

Analysis of AESOP's Marketing Strategies

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Abstract: The cosmetics business is a multibillion-dollar behemoth that is frequently propelled by dynamic trends and well-executed marketing campaigns. While many shops have embraced this tactic to raise brand recognition, Aesop demonstrates that there are alternatives. This study was written to examine Aesop's marketing strategy and the methodology used was a literature search. The result of the study was that Aesop's use of good 4p marketing has contributed to the development and innovation of its merchandise, thus increasing the brand's competitiveness and presentation. Aesop's approach to skincare has been legendary, with the company built on timeless simplicity and breaking through the noise with its distinctive visual identity. Aesop mainly uses word-of-mouth marketing, and over-the-counter sales are their main strength. This study suggests Aesop use a pricing strategy that is more acceptable to customers. It is suggested that Aesop introduce new products which are more suitable to the market demand. It is recommended that ISO adopt a multi-channel marketing strategy and build a loyal customer base.

Keywords: marketing strategy, Aesop, analytics

1. Introduction

Aesop, a renowned brand that originated in the heart of Melbourne in 1987, has become an icon in the world of plant-based skin care, hair care, and body products [1]. Their core philosophy revolves around creating premium quality products by blending natural and synthetic ingredients. What sets Aesop apart is their commitment to provide functional products and deliver a delightful experience to their users through thoughtful packaging and innovative fragrances. From a variety of cleansers, toners, moisturizers, and serums to hair and body care essentials, Aesop's extensive range of skincare products caters to every need. Their products are designed to cater to all skin types, ensuring a healthy and glowing complexion [2]. With Aesop, one can indulge in the ultimate self-care experience while enjoying the goodness of nature. Aesop has become a beloved brand worldwide due to its steadfast devotion to sustainability and its ability to create gentle yet effective products that cater to a variety of skin types. Aesop sells its products all over the world, with the same top ten products being shared globally and uniform packaging for each item. Aesop has accomplished a great deal, with 70 signature shops located in the major cities of Australia, Europe, and Asia, as well as four stores in the United States [3]. In today's challenging economic climate, where many businesses are closing or relocating to chase their markets, Aesop is continually expanding and opening up new shops, which is a remarkable achievement.

Aesop, a distinguished skincare enterprise originating from Australia, came into existence in the city of Melbourne in 1987 [4]. The mastermind behind this brand is Dennis Paphitis. With the passage of time, Aesop's eminence soared, resulting in its global expansion, with over 300 outlets scattered around the globe. The brand has not only expanded its horizons but has also broadened its product line to encompass perfumes, body care, and home products, which have gained immense popularity among its devotees. Aesop's success saga is one of the most motivating narratives of a brand's establishment and progress, commencing from modest beginnings and blossoming into an international sensation. The brand's unwavering purpose to promote a healthier and more sustainable way of life is a source of inspiration for its loyal patrons all over the world, rendering it one of the most cherished and esteemed brands in the industry [5]. Aesop, an acclaimed luxury skincare brand, has amassed a devoted following for its understated yet sophisticated packaging and its strong emphasis on natural ingredients. In 2023, L'Oréal, the French cosmetics behemoth, acquired Aesop for a staggering \$2.5 billion, enabling the company to broaden its reach in China [5]. Despite the acquisition, Aesop has remained an independent brand with an individual identity that is truly its own.

Aesop's exquisite line of skincare commodities is priced at a premium compared to many other brands, yet the brand has still managed to establish a commanding presence in the market. With over 300 stores worldwide, Aesop has a particularly firm grasp on Asia. Despite the COVID-19 pandemic, Aesop experienced a 17% surge in sales in 2020, which is a testament to the brand's popularity and resilience [6]. The simplistic packaging and employment of natural ingredients in Aesop's products have become the trademark of the brand. The brand's philosophy of uncomplicated news and excellence has resonated with consumers worldwide, making it a highly sought-after brand in the skincare industry. The fact that L'Oréal has permitted Aesop to function independently is a testament to the brand's distinctive identity and value proposition. Aesop's unwavering commitment to natural ingredients and environmentally conscious practices has earned it a reputation as a responsible and ethical brand.

The study serves as an in-depth market analysis of Aesop, a company renowned for its exceptional products catering to skin, body, hair, fragrances, and gifts. The study delves into the company's market strategy, with a strong focus on the marketing mix and the tactics adopted by Aesop through literature review. The study includes a detailed discussion of the company's customers, pricing, promotion, and market positioning. Moreover, the study aims to provide valuable insights and recommendations for the improvement of the company. It is crucial to understand the various factors that contribute to the success of Aesop's marketing strategy. The study examines these factors in detail, considering the company's unique selling proposition, target audience, and competitors.

