



Bath&BodyWorks®

Presents

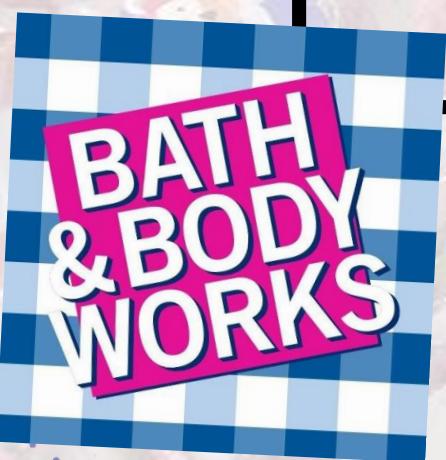
Feburary 26th 2025

BATH & BODY WORKS POSITIONING ANALYSIS

MKT562 Advanced marketing analytics – Final Project

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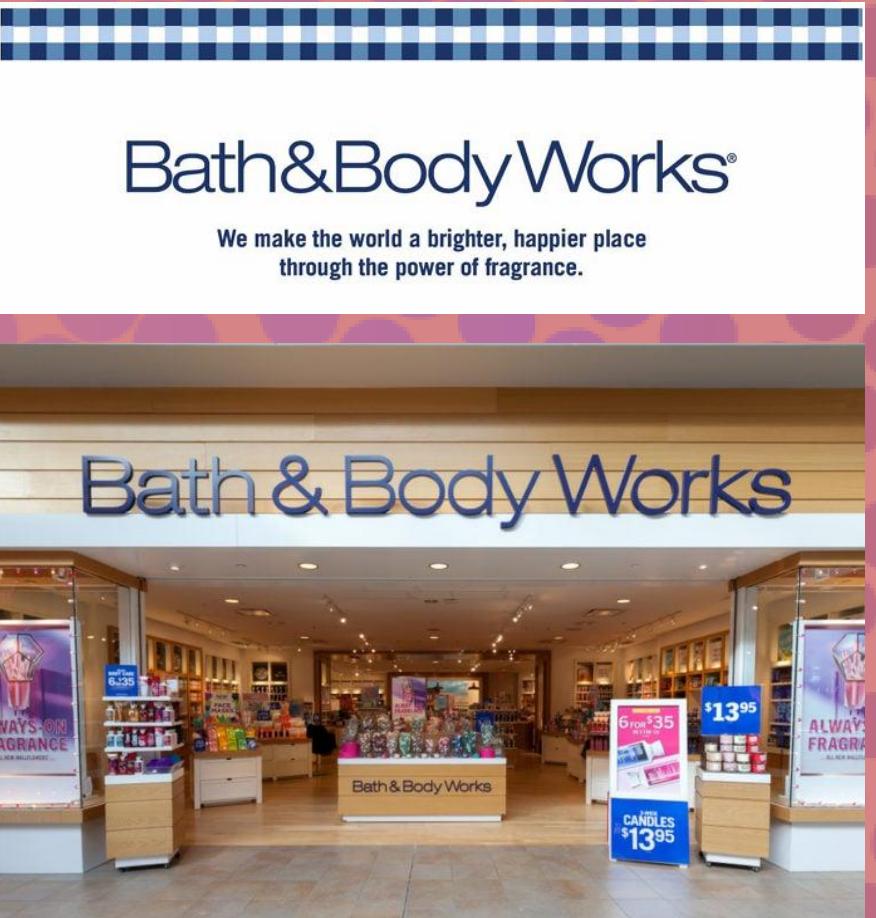
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About our company

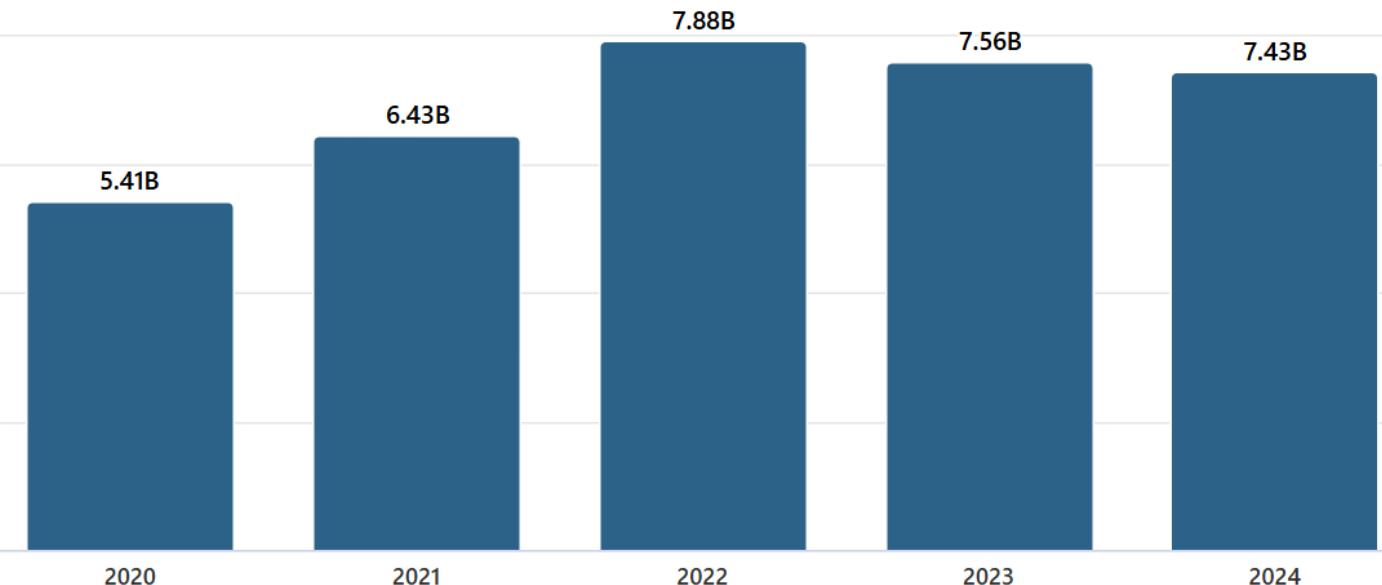
Bath & Body Works, Founded in 1990 in New Albany, Ohio, is a global leader in personal care and home fragrance, including top-selling collections for fine **fragrance mist, body lotion and body cream, 3-wick candles, home fragrance diffusers and liquid hand soap.** Powered by agility and innovation, the company's **predominantly U.S.-based supply chain** enables it to deliver quality, on-trend luxuries at affordable prices. Bath & Body Works serves and delights customers however and wherever they want to shop, from welcoming, in-store experiences at more than **1,880 Company-operated Bath & Body Works locations** in the U.S. and Canada, **more than 500 international franchised locations** and an online storefront at bathandbodyworks.com.



