Understanding Green Marketing with Marketing Mix—a case study on The Body Shop

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Abstract

Title: Understanding Green Marketing with Marketing Mix—a case study on The Body Shop

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Aim: The purpose of the study is to investigate how a company blends its greenness sense into their marketing mix and marketing strategy and the response from the customers toward corresponding aspects.

Method: A case study was adopted. Both qualitative and quantitative methods were constructed, in which face-to-face interview and questionnaires were used to collect the fundamental data.

Result & Conclusions: The Company has completely involved greenness into their marketing strategies. However, not many consumers are aware of it. The quality of the product, the price and the popularity of the brand still the most important influence factor in their purchase decision-making.

Suggestions for future research: A further study can be put on a research about how to gain advantages, such as customers’ loyalty and trust, by improving their green strategy.

Contribution of the thesis: This study contributes to enhancing the understanding of the combination of the 4Ps of marketing and green marketing. Furthermore, the findings have improved our knowledge of the consumers’ attitude toward their strategies.

Keywords: Green Marketing, Environmental Marketing, Marketing Mix, CSR, The Body Shop

Paper type Case study/ Research paper
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1. INTRODUCTION

1.1 Problem Discussion

Environmental problems are still the main subject for the world and human beings. Air pollution, greenhouse effects and ecological unbalances, are environmental problems that occur along with the activities of human being. People are increasingly becoming aware of that they are one part from the nature, and indeed, the concern of the environment from audiences has been increased in the past years.

In order to facilitate these situations, a green revolution has been raised in the whole world since the 70's, which has a significant influence on the economy and human life. In 1992, the Agenda 21 was formulated in the Rio International Conference on Environment and Development. It points out that the role and impact of unsustainable production and consumption patterns and lifestyles and their relation to sustainable development should be given high priority (Agenda 21)\(^1\) since it is the main reason for the deteriorating of global environment. Obviously, the behavior of companies has a direct effect on the changing of environment.

As environmental concerns have increased, more and more customers prefer to buy green products. The influence of the green consumer will grow as environmental awareness among consumers spreads and improvements are made to the environmental information available through eco-labeling schemes, consumer groups and consumer guides (Peattie, 1995). In this case, if a firm wants to be successful, green marketing is one important issue that cannot be ignored. A research survey of European multinationals found that 92 per cent of the companies had changed their products to address green concerns (Vandermerwe and Oliff, 1990). The main motivations for creating and marketing greener products are: product differentiation to create a competitive advantage, to become a global leader, and cost savings (Greenerdesign.com, 2009).

Therefore, establishing green marketing ideas and adapting to adequate green marketing strategy are important issues for companies and the whole world.

1.2 Purpose

The purpose of the study is to investigate how a company blends its greenness sense into their marketing mix and marketing strategy and how the customers respond to it.

\(^1\)For more information about agenda 21, see internet:

1.3 Research questions

Based on the problem we discussed, the following research questions are formulated to fulfill the purpose of the thesis:

- How does the company use green marketing as strategy in terms of the four Ps theories?
- How do customers respond to the green marketing strategy?

By working with these questions, the results show that The Body Shop manages to involve green idea into their product, promotion, price and distribution channel. However, even environmental effect is an influent factor when customers are making a purchase decision, product quality, price and the popularity of a brand still the most important influencing factors.

2. METHODOLOGY

In this chapter the authors used qualitative and quantitative methods to do the research. From these methods used we created the structure of the thesis and how to analyze the strength and weakness for the data that are mentioned in the empirical finding.

2.1 Basic research structure

The authors are very interested in the environmental problems and curious about how people, especially in the firms, have influence on the environment and society. After having initiated search of relevant topics, the authors decided to focus their thesis on the aspect of green marketing/environmental management—how a company use green marketing as a strategy and the attitudes toward their engagements from their customers. The authors found that Corporate Social Responsibility and Customer Relationship Management will be necessary dimensions to perform this research. In the same vein, from the literature the basic structure is found in order to answer the research questions. As David Silverman (2010) demonstrates, the chosen methods are techniques which take on a specific meaning according to the methodology in which they are used. Most research methods can be used in research based on either qualitative or quantitative methodologies. A qualitative method was chosen as the main method and a quantitative method was used to be the assistant to do the research. To answer the research questions, primary data and secondary resources are both used.

A deduction method is selected as the research approach in other to reach the purpose of the thesis since the five sequential stages through which deductive research will progress are listed by Robsen(1993:19). The thesis can be divided into two parts: the interview with the manager of The Body Shop and the questionnaire for their customers. First of all, since the green marketing is a subset of traditional marketing, the thesis follows the green 4Ps (product, promotion, price and place) structure to
analyse the company from four aspects towards green issues, which answer the first research question. Afterward, a questionnaire was created and used as a formalized schedule for collecting data from respondents (Kinnear and Taylor, 1996). By adopting a questionnaire for the customers of The Body Shop, the second question is answered and then the comparison between the manager’s and the consumer’s perception of the corporation could be made to find out the gap and make an analysis. The findings from the web research and the actual visit at the stores that are presented under the chapter empirical findings will be used for an in depth discussion. The aim of this discussion is to answer the research questions and the purpose of the thesis.

2.2. Data collection

2.2.1 Collection of theoretical frameworks

The theoretical framework collected and used within this thesis is mainly based on secondary data. Information on CSR, CRM and green marketing were collected from books of the university library, recent scientific articles from online libraries and journals as well as company reports. Reliable websites such as the data base Emerald were used to get the most recent findings within each area. In addition, different sources of data were utilized in order to obtain important background information and knowledge about the field of research.

2.2.2. Collection of empirical data

The Body Shop International is chosen as a case study in the thesis because the company belongs to a business chain that is regarded as one of the most well-known corporations in the world and we feel familiar with it. Besides, the first brand that came up in our mind was The Body Shop when we talk about this topic. The authors found the telephone number of The Body Shop in Gavle by visiting the company home page on the internet and thereafter called the shop. The manager of The Body Shop in Gavle, Lotta Karlsson, agreed to make an interview and provided useful information about the company’s green marketing. There are 12 main questions used for the in-depth interview, and the result is presented in the empirical part.

2.2.3Sample

The part of the research for the customers is based on a survey that consists of 9 questions and sent to customers with intention to enter into the store. The research data was collected outside the store from twelve o’clock to sixteen o’clock in the afternoon. There are totally 20 finished questionnaires, which contained 1 male and 19 female informants. The respondents’ ages range from 16 to 56 years old, in which the teenagers occupied the largest number. As the company sells natural beauty cosmetics and toiletries, the customers are mainly women, with an age range of 15-80 in the interviews. Respondents were recruited at the shopping mall in the centre of
Gavle. The respondents’ occupations were mostly students, and then supermarket employee, basketball player and housewives. A student who is working with part-time job in The Body Shop is also contained.

2.3 Reliability of the data

According to Easterby-Smith(1994), in a deductive approach, the reliability of the study can be assessed by this question: Will the measure yield the same results on different occasions?

Robson (1993) asserts that subject bias is one of the threats to reliability since interviewees may have been saying what they thought their bosses wanted them to say. Since the interviewee we talked with is a marketing manager of the store of The Body Shop in Gavle, the subject bias is hard to be avoided. However, in the method of survey, this threat can be effectively avoided because in our questionnaires, elaborate steps can be taken to ensure the anonymity of respondents to questionnaires.

2.4 Data analysis

A case study could be approached as an exercise in the generation of grounded theory; or it could be thoroughly ethnographic, with the major concern being to gain an understanding of the culture of whatever constitutes the case.

A general analytic strategy is needed to start the data analysis. The ultimate goal of it is to treat the evidence fairly, to produce compelling analytic conclusions, and to rule out alternative interpretations.

According to Yin (1994), one of the general strategies is relying on theoretical propositions. The proposition is the basis of the objectives of the case study, which reflects a series of new insights or research questions as a result. One of the functions of the propositions is to help the researcher to attract more attention on useful data and reduce the others. Another function is that it helps to organize the entire case study and to define alternative explanations to be examined.

