

Sustainable Marketing at the Heart of Cosmetics Companies: Myth or Reality?

Ghita Malhi, Souad Ailli
Moulay Ismail University, Meknes, Morocco

Cosmetic companies are trying to include more sustainability in their strategies. But, showing commitment is always a challenge for them. This work consists in showing the degree of commitment of cosmetic companies in their marketing practices. The qualitative study carried out aims to determine the level of their commitment in terms of sustainability, based on 10 websites of “sustainable” cosmetics companies that sell their products online, and on defining sustainability criteria for each variable of the marketing mix. The results indicate that the majority of the companies analyzed are aware of the importance of sustainability and have taken measures to have a positive impact on the economy, society and the environment. The companies have made considerable efforts in “product” and “communication” strategies, but additional improvements can be envisaged for “price” and “distribution” strategies.

Keywords: sustainable marketing, cosmetic companies, sustainable development, CSR, sustainable marketing mix

Introduction

Cosmetics companies are increasingly trying to include sustainability strategies in their practices. They try to use natural and organic ingredients and recyclable or reusable packaging so as not to have a negative impact on the environment. Commitment to sustainability requires transparency, including sharing the origin of products and the production and selling practices employed. The investment of companies in communication involves showing what their responsibility consists in. The commitment in awareness campaigns about the importance of sustainable and responsible consumption, and the positive impact it can create, remains a key differentiator. By applying these practices, companies will play an important role in society and attract socially and environmentally conscious consumers and those who are concerned about their health.

Customer satisfaction remains the primary objective of businesses, that is why truly sustainable companies strive to differentiate themselves while meeting consumer needs. To do this, transparency is necessary, showing the origin of the materials used as well as the production process followed.

Sustainability practices are not limited to production and marketing processes. They can also generate value for society by raising awareness about the importance of sustainable consumption and its positive impact, or by supporting social causes.

The objective of our work is to verify whether sustainable marketing is at the heart of cosmetics companies concerns, or whether it is just a myth.

Ghita Malhi, master's of Marketing and Business Strategies graduate, Moulay Ismail University, Meknes, Morocco.

Souad Ailli, professor, Moulay Ismail University, Meknes, Morocco.

Correspondence concerning this article should be addressed to Ghita Malhi, Moulay Ismail University, 3201 Toulal, Mèknes, Morocco.

To address this issue, we deemed it useful to ask two sub-questions:

Q1: Is sustainable marketing a genuine commitment for cosmetics companies?

Q2: Is sustainable marketing just a passing trend?

To answer these questions, two hypotheses are conceivable:

H1: Sustainable marketing is a genuine commitment for cosmetics companies.

H2: Sustainable marketing is just a passing trend and companies are only showing that they are responsible through their communication strategies.

Our research will start by establishing a theoretical framework of the primary sustainability-related concepts and conducting a review of the existing literature on cosmetics companies' sustainability practices. Subsequently, we will conclude our investigation with a qualitative analysis that will enable us to ascertain whether companies are practicing sustainability in every aspect of their product production and marketing, or whether they are engaging in deceptive greenwashing practices.

Theoretical Framework and Literature Review

Accusations have been frequently directed towards marketing, labeling it as a creator of false needs, a user of deceptive advertising, and an encourager of overconsumption. These criticisms are often extended to the cosmetics industry, where companies are accused of promoting unattainable beauty ideals and selling products saturated with chemicals.

Marketers have demonstrated more commitment by making marketing "sustainable", which focuses on the well-being of various stakeholders. This is also the case in the cosmetics industry, which has begun to employ sustainable marketing practices.

Before delving into sustainable marketing and its application in the cosmetics industry, we will first explore more general concepts such as "sustainable development" and "corporate social responsibility".

Sustainable Development and Corporate Social Responsibility (CSR)

Sustainable development is defined by the World Commission on Environment and Development (WCED), also known as the Brundtland Commission, in its 1987 report "Our Common Future" as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987, p. 34). To speak of sustainable development, one must think about the future and not limit oneself to the current situation. It is necessary to be responsible and allow future generations to also benefit from existing resources. There should be no abuse of production and consumption, no overuse of resources, and no negative impact on the environment.

