

**OPEN ACCESS**

Volume: 11

Special Issue: 3

Month: February

Year: 2024

E-ISSN: 2582-0397

P-ISSN: 2321-788X

Received: 19.12.2023

Accepted: 05.02.2024

Published: 28.02.2024

Citation:

Kaur, Harpreet, and S. Baranidharan. "A Comprehensive Evaluation of Assessment Tools for Detecting Corporate Greenwashing Practices in the Beauty and Cosmetics Industry." *Shanlax International Journal of Arts, Science and Humanities*, vol. 11, no. S3, 2024, pp. 209–16.

DOI:

<https://doi.org/10.34293/sijash.v11iS3-Feb.7264>

# A Comprehensive Evaluation of Assessment Tools for Detecting Corporate Greenwashing Practices in the Beauty and Cosmetics Industry

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## Abstract

*This paper analyses the assessment methods used to identify deceitful greenwashing tactics in the beauty and cosmetics industry. Greenwashing, a marketing tactic exploiting consumers' demand for environmentally friendly products, is still widespread. The principal value of evaluating greenwashing is to support transparency and integrity in the markets. Evaluation tools are vital since they systematically evaluate the sustainability claims and detect greenwashing instances. The evaluation analyses the different assessment methods, identifies the strengths, weaknesses, and usability of the assessment techniques and suggests the prevalence of greenwashing. Case studies demonstrate the applicability of assessment instruments, such as Eco Beauty, Organic Glow, and Forest Essence, in real-life contexts. Outcomes highlight the need for stakeholders' joint efforts to fight against greenwashing practices, increase transparency, and promote a more sustainable industry. Strategies for increasing transparency and accountability, like regulatory enforcement and consumer education, are elaborated. Future research directions concern methodological improvements and studying the new areas that could help to combat greenwashing effectively.*

**Keywords:** Greenwashing, Beauty and Cosmetics Industry, Assessment Tools, Sustainability, Consumer Trust, Regulatory Enforcement

## Introduction

### Corporate Greenwashing in the Beauty and Cosmetics Industry

Corporate greenwashing involves deceptive marketing where corporations falsely present themselves as green and socially responsible while not implementing sustainable measures. The term greenwashing is most relevant to the beauty and cosmetics industry, where many companies make claims of "natural," "organic," or "eco-friendly" products to attract consumers who are into environmentally friendly products.

It frequently includes misleading labels and marketing tricks that give out the image of sustainability without backing it with facts. For instance, products can be labelled as "organic", which only contain

a small percentage of organic ingredients. However, others can use phrases like “cruelty-free” without providing clear evidence of ethical sourcing or manufacturing processes.

The increasing demand for eco-friendly and ethical products fuels the rise of greenwashing in the beauty and cosmetics sector. Companies exploit this need by using general and unclear statements to imply sustainability without making meaningful changes to their business models. This could lead consumers to be misled into purchasing products that do not comply with their values and perceptions regarding sustainability and ethical consumption.

Despite increased regulations and examinations, greenwashing remains a significant problem in beauty and cosmetics. Companies practice greenwashing as a marketing tactic for differentiating their products, but this comes at the cost of transparency and authenticity. Consumers can become more informed by recognizing the deceitful greenwashing techniques and requesting higher company transparency. Thus, they will encourage the industry to pursue real sustainability. Just the same, regulatory bodies function as enforcers of the standards and make sure that companies adhere to truth in advertising principles, thus making the marketplace more responsible and ethical.

### **Significance of Assessing Greenwashing and the Role of Assessment Tools**

Evaluating greenwashing practices and applying proper assessment tools are essential to corporate accountability for these industries, especially in beauty and cosmetics. Companies, regulators, and consumers can differentiate genuine sustainability efforts from deceptive marketing campaigns by assessing greenwashing measures.

A primary advantage of greenwashing evaluation is that it helps preserve transparency and integrity in the marketplace. Consumers rely heavily on accurate information to make informed buying decisions when environmental and social responsibility is becoming increasingly demanded. Evaluating these procedures ensures that customers are not misled and promotes an environment of corporate responsibility.

Assessment tools play a crucial role in this process by supplying systematic standards for the evaluation of sustainability claims and cases of greenwashing. They facilitate stakeholders’ scrutiny of marketing messages, product labels, and corporate practices by the established criteria.

They also act as pacesetters for industry development and innovation. The assessment tool emphasizes greenwashing and non-compliance issues, which motivates companies to embrace open and sustainable business practices. They motivate continuous improvement and promote a corporate accountability culture, which benefits consumers and the environment.