Miles and Huberman (1994) regard analyses that are composed of three concurrent ‘flows of activity’: data reduction, data display, and conclusion drawing/verification.

There were some measures that we have taken into consideration to reduce the data, such as session summary sheet. It was prepared after the data collection session, such as the interview, in order to summarizing and focusing on the specific questions related in the study. Using memo is another effective way to capture ideas, views and intuitions at all stages of the data analysis process. What’s more, it is recommended by Miles and Huberman(1994) that the interim summary should be written in order to make it clear about what you have done so far and what you still need to find out.
In the part of data displays, Miles and Huberman (1994) consider that matrices, such as tables with rows and columns can be used for displaying data more clearly.

When drawing a conclusion, some tactics can be used. Noting relations between variables is one of them. It means using matrix displays and other methods to study interrelationships between different parts of the data. Building a logical chain of evidence is also important because it helps to understand patterns by the logical relationships. And making theoretical coherence is needed, which means moving from data to constructs to theories through analysis and categorization.

3. THEORETICAL BACKGROUND

In this chapter we introduce the relevant theoretical framework about CSR, CRM and green marketing that are used for analysis in the next chapter. Four main aspects are included in order to understand the green marketing.

3.1CSR

The emergence of CSR has made green concerns become a global trend due to society. Today companies show more concern about the environment and social problems. They think that to cooperate is one of the most important sources to overcome these problems and they should take more responsibility during the production. Corporate Social Responsibility (CSR) is a very broad concept and it can be defined in many different ways. The definition made by The European Commission will be used in this research, they define CSR as:

“A concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. This is done by integrating social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”

However, CSR issues are too complicated to make a fixed definition, and it is up to different organizations to interpret and handle them according to how they understand the communication of different stakeholder groups ( Cerne, 2008).

Meanwhile, five main perspectives are commonly discussed: The profit-only shareholder perspective, the stakeholder perspective, corporate philanthropy, corporate citizenship and cross-sector partnership, which are summarized by Sundström (2009). Among these perspectives, profit-only orientation shareholder’s perspective has a limitation that company should ignore the economic side of social benefits if the company wants to pay attention on marketing profit. She contrasts that taking CSR is not voluntary but built on business’s need to legitimate business in

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1 Working with and working on corporate social responsibility-the flexibility of a management concept
accordance to their economic motive to improve profits and to survive. Moreover, the importance of collaborative sector engagements is also confirmed.

Garriga and Mele’ (2004) created a classification of four groups of CSR theories: instrumental theories, political theories, integrative theories, and ethical theories. The instrumental theories state that the strategies for achieving competitive advantage by making profits while also helping social causes. Green marketing can be considered a subset of CSR strategies. Political theories relate to the use of business power and government regulations that have been applied to environmental marketing (Menon and Menon, 1997). Integrative theories pay attention on stakeholder management, related to social norms (Osterhus, 1997), green marketing (Rivera-Camino, 2007), and to the common good (Argandoña, 1998). Ethical theories focus on doing the right thing for society, and include universal human rights, environmental sustainability, and the common good (Garriga and Mele’, 2004). Green marketing has been related to the common good, the tragedy of the common dilemma (Shultz and Holbrook, 1999) and to environmental justice (Oyewole, 2001). Each of the groups of theories can be related to firms’ motivations to pursue green marketing strategies and actions, and all four areas are important to a social system (Garriga and Mele’, 2004).

3.2. Green marketing

A variety of literature discusses green marketing and pays attention to the relationship between customers’ attitudes and environmental strategies in relation to the company use of marketing. Green marketing is marketing that includes environmental issues in the marketing efforts. The main idea is that customers are provided with information of the environmental effect of the products and they can and will take this information into account when deciding which product to purchase. Those aspects will in turn make companies more inclined to produce products that are better from an environmental point of view (Rex & Baumann, 2007).

A specific dimension of traditional marketing, green marketing contains the same ingredients of traditional marketing: product, price, promotion and place. It has become important for companies to create and sustain a relationship with all who they interact with: its suppliers, market intermediaries, the public and most importantly their customers (Ravald & Grönroos, 1996). Many companies today openly commit themselves to carrying out their business in accordance with environmental principles. New green behavior has emerged. Firstly, it has to do with the increased environmental awareness among law makers, environmental groups, consumers, financial institution, insurers, the company’s own employees and, most of all, the customers. Secondly, an increasing number of national and international environmental schemes, laws and regulations have been established. In addition, the greater government’s commitments has contributed to enforcing this trend resulting in the use of economic sanctions, such as the taxes and penalties on emissions, in order to encourage companies to consume fewer resources and emit fewer pollutants. There
are also legal consequences to consider which force companies to pay greater attention to the law.

To gain a competitive advantage in the changing world, firms are following the demand trend of customers and make improvements of this development over time. On one hand, marketing and marketers have come to understand the importance of valuing and maintain a long term relationships with stakeholders who are rejoining reciprocal trust and loyalty (Landau, 2008). On the other hand, environmental management as a strategic tool not only improves control and reduces environmental impact but also develops business opportunities for company managers.

At the operative level of marketing management, the green marketing concept could be operationalized by using the following marketing-mix actions:

(1) Politics of green product design;
(2) Distribution with green criteria;
(3) Pricing of green products; and
(4) Green publicity and green sponsoring.

The presented operationalization also includes green product design. The literature recognizes that managers should be aware of that green marketing begins with green design (Vasanthakumar, 1993), and that product design constitutes an active interface between demand (consumers) and supply (manufacturers) (Baumann et al., 2002). Green distribution is commonly included because product distribution systems can constrain green design solutions since they must guarantee the tangible “ecological nature” of the products on the market (Imballagio, 2002). Additionally, distribution concerns often increases the environmental impact of products, and is constantly regulated for environmental compliance. Green products pricing is considered because green industrial differentiation works efficiently only when green products reduce clients’ costs (Wohlgemuth et al., 1999).

Every organization has values. Based on the values which the organization has, it can then establish a vision of what it would like to become. Without a clear vision a company will not have a clear idea about which path to travel down and will find strategic planning as a pointless exercise (Welford, 2000).

3.3 Green Product

The product is the cornerstone of the marketing mix (Peattie, 1995). A 1991 opinion poll showed that 85 per cent of the citizens of the industrialized world believe that the environment is the number one public issue (Carson and Moulden, 1991). As a result of the public realization that its consumption activities lead to environmental problems (Kangun, et al. 1991), some consumers are translating their environmental concern into actively purchasing green products (Martin, 1995). The emergence of new green products has been one of the main areas of activity in response to the green
challenge. The underlying cause of society’s current unsustainability relates to the way in which economics and technology have come to dominate our thinking about business and the environment.

Peattie (1995) argues that, for any category of products, each of the nine characteristics may need to be reconsidered in the light of the green challenge.

- **Significance of each purchase to the customer:**
  Products vary in terms of the level of involvement during the purchase process (Peattie 1995). Consumer guides and staff-force should be able to convince the consumer that every purchase is a support for the protection activities toward the environment.

- **Time and effort spent purchasing by the customers:**
  Related to the significance of the purchase is the effort that a customer is willing to put into the purchase process (Peattie, 1995). Providing brochures which contain sufficient environmentally related information can attract the attention of green customers.

- **Technological Complexity:**
  In many markets the technological complexities of the products and the features that they offer is outstripping the ability of consumers to benefit from them. Schumacher’s (1973) vision of ‘intermediate technology’ was for technologies that were smaller, simpler, cheaper, more human in scale and more benign in their effect on the environment. (Peattie, 1995)

- **The customer’s need for service before, during and after the sale:**
  As green consumerism becomes reflected in a desire for products that are built to last, so the demand for after-sales service to maintain, recondition and repair products will rise.

