

## Expert stresses importance of building brands around people and sustainability

By Simon Pitman, 24-Nov-2010

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**During a key presentation at the recent Natural Beauty Summit in Paris, industry consultant Michael Gutsatz underlined the importance of developing brands around people and sustainability**

*"The most important strategy is to build and develop beauty brands around people,"* said Gutsatz, an advisor for the Scriptorium Company, a brand strategy agency.

*"What we have to do is think about the different approaches to rebuilding relationships back into brands."*

Referring to the brands and marketing segment that formed a part of the two-day conference programme that took place in Paris November 22 – 23, he explained that an essential element to the three other presentations was people.

### Focus on mega trends is no longer the holy grail

In the past 30 years, strategies for businesses operating in the consumer market have been based around comprehensive research that has focused on 'mega trends' – the key trends that have driven enormous growth in the beauty market.

However, as Gutsatz explained during his presentation, the recent recession has caused beauty companies to stop and give careful consideration to their business strategies in light of the fact that many of the mega trends have witnessed an about turn since the recession.

One particular example of this was the luxury market, which was significantly impacted during the economic crisis as consumers 'down-graded' to mass market or cheaper alternatives.

### Consumer changes here to stay

Gustatz stated his belief that many such changes in consumer trends are here to stay, referring to this phenomenon as 'the new context of consumption' – an era of a more intelligent and responsible consumer.

It is at this point where the need to listen to the consumer and the issue of sustainability are inextricably linked.

All of this has prompted many businesses to re-think their strategies, catering towards the fast-evolving consumer needs and desires.

Those companies that have listened to what the consumer wants are increasingly finding themselves developing their brands around the key issues of eco-responsibility, transparency and accountability for their actions.

### Transparency has to be backed up with commitment

Ultimately Gutsatz stressed that this transparency has to be followed through with a clear commitment – a pledge to the consumer that involves clear actions that guarantee the company is doing what it says.

In the US this commitment has been revolutionised by the nation's number one retailer, Walmart. Its Product Sustainability Index has become an industry benchmark, both in the US and worldwide.

Gutsatz believes that this initiative is likely to impact all major beauty brands in some way or another, which means that even if companies are not tuning into consumer needs, retailer demands may change this.

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