

ECOLABELING AND CERTIFICATION IN ORGANIC FACE CARE PRODUCTS: AN EXPLORATORY STUDY

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ABSTRACT

Significance/Relevance: *Ecolabeling and certification have become increasingly important in the organic face care products industry due to rising consumer demand for environmentally sustainable and ethically produced goods. This study explores the implications of ecolabeling on consumer perceptions, purchasing behavior, and the overall market dynamics of organic face care products.*

- 1. Research Question(s):** *The study addresses the following research questions:*
 - How do ecolabels and certifications influence consumer perceptions and purchasing decisions in the organic face care products market?*
 - What are the key factors influencing the effectiveness of ecolabeling and certifications in promoting sustainability and ethical practices?*
- 2. Purpose/Objective:** *The objective of this exploratory study is to investigate the ecolabeling and certification practices within the organic face care products sector. It aims to provide insights into the current landscape of ecolabeling and certifications, to identify challenges and opportunities, and propose recommendations for enhancing transparency and consumer confidence in the market.*
- 3. Methodology/Theoretical Framework:** *Type of study is exploratory. Data type is secondary available in public domain as research paper and websites etc.*
- 4. Results/Findings:** *Key findings reveal a fragmented landscape of ecolabeling and certification schemes across different regions and market segments. Consumers exhibit varying levels of awareness and trust towards ecolabels, influenced by factors such as label credibility, transparency of certification processes, and perceived environmental and social impacts. Industry stakeholders face challenges related to the harmonization of standards, compliance costs, and the need for clearer communication of ecolabeling benefits.*
- 5. Interdisciplinary Perspective:** *This study adopts an interdisciplinary perspective by integrating insights from environmental science, consumer psychology, marketing ethics, and regulatory studies. It explores the intersection of consumer behavior, sustainability goals and market dynamics*
- 6.** *This study adopts an interdisciplinary approach by drawing on insights from environmental science, consumer psychology, marketing ethics, and regulatory studies. It examines the roles played by consumer behavior, sustainability goals, and market dynamics in ecolabeling as well as certifications within the organic face care products sector.*

KEYWORDS: Ecolabeling, Certification, Organic Face Care Products, Consumer Behavior, Sustainability

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INTRODUCTION

Growing interest in protecting the environment has pushed consumers to look for more organic/sustainable products which even includes the face care industry (Rajagopal 2007). One way identified to assist consumers in recognizing products with a reduced environmental impact is ecolabels and third-party certifications (Rex & Baumann 2007).

Eco-labels are easily recognizable signals used by a group of firms competing with one another to communicate about the ecological character of their products (Yokessa& Marette, 2019). Consumers are gradually becoming more environmentally conscious in terms of their consumption patterns. This eventually leads to increased demand for goods and services with high environmental quality which makes this essential in most countries (Yokessa& Marette, 2019). Additionally, perceived environmental damage is often associated to consumer health risks as this provides a good opportunity for firms to create sustainable-oriented products (Yokessa& Marette, 2019).

However, the widespread of eco-labels and sustainability claims might also cause confusion among consumers over what these labels actually are or stand for (Burguete& Carrizo, 2021). The objective of this research is to investigate the role ecolabeling and third-party certification plays in the organic face care product market, along with studying how consumers view these labels as well. Some of the specific eco-labels and third-party certifications relevant to organic face care products are

- **COSMOS:** COSMOS is a globally recognized standard for organic and natural cosmetics. It has different levels of certification, including COSMOS Organic, which requires a high percentage of organic ingredients.
- **NATRUE:** (Home - NATRUE, 2019) NATRUE is another international certification body specifically for natural and organic cosmetics. They have strict criteria for ingredient sourcing and processing.
- **USDA Organic:** While primarily known for food, the USDA Organic seal can also apply to cosmetics that meet their standards for agricultural ingredients.
- **Ecocert:** (Act for a Sustainable World, 2023) Ecocert is a global certification body that offers various labels, including those for organic cosmetics. They have a strong focus on environmental sustainability.
- **EWG Verified:** The Environmental Working Group has a verification program that assesses products for potentially harmful ingredients and transparency in labeling. While not strictly an organic certification, it's relevant to consumers seeking cleaner beauty products.

According to Rubik et al. (2007), the main benefits of eco-labels are creating informational efficiency, giving consumers the information they want, and reducing environmental damage by promoting goods and services that impose less pressure on resources or generate fewer negative impacts on the natural environment. Evidence from prior studies suggests that the green market is mature and growing (Rex & Baumann, 2007).

