpful in order to know the customer's needs and demand – so I can find ways to satisfy the customers and fulfill their needs. Customers feedback can be done through my company's website, mobile application, or surveys. My company really needs customer feedback but sometimes they don't have time to do it. Therefore, I will give them incentives for giving feedback to our company. The incentives can be in a form of samples, promotions, or other types of rewards.

Concern #2: Customer care and contact

Solution #2: I find that many customers have questions regarding their purchase, shipping, returns, product information, etc. I am going to build a platform – both online and in store – for them to be able to find answers to their unanswered questions. I'm going to make use of social media, email, call, and message for customers to reach out to my company. I will have all my employees in store to be able to answer all the questions that my customers have to ask. Something that I find really useful in regard of customer care is 24/7 online chat. This is something that my company will develop, I'm going to let my customers be able to contact my company anytime they want. I don't want to make my customers wait a few days for a response but I want to serve them quick and right in time.

5. Purpose Statement

La Rouge is a beauty company that ensures satisfaction and fulfillment to the customer's needs. We provide products that are made out of natural ingredients, promoting a healthy lifestyle for customers. Not only that our products are safe and gentle to skin, but they also come with variety of scents so customers can pick whichever fragrance match with their personal preferences. Our company holds an ethical value that is against animal testing, each products are manufactured meticulous and detailed. We provide a high quality products that can be used to different types of skin. Our employees are available to serve every customers by personalizing the right products according to their needs and taste. Our store has a welcoming and warm environment, giving comfort space and setting to those who shop in our store. We have innovative and seasonal products that are made exclusively for customers. Our prices are reasonable considering the high quality that we maintain in our products and services.

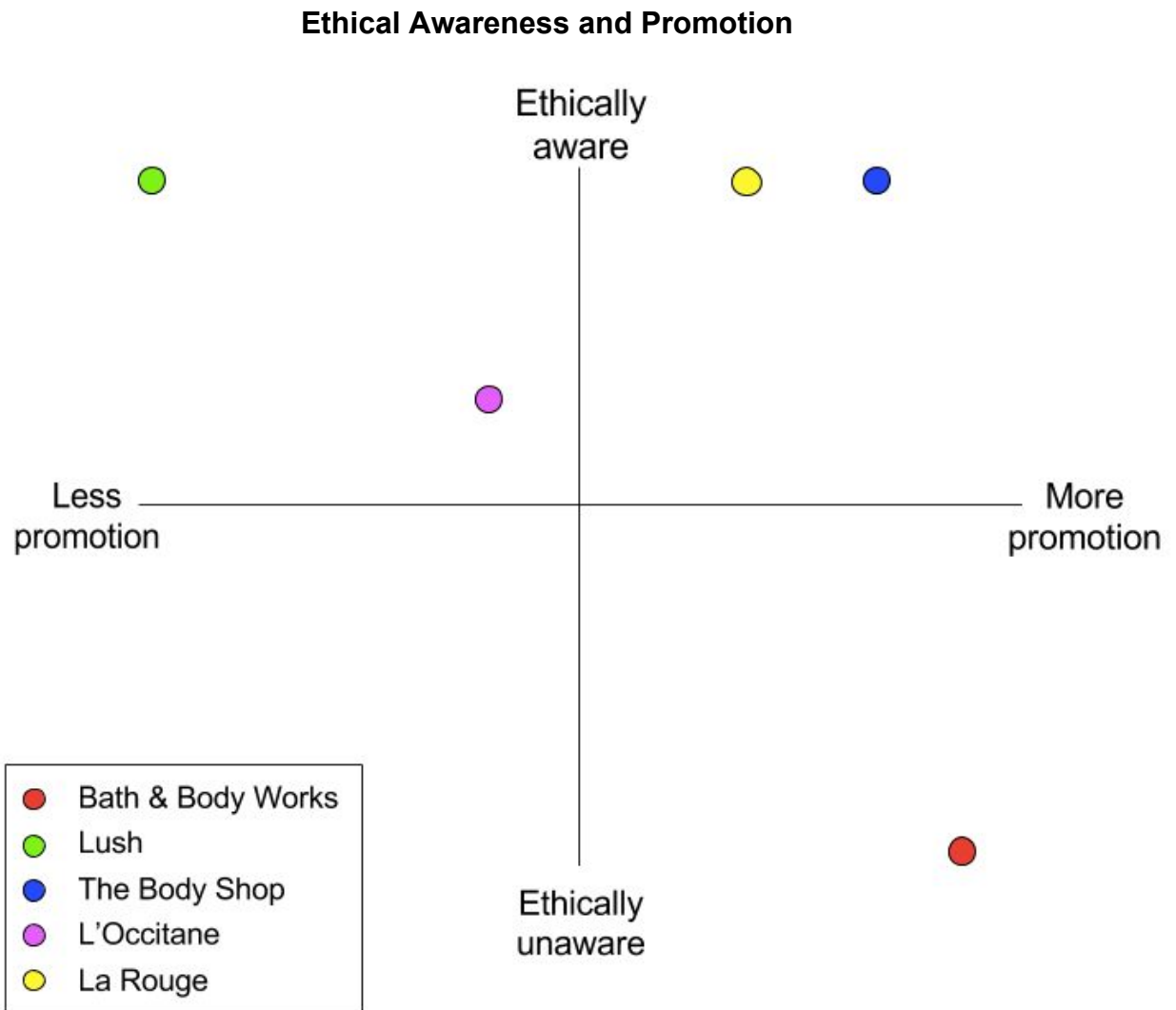
Why my Third Business will be Successful

La Rouge will be a successful business because it satisfies the needs of the customers by providing high quality products that match their needs and personal preferences. Interviews with customers report that scent and fragrance draw them into the store and turn them into loyal customers. My products will come with different function for different types of skin, they will come with different scents for different customers tastes. La Rouge will have a good number of employees who are well-trained and knowledgeable in order to serve the customers better. I will focus on reaching out to new customers as well as collecting feedbacks by utilizing social media platforms and other online platforms. We are going to be located in shopping complex such as Downtown Pasadena and the The Americana at Brand, our stores are within walking distance to restaurants, beauty, and fashion stores.