The concept of sustainable development has gradually evolved into Corporate Social Responsibility (CSR), which goes beyond environmental issues to also include the social and economic impacts of a company's activities. CSR can be defined as "the voluntary integration by companies of social and environmental concerns into their commercial activities and their relationships with their stakeholders" (European Commission, 2001, p. 6). The international standard ISO 26000, published in 2010, provides guidelines for the implementation of an CSR approach in companies. It identifies seven key areas of action for CSR: corporate governance, human rights, social and labor relations, the environment, fair operating practices, consumer issues, and community involvement and development. CSR has emerged as a response to the various expectations and demands of stakeholders (customers, suppliers, shareholders, unions, NGOs, governments, etc.).

Sustainable Marketing

“The concept of sustainable marketing involves using marketing practices to create, communicate, and deliver value to customers while respecting and enhancing the well-being of consumers, employees, local communities, and society as a whole, as well as the health and sustainability of the natural environment” (Polonsky, & Rosenberger, 2001).

Sustainable marketing emerged as a new phase of marketing, aiming to correct its negative reputation and fulfil in a better way its main mission of satisfying customer needs. “In the current context, seeking customer satisfaction must not be done without taking into consideration environmental degradation and concerns related to the protection of the well-being of the entire national and/or international community in terms of ethics, culture, humanity, and ecology” (Ailli, & Baakil, 2010, pp 32-37).

It is undeniable that behind customer satisfaction lies profit, which is the primary goal of any business regardless of its size or industry. The wealth created by the business has a positive impact on the economy (circulation of money in the economy, job creation, wages, etc.). The addition of the social and environmental aspects to the economic aspect of sustainable marketing was inspired by the three pillars of sustainable development. The shift from sustainable development to sustainable marketing can be seen as a shift from the general to the specific. The application of sustainable development principles within companies involved corporate social responsibility (CSR), and the application of CSR within the marketing department involved sustainable marketing.

This transition can be visualized in the following figure:



Figure 1. Transition from sustainable development to sustainable marketing.

Marketing Mix and the Risk of Greenwashing

The marketing mix is a marketing strategy that involves combining different elements to meet the needs of customers and achieve the business objectives of the company. According to various authors, there are different definitions of the marketing mix. These include: Philip Kotler defines the marketing mix as “the set of tools that the company uses to persuade its target market to adopt the behaviors it seeks” (Kotler, & Dubois, 2014). Bernard Dubois describes the marketing mix as the set of decisions relating to controllable variables that are made by the company to satisfy consumer needs while achieving the objectives of the company (Kotler, & Dubois, 2014). E. Jerome McCarthy defines the marketing mix as consisting of four key elements, called the “4Ps”: product, price, promotion, and place (McCarthy, 1975).

When communication or promotion of products is not transparent, it is referred to as greenwashing, which is a marketing practice that involves sharing false or exaggerated statements about an organization’s

environmental commitment to give the impression that its products or services are more environmentally friendly than they actually are. According to Jacques Peretti, greenwashing is “the art of giving the appearance of environmental responsibility while continuing its economic activity as before” (Peretti, 2010). To avoid greenwashing, companies need to be transparent in their communication and ensure that they prove their level of commitment. Environmental and social certifications can assure consumers that companies are truly sustainable.

Literature Review

Table 1

Literature Review of Previous Studies on the Sustainability of Cosmetic Companies

Article title and author's name	Object of the study	Year of publication
“Corporate sustainability in the cosmetics industry: An empirical investigation” by Siegert S. et al.	This study examines the sustainability of cosmetic companies through an online survey of 102 cosmetic companies. The authors evaluated the companies based on their commitment to environmental, social, and economic sustainability. The results show that the majority of companies have implemented sustainable practices, but there is still room for improvement in social and economic sustainability.	2013
“Sustainable development and innovation in the cosmetic industry” by Dossou E. et al.	This study examines how cosmetics companies integrate sustainability into their innovation process. The authors conducted interviews with managers from 16 cosmetics companies. The results show that cosmetics companies focus primarily on environmental sustainability rather than social and economic sustainability.	2017
“Sustainability and Corporate Social Responsibility in the Cosmetics Industry” Gupta S. et al.	This study analyzes the sustainability and corporate social responsibility policies of cosmetic companies through a documentary analysis of 26 cosmetic brands. The results show that cosmetic companies are implementing sustainable practices, but there is still room for improvement.	2018
“Sustainability in the cosmetic industry: A review” by Dubey D. et al.	This study examines the sustainability efforts of cosmetics companies through a documentary analysis of 30 cosmetic brands. The authors assessed companies based on their commitment to environmental, social, and economic sustainability. The results show that the majority of companies focus on environmental sustainability, while social and economic sustainability is still neglected.	2019

Through this literature review, it has been found that while cosmetic companies are implementing sustainability practices at the environmental level, the same cannot be said for the social and economic aspects.

