

Rachel Aruna Hasan, 2018

Volume 3 Issue 3, pp. 1203-1219

Date of Publication: 1<sup>st</sup> February, 2018

DOI-<https://dx.doi.org/10.20319/pijss.2018.33.12031219>

This paper can be cited as: Hasan, R.A. (2018). Consumerism in Cosmetics Industry: The Case Study of Corporate Social Responsibility Practices of the Body Shop in Pakistan. *PEOPLE: International Journal of Social Sciences*, 3(3), 1203-1219.

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## **CONSUMERISM IN COSMETICS INDUSTRY: THE CASE STUDY OF CORPORATE SOCIAL RESPONSIBILITY PRACTICES OF THE BODY SHOP IN PAKISTAN**

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### **Abstract**

*Cosmetics industry is the world's largest multi-billion dollar rapidly growing industry. Consumerism in cosmetics is a growing phenomenon that needs to be investigated from the perspective of social ethics. With growing public awareness and demand for socially responsible businesses of cosmetics, nowadays companies take Corporate Social Responsibility into account when planning future socially responsible business operations in different parts of the world. It is an issue that has taken importance in business functions and is taken very seriously. This research article examines one such case study of corporate social responsibility exemplified by The Body Shop in Pakistan. The objective was to gauge whether the consumers are aware of the corporate social responsibilities of the brands, especially the cosmetics brands. A survey is conducted from (N= 100) respondents through a well-structured questionnaire by convenience sampling from the consumers of The Body Shop located in Lahore, Pakistan. The respondents are approached as those who are users of the brand; those who visited the outlet for purchases.*

*The findings of the study reveal that most of the consumers of The Body Shop in Pakistan are aware that the brand follows CSR as its key business function. The brand poses its responsibility towards the society by practicing corporate citizenship and philanthropic aspects. The study has theoretical and business development implications.*

### **Keywords**

Consumerism; Cosmetic Industry; Corporate Social Responsibility; Corporate Citizenship; Pakistan

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## **1. Introduction**

In recent years, Corporate Social Responsibility (CSR) has gained much attention from different business quarters in Pakistan. It is an area that has been a topic of discussion as well as research by various corporate sectors. Many organizations are committed to working for sustainable development for the community and society at large, and have added corporate social responsibility in their strategic planning processes. Companies in corporate sectors of telecommunication, oil, agriculture, cosmetics etc have paid special attention to their CSR activities in areas of education, environment, health and disaster / emergency response. The main objectives of this research paper are:

- To study the case of The Body Shop and its corporate social responsibility activities
- To identify consumers' awareness of the corporate social responsibility practices by the brand

For this purpose, the researcher took into consider the Corporate Social Responsibility practices of The Body Shop in Pakistan and how consumerism has become rampant in the cosmetic industry of this third world country. It must be kept in mind that each business has a different way of promoting their products, as to the appeals they use. The Body Shop promotes their products by using the emotional appeal of helping people live better lives, and has gained the image of a good corporate citizen.

### **1.1 Corporate Social Responsibility**

According to A.B Carroll (1999), the Corporate Social Responsibility phenomenon has an extensive and diverse history, which can be traced back to the 1950s. In its initial phase, it was considered more as Social Responsibility (SR), rather than Corporate Social Responsibility. McWilliams, Siegel and Wright (2005) define Corporate Social Responsibility as situations

where the firm surpasses conformity to organizational norms and practices and takes part in activities that work for the social welfare. This makes it a win-win situation as all stakeholders involved are satisfied by the results. The consumer is content with the fact that the corporation is into just looking at its own vested interest but at those of others like the society at large. The corporation on the other hand is satisfied by the positive image building that it has indulged in and promotes at great lengths.

Corporate social responsibility is an important part of many firms' customer relationship management programs and can be a source of competitive advantage. This is to say that corporate social responsibility has been the central idea of business initiation and has been an integral part of strategic planning (Di Benedetto,2017). Resources are set aside from the very beginning for a sustained and committed effort for various activities.

Clow and Baack (2010) stated that business specialists agree that companies that engage in social welfare activities have a much better chance of survival and success over a long period of time. Companies that take on welfare activities for positive outcome are also able to generate worthy publicity, which results in customer loyalty and positive brand image. The consumer is now also more aware of all that goes on in corporations. Any negative activity such as pollution or damaging the environment gives a bad image to the organization and creates propaganda for the internal stakeholders.