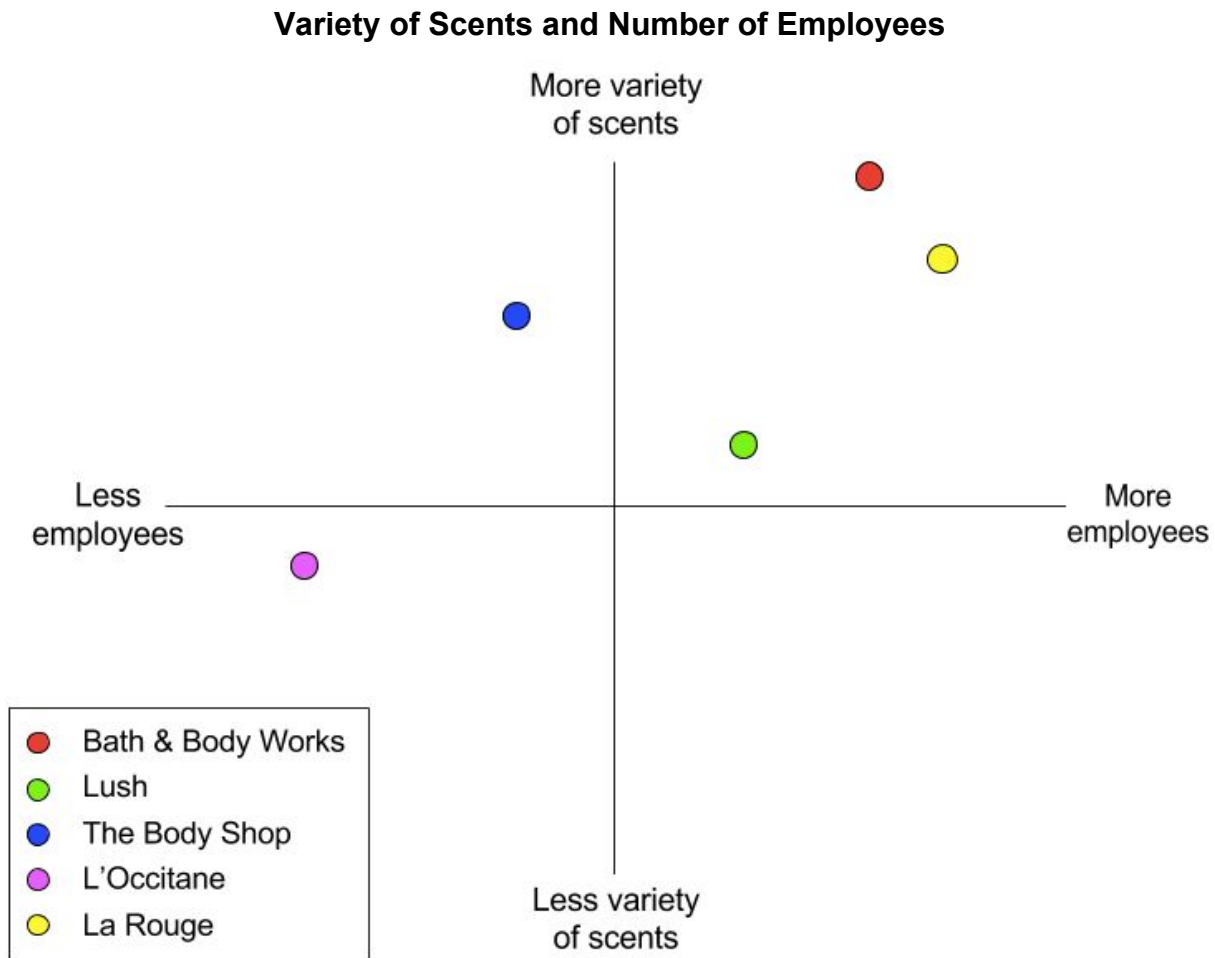
Third Product



1. Positioning Map



Why: La Rouge is placed closely to the ethical awareness part of this positioning map because our products are made out of natural ingredients which make them healthy and safe to use. We want to ensure that not only do our products satisfy the customer's needs, but they are also healthy and safe to use. Our products are not handmade but they are manufactured with natural ingredients such as sea salt, honey, coconut oil, peppermint, and so on. Our company is also against animal testing for we are environmentally aware and care about our environment. We stick to our value and we don't want to harm any beings to test out our products (C.I. #8, 20, 22, 25, 27). La Rouge is also placed close to the promotion section but not too extreme. The reason is because the products that I sell are high quality so the original should be reasonable and worth the price, but La Rouge will have seasonal promotions and sales once in a while. Those promotions are just incentives for customers to come again and purchase our products (C.I. #9, 10, 11, 15, 18, 19, 20, 21, 23, 26, 28)



Why: La Rouge is placed closer to having more variety of scents compared to other competitors, the reason is because the goal of this company is to meet the customer's needs of fragrance. We provide many different selections of scents, hoping that they would match to their personal preference. Having variety of scents will be one of our strength but that will not be the only strength in our products, we also have good quality for our products – they are functional to the customer's skin, resolving the concern of their skin. I want to create a personalization of products for customers so they would work well on my customer's skin. The products would be gentle to their skin and moisturize well (C.I. #11, 20, 25, 26). La Rouge will also have a good amount of employees available to serve every customers who come into the store. I have a strategy to place more employees during the busiest time of the week in the store and less employees during other times. The store will always have around 5 full-time employees and when it gets crowded, the part-time employees will come to fill in. This way, every customers will be served well and taken care by employees available (C.I. #1, 6, 7, 18, 25, 28, 29).

2. Primary Target Market Analysis

Primary Benefits - Ranked #1

The primary benefits is ranked the highest for La Rouge because the brand aims to satisfy the the customers through the quality and functionality of the products in order for them to come back and purchase more. One of the biggest aspects is having a better quality products compared to other competitors in terms of fragrance, usefulness, and ingredients used. We will ensure that our customers will find all their needs for body and skin care products in our store. We provide different variety of scents that may attract customers emotions and preferences (C.I. #10, 19, 23, 26). We also have good quality products that are well formulated to work on any skin types, it would solve any problems that the customers have with their skin. Our products are made out of natural ingredients, guaranteeing customers the safety and health of using our products (C.I. #8, 22, 25). Other benefits may include consistency of products, warm environment, personalization of products, welcoming employees, comfortable in store setting, speed of purchasing, and customer care / contact.

Why: Primary Benefits is ranked as the top in the target market analysis because of the distinct attributes given to customers at La Rouge. What's not done well in other competitors, we will do it right and properly. We aim for customers to come with their concerns about their skin and we provide the right products that help them fix the problem. We want customers to come back and purchase our products again because of the functionality.

Primary Psychographic - Ranked #2

The primary psychographic is ranked second for La Rouge because we want to portray a confident and bold lifestyle to the customers. We want our customers to use our products and feel confident with their skin. Since our products are all natural and healthy, I want them to be bold for taking a step forward into practicing a healthy lifestyle (C.I. #25, 27). The brand La Rouge means red, we want to show the boldness and confidence to our customers through their purchase in our store. We will portray that lifestyle through online platform such as website, Instagram, Twitter, YouTube, etc. My company will team up with social media influencers to help depict the lifestyle we have by using our products.

Why: The psychographic of La Rouge is critical because the impact of surroundings determines most people's purchasing decision. If we can influence them by showing the ideal lifestyle that people should have nowadays, we can get them to purchase our products. Getting social media influencers to impact our potential customers would be an effective way because they are trend setter. Most people, especially the young generation, look up to them and tend to follow the kind lifestyle they have.

Primary Demographic - Ranked #3

La Rouge's demographic is young adults to older generation living in Los Angeles area. These people will fall into the middle to upper class category of income who live in the city. My customers will mostly be those who care deeply of their body and skin.

Why: Demographic is quite important because my company is selling products to everyone, regardless of their gender, ethnicity, age, and background. However, it is most likely that most younger generation will come and buy our products because they are usually the ones who have the biggest concern about their skin. Mothers and other women are likely to be our main demographics as well because they are influenced by the society that cares about outer appearance, especially their skin.