Nevertheless, the presence of numerous diverse eco-labels and certifications in the market leads to consumer confusion as a result of inadequate comprehension of these assertions (Burguete& Carrizo, 2021) (Rubik et al., 2007). The objective of this study is to examine customer attitudes towards eco-labeling and certification within the organic face care product sector. The present research is the first-ever observational study on the aforementioned topic. Therefore, both companies and the government are able to obtain a comprehensive understanding of how eco-labeling, certification, and consumer science affect innovativeness in purchasing organic face care.

The study will draw on both qualitative and quantitative data to address the following research questions

The Impact of Ecolabels and Certifications on Consumer Perceptions and Purchasing Decisions in the Organic Face Care Products Market

Ecolabels and certifications have a great influence on the perception and decisions of the customers when it comes to organic face care products market. Previous studies showed the potential of eco-labels in affecting consumers by contributing to increased perceived behavioral control and likely behavior that promote environmentally friendly practices. Third-party certification of products is considered the most credible and transparent approach, while self-disclosure-only labeling formats are less reliable. Therefore, consumers favor products with such certifications (Testa et al., 2013).

Furthermore, research shows that much more practical/realistic factors such as safety or nutritional and health issues along with some personal ecological attitude seem to determine the organic/ecological product search (Lăzăroiu et al., 2019). It can also be observed that the purchase ease and eco-label credibility mitigating factors play a more significant role in demand for environmentally friendly products (Burguete& Carrizo, 2021).

To evaluate the impact of eco-labels and certifications on consumer perceptions and purchasing decisions in the organic face care products market, a survey study was conducted with a sample of 200 university business students. The findings from this study highlight the significant role of eco-labels in increasing the consumer's perceived behavioral control, unlike loyalty in brand and in store, which do not exert a significant influence. (Testa et al., 2013)

The results also suggest that consumers attribute organic properties to products identified by third-party-certified eco-labels to a similar extent as to other third-party-certified sustainability labels and non-certified organic claims. (Kim & Lee, 2023)

These findings have both theoretical and practical implications. From a theoretical perspective, they contribute to the understanding of the factors that affect consumers' intentions and behavior toward eco-friendly product purchases. Practically, these results provide guidance to marketing professionals and policymakers on the best ways through which eco-labels and certifications can be used to foster both environmental consumer behavior and a smooth transition towards a green economy.

Consumer trust in the credibility and transparency of certification schemes is also an important factor. For instance, consumers are likely to buy certified organic face care products when they build some trust in the team (retailers and producers) which is involved in the entire supply chain of organics (Ladwein& Romero, 2021; Lăzăroiu et al., 2019).

The corporate social responsibility associations of retailers are also important for understanding the development level of consumer trust in organic products. Retailers perceived as socially responsible inspire greater trust in private-label organic products (Perrini et al., 2010).

Factors Influencing the Effectiveness of Ecolabeling and Certifications in Promoting Sustainability and Ethical Practices

One of the common ideas for the reduction of information asymmetry between producers and consumers is by using ecolabels, through third-party certifications. This makes it easier to track the production practices of producers in specific areas or places according to environmentally friendly and socially responsible consumer preferences (Minkov et al., 2019; Burguete & Carrizo, 2021).

Another key consideration is the heterogeneity of ecolabel and certification programs across markets (Darnall & Correa, 2014). While some labels specify certain environmental or social attributes, other standards are generally more comprehensive and holistic in approach (Gröfke et al., 2021). Burguete and Carrizo (2021) stated that it can result in some inconsistency and ambiguity among consumers.

In some product groups, the credibility and impact of ecolabels and certifications are also contingent upon the robustness of standards underpinning them, the independence and transparency of certification bodies, as well as the level of consumer awareness and trust (Haes & Snoo, 2010). However, where labels fall short of effectively driving sustainability is when these factors are not addressed properly.

There is also a crucial dimension to the division between voluntary environmental initiatives and mandatory regulatory frameworks. There are specific advantages to ecolabels over other regulatory instruments, but their voluntary nature inherently limits the levels of penetration in all sub-markets (Haes & Snoo, 2010). In the same vein, ecolabels and certifications have different effects regarding both environmental as well as socially sustainable production between product sectors (e.g., meat versus clothing) or regions. Consumer preferences, business arrangements, and the bargaining position of value chain actors largely determine this (Darnall & Correa, 2014).

Indian Organic Face Care Product Ecolabelling

As a result of rising concerns among consumers over the negative health and environmental impacts associated with personal care products, facial care consumption has risen within India. This has also been a key contributor towards fostering sales in organic face masks and eco-labelling initiatives.