2. Marketing Analysis Based on 4P Theory

Aesop, a purveyor of opulent skincare commodities, has garnered admiration for its marketing technique which revolves around the 4P ideology. Via an astute dissection of these constituents, Aesop devises a plan that enables it to efficaciously promote its merchandise to its intended audience in a manner that harmonizes with their proclivities and requisites.

Aesop entails the meticulous creation and development of exceedingly superior and exceptional skincare products that are meticulously tailored and customized to effectively cater to and satisfy the specific and unique needs and preferences of every individual customer [7]. This personalized and bespoke approach that Aesop employs and embraces has been instrumental in helping it foster and cultivate a loyal and devoted customer base and stand out and distinguish itself from the teeming and crowded marketplace in that it operates. Aesop, the highly reputed and esteemed brand, proudly and confidently offers an extensive and diverse assortment of opulent and sumptuous skincare and beauty products that are designed and intended to cater to the most discerning and selective customers of the premium and high-end market segment. With an unrelenting and uncompromising emphasis and

focus on utilizing only the most superior and top-notch natural and botanical ingredients that are carefully and thoughtfully selected and sourced, Aesop has managed to carve out and establish a unique and distinctive niche for itself within the highly competitive and ever-evolving beauty industry [8]. Aesop's solutions for skincare are not only efficacious but also possess the added advantage of being extremely mild on the skin, thereby rendering them the impeccable preference for individuals who yearn for clean and sustainable beauty products. Consumers hold the opportunity to revel in the luxuriant experience of utilizing Aesop's merchandise, with unwavering faith in the realization that they are bestowing themselves with the finest that nature has to offer. Furthermore, Aesop is renowned for its packaging that is minimalist in nature, aligning itself with its dedication towards sustainability and eco-friendliness. Undertakings such as its 'De-Stress Tub' comprise constituents that are believed to have pacifying benefits, in conjunction with a unique aroma that is contrived to soothe users.

Aesop, being a company that is committed to providing high-quality skincare products, understands that its customers are willing to pay a premium price for their products, but they also believe in keeping their prices reasonable and competitive in the market. This ideology is based on the fundamental principle of pricing, which encompasses a wide range of factors that need to be analyzed and evaluated before determining the optimal prices for the merchandise. These factors include manufacturing expenditures, competitor pricing strategies, and the overall value proposition of the product itself. Through careful analysis and evaluation of these various factors, Aesop can maintain its competitive edge in the market, while also providing its customers with the highest quality skincare products at a reasonable price point. Aesop, the esteemed brand, has a deep understanding of the fact that its patrons are willing to pay a premium price for skincare products that are of superior quality [9]. However, the company also strives to maintain a balance between reasonable and competitive prices. This is because Aesop is committed to providing its customers with a luxurious and yet cost-effective experience. By aligning its pricing strategy with the preferences of its customers, Aesop has successfully managed to create a unique position for itself in the highly competitive skincare market.

The aspect of placement has an essential and critical role in the marketing approach of Aesop, as it involves the meticulous process of selecting the most suitable and appropriate channels of distribution that will make the merchandise easily accessible and available to the potential customers. Through a rigorous and comprehensive curation of its distribution channels, Aesop has ensured that its products are strategically located in the most appropriate and accessible locations, thereby effectively reaching out to its target audience [10]. This strategic and well-thought-out decision taken by the company has not only enabled it to cater to the needs and requirements of its customers but also helped it to achieve its desired business objectives and goals. Aesop's triumph in the retail industry can be largely attributed to the ingenious placement of its products. The brand has meticulously designed its stores to offer customers an immersive and sensory experience. The stores, often located in historic buildings, are thoughtfully crafted to complement the brand's minimalist aesthetic. Moreover, the brand has a strong online presence, with an exhaustive e-commerce website and active social media accounts. In addition to this, Aesop has strategically placed its flagship stores in key locations such as New York and Hong Kong, which has propelled its popularity among luxury shoppers [11]. The company also has a presence in various beauty stores and department stores, which ensures that its products are widely available to customers. The flagship stores, however, reinforce the brand's luxury positioning by offering an exclusive shopping experience. Aesop's success story is truly a testament to the power of thoughtful and strategic placement of products. The brand's ability to create a harmonious balance between online and in-store presence is commendable, and its popularity among luxury shoppers is a testament to its unwavering commitment to offering an exceptional customer experience.

