

GREEN WASHING : A CONSUMER'S PERSPECTIVE

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Introduction

The term green washing simply implies going beyond a capacity or limit to make false claims about a product, service, or an organization, a corporate or an institution that tends to have a moral responsibility towards our environment claiming that their offering is not harmful or detrimental to the environment we live in. But the actual scenario has entirely a different Perspective which means it is totally opposite in approach. A consumer fails to differentiate between the corporate that makes a difference in comparison to those who are using the word just to boost their sales and increase their Market Value. Majorly all companies vouch for environment safety but their core business processes are inherently polluting the environment and are unsustainable.

The term GREEN WASHING coined by environmentalist Jay Westerweld is similar to white washing that refers to efforts made by corporate to portray themselves as environmentally committed in order to mask the harm done to the environment. The term emerged around 1990 but goes back to mid-1960's when some corporations took to improve upon their public image and market value under the garb by referring themselves to be eco-friendly, morally and ethically committed to this issue. As the pretence and practice of green-washing expanded, its meaning took a wider and a broader perspective. It includes in itself an array of activities like environmental reporting event, sponsorships, formation of front groups, distribution of educative material etc. Companies locally or internationally all over the world are witnessing the advantages of promoting and encouraging green-washing in their advertisements. The paper is an attempt to generate awareness and analyze the factors that confirm to green washing activities or practices.

Spotting Green Washing Activities

A greener sign just doesn't always mean a green, eco-friendly business. Green-washing is all around us. It is growing unchecked too fast and too rapid. The prime reason being the cut throat competition, lack of transparency, largely unregulated advertising and social media to name a few. A vague random search for "greener products" would lead to thousands of familiarly related products that leaves the consumer ambiguous and in doubt with respect to its credibility. The time and effort both have become insignificant in order to gain a green company tag. Everyone is running the sooner the better" race as to a great extent this paradigm enlarges the customer base. Companies to remain in lead follow a policy of 'ad bluster' by using a strong public relation or through targeted advertising to shout out their

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specific go green achievements and accomplishments to shun away their original problems that their production processes are causing to the environment. Some companies do brag about their corporate green achievements while being ignorant to environmental laws.

Going green is the need of the hour. Going green is good but not green-washing as three communities are at stake- 1. Environment 2. Businesses 3. Consumers

Green Washing Activities In Different Industries

HOTEL INDUSTRY—One of the prime services sector is motivating and encouraging their guests to support green practices by placing placards in rooms which tells them to sleep on the same sheets and use same towels for continuous days, also known as Linen reuse programme except in case of emergency. Guests on the other hand are glad about the efforts made by the hotel and its management and readily agree to be a part of this green initiative so as to have better living life. Instead, later it was noticed that hoteliers were less interested in reducing their carbon emission impact on their environment but more prima focus was the motivation to reduce cost. Consumers realize green washing when it comes to practicing behavioral adaptations like little or no effort to recycle waste, purchasing non toxic carpeting and bedding, recycling bins, management etc. The hotels fail as they have to invest heavily and massively in these assets. Thus they loose their customer base and loyalty in lieu of providing comfort and leisure in an unguided way.

FMCG-PCP – Indian cosmetic industry is estimated to reach \$2.60 billion by the year 2020 thanks to Green cosmetic products that are appearing in large numbers on the market shelves alluring majorly the female clientele all over the world to buy it as an opportunity to end the color war. The marketing and advertising has raged a war between different product brands. According to Marketing Research Reports released by Mentel ,the beauty products labeled as ‘natural’ and ‘organic’ has risen by 23% since 2007 and is expected to cross .It would have been a good prerogative if they were truly lacking potentially harmful toxins which is unfortunately not so. Usually the percentage of harmful chemical ingredients to be considered naturally safe are in the ratio of 7:3 and 9:1 respectively. The companies usually boast of using safe ingredients but it is the synthetic ingredients that rule the roost in a way responsible for both skin and health problems. Pure herbal and ayurvedic cosmetics are no exception. To name a few – Sodium laureth sulphate, deazolidenyl fragrances are harmful synthetic chemicals forming a key ingredient base in soaps, shampoos etc.

FOOD INDUSTRY – Attractively packed consumable items in a grocery or a department store makes you reach out for it immediately with a thought of giving it a try and the word ‘green’ or ‘organic’ or ‘natural’ seems like an icing on the cake making us forget the cost associated with it. As a consumer we fail to realize that green washing is using certain elements in the information to give us the impression of environmental friendly healthy food which may be neither. For eg chips when packed are given earthy tones and colourful livid packaging but what about the salt and oil content as shown by the labels if same, then there goes the healthy start perspective down the drain. According to Access to Nutrition Index India spotlight 2016, a first survey of its kind highlighted that no more than 12%beverage and 16% food sold by 9 leading Indian food and beverage companies are of “high nutrition quality”. Mother Dairy was ranked healthiest of nine companies assessed that 77%sales came from drinking milk products. Hindustan Lever and Britannia were ranked second and third respectively.