Current Market position

- **Annual Revenue:** \$7.43 billion (12 months ending Feb 3, 2024).
- **Quarterly Revenue:** \$1.61 billion in Q3 2024 (+3% YoY).
- **Stores:** 1,850+ in U.S. & Canada, 480+ international franchises.
- **Customers:** 38 million+ loyalty program members (+4% increase).
- **Average Price:** \$6-\$30 per product, with frequent promotions.
- **Key Strengths:** Strong brand loyalty, affordable luxury pricing, extensive retail + e-commerce presence.
- **Growth Areas:** New product lines (men's grooming, laundry care), digital expansion, influencer marketing.
- **Challenges:** Rising production costs, competition in the premium segment.

Bath & Body Works Revenue - Annual



Source: Bath & Body Works revenue 2023 | Statista

About Competitors

The Body Shop – Ethical & Sustainable Beauty

Founded in 1976 in the UK, The Body Shop is a **pioneer in ethical beauty** with a strong focus on **sustainability, cruelty-free products, and fair-trade ingredients**. The brand is well-known for **natural skincare, bath & body products, and fragrances**. Despite financial struggles and store closures, it remains a key player in the **eco-conscious beauty segment**.



Lush – Handmade & Zero-Waste Innovation

Lush, founded in 1995 in the UK, is a **premium cruelty-free and vegan beauty brand** specializing in **handmade skincare, bath bombs, and haircare**. It stands out with its **zero-packaging (naked products) approach, sustainability activism, and bold product innovations**. Lush appeals strongly to **Gen Z and eco-conscious consumers**, though its **higher price point** limits mass-market reach.



Victoria's Secret Beauty – Luxury & Sensual Fragrances

As part of **Victoria's Secret**, this division focuses on **luxurious body mists, perfumes, and skincare**. With a **fashion-driven, sensual brand identity**, it attracts consumers seeking **feminine, seductive scents and premium beauty products**. It competes in the **higher-end fragrance and body care market**, leveraging the VS brand's glamour and exclusivity.



Competitor's Market Position



The Body Shop

- **Revenue:** Estimated \$900 million annually (declining).
- **Stores:** 2,500+ worldwide but closing underperforming locations.
- **Customers:** Primarily eco-conscious, younger demographics.
- **Average Price:** \$10-\$40, positioned as a sustainable & ethical brand.
- **Key Strengths:** Strong sustainability & cruelty-free positioning, fair trade sourcing.
- **Growth Areas:** Expanding refill stations, vegan-certified products.
- **Challenges:** Financial struggles, store closures, increasing competition from newer sustainable brands.



Lush

- **Revenue:** Around \$1.2 billion globally.
- **Stores:** 900+ worldwide.
- **Customers:** Vegan, sustainability-focused audience, strong Gen Z appeal.
- **Average Price:** \$7-\$50, premium handmade & organic products.
- **Key Strengths:** Unique, innovative product formats (bath bombs), anti-packaging initiatives, strong brand activism.
- **Growth Areas:** Expansion in **zero-waste** products, immersive in-store experiences.
- **Challenges:** Higher price point, competition from emerging indie sustainable brands.



Victoria's Secret

- **Revenue:** Beauty & fragrance division estimated at **\$1 billion+**.
- **Stores:** Sold in **800+ Victoria's Secret stores** & online.
- **Customers:** Women, premium segment, fashion-oriented buyers.
- **Average Price:** \$10-\$60, positioned as **luxury & sensual beauty**.
- **Key Strengths:** Strong **brand association** with fashion, premium scent offerings, bundled gift sets.
- **Growth Areas:** Expanding luxury fragrance lines, celebrity collaborations.
- **Challenges:** Strong competition from niche perfume brands, shift toward **clean beauty** trends.

Comparison

Brand	Positioning	Strengths	Challenges
Bath & Body Works	Affordable luxury	Strong fragrances, brand loyalty, promotions	Sustainability concerns, pricing perception
The Body Shop	Ethical & Natural Beauty	Cruelty-free, vegan, eco-friendly	Less variety in fragrances
Victoria's Secret	Premium, Sensual Fragrances	Strong branding, luxury appeal	Expensive, limited body care range
Lush	Handmade, Natural, Sustainable	Eco-conscious, fresh & unique products	High price, niche audience

Survey Methodology & Attributes

- We conducted the survey using **Google Forms** to gather consumer insights efficiently.
- The survey was distributed online to reach a diverse set of respondents.
- The survey received **around 70 responses** from participants.

Perceptual Data Collection:

- Consumers were asked to **rate Bath & Body Works and its competitors** on key attributes using a **1-7 scale comparing with the competitors**.
- Attributes analyzed included:
 - **Fragrance Quality**
 - **Price Value**
 - **Packaging Appeal**
 - **Product Variety**
 - **Brand Image**

Preference Data Collection:

- Questions were designed to understand **consumer preferences and purchasing behavior**, including:
 - **Overall preference rating** for Bath & Body Works vs. competitors.
 - **Willingness to pay more** for BBW products over competitors (**Yes/No/Maybe**).
 - **Likelihood to recommend** Bath & Body Works (**Yes/No/Maybe**).