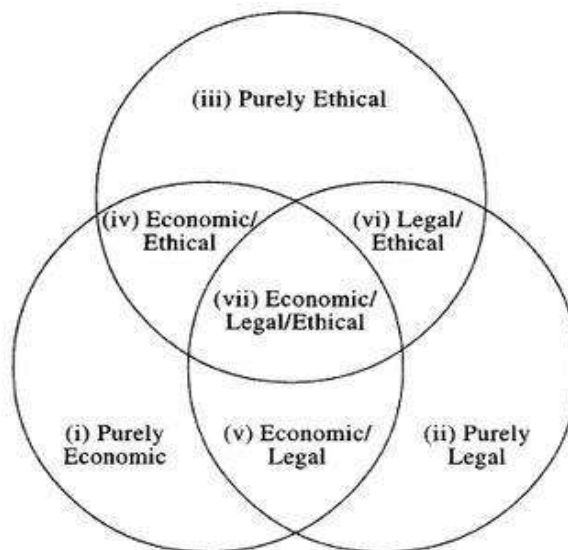
Rabbani (2011) rightly points out in his article that due to the advancements in telecommunication sector and technology innovation, business models have changed over the years and the business environment has become even more competitive than it ever was. The cutthroat corporate world is forever trying to come up with new and innovative ways to create strong and lasting brand identity.

Technological advancement has also brought about much clearer understanding for the consumers. Such is the awareness among the masses or the consumers that they now care a lot about concerns relating to organizational responsibility, and this awareness can have an influence on their purchase and usage of products. As a result this provides motivation to firms to act in accordance with social and environmental friendly behavior (Smith, 2007).

Corporate social responsibility starts not only from the activities that are carried out for the public, but it also entails production of products in an ethical and harmless way. For every line of business, the corporate social responsibility can vary from one region to another, which

can also be seen as a challenge for corporations to meet the consumer needs of every market. This is mainly due to the socio-cultural differences present in the world. McWilliam et al., (2005) are of the opinion that stakeholder theory implies that when planning for activities, both internal as well as external stakeholders should be kept in mind, as both offer some support to the company in any and every kind, financial or non-financial. This support can be withdrawn if their interests are not considered.

In the Three-Domain Model of Corporate Social Responsibility, Schwartz & Carroll (2003) proposed that CSR is made up of three responsibility areas: *economic, legal and ethical*. These responsibility areas can be overlapping as displayed in Carroll's Venn diagram, but neither is more important than the other.



**Figure 1:** *The Three-Domain Model of Corporate Social Responsibility*

Figure courtesy: [www.google.com](http://www.google.com) – Carroll 3 domain model

Corporations in the environmental sector (Smith 1990, cited by Schwartz & Carroll, 2003), the "social" or "environmental" mutual fund industry (Ellmen 1996; Lowry 1991 – cited by Schwartz & Carroll, 2003), or involved in the sale of "green" products, such as The Body Shop (Shearer 1990 – cited by Schwartz & Carroll, 2003), can be seen as primarily economic while simultaneously ethical. These corporations give generously to charity and work for the sustainable development of their stakeholders.

## **1.2 Corporate Social Responsibility in the Cosmetics Industry**

Cosmetics industry has for long been a victim of criticism and scrutiny in unethical business practices. Some beauty organizations claim that they are against animal testing, but whether this claim can be verified, that remains to be seen. Certain international cosmetic brands had initiated their business on the values of ethics and professionalism, and The Body Shop is one such brand. The Body Shop is an international cosmetics brand with five core values: “support community fair trade, activate self-esteem, defend human rights, against animal testing and protect the planet” (The Body Shop 2016). Elaborating further on these values, The Body Shop has initiated a new global commitment called “Enrich Not Exploit”, which is consistent with their values of Enriching people, Enriching products and Enriching the planet.

Cosmetic industry has not only enhanced the beauty of its consumers but also worked diligently for the uplift of the marginalized segments of every society. This CSR initiative has been adopted by many a cosmetics brand for improving the workforce, especially the female workforce, in the under developed nations. International brand such as Oriflame has also such a business model which enables women to develop their own cosmetics businesses by becoming sales consultants of Oriflame. These consultancy opportunities also help them to earn awards every now and then, thus facilitating them even more in the professional workforce.

Ambreen Waheed, Executive Director, Responsible Business Initiative, in her research states that companies or brands that have a positive and powerful image, and with carefully planned strategies on Corporate Social Responsibility draw a large number of customers. An organization that is socially responsible can benefit from its positive image amongst its customer base and is also regarded with respect in their business circle.

## **1.3 Consumerism in Cosmetic Industry of Pakistan**

Consumerism is associated with excessive possession of goods though society believed in general that the higher rate of consumption is better for the economy as a whole and for the individual (Slavova, 2014). The more the consumer wants or needs something, the better the impact it will have on the business cycles and a nation’s economy. As defined by Wells, Burnett and Moriarty (2006) in their book *Advertising; Principles and Practice*, needs are the basic driving forces that motivate us to do something, whereas, a want occurs when we desire or wish for something that motivates us to try or buy something new. In other words we can say that needs are more intrinsic and wants are more extrinsic.

