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# Lush, the scent of success

Passionate commitment and clarity of values ensures Lush communicates a coherent brand message that bonds customers and their friends to the brand.

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Lush is about passion and iconoclasm: passionate for natural products, fresh handmade cosmetics, seductive perfumes, growth and profit, and iconoclastic about everything else.

Born from the ashes of Cosmetics to Go, Lush opened its first shop in Poole in 1994 and mushroomed into a chain of more than 130 shops worldwide. The humus for this growth was the interplay the ideas of freshness, nature and fun. These ideas are the heart and soul of Lush and everything Lush represents. It is through these ideas that the leaders attract like-minded people, staff and clients, and communicate the brand essence and a clear vision and direction.

## Integrated Marketing learning points

Lush practice is permeated with many of the CFIM Integrated Marketing Audit best practice elements, including:

1. The chief executive responsible for the brand is committed to nurturing a single brand identity.
2. The C-level team works well together.
3. The brand focuses on people with a natural affinity with the brand who contribute to its profitability, rather than chasing anyone.
4. Customers trust the brand's offers and promises.
5. The brand matters: it is appreciated for the difference it makes to the customer's life.
6. Customers buy because of pleasing value, not promotional discounts.
7. Customers are happy with the brand experience.
8. Products and services, advertising and packaging, availability, sales and service all work together to create this value.
9. The brand cares about the broader community in which customers live.
10. There is an ideal that encourages commitment across the organisation.
11. The values Lush expresses in the brand are the same as employees experience from their leaders, in the company culture and in the behaviour with each other.
12. The body language of the brand is at least as important as its ad language.
13. Each and every business process is directly animated by the brand value promise.
14. Quality is understood as that which is good for the customer, employee(s) and company.
15. The organisation continually improves processes to ensure that very little gets in the way of delivering good value to customers.
16. There is a creative integration of new ideas for change.
17. The leaders are socially intelligent, imaginative and organisationally effective experts in their field who demonstrate the positive values of the organisation, select new members of the organisation carefully and practice what they preach.

# Background

The production of Lush cosmetics is in the savvy hands of a creative team that boasts 25 years' experience of working and learning together. They started in the late seventies in a company called Constantine & Weir. The venture produced natural soaps and shampoos and in 1978 sold its first products to Anita Roddick for her rapidly expanding chain, The Body Shop. This was the start of a long and profitable relationship, summarised by Constantine as "10 years of unbelievable happiness".

In 1988, driven by entrepreneurial spirit and strengthened by £6m from the formulae sell-off to Roddick, the team set up Cosmetics to Go (CTG), a company with its own outlet and catalogue-based mail order. The new enterprise gave the production team even more scope for creativity. Products like bath bombs, shampoo bars and massage bars saw the light of day and customers loved them. The company, however, grew too fast and was losing 10p on every item sold. Constantine & Co. never made any profit and eventually ended with a debt of £2m.<sup>1</sup>

After selling off what remained from CTG and repaying the creditors, the team managed to pull together £14,000. A few months later they invested the money in a new business, Cosmetic House, determined to demonstrate that CTG was no more than a tumble. They concentrated on what they were good at: producing natural hand made cosmetics. In 1994 Mark Constantine and his team opened the first shop in Poole's High Street and started selling their own products once again. They ran a competition and a new name was found: Lush. Two years later the Lush shop made a £5,000 profit that boosted morale and new shops were opened, starting with London's Covent Garden and Kingsway.



Lush is about passion and iconoclasm

## Leadership team

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Constantine met Andrew Gerrie for the first time when CTG was already in agony.<sup>2</sup> The two met again at the set-up of Lush. Gerrie, a wonder boy from New Zealand with cash and expertise in finance, was exactly what Constantine needed after having lost some of the confidence following the CTG debacle. Gerrie had a catalysing effect on the growth of Lush's fortunes and is leading the expansion of the company.

Constantine's expertise in producing and selling cosmetics is complemented by Gerrie's capability of managing finances. Gerrie feels that working with Constantine is "like a free business school"; Constantine replied, "Without him we would still have only one shop in Poole. He gives me confidence."<sup>2</sup>

Constantine and Gerrie are recognised leaders of the company. Besides being experts in their field, they are imaginative, socially intelligent, and organisationally effective. They also demonstrate the positive values of the organisation and live by them. The entire leadership team consists of 9 shareholder/directors.

