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Effectiveness of Greenwashing in India : A Study of Consumers' Perceptions

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Today, the market environment is very competitive and one of the imperative factors which is contributory for success of any firm is how meticulously ethical standards are interlaced into their values. Thus, any ethical organization forms constancy as well as the conviction among their clienteles. But this is not the case actually as we are seeing that largest of the corporate sectors overlook these ethical standards through cosseting in greater profiteering over greenwashing activities. Thus, awareness about the disadvantages of greenwashing will surely support the peoples to make an informed decision during their purchasing. It further supports the firms by educating people on how greenwashing practices negatively affect their brand loyalty ultimately ensuing in decreased revenues as well as market share.

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1.   Introduction

The rapid industrialisation and globalisation in past decade have led to severe environmental degradation. This has become a cause of great concern for individuals, companies and governments worldwide.[1] Consumers are becoming highly conscious about the products which they purchase and their environmental impacts, which is clearly evident in their purchase behaviour.[2] The acceptance of green products by increased number of consumers has led the manufacturers to adopt eco-friendly practices not only in the production process but also in the end product itself.[3] Green marketing has been considered as the most preferred strategy to attract a huge mass of eco-friendly customers.[4] Adopting green attitude is all about a continuous effort, sometimes shallow and sometimes deep in minimizing the negative impact on the environment.

Research has indicated that greenwashing advertise- ments are successful in attracting customers.[5] The motive behind huge number of consumers choosing green products is to live a way of life which helps them makes choices that benefit the environment or has minimum impact on the environment.[6] Green claims are normally made by products and services which are not charac- teristically environment friendly.[7] One major supportive factor for companies claiming to sell green products is that their claims cannot be clearly verified by the consumers even after they have used the products or services.[8] There are basically three types of confusion normally faced by green consumers: unclarity confusion, similarity confusion and overload confusion. Unclarity confusion happens when the consumer has no up-to-date knowledge about the product thereby making it difficult to evaluate the product. Similarity confusion arises when the consumer is deceived by the similar physical appearance of different products. Overload confusion happens when the consumer is so overburdened with relevant information that it becomes difficult for them to make a choice between products.[9] Consumers are now more doubtful about advertising being an authentic method of communication[10], thereby making them sceptical about advertising. The product must qualify the dual parameters of being environmentally friendly and should also be able to provide customer satisfaction.[11]

Greenwashing is mainly promoted through advertisements which show claims that are untrue, overlook specific information about validity of the claims or a combination of these.[12] Greenwashing is a perilous practice as the organisations promoting it are unable to validate their green practices[13], which may influence the faith of the consumers towards genuine green products.[14] Green products messages are normally confusing to a majority of the consumers. So, the manufacturers take advantage of this confusion and keep promoting their products as green products.[15] Green-washing may also negatively affect the trust of the investors.[16] It encourages negative propaganda by consumers there by confusing other consumers about the validity of green claims made by the companies.[17] Because of this the consumers fail to build a long-term relationship with the companies due to the mistrust created through these misleading green washed advertisements.[18]

Apart from green claim strategy some companies have adopted another strategy of greenwashing called as the executional greenwashing, where there is no clear claim of greenness but some imagery in the advertisement suggests the product to be environmentally friendly like recyclable, eco-friendly etc.[19] Celebrity Endorsements Consumers normally can judge the intentions behind a greenwashing advertisement but the visual prompts in the advertisement tend to attract them to buy the product because of their affinity towards nature.[7] Some companies take the help of credibility of some famous celebrities by persuading them to advertise their products. Majority of the companies use green-washing as a tool to enhance their brand image and sales, while staying far away from actually implementing the green norms.[20] They put forward overstated and unmerited claims of producing environmentally friendly products and services with an intention to grab a larger share of the market.[20] In the wake of these false claims a company named Enviromedia created Greenwashing index to keep a watch on environmental claims made by companies. Currently many companies are able to dodge marketing laws and sell their products with the help of green washed advertisement.[21] The government authorities should also conduct regular green audits to assess the degree of deviation from green advertisement benchmarks and corporate codes of conduct.[22] Authorities should also focus on making stringent laws to check this practice.[23] The consciousness about the downsides of greenwashing will help the customers to

make an up-to-date decision in favour of honest green products[24] and further it will help the concerns by humanizing them on how greenwashing activities destructively influence their brand image as well as brand loyalty in the end consequential in diminished revenues and market share.[24]

2.   Scope of Study

Greenwashing can be avoided by making the consumers aware of sustainable products. The consumers can be saved from being greenwashed by taking some initiatives for themselves like asking questions and this means that they should feel free to ask questions about the green commitment made by them. And companies should feel proud to answer these questions if they are not wrong. The consumers can even read the fine print reading in detail about the ingredients of the products which can reveal the truth of going green. They can also go for the packaging check of the products; many times, products are green and the company claim 100% recyclable but their packaging is done in non-biodegradable packets. Another way of avoiding being greenwashed is research by the consumers on the web. They can even do research on those products and companies which can be helpful in understanding the reality between green products and non-green products. This can only be done by not hurrying while making decisions. And, whenever people find these practices around them, they must raise voice and stand against these companies to boycott them.