It can also be said that consumerism is more to do with “the more you have, the better you feel” phenomenon. People will be happy and exhibit their well being based on the level of personal consumption. In the cosmetics industry, this idea has been promoted by the media as to how it has portrayed women – in advertisements where we see characters who are “thin, air-brushed and perfect’ – an image that is unhealthy and unattainable by normal living standards (YWCA report, 2008).

Arens (2008) explains that starting in the 1960s, the consumer movement became increasingly active in fighting fraudulent and deceptive advertising. Consumers demanded that products perform as advertised and that more product information be provided for people to compare and make better buying decisions. The consumer movement gave rise to consumerism – social action to dramatize the rights of the buying public. In comparison to nowadays, the consumer is more aware and still demands more information regarding the social responsibility of corporations.

Beauty is now not only skin deep. It is now about changing people’s lives and helping them turn their dreams into reality; it is about helping people realize their full potential. In a developing country like Pakistan, consumerism in cosmetics has taken a sharp turn. Women are more conscious of how they look, what products they use and which brands to purchase. All thanks to globalization and easy access to technology, beauty industry has become novel and dynamic. From anywhere in the world, make up tutorials can be accessed on online channels, giving the females an easier chance to enhance their looks. The consumers are now connected virtually, either with fellow consumer or with brands themselves. They have a strong urge to look youthful and are eager to keep up with the trends set by the developed world. The idea of “look good, feel good” may be a superficial phenomenon if the consumer is not aware of the business practices of corporations towards the society. Although companies may have realized that they need to contribute towards the society as responsible corporate citizens, but it may also be kept in mind that all consumers may not be fully aware of the concept of CSR as such. Hence, the superficiality of wanting to look and feel good may kill the actual purpose of corporate citizenship.

The cosmetic business in Pakistan has brought about much awareness for its consumers about the various CSR practices. International brands such as The Body Shop promote fair trade, improve supply chain ethics and work towards workers’ rights. These areas are important as they

impact every society, western or eastern, in a very direct and straightforward manner. A key area of focus is also providing education to children. The Body Shop was one of the first few voices to speak against animal testing. They take pride in the fact that “cruelty-free cosmetics are now the norm in much of the world” (The Body Shop Report 2016). For further sustainable development, The Body Shop also worked diligently in various campaigns and projects to save the planet. Whether it was saving the forests or the sea life, they advocated their cause at all international forums.

#### **1.4 The Case of the Body Shop**

“We were corporate social responsibility pioneers, among the first global business to practice fair trade and conduct social and environmental campaigns” as stated by Christopher Davis, International Director of Corporate Responsibility and Campaigns, (The Body Shop Report 2016), The Body Shop has stayed true to their word. The CSR campaigns The Body Shop launches are very clear and visible not only in their online literature, but also their store interior. Due to so many awareness campaigns and involvement of the society in social development, consumers are becoming more involved with CSR and the demand is ever increasing for brands that are involved in such projects.

##### **1.4.1 Support Community Fair Trade**

The Body Shop acquires all the raw material for their products from all over the world. The exchange helps in developing female workforce as responsible or initiating their own small businesses. The raw materials that are acquired are from the choicest and finest materials from the best suppliers.

##### **1.4.2 Activate Self Esteem**

At The Body Shop they believe in boosting the self-esteem of the people working for them. The idea is not to make people look good only, but also to help them feel good about who they are and what they do. These self esteem activation projects were a part of the human rights activities as well as helping to empower women by initiating projects that would help women to generate an income. Projects were also initiated to help people, who were not a part of the mainstream society, with skills development.

##### **1.4.3 Defend Human Rights**

The suppliers of The Body Shop raw material are expected to maintain standards of their workers’ rights and to ensure safety and equality. Their campaigns also included eradicating

domestic violence in some areas. For defending human rights, various awareness campaigns as well as fund raising campaigns were launched. Campaigns for clean water, sanitation and hygiene were also launched for access to clean drinking water.

#### **1.4.4 Against Animal Testing**

The Body Shop has always campaigned rigorously against animal testing and promoted ethical production, thus making the brand the first cosmetics brand to advocate cruelty-free products. After The Body Shop, a lot of other cosmetics brands produced cruelty-free products. Testing is done under expert supervision, using various techniques but not involving animals.

#### **1.4.5 Protect the Planet**

Whether its water life or plant life, The Body Shop has been a strong advocate of saving the environment in the best possible way. The company has been involved in ensuring effective and environment safe transportation of their products. They are also committed to ensuring usage of renewable energy, as and where it is possible. The company continues to work on minimizing their environmental impact.

