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Entrepreneurship – an undiscovered country

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The Body Shop’s business has been an entrepreneurial enterprise of remarkable success. Its core lies on the principle that ‘(...) the business of business should not be just about money, it should be about responsibility’ (Roddick, 1991: 4) The company is the symbol of the 1970’s corporate social responsibility (CSR) revolution.

Presently, The Body Shop is part of one of the major ‘Giants’ of the cosmetic industry - L’Oreal Group - but it’s overall performance has been abysmal since the company’s acquisition in 2006. The Body Shop accounts for 4% of L’Oreal net sales figures. The overall net sales figures show a weak performance of the company with £754m for 2010 with a like-for-like growth of -1.1%. The L’Oreal Group attributes the company’s 2010 strategic reorganization as the consequence of the poor sales performance. L’Oreal Group financial statements (2010) reveal a contrasting global sales performance: whereas the developed countries sales continue to weaken, in other markets, such as Asia Pacific and Eastern Europe, the company reports a strong sales performance. It is recognised that the company does not give its customer a personalized and tailored customer experience when visiting a Body Shop. The company is still the face of cruelty free and ethics in business practices, its competitors, such as Lush, are in the forefront of customer service. Body Shop is the weakest company in the L’Oreal Group with an overall 8.7% profit (ibid).

CSR is derives by Carroll (1991) within the context of a pyramid of Corporate Social Responsibility - financial, legal, ethical and discretionary and it’s applicability to general business practices. The rationale of this pyramid is that there is a natural progression of any business from being financially sustainable to an ultimate progression of volunteer engagement in social actions. Nevertheless there is no concrete evidence that demonstrates the applicability of the concept to business strategy. The perceived applicability of CSR in business strategies balances in
marketing strategies of brand enhancement in the West companies (Porter and Kramer, 2011) and the inefficient solution against global poverty in emergent economies (Kelkar, 2005). There is an apparent resent towards the once proclaimed CSR practices.

The Body Shop is the face of CSR practices but is also a business in serious trouble. It has been traditionally focused on issues of compliance, transparency, volunteerism and philanthropy. However, it is motivated by improving corporate reputation among stakeholders. The company is lacking in innovation and in understanding what the customer wants. The marketing strategy that follows is one of an abundance of promotions, discounts and loyalty programs but lacking in a core selling proposition to its customer. The Body Shop is no more the brand that it was once up on a time. CSR practices pioneered by Anita Roddick have enjoyed success in the past but lack in integration with the business principles and practices. Norberg (2003) argues that the idea of Fair Trade that the ideological global labour standards set by developed nations are naïve when considering the economical, social and cultural factors of each country.

In conclusion, the Body Shop, with the epitome of doing business responsible and pioneering fair trade practices across the globe. Without any demerit to its principles the fact is that the company’s view of doing the right way of business has led to a steady decline of its sales figures throughout the year and consequently its profits. The company's CSR vision lacks on strategic integration and that is the reason why the CSR vector is in the middle of the model. The CSR ideology lacks on a business strategy that can translate into feasible business practices. Therefore, the alternative might be to address either an integration of CSR in business strategy, if possible, or a different outlook on how to address the same issues by responsibly doing business - the undiscovered country of totally responsible entrepreneurship.
Bibliography