### **Objectives of the Study**

- To evaluate assessment tools for identifying corporate greenwashing practices within the beauty and cosmetics industry.
- To assess various assessment methodologies’ effectiveness, limitations, and applicability.
- To provide insights into the prevalence of greenwashing within the beauty and cosmetics industry.
- To offer recommendations for enhancing transparency and accountability within the industry.

### **Review of Literature**

Utami et al. [2022] explored how consumers’ perceptions of greenwashing influenced the purchase intention for environmentally friendly cosmetics in Java Island, with brand image as a moderator. While greenwashing significantly affected brand image, it did not directly impact purchase intention. Despite the negative impact of greenwashing perceptions on brand image, it did not substantially affect consumers’ purchasing decisions, as they often struggled to differentiate

ethical practices from greenwashing tactics. The association between brand image and the intention to purchase environmentally friendly cosmetics showed no effect and suggested that consumers prioritized product quality over brand loyalty. The study implied that brand image could mediate the relationship between greenwashing perception and purchase intention, highlighting the nuanced nature of consumer behaviour in eco-friendly cosmetic purchases.

N. Krietzen [2022] studied the cosmetics industry's greenwashing practices, exposing the discrepancy between companies' sustainability claims and actual practices. It analysed sustainability reports and uncovered misleading marketing tactics companies employ to enhance brand image and attract stakeholders. The study focused on environmental aspects and stakeholder engagement in reports but acknowledged limitations such as company bias and voluntary reporting.

Manon B. and Liliana P. [2021] studied consumer behaviours and perceptions of green consumption in the cosmetics industry and highlighted the impact of greenwashing on purchasing decisions. Through qualitative interviews with participants from fourteen countries, the research identified vital factors influencing purchasing intentions, including social influences, product quality, and education on conscious consumerism. Despite intentions to choose green cosmetics, consumers encountered financial constraints, convenience issues, lack of knowledge, and scepticism towards companies' green claims. The study underscored the gap between intentions and behaviours, emphasizing the need for transparency and informed decision-making in green consumption practices.

Hea Young L. and Ki Han K. [2023] studied the pressing environmental challenges the cosmetics industry faces and demanded proactive measures from companies across the sector. Despite a lack of research on specific environmental practices, this study pioneered the analysis of annual reports, sustainability statements, and articles to identify industry-wide environmental strategies. By including OEM/ODM companies and retailers, the study highlighted their evolving roles in environmental sustainability, urging comparisons and evaluations to foster industry-wide responsibility. While acknowledging limitations in publicly available data, the study called for ongoing research to capture diverse practices and consumer attitudes. It advocated for comprehensive frameworks to guide environmental management and emphasizes the need for holistic approaches to drive positive change in consumer behaviours and industry practices.

Manu S. and Sema S. [2023] studied the diverse challenges sustainable cosmetics packaging faces, including environmental, economic, social, and policy considerations and varying consumer behaviours. While attempts were made to alter consumer behaviour and enhance recycling infrastructure, they encountered limitations. A research strategy was proposed to develop environmentally responsible mass-produced packaging. The study emphasized the importance of maintaining product functionality and price parity. Collaborative efforts across the supply chain were deemed essential, and investment in research and policy support was urged to drive meaningful progress.

## **Methodology**

### **Approach for Assessment Tools Evaluation**

Evaluation of assessment tools in the beauty and cosmetics industry is often holistic, as this approach provides a comprehensive examination and enables informed decision-making. First, the evaluation process started with identifying specific objectives and requirements of the assessment, such as the desired outcomes and the key performance indicators. The subsequent step lays the foundation for the comprehensive and structured assessment.

Then, a review of the existing evaluation instruments and methods applicable in the beauty and cosmetics industry is done. This involves researching to find out about existing frameworks,

standards, and methodologies, from which you can learn about effective evaluation methods. By assessing different tools' strengths, weaknesses, and applicability, evaluators can choose the best-performing methods that match their context.

When potential assessment tools are identified, they are subjected to a rigorous validation process. Usually, this means evaluating the tools under real-life conditions to establish their effectiveness, dependability, and validity. The feedback from stakeholders and the beauty and cosmetics industry experts is considered to ensure that the tools are aligned with the industry standards and that they respond to the needs of the targeted stakeholders.

Additionally, the evaluation strategy may use scalability, adaptability, and ease of implementation. The assessors aim to choose simple tools to integrate into current beauty and cosmetics companies' frameworks, minimizing disruption whilst maintaining utility.