## **2. Methodology**

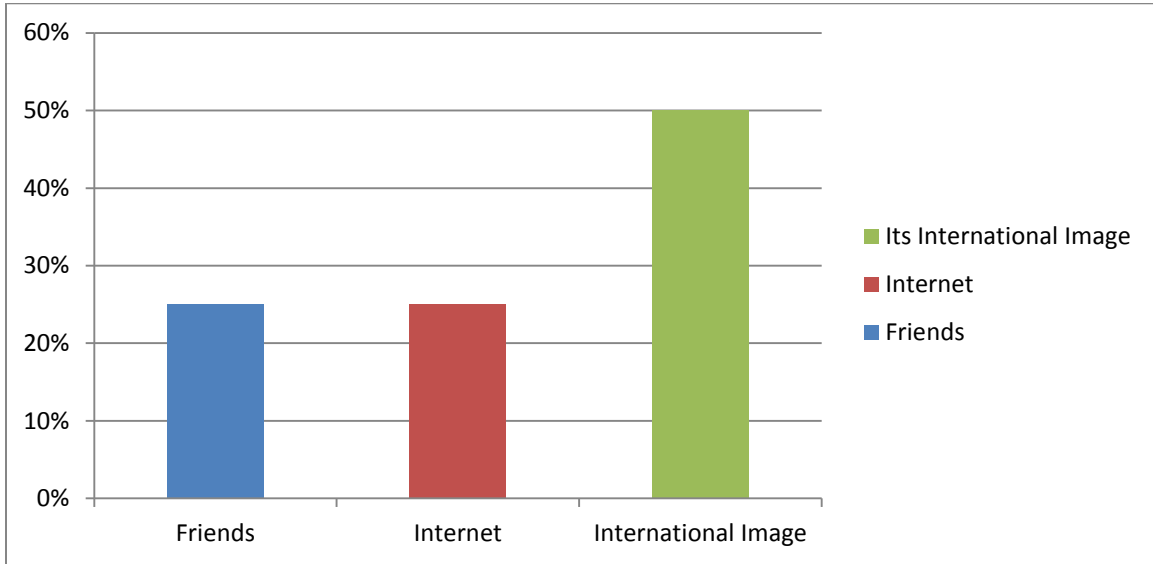
To analyze the Corporate Social Responsibility practices of the Body Shop in Pakistan, a well-structured questionnaire is used to conduct a survey from the respondents. Keeping in view the consumers, which are females, a convenience sample is taken of (N 100) women who are consumers of The Body Shop. The geographical area selected is the city of Lahore where consumers are approached at The Body Shop outlets. Data is analyzed through quantitative method and presented through tables and figures.

## **3. Results & Findings**

**Table 1:** *Sources that gave awareness about The Body Shop as an international brand*

<b>Options</b>	<b>Responses</b>
International image	50%
Internet	25%
Friends	25%



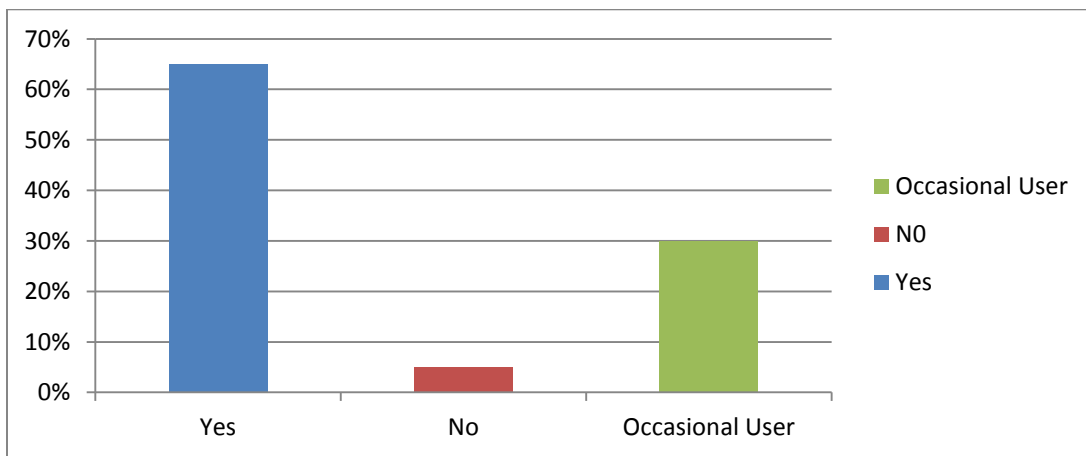


**Graph 1:** Sources that gave awareness about The Body Shop as an international brand

**Interpretation:** Due to its strong international image as a cosmetics brand, The Body Shop enjoys a loyal 50% customer base, whereas, 25% of the survey population gained awareness from internet and the remaining 25% had their friends as information source.

