

Consumers' Perceptions towards Greenwashing : A Study of Saharanpur (UP), India

Parul Tyagi*

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 clientele. But this is not the case actually as we are seeing that largest of the corporate sectors overlook these ethical standards through cossetting 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.

[**Keywords** : Greenwashing, Advertisement, Ethics, Corporate, Green marketing]

* Faculty, Department of Management, PIPRAMS, Greater Noida, Uttar Pradesh (India) E-mail: <parullomeshtyagi@gmail.com>

JOURNAL OF NATIONAL DEVELOPMENT, Vol. 34, No. 2 (Winter), 2021
Peer Reviewed, Indexed & Refereed International Research Journal

1. Introduction

The rapid industrialization and globalization 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 advertisements 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 characteristically 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 communication¹⁰, thereby making them skeptical 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 organizations promoting it are unable to

validate their green practices¹³, 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 Greenwashing 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 greenwashing 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 products²⁴ 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. Objectives of the Study

The main objectives of this study are two-fold :

1. To rank greenwashed cosmetics products based on customer' perceptions and
2. To find out the impact of greenwashing on consumer's buying behavior.

4. 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.

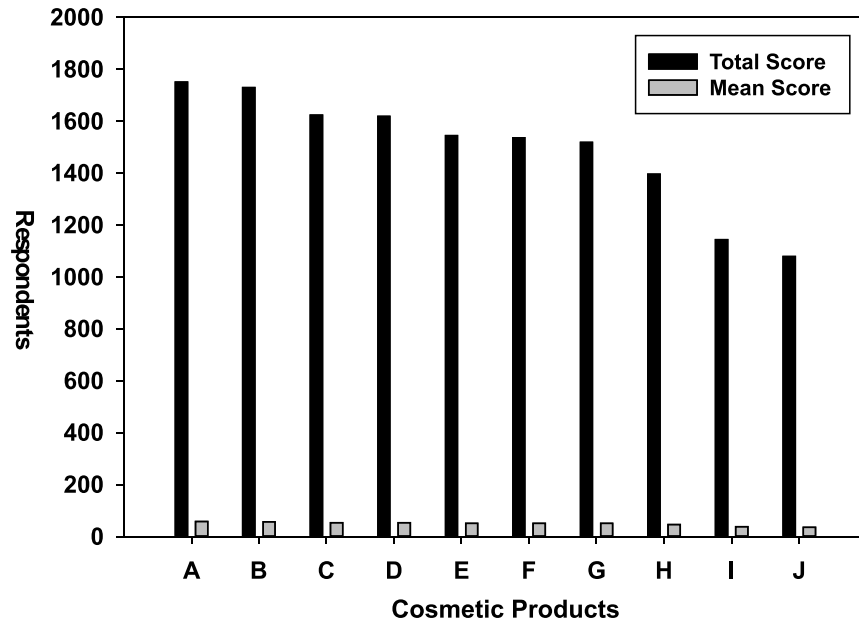
5. Presentation and Analysis of Data

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.

The research data demonstrate the preference of customers to purchase a green product when buying cosmetics. Nearly 50 percent of the customers search a greener substitute occasionally when purchasing cosmetics.

Figure-1 on the next page demonstrates the ranking of greenwashed cosmetics which is based on customer's preference of greenwashing in the cosmetics manufacturing units. This figure further advocates that shampoo and conditioners having high Garratt mean value were identified as the main green washed product and can be categorized as first ranked, after that face cream and powder comes which are categorized as second ranked. Lipsticks and Lip Balm ranked third followed by Tooth Paste and Mouthwash which are categorized fourth ranked. Hair dye with Hair Serum comes on fifth ranked and Eye Shadow in addition to Mascara can be categorized as sixth ranked. Body Lotions and Sunscreens comes on seventh ranked followed by the Bodywash and Cleansers which are on eight ranked. Nail Polish, Cuticle Oil, Perfumes and Deodorants with the lowest Garrett mean score were the least greenwashed product as stated by customers and thus these products come on lowest rank.

