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Title: Environmental and Social Sustainability as Drivers of Financial Growth: A Case Study of The Body Shop in Comparison with the UK and India (2019–2024)

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Dissertation Proposal

Title

Environmental and Social Sustainability as Drivers of Financial Growth: A Case Study of The Body Shop in Comparison with the UK and India (2019–2024)

1. Introduction / Background / Research Problem

For companies that want to be competitive and grow financially in the long term, environmental and social sustainability have become strategic priorities. Rising consumer awareness around issues such as climate change, ethical sourcing, fair trade practices and corporate social responsibility (CSR) has changed buying behaviour across global markets. As a result, companies are increasingly integrating sustainability into their corporate strategies to enhance brand reputation, customer loyalty, operational efficiency and profitability.

One of the first companies to embrace ethical and sustainable retailing is seen as The Body Shop. Founded in 1976 by Anita Roddick in the United Kingdom, The Body Shop has established its reputation on cruelty-free products, community trade initiatives, fair sourcing practices, and environmental activism (The Body Shop, 2022). The company's business model based on sustainability has historically set it apart from competitors in the cosmetics and personal care industry. However, despite its strong ethical stance, The Body Shop has faced significant financial difficulties in the period 2019-2024, resulting in administration proceedings in the UK in 2024. Despite ongoing sustainability efforts, the financial performance was affected by market competition, changing consumer preferences, rising expenses, and operational challenges.

The Body Shop has two strategically important markets in the United Kingdom and India. The UK is the company's home market and is one of the world's most mature sustainability-conscious consumer environments. India on the other hand is a fast growing emerging economy where consumer demand for ethical and environmentally friendly products has grown significantly over the last decade. The Body Shop's collaboration with Indian suppliers and entities like Plastics for Change demonstrates

the company's commitment to embedding social sustainability within its supply chain.

This study attempts to investigate whether environmental and social sustainability initiatives lead to financial growth and competitive advantage. The research analyzes the development of The Body Shop over the last five years using the Butler Product Life Cycle framework. The standard model used to describe destination life cycles is the Butler model, but it can be adapted to assess the growth, maturity, stagnation, and potential rejuvenation stages of organizations. This research will examine the question of whether sustainability drives financial performance or whether external market forces limit its effectiveness through comparative analysis of UK and Indian operations.

The research fills an important gap in the sustainability and business performance literature by investigating the effect of sustainability initiatives on financial outcomes in developed and emerging markets. The findings may provide useful information for managers, policy makers and researchers who are interested in understanding the relationship between sustainability and business growth.

2. Research Aim, Objectives and Questions

2.1 Research Aim

To study the impact of environmental and social sustainability initiatives on the financial performance of The Body Shop in the United Kingdom and India from 2019 to 2024 based on the Butler Product Life Cycle Research Objectives

- 1. To evaluate the environmental and social sustainability initiatives implemented by The Body Shop during the last five years.**
- 2. To analyse the financial performance of The Body Shop from 2019–2024.**
- 3. To compare sustainability-driven business performance in the UK and Indian markets.**
- 4. To apply the Butler Product Life Cycle framework to assess The Body Shop's growth and market positioning.**

2.2 Research Questions

- 1. What environmental and social sustainability initiatives has The Body Shop implemented between 2019 and 2024?**
- 2. What differences exist between the UK and Indian markets regarding sustainability-driven financial outcomes?**
- 3. How can the Butler Product Life Cycle framework explain The Body Shop's market evolution?**
- 4. To what extent does sustainability act as a driver of financial growth?**

2.3 Research Objective :

- To examine environmental sustainability practices implemented by The Body Shop and their relationship with financial performance.

- To investigate how social sustainability initiatives influence customer perception, brand loyalty, and financial growth.
- To analyse whether sustainability initiatives contribute to long-term competitive advantage and business growth.

- **Vision :**

To help understand how sustainable business practices create economic value, and support environmental protection and social responsibility in both developed and emerging markets.

Or briefer:

To show that sustainability can be a strategic driver for long-term financial growth, and not just a corporate responsibility activity.

3. Literature Review

- **Introduction :**

The literature review explores the relationship between sustainability and corporate performance, focusing on environmental and social sustainability practices in the cosmetics industry. Sustainability has become a critical business strategy as organisations are facing increasing pressure from consumers, investors, governments and other stakeholders to operate their business responsibly. The concept goes beyond environmental protection to include social and economic considerations that result in long-term business success.