**Table 2:** Respondents' use of The Body Shop products

Options	Responses
Yes	65%
No	5%
Occasional user	30%

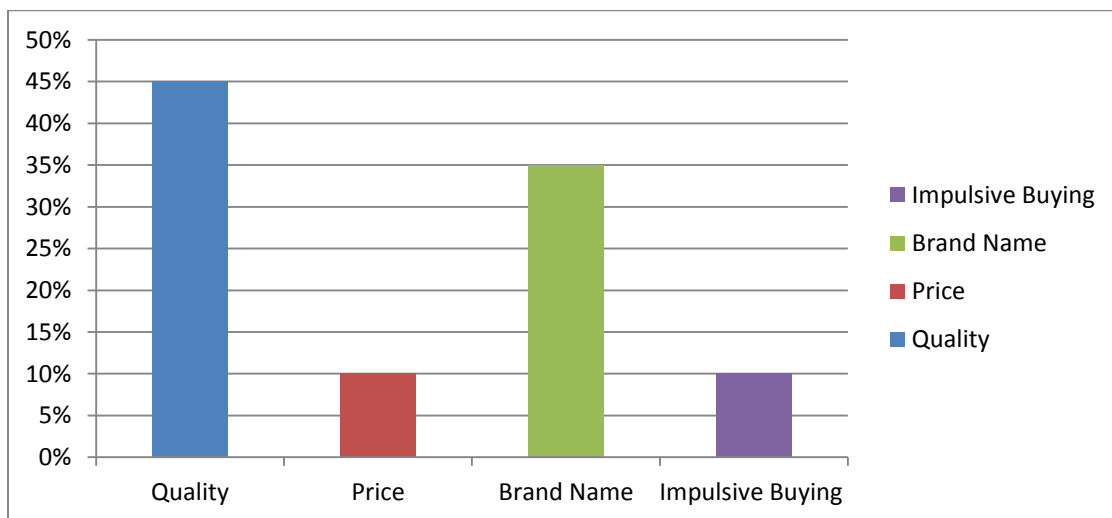


**Graph 2:** Respondents' use of The Body Shop products

**Interpretation:** The Body Shop products are used regularly by 65% of the survey population, whereas 30% are occasional users, as and when they felt like purchasing. 5% of the population was not regular user; they bought once in a blue moon.

**Table 3: Influences of Purchase Decision about Cosmetic Brands**

Options	Responses
Quality	45%
Price	10%
Brand name	35%
Impulsive buying	10%

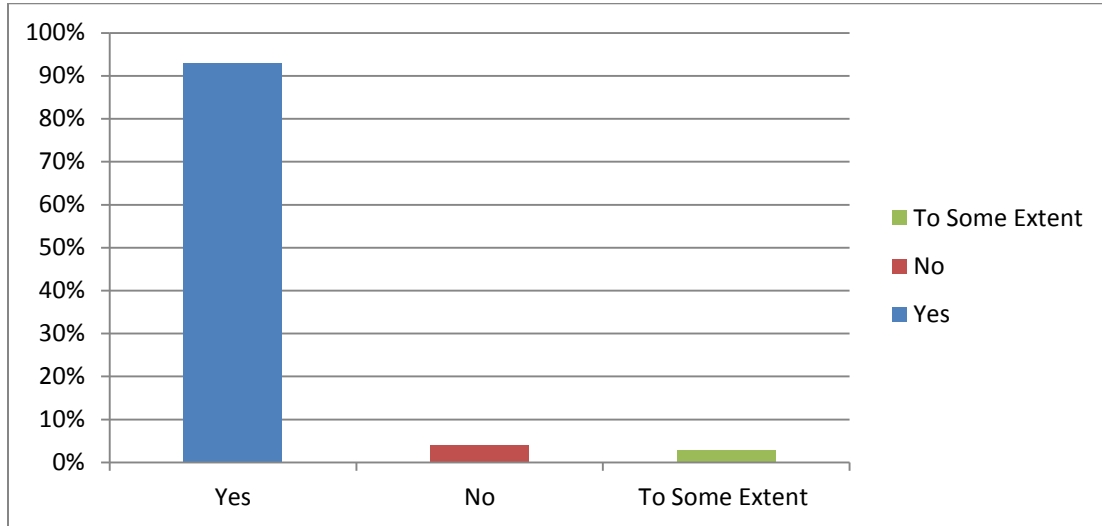


**Graph 3: Influences of Purchase Decision about Cosmetic Brands**

**Interpretation:** Quality is a factor chosen by 45% of the population for purchase decision of cosmetic brands. 35% preferred brand name whereas 10% considered price as an important factor. However 10% were impulsive buyers who didn't consider any other options as preference for their purchase decision.