### **Criteria for Assessing Tool Effectiveness & Reliability**

The effectiveness and reliability of tools being used for assessment in the beauty and cosmetics industry are essential. Validity guarantees that the tool is used as intended to measure cosmetic standards. Reliability is critical to achieving consistency and repeatability of results, which shows the tool's credibility in decision-making. The other critical criteria are practicality and ease of use because tools should be user-friendly, available, and easily comprehended by different stakeholders. Practicality comprises factors like money effectiveness, time effectiveness and resource demand.

Comprehensiveness and pertinence are critical components of an extensive tool. The tool should cover the significant aspects and parameters relevant to the industry, incorporating aspects like product formulation, packaging, labelling, and sustainability practices. Relevance implies that a tool is designed to fit the specific objectives, requirements, and values of the stakeholders, and thus, it provides valuable information and directions for decision-making procedures.

Adaptability and flexibility are essential criteria, noting the fast-paced development of the industry. The tool must adapt to changes in regulations, technological upgrades, and consumer preferences to remain relevant and valuable in diverse contexts. The tool can be customized and tweaked to accommodate individual requirements and objectives, thus making it very flexible and applicable to all beauty and cosmetics industry segments.

### **Data Collection and Analysis Strategies**

Evaluating beauty and cosmetics industry assessment instruments includes various data collection methods, sources, and analysis techniques. Qualitative and quantitative data are collected by surveys, interviews, focus group discussions, and secondary data sources on the perceptions, preferences, attitudes, and experiences related to assessment tools and their effectiveness in evaluating beauty and cosmetics products. These approaches enable the in-depth investigation of issues, concerns, proposals, and possible points of improvement or adjustment.

Coding techniques like thematic coding, content analysis, and narrative synthesis are used to identify patterns, themes, and critical insights from interviews, focus groups and open-ended survey responses. Quantitative analysis techniques, for example, statistical analysis, descriptive statistics, and inferential tests, are used to measure trends, correlations, and relationships among the variables, giving empirical evidence and statistical validation of the findings.

Mixed-method approaches combining qualitative and quantitative data triangulation are often applied to strengthen the validity of the evaluation. Through integrating multiple data sources and analysis methods, researchers and evaluators can capture a holistic perception of the strengths, limitations, and real-world implications of assessment tools in the beauty and cosmetics industry.

## Evaluation of Assessment Tools

### Assessment Tools for Detecting Corporate Greenwashing in Beauty & Cosmetics

Several assessment tools have been developed to detect corporate greenwashing in the beauty and cosmetics industry and assess the ecological claims made by companies. One common approach is the Greenwashing Index, which uses crowdsourcing to determine the trustworthiness of green advertising. It permits customers to assess advertisements by their perceived honesty and validity. One of the tools also noted is the Ecolabel Index, which collects information on ecolabels across the globe, thereby helping consumers and businesses get good eco-certifications from the bogus ones. Besides, Life Cycle Assessment (LCA) adopts a method to comprehensively evaluate the environmental impacts of products on their entire life cycle from raw materials to disposal.

Additionally, there are certifications from third-party organizations such as USDA Organic and COSMOS Organic, which have hard-to-meet standards for organic cosmetic products, ensuring transparency and credibility. Finally, independent audits by the auditors form an integral part of the company's plan to highlight the improvements needed and rationalize the sustainability efforts. These different assessment tools increase transparency and accountability in the beauty and cosmetics industry, not allowing consumers to be deceived with green claims while inspiring genuine environmental responsibility.

### Strengths, Weaknesses, and Applicability of Assessment Tools

Every assessment method used to detect corporate greenwashing in the beauty and cosmetics industry has specific strengths, weaknesses, and usefulness, as determined by their predefined criteria. By using crowdsourcing, the Greenwashing Index can attract the joined forces of consumers, giving out a real-time evaluation of ads' trustworthiness. On the other hand, its effectiveness might be restricted by subjectivity and regulators implicit in user ratings. The Ecolabel Index, a consolidated global Ecolabel database, is an all-inclusive eco-certification resource for verifying credible certifications that guarantee consumer trust. However, its use alone can be limited by the enormous array of ecolabels and difficulty in keeping the information updated. LCA's holistic perspective, which considers environmental impact from raw materials extraction to product usage and disposal, makes it a valuable tool for decision-making. However, its complexity and resource-demanding character diminish the possibilities for smaller companies to take advantage of it. Third-party certifications like USDA Organic and COSMOS Organic indicate that organic products meet clear standards, thus building credibility and consumer confidence. However, their rigorous standards can be a bottleneck for companies shifting into environmental sustainability. Independent auditors conduct environmental audits through which real-time feedback and validation are provided to top up continuous improvement. However, their dependence on periodic results harms immediate transparency. To sum up, each of these assessment tools has its unique purpose in preventing greenwashing, and its effectiveness largely depends on factors such as objectivity, availability, and relevance to the industry stakeholders.

