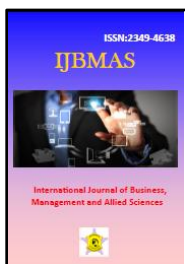# INTERNATIONAL JOURNAL OF BUSINESS, MANAGEMENT AND ALLIED SCIENCES (IJBMAS)

**A Peer Reviewed International Research Journal**

# ORGANIC BUSINESS AND ITS IMPACT ON SUSTAINABLE DEVELOPMENT

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**ABSTRACT**

Organic business is potentially important concept which plays a pivotal role to achieve the global sustainable development. Today the world needs a new series of innovation, which would endeavor to achieve a better environment and good quality of living. The basic objective of the present research is to realize the necessity of innovative organic food products and cosmetic products for today's worldwide market and also to identify the harmful impact of non-organic products. An attempt has been made through this paper to present the above mentioned aspects. Many cosmetic products have in their formulation, natural products that perform a specific biological function, but these products should be evaluated on efficacy and toxicological aspects. The aim of this research paper is to address the aspect of sustainability, natural and organic cosmetics, considering the consumer and the efficacy, toxicological and regulatory aspects. The study reveals that the organic products have more positive impact on the individuals in the society and it also helps to eradicate certain issues pertaining to organic food and cosmetic manufacturing sector. The study also throws a light on the scope for future researchers.

Keywords: Organic business, Sustainability, Environment, Organic cosmetics and Natural cosmetics.

## I. Introduction

India, one of the mega diverse countries in terms of its biodiversity, is under risk today. With only 2.4 percent of the world's land area India accounts for 7-8 per cent of the world's plant and animals spices, ecosystem and genetic resource and links traditional conversion to sustainable future. Today's conservative agriculture system might give short increase in production, but in the majority cases it is not sustainable in long term, nor does it guarantee safe food. Organic/green product has the potential to produce sufficient food of high quality. Green marketing is also deals closely with issue of industrial ecology and environment sustainable such as extended producers of liability, life-cycle analysis, material use, resource flows, and eco efficiency. Generally terms like phosphate free, recyclable, ozone friendly and environmental friendly are some of the concepts that the consumers most often are associate with organic product.

Natural & organic cosmetics have benefited from the sustainability trend. Such products contain natural and organic plant-based ingredients and avoid synthetic chemicals, including parabens, phthalates, sodium lauryl sulphate, etc. The major reasons why consumers buy such

products are health and safety concerns, sustainability have contributed to the success of these products.

The cosmetics industry has seen the market's increasing needs to come up with a more sustainable solution to the cosmetic products, including ethical sourcing, green formulation, and minimizing negative manufacturing footprint on the environment, economy and society in general. Sustainable innovation for cosmetic businesses becomes a must and is motivated by the following four aspects (ethical imperative, regulation trend, technology, and companies' long term growth) organized in the research.

The products those are manufactured through organic technology and that caused no environmental hazards are called organic products. Advertising of organic technology and organic products is necessary for conservation of natural resources and sustainable development. We can define organic products by following measures:

- Products those are originally grown,
- Products those are eco-friendly, reusable and biodegradable,
- Products with natural ingredients,
- Products containing recycled contents, non-toxic chemical,
- Products contents under approved chemical,
- Products that do not harm or pollute the environment,
- Products that will not be tested on animals,
- Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

## II. Objective of the study

➢ To study the significance of organic food and cosmetic product
➢ To identify the golden roles of the organic food and cosmetic product
➢ To analyze the parameters of organic products
➢ To offer suggestion for sustainable development.
➢ To analyze correlation between organic business and sustainable development.

## III. Statement of the problem

Nowadays people's awareness on organic product has increased which shows the importance of green product. It is not only because of awareness; it is also because of the bad impact on health of mankind. Non-natural fertilizers, manures and pesticides create problem even to the level of cancer. Understanding, the impact of non-organic product and started using or adopting organic food and cosmetics products for regular usage. The researcher shows interest on the positive impact on organic food and cosmetic products. Thus, this particular study has been carried out.

