

Anita Roddick

Anita Roddick is neither a typical environmentalist nor a typical capitalist; it's hard to be either when you're both. Businesswoman of the year in 1985, OBE, managing director of a £46m business, she is also an ex-aid worker who sells natural beauty products, developed without cruelty to animals, through the Body Shop chain.

The Body Shop is one of Britain's business success stories. The first branch opened in 1976. Twelve years later there were 107 branches in Britain and 232 overseas, with another hundred planned to open in 1989. Profits last year rose 56% to £9m before tax, making the Body Shop the darling of the Stock Exchange.

High profits make it easy for the stock market to overlook Roddick's commitment to environmental causes. The Body Shop gives money to campaigns run by Friends of the Earth and Greenpeace. It provided £18,000 for research which led to the launch in December of Ark Green Consumer Products - a company that will sell both environmentally-safe detergents and organic food.

'Market researchers think that most consumers still see environmentalists as a freaky fringe, opposed to progress'

The Body Shop also uses its window space for campaigns on environmental issues as well as for displaying its wares. Roddick reckons that 25 million people have passed the shop windows at some time or another. These poster campaigns have played a part in educating consumers to demand products that do not involve harm to the environment. The 'green consumer' was acclaimed in September with Green Consumer Week and the publication of a guide to green shopping.

How green is the green consumer? Only pale green

according to recent market research. Shoppers will buy environment-conscious goods - if they are not much dearer than alternatives and easy to find. But green enough to have started worrying retailers and manufacturers. The latest example is the progress of the campaign against the use of CFCs (chlorofluorocarbons, which damage the ozone layer) in aerosols. In the past six months many CFC-free hairsprays and deodorants have appeared in the shops; the Green Consumer Guide lists 144 brands.

The Body Shop's alternative beauty products do not sell as well as they do because they are 'green', but rather because they are good. I buy them because they smell nice, are good value, and I like the way the shops look. My mother buys them too. She didn't know they were environment-friendly until I told her.

Roddick admitted in a recent interview that she did not set out to campaign through the Body Shop. Working for the United Nations in Third World countries in the early 1970s, she copied local people's use of natural products. Back in England, married and needing to make money to feed the kids, she decided to set up in business. She is a businesswoman first: 'The only thing I could think of to sell was the ingredients I'd seen people using around the world.'

Some of the characteristic features of Body Shop products reflect the basic economics of running a small business. Urine sample bottles were the cheapest - hence the plain, and now biodegradable, plastic bottles. Labels were handwritten because printing was too expensive. The initial loan was secured with Roddick's house. The company has kept its subsequent borrowing low: in the jargon, it is 'ungeared'. This makes the stock market



Anita Roddick: Appealing to the pale-green body shopper

favour the Body Shop more than the Sock Shop, which is heavily indebted.

But despite accepting commercial reality, the Body Shop tries to be an atypical business. It not only makes sound products, it also makes a quarter of what it sells itself, and plans to increase this proportion. Employees' conditions have to be good. The Body Shop is said to pay First World wages to Third World workers, though this makes the absence of cheaper competition harder to understand.

The bank manager Roddick first asked for a loan did not think natural beauty would sell at all. He turned down her application. But the idea paid off in two ways in the end. Run as a serious money-making business, the Body Shop has benefitted from not being strongly linked with the green movement in shoppers' minds. Market researchers think that most consumers still see environmentalists as a freaky fringe, opposed to progress and

technology. Green products run the risk of being seen as lower quality for a higher price.

On the other hand, the Body Shop's products appeal to some of the groups which are most concerned about the environment: students, young women, women with children. So Roddick found the right market niche for her natural products, a market which will carry on growing.

When the Body Shop's 1988 results were published a few weeks ago, the *Financial Times* conceded: 'Eventually the Body Shop miracle will end, but those who feared saturation in the market for peppermint foot balm some three years ago may admit that it has a good few years to run.'

How long depends on whether any competitors can catch up. The green consumer is just getting into her stride. The green producer is scurrying to keep up. Anita Roddick has the competitive edge of having got there 12 years ago. •

Diane Coyle