**Table 4: Respondents' Awareness about The Body Shop CSR Activities**

Options	Responses
Yes	93%
No	4%
To some extent	3%

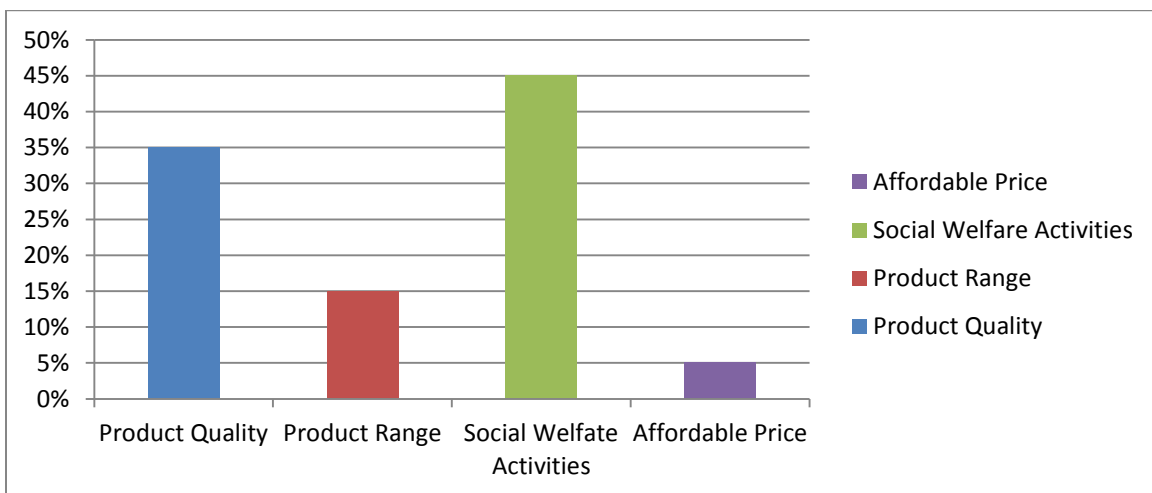


**Graph 4:** Respondents’ Awareness about The Body Shop CSR Activities

**Interpretation:** Due to the effective and continual CSR activities, 93% of the survey population gained awareness of the philanthropic side of the brand. However, 4% were not aware and 3% had awareness only to some extent.

**Table 5:** Unique Quality of the Body Shop that Motivated for Purchase

Options	Responses
Affordable price	5%
Social welfare activities	45%
Product range	15%
Product quality	35%



**Graph 5:** Unique Quality of The Body Shop that Motivated for Purchase

**Interpretation:** Product quality is a preference for 35% population, whereas social welfare activities took the lead by 45%. However, product range was a preference for 15% and price affordability was for 5% only.

**Table 6:** *How Regular Customers Get Information about New Product*

<b>Options</b>	<b>Responses</b>
Social media	55%
Frequent store visits	45%
Direct mail	0%
Email	0%

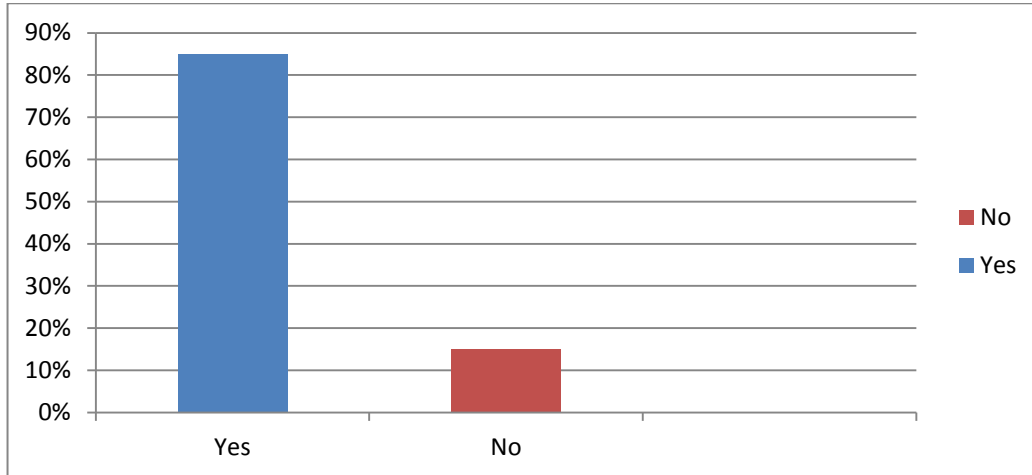


**Graph 6:** *How Regular Customers Get Information about New Product*

**Interpretation:** New products awareness is mostly gained through social media as stated by 55% of the population, whereas 45% of the population frequented the stores and that’s how they got information about the brand’s new products. On the contrary, no one got any information in direct mail or email.