3.   Research Objectives

In this research proposal our aim was to find out customers' attitude towards green washed products and to investigate the status of awareness among customers associated to greenwashing. Our research proposal is the initiative, adopted to discover concerns that are into greenwashing and the ways to evade greenwashing and further educating customers the costs of being greenwashed

4.   Importance of the Study

The choice of our research proposal consists the area of Saharanpur City of State Uttar Pradesh (India), which largely covers the customers from almost all the age groups with students, housewives, working professionals, businessmen etc. The study can

also be done on the various groups of the society, working organizations etc. which are related with our research proposal.

5. Research Methodology

This research proposal was completed after collecting primary as well as secondary data. The convenience sampling is chosen for sampling of research data. A sample size of 100 individuals was chosen for the study out of which maximum responses were received. The customers included various age with various professions such as housewives, working professionals and students etc. A designed questionnaire was used to collect primary data. Our primary focus in this research proposal is the customer's perception of greenwashing and its communication. To collect secondary data several journals, websites, published articles are also used. By the research survey, it is clear that out of the total number of customers maximum are male respondents as compare to female respondents.

6. Presentation and Analysis of Data

Several social as well as economic variables like age, education, revenue, profession also marital status specify the socioeconomic status of the customers. In our study, the socioeconomic status of the customers which tells that maximum customer are between the age of 15-25 having percentage 47 % further studies reveals that 39% of the respondents are between the age group of 25-35 years, 11% of the respondents are between the age group of 35-45 years and only 3% of the respondents are having the age group above 45 years. Maximum of the customers i.e., 37 % have finished their post-graduation and higher degree while 26 % customers are under graduate, 29% are of secondary level and minimum percentage are of those customers which are just qualified primary level. Similarly maximum customers are unmarried and higher number of the 47% customers are having an annual household income up to 100000 while 12% customers income is up to 150000, 19% customers income is up to 200000. Our studies reveals that many of the customers, 39% are students while 27% customers are working professionals and 29% customers are house wife, rest belongs to other categories.

This research study took approximately one month for collection as well as to analyzing the primary and secondary research data. Data collected are shown in figures-1 and 2 on next page.

Figure-1 : Motive for Purchasing Green Products
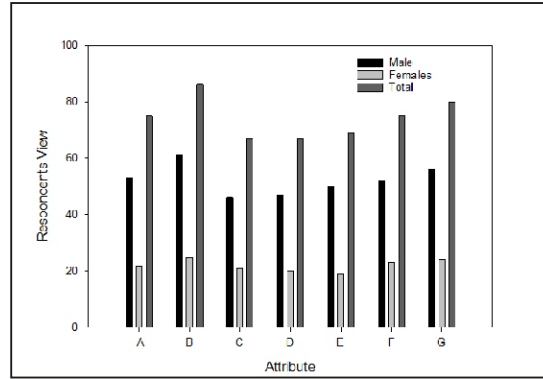
Note : A -Satisfaction to purchase green products.

B - Awareness about the green products.

C - Availability of green products.

D -Different varieties of green products.

E - Superiority of green products.

F - Green Products are cost effective.

G -Green products are healthy.

Figure-2: Most Overpowering sector of Greenwashing as per Consumer view
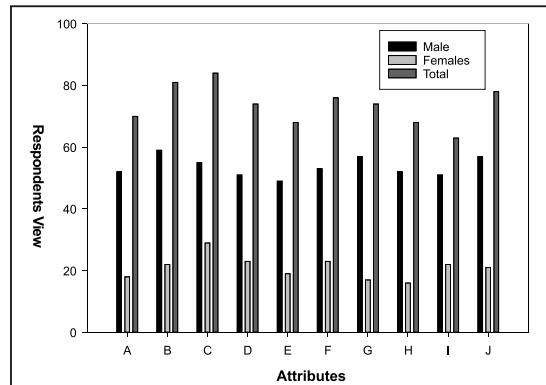
Note : A -Agronomy.

B - Automobile.

C - Cosmetics.

D -Clothing and fashion wear.

E - Electronics.

F - Food items.

G -Monetary services.

H -Health care devices.

I - Industrial sector.

J - Manufacturing efficacy belongings.

7. Conclusion

In this study we finally concluded that customers have showed substantial ethical options, in the purchasing behavior of several cosmetic products from almost two decades and it has been still growing. It is further confirmed that, the customer' request for the green cosmetic products has led to rise greenwashing by business sectors. These business sectors try to convince customers in order to make extra sales claiming to be eco-friendly as well as maintainable. The modern customers have to be careful when they purchase green products and thus look forwardly to products which are certified as well as trustworthy and honestly help both the environment and customer.

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