Survey Findings

Demographic Data

- The survey had **73 respondents** with a **balanced gender ratio (52.1% male, 47.9% female)**, primarily **young adults (18-24 years: 58.9%)**, and a **geographic concentration in Tempe, Arizona (35.6%)** with notable responses from India (9.6%).
- A majority (**54.8%**) shop for personal care/fragrance products monthly, while **35.6%** shop weekly, indicating a **high engagement in the category**.

What comes to mind when you think of Bath & Body Works?



Perceptual Data

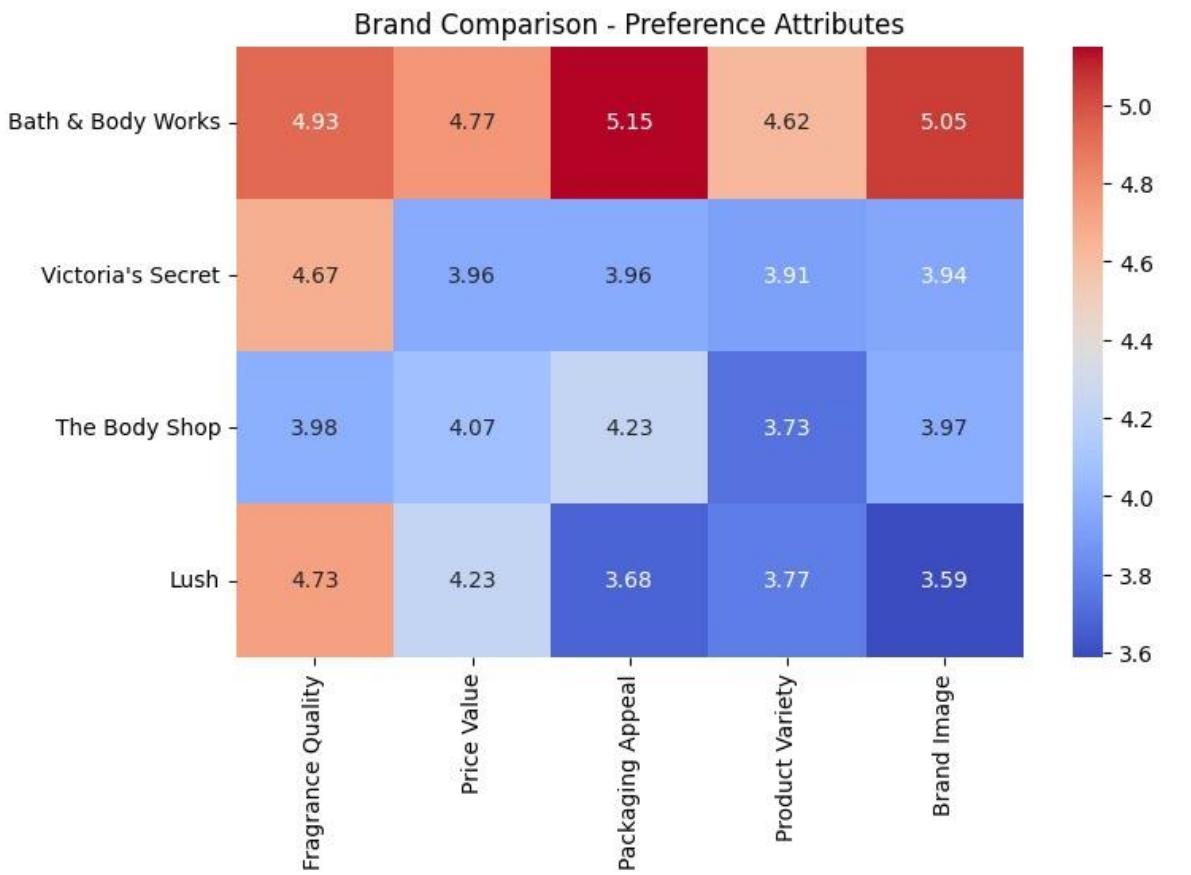
- Strong Brand Awareness** – **95.9%** know **Bath & Body Works**, mainly seen as **high quality (60.3%)** and **affordable (53.4%)**.
- Positive Competitive Standing** – Rated **favorably (5-6 on a 7-point scale)**, excelling in **product variety, fragrance quality, and packaging appeal**, but **price value is a weaker point**.
- Mixed Price Sensitivity** – **43.8%** **won't pay more**, while **39.7%** **might**, showing **some pricing flexibility**.

What factors influence your purchase decision the most? (Rank in Order 1-5)	
Perceptual Data	
Price	3.84
Fragrance Variety	3.84
Brand Loyalty	3.54
Packaging	3.58
Quality	4.09