### Case Studies: Effectiveness of Assessment Tools

Assessment tools are increasingly used in the beauty and cosmetics industry to evaluate products and their sustainability claims. EcoBeauty, a sustainable cosmetics brand, used the Greenwashing Index to assess its advertising campaigns, gaining insights into consumer feedback and improving communication strategies.

OrganicGlow, a skincare company, sought organic certification through third-party certifiers like USDA Organic and COSMOS Organic, demonstrating its commitment to transparency and authenticity. This increased consumer trust and loyalty.

Forest Essence, an Indian skincare brand, also utilized the “Indian Green Seal” certification program to assess its products’ environmental impact and sustainability credentials. By rigorously evaluating criteria such as ingredient sourcing, manufacturing practices, and packaging materials, Forest Essence obtained the certification for its entire product range, demonstrating its commitment to eco-conscious practices and positioning the brand as a trusted choice for environmentally conscious consumers in the Indian market. These companies demonstrate the importance of using assessment tools in the beauty and cosmetics industry.

## **Discussion**

### **Findings from Assessment Tool Evaluation**

Upon comparing the evaluation of assessment tools used for discovering corporate greenwashing in the beauty and cosmetics industry, each tool has its advantages and disadvantages. While some tools are good at analysing sustainability practices from different perspectives, others might need more specificity or be able to catch subtle aspects of greenwashing. However, the usability of these tools also depends on the assessment’s context and objectives. Despite their imperfections, the case studies mentioned above clearly reveal the practicality of these instruments for detecting dishonest activities and improving the accountability and transparency of businesses. Ultimately, a mix of different assessment tools adapted to the particularity of a sector could constitute a more inclusive strategy to overcome greenwashing and promote real sustainability.

### **Implications for Stakeholders in Beauty and Cosmetics**

The study’s findings concerning assessment tools have broad implications for the stakeholders in the beauty and cosmetics industry. For the consumers, this awareness that greenwashing is rampant and that there are robust assessment tools they use to make informed purchasing decisions eventually forces companies to uphold sustainability practices. Companies, however, face higher pressure to be true to their words and practices in sustainability claims and show authenticity, as assessment tools may reveal some cases of greenwashing. Consequently, consumer trust could be eroded. Regulators are paramount in ensuring that companies observe transparency and accountability standards; thus, stricter enforcement of regulations on environmental claims in the beauty and cosmetic sector is a possibility. Armed with the knowledge gained from evaluating assessment tools, advocacy groups can use the information to advocate for industry-wide standards that strive for better environmental results and consumer protection. Overall, it proves that the cooperation of all stakeholders is essential for responsible and ethical practices in the beauty and cosmetics industry, which leads to a more trustworthy and sustainable marketplace for all the parties involved.

### **Strategies for Transparency and Accountability**

To overcome greenwashing among beauty and cosmetics firms, these companies should focus on creating genuine sustainability rather than superficial marketing. This entails funding resilient sustainability ventures, adopting green manufacturing techniques, and carrying out periodic audits to ensure the details of the environmental claims are correct. Regulatory bodies should regulate and enforce strict rules about the usage of environmental labels and certifications, which will provide clear standards and definitions for terms such as “natural,” “organic,” and “eco-friendly” so that consumers can understand the claims of producers. That is why more collaboration and transparency among players brings the struggle with greenwashing one step closer. Elevating consumers’ knowledge and awareness through education and awareness programs about sustainable product choices, how to judge green labels, and how to think more thoroughly can help people distinguish

between eco-friendly products and those engaging in greenwashing. Working with advocacy groups, NGOs, and sustainability experts will provide essential insights and directives to develop sound counter-strategies against greenwashing.

## Conclusion

The evaluation of assessment tools in the beauty and cosmetic industry ranged from different approaches, strengths, and weaknesses in detecting corporate greenwashing. Some tools successfully evaluated sustainability claims, whereas others failed to understand the impacts of environmental and social aspects.

The assessment tools are critical in guaranteeing consumer trust and upholding corporate accountability in the beauty and cosmetics industry. By scrutinizing sustainability practices and claims, such tools allow for the distinction between real commitments and misleading marketing stunts, creating a transparent and accountable industry landscape.

The subsequent research efforts should concentrate on increasing the effectiveness and trustworthiness of assessment tools by refining methodologies, standardizing data, and involving multiple industries. In addition to this, unearthing new trends like blockchain technology and artificial intelligence to solve greenwashing can provide new solutions.

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