The Seven Sins Of Green-Washing

In 2009, Terrachoice a Canadian company with its research team concluded that legitimate eco-labelling is nearly twice as common as it was two years ago, increasing from 13.7% to 24.3% on all 'green' products. In the middle of this chaos they conscientiously categorized the Seven sins of green-washing as :

1. The **Sin of the Hidden Trade-Off** happens when one environmental issue is emphasized at the expense of potentially more serious concerns. In other words, when marketing hides a trade-off between environmental issues. Paper, for example, is not necessarily environmentally preferable just because it comes from a sustainably-harvested forest.
2. The **Sin of No Proof** happens when environmental assertions are not backed up by evidence or third-party certification. One common example is facial tissue products that claim various percentages of post-consumer recycled content without providing any supporting details.
3. The **Sin of Vagueness** occurs when a marketing claim is so lacking in specifics it becomes meaningless. "All-natural" is an example of this Sin. Arsenic, uranium, mercury, and formaldehyde are all naturally occurring, and poisonous. "All natural" isn't necessarily "green."
4. The **Sin of Worshiping False Labels** is when marketers create a false suggestion or certification-like image to mislead consumers into thinking that a product has been through a legitimate green certification process. Example of this sin is a brand of aluminum foil with certification-like images that show the name of the company's own in-house environmental program for which there is no explanation. This sin has been added to Terra Choice's list since its previous report in 2007.
5. The **Sin of Irrelevance** arises when an environmental issue unrelated to the product is emphasized. One example is the claim that a product is "CFC-free," since CFC's (chlorofluorocarbon) is banned by law.
6. The **Sin of Lesser of Two Evils** occurs when an environmental claim makes consumers feel 'green' about a product category that in itself is lacking in environmental benefits. Organic cigarettes are an example of this phenomenon.
7. The **Sin of Fibbing** is when environmental claims are outright false. One common example is products falsely claiming to be Energy Star certified.

The demand for green products is on high. The consumers are in a quest for making a choice between green and non-green products. They are getting environment friendly and conscious about the concerns and issues related to it. The marketers and manufacturers responsibility has increased much fold as the onus lies on them to provide consumers with good substitutes or choices with respect to products. But study also shows that some marketers exploit consumers demand for third party certification by creating dubious labels or by giving false suggestions on their behalf. Hence green-washing is still a big challenge both nationally and internationally.

Review Of Literature

Magali A. Delmas and Vanessa Cuerel Burbano in their research report titled "The Drivers of Green Washing" California Management Review 2011 claim that concept of

green washing has made its presence felt in recent years; firms have been combining and highlighting their meager green effort with effective communication but actually the effects are more detrimental than false. Green washing is misleading and fake resulting in negative effects on consumer and loss in investor's confidence in green product, socially responsible firms, making stakeholders reluctant to reward companies for environmentally friendly performance. The corporates come in competition with each other by getting affected leading to environmentally detrimental behavior, causing negative externalities and loss of Image.

Richard Dahl in research paper titled "Green Washing: Do You Know What You're Buying? In Environmental Health Perspectives: Green Washing: Do You Know What You're Buying? 2011 Page 1 of 11 is of the view that both consumer and corporate are "somewhat hopeful" that all concerned are taking a step towards a universal approach to resolve the challenges posed by green washing. "The danger of green washing is if consumers get so doubtful and skeptical about the green claims, then corporates would lose an incredibly powerful tool for generating environmental improvements. So they cannot risk to lose consumers, their potential buyers."

Wahida Shahan Tinne in her research article titled "Green Washing: An Alarming Issue" ASA University Review suggested that guidelines should be mandatory for green marketing claims. The overuse of eco- friendly image on the product which has no responsibility towards environment and society should be prohibited. They should present the benefit in a way that makes clear whether the positive aspect refers to the product, its packaging, or a service to a portion or whole of the product. It would lead to less of confusion in the mind of consumer and he would be able to make a conscious decision about buying the product. There should be guidelines as well as some audit mechanism so as to ensure authenticity of product. Advertisement standards and code of conduct should be strictly adhered to otherwise corporate must be ready to pay the penalty.

Zimmer, M., Stafford, T., and Stafford, M. (1994) give their perspective on 'Greenwashing' as spreading of fake and false inappropriate information by the companies to present an environmentally responsible public image. The major drawback is that the companies in the long run lose their reliability, credibility and competitiveness.