Survey Findings

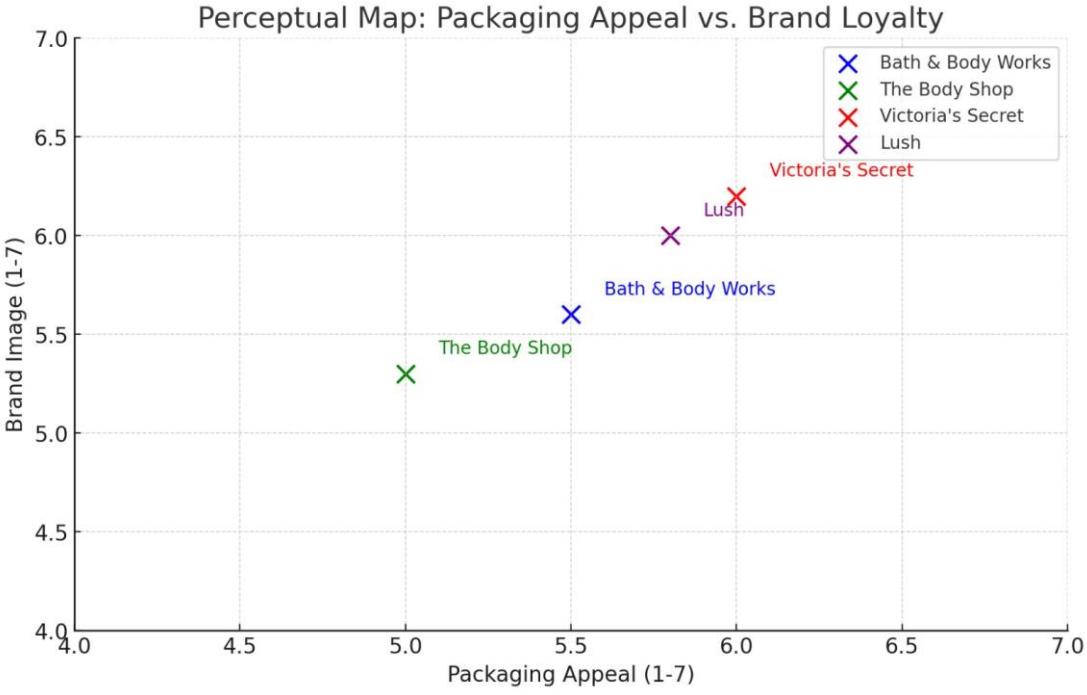
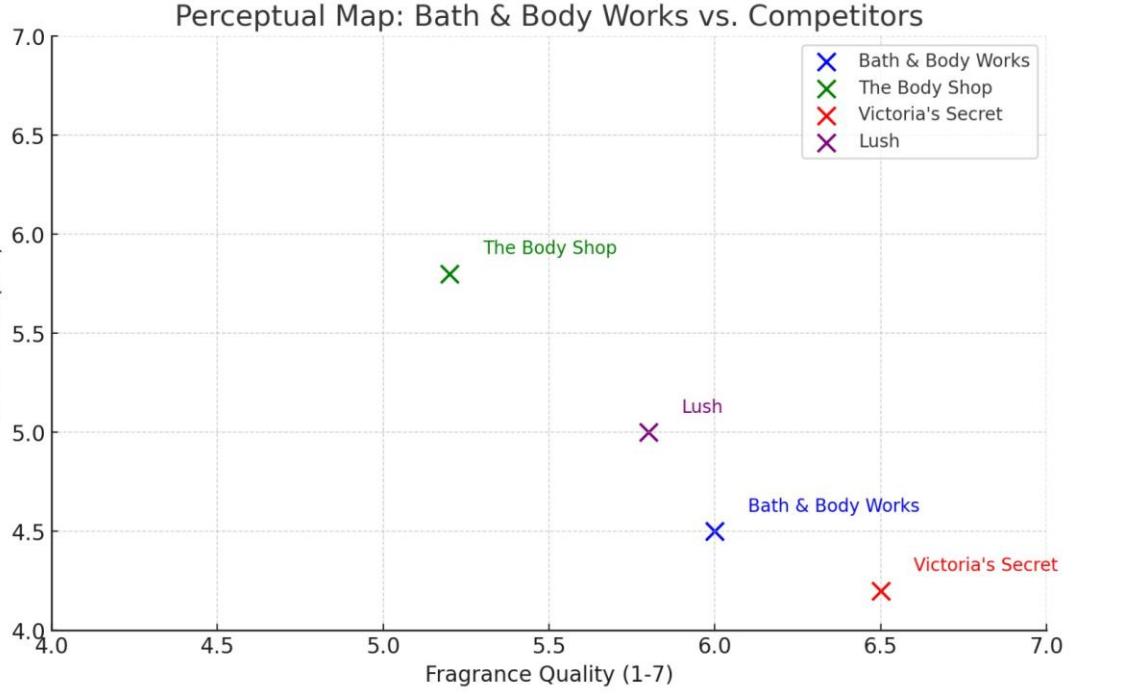
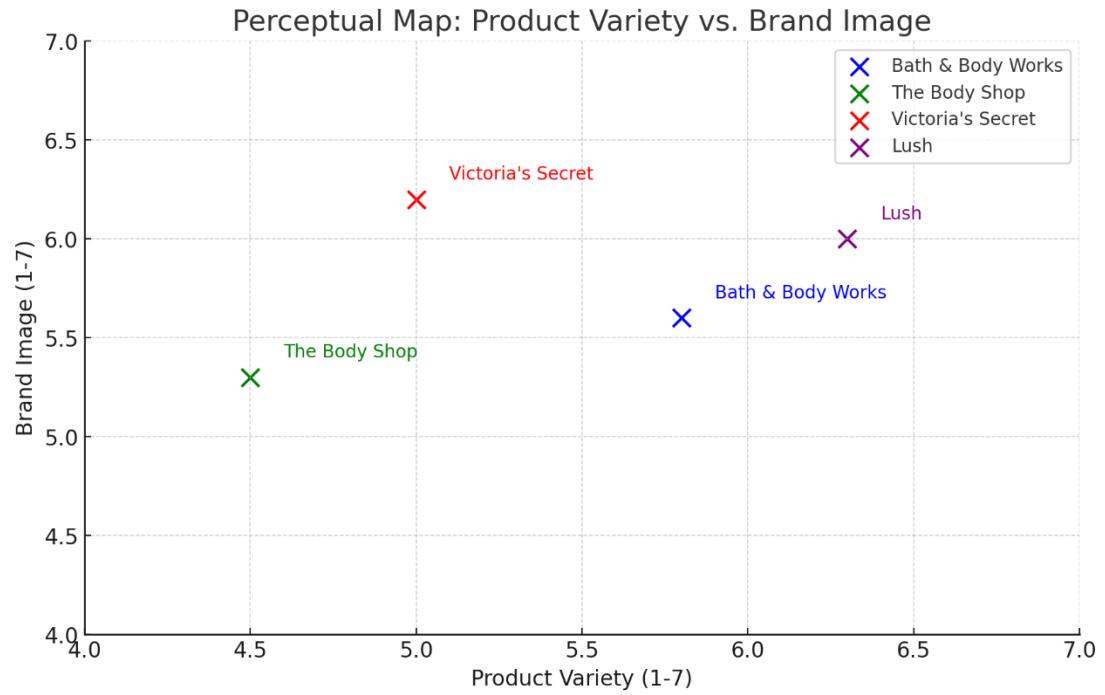
Preferences Data