**Table 7:** *Preference given to a Product that is “Environment Friendly” and “Against Animal Testing”*

<b>Options</b>	<b>Responses</b>
Yes	85%
No	15%

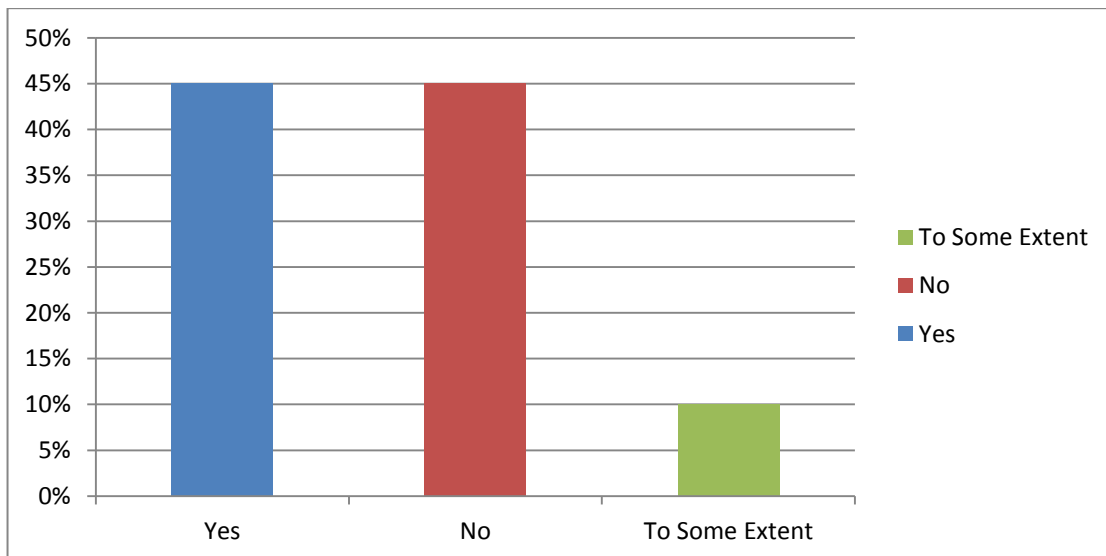


**Graph 7:** Preference given to a Product that is “Environment Friendly” and “Against Animal Testing”

**Interpretation:** “Environment friendly” products or those that are “against animal testing” were preferred primarily by 85%, whereas 15% would not pay extra for either of these factors.

**Table 8:** Awareness about CSR Activities of Other Cosmetic Brands

Options	Responses
Yes	45%
No	45%
To some extent	10%

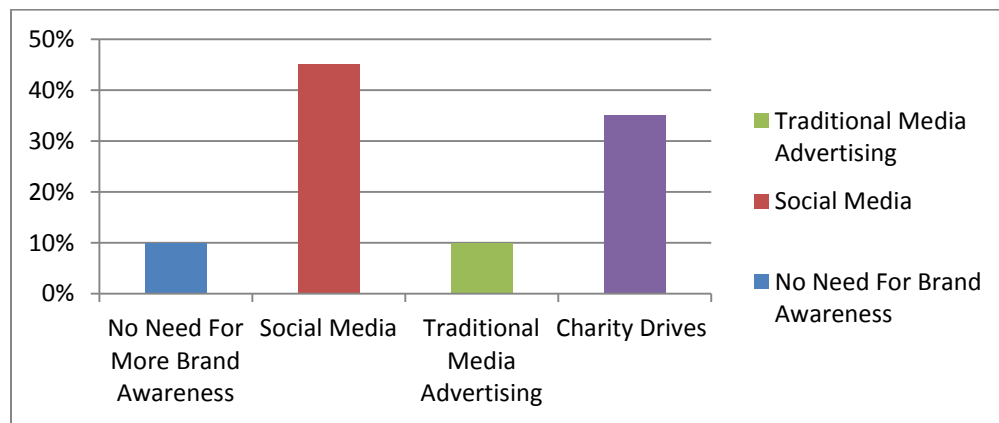


**Graph 8:** Awareness about CSR Activities of other Cosmetic Brands

**Interpretation:** 45% of the population voted in favor that cosmetic brands in Pakistan do indulge in CSR activities, whereas 45% did not agree to the premise of cosmetic brands indulging in CSR. The remaining 10% only agreed to some extent.