## IV. Review of Literature

**Arcury (1990)** discovered that environmental information is reliably and decidedly identified with environmental states of mind, in spite of the fact that the relationship was not particularly solid. With the connection of information and demeanors, the low level of environmental learning has exasperating ramifications for environmental strategy. For the examination reason, expanded information about the earth was expected to change environmental states of mind, and both environmental learning and mentalities were accepted to impact environmental arrangement. As a next to no exploration has concentrated on open environmental learning or the connection amongst information and environmental states of mind, the scientist utilized phone review information from 680 Kentucky inhabitants to address this hole in the writing. In particular, the examination inspected how environmental information and states of mind were identified with socio-statistic factors (sexual orientation, age, instruction, wage and habitation). As in comparative research, the respondents to the review additionally did not score well on the measures of environmental information.

**Gerard and Edmund (1998)** said as consumers' environmental concerns have ascended over the previous decade, numerous organizations have reacted with —green‖ products, procedures and advertising. Shallow and even misleading firm reactions have brought about cases that marketers

have critically fragmented and abused green markets in a pioneering way. Be that as it may, regardless of whether the delay of marketing administrators or general corporate approach is behind such claims has not been examined. Their paper investigated the issue by surveying the individual dispositions, conclusions and conduct of senior marketing administrators over a scope of firms. The outcomes recommend that the lion's share of marketers, in their own lives, do in certainty show attitudinal and consumption designs reliable with environmental concerns. Consequently, when the finger of green-market abuse is pointed, it ought to maybe be toward more extensive corporate goals and not at ambushed marketers. Nonetheless, the admonition is that such claims and states of mind may not generally convert into real practices. So far there is little accord about the character and nature of green consumers, with the exception of that there have been something of a failure to the marketers who have sought after them.

**Ken(2001)** said to understand green consumption and green marketing by review it as just a minor departure from conventional marketing The green consumer has been the focal character in the advancement of green marketing, as businesses endeavor to comprehend and react to outside weights to enhance their environmental execution. Marketing specialists and scholastics are endeavoring to recognize and comprehend green consumers and their needs, and to create market offerings that address these issues. The article proposed some unique methods for taking a gander at green consumption and green marketing, which can possibly keep the chase for the green consumer from breaking down into a wild goose pursue.

 **Gilg,Barr and Ford (2010)** studied green consumption with regards to an expanding center around manageable ways of life. The creators contended that green purchasing must be found with regards to more extensive civil arguments encompassing the improvement of manageable methods for living that fuse other environmental activities in an all encompassing conceptualization of practical ways of life. The outcomes recommended that customary types of green consumption can for sure be identified with different types of environmental activity and that no less than four unique sorts of environmentalist can be distinguished.

The literature examining the conduct of environmentally cognizant consumers has concentrated for the most part on the examination of non-product particular environmental learning and dispositions or environmental information and mentalities in connection to single product lines, contended Bridget and Antonis, who utilized the builds of product-line-particular environmental learning and states of mind, that is information of and demeanors towards the green products and their effect on the earth. Showing the aftereffects of an exploratory examination looking at the connection between product-line-particular environmental learning and states of mind for various green product lines, testing speculations created from the writing, using a poll estimating self-reports of environmental information and demeanors. No immediate relationship was found between product-line-particular environmental information and states of mind, and that consumers don't just trust that a green product was useful for nature without likewise knowing how the product impacts on the earth.

## V. Research Methodology

The first step in the research effort included a literature search and review of related topics. The related topics included organic business and its impact on sustainable development. Articles, theses, and dissertations relating to organic food and cosmetics were reviewed. The second step included survey conducted with consumers. The collected survey data was analyzed and interpreted with results reported in this paper. The report includes conclusions of the research, recommendations for further research. A few reactions depend on five esteem Likert scale to demonstrate attitude of consumer.