Shrum, L J; McCarty, John A; Lowrey, Tina M (1995) According to their view consumers who are interested to buy green products depends on their propensity to buy based on relationship between Income and nature of green buying behaviour. Green consumers give prominence to details that they get through advertisement or print media. They highlighted the importance of communication channels that create impact on the minds of viewers.

Schuhwerk, Melody E; Lefkoff-Hagius, Roxanne (1995) opine that If people are concerned with the impact on environment than irrespective of green appeal or financial appeal used in advertisement they will consciously buy green products. So it becomes a duty of a Marketer that he should focus on consumers who give weightage to environmental issues.

Martin, Bridget; Simintiras, Antonis C (1995) did analysis on consumer attitude towards the impact of green product lines on environment with knowledge of impact of green product lines on environment. They concluded that there is no relationship between the two and moreover attitude is not higher than knowledge on impact of green product lines on environment. Presently because of awareness of consumer through various channels of communication, knowledge on environment protection has increased significantly.

William E .Kilbome (1998) views the development of Green marketing is a pre-requisite for the effective assimilation of human needs and nature. As the term greenwash is not much known that is the reason Green marketing and its potential are not yet fully explored. There is lots of recent work done and developments being made in areas of green marketing reflecting failure of the DSP (Domestic Social Paradigm)and research has begun to incorporate more diverse perspectives. Conflict of interest, power, economic growth and greening of technology are issues in day to day progress towards sustainability.

Durmaz Yakup and Zenginsevil(2011) highlights the pros of effective green marketing with respect to sustained long-term growth, increased market share, profitability helping in exploring new markets, enjoying competitive advantage, making employees responsibly working for ethical, social and sustainable environment, making a significant difference.

Sourabh Bhattacharya (2011) Willingness to pay for green products, perceived quality, suspicion regarding the real greenness and intention to seek information are the four basis perspective on consumer's mind while giving a nod to green products. The quality also makes the customer doubtful on purchase as the awareness is low. So the suggestion is to carry out heavy promotional campaigns to generate trust.

Rohit H Trivedi, Jayesh D Patel and Jignasa R savalia(2011) reviewed Green segmentation as the basis for green research by segregating consumers into three broad categories- Energy Economist: environment conscious consumers ready to spend more for green products. Energy Conservist: Some consumers display the behaviour wherein they take care towards energy conservation Environmental Activist: Consumer's proactive actions to protect the environment. Green marketers can use this consumer profile for market segmentation that will help them to take decisions related to product positioning for green products.

Ram Nidumolu, C.K. Prahalad and M.R.Rangaswami(2009) clearly expressed that if a corporate follow all guidelines, norms and work to attain sustainability with mutual consent of suppliers leads to increased business opportunity through development of sustainable products and services, business models and creating new vistas n paradigms for future.

Horne (2009) in his paper associated climate changes that have sparked an interest among green and non-traditionally green consumers to seek and demand sustainable products. The major challenge is to find out consumers ideology surrounding green marketing that makes him demand the green product.

Joel makeover (2009) did a Consumer survey on preference of green products in US. The study revealed a major preference for home cleaning products with a share of 75.3%, food and beverages preference 65%, personal care products preference is 55%, appliances preference is 46% and home improvement product 45%. The survey helped to decide where the company can make more profits by increasing sustainability and be more competitive.

Objectives

- To understand the concept of green-washing.
- To study the awareness of concept green-washing.
- To give recommendations on spotting green washing in various activities.

Research Methodology

Sample

The study has been conducted on the consumers of tricity i.e. Chandigarh, Panchkula and Mohali. A sample of 150 consumers were taken i.e. 50 from Chandigarh, 50 from Panchkula and 50 from Mohali.

Data Collection

The data was collected from the consumers of tricity with the help of questionnaire. Systematic Random sampling technique was used to collect the data from the consumers. The questionnaire helped in finding the awareness of the consumers in different industry. 50 consumers from each city were selected randomly.

Findings And Analysis

The data collected was analysed with the help of SPSS software. The questionnaire consisted of 10 questions to study the awareness of the concept and its impact on the consumers.

It was found that 95 of the total 150 consumers have heard the term green washing and 55 have not heard this term. Thus majority of the consumers i.e. 63.3% have heard this concept.

Awareness

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Valid Yes | 95 | 63.3 | 63.3 | 63.3 |
| No | 55 | 36.7 | 36.7 | 100.0 |
| Total | 150 | 100.0 | 100.0 | |

ii) Further the consumers were asked the factors they consider while purchasing the product or service. The consumers were asked to choose from Value for money, Colour/ style, Sustainability, Discount offers and attractive advertisements. Out of 150 consumers, 43 ranked value for money as the major factor while considering purchase decision.

It was analysed that Attractive Advertisement and the colour/style of the product were equally important.