- Strong In-Store Preference & Product Focus –** 67.1% prefer shopping in-store, with body care (71.2%) and fragrances (20.5%) being the most purchased categories.
- Key Purchase Drivers & Promotions – Quality is the top purchase driver, followed by fragrance variety and brand loyalty. "Buy 1 Get 1 Free" (58.9%) is the most effective promotion.**
- Positive Brand Perception & Recommendation – Majority (78.1%) would recommend Bath & Body Works, with most rating it 5-7 against competitors, reflecting strong brand favorability.**



What do you think
Bath & Body
Works can
improve in its
product offering?
(Short Answer)

Survey Findings



Victoria's Secret has a premium image with **strong packaging appeal**, while **Bath & Body Works** has a strong presence but **slightly lower appeal**. **Lush** stands out for **sustainability with moderate packaging appeal**, whereas **The Body Shop** focuses on **natural beauty with lower appeal**.

Victoria's Secret excels in **fragrance quality** but lacks in **price-value**, while **Bath & Body Works** is strong in **fragrance** but trails **The Body Shop** in **value**. **The Body Shop** offers **better value** but **lower fragrance quality**, whereas **Lush** balances both, appealing to **eco-conscious consumers**.

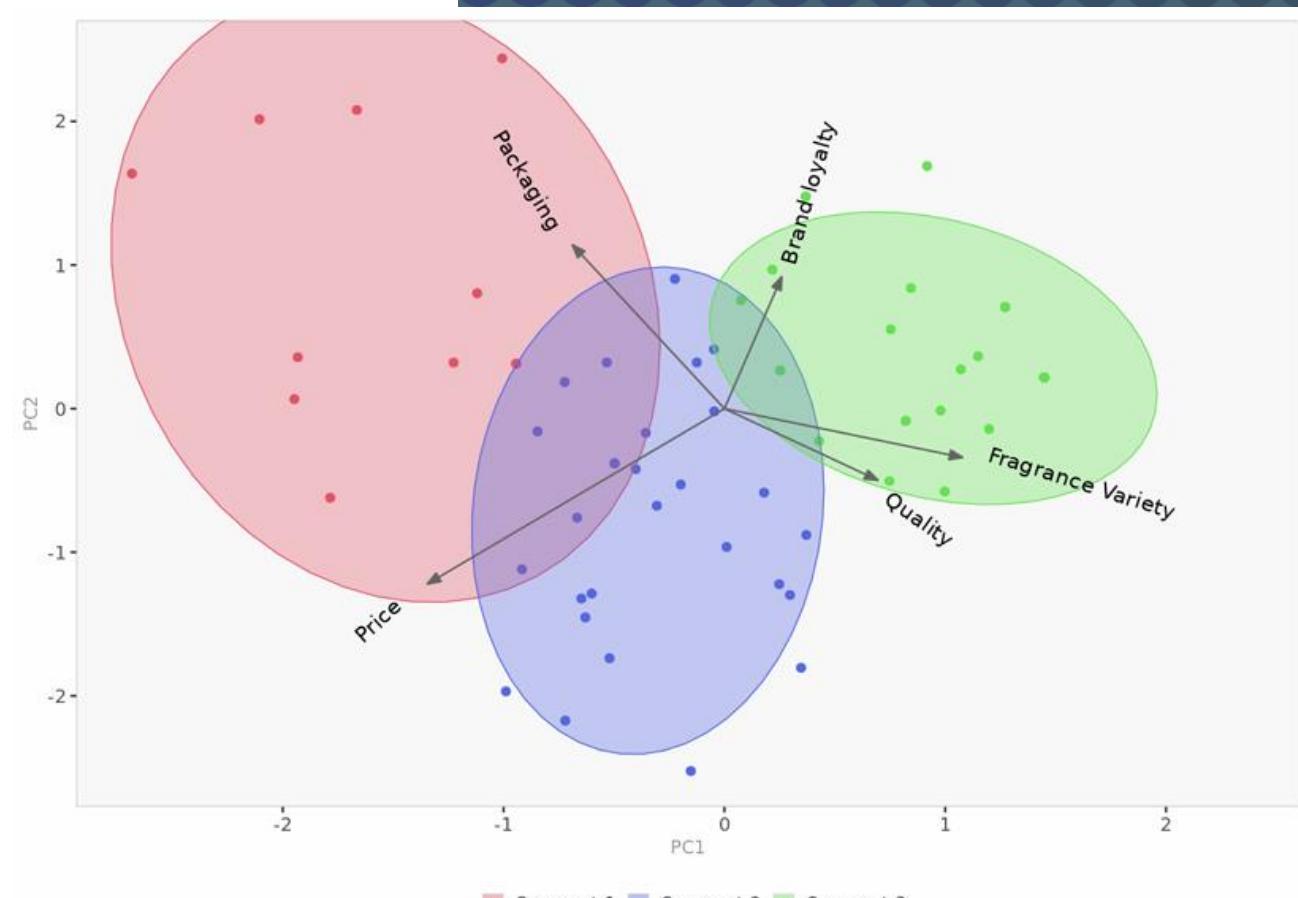
Lush excels in **variety and brand image**, while **Bath & Body Works** dominates both. **Victoria's Secret** has a **high image** but a **limited range**, whereas **The Body Shop** focuses on **skincare with lower variety but a solid image**.