Primary Geographic - Ranked #4

La Rouge will be located in popular and crowded shopping areas in Los Angeles. However, geographic is not the main reason that affects consumer's purchasing behavior. Our stores will be located in popular shopping district to attract new customers and loyal customers will come to restock their body care products at home.

Why: The location of La Rouge is not the biggest concern since it does not really impact their behavior factor. Regardless of where our stores located, customers would still purposely come to our store to buy products they need. Loyal customers will even buy products online and not in store. Therefore, geographic is not the primary reason of customer's purchasing decision.

3. Customer Experience

Product Objective:

La Rouge's objective is focused in fulfilling the customer's needs in taking care of their skin by using our products that come with variety of scents and choices according to their personal preferences. The lifestyle we are aiming to portray for customers is to make them feel confident and assured about themselves, especially about their skin. We want to ensure that our products are gentle to their skin, meeting their concerns about their skin. In addition, my products will attract customers because of the variety of fragrance that we provide.

1. Fulfilling the customer's concerns about their skin
2. Healthy products for they are made out of natural ingredients
3. Welcoming environment through store display and structure
4. Helpful and understanding employees

Product Strategies:

La Rouge is distinct from other competitors by offering a lifestyle that is bold, brave, and confident through various skin care products such as shower gel, body lotion, face masks, perfumes, gifts, etc. We attempt to give fulfillment and satisfaction to the customer's needs and demands. Customers will find the perfect product for their skin concerns. For example, we provide products for dry, oily, and combination skin. Our face masks come with different functions such as those that help to remove acne scars, brighten the skin, calm irritation and redness, etc. Customers are ensured that the products they use are healthy because we use natural ingredients (P.I. #9, C.I. #8, 25). Our company is environmentally-aware, not only that our products are non chemical-based, but our company is also against animal testing (C.I. #20, 27).

La Rouge hires employees selectively, we make sure that the employees are passionately working at this company and serving the customers. They need to have values and beliefs that correspond to this company's. They will go through a thorough training from our company to ensure that they understand well of product knowledge and of different customer's needs in order for the employees to serve the customers well. We want the customers to see employees as friends whom they are comfortable talking to. Employees will be very welcoming toward the customers so they would be willing to share their needs and concern about their skin. Thus, the employees can find the right products for the customers (P.I. #11, C.I. #3, 4, 26, 28, 29).

La Rouge will have attractive and eye-catching display so whoever pass by the store will be drawn to come in. The basis color of the store will be warm white with a hint of dark red color – since it is the color theme of La Rouge. There will be spotlight to every section in the store, especially to main products in the store. The arrangement of products displayed will also be convenient for customers to reach and grab them, so they won't need to call the employees to take the products they want to buy for them. I will also provide testers for every products sold, letting the customers to smell the products and try it on their hands. Having testers is useful to give the customers a real experience of using that product (C.I. #9, 25).

Why: These product strategies will demonstrate the primary benefits our company offers to our customers. Understanding the concerns that customers may have regarding to their skin and providing the best product that would work well are very important goals of our companies, those make our company distinct from other competitors. Not only that our products smell good and match with their personal preference, but our products are also healthy for they are made out of natural ingredients.

4. Pricing Objective

	Bath & Body Works	Lush	La Rouge	Industry Average
Body Lotion	\$13 - \$17	\$10 - \$30	\$15 - \$20	\$5 - \$35
Body Wash	\$12 - \$17	\$10 - \$18	\$15 - \$20	\$5 - \$35

Price Objective:

La Rouge uses the “meeting high quality competition” pricing strategy. This is revealed through the pricing of the products that is around the middle to high pricing in the industry average. Our company is trying to match the quality of products with their pricing.

Price Strategy:

La Rouge charges around in the middle of the industry average, slightly lower than Lush, and slightly higher than Bath & Body Works. The pricing is strategically set so that it is reasonable with the quality of the products. Our products are from natural ingredients which make them to cost higher than Bath & Body Works since they are chemical-based products. However, our products are mass production through manufacturing and not handmade. We formulate our products at the beginning of the process, then manufacture them to create massively. Therefore, our products will cost slightly lower than Lush’s because their products are handmade. This price will reflect the middle to upper class of young women in our target market. The price set is reasonable considering that our products have higher quality compared to other competitors and that our company is environmentally aware for going against animal testing. I don’t aim for a low price with high quality products because there is a cost in making high quality products and the price usually determines the impression of product quality by customers.

Unlike Bath & Body Works nor Lush, La Rouge will not have constant promotions nor will it have very little promotion. Our company has found a way to draw new customers in and that is through seasonal promotions and special events. We will hold special events during certain times of the year such as Christmas, Halloween, and Thanksgiving. During those special events, we will offer promotions that let people to purchase our products with a slight lower price. This kind of incentive will let them to try out our products and will purchase them again in the future – with the original price. Having promotions too often can cause a delay for customers to purchase the products because they would wait until the best deal / sale to buy the products. And having too little promotion make customers not willing to buy the products because they don’t know if the products are worth the price.

Why: La Rouge is very conscious of pricing because it plays a huge role in the beauty industry. Customers are constantly comparing the worth of our products

to other competitor's products. Our customers see the value in investing money to beauty products but they don't want to spend too much on them. Our store has high quality ingredients to create the products we sell and we set reasonable prices for them. **Unlike** both competitors, we meticulously assign our prices considering our customer's purchasing behavior toward those prices. Because our prices are reasonable to the quality given, with the addition of seasonal promotions, customers will prefer shop to shop at La Rouge.

5. Place Objective

La Rouge is mostly located in middle to upper class outdoor shopping district. Our locations are near younger populated areas such as college towns because they are the most likely to be our customers.

Place Strategy:

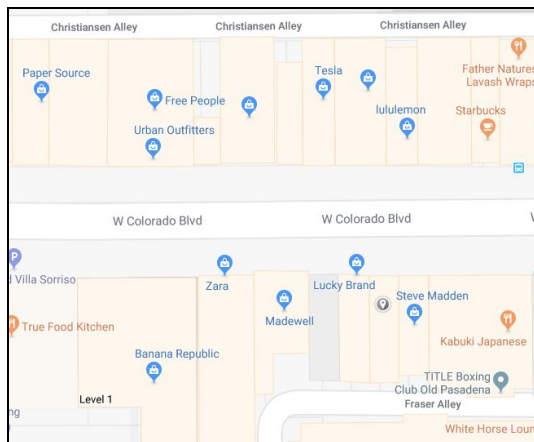


Figure 1 – La Rouge at Old Town Pasadena

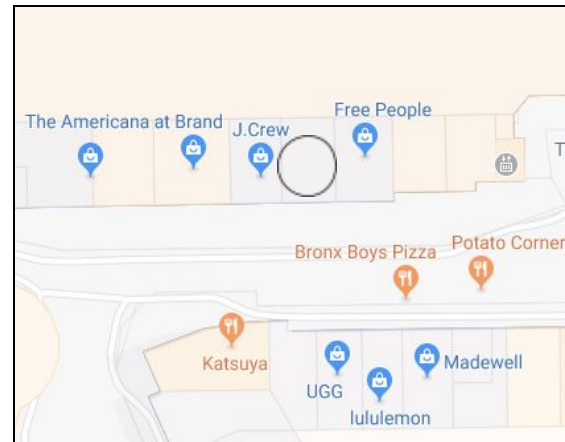


Figure 2 – La Rouge in The Americana at Brand

Figure 1 shows a possible location for La Rouge store. Old Town Pasadena is a middle to upper class shopping district at the center of Pasadena. It is one of the most prosperous areas where a lot of people come to, especially the young generation. This shopping complex is surrounded by middle class to luxury fashion and beauty stores such as Anthropologie, Banana Republic, Zara, and Urban Outfitters. La Rouge is strategically located in an area that has popular shopping destination like Old Town Pasadena because it is a popular area and usually crowded during weekends. This district is close to freeway which contribute greatly to the purchasing decision of our customers.