Purchase considerations

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------------|-----------|---------|---------------|--------------------|
| Value for money | 43 | 28.7 | 28.7 | 28.7 |
| colour/style | 37 | 24.7 | 24.7 | 53.3 |
| Sustainability | 13 | 8.7 | 8.7 | 62.0 |
| discounts/offers | 17 | 11.3 | 11.3 | 73.3 |
| Attractive Advertisement | 40 | 26.7 | 26.7 | 100.0 |
| Total | 150 | 100.0 | 100.0 | |

iii) The consumers were further asked if they read for unethical practices adopted by the product or service provider. The response was almost confusing as 48% responded positively and 52% responded negatively. The tabular presentation shows this clearly that consumers do not make special efforts to read about the practices followed by the product or service providers while taking their decisions.

Read for unethical practices

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------|---------|---------------|--------------------|
| yes | 72 | 48.0 | 48.0 | 48.0 |
| No | 78 | 52.0 | 52.0 | 100.0 |
| Total | 150 | 100.0 | 100.0 | |

iv) As the above table shows a fifty-fifty response on unethical practices, it became essential to study if they consider ethical practices of the producers/ manufacturers or service providers. It was found that consumers do give importance to some issues concerning society such as global warming, Use of chemicals, Animal welfare etc. On the basis of their response, it was analysed that the consumers are aware of the ethical issues which the producers/ service providers show them through advertisements etc. They actually sell their product through selling the ethical issues to the consumers.

Ethical issues

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| global warming | 66 | 44.0 | 44.0 | 44.0 |
| Use of chemicals | 23 | 15.3 | 15.3 | 59.3 |
| Human rights | 12 | 8.0 | 8.0 | 67.3 |
| rising population | 23 | 15.3 | 15.3 | 82.7 |
| Animal welfare | 26 | 17.3 | 17.3 | 100.0 |
| Total | 150 | 100.0 | 100.0 | |

v) The next question was to analyse if the consumers feel that the products sold by the producers on ethical grounds are highly priced or not. It was not a surprise that majority of the consumers believe that producers do sell their green products at a high price as compare to normal products.

Highly priced

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Valid Yes | 82 | 54.7 | 54.7 | 54.7 |
| No | 68 | 45.3 | 45.3 | 100.0 |
| Total | 150 | 100.0 | 100.0 | |

vi) The tables below shows whether the consumer will reward or punish the company on the basis of ethical/unethical practices. Majority of the consumers are ready to reward or punish the producers for ethical and unethical practices respectively.

Punish

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Valid Yes | 89 | 59.3 | 59.3 | 59.3 |
| No | 61 | 40.7 | 40.7 | 100.0 |
| Total | 150 | 100.0 | 100.0 | |

Reward

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Valid Yes | 86 | 57.3 | 57.3 | 57.3 |
| No | 64 | 42.7 | 42.7 | 100.0 |
| Total | 150 | 100.0 | 100.0 | |

Suggestions To Avoid Greenwashing

Not all labeling is green wash. There is always a way for consumers to judge labels they come across. If in an advertisement they spot something green then there job is to take a look at the company as a whole, look online, check websites, get all the details about their sustainable business practices. Are the claims, information genuine and identifiable with the laws and regulations .If not then Beware.

In India, the self-regulatory organizations for monitoring advertisements “The Advertisements Standard Council Of India (ASCI) was founded in 1985 whose main aim is to maintain sanctity in advertisement and enhance public confidence. Having a comprehensive green programme certified by Green Agencies and communicating a right message is the key strategy to spot and avoid green washing .But the onus lies on customer himself to choose and study the right product which in itself is a challenge.

Visitors to <http://ecolab.org/> can search for more than 500 labels by any of the 10 categories

How To Make A Company Go Green

1. Rigorous efforts are to be made to incorporate the importance of the concept itself. A company has to device a fully loaded Environment Management System which would give information about its working in a comprehensive manner. It has to meet an International Standard ISO14001 developed by a Non-Government International organization for standardization in Geneva.

2. Another step is to take part in Global Reporting Initiative(GRI).It is an international, multi stakeholder , nonprofit and an independent standards organization that helps to generate best practices for sustainable reporting publicly on range of environment, economic and social issues. It was found in 1997 in partnership with United Nations’ Environment Programme (UNEP).It has introduced new G4 content Index Tool to make the reporting and information more transparent.

3.Green Seal: A non profit environmental standard development and certification organization based on green seal standards which contains performance, health and sustainability criteria.

Click a category to find the name and company websites of Green seal-certified products and services.

4.Green Washing Index: A website that helps consumers, customers to post an ad that might be examples of green washing and rate them on a scale of 1-5,1 signifies 'little green' and 5 totally 'dupious' or 'falsehood'.

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