## VI. HYPOTHESIS

**SEM**

$H_{01.1}$     Environment friendliness of products has no impact on buying intention

$H_{01.2}$     Food and cosmetics related organic products has no impact on buying intention

$H_{01.3}$    Cost and health aspects have no impact on buying intention

$H_{02.1}$      Buying intention has no impact on awareness level

**ANOVA**

$H_{01:}$ There is no significant difference between age groups with respect to perception about environment friendliness.

$H_{02:}$ There is no significant difference between age groups with respect to perception about awareness level.

$H_{03:}$ There is no significant difference between age groups with respect to perception about food and cosmetics related organic products.
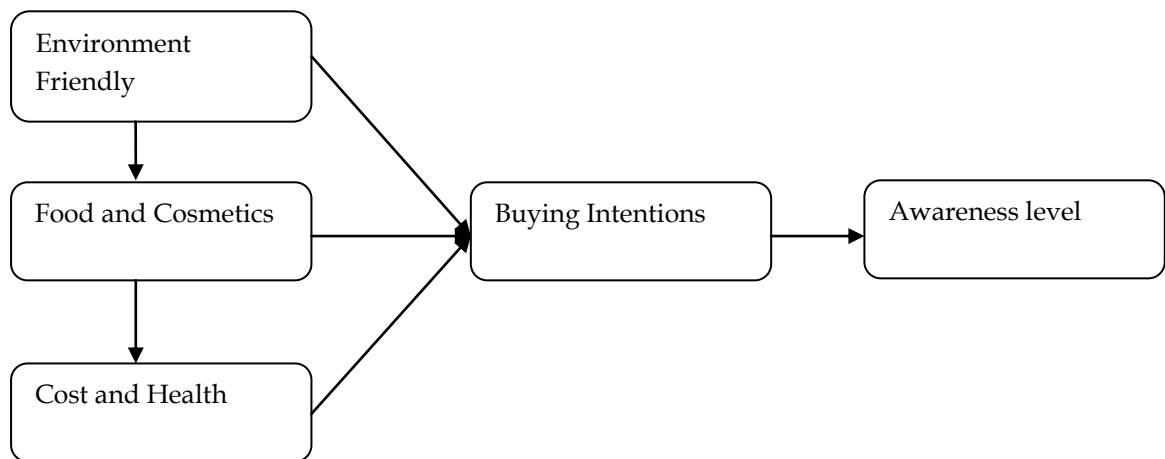
$H_{04:}$ There is no significant difference between age groups with respect to perception about cost and health aspects.

$H_{05:}$ There is no significant difference between age groups with respect to perception about buying intentions.

**CORRELATION**

$H_{06:}$ There is no correlation between Organic business and the Sustainable development

## VII. CONCEPTUAL FRAMEWORK



## VIII. TESTING OF HYPOTHESIS
## VIII. 1 STRUCTURAL EQUATION MODELLING

The observed, endogenous variables were:

     i.      Buying intentions

     ii.     Awareness level

The observed, exogenous variables were:

     i.      Environment friendly

     ii.     Cost and health
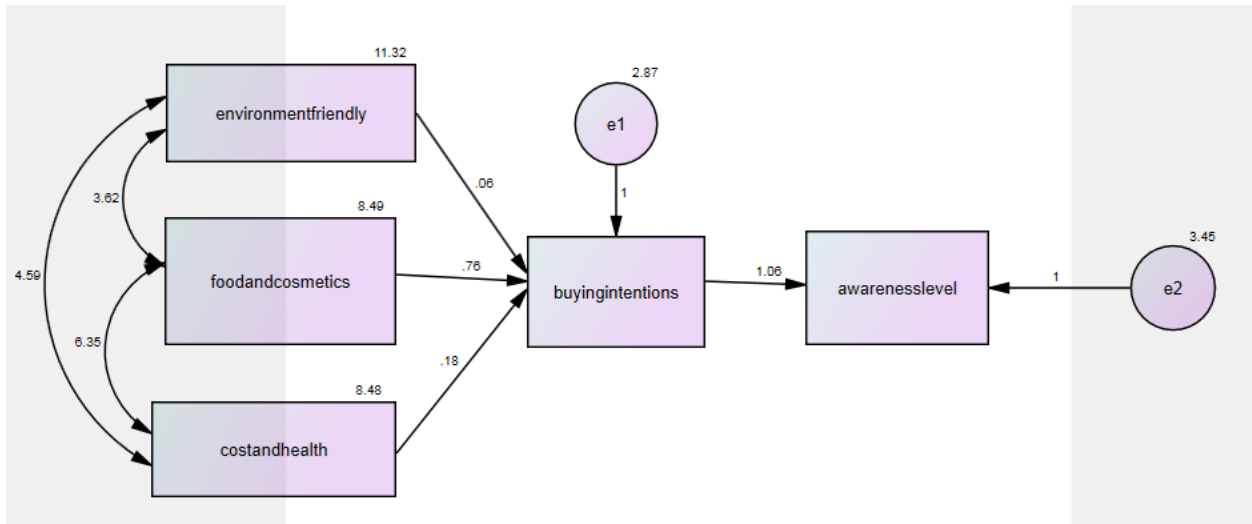
    iii.     Food and cosmetics

The unobserved, exogenous variables were:

     i)     e1 (error term for Buying intentions).

     ii)     e2 (error term for Awareness level).

**Variable counts (Group number 1)**

| | |
|---|---|
| Number of variables in model: | 7 |
| Number of observed variables: | 5 |
| Number of unobserved variables: | 2 |
| Number of exogenous variables: | 5 |
| Number of endogenous variables: | 2 |

**FIGURE 1.1 SEM PATH ANALYSIS**



Source: Primary Data

*Model Fit Indices Summary*: The important fit indices are presented in below Table

**TABLE 1.1: Major Model Fit Indices Summary**

| Parameters | Acceptable values for Good Fit | Research Model values |
|---|---|---|
| GFI | >0.9 | 0.986 |
| AGFI | >0.9 | 0.979 |
| CFI | >0.9 | 0.921 |
| RMSEA | <0.06 | 0.032 |
| RMR | <0.10 | 0.016 |

Source: Primary Data, SPSS AMOS output, Haier et al. (2009); Hooper et al. (2008); Steiger (2007); Hu and Bentler (1999).

The Goodness of Fit index (GFI) value was 0.986, Adjusted Goodness of Fit Index (AGFI) value was 0.979 and Comparative Fit index (CFI) value was 0.921. All these values were (greater than 0.9) indicating a very good fit. It was found that Root Mean Score Error of Approximation (RMSEA) value was 0.032 (lesser than 0.06) and Root Mean Square Residual (RMR) value was 0.016 (lesser than 0.1).

**Discussion**: Good fit exists for research model.

**VIII. 2 ONE-WAY ANOVA (AGE)**

$H_{01}$: There is no significant difference between age groups with respect to perception about environment friendliness.

$H_{02}$: There is no significant difference between age groups with respect to perception about awareness level.

$H_{03}$: There is no significant difference between age groups with respect to perception about food and cosmetics related organic products.

$H_{04}$: There is no significant difference between age groups with respect to perception about cost and health aspects.

$H_{05}$: There is no significant difference between age groups with respect to perception about buying intentions.