Finally, the aspect of promotion involves the artistic ability to create captivating marketing campaigns that not only draw in potential customers but also keep their attention, and Aesop has undoubtedly mastered this skill. With a well-established brand identity, Aesop boasts campaigns that not only resonate with its target audience but also forge a strong emotional bond with its customers. Rather than solely aiming to sell its products, Aesop's marketing efforts focus on creating a lifestyle and a sense of community around the brand. The key to Aesop's marketing strategy lies in storytelling, as each of its campaigns tells a distinct tale, with the brand's products serving as integral parts of these stories. By crafting impactful campaigns, Aesop ensures that its customers are left with a lasting impression, making them more likely to become loyal supporters and ambassadors for the brand. Aesop has successfully established itself as a brand that's not just focused on selling skincare products but also on providing a unique experience to its customers. The brand's advertising campaigns are visually stunning and minimalist in design, always centering around natural beauty. To create visual campaigns that resonate with its customers, Aesop often collaborates with emerging and established artists, photographers, and designers. The brand heavily relies on word-of-mouth marketing, with many customers sharing their positive experiences with the brand on social media and other platforms. This helps to enhance brand awareness and ensures that the message is spread to a wide audience. Aesop's 'Beauty for Beauty', a selection of mini films, is an innovative concept that has helped the brand stand out from its competitors. The brand's commitment to providing a unique experience to its customers is evident through its innovative campaigns and collaborations. Aesop's approach to skincare is not just about beauty, but also about delivering a holistic experience that customers can appreciate. Overall, Aesop's approach to branding is centered around creating a unique experience for its customers, which has helped it establish itself as a leading player in the skincare industry.

3. Suggestions

As pioneers in the industry, Aesop insistently pushes the boundaries of innovation, tirelessly seeking new ways to enhance product range and cater to the diverse needs and preferences of esteemed customers. Unwavering dedication to research and development empowers us to create state-of-the-art Aesop products that are not only highly effective but also reasonably priced, thus making them accessible to a wider audience. They leverage each other's strengths and market influence. This collaboration would allow Aesop to expand their product range, offering more exclusive and expensive items like foundations and anti-aging creams. The possibilities that could arise from such a partnership are truly exciting - a fusion of Aesop's natural ingredients with Dior's luxurious branding and packaging. The result would be a truly unique and innovative offering that caters to the discerning tastes of high-end consumers. By embracing co-branding, Aesop could unlock a new level of growth and differentiation in the competitive cosmetics industry, setting itself apart from other brands and appealing to a wider range of customers. The possibilities for what this partnership could achieve are truly endless and could revolutionize the cosmetics industry [12]. Imagine the impact of combining Aesop's natural, plant-based ingredients with Dior's high-end branding and packaging, creating a product that is both indulgent and wholesome. The potential for growth in this area is not to be underestimated, and this collaboration could pave the way for future partnerships between high-end brands, offering consumers even more unique and innovative products. The possibilities for this collaboration are truly limitless, and the result would be a game-changer in the world of high-end cosmetics.

Aesop's pricing strategy should continue to exude luxury, aligning with its premium position in the skincare industry. The pricing of their products should accurately reflect the superior quality, efficacy, and unique features that set Aesop apart from its competitors. By upholding this strategy, Aesop can maintain its reputation as a high-end brand that delivers exceptional results [13]. The pricing strategy should remain consistent with the brand's values and target audience, ensuring that

their loyal customers continue to receive the exceptional value and superior products that they have come to expect from Aesop. A successful premium pricing strategy also includes the use of discounts and promotional activities. For example, Aesop could offer discounts to customer loyalty programs or offer promotional activities such as limited-time sales or free shipping on orders. Aesop should also consider using different methods of payment and offering discounts for different types of payment options, such as using cash or credit cards. Additionally, Aesop can provide customers with incentives such as free samples or special gift packs. The next component of a successful premium pricing strategy is packaging. It is important for Aesop to differentiate its packaging, making it stand out from competitors and creating a unique customer experience. For example, Aesop could utilize different types of packaging such as eco-friendly packaging or custom packaging designed to meet the needs of its targeted customers.