Figure-1 : Ranking of Greenwashed Cosmetics Products based on Customer' Perceptions using Garrett Ranking Technique

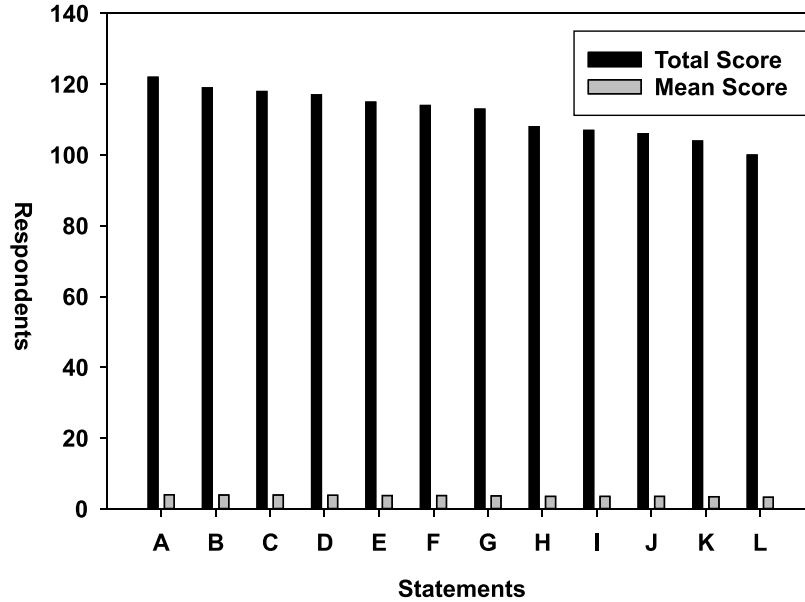


- Note :** A - Shampoos and conditioners,
 B - Face cream and powder,
 C - Lipsticks and lip balms,
 D - Tooth paste and mouth wash,
 E - Hair dye and hair serum,
 F - Eye shadow and mascara,
 G - Body lotions and sun screens,
 H - Body wash and cleansers,
 I - Nail polish and cuticle oils,
 J - Perfumes and deodorants.

Figure-2 shows the ranking of the influence of greenwashing on customer's purchasing behavior using the Likert's scaling method, in between all the statements, statement A was reported to have a major impact on consumer's buying behavior and thus it ranked first with the highest mean score followed by the statement B and comes on second rank and the statement C categorized on third rank. In our study we observed that statement D got the fourth rank and statement E got rank fifth. The statement F comes on the sixth rank. The statement G is categorized on seventh rank and further the statement H comes on the eight ranks. Statement I comes on the ninth rank and followed by the statement J which comes on the tenth rank. The statement K and statement L both shows that currently

green washing has no more impact on the purchasing behavior of customers and thus got the lowest rank.

Figure-2 : Ranking of the Impact of Greenwashing on Consumer's Buying Behavior using Likert's Scaling Technique



- Note :** A - To differentiate green washed and genuine natural products is very tough,
 B - Currently companies practice greenwashing to rise their brand credibility,
 C - Greenwashing is unethical as well as causes distrust,
 D - Today consumers are very environment conscious,
 E - Maximum cosmetics products highlight a small green feature of the product to make consumers to have faith in it as a green product,
 F - Several features of products like colors, slogans and logos are in practice just to influence the customers that they are buying a green product,
 G - Maximum product that work are not green products actually but these are green washed products,
 H - The labeling eco-friendly make a great difference in the buying decision of product,
 I - True green products are very expensive,
 J - The labeling dermatologist tested on several skincare products make purchasing more reliable,
 K - Eco-label does not confirm that customers will get the genuine products,
 L - There are no government standards as well as regulations for cosmetic products.

6. 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.