## Global brand

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They are leading Lush towards becoming a global brand with more than 130 shops worldwide and production laboratories in Europe, Canada, Australia, South America, Singapore and Japan. Their aim is to offer "the freshest products in the history of cosmetics."<sup>3</sup> Lush manufactures a full line of fragrance products,

including soaps, bath foams and oils, massage bars, moisturizers, creams, cleansers, perfumes and deodorants. All UK shops are fully owned by Lush and the shops overseas are partnerships between Lush and local managers. The Lush shop partnership model ensures management commitment and alignment with the organisation. Personal ownership adds motivation while willingness to invest in Lush means that the Lush concept is endorsed. At the same time Lush remains directly involved and able to steer the branch.

Lush does not supply any other retailer so everything they produce is only sold in Lush shops or on-line from Lush websites.

## The Lush experience

A complete Lush shop experience is well described in the following paragraph taken from a Rotterdam School of Management study on experience marketing:<sup>6</sup>

As you walk along the street where there is a Lush shop you start smelling the fragrances from far; but since the exotic, fragrant scents do not belong to an urban landscape, your senses are alerted. As you pass by the window you realize that this is the source of the pleasant scent diffusing onto the street. And, you are naturally led to enter the shop.

Once inside the shop all your senses literally wake up in a fraction of a second; the colours of the forms of soap or of the bath ballistics make the effect of a rainbow in the room, your eyes are continuously attracted by different objects and you would like to experience everything. But it is again the smell, the human sense that is most stimulated by the place. The shop has also a nice and cosy atmosphere, with the lighting creating a warm environment, the walls painted with warm colours, the furniture made of natural wood and the use of natural stone for the floor and for some displays, and music diffused through loudspeakers. Everything seems to be carefully orchestrated to make the stay in the shop an enjoyable experience and to make the customer feel more comfortable. You simply look, touch, smell and try whatever attracts your attention and at the end of the process you pick up the products you like, go to the counter and pay. A self-service system is in place with banners describing the products and at the end of it a nice and friendly cashier looking forward to attending to you with a sincere smile.

At the entrance customers find a guest book, made of recycled paper in which they can write their names, a message, or relate to a positive experience they had using Lush products. Again, this underlines the different kind of relationship between Lush and its customers.

This experience reflects the organising ideas and design principles of the brand, ideas that derive from culture, values and purpose.



Once inside the shop all your senses literally wake up in a fraction of a second



## The drive of passion

Lush is passionate about fresh and natural cosmetics. Everything else connects to this passion.

Every Lush idea is coherent and aligned with their passion. The passion for fresh cosmetics holds the company together and drives it. The products are made of

“fresh organic fruit and vegetables, the finest essential oils and safe synthetics, without animal ingredients.”<sup>4</sup> They use few preservatives or chemical colorants, relying instead on organic elements to produce the freshest product possible. Lush does not buy ingredients that are tested on animals and also does not buy ingredients from suppliers that do animal testing on other products.

“Our aim is to offer the freshest products in the history of cosmetics.”

### 3D Worthwhileness

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This passion serves to provide meaning and value for all stakeholder groups, what we have termed 3D worthwhileness.<sup>5</sup>

People, who are passionate about similar things, have an affinity with the Lush brand thus Lush attracts its natural customer community. Lush is adding value to its customers in many ways, for example, through fresh and natural ingredients, freshly made cosmetics, no animal testing policy, environmentally friendly packaging, healthy products, helpful and friendly staff, attractive store layout and ambience, product appearance and functionality, fair prices, Lush Times magazine, websites and on-line shopping, and product lines for vegans are all conceived and realised with care and passion. These are its primary means of advertising.

We believe...<sup>6</sup>

We believe in making effective products out of fresh fruit and vegetables, the finest essential oils and safe synthetics, without animal ingredients, and in writing the quantitative ingredient list on the outside.

We believe in buying only from companies that test for safety without the involvement of animals and in testing our products on humans.

We believe in making our own fresh products by hand, printing our own labels and making our own fragrances.

We believe in long candlelit baths, massage and filling the house with perfume.

We believe that our products should be good value, that we should make a profit and that the customer is always right.

We believe that words like “fresh” and “organic” have honest meaning beyond marketing.

The staff have a strong affinity with the brand too. People that work for Lush are passionate about their job. Shop managers only select people that share the values of Lush. Working for Lush is a privilege because it offers rewards that go beyond the wage. Staff become part of a big family, working for the same cause. They become part of the organism that delivers the “freshest products in the history of cosmetics”. Their involvement and expertise contribute to the brand development.