In today's digital age, it is crucial to enhance Aesop's e-commerce presence and capabilities. This will enable the brand to reach out to a broader customer base and offer them a seamless shopping experience. The website should be optimized, and the online shopping experience should be made user-friendly. Customers should be able to access detailed product information with ease and have the option of easy shipping and returns. An essential element of any e-commerce presence strategy is leveraging third-party platforms, such as Amazon or eBay. Leveraging these platforms allows a brand to reach a much larger audience, and in the case of Aesop, it also allows the company to establish a foothold in markets where it has not yet established a physical presence [13]. Additionally, third-party platforms provide Aesop with access to a wealth of customer data which can then be used to improve their e-commerce presence and tailor campaigns and experiences to a specific target audience. To fully leverage e-commerce solutions, Aesop should ensure that its website is optimized to offer a smooth customer experience. This should include optimizing the checkout process, providing easy access to product information and reviews, and offering clear and concise product descriptions in multiple languages. Additionally, Aesop should focus on personalizing the customer experience by leveraging user data to create tailored experiences and targeted campaigns for each customer. Aesop should also focus on utilizing social media to reach new audiences and engage with current customers. This can include creating unique and engaging content on platforms such as Instagram and Facebook, as well as leveraging more traditional advertising methods such as sponsored posts. Additionally, Aesop should focus on establishing relationships with influencers and leveraging their following to reach even more potential customers. Finally, Aesop should investigate utilizing affiliate marketing to reach even more potential customers. This involves partnering with websites and bloggers to advertise Aesop's products on their sites in exchange for a commission for each customer referred. This can be a cost-effective way to reach even more potential customers, as Aesop will only pay for each successful referral.

Visual and aesthetic appeal plays a significant role in attracting and retaining customers. To create an aspirational brand image, Aesop should focus on emphasizing the visual appeal of its packaging, shop design, and marketing materials. By using stunning visuals and aesthetics in its promotional materials, the brand can engage target audiences and create a strong brand identity. The brand should focus on creating an immersive and visually appealing shopping experience for its customers. The Aesop brand is all about natural skincare, so its visual identity should reflect this. Aesop's visuals should evoke nature – think images of trees, greenery, fresh flowers, and lakes. This will help build an emotional connection with customers and remind them why they use Aesop products – to soothe and nourish their skin with nature-derived ingredients. In addition to natural imagery, Aesop should also incorporate visuals that reflect its high-end brand image. This could include luxurious art, posh interiors, and professional-looking product photography. These visuals should evoke the same emotions as its natural imagery, while also communicating that Aesop is a luxurious, high-end skincare brand. On the aesthetic side of things, Aesop should consider colors, typography,

illustrations, and packaging design. Its natural theme should be represented in its colors – think earth tones, natural pastels, and shades of green. For typography, sans-serif fonts should be used to achieve a more modern look. Hand-drawn illustrations and creative packaging design will help to further cement Aesop's brand identity and make it unique.

4. Conclusion

Based on the analysis, the study identified several areas where Aesop can improve its marketing strategy. For instance, the company could focus on expanding its target audience by introducing new products that cater to a broader market segment. Furthermore, Aesop could consider revising its pricing strategy to make its products more accessible to customers. Finally, the report includes a map of Aesop's position in relation to its competitors. Aesop's product strategy is centered on providing top-notch, natural beauty products that cater to different skin types and concerns, while preserving the brand's identity. They have adopted a pricing strategy that is based on the value they offer to customers. Their brand promotion and location strategy are key factors in consolidating their luxury image and keeping them ahead of their competitors. With its exceptional packaging, minimalistic design, and natural ingredients, Aesop has carved a niche market for itself, catering to the preferences of discerning customers who are willing to pay a premium for quality products. The brand's unwavering commitment to creating a unique customer experience is what sets it apart from the rest in the crowded market, giving them an edge over their competitors. Aesop has indeed managed to create a loyal customer base that swears by its products and is always on the lookout for what they have to offer next. Their commitment to ethics and sustainable practices will only enhance their reputation. Aesop's success can be attributed to its firm commitment to brand identity and core values, which helps it build a loyal customer base that appreciates the brand's commitment to quality, sustainability and simplicity. They have been able to effectively build brand awareness and loyalty by adopting a wide range of strategies on many channels. Simplicity and uniqueness makes it build a strong brand image and customer loyalty and stand the test of time. There are still some shortcomings, and four suggestions are put forward regarding product development, with high-quality products, unobtrusive service, and a comfortable space that appeals to all the senses. The research results of this study will help Aesop improve its marketing strategy and gain a more loyal customer base. However, due to the lack of literature on Aesop, there is less analytical data available, as future studies could collect more data on the brand.

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