- **Frequency of purchase:**
  The goods of infrequent purchase, such as cars, television, shoes, are involved more consideration. In this kind of market, consumers guides play an important role in the purchase process through provide them sufficient information of the product, including its eco-performance.

The factors compose the green product purchase decision is not only the green product itself, which provides the primary core benefit to the consumer but also the other social benefits that the consumer perceives it would have such as being environmentally safe (D'Souza, Taghian, Lamb, Peretiakos, 2006). The literature reflects consumers' concern for products being tested on animals and those that are potentially harmful to wildlife. This concern has been predominant in cosmetic products where claims of safety have become a major marketing strategy in both product development and a major marketing differentiation strategy communicated to the end-user (D'Souza, Taghian, Lamb, Peretiakos, 2006).

According to Peattie (1995), there are several elements that can influence the perception of a product’s greenness.
· **What goes into it**
Including the quantity, sustainability, efficiency and safety of the raw materials and energy that go into a product, together with the social acceptability of the conditions under which human resources contribute to production.
· **The purpose of a product**
However sustainably a missile is produced, it would seem difficult to perceive it as a green product.
· **The consequences of product use and misuse**
Misuse of a product can color the perceptions of eco-performance. For some companies the concept of brand stewardship involves taking responsibility to ensure that products are used correctly. Dow Corning places the following responsibilities on its sales staff (Elkington et al. 1991):
  - Inform customers about know hazards relating to the products.
  - Advise customers to use products in accordance with label recommendations.
  - Insist that distributors pass on handling, use and disposal information to their customers.
  - Co-ordinate visits by company staff to customer sites, to ensure safe use and disposal of products.
· **The risks involved in product use**
Beck (1992) sees a key development of industrialization as the replacement of harmful elements society with risks.
· **Product durability**
How long a product lasts may become an important consideration for consumers, both environmentally and economically.
· **Product disposal**
Product stewardship approaches can require companies to take a very proactive and responsible approach to the safe disposal of their product.
· **Where it is made**
Countries can gain a good reputation for the technical quality of a certain product, and this may be used for environmental quality as well. Davis (1991) predicts that ‘locally made’ will gain strength as a mark of excellence, possibly as a reaction against the delocalized economy.

### 3.4. Green Promotion

- **The Objectives of Promotion**
According to Clifton and Buss (1992), there is not much difference between greener communication and the other forms of communication. It cannot be emphasized too strongly that greener communication should be approached in just the same way as any other communication: the basis disciplines are the same. There are three aims of green advertising, which are similar to those of a grey advertiser: to inform the target consumers about the company and product, so that they become aware of a new green product, how it works and what its environmental and other advantages are: to persuade consumers to switch to a green brand, to change their preconceptions about a
product, or even to find out more about it, perhaps by sending for a brochure; to remind customers that they will need a product soon, and to emphasize where and how it can be purchased.

- The elements of corporate environmental advertising

According to Joel J. Davis (1994), there are three elements of corporate environmental advertising activities. First, the advertisement presents a general statement of corporate concern for the environment. Second, the advertisement describes how the corporation has initiated a number of activities which demonstrate its concern and commitment to environmental improvement. Third, the advertisement provides a description of specific environmentally-related activities in which the corporation is engaged and/or outcomes for which the corporation takes credit (J. Davis, 1994). In the third part, environmentally-related activities generally fall into one of three broad areas:

- Monetary grants

Monetary support typically takes one of two forms. First, corporations promote their sales-dependent monetary contributions. Here, a corporation makes a monetary contribution to an environmental cause or group in direct proportion to product sales. Beyond sales-dependent contributions corporations also advertise their outright monetary contributions to environmental groups and activities.

- Resources/Support

Non-monetary activities involving resources and support are also used to demonstrate corporate environmental concern. These activities obviously entail some expenditure of funds. However, the emphasis in this type of communication is on the result or outcome of the expenditure rather than the expenditure itself. Resource contribution typically entails a corporation working with others to create opportunities for environmental improvement. One common form of resource contribution is the preservation and maintenance of wildlife, especially endangered species, and wildlife habitats. A second form of resource contribution entails providing time and manpower support for environmentally-related activities or development of/support for environmental educational programs.

- Corporation-specific / corporation-wide activities related to product selection, development, manufacture, distribution as well as overall company operation.

Corporation specific advertising is generally less common than monetary support and resources advertising, perhaps because it reflects the largest corporate financial commitment. In order to describe these types of activities corporations must first invest in significant environmentally-related corporate and product-related improvements. However, in spite of the level of required commitment, several companies have communicated their corporation-specific environmental activities.
- Selling
The sales-force is the key channel of communications with customers. To support a successful green industrial marketing strategy, the sales-force needs to be able to answer the questions customers might have concerning environmental performance. Salespeople also need to know the right questions to ask customers, to evaluate their likely interest in greening now and in the future.

- Educate the customers
Marketing communications and advertising in particular, is often criticized for the degree to which it attempts to persuade and manipulate rather than to persuade and manipulate rather than to inform. An informative communications strategy might seem an obvious choice for the environmental marketer, but it has its difficulties. Advertising’s effectiveness is usually based on short bursts of information containing a simple message which demonstrates the product and its benefits. Well designed advertising can succeed in informing consumers about environmental issues, however, and can help to raise awareness and improve understanding.

3.5. Green price
Obviously, it is easy to take the concept of price for granted. However, a price can be viewed from several perspectives. Bases on the opinion of Ken Peattie (1993), a price can be considered as below:

- A reflection of the cost of production, particularly when companies price their products by standard cost or cost-plus-profit methods.
- A key variable in the pursuit of profit.
- A signal of quality to consumers.
- A basis for market segmentation, with different prices paid for the same product in different market segments.
- A measure of a product’s worth which allows different forms of product to be compared and considered.
- A reflection of the demand that exists for a product and the available supply.
- An important basis for competition
- A key marketing variable that can be manipulated to achieve a wide variety of marketing objectives.

One view of how a sustainable competitive advantage can be reached is through pricing. This approach stress that the price of a product or service should be based on the customers’ perceptions of the value, rather than the costs for producing and selling the offer (Nimer, 1975; Monroe, 1990). The perceived value is defined as the price a customer is prepared to pay for the benefits that the product delivers. One common approach to using strategic pricing is by using the customer’s perception that a higher price means greater quality and thereby greater benefits. Another way of using the method quite differently is through producing the same items as a famous brand but settle on a lower price. Such a strategy is characterized by large quantities, similar or
the same qualities but lower prices. Thompson & Coe (1997) stress how important it is to meet the customer's needs in terms of quality, value and price in order to become successful in the long term, while simultaneously be profitable and secure a superior position. Pricing should be used in a dynamic way to meet the demands of the targeted customers.

A product priced to cover the costs of being truly sustainable would be unable to compete unless customer price sensitivity was very low, said by Peattie (1993). A key barrier in developing sustainable products is the emphasis on price as opposed to cost. Many consumers and many companies make purchase on the basis of a product’s price, as opposed to the total cost of owning and using the product. Whether or not to buy a product which costs more but will last longer or is cheaper to run is one choice that the green consumer is increasingly likely to be faced with. Also, green product are usually presented to the market at premium prices, either to reflect higher costs or to take advantage of strong green demand. Whether or not the customers accept the green premium is also a main problem that the corporation faced with.

Welford (2000) explains that if social and environmental protection measures cost extra money, this can be passed on to the consumer, making it clear that the price differential is a result of such improvements. Moreover, if costs are reduced through environmental measures, it is ethical to be completely honest in cutting prices or considering discounts to those who can match the organization’s own environmental performance. It is often said that the price is an indicator of quality. In the future we may also see price as an indicator of socially and environmentally responsible business. Consumers need to be educated to realize that paying a little more for a green product is worthy and make them willing to pay. On the contrast, those who do not reduce the price according to the real environmental costs are regarded as the hypocrisy business.