The review discusses important theories and academic views on sustainability such as the Triple Bottom Line framework and Stakeholder Theory, and examines the impact of sustainability initiatives on organisational performance and consumer behaviour. Special consideration is given to The Body Shop, a company widely recognized for its commitment to ethical and sustainable business practices. This review provides a theoretical foundation for understanding the impact of sustainability on corporate performance and the challenges faced by organisations in reconciling ethical commitments with financial objectives through a review of the literature.

3.1 Sustainability and Corporate Performance

The concept of sustainability is derived from the broader framework of sustainable development, proposed by the World Commission on Environment and Development (1987). Elkington (1997) developed the Triple Bottom Line framework, highlighting the environmental, social and economic performance as the three interdependent dimensions of business success.

Research shows that sustainability can bring financial benefits through improved reputation, customer loyalty, operational efficiency and risk reduction (Porter & Kramer, 2011). ESG-oriented companies tend to attract socially-aware consumers and investors, resulting in better market valuation and competitive advantage.

3.2 Environmental Sustainability

Environmental sustainability involves reducing ecological impact through resource efficiency, waste reduction, carbon management, sustainable sourcing, and circular economy practices. The Body Shop has historically positioned itself as an environmental leader through:

- * Cruelty-free products
- * Recyclable packaging
- * Community Trade sourcing
- * Recycled plastic initiatives
- * Carbon reduction commitments

The company's partnership with Plastics for Change in India demonstrates its commitment to responsible plastic sourcing and social inclusion.

Research by Hart (1995) suggests that environmental responsibility can become a strategic capability generating long-term competitive advantage.

3.3 Social Sustainability

Social sustainability deals with employee welfare, community development, ethical sourcing, diversity and human rights. The Body Shop's Community Fair Trade programme has been a cornerstone of its social sustainability strategy for decades. The company has cultivated relationships with suppliers in developing countries, advocating for fair wages and ethical business practices.

Freeman's Stakeholder Theory (1984) argues that companies create sustainable value by balancing the interests of several stakeholder groups rather than focusing exclusively on shareholders.

3.4 Sustainability and Consumer Behaviour

Consumer demand for sustainable products is rising fast in both developed and emerging markets. Studies show that consumers are willing to pay a premium for products that are environmentally responsible. Sustainability has become a major differentiator in the beauty and cosmetics industry.

But new evidence may suggest that sustainability alone may not guarantee financial success. The financial troubles of The Body Shop highlight the difficulty of balancing ethical commitments with commercial competitiveness.

4. The Body Shop and Financial Performance

The Body Shop has carried on its legacy of sustainability and is still recognized as an ethical beauty brand and B-Corp certified organization.

However, the company suffered falling revenues, fierce competition, changes in ownership and administration proceedings in 2024. Analysts say part of the problem is shifting market conditions and increased competition from rivals focused on sustainability.

This contradiction raises a key question. If sustainability creates value, why did a pioneer of sustainability fail financially?

- **The Body Shop (2019-2024) Butler Product Lifecycle Position**
- **The Body Shop in the Butler Product Life Cycle Model**

Indicative PLC position showing continued maturity supported by initiatives in environmental and social sustainability from 2019 to 2024