**TABLE 1.2**

| Variables | | Sum of Squares | df | Mean Square | F | sig |
|---|---|---|---|---|---|---|
| Environment friendly | Between Groups | 45.925 | 2 | 22.962 | 2.045 | .133 |
| | Within Groups | 1493.105 | 133 | 11.226 | | |
| | Total | 1539.029 | 135 | | | |
| Awareness level | Between Groups | 67.041 | 2 | 33.521 | 2.289 | .105 |
| | Within Groups | 1948.018 | 133 | 14.647 | | |
| | Total | 2015.059 | 135 | | | |
| Food and cosmetics | Between Groups | 37.998 | 2 | 18.999 | 2.263 | .108 |
| | Within Groups | 1116.472 | 133 | 8.395 | | |
| | Total | 1154.471 | 135 | | | |
| Cost and health | Between Groups | 17.483 | 2 | 8.742 | 1.024 | .362 |
| | Within Groups | 1135.458 | 133 | 8.537 | | |
| | Total | 1152.941 | 135 | | | |
| Buying intentions | Between Groups | 61.057 | 2 | 30.528 | 3.062 | .050 |
| | Within Groups | 1326.002 | 133 | 9.970 | | |
| | Total | 1387.059 | 135 | | | |

**Significance level at 0.05%

**Analysis**: It can be seen from table 1.2 that the p value is no significant at 0.05% level for environment friendly, awareness level, food and cosmetics, cost and health and buying intentions therefore, null hypothesis is rejected in such cases.

**Discussion**: There is no significant difference between age groups with respect to perception about environment friendliness. There is no significant difference between age groups with respect to perception about awareness level. There is no significant difference between age groups with respect to perception about food and cosmetics related organic products. There is no significant difference between age groups with respect to perception about cost and health aspects. There is significant difference between age groups with respect to perception about buying intentions.

## VIII. 3 CHI - SQUARE

**TABLE 1.3: Association between the Age and the Income**

| Factor | Value | df | Asymp. Sig. (2-sided) | Statistical Inference |
|---|---|---|---|---|
| Pearson Chi-Square | 16.538[a] | 9 | .056 | $X^2$=16.538 |
| Likelihood Ratio | 17.724 | 9 | .039 | Df = 9 |
| Linear-by-Linear Association | .054 | 1 | .816 | P= .056<0.05 |
| N of Valid Cases | 136 | | | *Significant at 5% level |

***Significant at 5% level**

**Analysis:** Since the P value is equal our chosen Significance at =0.05, we can reject the null hypothesis, and conclude that there is no an association age and the income.

**TABLE – 1.4: Correlation test between Organic business and the Sustainable Development**

$H_{06:}$ There is no correlation between Organic business and the Sustainable development

| Variables | | Organic Business | Sustainable Development |
|---|---|---|---|
| Organic business | Pearson Correlation | 1 | .462** |
| | Sig. (2-tailed) | | .000 |
| | N | 136 | 136 |
| Sustainable development | Pearson Correlation | .462** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 136 | 136 |

The above Table Shows the Result of Pearson's correlation test between the Organic business and the Sustainable development, it is found that there is a significant correlation between the variables. Also, it is evident that there is a high positive correlation (r=.462p<0.01 sig) between Correlation test between Organic business and the Sustainable development.

## IX.     Recommendations

Evidence indicates that successful green products have avoided green marketing myopia by following three important suggestions:

Consumer Value Positioning

- Design environmental products to perform as well as (or better than) alternatives.
- Promote and deliver the consumer desired value of environmental products and target relevant consumer segments.
- Broaden mainstream appeal by bundling consumer desired value into environmental products.
- Calibration of Consumer Knowledge
- Educate consumers with marketing messages that connect environmental Attributes with desired consumer value.
- Frame environmental product attributes as "solutions" for consumer needs. Create engaging and educational internet sites about
- Environmental products desired consumer value.
- Credibility of Product Claim
- Employ environmental product and consumer benefit claims that are specific and meaningful.
- Procure product endorsements or eco-certifications from trustworthy third parties and educate consumers about the meaning behind those endorsements and eco certification.

## X.     Conclusion

Now this is the right time to select "Organic product" globally. It will come with drastic change in the world of business if all nations will make strict roles because organic product is essential to save world from pollution. From the business point of view because a clever marketer is one who not only convinces the consumer, but also involves the consumer in the product. Organic product should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green product becomes the norm rather than an exception or just a fad. The green product and its important started creating an awareness and helps for the sustainable development, which is the required for the future generation.

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