3.6 Green distribution channels

In addition of the 3Ps we mentioned above, also the green distribution channels is clearly an issue of strategic importance according to Ken Peattie (1993). To be successful any new green product has to gain access to potential customers through a suitable distribution channel. The channels of distribution that a company uses can be viewed from a physical and from an economic perspective. In physical terms, distribution deals with the logistical challenge of getting the product to the consumer. There are few of us that live in such remote locations that we do not daily witness the movement of goods by road, or see the physical impact of distribution in terms of the shops, warehouses and car parks that dot the landscape. In economic terms, distribution is concerned with developing and managing a channel structure which in addition to supporting the physical distribution of goods is capable of handling the exchanges of information, money and ownership that marketing relies upon. And both of them have implications for the green agenda.
The key issues were found by Szymankiewicz (1993) with a study of 250 companies is packaging and waste creation, the disposal of waste, noise and emission levels and the consumption of fuel resources. However, developing a credible green distribution strategy goes beyond improving the practicalities of fuel efficiency, shipping packaging and the noise produced by depots. (p: 254) During the distribution process, the geographical relationship between the point of manufacture, the point of purchase and the point of use will affect the eco-performance of products. In the increasingly international economy, as the average distances travelled by products and the energy consumes to transport them increases, so their eco-performance tends to declines (p: 250).

Richard Welford (2000) identified a checklist to see if the green company make a sustainable development within the marketing mix concept, which contain 10 priorities need to be addressed. Among them, a priority about transportation and distribution is showed that the preference should be given to transportation systems which have reduced environmental costs in terms of energy consumption and pollution. Where appreciate distribution channels should be established between the producer, wholesalers, retailers and customers, this could which minimize transportation and packaging needs. These same systems can also be used to ensure that used products and packaging are recycled. The distribution system can also be seen as a process by which information about products and profiles of businesses can be transmitted. They can be used effectively as a conduit for education and campaigning (Richard Welford, 2000, p: 116-117).

3.7 CRM and customer behavior

Josephine Pickett-Baker and Ritsuko Ozaki conducted a survey of 52 mothers and their shopping behavior. The respondents have strong pro-environmental attitudes towards environmental problems and when they were sorted by age, there was no difference in environmental beliefs across age groups. This statement supports the arguments from Hoyer and MacInnis, that demographics with the exception of gender are not a good indicator of environmental attitudes. The report also proved that there is a gap between customer beliefs and behaviors in green marketing.

- Consumer Judgment

It is common that people make a judgment when they see a product or an advertisement. A judgment refers to the location of a target object or issue on a cognitive continuum (Wyer, 1974. Wyer&Carlston, 1979; Wyer&Sull, 1989). Some concepts of cognitive continuum, such as “gentle”, or “safe” can be regarded as nonevalutive. Non-evalulative judgments are referred to as beliefs (Frank R Kardes, 2001). Beliefs are very important since it functions to resist more complicated judgments such as attitude (evaluative judgments) and preferences (evaluative
judgments involving more than one product) (Frank R Kardes, 2001). A cognitive continuum, such as “good”, “bad”, “favorable”, can be considered as evaluative.

### 3.8 Summary of theories in different dimensions

A summary of the main ideas of the theories above could form different dimensions and related to the marketing mix concept as table 1 below shows:

**TABLE 1:**

<table>
<thead>
<tr>
<th>Different theoretical perspectives</th>
</tr>
</thead>
<tbody>
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<td><strong>CSR</strong></td>
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<td>Definition made by European Commission: doing voluntary business with environmental and social responsibility</td>
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<td>Different perspectives of CSR as summarized by Sundström</td>
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<td>CSR theories classification according to Garriga and Mele</td>
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<td>The relationship between CSR and green marketing</td>
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<td><strong>Green marketing</strong></td>
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<td>A specific dimension of traditional marketing;</td>
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<td>Green marketing related to marketing mix</td>
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<td><strong>Green Product</strong></td>
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<td>The nine characteristics as a green product</td>
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<td>Several elements that can influence the perception of a product’s greenness</td>
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<td><strong>Green promotion</strong></td>
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<td>Greener communication has not much difference with any other communication</td>
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<td>Media choice of promotion</td>
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<td>The sales-force as the key channel of communications with customers</td>
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<td>Educate the customers is one of the important way for green promotion</td>
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<td><strong>Green price</strong></td>
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<td>Several perspectives about price concluded by Peattie</td>
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<td>The importance of strategic pricing</td>
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<td>The main barriers of green price</td>
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<td><strong>Green distribution channels</strong></td>
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<td>What green distribution channels involve from physical</td>
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<td>Key issues found by Szymankiewcz and green</td>
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<td>Welford giving priority about transportation and distribution</td>
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4. EMPIRICAL STUDY

This section presents the empirical findings of the present study. First a brief introduction of the research company will be shown. Then the finding from the dealer’s website, report, a visit to the manager and questionnaires for customer are investigated in turn.

4.1 Presentation of The Body Shop International

"The business of business should not just be about money; it should be about responsibility. It should be about public good, not private greed." said by Dame Anita Roddick, who is a Human Rights Activist as well. The Body Shop International is a global manufacturer and retailer of naturally inspired, ethically produced beauty and cosmetics products. Dame Anita Roddick opened the very first The Body Shop store in 1976 in Brighton. The company now has over 2,500 stores in over 60 countries with a range of over 1,200 products. During 2008 additional 124 new stores were opened around the world. The Body Shop Foundation owns a charity, launched in 1990. The Foundation's focus is to assist those working to achieve progress in the areas of human and civil rights, environmental and animal protection. The Body Shop became part of the L’Oréal Group in 2006. L’Oréal is listed on the Paris Stock Exchange. The Body Shop operates as a distinct entity, with its own Board and Executive Committee, within the L’Oréal Group.

As well as selling the products through The Body Shop stores they also have a direct-selling channel called The Body Shop at HomeTM, where consultants sell products at parties in people’s homes. The Body Shop owns 100% of Soapworks, a soap factory based in Glasgow, Scotland, which represents the only manufacturing facility in the Company. Otherwise all other product manufacturing is outsourced. These companies operate in two countries – the UK and Australia. Customers can also use e-commerce websites for online shopping in the UK, the USA, Canada, Australia, Korea and Japan.

The Body Shop in Gavle, a company-owned store, was founded in about 1990 and there are totally 3 people working in the store, not including the extra workers. The main office gives directions and guidelines for all The Body Shop stores to follow, concerning events, prices and displays. Also, the store follows the main campaigns and principles of the company. The main target segment is female’s from 15-80 years old and there is also a series of product for men. In 2005 the store moved from its old location into upstairs of the shopping mall, and thus gained better accessibility. The mall has many stores and shops which attract a lot of people in different ages.
4.2 Values

The Body Shop is a leader in promoting greater corporate transparency and it has been a force for positive social and environmental change through its campaigns around five core Values:

- Support Community Trade
- Defend Human Rights
- Against Animal Testing
- Activate Self-Esteem
- Protect Our Planet

Each of the values has its own policy within the company which is shown on their homepage. Everyone in the company should understand the values very well and treat it as a code of conduct. The manager of the store emphasized that the most important thing is their work with values. They do not test on animals and has made a commitment with the suppliers in the community trade to ensure that the resource is natural and fair for any workers (values report 2009).

“We have a lot of campaigns, in which we help the young people from trafficking. I would say our values and also our work with environment is important”, said the manager. In the same vein, the employee working in the company will be trained to adopt the values not only before they work but also every now and then.

When the researchers asked about what the manager understanding of The Body Shop’s values is, she said that the way the company is doing business is exactly the reason why she has chosen to work by the store product. They can help people around the world with community trade and campaign. She says, “You just buy the gel and body lotion, and you buy our values. It’s something more than just selling shower cream”. Customers who are interested in the company values and campaigns are performing actively to be educated, meanwhile, the manager thinks that those customers who want to buy good quality merchandise with natural ingredients and the values make them feel they are making a contribution to the environment and society.