References

1. Aggarwal, P. and Kadyan A., "Greenwashing : The darker side of CSR", *Indian Journal of Applied Research*, 4(3), 2014, 61- 66.
2. Dhanda, U. and Gupta, S., "Exploring the go green mantra in India", *Indian Journal of Science and Technology*, 8(S4), 2015, 247-58.
3. Kivimaa P. and Kautto, P., "Making or breaking environmental innovation? Technological change and innovation markets in the pulp and paper industry", *Management Research Review*, 33(4), 289-305.
4. Aji, H. M. and Sutikno, B., "The extended consequence of greenwashing: Perceived consumer skepticism", *International Journal of Business and Information*, 10(4), 2015.
5. Khandelwal, U. and Bajpai, N., "A study on green advertisement and its impact on consumer purchase intention", *Journal of Creative Communications*, 6(3), 2011, 259-276.
6. Krafft, J. and Saito, R., "Greenwashing : An experimental study about the effects of misleading and deceptive environmental claims in advertising", *Seminar Scholar*, 3 February, 2015.
7. Schmuck, D., Matthes, J. and Naderer, B., Misleading consumers with green advertising? An affect-reason-involvement account of greenwashing effects in environmental advertising, *Journal of Advertising*, 2018, 47(2), 127-145.
8. Lyon, Thomas P. and John, W. Maxwell, "Greenwash: Corporate environmental disclosure under threat of audit", *Journal of Economics & Management Strategy*, 20(1), 2011, 3-41.
9. Mitchell, V., W. Walsh and Yamin. M., "Towards a conceptual model of consumer confusion", Geeta Menon, Akshay R. Rao and Duluth, M, N. (eds.), *NA - Advances in Consumer Research*, Vol. 32, ACR North American Advances, 2005, 143-150.

10. Obermiller, C., Spangenberg E. and MacLachlan, D. L., “Ad skepticism : The consequences of disbelief”, *Journal of Advertising*, 34(3), 2005, 7-17.
11. Chhabra, M. K., “Green marketing: golden goose or lame duck”, *Biz and Bytes*, 8(1), 2017, 75-82.
12. Bhatnagar, A. and Verma, S., “Celebrity Footprint in Greenwashing”, 4th International Conference on Recent Trends in Humanities, Technology, Management & Social Developmen, KIET, 2019.
13. Chen, Y. S. and Chang, C. H., “Greenwash and green trust: The mediation effects of green consumer confusion and green perceived risk”, *Journal of Business Ethics*, 114(3), 2013, 489-500.
14. Polonsky, M. J., Grau, S. L. and Garma, R., “The new greenwash? Potential marketing problems with carbon offsets”, *International journal of business studies*, 18(1), 2010, 49-54.
15. Reddy, D. L., “Challenges for Green Marketing in India”, *National Conference on Marketing and Sustainable Developments*, Vol. 13, 2017, 14.
16. Delmas, M. A. and Burbano, V. C., “The drivers of greenwashing”, *California Management Review*, 54(1), 2011, 64-87.
17. Ramus, C. A. and Montiel, I., “When are corporate environmental policies a form of greenwashing?”, *Business & Society*, 44(4), 2005, 377-414.
18. Cherry, M. A. and Sneirson, J. F., “Beyond Profit: Rethinking Corporate Social Responsibility and Greenwashing After the BP Oil Disaster”, *Tulane Law Review*, 85, 2011, 983.
19. Parguel, B., Benoît-Moreau F. and Russell, C. A., “Can evoking nature in advertising mislead consumers? The power of ‘executional greenwashing’”, *International Journal of Advertising*, 34(1), 2015, 107-134.
20. Saxena, S., “Are they really green: flipping the second side of green marketing coin-a critical analysis using selected cases”, *Amity Global Business Review*, 10(4), 2015, 110-113.
21. Eltell, T., Åberg J. Reklamjuridikguiden, *Liber* AB2012.
22. More, P. V., “The Impact of Greenwashing on Green Brand Trust from an Indian Perspective”, *Asian Journal of Innovation & Policy*, 8(1), 2019.
23. Majláth, M., “How does greenwashingeffect the firm, the industry and the society-The case of the VW emission scandal”, *Proceedings of Fikusz*, 2016, 111.
24. Kalee, Prasanna Pattanayak and Chitrasena Padhy, “Green Washing and its Impact on Consumers and Businesses - A Review”, *Indian Journal of Natural Sciences*, 10(62), October, 2020. ★