Methodology

Companies Presentation

Table 2

The Websites Corresponding to the Companies Under Study

Company	Website
Inaya Zanzibar	https://inayazanzibar.com/
Lime crime	https://limecrime.com/
N.A.E	https://www.nae-erboristeria.fr/
Rose Inc.	https://www.roseinc.com/
Beauty Counter	https://www.beautycounter.com/
Lush	https://www.lush.com/fr/fr
Ethique	https://ethique.com/
Tata Harper	https://global.tataharperskincare.com/
Ilia	https://iliabeauty.com/
Herbivore	https://www.herbivorebotanicals.com/

Currently, companies are facing two major concerns: sustainability and digitalization. That is why we deemed it necessary to conduct a qualitative study with 10 companies from different countries around the world that sell their products online. We collected data for the studied companies by examining their websites.

The Sustainability Criteria of the Marketing Mix of Cosmetic Companies

The objective of our study is to determine the level of commitment of these companies towards sustainability by analyzing the four variables of the marketing mix based on certain criteria. The criteria selected for evaluation are as follows:

Table 3

Sustainability Criteria of the Marketing Mix

Marketing Mix Criteria	Product	Price	Promotion	Distribution
1st criterion	Ingredients: Natural / Organic / Eco-friendly.	Justification of pricing policy towards different stakeholders.	Sharing the origin of all ingredients.	The distribution channel is short.
2nd criterion	Packaging: Recyclable / Compostable / Reusable.	Sharing of cost with customers to justify pricing.	Sharing of sustainable practices and commitments.	Sustainable delivery methods.
3rd criterion	Display of sustainability certifications.		Integration of environmental aspects in communication.	Logistics aimed at reducing greenhouse gas emissions.
4th criterion	Use of renewable energy sources.		Integration of societal aspects in communication.	The company sells exclusively online, which implies a reduction in carbon emissions.

Answers' Coding

To facilitate the assessment of sustainability commitment among the various analyzed companies through the evaluation of each marketing variable, it was deemed useful to perform coding to simplify the task. If a sustainability criterion is met for any of the variables such as product, communication, or distribution, it will be coded with the value 1, while if it is not met, it will receive the value 0.

In order to determine the level of commitment of companies regarding their pricing strategy, the following coding approach was employed. If the sustainability criterion is met, a value of 2 is assigned, while if it is not met, a value of 0 is assigned. The reason for choosing to assign a value of 1 for criteria met in the product, communication, and distribution variables and a value of 2 for the pricing variable is that, for the three variables product, communication, and distribution, we determined 4 sustainability criteria. Therefore, if all of them are met, a score of 4 is assigned to the variable. On the other hand, for the pricing strategy, there are 2 key sustainability criteria, so it was preferable to assign a value of 2 to ensure a certain balance between the variables. For example, if all sustainability criteria for product/communication/distribution are met, we would have $1 + 1 + 1 + 1 = 4$, whereas if all sustainability criteria for pricing are met, we would have $2 + 2 = 4$. Subsequently, if any variable in the marketing mix is completely sustainable, it will receive a score of 4.

Table 4

Coding of Product, Communication and Distribution Variables

Value	Meaning
0	Criterion not respected
1	Criterion respected

Table 5

Coding of Price Variable

Value	Meaning
0	Criterion not respected
2	Criterion not respected

Results

Presentation of Results

Table 6

Presentation of Marketing Mix Variables According to Set Criteria

Companies \ Marketing mix	Sustainable product				Sustainable price		Sustainable promotion				Sustainable distribution			
	1	2	3	4	1	2	1	2	3	4	1	2	3	4
Inaya Zanzibar	1	1	1	1	0	0	0	1	1	1	1	0	1	1
Lime crime	0	1	1	0	0	0	0	1	1	1	1	1	1	1
N.A.E	1	1	1	0	0	0	1	1	1	1	1	0	1	1
Rose Inc	1	1	1	0	0	0	0	1	1	0	1	0	0	1
Beauty Counter	1	1	1	0	2	0	1	1	1	1	1	0	1	0
Lush	1	1	1	0	0	0	1	1	1	1	1	1	1	0
Ethique	1	1	1	1	2	0	1	1	1	1	1	0	1	0
Tata Harper	1	1	1	1	0	0	1	1	1	1	1	0	1	0
Ilia	1	1	1	1	0	0	1	1	1	1	1	0	0	0
Herbivore	1	1	1	1	0	0	1	1	1	1	1	0	1	0