Since Lotta is the only manager in the store, events are decided centrally just like other franchise. The big events like campaigns are almost the same in every store but there exist still some differences between each shop according to different local situation. Shops in Sweden and U.K., for instance, promotion about Mather’s Day would be hold in U.K. in May while it’s normal day in Sweden.

4.3 The Fair Community Trade and the commitment

Environmental organizations are increasing their willingness to enter into strategic alliances with manufacturers and they realize that both the organizations and environmental groups benefit from these associations (Nicola Mendleson and Michael Jay Polonsky, 1995). The Body Shop established a program to ensure the responsible
sourcing, including the community trade program, community trade natural ingredients, community trade gifts and accessories, ethical trade program and special focus materials—wood and palm oil. Within these programs, not only the natural ingredients and the package are guaranteed but also the providers and manufacturers are required to be ethic. Moreover, the company pays much attention to how they can reduce the impact on environment by some activities like reducing package and waste.

The Body Shop made a commitment to the environment and to society that they work with values:
- Dedicate business to the pursuit of social and environmental change.
- Creatively balance the financial and human needs of stakeholders: employees, customers, franchisees, suppliers and shareholders.
- Courageously ensure that business is ecologically sustainable, meeting the needs of the present without compromising the future.
- Meaningfully contribute to local, national and international communities in which the company trade by adopting a code of conduct which ensures care, honesty, fairness and respect.
- Passionately campaign for the protection of the environment, to defend human rights, and against animal testing within the cosmetics industry.
- Tirelessly work to narrow the gap between principle and practice, whilst making fun, passion and care part of our daily lives.

4.4 The commentary from stakeholders

The most important thing is not what the company claims how they are but the perspective from other stakeholders. In the values report 2009 of the firm, a penal of stakeholder was presented, which consist of several NGOs such as the representatives from the British Union for the Abolition of Vivisection (BUAV), Oxfam-UK, Traidcraft, and World Wildlife Fund (WWF) and they offered some suggestions to The Body Shop to consider. General suggestions included how the company can best engage in policy work around sustainability and each of its core values, and the establishment of a corporate governance structure where all directors have responsibility for specific values targets. In addition, three aspects are also emphasized:

- Reducing the impact on environment
  Reassess climate change targets in order to strengthen our commitment to being a carbon neutral retailer by 2010; develop reduction targets around water use; engage in the development of national and international climate change policy, identifying areas where we can support nature and communities to adapt to climate change.

- Responsible sourcing
  Review how to engage with our palm oil supply chain outside of the Roundtable for Sustainable Palm Oil (RSPO) and extend our RSPO commitments to include all products, which include traceable palm oil; assess the feasibility of supporting
emerging environmental concerns; develop a formal Community Trade model to ensure support to organizations that strengthen marginalized farmers’ ability to access markets; developing a share system similar to ‘Divine’, where Kuapa Kokoo received 14% of the shares from The Body Shop and then shared the retail profits across those farmers involved with the cooperative; focus less on compliance and more on reviewing supplier relationships to ensure that suppliers are treated as partners and helped to improve conditions for workers.

- Against animal testing
  Discuss with L’Oréal the opportunity to make a joint statement committing to the end of all animal testing in cosmetics; review the possibility of future campaigns and brand communications focusing on celebrating The Body Shop Against Animal Testing achievements.

**TABLE 3: The number of the stores**

<table>
<thead>
<tr>
<th>§ millions</th>
<th>At December 31, 2008</th>
<th>At December 31, 2009</th>
<th>Variation in 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of stores</td>
<td>2 550</td>
<td>2 550</td>
<td>-</td>
</tr>
<tr>
<td>Company owned stores</td>
<td>1 069</td>
<td>1 089</td>
<td>+ 20</td>
</tr>
<tr>
<td>Franchisees</td>
<td>1 481</td>
<td>1 461</td>
<td>- 20</td>
</tr>
</tbody>
</table>

We see from **TABLE 3** that the company owned stores increased to 1089 while the franchisees decreased to 1461. The total number of the stores is 2550 during the year 2008 to 2009.

**TABLE 4: Sales of The Body Shop**

<table>
<thead>
<tr>
<th>§ millions</th>
<th>2009</th>
<th>Like-for-like growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail sales (1)</td>
<td>1 230.0</td>
<td>+ 1.0 %</td>
</tr>
<tr>
<td>Retail sales with a comparable store base (2)</td>
<td>1 080.1</td>
<td>- 0.6 %</td>
</tr>
<tr>
<td>Consolidated sales</td>
<td>726.3</td>
<td>+ 0.7 %</td>
</tr>
</tbody>
</table>

(1) Total sales to consumers through all channels.
(2) Total sales to consumers by stores which operated continuously from January 1 to December 31, 2009 and over the same period in 2008.
A survey among the Love Your Body TM card members of The Body Shop International which Survey sent to over 100,000 customers in the UK, the USA, Singapore and Canada reveals that about 85% of them said it’s “very important” that the company include recycle material in the packaging. What’s more, Nearly 1 in 5 queries taken by the customer care centre in the UK region was about recycling related issues in 2007 and 2008. Also, there are 84% believed that the company ensure their products aren’t tested on animals is “very important”. The number of “very concerned” about global health issues such as HIV, AIDS and Malaria occupied 62% of the loyal global consumers. About 97% customers said that The Body Shop Values are either “important” or “very important” for them. A similar survey was done in February 2010 in The Body Shop Gavle and the responds are good, stated by Lotta.

4.5 Questionnaires

· Products
Most customers of The Body Shop think that product quality is the most important factor when they choose a brand to buy cosmetics and toiletries. About half of the customers choose “social responsibility” as second or third important factor. That means there are still many people that concern about whether the product is either good for the environment and society or have a good quality. There are 13 customers that purchased only five products from the store and one purchased six to ten products. Meanwhile, there are still two customers who entered the store that bought nothing during last year. In contrast, three consumers have more than ten purchase record and they experience great loyalty to this brand. Moreover, they are more willing to answer the survey compared with other customers and also to communicate with their friends about the product, values, services and campaign in the daily live. The answers “natural” and “good quality” share the same percentage of the main impression toward the product of The Body Shop.

· Promotion
Less than half of the customers choose “well-known brand” as their second or third
choice when they want to buy a product. Or we can say that if the promotion of a company can make people familiar with this brand is enough for customers. We consider that the customers put more importance to word of mouth than advertising of a brand.

· Price
The price, as a main factor for people to choose a brand, is chosen by most part of consumers to a second or third important concern. The price of the products in The Body Shop is medium for most customers, and 6 of 20 of them think that The Body Shop product is price-worthy. According to the content of The Body Shop’s website, there have been several major global events over the last 2 years that have placed inflationary pressures on many of The Body Shop’s suppliers. The oil price, demand for bio-diesel crops, increased demand for animal feed and changes in climatic conditions have created food shortages and inflation. In 2008 they began a deep-dive into pricing in Community Trade in a bid to combat the effects of inflation, and to ensure that the primary producers in our program were still getting a fair deal.

· Distribution channels
Only 3 out of 20 customers will care about the accessibility and the location of the store when they buy a cosmetic or toiletry, which means they don’t care where they can buy, from a franchise or company owned store, but the product they want to buy.

The Body Shop contribution to climate change comes from 3 main areas of their operations to reducing CO2 emissions:
1. Electrical energy use in our stores, offices and warehouses.
2. Transportation of our products.

The following graph details our CO2 emissions across the company since 2006. These figures exclude franchised market stores:
• All store data is for Company owned markets and excludes Franchised stores
• UK and EMEA store data is based on a 38% data sample
• Asia Pacific store data is based on actual billing data
• AME data is based on the UK store averages and extrapolated across the total number of stores.
(We include all energy in the calculation regardless of source).