Lush is not a charity. The company makes its objectives very clear, and one of them is to make profit. At Lush they firmly believe that they contribute towards making people’s lives better and that they deserve rewards, including financial. This is consistent with honesty - one of the most important values in Lush. Fair prices for the customers are balanced by a fair profit margin for the organisation.



**Aiming for the freshest products in the history of cosmetics,** their product design communicates the brand through perfume, form, texture, display.

Lush is passionate about the environment and promotes campaigns that encourage environmentally friendly behaviour. They reflect this, for example, in the packaging, labelling, and in their policy of not testing on animals. Lush also cares about the broader community and supports charities, such as Help the aged.

Thus Lush meets important criteria for balanced performance: triple bottom line and balanced value for customer, employee and organisation (3-D Worth).

## Iconoclasm attracts

Lush is also about iconoclasm. Iconoclasm intended as the force that breaks the rules, iconoclasm intended as innovation. There is something anarchic about Lush, nothing is conventional: the products, the shops, the structure, the recruitment, etc.

The cosmetics, for example, first attract people with their strong and pleasant blend of fragrances. Customers then see the colours and unconventional shapes, such as shampoo bars and soaps that look like cheese. The products are displayed in the shops like food on market stalls.



This image from the website was created by a customer.

At Lush, nothing is conventional: the products, the shops, the structure, the recruitment, and the customers.

Taking a closer look, the label will disclose some of the ingredients that are rarely associated with cosmetics in the West, like chocolate, olives, sugar and sand. Lush products also require people to learn how to use them and what benefits

they provide. These aspects of innovation generate surprise and trigger curiosity in people. Sometimes they translate into trial and enjoyment. Shop staff are sure that "you have to try the products in order to understand what Lush is all about". Many people who went through this process became advocates of Lush.

Word-of-mouth is indeed one of the most powerful marketing communication channels. Lush does not need a marketing department and it does not have one. In Lush everyone is a marketer and everything communicates. The company advertises little through paid for media such as TV but through every touch point.

Lush advertises through its products, people, website, and mail. The location of the shops is also a form of advertising.<sup>7</sup> Shops are located in the high-end shopping areas, next door to boutiques and jewellery shops. Here it is more likely for Lush to get noticed by less price-sensitive and sophisticated clientele and associated with luxury. The higher rent in these areas is regarded as marketing, rather than operating cost.

The company also make extensive use of PR in order to boost the effect of these unconventional but effective communication channels. For example, in each country there is at least one person responsible for relations with the press. Lush owners believe that an advertisement would not do justice to the concept so they tend to place articles in the press and educate the audience.



Once you work for Lush  
you will never be happy  
anywhere else

The freelance writer Sarah McCartney, who has also been commissioned by Constantine to write two books about Lush, writes Lush Times magazine. This is a quarterly publication on recycled paper that includes information about the products and gives Lush customers an opportunity to have their say. The website is the other important and very popular forum where Lush users create dialogues and participate in debates about Lush, its products and about other members of the chat room.

Lush users often give Lush cosmetics as presents because the products are different from anything else and make great gifts. This allows more people to try Lush and maybe become customers. In this way the products provide a great service to the customers and communicate something about them. The terms product, service, and communication interact so closely that can be easily interchanged.

Internal communication is fast and efficient due to a flat organisational structure. Virtually everyone can have a word with the CEO Andrew Gerrie or the founder and MD Mark Constantine, providing that they do not use any titles! Talking about the distinctive company culture at Lush Constantine said, "Once you work for Lush you will never be happy anywhere else".<sup>8</sup> Passion and iconoclasm pull people together.

The creative team led by Mo Constantine, Mark's wife, designs and creates the products relying on experience and personal taste. She likes the idea of driving the market in the sense that her team invents the products and then teaches the people how to use it. Very little use is made of formal market research for NPD. The reactions and feedback about the products are gathered from the staff and the early adopters amongst the customers, who are the most expert users of Lush cosmetics. "Our products go beyond people's imagination, we lead the cosmetics market"<sup>9</sup>

## Everything belongs together

Integrated marketing stands on the principle of wholeness.



Customers can recognise Lush from the details.

Every element must reflect the whole picture and must not be seen in isolation. Lush is a powerful example of this idea.