Table 7

Sustainability Analysis Grid of the Marketing Mix Variables

Company \ Marketing mix	Sustainable product	Sustainable price	Sustainable promotion	Sustainable distribution	Final score
Inaya Zanzibar	4	0	3	3	10
Lime crime	2	0	3	4	9
N.A.E	3	0	4	3	10
Rose Inc	3	0	2	2	7
Beauty Counter	3	2	4	2	11
Lush	3	0	4	3	10
Ethique	4	2	4	2	12
Tata Harper	4	0	4	2	10
Ilia	4	0	4	1	9
Herbivore	4	0	4	2	10
Average	3.4	0.4	3.6	2.4	9.8
Sustainability engagement rate.	85%	10%	90%	60%	61.25%

(Personal elaboration based on the results of the qualitative study conducted. Refer to Table 5 in annex for more details.)

We conducted a thorough analysis of the websites of all the companies included in our case study. The criteria we used are presented in Table 3. In this table, we assigned each criterion the appropriate value based on the practices of each company. As previously mentioned, we assigned a value of 1 if the sustainability criteria for the product, communication, and distribution variables were met, and a value of 2 for the price variable. If the criterion was not met, we assigned it a value of 0. This is what is presented in Tables 6-7.

Analysis and Interpretation of Results

Based on the table presenting the marketing mix variables according to the established criteria, and the sustainability grid of the marketing mix variables mentioned above, we can conclude:

At the top of the list, we find the highest score of **12** obtained by the “Ethique” company, followed by a score of **11** obtained by the “Beauty Counter” company.

In third position, we have a similar score of **10** obtained by five companies: “Inaya Zanzibar”, “N.A.E”, “Lush”, “Tata Harper”, and “Herbivor”.

The fourth score in descending order is **9** obtained by “Lime Crime” and “Ilia”. Finally, the score that comes in last place is **7** achieved by the “Rose Inc” company.

The average score of all companies is **9.8**, representing a degree of engagement of **61.25%** ($9.8/16 * 100 = 61.25\%$). These companies have implemented sustainability practices in their marketing efforts, but in terms of the sustainability of their pricing and distribution strategies, they still need to make additional efforts.

We note that the Communication variable has the highest average value at **(3.8)**. This leads us to assert that companies make more efforts in communication. This result can be explained by the fact that communication is the means that allows convincing the consumer to buy. If the company does not make sufficient efforts, or if the added value is not perceived by consumers, all efforts made by the company will be wasted. The companies under study try to be transparent with customers, but more efforts need to be made in terms of economic and social responsibility as well.

The Product variable has an average of **(3.4)**, representing an engagement of **85%**. This is attributed to the use of natural and biodegradable raw materials by companies, the option for recycling and composting products, and the availability of certifications. However, the use of renewable energies and eco-responsible production means is weakly practiced. Among the certifications that these companies have, we find the Ecocert label, which is awarded to organic and natural cosmetics, the COSMOS label, also awarded to natural and organic cosmetics, the Fairtrade label for products that meet fair trade and sustainable development standards, the Vegan label for products that do not contain any animal-derived ingredients, and the cruelty-free label, which shows that the products have not been tested on animals. These certifications allow companies to prove their degree of commitment to sustainability, which helps increase customer trust and boost brand awareness.

The Distribution variable ranks third with an average of **(2.4)**. The majority of companies do not use sustainable transport means that have no negative impact on the environment. In addition, despite their online sales, some companies still have physical stores. Regarding distribution, we do not only consider the transportation and delivery from the producer to the distributor but also take into consideration the journey that the consumer will make to go to the store (polluting effects of vehicles, especially cars and buses...). By opting for e-commerce, companies eliminate this commute as well as the use of water and electricity in stores and contribute to a reduction of gas emissions.