The Butler Product Life Cycle Model

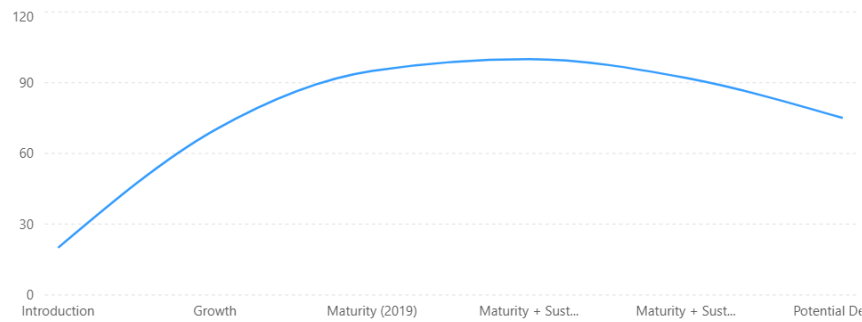


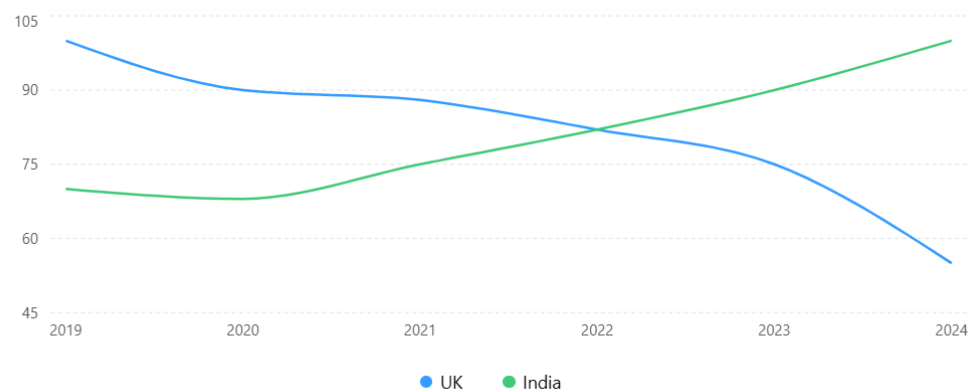
Figure Interpretation

• Introduction (1976–1980s) Introduction of ethical beauty concept. **• Expansion (1980s–2010):** Expansion worldwide, growing brand awareness. **• Maturity (2019):** Global brand with steady revenue and market presence. **• Sustainability Renewal (2020–2024):** Environmental and social sustainability (recycling programs, cruelty-free sourcing, community trade, and ethical campaigns) extended the maturity stage and delayed decline. **• Potential Decline:** If innovation and sustainability efforts are not sustained, risks of decline exist due to increased competition, shifting consumer preferences and financial pressures.

4.1The Butler Product Life Cycle Model identifies trends comparison UK vs India (2019–2024):

The Body Shop Trend Comparison: UK vs India (2019–2024)

Illustrative business performance trend based on reported market developments and PLC positioning.



Butler Product Life Cycle Interpretation

Year	UK Position	India Position
2019	Late Maturity	Growth
2020	Maturity	Growth
2021	Maturity	Growth
2022	Maturity approaching Decline	Growth
2023	Early Decline	Late Growth / Early Maturity
2024	Decline (administration and store closures)	Maturity with continued expansion

UK

The UK business was in the early stages of moving from maturity to decline.

Over the years, sales and store count dwindled, and the competition in the ethical beauty space increased. The company went into administration in 2024 and announced major store closures and restructuring.

This demonstrates that sustainability was not enough to guarantee financial growth in a mature and highly competitive market.

India

India was in the growth stage in most part of 2019-2024.

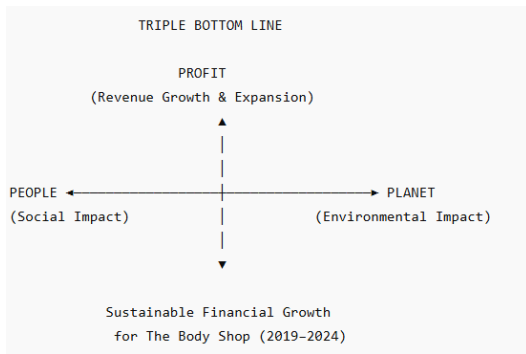
The franchise business continued to grow and was reported as unaffected by the UK administration process. India was a strategic growth market and management planned to grow further.

Sustainability positioning and growing demand for premium beauty products supported continued growth.

4.2 Triple Bottom Line :

Triple Bottom Line Framework for The Body Shop (UK and India, 2019–2024)

Triple Bottom Line Dimension	The Body Shop Sustainability Activities	Impact on Financial Growth
People (Social Sustainability)	Community Fair Trade programmes, ethical sourcing, employee welfare, diversity and inclusion initiatives, support for local communities.	Improved brand reputation, customer loyalty, employee engagement, and market expansion, particularly in India.
Planet (Environmental Sustainability)	Cruelty-free products, recyclable packaging, waste reduction, sustainable sourcing, carbon footprint reduction initiatives.	Enhanced brand differentiation, attracted environmentally conscious consumers, and strengthened long-term competitiveness.
Profit (Economic Sustainability)	Increased sales through ethical branding, customer retention, expansion into emerging markets, and sustainability-driven innovation.	Contributed to revenue growth in India and maintained brand value in the UK despite increasing competition.



4.3 Gap in Literature

There are many studies on sustainability and financial performance but there are limited studies comparing sustainability outcomes between developed and emerging markets under the same organization. Moreover, few studies employ the Butler Product Life Cycle framework to sustainability-driven business performance. The present study attempts to fill these gaps.

5. Research Methodology

5.1 Research Philosophy

A positivist research philosophy will be adopted for the study as it aims to evaluate quantifiable relationships between sustainability initiatives and financial performance.

5.2 Research Approach

A deductive approach will be applied. Empirical data from The Body Shop will be used to test existing theories of sustainability, stakeholder management and business performance.