Segmentation Analysis

- **Segment 1 (Price-Sensitive - Red)**: Prioritizes price over quality and fragrance variety. Less brand loyal, likely to switch for deals.
Threat: Victoria's Secret (frequent promotions).
- **Segment 2 (Balanced - Blue)**: Values a mix of fragrance variety, brand loyalty, and packaging. Open to new brands but appreciates consistency. **Threat: The Body Shop (ethical, mid-range pricing)**.
- **Segment 3 (Premium - Green)**: Highly values quality, fragrance variety, and brand loyalty. Prefers exclusivity and premium packaging. **Threat: Lush (natural, high-quality appeal)**.
- **Bath & Body Works Positioning**: Strong in fragrance variety and quality. Needs to enhance **premium lines, sustainability, and packaging** to compete with Lush & The Body Shop.
- **Opportunities: Loyalty programs** for retention, **targeted promotions** for price-sensitive shoppers, and **exclusive collections** to boost brand loyalty.

Bath & Body Works is well-positioned for quality- and fragrance-focused consumers (Segment 3) but faces competition from The Body Shop on price and Lush/Victoria's Secret on brand loyalty and packaging appeal.

	Population	Segment 1	Segment 2	Segment 3
Price	3.84	2.45	4.14	4.07
Fragrance Variety	3.84	2.27	3.61	4.63
Brand loyalty	3.54	2.82	2.75	4.53
Packaging	3.58	3.09	2.79	4.50
Quality	4.09	1.91	4.25	4.73



Positioning Analysis

• Dimensions I – II

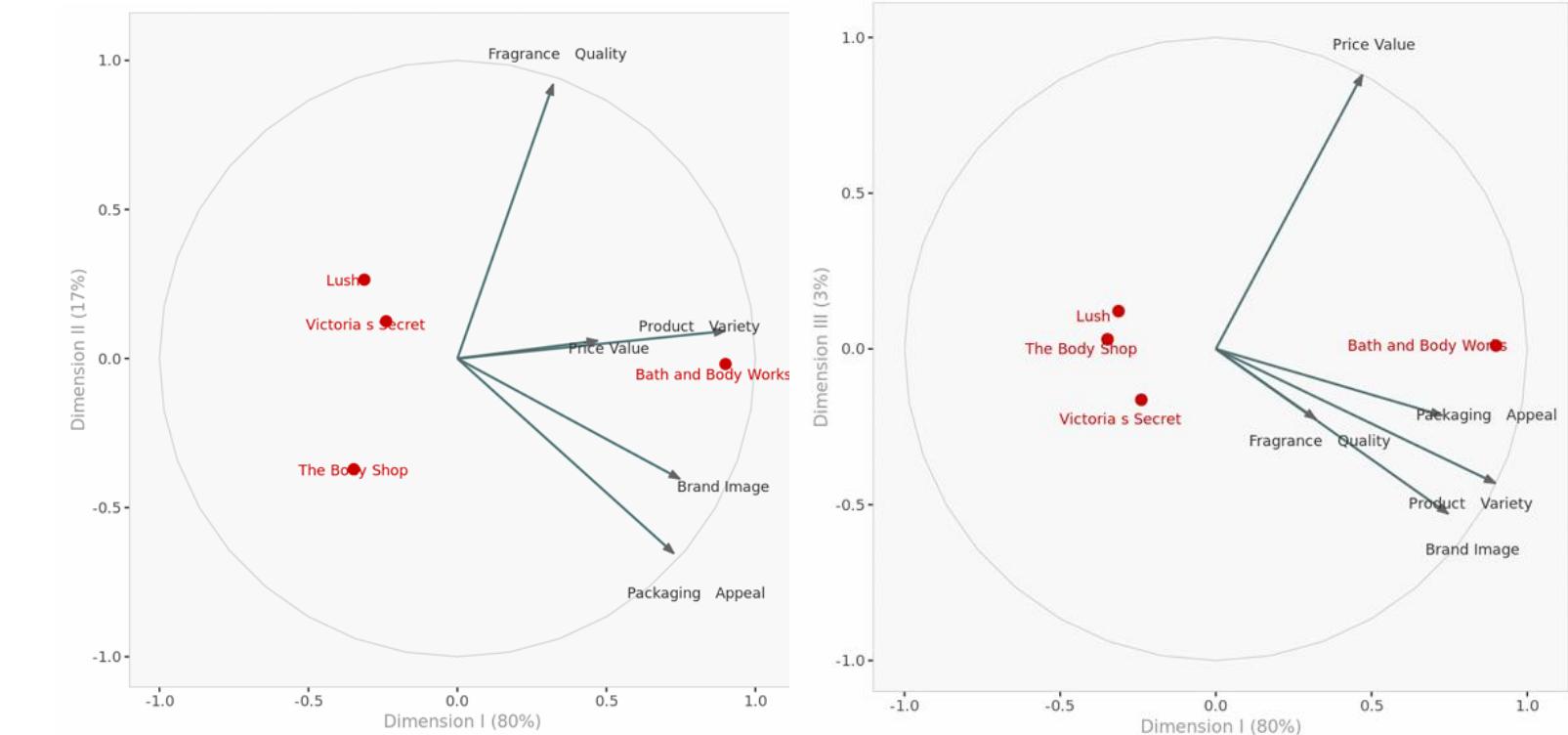
- **Bath & Body Works** is strongly linked to **Product Variety, Brand Image, and Packaging Appeal**.
- **Fragrance Quality** is a key driver but not strongly associated with any brand, presenting an opportunity.