Finally, the Price variable has the lowest average of **(0.4)**. For the price to be sustainable, it must be fair,

which requires sustainability upstream of the value chain (responsibility towards suppliers, producers, and distributors) and downstream of the value chain (does the consumer think it is a fair price?). This requires companies to justify their pricing strategies. In the case of the companies studied, none of them share or give an idea of their costs to justify their prices. Only two companies (Beauty Counter and Ethique) emphasize the transparency of their pricing policies towards stakeholders.

Conclusion

Several reasons can push cosmetic companies to transition towards sustainability. These include satisfying the most sustainability-focused customers, staying ahead of the competition, and avoiding legislative sanctions. Additionally, this transition can also serve as a protective strategy against potential future environmental regulations aimed at combating pollution. However, there are also barriers, such as high entry costs and the fear of consumer disinterest.

Between motivations and barriers, some companies are genuinely committed to sustainability, while others resort to greenwashing. The aim of our study was to show whether sustainable marketing is a true commitment or simply a limited trend effect based on deceptive communication.

According to the results obtained, we can conclude that the sustainability of these companies is not limited to communication. Various sustainable practices are carried out on environmental, economic, and social levels, such as the use of sustainable ingredients, recyclable packaging, animal welfare protection, sustainability certifications, promotion of local culture and ethical practices for employees, and employee training and development programs. Therefore, the hypothesis of greenwashing is to be rejected. While companies are highly committed to communication, this does not mean they do not have sustainable practices in terms of product, price, and distribution. On the other hand, we cannot say there is total commitment to sustainability by these companies, as most of them do not try to justify their pricing strategies and the use of sustainable delivery methods is weakly practiced.

If these companies adopt renewable energy, justify their pricing policy, use sustainable delivery methods, and invest in economic and social initiatives, then we can talk about a real commitment to sustainability with significant involvement of sustainable marketing in their strategies.

However, it should be noted that this study has certain limitations. Firstly, we can cite the sample size, as it is a qualitative study conducted on a sample of 10 companies, and the results cannot be generalized to the entire cosmetics sector. Secondly, the analysis was based on the companies' websites, which reflect the company's image and all content is under the company's control. Thus, to present the company in the best possible way, all internal information is rarely shared.

References

- Ailli S., & Baakil D. (2010). Marketing touristique et développement durable: cas des hôtels à Fès et à Meknès, *Revue Marocaine de Gestion et d'Economie*, N°2, Janvier-Mai.
- Dossou, E., Sanon, A., & Ouedraogo, N. (2017). Sustainable development and innovation in the cosmetic industry. *International Journal of Innovation and Applied Studies*, 21(1), 120-131, <https://doi.org/10.3390/ijerph15081698>
- Dubey, D., Gaur, J., & Singh, A. (2018). Sustainability in the cosmetic industry: A review. *Journal of Cleaner Production*, 198, 1291-1305. <https://doi.org/10.1016/j.jclepro.2018.07.125>
- European Commission. (2001). Promoting a European framework for corporate social responsibility: Green paper COM366 final, 6.

- Gupta, S., Misra, S., & Lalwani, S. (2018). Sustainability and corporate social responsibility in the cosmetics industry. *In Handbook of Research on Sustainable Development and Innovations in the Global Economy*, 326-347, IGI Global, <https://doi.org/10.4018/978-1-5225-4831-7.ch016>
- Kotler, P., & Dubois, B. (2014). Marketing management (15th ed.). *Pearson Education*, 459-687.
- McCarthy, E. J. (1975). Basic marketing: A managerial approach (7th ed.).
- Peretti, J. (2010). The capitalist green machine: From the oil industry to the eco-industrial park. Cambridge, UK: Cambridge University Press, 67.
- Polonsky, & Rosenberger. (2001). Reevaluating green marketing: A strategic approach. *Business Horizons*, 44, 21-30.
- Siegert, S., Lange, S., & Friese, M. (2013). Corporate sustainability in the cosmetics industry: An empirical investigation. *Journal of Business Chemistry*, 10(2), 65-80, <https://doi.org/10.1007/s00775-013-1016-5>
- World Commission on Environment and Development (WCED). (1987). Our Common Future, p. 34.