Figure 2 shows another possible location for La Rouge which is in an outdoor mall such as the Americana at Brand. There are only two outdoor shopping malls in Los Angeles and the Americana at Brand is one of them. There are middle to upper class stores inside this mall such as Calvin Klein, H&M, Kate Spade, and Topshop. This location is strategic for La Rouge store because the people who come to this shopping mall varies in age, ethnicity, and income. This

shopping mall provides a large parking space which impacts the our customer's purchasing behavior.

Why: I would place La Rouge stores in both Old Town Pasadena and the Americana at Brand because the location is appealing to my target market. The lifestyle these shopping areas portray corresponds to the lifestyle that our company is aiming for. Many shoppers populate both shopping district and they are filled with many different kinds of stores. The stores around La Rouge bring a huge impact to the likeness of passers-by to come into our store. Both shopping districts are located in popular cities with young generation as their target market.

6. Non-Digital Promotion

Promotion Objective:

La Rouge's promotional objective is to increase awareness of the new beauty retail company that just joined the industry because our company has no exposure in any kinds.

Promotion Analysis:

A. New / Acquisition Strategies

In order to bring in new customers to La Rouge, I will raise an awareness within the community by having a festive and large 'grand opening' event. I will put large banners that can be seen from the street as the store display. The event itself will have some music, refreshments, free samples, and consultations. They can ask about concerns of their skin and our employees will help them by giving free samples that might work well to their type of skin. During the grand opening event, our store will offer 20% discount for entire purchase. I think using few non-digital strategies to get awareness from the community would be effective to promote my new company. The grand opening will be festive that people who pass by the store will definitely notice and be drawn to come in. We will also promote our company and the event we are having on magazines whose audience are women and teen girls. Reaching customers in person would help to give them awareness and excitement of the new beauty company.

B. Existing Customer Strategies

In order to get returning customers, I will create a program that gives them promotion when they bring a friend or new customers to purchase our products. Each customers will be able to become a member in the store and when they have a friend who's coming in as new customers, their friend can receive a 10% discount on any products they purchase. After their friend has completed the purchase, they would automatically receive a 10% discount on their following purchase. This incentive would help customers to spread out the word about this company as well as to

purchase our products more often. Our company will also have other in-store promotion for members only during certain seasons such as Christmas, Thanksgiving, and Halloween. This special promotions will show them the privilege that they have for being loyal customers.

Why: The non-digital promotion for La Rouge is effective for both new and existing customers because of the distinctive competence it has compared to other competitors. Many beauty companies focus too much on getting customers by the door with too much sales and promotions but I focus on giving the perfect first impression of new customers so they would be attracted to come in again to purchase more products. I focus on creating awareness of my store by utilizing the existing customers to spread the news of a new beauty company, La Rouge. Non-digital mas not be as attainable as digital promotion but the interactions are more memorable for our customers.

7. Digital Promotion

Promotion Objective:

La Rouge's digital promotion objective is focused to inform and raise awareness of this new beauty brand through various means of online platform.

Promotion Analysis:

A. New / Acquisition Strategies

La Rouge will present many different forms of online communication in order to attract new customers. First, the website of this company will be well designed and accessible to all people. The display of the website will very be very attractive and engaging to the audience. Customers can find product details, price, and even communicate with customer service through the website. Second, the social media platform of this company will be actively used, letting customers know about the products, promotions, and seasonal events. The social media will portray a lifestyle through collaboration with social media influencers that usually has huge impact in customer's purchasing decision. We utilize Instagram, Twitter, Facebook, and YouTube as our main social media platform to share the latest updates. Our main customers are very involved in social media, therefore, these online platforms will help to reach out to new customers.

B. Existing Customers Strategies

In order to turn new customers into returning customers, I will utilize digital promotion very well. I will create a mobile application that lets members to have the latest updates about this company including exclusive products and promotions for members-only. There will be a rewards program in that mobile application, giving them incentives to come back to the store again. The rewards program includes collecting points by purchasing products

and returning empty containers / packaging of the products. They can redeem their points with products of their choice. The mobile application notifies the customers about seasonal exclusive products and promotions, special events, and important information about the company. This is an effective way to promote our products and attract them to come back.

Why: Just like our company's non-digital promotion strategies, our digital strategies are very strong and different from other competitors. Other companies don't make use of their digital promotion but our company will utilize these platforms very well because they are effective in reaching out both new and existing customers since we are living in a digital world today where everything is done online. Our online promotion will be convenient for our customers and we would be able to track what our customers like best through those online platforms.

List of Works Consulted

Websites

Website #1: <http://www.bathandbodyworks.com/> last viewed 10/23/2017

Why relevant: The website for Bath & Body Works.

Website #2: <http://www.lushusa.com/> last viewed 10/23/2017

Why relevant: The website for Lush.

Website #3: <https://www.yelp.com/> last viewed 10/23/2017

Why relevant: The website for company's reviews.

Website #4: <http://www.mbaskool.com/> last viewed 10/23/2017

Why relevant: This website has Lush Cosmetics' SWOT analysis.

Website #5: <http://ecosalon.com/> last viewed 10/23/2017

Why relevant: This website mentions the good and the bad from Lush Cosmetics.

Website #6: <https://www.forbes.com/> last viewed 10/23/2017

Why relevant: This website includes Lush Cosmetics sale statistics.

Website #7: <https://qz.com/> last viewed 10/23/2017

Why relevant: This website has Lush Cosmetics' background.

Website #8: <http://www.retaildive.com/> last viewed 10/23/2017

Why relevant: This website tells the effort that L'Occitane provides to give better shopping experience for the customers.

Website #9: <http://www.thelist.com/> last viewed 10/23/2017

Why relevant: This website mentions interesting fact that Bath & Body Works was created as the Body Shop knockoff.

Website #10: <https://www.theguardian.com/> last viewed 10/23/2017

Why relevant: This website includes the story behind Lush Cosmetics success including the story of the couple who were the founder of this company, Mark and Mo Constantine.

Website #11: <https://qz.com/> last viewed 10/26/2017

Why relevant: This website includes the background of Lush Cosmetics and bath bombs being the most famous product in this company.

Website #12: <https://www.pennellifaro.com/> last viewed 10/26/2017

Why relevant: This website includes the trends that is booming today specifically in the beauty industry.