**Table 9: Strategies for Awareness for Prospective Customers**

Options	Responses
No need for more brand awareness	10%
Social Media	45%
Traditional media advertising	10%
Charity drives	35%



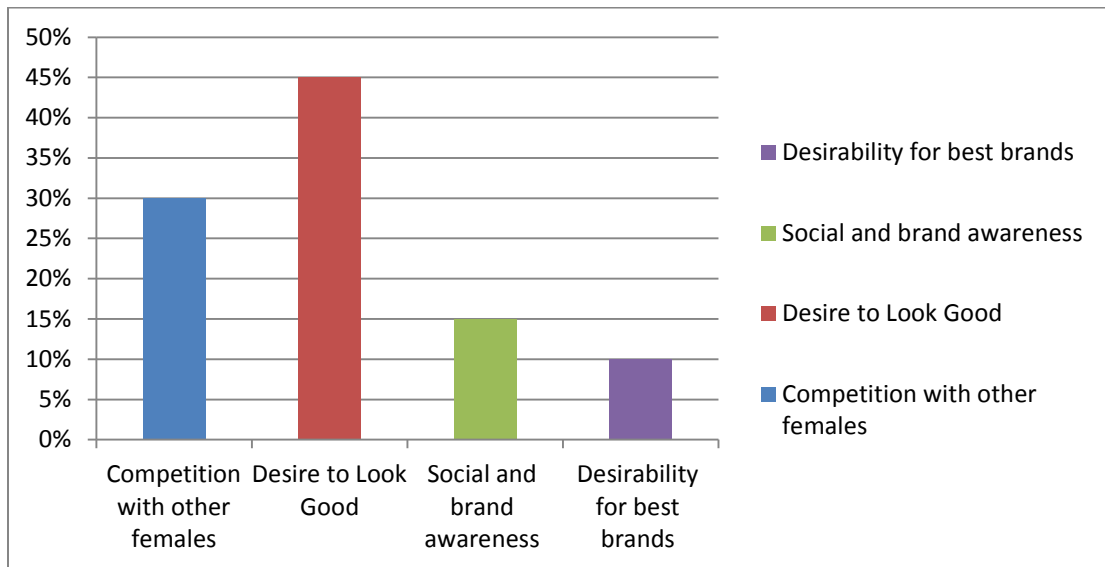
**Graph 9: Strategies for Awareness for Prospective Customers**

**Interpretation:** 45% respondents felt that social media was the most prominent way of reaching prospective customers, 35% voted for charity drives, while 10% opted for traditional media advertising. In addition, a further 10% felt that The Body Shop already had brand awareness and did not feel the need for further activities.

**Table 10: Motivational Factors for Cosmetics Purchased by 21<sup>st</sup> Century Woman**

Options	Responses
Desirability for best brands	10%
Social & brand awareness	15%
Desire to look good	45%

Competition with other females	30%
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**Graph 10:** *Motivational Factors for Cosmetics Purchased by 21<sup>st</sup> Century Woman*

**Interpretation:** Of the given motivational factors, the desire to look good (45%) and competition with other females (30%) resulted in  $\frac{3}{4}$  of the total survey. The remainder was shared by social and brand awareness (15%) and desirability for the best brands (10%).

#### **4. Discussion**

After a look at the results of the survey, it has become evident that The Body Shop is very well known for its Corporate Social Responsibility. Having a very strong international image, The Body Shop has been able to maintain a strong brand loyalty amongst its existing customers. It has also come to light that social media plays a very important role in developing information base for the products, rather than the traditional advertising.

However, consumerism as a rampant phenomenon has lead to women wanting more products in order to look more beautiful and feel good about their own image. The Body Shop has been the pioneer in corporate social responsibility in the cosmetics business and also among the first ones to initiate fair trade as well as organizing environment and social campaigns for the uplift of the society.

## **5. Conclusion**

Based on the literature reviewed and findings of the research, it can be said that corporate social responsibility activities can develop a healthy and positive relationship with the consumers of a brand. It looks at broadly encompassing the welfare of both the society as well as the interest of the organization that indulges in such welfare activities (Sen & Bhattacharya, 2001). Cosmetics industry specifically in Pakistan has taken a turn in their operations as they are now more conscious of the awareness of the consumers. Chu & Lin (2012) in their research between cosmetics consumers of United States and China brought an interesting point to light. Their findings revealed that the Chinese consumers perceived corporate social responsibility as more important and expected more of it than the respondents in the United States of America. Due to the technological advancement and ready availability, today's consumer is now more aware and knows what exactly is required by him/ her. The company's overall image also plays a very important role in consumer preference for a product. Greater brand identity can lead to more consumption by the consumers which can foster a healthy relationship between the consumer and the organization in the long run. More and more CSR initiatives by companies will encourage the consumers to buy their products.

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