

Ruth Cherrington

## 34 LUSH cosmetics

Sector focus: Fast-moving consumer goods (FMCG)

### Rationale

Fast-moving consumer goods (FMCGs) are products that are sold in a short period and for a low price. FMCGs account for 60% of total consumer spending, 35% of material inputs into the economy and 75% of municipal waste. Packaged food, beverages, toiletries, cosmetics and medicines are all examples.

The challenge is in understanding how to deliver these goods with the desired quality, whilst minimising the use of finite resources and the generation of waste. Rethinking the product might include redesigning the basic concept, looking at how it is created, or determining whether the same value can be offered in a new size or shape. Due to the fast-moving nature of FMCGs, packaging has an important role to protect the product quality. Product design innovation can alter packing requirements while preserving or even increasing the user experience. By applying circular design principles, it may be possible to modify the system to make packaging reusable, recyclable or compostable or to eliminate the need for packaging altogether.

LUSH is a British cosmetics company that use upstream innovation to rethink its products and eliminate packaging waste. They avoid the need for bottles, containers and tubes for many of their goods by developing cosmetics and personal care items (like shampoo and soap) in solid form, rather than liquid. Since 2007, the company has sold more than 38 million package-free 'naked' shampoo bars throughout the world, avoiding the use of more than 90 million plastic shampoo bottles.

### Leadership

The company was founded in 1995 by six partners emerging from the demise of a previous mail-order business. It was formed on the idea that fresh, innovative, radical cosmetic goods should be created to fill a market need. The company's core values are based on these ideas. They have a rigorous supplier policy that prohibits them from using items that have been tested on animals. Another example of their environmental commitment is the campaign against over-packaging, which highlights an understanding of how much waste the average person generates in their lifetime. As a result, *around 66% of their items sold each year are 'naked.'* The founder has received royal acknowledgement for their contributions to the beauty industry and has been recognised as one of the 'most influential' individuals on multiple occasions.

## Approach

Package-free or ‘naked’ cosmetics are a declaration of love to minimalism and environmental protection. Solid personal care products eliminate the need for bottles, containers and tubes. By reducing product weight, carbon emissions connected with transportation can be reduced as well. A shampoo bar, for example, can use up to 15 times less space than a liquid shampoo (based on the same number of uses). In comparison to liquid shampoos, LUSH’s annual sales of shampoo bars save 450,000 L of valuable water.

The company wants to produce items for every need, allowing people to buy just what they need and ultimately reduce waste. The business goes beyond packaging by stripping back products to combine the best quality, fresh and essential ingredients. They minimise the use of synthetic materials and have invented self-preserving formulas to reduce their use of chemical preservatives. Over 82% of the ‘all-year-round range’ is self-preserved. For example, salt is sourced from suppliers who protect and sustain the salt marshes and migratory birds that live in these environments. The majority of the supply chain consists of direct relationships with manufacturers and growers to control the quality of the supply chain and pass along core business values.

They have been working hard to create a revolution in the cosmetics industry, but this has not come without challenges. In 2012, the company produced a graphic video showing a performance artist undergoing animal laboratory tests in the window of Lush Regent Street London, to raise awareness of their worldwide Fighting Animal Testing campaign and EU petition. The video was watched by three million viewers; however, the initiative resulted in the closing of the store after the landlords objected to the content of the video.

The business wants to be an example to other cosmetic companies on how to make great products, with ethical ingredients, whilst considering the environment and fulfilling their customer needs. They are also continually innovating their product range. They are working hard to achieve the goal of providing customers with the most waste-free shopping experience possible. In addition to their naked products, they are producing novel packaging materials and reusable plastic packaging items made from 100% post-consumer recycled feedstock for refilling. In 2021, they launched a new deposit return scheme for their plastic packaging. The idea is that customers buy their items with the understanding that they are renting the packaging and can easily return it when they are ready, therefore, the company is responsible for waste reduction and resource recycling.

## On reflection

The company has been driven by the desire to change the cosmetics industry by providing innovative package-free products. This unique approach makes customers feel like they are getting the best products that are fair to animals, the environment and people in the supply chain. They have continually looked at their products and processes to improve and incorporate further elements of a circular economy.

To address the problems of specifying components and providing customers with guidance on how to apply the product, the company has used the power of creativity and technology. They created their own software, a product identification tool that allows customers to scan a product with their phone to acquire the same information as a physical label. Customers are additionally engaged with the items through interactive material about the ingredients and the stories behind them, which is provided through the application software. Data may play a key role in future developments, to further understand from the customer how a cosmetics routine without any packaging can be embraced more widely. Further adoption of the business model will require a significant customer behaviour shift, to accept new methods of consumption and reuse.



**Figure 34.1:** Lush hand soap.

Source: LUSH.

## Sources

<https://www.lush.com>

<https://ellenmacarthurfoundation.org/articles/circular-economy-products>