• Dimensions II – III

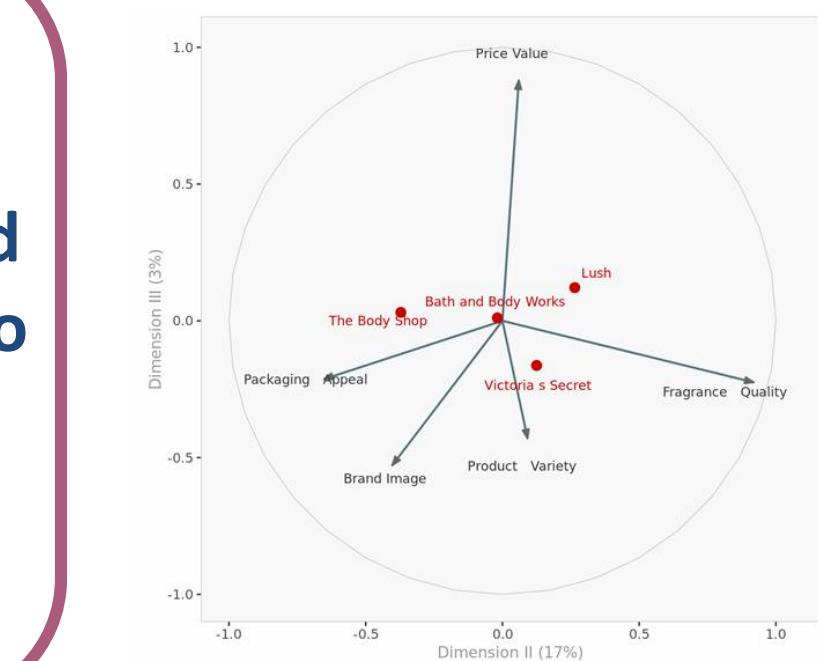
- **Lush** stands out for **Fragrance Quality**, while **The Body Shop** emphasizes **Packaging Appeal**.
- **Bath & Body Works** has a balanced perception but lacks a unique differentiator.

• Dimensions I – II

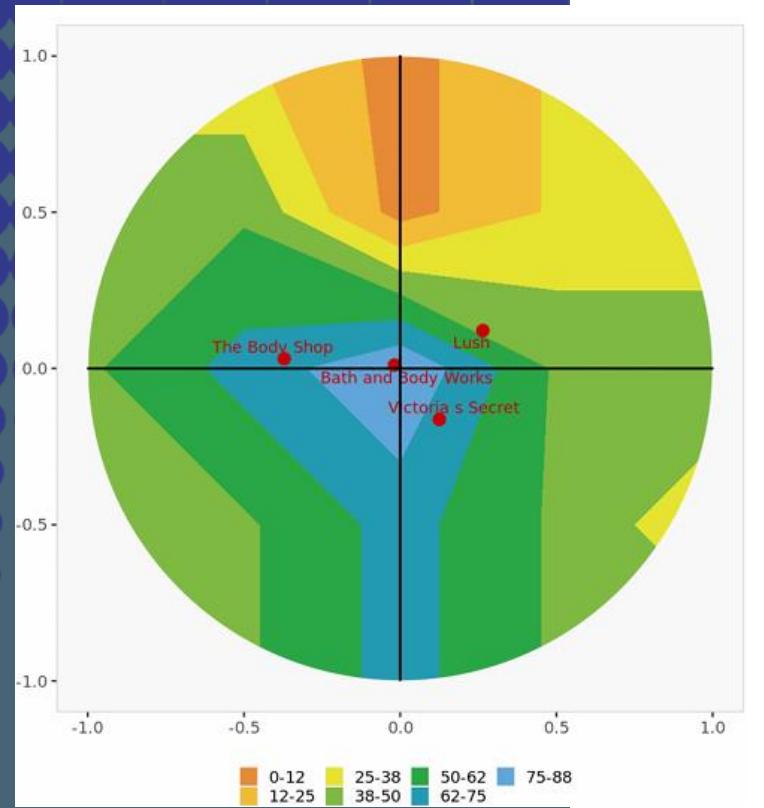
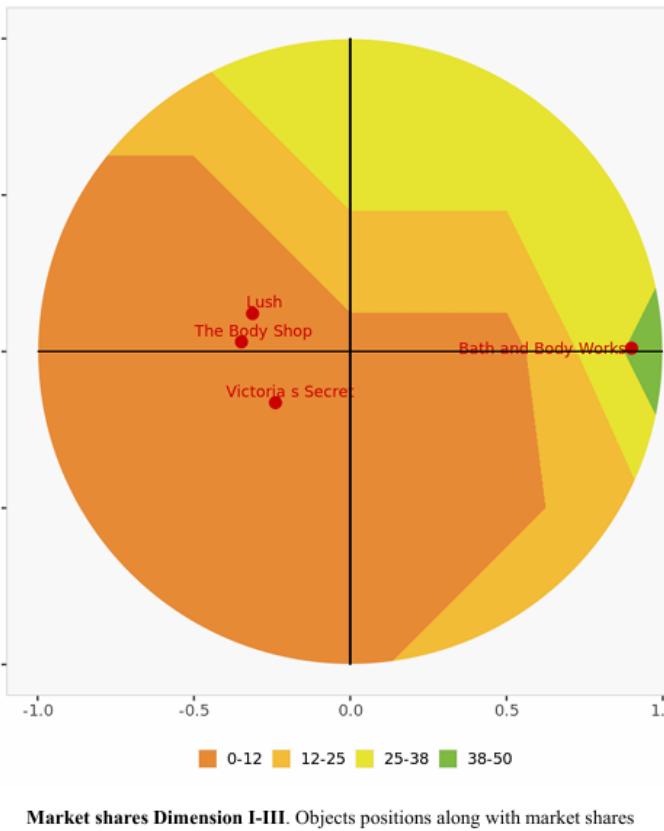
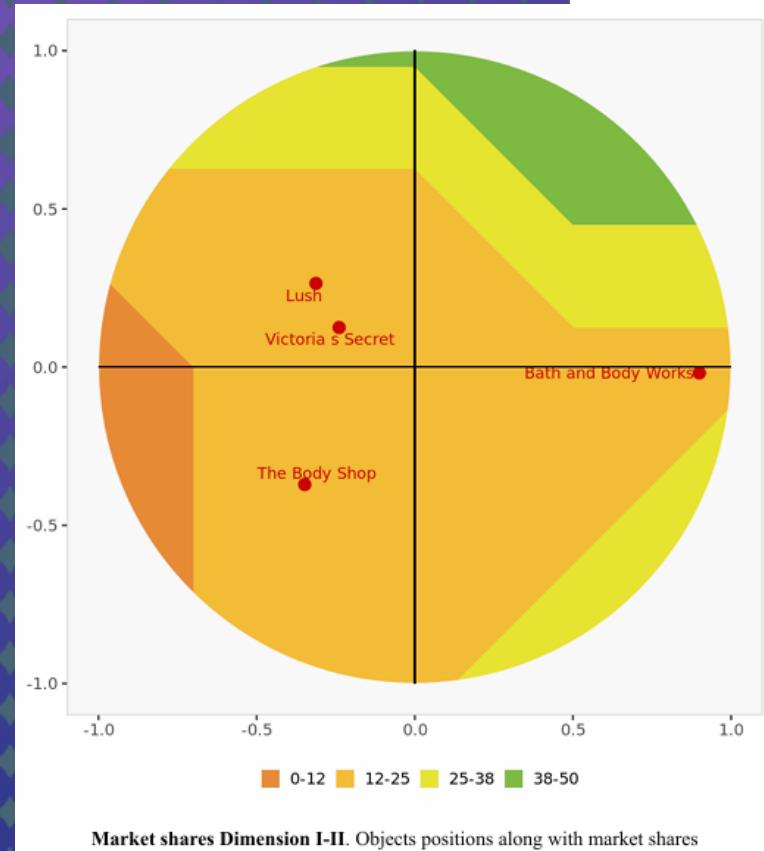
- **Bath & Body Works** is strongly linked to **Product Variety, Brand Image, and Packaging Appeal**.
- **Victoria's Secret** holds a middle-ground position, and **Price Value** remains independent of brand influence.