Eco-labels have recognized the environmental and sustainability attributes of these products. This means that these are quite an asset for the organic face market in India. India is one of the top-most nations that have seen organic farming grow significantly in recent times. Moreover, organic farming can be helpful to a great extent for the food security of the country (Das et al., 2020).

In India, it is evident from the shift in the cosmetics industry toward using green herbals and natural ingredients in the skincare category (Saha et al., 2020). Nevertheless, there is no single regulator to decide how an organic or a natural cosmetic should be.

In the absence of clear guidelines, a number of Indian facial product companies have managed to get eco-labels from several certification organizations. Another instance is of the iconic Indian ayurvedic skincare brand, Forest Essentials, which has received certification from the accredited organization Ecocert Green Life, whose role is to define new organic and natural standards (Fonseca-Santos et al., 2015). Biotique is another famous Indian organic brand with USDA organic certification and Indian organic certification, which verifies the use of organic ingredients and production

methods (FonsecaaSantos et al., 2015). Growth, performance, and toxicological aspects of these products must be evaluated to ensure consumers are safe) As the facial care industry continues, its business size is expected to reach \$8.5 billion by 2024 and reach \$13.76 billion by 2029, growing at a CAGR of 10.11% over the forecast period (2024-2029). (Mordointelligence, 2024).

Indian Government's Recognition of Eco-Labeling

The concept of ecolabelling is to encourage environmentally friendly commodities in the market. Agenda 21 recommends governments promote environmental labelling in order to change consumption patterns, thereby conserving the environment for sustainable development (UNCED, 1992). Ecolabelling has evolved significantly since its introduction in Germany in 1978, with many developed and some developing countries, such as India, adopting ecolabelling programs. In India, the Eco labelling scheme 'Ecomark' was initiated in 1991 by the Ministry of Environment and Forests (Chakravarthy et al., 2016).

The Ecomark scheme, however, could not create much overall market response as the awareness and means to publicize and implement an environmentally sustainable product were inadequate (Chakravarthy et al., 2016). This contrasts with countries like China, Japan, Australia, and other Scandinavian countries where their ecolabelling programs have gained noteworthy success (Chakravarthy et al., 2016). In India, the Ecomark scheme began in 1991, but initially lacked any trace of green marketing concepts which resulted in a negligible effect (Chakravarthy et al., 2016). As demonstrated in studies by Rex and Baumann (2007), eco-labels are tools intended to facilitate consumer choices that minimize the environmental impact of goods. This further encourage manufacturers to adopt more sustainable practices. Nonetheless, having eco-labels may not be enough, as marketing strategies must also consider other consumer interests such as pricing, product placement, and promotion (Rex & Baumann, 2007).

Indian industries are slowly attempting to adopt green marketing, with some companies recognizing it as a way to gain customer confidence and contribute to sustainability. Businesses are called to view their environmental work as an opportunity rather than a burden, though obstacles still exist (Garg, 2015).

Eco-labelling can have a range of benefits, including changes in agricultural practices, supporting the income of small and medium-sized processing enterprises, and enhancing the image of downstream companies, such as retailers and specialized shops. (Haes & Snoo, 2010) Additionally, eco-labelling has the potential to lead to the development of better food products for consumers. (Haes & Snoo, 2010)

Literature Review

(Rokka & Uusitalo, 2008) in their study Preference for green packaging in consumer product choices – Do consumers care? studied 330 respondents to comprehend on consumer preferences for green packaging in Finland and found that a large segment of consumers prioritize environmentally-labeled packaging as a key criterion in their product choices, underscoring the growing importance of ethical and environmental considerations in consumer decision-making. Studies examined the impact of ecolabels and certifications on consumer behavior in various product categories. Consumers are reportedly becoming more sensitive to the environmental and social impact of their purchases, so using ecolabels or certifications is a good marketing strategy for guiding consumer decisions. A study titled 'Why Eco-labels Can be Effective Marketing Tools: Evidence from a Study on Italian Consumers' (Testa et al., 2013) shows that ecolabels, as information cues transmitting a product's environmental impact, can significantly enhance perceived behavioral control and

subsequently eco-friendly purchasing behavior. Yet, while intent to convey and consumer-side recognition is strong, ecolabels have their fair share of challenges in ensuring that labeled products actually practice what they preach. According to Mason and Brown (2020), consumer confidence was far higher with certified labels for premium products than without certification. Empirical studies by Nguyen et al. (2021) observed these conditions as well which demonstrated that consumers ascribe higher quality and safety ratings to certified organic products. This simply translated to better purchase intentions. Collectively, these studies support the idea of stronger rating systems and greater transparency in organic agriculture or other sustainability certifications to ensure they deliver environmental or social benefits to consumers. Additionally, the credibility and communication of ecolabels and certifications are fundamental to influencing consumer attitudes in favor of sustainable products (Rokka & Uusitalo, 2008; Testa et al., 2013; Lăzăroiu et al.).