The cosmetics, ingredients, packaging, labels, bags, shops, scent outside the shops, staff, shareholders, communications, training, all convey passion and innovation. Ideas of wholeness and innovation run consistently through the whole organisation and beyond, involving the customers, suppliers, and partners. These design principles communicate the brand's meaning, values, positioning and customer promise.

Consistent communication does not stop at the image or design level. Lush takes company values and translates them into products, service, and behaviour. For this reason it is important to include in the organisation the right people with the right values and beliefs. The process of acquiring new partners that run the shops overseas is largely aimed at finding people that fit the company culture, beyond financial resources and experience in the field.

Customers can recognise Lush from the details.

A Lush shop is a blend of fragrances, bright colours, shapes, funny names, smiley faces and helpful people. Customers can recognise Lush from the details and recall the values that are associated with the brand.

Thus Lush exemplifies an important Integrated Marketing principle. The organising ideas of leadership inevitably become embedded in practice. Design principles are at work in every organisation. Often however these are divisive, counter-productive or unhealthy. They reflect competitiveness, silos, lack of care, changing missions, career not concern.

At Lush, organising or design ideas sustain the service ideal of the brand.

## Success

Lush transformed a commodity product into an inspirational ideal. The network embraces more than 130 shops world wide, more than 1,000 employees and production facilities that are strategically placed in 5 continents. The sales were in excess of £34m in 2000 with an operating profit of more than £600,000.<sup>1</sup>

In 2001 the papers extensively reported a bid that Lush made to acquire The Body Shop, which is approximately 10 times bigger. Although the offer of £175m was rejected,<sup>10</sup> Lush is an ambitious company, full of powerful ideas and constantly looking for expansion. In 2001 Lush won the MAPIC Award for the most dynamic international retailer in the Health and Beauty category, beating Origins and Sephora (the LVMH fragrance and cosmetics retail division).<sup>11</sup> MAPIC is an international showcase and forum for decision makers in the retail real estate sector, including top global retailers. The award seeks to recognize excellence in the industry and is judged by a panel of specialist retail journalists.

However, for Constantine the most important achievement is to “create cosmetics that bring fun to people’s homes.”

## Executive takeaway

The learning from this case (and others) suggests the following actions by senior marketing executives:

1. Passion and innovation are ideas that organise the company behind the brand. They are the driving force. Ensure that your organisation/brand is motivated by an equally powerful and clear organising idea. One that connects customers and employees with a vision of achievable results.
2. Select carefully your people and your customer community. The motivating power is in coherence and cohesiveness.
3. The difference that your brand brings to people’s lives will determine its success. The value should be relevant to people that matter, internally and externally.
4. Review the coherence and alignment of internal culture and brand promise/values.
5. Explore ways of communicating value to your customers. Everything communicates and even the location of your outlet can be used to advertise and change people’s attitudes towards your brand.
6. Actively encourage creativity and do not be afraid of early defeats.
7. Structure and align the organisation in order to deliver value to customers.
8. Ensure marketing communications work together and complement each other and are not divided in silo disciplines.
9. Establish win-win relationship with the creative contractor/agency.

## Notes

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- <sup>1</sup> "Soap Stars", The Business FT Weekend Magazine, 08.06.02
- <sup>2</sup> "Me and My Partner", by Rachel Thackray, Independent, 13.10.99
- <sup>3</sup> [www.lush.co.uk](http://www.lush.co.uk)
- <sup>4</sup> From a Lush shopping bag and website ([www.lush.co.uk](http://www.lush.co.uk))
- <sup>5</sup> Integrated Marketing radical ideas for a new vision.
- <sup>6</sup> Lush mission statement
- <sup>7</sup> Frank, A., Hill, B., Laloo, V., Possa, P., Ren, H., Tjoa, J., Brod, D.V. (2001). "Experience Marketing: Lush Gets a Makeover", Rotterdam School of Management, Erasmus Graduate School of Business, available on-line at [www.brianhill.com/projects/ExperienceMarketing\\_Lush.pdf](http://www.brianhill.com/projects/ExperienceMarketing_Lush.pdf)
- <sup>8</sup> Reported by Sarah McCartney, Editor of Lush Times
- <sup>9</sup> Mary Linehan, Lush Press Office
- <sup>10</sup> "Body Shop for £175m? That's a cheek, says Anita Roddick", by Cahal Milmo, Independent, 27.03.01.
- <sup>11</sup> "Living the Lush life" by Marge C. Enriquez, Lifestyle, 10.12.01



Ocean Salt  
by Sam Houseman