Bath & Body Works
should enhance
Fragrance Quality and
Emotional Branding to
strengthen
differentiation and
market positioning.



Market Share Analysis



Bath & Body Works leads in market share but needs differentiation through Fragrance Quality and Emotional Branding.

- **Dimensions I – II**
 - **Bath & Body Works** holds the **highest market share**, driven by **Product Variety** and **Brand Image**.
 - **Lush** and **The Body Shop** maintain **moderate market presence**, with **Victoria's Secret** trailing behind.
- **Dimensions II – III**
 - **Lush** has a **notable market share** in **Fragrance Quality**, while **The Body Shop** focuses on **sustainable appeal**.
 - **Bath & Body Works** is **well-distributed** but **lacks strong dominance** in a single defining attribute.
- **Dimensions I – II**
 - **Bath & Body Works** leads in **market share**, benefiting from **Product Variety** and **Packaging Appeal**.
 - **Competitors hold smaller market shares**, with **Victoria's Secret having the least presence**

Limitations of the Study

- **Small & Skewed Sample** – 73 respondents, 35.6% from Tempe, Arizona, and 58.9% aged 18-24, limiting broader market representation.
- **Limited Competitive & Market Scope** – Only four brands analyzed, excluding niche competitors, while rapid shifts in sustainability & digital trends may affect findings.
- **Fragrance Quality Insight Gap** – A key driver but not strongly linked to any single brand, indicating an opportunity for stronger brand association.
- **Potential Bias & Data Gaps** – Consumer opinions may be influenced by recent purchases and promotions, with no deep dive into competitor sales & pricing strategies.
- **Lack of Long-Term Tracking** – Single-time study limits trend assessment and requires updates for evolving consumer preferences.

Key Takeaways

- **Strong brand presence** with high awareness but faces **price perception challenges**.
- **Competitive Standing:** Stronger in **fragrance quality** than **The Body Shop**, competes in **packaging** with **Victoria's Secret**, but lags **Lush** in **sustainability**.
- **Market Position:** Well-established but lacks a **unique differentiator** like **premium exclusivity or sustainability**.
- **Consumer Insights:** 67.1% prefer **in-store shopping**, and **promotions drive purchases** (most effective: "**Buy 1 Get 1 Free**").
- **Segmented Consumer Base:**
 - **Price-Sensitive** (Threat: **Victoria's Secret**) – Seeks affordability, less loyal.
 - **Balanced** (Threat: **The Body Shop**) – Values variety, loyalty, and ethics.
 - **Premium** (Threat: **Lush**) – Prefers exclusivity, sustainability, and quality.

Strategic Actions & Recommendations

Short-Term (0-12 Months)

- **Strengthen Fragrance Leadership** – Launch seasonal & exclusive scents.
- **Enhance Price Perception** – Offer value bundles & loyalty discounts.
- **Boost Retail & Digital Experience** – Improve in-store engagement & targeted e-commerce promotions.
- **Personalized Retention** – Use data-driven loyalty programs & customized marketing.

Long-Term (1-3 Years)

- **Improve Sustainability** – Adopt eco-friendly packaging & ethical sourcing.
- **Expand Premium Offerings** – Introduce luxury/niche product lines.
- **Strengthen Differentiation** – Focus on fragrance variety, premium collections & sustainability.
- **Optimize Omnichannel Strategy** – Integrate digital & in-store experiences with AI-driven personalization.

Thank you!