TABEL 2: The percentage of different characteristic from customers’ mind towards
The Body Shop:

<table>
<thead>
<tr>
<th></th>
<th>Top 1</th>
<th>Top 2</th>
<th>Top 3</th>
<th>Top 4</th>
<th>Top 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products are price-worthy</td>
<td>6/20</td>
<td>2/20</td>
<td>4/20</td>
<td>3/20</td>
<td>5/20</td>
</tr>
<tr>
<td>High product quality</td>
<td>15/20</td>
<td>2/20</td>
<td>2/20</td>
<td>1/20</td>
<td>0/20</td>
</tr>
<tr>
<td>Social responsible/green</td>
<td>0/20</td>
<td>10/20</td>
<td>3/20</td>
<td>1/20</td>
<td>6/20</td>
</tr>
<tr>
<td>Knowledgeable staff</td>
<td>1/20</td>
<td>2/20</td>
<td>4/20</td>
<td>13/20</td>
<td>0/20</td>
</tr>
<tr>
<td>Nice atmosphere in the store</td>
<td>0/20</td>
<td>3/20</td>
<td>7/20</td>
<td>3/20</td>
<td>7/20</td>
</tr>
</tbody>
</table>

The table 2 presents what customers mostly associated with The Body Shop. Five characteristics are ranked by consumers: products are price-worthy, high product
quality social responsible/green and knowledgeable staff. The first line top 1 represent what customers associate most to the store and followed by top 2, and so on. While the numbers separately present how many people choose this characteristic as their first choice. For instance, 6 people of 20 informants mean that the first thing they come up with is The Body Shop Store products are price-worthy. There is no respondent paying attention to social responsibility or green immediately when talk about The Body Shop. However, many of the customers experience The Body Shop as socially responsible and taking green concerns to different extent.

Most consumers have great positive attitude and no one have negative attitude towards The Body Shop. About 25% of the informants perceive themselves as engaged in environmental and societal problems. The awareness of customers toward environmental and societal problem is increasing. However, few of them consider themselves can contribute to these issues.

4.6 Reflections on the Empirical Findings

Reflecting upon the empirical findings, it can be stated that qualitative data has been collected to a large extent. First, a short overview of the companies has been given, before reflecting upon the interviews. Additionally, before expressing the interview of Ingegerd Krantz, a description of mobility management was given as another topic in the green marketing field in order to show her reliability as a professional interview partner. The interviews have been structured according to the most essential factors covering the questions in research and are supported and complemented by secondary data from the companies’ homepages and external reports. Accordingly, the reader is able to easily follow the course of this chapter. The chapter closes by reflecting the interview of a non-business view on eco-labeling. The empirical research investigates the company’ ways to respond to environmental concern and how they deal with green issues with green marketing mix, meaning whether they have taken their ecological responsibility seriously. Further, it has been examined whether consumers might perceive a false sense of confidence when buying eco-labeled products. In line with this, the interviews provide insights of the success of green marketing depending on the confidence between company and customers. This strongly relates to the stated research questions in the beginning and all interviews have contributed to these sections. Moreover, the empirical results are required in addition to the literature review in order to be able to give enhanced answers to the questions in research. Thus, the interviews represent valuable insights. In the following analysis all issues will be resumed and the questions in research will be thoroughly answered.

5. ANALYSIS

In this chapter an analysis related to the theory and empirical finding was constructed in order to answer the research questions that mentioned in the introduction. The analysis is done from four aspects of marketing mix just like other parts of the thesis,
which is easier for reader to follow.

5.1 Product

The Body Shop is one of the most famous cosmetic companies which firmly believe that natural brings beauty. As the second largest cosmetic franchise in the world, it insists on not only bringing natural products to the customers, but also finding ways to protect this beautiful planet.

The main products of The Body Shop including skin- and hair-care products. The Body Shop launched Community Trade in 1987, by which they can access some of nature’s finest ingredients, which are grown and harvested by expert local farmers. What is more, since they keep seeking out small-scale farmers, rural cooperatives and even tribal villages, over 25,000 farmers across the world earn a reasonable salary and improve their life quality.

According to the data we collected, we can see that The Body Shop successfully combine their green sense with their products. They insist on using the natural material but protect them at the same time. For example, all the soaps of The Body Shop made from RSPO (The Roundtable on Sustainable Palm Oil, which was established to bring together all key players in the palm oil industry to try and improve standards in the industry (The Body Shop Values Report, 2009). ) certified palm oil. As reflecting in the survey of customers, most of the products in The Body Shop are regarded as “natural” and “good quality”.

As discussed in theoretical, the material and energy, together with the human resource which goes into a product will influence the perception of a product’s greenness. Natural raw materials are the main materials of the products of The Body Shop. They used it and try to protect them at the same time. For example, all their soap was made with some of the first oil palm verified by the Roundtable on Sustainable Palm Oil. And the wood they use to make eye-pencils, massagers, and diffusers are sourcing from FSC, it means they can get a stable timber supply while protecting the environment. On the other hand, they are taking some measure to increase renewable energy sourcing for their administrative sties, warehouses and stores. Until 2008, over 65% of the store of The Body Shop in UK and EMEA sourcing of renewable energy. As for the human resource of their products, The Body Shop made it green as well. The Community Trade Programme which The Body Shop launched in 1987 is more than ensure the company can get the natural finest ingredients. Since they keep seeking out the ingredients from small-scale farmers, rural cooperatives and even tribal villages, which help over 25,000 farmers across the world are earning a reasonable wage salary and improving their life quality. What’s more, they require their suppliers to sign a Code of Conduct which supports our Ethical Trade Programme, in order to ensure all the suppliers meet the standard such as child labor,
discrimination, and employee pay, hours and working conditions.\(^3\)

Since the factor influencing a green product purchase decision is not only the product itself, but also the social benefits, there are much more factors should be pay attention as a green company. In cosmetic industry, customers attach great importance to the products would be tested on the animals or not. The Body Shop insists no animal should be tested of cosmetics and they require the suppliers must certify that they have not carried out animal tests on ingredients. It is very appreciated by their customers. According to their survey, 84% of their Love Your Body card members believe that it is “very important” that the company ensures that their products aren’t tested on animals.

As a green product, it has to meet the requirement of reducing the amount of packaging per unit of product and used recyclable material for package. The Body Shop reduces their packaging by use as little packaging as possible in the first place. For the vast majority of products they use simple bottles and jars, with no secondary packaging (The Body Shop Values Report, 2009) and most of their gift packaging can be reused.

**5.2 Promotion**

As mentioned in the theoretical, there are three elements of corporate environmental advertising activities. The first one is the company shows their concern forward environment through the advertisement. In the home page of The Body Shop of Sweden, the letters of their slogan, natural’s way to beautiful, was shown in green. After the slogan disappears, four pictures are shown: a beautiful woman with light make-up; a river in the middle of a forest; a green leaf; and some trees under the sunshine. And the predominant color of its website is green. It expresses the message to the customers that they attach great importance to the environment.

The second element is that the advertisement reflects that how the company takes the measure to express their concern toward environment. In the website of The Body Shop, it has a catalog to introduce the values and campaign of their company. In this catalog, it introduces the activities such as they against animal testing, support community trade, protect our planet and defend human rights. The activities introduction features largely in the website. It is a way of them to attract customers’ attention to their action of environmental concern and let them know how they do it.