Website #13: <https://www.translatemedia.com/> last viewed 11/06/2017

Why relevant: This website talks about how the beauty industry embraced technology, it includes several statistics that predict what beauty industry will achieve in the future.

Website #14: <https://www.styla.com/> last viewed 11/06/2017

Why relevant: This website talks about how the beauty market is conquering E-Commerce because of rapid technological advancement and the rising power of social media influencer.

Website #15: <https://www.statista.com/> last viewed 11/20/2017

Why relevant: This website provides statistics on the market size in skin care industry and cosmetic industry

Website #16: <https://www.duedil.com/> last viewed 11/20/2017

Why relevant: This website specifically gives financial statement of Lush Company.

Website #17: <https://globenewswire.com/> last viewed 11/21/2017

Why relevant: This website has a detailed income statement for Bath & Body Works.

Website #18: <https://www.nasdaq.com/> last viewed 11/21/2017

Why relevant: This website gives detail on the stocks and assets of the head company of Bath & Body Works, L Brands.

Website #19: <https://www.fda.gov.com/> last viewed 11/27/2017

Why relevant: This website gives the information of regulation on ingredients and packaging used by beauty companies.

Website #20: <https://sciencing.com/> last viewed on 12/05/2017

Why relevant: This website provides details and information about the purpose and use of animal testing on certain products.

Articles

Article #1: Bongiorno. *Business Week*, "Bath & Body Works: 'The McDonald's of Toiletries'." (August 1997)

Why relevant: This article talks about the personal experience of a sales ambassador in Bath & Body Works and mentions the strategies as well as the expansion of this company

Article #2: Nassauer. *The Wall Street Journal*, "Using Scent as a Marketing Tool, Stores Hope It and Shoppers Will Linger." (May 2014)

Why relevant: This article talks about the how Lush Cosmetics use scent to attract customers because fragrance draws shoppers.

Article #3: Anonymous. *Targeted News Service*, "Lush Cosmetics, The Humane Society of the United States and Human Society International Launch Global Campaign To End Cosmetics

Testing on Animals.” (April 2012)

Why relevant: This article talks about how Lush support the ban of animal testing, this company cares about ethical and environmental behavior for its products are safe environment.

Article #4: Conley. *Fast Company*, “Rinse and Repeat.” (July 2005)

Why relevant: This article talks about the founder of Lush Cosmetics who have ideas and innovation through mistakes and customer feedback.

Article #5: Andrei. *Targeted News Service*, “Lush Fresh Handmade Cosmetics Steps Forward to Donate \$7980, Funding South Buffalo, NY, Neighborhood Community Garden.” (April 2009)

Why relevant: This article talks about how Lush Cosmetics donated for a poor community and shows how this company cares about their environment and ethics.

Article #6: Molaro. *Global Cosmetic Industry*, “Beyond Bath.” (April 2000)

Why relevant: This article talks about bath and body products that are promising to customers, those industries care deeply in fragrances and scents range.

Article #7: Yannetta. *Vox Media*, “How Bath & Body Works Became America’s Biggest Mall Beauty Brand.” (December 2014)

Why relevant: This article discusses the background of Bath & Body Works, how they become one of the biggest beauty industry in the country. It also mentions that fragrances give emotional connection for consumers.

Article #8: Hope. *BBC News*, “The Body Shop: What went wrong?” (February 2017)

Why relevant: This article gives explanation on why the Body Shop experiencing a decline in sales and it includes competition from new stores and popularity of online shopping.

Article #9: Kumar. *LinkedIn*, “An Overview of Lush Cosmetic’s Branding Strategy.” (September 2015)

Why relevant: This article includes the main target market in Lush Cosmetics and their branding strategy that builds equity among customers.

Article #10: Mattern. *Country Living*, “14 Things You Didn’t Know About Bath and Body Works.” (May 2016)

Why relevant: This article mentions background information of Bath & Body Works including the features they have, the statistics of products in the store, the strategy to attract customers, and their best seller products.

Article #11: Tyrimou. *Euromonitor International*, “Four Ways that Technology is Changing Beauty.” (June 2015)

Why relevant: This article mentions about how technology has impacted the beauty industry and how it challenges innovation and creation of beauty offerings

Article #12: Curtis. *The Telegraph*, "How Technology is Transforming the Cosmetics Industry." (October 2014)

Why relevant: This article talks about how technology is transforming the cosmetics industry and it gives some examples how beauty brands implement technology advancement into their products.

Article #13: Peters. *Los Angeles Times*, "Grand Opening slated for Saturday at Lush." (January 2012)

Why relevant: This article gives the information about the grand opening of Lush's store in Newport Beach

Article #14: Gilliland. *Econsultancy*, "How Lush delights customers with brand marketing, strong values and digital innovation." (September 2017)

Why relevant: This article explains how Lush always keeps customers hooked because of their invention and innovation

Professional Interviews

Professional Interview #1

Male, aged 20s, Sales and Distributing in Bath & Body Works at Brea Mall, worked there for 5 years.

Interviewed in person on October 6, 2017

Why relevant: He said that something Bath & Body Works needs to work on is more equal pay for the employees because sometimes the sales people get more pay than he does even though he works more than they do. He likes working in Bath & Body Works because the people he works with was never negative about each other and always build each other up. He shared how during training, the employees were shown videos and books that talk about the product, sexual harassment, regulation within the company, etc. He said that the employees need to redecorate the store every month, there are people who are responsible of doing pages (description and pictures of the redecoration of the store) but the pages were confusing and unclear. The shipping of the products to the store were often wrong because the distribution did not send the products that were selling out but the products that are still available instead.

Professional Interview #2

Woman, aged 20s, American, Sales Ambassador in Lush at Brea Mall, worked for about 5 months.

Interviewed in person on October 6, 2017

Why relevant: She said that the company treats her very well because even though she hurt her hand, the company still allows her to work so she temporarily takes part in cashier instead of sales. She wished she had more hours working in Lush because she currently is a casual employee (0-19 hours/week) who fills in other employee's hours and trying to be a part-time or even full-time employee. She had an experience in selling to a Chinese customer and realized how language can be a barrier between the seller and the buyer.

Professional Interview #3

Woman, aged 30s, Asian descent, Store Manager in Lush at Brea Mall, worked for Lush for 6 years.

Interviewed in person on October 21, 2017

Why relevant: She really loves working for Lush and she was just moved as the store manager in Brea Mall. She mentions that Lush does not have store credit but Lush always accepts customers who want to return or exchange the product that they have bought. If the customer has used a product and it does not match with the skin, Lush will replace it with a product that might work better for their skin. She thinks that Lush should have more employees to have one-on-one relationship with the customers because Lush is getting so popular but there is not enough employees. She likes the development of this company including the training and this company has treated the employees very well, everyone is very caring with one another.

Professional Interview #4

Woman, aged 20s, Sales Ambassador in Lush at Brea Mall, worked for about a year.

Interviewed in person on October 21, 2017

Why relevant: This person really loves working here but she wished she could have more hours to work in the store. She is working part time in Lush and she has another part-time job. She loves how the company takes care and treats the employees very well.

Professional Interview #5

Woman, aged 30-40s, Latina, Sales Ambassador in Bath & Body Works at Brea Mall, worked for 5 years.