5.3 Research Design

The research design will follow a case study. The Body Shop is an appropriate case as sustainability is a core element of their business model.

5.4 Research Strategy

The research will use a mixed method approach to secondary data.

5.5 Quantitative Data

Financial data will include:

- * Revenue trends
- * Profitability indicators
- * Market share trends
- * Sustainability investments

Sources:

- * Annual reports

- * Sustainability reports
- * Industry reports
- * Statista
- * Company publications

5.6 Qualitative Data

Qualitative data will include:

- * Sustainability reports
- * Academic journals
- * Industry publications
- * Media reports
- * Corporate documents

5.7 Data Collection

Secondary data covering 2019–2024 will be collected from:

- * The Body Shop sustainability reports
- * Annual financial statements
- * UK retail industry reports
- * Indian cosmetics market reports
- * Academic databases (Scopus, Google Scholar, Emerald, ScienceDirect)

Data Analysis

Financial Trend Analysis

Revenue and profitability data will be analysed across the five-year period.

Thematic Analysis:

- * Environmental sustainability
- * Social sustainability
- * Financial performance
- * Market competitiveness

6 Butler Product Life Cycle Analysis

The Body Shop's market development will be mapped against Butler's stages to identify whether the business is experiencing stagnation, decline, or rejuvenation.

6.2 Reliability & validity

It will be based on credible secondary sources and the triangulation of multiple data sets will improve reliability.

Findings will be compared with academic literature, corporate reports and industry analyses for increased validity.

6.3 Ethical Considerations.

This study utilizes only publicly available secondary data and therefore does not involve human subjects.

Ethical principles include:

- * Accurate citation of sources.
- * Avoidance of plagiarism.
- * Transparency in data interpretation.
- * Objective presentation of findings.
- * Compliance with university research ethics guidelines.

- **No personal or confidential information will be collected.**

6.4 Risks and Limitations

Some limitations of this research should be noted. The first limitation is the use of secondary data. This means that the results depend on the accuracy and completeness of published data. Some of the India-specific financial data may be limited in the reporting practices.

Second, measuring sustainability performance can often be challenging, as environmental and social impacts are often qualitative and long-term.

Third, external factors like inflation, economic uncertainty, post-pandemic recovery, ownership changes and increased market competition may impact financial performance regardless of sustainability initiatives. The Body Shop's 2024 administration process makes the direct financial impact of sustainability even harder to measure.

Finally, the Butler Product Life Cycle framework may not capture all dimensions of organisational performance. Nevertheless, it is still useful for analysing long-term market evolution.

• Recommendation :

Sustainability remains an important strategic asset for The Body Shop in summary, but the findings suggest that sustainability is not enough alone to drive financial success. Growth over the long term will require a combination of environmental and social responsibility, innovation and effective market positioning, operational efficiency and sound financial management. The Body Shop can improve its sustainability performance and financial competitiveness in developed and emerging markets by aligning ethical commitments with commercial objectives.

7. Week Dissertation Timeline (Gantt Chart)

Dissertation Proposal and Research Schedule

ACTIVITY	WEEK															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
 1. Topic refinement & supervisor consultation	✓	✓														
 2. Proposal development & approval	✓	✓	✓													
 3. Preliminary literature review		✓	✓	✓	✓											
 4. Research design & methodology			✓	✓	✓											
 5. Ethics application/approval				✓	✓											
 6. Data collection (The Body Shop, UK & India data 2019–2024)					✓	✓	✓	✓								
 7. Data analysis using Butler PLC framework							✓	✓	✓	✓						
 8. Findings & discussion writing									✓	✓	✓	✓				
 9. Conclusion & recommendations											✓	✓				
 10. Editing, proofreading & supervisor feedback												✓	✓	✓		
 11. Final revisions & submission															✓	✓

Timeline Description

The dissertation will be completed in sixteen weeks. The first five weeks will be used for topic approval and proposal writing. A comprehensive literature review will be performed on sustainability, financial performance and the Butler Product Life Cycle model from Week 2 through Week 7. Weeks 4–8 will be used to collect The Body Shop's UK and Indian secondary financial and sustainability data for 2019–2024. Data analysis will be completed during Weeks 6–9 (trend analysis and Butler Product Life Cycle framework). Between weeks 9 and 12, findings and discussion will be worked out by comparing sustainability initiatives and financial outcomes in both markets. Drafting of conclusions and recommendations will be done in Weeks 11–13. The last phase (Weeks 13–16) will be editing, proofreading, formatting, receiving supervisor feedback and the final submission of the dissertation.

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