Third, the advertisement describes its environmental activities in detail. And it is generally classified as monetary grants, resource/support, Corporation-specific / corporation-wide activities related to product selection, development, manufacture, distribution as well as overall company operation. In the interview, the marketing

\(^3\) For more information, see internet: http://www.thebodyshop.com/en_/ww/values-campaigns/community-trade.aspx?
manager told us that The Body Shop grants a part of their profit to the foundation in order to improve the life quality of African people. On the website of The Body Shop Foundation, it introduce that The Body Shop foundation established in 1990, which is funded by an annual donation from the company and through various fundraising initiatives. To date, they have funded over 3,500 global projects to the tune of £12.5 million. As for the non-monetary activities involving resources and support, the subdirectory of the values and campaign catalog it has detail information of their activities toward environmental protection and human rights defending such as their life-saving soap, which contain only palm oil from sustainable sources in Colombia, means that they are not contributing to deforestation, threatening the precious habitat of endangered species like the orangutan and some activities like Stop Violence in the Home, which is a global campaign created by The Body Shop 10 years ago to inspire customers and employees to get active against domestic violence. This campaign aims to raise awareness of the issue and generate funds to help those affected. Joel J.Davis(1994) consider that to describe corporation specific advertising, company must first invest in significant environmentally-related corporate and product-related improvements (J. Davis, 1994). As discuss above, The Body Shop established its own foundation to express their concern toward animal protection, human rights and environmental protection. And some product improvement such as using palm oil from sustainable sources in Colombia to make soap.

Joel J.Davis (1994) regards that environmentally-related activities generally fall into one of three broad areas. However, after analyzing, we can see that The Body Shop involved into all of it. It means The Body Shop desire to express the message of their environmental concern to their customer, in order to building a green image. However, in the result of the survey, we can see that not many customers know much about the campaigns of The Body Shop.

As discussed in Theoretical, the sales force is very important in the process of delivering company environmental concern to the customers. The qualify sales-force should be able to answer the environment-relative questions of the customers. Sometimes they also need to ask some appropriate questions to the customer to find out how much this customer interest in greening. In the interview, the manager told us that as a saleswoman in The Body Shop, she will talk about the environment problems and the environmental-relative activities of The Body Shop with the customers in the process of introducing product. And in the training program of their company, they will educate their employees not only the make-up skill, the characteristic of the product, but also acquainting them some knowledge about environmental issue. This replies that The Body Shop attach much importance to improve the sales-force knowledge toward environmental-relative questions and expects them to be able to give better expression of the company’s green image to the customer.

4 For more information, see internet: http://thebodyshopfoundation.org/what-we-do/
5 For more information, see internet: http://www.thebodyshop-usa.com/beauty/defend-human-rights
Ken Peattie (1995) consider that a successful advertising is deliver the information of product and benefits effectively through a simple message, and it is required it can arise the awareness and understanding of environment issue at the same time. Some booklets, which including some information of the product and the situation of current environment, were provided beside the cashier to customers. Above the shelves in the store, there are some advertise poster which relative to their campaign, with some short phase on it. As introduce of the manager, they also have some classes for customers to learn something about The Body Shop. The teacher will teach them not only make-up skill and function of the product, but also the current environmental issue. However, through the survey result we can see that, not many customers know much about the campaign of The Body Shop. This replies that despite The Body Shop took some measure to remind the customer about their contribution of environment, there are still not enough.

5.3 Price

People become more aware of environmental and societal problems, companies as the main source of the pollution and the one have power to change have been paid a great attention by public. Meanwhile, the green product demand from customer was captured by The Body Shop.

According to Ken Peattie, green price can be seen as a reflection of the cost of green production, a key variable in the pursuit of profit, a signal of quality to consumers, a basis for market segmentation, a measure of a products worth which allows different forms of product to be compared and considered, a reflection of the demand that exists for a product and the available supply, an important basis for competition and a key marketing variable that can be manipulated to achieve a wide variety of marketing objectives. From this definition, we can relate it to the values and campaigns of The Body Shop, and say that the price of the product in The Body Shop firstly is positioned in a medium place, with a reflection of demand and pursuit for being green and social responsible. What’s more, The Body Shop gains sustainable competitive advantage through pricing their product with a green and natural concept, which stressed the statement of Nimer and Monroe that the price of a product or service should be based on the customers’ perception of the value, rather than the costs for producing and selling the offer.

Consumers seem to accept the price smoothly and there is no respondent of our survey think the price is too high. For those who care about if the company is green or responsible to sells the merchandise, the product of The Body Shop can meet their need for the green and natural since the price is low compared with other company. Richard Welford has demonstrated that the extra money caused by social and environmental protection measures can be passing on to the consumer. Consumers have no consciousness about this kind of problems. Further, the price is also regard as
an indicator of socially and environmentally responsible business. There are so many people and organization doubted that if The Body Shop doing hypocrisy business, but few of them still keeps this view after so many years since it founded. Therefore we can say that The Body Shop’s pricing strategy is reasonable and suitable for the real situation of the company and it is supported by majority.

5.4 Distribution channels

Two perspectives of distribution channel that the company used, physical and economic, have implication for the green agenda stated by Ken Peattie. The Body Shop has numerous retail stores, franchise and company owned store are the main descriptions. All stores follow the same principles of the company for instance, the training for the staff, the values and some big events.

The key issues found by Szymankiewcz are the packaging and waste creation, the disposal of waste, noise and emission levels and the consumption of fuel resources. These are the foundation of developing a credible green distribution strategy. The Body Shop set up a new goal of reducing emission, pollution and waste for every year. The company will check if they reach the goal and wish to make an improvement every year. In our opinion, this is a good way to do their business and in other to make society accept and trust what they have done to the environment and society, they can invite some NGOs to examine if they are telling the truth.

The checklist mentioned by Richard Welford, reveals that the preference should be given to transportation systems which have reduced environmental costs in terms of energy consumption and pollution. One important dimension of The Body Shop’s value, protect our planet, and they reported how they reduce the impact on environment by showing the status of CO2 emission. The Body Shop succeeded in reducing CO2 emissions from their transport between 2007 and 2008 and they are continue to minimize their air freight wherever possible by understand that the most CO2 polluted form of transportation. From these, The Body Shop are not just only to promote them as a green company, they also did the real contribution to the environment and society. They also inspired their manufacturer to protect our planet. By doing these, the company differentiates from other company and once the customers get the information most of them will have positive attitude towards this company.

Even though The Body Shop has a good performance of green marketing but we still cannot see a corresponding result from the customers. The reasons why there are not much people know about the greening of the company may be there are still many people don’t trust the company will really concern about the environment or society; or some customers just care more about the quality of the product than whether or not the company has did good to the environment. Moreover, as we can see, The Body Shop rarely has advertisement on the TV or radio but concentrates more on promoting
their greening on the internet. Those who already know the company will have more willingness to know and search the information online spontaneously. So if more ad on TV or radio to make people notice what the company have done to the environment and society will be better.

6. CONCLUSION

In this study we use The Body Shop as a case to investigate the combination of the 4Ps of marketing and green marketing, combining the theory about CSR and Customer Behavior.

We do this research by using qualitative and quantitative methods. First of all, we collect the secondary data from the theories of books and journeys. Next, we collect the primary data through having an interview with the marketing manager of The Body Shop, to get to know the attitude from a company toward green. And a survey was involved in order to know the understanding of the customer toward the greenness of The Body Shop. Other information was collected from the Internet, such as The Body Shop’s homepage.

The Body Shop attaches great importance on the green product. They insist on using the material without destroying the balance of nature. Especially some endanger plant such as Palm Oil. They source it from the Roundtable on Sustainable Palm Oil, in order to protect the palm oil and keep it sustainable. What’s more, they insist non-animal texted of their product and consider that animal tested of cosmetic should be stopped. And they reduce their packaging by use as little packaging as possible, and until now, the material of package is 30% come from customer used package, and their goal is using 100% recyclable material to the package. Customers show their appreciation for the green product of The Body Shop, especially their contribution to the animal protection and recycle package. And most of the customers consider the product of The Body Shop is “natural” and “good quality”.

In the promotion part, we can see that The Body Shop express its greenness from not only introduce the green product, but also their campaign of protecting this planet. Their campaigns mainly classified as protecting animal, protecting planet and defending human’s right. However, we found out that not much people know about their campaigns, only few of them are got to know from their friends or family.