Interviewed in person on November 04, 2017

Why relevant: This person loves work working here but as an employee who works in the store, she needs to be in certain sections inside the store and can only move within the limited space. She wished she could move around freely because for now, she has to lead the customers to the section that she is in. She mentions how this company is not commission based but their pay is based on the hours and how active they are during work.

Professional Interview #6

Man, aged 20s, American descent, part-time Sales Ambassador in Lush at Brea Mall, worked for six months.

Interviewed in person on November 04, 2017

Why relevant: This employee loves working in this company because everyone is very warm and welcoming. He likes the training in this company because it lets him to know the basics of the products and what works / does not work on different types of skin. The employees were taught the basic information of the products so they are able to lead the customers to buy particular products that work on their skin. He wished he can work more hours in the store as a part-time employee because when he worked in Disney, part-time employees worked for 40 hours per week, but in Lush, they only work for 20 hours per week. He likes it that the employees' opinions are valued by the company for they are constantly being checked by the company so the company can change what needs to be done. He also likes it that Lush is very easy going and has a chill environment.

Professional Interview #7

Man, aged 20s, Foreign Leader (management) in Lush at Brea Mall, worked for 3 years.

Interviewed in person on November 04, 2017

Why relevant: This person mentions how employees have the chance to try the products before they launches. He thinks that the demographics of this company is mostly between 18 to 25 years old woman. Products of Lush were widely spread through social media and YouTube. If he could change one thing from this company, it would be to make the store bigger because Lush gets crowded and there is traffic inside the store. As an employee working in this company, he is very satisfied and loves working in a welcoming environment. He likes working for Lush because he can customized products for customers. He believes that Lush is very innovative because they keep trying to develop new products and improve.

Professional Interview #8

Woman, aged 20s, American descent, Assistant Manager in Crabtree & Evelyn at Brea Mall, worked for 8 months.

Interviewed in person on November 04, 2017

Why relevant: This person mentions how the products in the this company are fairly more expensive than its competitors such as Bath & Body Works because Bath & Body Works is not their competition. Although Crabtree & Evelyn is more expensive, it has a better quality. She said that people can tell the difference between Crabtree & Evelyn and Bath & Body Works in quality right away just by trying it on the skin. If she can change one thing from the store, she wants the store to have a warmer and welcoming atmosphere because for now, she thinks that the store is too bright.

Professional Interview #9

Woman, aged 20s, Asian descent, Beauty Advisor / Sales Ambassador in L'Occitane at Brea Mall, worked for 1 year

Interviewed in person on November 04, 2017

Why relevant: This employee loves working in an environment that smells good – compared to working in the food industry. Because the products in the company is French based and made out of natural ingredients, this company is definitely different from other competitors including Bath & Body Works because they are chemical based. The demographics is Asian, usually Chinese, and middle aged (20 to 40 years old). If she can change one thing from the store she wants to change the music because it is always the same music for the whole day. There is something about visual and location of the store that attract people, there are many people who come in to ask for directions. She also thinks that customers are usually attracted to the display inside the store. She likes the work environment, her boss is very cool and the customers are very nice.

Professional Interview #10

Man, aged late 20s, Asian/Latino descent, Store Manager and Supervisor in Bath & Body Works at Los Cerritos Mall, worked for 3 years

Interviewed in person on November 09, 2017

Why relevant: This employee focuses in marketing the products through visual, this company attracts customers through visual. He thinks that this company is innovative because they are up to date with the trend such as the bath fizzies. This company made themselves known to customers through social media, it is beneficial for the company when beauty influencers make videos (haul) about the products. The arrangement of the store in terms of display is very specific, there is a format on where things are placed. This company also values customers feedback and it has been very useful even though they don't use incentives. He loves working in this company because he has been using the products for a long time and it is good that he is

selling the products now since he knows the products very well. The strength of the company is marketing through visual. The weakness of this company is that several scents are removed every year and people get disappointed – they remove some scents because they want to launch new scents. He thinks the training is very well, many seasonal employees are helped through videos about the company. The demographics of this company is diverse because they provide products that appeal to all ages (65% women and the rest are men). This company wants to satisfy the customers by asking what they really want and not what the employees think they want which tells why they know loyal customers by name. Employees use positive reinforcement such as warm greeting and giving them space at the same time. This company has just launched a mobile application that includes all promos and updates for customers. What makes Bath & Body Works different is that it does not have a logo, the branding is through the name of the company itself.

Professional Interview #11

Woman, aged late 20s, Latin descent, Key Holder (temporary Store Manager) in Bath & Body Works at Los Cerritos, worked there for 6 months

Interviewed in person on November 09, 2017

Why relevant: This employee worked at Starbucks previously and experienced working as sales, therefore, she learned about customer service and it is interesting that now she has to implement it in retail store. She was once a customer in this company and now she is an employee, she becomes more understanding of the sales because she experienced the customer service and now she is demonstrating the service to customers. The strength of this company is that they prioritize their customers and make sure that the employees are helping each and every customer that walks into the store. She is satisfied as an employee because this company is very welcoming and appreciative toward the employees. This company gives benefits to the employees for just being an associate. She wanted to work here because she shops here all the time and she loves the place. The products itself draw the customers in. The demographics are both men and women. This company encourages customer feedback and it is very helpful because it makes the company grow to offer better.

Customer Interviews

Customer Interview #1

Female, age 20s, recent college graduate and frequent Bath & Body Works shopper.

Interviewed on October 15, 2017 at Church.

Why relevant: This customer is a frequent shopper because her mother in Indonesia always asks her to buy Bath & Body Works products to give it away as souvenirs to her mother's friends. The store here has way more variations and collections as well as cheaper compared to the one in Indonesia. She wished Bath & Body Works has a line with a higher quality products – organic and good for skin – even if it is more expensive. She is very satisfied as a customer in this store because the employees are always happy to help out in picking the scents.

Customer Interview #2

Female, age 40-50s, American, frequent Bath & Body Works shopper.

Interviewed on October 21, 2017 at Bath & Body Works in Brea Mall.

Why relevant: This customer is a frequent candle shopper in this store, previously she purchased candles from Trapp Fragrances. She has been a loyal customer for a few years by

now, she likes the candles specifically the smell because it covers the whole entire room. She is only interested in buying the candles in Bath & Body Works and she brought along her twin sister with her to this store. She likes how this store has very friendly and helpful sales people.

Customer Interview #3

Female, age 15-17s, frequent Bath & Body Works shopper.

Interviewed on October 21, 2017 at Bath & Body Works in Brea Mall.

Why relevant: This customer has purchased products from this store for a few years now because her mother always brought her along. She always purchase the products through the store and she is very satisfied with the service. She thinks that the products are quite expensive but it is good products so it is worth it. Something that this store should improve on is to have more sales ambassador to take care of the customers.

Customer Interview #4

Female, age 30-40s, Asian descent, frequent Bath & Body Works shopper.

Interviewed on October 21, 2017 at Bath & Body Works in Brea Mall.

Why relevant: This customer has purchased all kinds of products from this store and very satisfied with the products and services. She goes to this store every other month and there is nothing this store should improve on. The best products in this store would be the candles and the body wash. She comes to the store every time her Bath & Body Works products ran out.