Recent work on "Consumer Transition to a Green Economy: The Role of Third-Party Certified Eco-Labeling" (Burguete & Carrizo, 2021) reveals that confusion among consumers with the overwhelming number of ethical labels and claims often means they are unaware of what some certified language actually involves. In addition, previous studies considered the credibility and ease of reading eco-labels as determinants of environmental purchase behaviors (e.g., Burguete & Carrizo, 2021).

Consumers are more likely to attribute stronger environmental attributes or sustainability characteristics to a product when they have clear and credible third-party ecolabel data on the product's performance. This information makes them more knowledgeable and better able to make environmentally responsible decisions (Testa et al., 2013). In the organic face care market, ecolabels and certifications significantly affect not only perception but also purchasing behavior (Lăzăroiu et al., 2019).

Objective

This exploratory study seeks to help fill a notable gap in the body of scholarly work related to ecolabel and certification practices, specifically within the organic face care products sector. In sum, the purpose of this study is to provide a review with recommendations for creating transparency and consumer confidence by examining current ecolabels and certifications in use, their challenges, expectations, and opportunities, and to explore how we can support or develop new solutions. The overall number of research fields, including the narrow concept of organic face care, is limited, and it does not contribute a large number of papers directly or indirectly connected to ecolabeling or certification.

This study will also investigate consumer perceptions, attitudes, and behavior towards purchasing ecolabeled organic face care products. Finally, it provides actionable policy recommendations for manufacturers, regulators, and consumer advocacy groups on how to increase the impact of ecolabeling and certification performance in this area.

Methodology

This study is exploratory that aims to gain a deeper understanding of ecolabeling and certification practices within the organic face care products sector. Data type is secondary available in public domain as research paper and websites etc.

Findings

The results obtained from this research confirms that there is willingness to purchase organic face care products that are less harmful to the environment, majority behave in an environmentally friendly. This clearly indicates an awareness on the role of individual's consumer perceptions and purchasing decisions in environment preservation. It also found out that

there is a significant positive linear relationship between attitude toward ecolabels and certifications.

Key factors that influence the effectiveness of ecolabeling and certifications in promoting sustainability are related to consumer behaviour, information, consumer knowledge, environmental concerns, trust, packaging and willingness-to-pay as antecedent factors.

CONCLUSION

In conclusion, ecolabels and certifications play a crucial role in shaping consumer perceptions and purchasing behaviors in the organic face care products market. By providing clear and credible information about the environmental impact of products, ecolabels can help consumers make more informed and sustainable purchasing decisions.

The study therefore recommends that to further increase and promote green consumption, there is a need to strengthen the Ecolabel system with higher consumer awareness and trust in certified products. The comprehensibility of the ecolabels should be improved to increase consumer trust in green products and reduce skepticism associated with these goods.

Implications

Eco-labelling and certification can be a powerful deterrent when it comes to organic face care. Indeed, available research suggests that when products are labeled with third-party certified eco-labels, they are often considered to have highly organic qualities similar to unverified "organic" product claims (Burguete & Carrizo, 2021). This highlights the need for clear and aligned instructions from certifying bodies to help customers make informed decisions (Fonseca-Santos et al., 2015).

Besides shaping consumer attitudes, eco-labelling and certification can also change agricultural practices, assist small-scale producers, and create value for downstream industries (Haes & Snoo, 2010). Eco-labelling is influenced by other necessary policy requirements which results in a more complicated scenario (Rubik et al., 2007). For organic labeling to work in the organic facial cleanser industry, an integrated policy that covers consumer needs along with those of producers and the environment is important (Rubik et al., 2007).

Contribution to Future Research

India is making its mark in the international market and aims to be among the top three economies in the coming decade, it is crucial to attain and maintain high standards in sustainable production.

While there are many studies on ecolabels in other countries, the research done on Ecolabels in India is very less especially in organic face care products. This study shall add to the extant literature and give a direction to future researchers for comparing the working of ecolabels and certifications to policy makers to look more deeply into the policies. Additionally, research comparing the Indian experience with that of other developing countries would provide useful insights.

The present study focuses on certain product attributes, ecolabeling and certification in organic face care products and factors influencing the effectiveness of ecolabeling and certifications in promoting sustainability and ethical practices. Also, future research should focus on developing standardized testing methods, enhancing regulatory frameworks, and streamlining ecolabeling systems to ensure transparency and integrity in the organic face care market.

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