According to Nimer and Monroe, he holds that the price of a product or service should be based on the customers’ perception of the value, rather than the costs for producing and selling the offer. For green customers, they willing to pay more for the green products because they think it worth this price and they are doing something for the earth. However, in our survey we can see that, even most of the customers consider greenness is important, but they still attach importance on price.
According to Szymankiewcz, the packaging and waste creation, the disposal of waste, noise and emission levels and the consumption of fuel resources are the foundation to developing a credible green distribution strategy. The Body Shop has a contribution of reducing emission and waste.

Rex & Baumann consider that, customers are provided with information of the environmental effect of the products and they can and will take this information into account when deciding which product to purchase. In addition, After our analysis, we find out that even environmental effect is an influent factor when customers are making a purchase decision, product quality, price and the popularity of a brand still the most important influencing factors.

7. FURTHER RESEARCH

Base on the investigate in this thesis, a further study can be put on a research about how to gain advantages, such as customers’ loyalty and trust, by improving their green strategy. Further, the thesis focus on how the 4Ps works in the reality within a firm. A service company, like bank and hotel, should put attention to the green marketing as well, which helps to express the green idea of the company to their customers. Therefore, some other factors can be also taken into consider for the study of green marketing such as the factor of people, physical evidence and process of seven Ps. Also, different areas and different industry could be interesting to investigate.

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**Appendix 1**

**In-depth interview with manager**

1. What’s The Body Shop’s target group? All ages, women, 15-80, and a lot of men shopping here.

2. What’s the corporate culture of The Body Shop? The most important things is our work with values, we didn’t test the product on animal, and we have community trade, so we buy product through community trade program, and we have a lot of campaign, we helping the young people from trafficking. I would say our values and also our work with environment, and we also have the value named active self esteem.

3. Inside the corporate, will the leader encourage the employees to focus on the nature? Yes, all these values are the most important work in The Body Shop.

4. What’s your understanding of the values? That’s why I am working here, that’s so important. We can help people around the world with community trade and campaign. You just buying the gel and body lotion, you buying our values. It’s something more than just selling shower cream, because we have all the important values.

5. who’s the typical The Body Shop’s customer? I think is any one. But we have a lot of
customers are very interesting in our values and think our values is very important. They want
good products with natural ingredient, but they want the value to come with this.
6. Do customers ask questions about your value? Yes, and we will tell them as much as we can.
   And of cause because they like our product.
7. When did you open? Tell me something about The Body Shop in Gavle.  Gavle-Since 20years
   ago. Sweden-about 31 years. The firstBody Shop in England started in 1976. I have been
   working here for 15years. We have 3people work here. And this is a company owned store.
   We used to have a shop down stair, and we move up here 5years ago.
8. Is everything decided centrally? Only one manager in this store? I am the only manager in this
   store. Like all the franchises, things are decided centrally. The big events are almost the same
   in world. So if you go to The Body Shop in Stockholm, you will see the same activities as
   well as The Body Shop in Gavle. But there are still some differences between the stores. For
   example, it’s mother’s day now in England and they will have some change for the day. But
   the big events are the almost the same.
9. How do you educate the customer to deliver the values and the massages? What are your
   latest activities (promotion) for customer? We have the membership with customers and we
   will teach them how to make up and we also hold meeting with 6-10 customers. We provide
   food, drink and teach them how to makeup, how to protect the skin. (activities, discount,
   magazine, newspaper, commercial or something else)
10. Did you do a survey about the satisfaction of customer of green marketing? Yes, we just do
    that two months ago, and the customers are satisfied with our product and service. We got a
    high marks in the survey.
11. How did you do the survey? By interview, email or questionnaires? All the methods are used.
    But the last time we do the survey through interview, we talked face to face.
12. Any training for employees? Yes, the employees will be trained not only before they have the
    job but also at irregular intervals. The skills to makeup, how to promote products and the
    knowledge of The Body Shop’s value are involved in the training.

Appendix 2

Questionnaires for the customers
Hi! We are writing our bachelor thesis at the University of Gavle and we examine
what are your attitudes towards The Body Shop (products, service and their values).
Your answers are very valuable, and will be treated with confidentiality. You are
completely anonymous.
Thank you for you cooperation!

Social responsibility refers to issues concerning the environment, animal testing,
working conditions and such.

Age: ____

Gender: * Female * * Male

Occupation: _______
1. How many products have you purchased from The Body Shop during the last one years?
   * None;
   * 1 to 5;
   * 6 to 10;
   * More than 10

2. What is most important to you when choosing skin- & hair care products and make-up? Rank the three most important, 1 = most important, 2 = second most important, 3 = third most important
   ______ Product quality
   ______ That the company is socially responsible
   ______ Price
   ______ That it is a popular brand
   ______ The location of the store
   ______ Accessibility
   ______ That it is a well-known brand

3. What, out of the following, do you associate the most with The Body Shop? Rank the following attributes. Put a 1 next to the attribute that you associate the most with The Body Shop, en 2 for second most etc, and a 5 next to the attribute that you associate the least with The Body Shop.
   ______ Products are price-worthy
   ______ High product quality
   ______ Social responsibility
   ______ Knowledgeable staff
   ______ Nice atmosphere in the store

4. What do you know about The Body Shop’s values and the responsibility campaigns?
   * No, I don’t know
   * Yes, by friends
   * Yes, by advertisement
   * Yes, by employees
   * Yes, ________________

5. What are your main impressions of the product of The Body Shop?
   * Natural;
   * Good quality;
   * Reasonable price;
   * Other __________________

**The next three questions are statements. To what extent do you agree?**
6. I have a positive attitude towards The Body Shop.

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7. It is important to me that the company where I purchase skin- & hair care products and make-up from is socially responsible.

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8. I think of The Body Shop as socially responsible.

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9. Do you perceive yourself as engaged environmental and societal problems?
* Yes;
* No

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**Appendix 3**

**Enkät – kunder till Body Shop**

Hej, vi är studenter som skriver vår kandidatuppsats vid Högskolan i Gävle, där vi undersöker kunders attityd till företagets produkter, service och värderingar. Ert svar är mycket värdefullt för oss och vi kommer att hantera svaren konfidentiellt. Det innebär att varje svar är helt anonymt.

Tack för Din bidrag!

Social ansvarstagande är ett område som handlar om frågor som rör miljö, test på djur, arbetsförhållandenden, barnarbete och så vidare.

Ålder: ___
Kön: * Kvinna * Man

Yrke: __________

1. Hur många produkter har du köpt från Body Shop det senaste året?
   * Inga;
   * 1 till 5;
   * 6 till 10;
   * Mer än 10

2. Vad är mest viktigt för Dig när Du väljer hud & hårvardeprodukter och make-up? Rangordn den enligt följande kriterier; 1 = mest viktigt, 2 = näst mest viktigt, 3 tredje mest viktigt
   ____ Produkt kvalitet
   ____ Att företaget tar ett socialt ansvar
   ____ Pris
   ____ Att det är ett popular märke
   ____ Butikens placering
   ____ Tillgänglighet

   ____ Produkten är prisvärdig
   ____ Hög produkt kvalitet
   ____ Socialt ansvarstagande
   ____ Kunnig personal
   ____ Trevlig atmosfär i butiken

5. Hur mycket känner Du till om Body Shop’s värderingar och deras kampanjer?
   * Nej, vet ingenting
   * Ja, via vänner* Ja, genom annonser/reklam
   * Ja, genom de anställda
   * Ja, annat ______________

6. Vad tycker Du om Body Shops produkter?
   * Naturliga;
   * God kvalitet;
   * Vettigt pris;
   * Annat ______________

De kommande tre frågorna är påståenden. I vilken omfattning instämmer Du till
**dessa?** (1=inte alls – 5 =helt, 0=ingen åsikt)

7. Jag är positivt inställd till Body Shop.

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8. Det är viktigt för mig att det företag där jag köper hud- & hårvårdsprodukter och make-up tar social ansvar.

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10. Anser Du att Du engagerar Dig för miljön och för sociala problem?

* Ja
* Nej