Customer Interview #5

Female, age 40-50s, from Shanghai, first time buyer in Lush.

Interviewed on October 21, 2017 at Lush in Brea Mall.

Why relevant: This customer came all the way from China to visit America and was told by her friend about Lush. So she visited this store and interested in buying the soap from this store. She confirms how the power of word-of-mouth is one of the marketing strategy of this store.

Customer Interview #6

Female, age 20s, American, frequent buyer in Lush

Interviewed on October 21, 2017 at Lush in Brea Mall.

Why relevant: This customer has purchased products from Lush for one year by now. She knows Lush when she was walking in the mall and saw the store. Her favorite product is the body scrub. She likes how the employees in Lush are really nice. She only doesn't like that the color of the bath bombs in Lush sticks to the sides of her bathtub so she had to scrub it off every time she used bath bombs.

Customer Interview #7

Female, age 19, Indonesian, past customer in Bath & Body Works

Interviewed on November 06, 2017 on Biola University campus.

Why relevant: This customer has purchased products from Bath & Body Works for 2 years and the last time she purchased products from the store was 2 years ago. She likes how the products are fragrant, there are many varieties of products, and the customers

are allowed to try the products in the store. This company has very friendly employees although customers don't really need them because all products are on display. She said that she first saw this company in the mall, when the small hand-sanitizer was trending. She usually bought the stress relieving products because as an Indonesian, she is used to eucalyptus fragrant and this company has this product. She thinks that the smell of the store, the bright colors, and the store lighting attract customers. What draws her to come to the store again is simply the products itself especially the gift sets. She thinks this company can improve in the quality of product because the soap feels weird and the smell is too strong.

Customer Interview #8

Female, age 19, college student, new customer in Lush

Interviewed on November 06, 2017 on Biola University campus.

Why relevant: This customer has recently purchased products from Lush specifically its bath bombs. She was told by her British friend about Lush and her friend knew Lush from YouTube. She likes the product itself because it smells good and glittery. However, the store smells weird because one body soap smells very strong and there are many body soap so the smell altogether makes the store smells weird. She wished Lush has a better packaging, instead of paper bag, Lush should have something to hold the bath bombs better. She was once brought bath bombs from the U.S. to her home country and they melted inside her luggage, the pigments came out and got into her clothes. She thinks that Lush's products are worth it because she can tell right away that Lush's products are natural and not processed. Following the trends, she is really interested to try the Galaxy Bath Bombs.

Customer Interview #9

Female, age 19, Indonesian, frequent customer in Bath & Body Works

Interviewed on November 06, 2017

Why relevant: This customer purchased Bath & Body Works products for 2 years now and the body lotion is her favorite product. She really likes the products itself and the smell of the store. She likes the atmosphere of the store especially on how they display all the products and the songs played, she also likes that customers were given samples and the employees are very friendly but can be a little bit forceful sometimes. What she doesn't like about this company is that some of the products are available online but not in store because the company is too focused in displaying the seasonal scents in store. She knows this company from her mother who always asks her to buy some of the products in store while she is in the U.S. If she can change one thing from the store, she wants it to have more decoration to support the theme because the store itself is 'too yellow' for her taste. She also thinks that the store can be overwhelming when it's crowded especially when the line to cash register is very long. She likes the promotions that Bath & Body Works always offer, letting the customers to come back and buy more.

Customer Interview #10

Female, aged 20-30s, Asian, frequent customer in Bath & Body Works

Interviewed on November 09, 2017

Why relevant: This customer purchased Bath & Body Works products for years by now and she usually purchases in store unless there is sales and promotions online that they don't have in the store. She likes the products itself and the promotions. She thinks it would be nice to have the promotions in the middle of the year because it is usually at the end of the year. She loves just to come into the store and look at the variety of products. She first heard of this company from her sister. Her favorite product is the lotion and she thinks it would be great if the price is less expensive. The strength of this company is the variety of products.

Customer Interview #11

Male, age 18, Indonesian, first time buyer in Bath & Body Works

Interviewed on November 09, 2017

Why relevant: This customer purchased Bath & Body Works lotion for the first time because he needed it; he likes the product because it smells nice and prevents dry skin. The store itself looks nice, there is a lot going on with the decorations but it is organized and not messy. He heard about this company from a friend. He thinks that this company is mostly targeted to women so he feels shy and intimidated when he goes to Bath & Body Works. He thinks the Christmas decorations attract customers, the seasonal decoration is very festive. After he bought body lotion from the store, the salesperson gave him coupons that have promotions and deals for his following purchase.

Customer Interview #12

Female, aged 20s, Latino, frequent user of Bath & Body Works products

Interviewed on November 09, 2017

Why relevant: This girl has never bought any Bath & Body Works products but people always give her as gifts. It was her first time coming to the store to look at the products. The colorful display of the store attracts her. She specifically likes the scent Love & Sunshine because it reminds her of Europe.

Customer Interview #13

Female, aged 40-50s, South American, frequent customer in Bath & Body Works

Interviewed on November 09, 2017

Why relevant: This customer has purchased Bath & Body Works products since it first opened. She loved the hand soap and she usually comes to the store about 3 times a year to stock up. That day, she was attracted to come because she saw the hand soap was on sale.

Customer Interview #14

Female, aged late 20s, American, customer in Bath & Body Works

Interviewed on November 09, 2017

Why relevant: This customer purchased Bath & Body Works products for 1 year now. She loves how Bath & Body Works have many different options. She first heard it from her sister and

does not really know any other brands so she stick to what she knows. Her favorite products are the candles and body lotions.

Customer Interview #15

Female, age 30s, Latino, frequent customer in Bath & Body Works

Interviewed on November 09, 2017

Why relevant: This customer purchased Bath & Body Works products for 12 years now. She really loves this company because of the affordable prices from the promotions which separate this company from other competitors. Her favorite product is the lotion and she likes how this company packaged its products. She thinks the scent of the store draws her in.

Customer Interview #16

Female, age 30-40s, Asian, frequent customer in Bath & Body Works

Interviewed on November 06, 2017

Why relevant: This customer purchased Bath & Body Works products for years and one factor that makes her loyal to this company is their consistent product – old, new, and seasonal products. Her favorite products are hand soap for her and hand sanitizer for her kid. She go to Bath & Body Works that day to buy more hand soaps.

Customer Interview #17

Male, aged 20-30s, Japanese, first time buyer in Bath & Body Works

Interviewed on November 09, 2017

Why relevant: This customer came to Bath & Body Works for the first time to buy some for his girlfriend back in Japan. His girlfriend once came to the U.S. for vacation and found this store and ended up purchasing some products here. Now that her boyfriend is in the U.S., she asked him to buy some of her order.

Customer Interview #18

Female, aged 30-40s, Latino, frequent buyer in Bath & Body Works

Interviewed on November 18, 2017

Why relevant: This customer has purchased products from this store for years, she loves the lotion and body mist. Usually she comes around 2 to 3 times per month. She thinks the fragrance makes this company distinct from other beauty companies. Although the products are a little bit expensive, she thinks the promotions help. The price is something that this company can improve on, she thinks the store should be bigger because it often gets crowded. She experiences customer service differently in different stores, sometimes it is good but sometimes it is not good – employees can be rude and only say “oh it’s somewhere over there.”

Customer Interview #19

Female, aged 20-30s, Asian, frequent buyer in Bath & Body Works

Interviewed on November 18, 2017

Why relevant: This customer has purchased products from this store for 8 years. She really loves the body showers, hand sanitizer, and candles. She usually comes once a month. The

strength of this company is the variety of scents and the packaging, the weakness is the price but the promotion helps. She thinks the price always gets higher and higher every time. Bath & Body Works has good locations because people can find them anywhere. The fragrance attracts her to come to the store again.

Customer Interview #20

Female, aged 30-40s, Mexican, frequent buyer in Lush

Interviewed on November 18, 2017

Why relevant: This customer has purchased products from this store for 2 to 3 years. She usually comes once every couple of months. She loves the bath bombs. She is attracted by the smell of the store and how this store is against animal testing. The strength of this company is the products itself – it is gentle to skin. The weakness of this company is the price, promotions would be helpful to drop down the price. She thinks it's cool that the products are all fresh.

Customer Interview #21

Female, aged 20s, Indian, frequent buyer in Lush

Interviewed on November 18, 2017

Why relevant: This customer has purchased products from this store for 2 to 3 years. She usually comes once every 1 or 2 months. She is attracted by this store by the smell and the handmade products. She usually buys the bubble bath products. However, this company should improve on the price, promotions like 'buy one get one' would help to reduce the price. They did not know about the incentive that customers may return 5 empty containers for 1 face mask.

Customer Interview #22

Female, aged 20s, American, frequent buyer in Lush

Interviewed on November 18, 2017

Why relevant: This customer has purchased the products for a couple of months by now. She loves the products because they are natural. She is attracted to come to the store because of the smell. The strength of this company is that the products are handmade and the weakness is the price of the products.

Customer Interview #23

Female, 20-30s, Latin, frequent buyer in Bath & Body Works

Interviewed on November 20, 2017

Why relevant: This customer comes to this store because her mom always buys here all the time. She personally loves the shower gel and she's buying the candles because they are on sale. She loves the scent and fragrance of the products. Bath & Body Works is distinct from other companies because of the variety of products, the scents, and the promotions. The weakness of this company is that the price of products when they are not on sale. She was attracted to Bath & Body Works because of the scent when she passes by the store.

Customer Interview #24

Male, 20s, Black, frequent buyer in Bath & Body Works

Interviewed on November 20, 2017

Why relevant: This customer has purchased products from this store for 5 years and he usually buys for his mother, sister, and girlfriend. He is very familiar with the products and scents that they sell. The strength of this company is the seasonal scent and sometimes the price is cheaper than other stores. The weakness of this company is that they often discontinue several scents. He likes the pricing of the products sold.

Customer Interview #25

Female, 19, Indonesian, recent buyer in Lush

Interviewed on December 03, 2017

Why relevant: This customer has just purchased Lush products for the first time and she likes it very much especially the fact that she was given 2 samples along with the purchase of one face mask. The employee was really nice to her for letting her try on 3 products in the store right at that moment. She likes how the employee genuinely looks for the products that might match with her skin. Because of the healthy lifestyle that Lush portrays through social media, she was attracted to try purchasing and using the products. She was very satisfied with the result of the products because it matches really well to her skin. She thinks that Lush should work on their price and promotions because sometimes they get quite pricey, however, it is worth the money because all the products are distinct since they are handmade and made from natural ingredients. She was drawn into the store when she passed by the store and saw the store was very crowded and had unique display.

Customer Interview #26

Female, 21, Indonesian, former buyer in Bath & Body Works

Interviewed on December 03, 2017

Why relevant: This customer purchased Bath & Body Works' products for 6 months in her home country, Indonesia, and 2 months in the U.S. but she doesn't purchase their products anymore because the products don't moisturize the skin well. She knows this company because all of her friends use the products and she got them as presents, this brand is very famous in Indonesia. When she got to the U.S., Bath & Body Works is so much cheaper so she bought some of the products. However, it doesn't work well on her skin because it doesn't moisturize her dry skin. The strength of the company is the variety of scent and the promotion that makes the products cost less. The weakness is that they are not useful and people would wait until the products are on sale to buy them – because that's what she did. Because the products are not quite useful, it is not worth spending money on it. She rather buys products that are useful to the skin even though they cost more. She would not buy the products if they were not on promotion. She thinks the stores are located strategically, in large malls which makes it convenient – if it was far from Biola, she would not go. The way this company promotes their products is by word-of-mouth and huge banners / posters in store. She was attracted to come into the store because of the promotion banner. Their promotion strategy is wrong because they give too much promotion which makes people to delay their purchase, waiting until

they are on sale. Their service is very good because they explain really well about the function of the product. She prefers L'Occitane because the products work well on her skin.

Customer Interview #27

Female, 18, Indonesian, frequent buyer in Lush

Interviewed on December 03, 2017

Why relevant: This customer has purchased Lush products for 3 years now, she usually goes to the store once every three months. She thinks Lush is very strong in branding and it is sustainable, the company always inform customers of their special edition (seasonal products). The price is very reasonable and they have strategic location but she would only go into the store if she happens to pass by. Because the store is always so crowded and there are only few employees, some customers were not served so sometimes she couldn't ask them about the products. Lush is very good in setting a trend. She did not really care about the ethical value of Lush but because her surrounding starts to use healthy products (and especially now she is in LA), she was influenced to use healthy products too. She thinks Lush's marketing is very strong and it also affects when celebrities use the products. She knows Lush because of the bath bombs since it is their signature. She also knows more about Lush from Instagram.

Customer Interview #28

Female, 18, Indonesian, former buyer in Bath & Body Works

Interviewed on December 03, 2017

Why relevant: This customer used Bath & Body Works only for a year then stopped. She first heard of this company from her sister. She used to like using it because of the smell but now she doesn't use it anymore because she doesn't see any of their store here in LA. She thinks the store location is very little. The strength of the company is the scent, fragrance, and they often offer promotion and discounts. However, promotion is a weakness for them too because they offer them too often. She was attracted to the store by the smell and the lighting of the store. The customer service is very well done, the employees are very nice. She knows this company's hand sanitizer for their signature.

Customer Interview #29

Female, 23, Indonesian, frequent buyer in Lush

Interviewed on December 03, 2017

Why relevant: This customer has been using Lush's bath bombs for 3 years now. She first knew it from Australia when she was walking by the store and the smell is very strong so she was drawn to come in. The strength of this company is that they are very creative in creating bath bombs (they come in different shapes, colors, and effects). She doesn't really like the smell of the store because it's too strong which makes it very overwhelming for those who are not familiar with the brand. She thinks the price is reasonable. She has never been to the store in LA because she never sees them so she usually bought bath bombs online. When she was in Sydney, the customer service is

very good and the employees are quite helpful. In terms of promotion, she thinks they don't really promote their products but they do have good products. Lush is famous from word-of-mouth and people buy gifts from Lush.