

THE ISSUE OF GREENWASHING AND ITS IMPACT ON CONSUMER BEHAVIOR

A. Ryklina

*School of Business of BSU, Minsk;
anastasiya.ryklina@gmail.com;
research supervisor – I. V. Martynova, senior lecturer*

This paper is focused on determining the consumer awareness of greenwashing and identifying in what way it affects the consumer behavior.

Key words: greenwashing; sustainability; consumer behavior; level of income, awareness of eco-friendly products; corporate social responsibility.

Modern business processes cannot be managed without implementation of corporate social responsibility, which is concerned with the relationship between a corporation and the local society in which it resides or operates. One of the principles of corporate social responsibility is sustainability [1, p14]: meeting the needs of the present without compromising the well-being of future generations. Some companies in attempt to pursue the sustainable image might invest a lot of money into marketing their products as green rather than applying an effort to actually make them sustainable. This process is called greenwashing, which is the object under this study. Greenwashing is considered to be an effective marketing communication strategy. This issue concerns the other two principles of CSR: transparency and accountability. It is evident that when companies proceed to greenwash, the information they provide is not transparent or true. Moreover, not all companies bear the responsibility of such actions and, therefore, are not held accountable. Thus, the problem of greenwashing breaks the three principles of CSR.

The objective of this research is to study the extent to which consumers are aware of such process as greenwashing. This topic is meaningful and significant as right now there is an ongoing trend for sustainability and green marketing for businesses [2], meaning that consumers are faced with numerous “green” products to choose from, which makes it very important to have an understanding whether those products are actually sustainable. This work is aimed at researching whether greenwashing practices actually affect consumer behavior in Belarus.

There were several methods used to conduct this research, including the analysis of literature on the topic, empirical collection of data using Google Forms, as well as statistical analysis and interpretation of the survey results.

Generally, there can be identified 6 sins of greenwashing: hidden trade-off, no proof, vagueness, irrelevance, fibbing, lesser of two evils [3, p.1]. In the conducted survey we have presented the participants greenwashed products

for each “sin”: 1) non-GMO soda, since harm of genetically modified products has not been proven yet [4]. Moreover, soda cannot be genetically modified as a whole, so it can be considered as the sin of irrelevance; 2) Lingonberry jam for the “sin” of no proof, which claims to be “100 % natural”; 3) Plant based laundry detergent, out of which still 25 % of the product consists of non-plant-based ingredients, some even derived from petroleum [5], so it correlates to the “sin” of the hidden trade-off; 4) Ecological tomatoes for the “sin” of vagueness, as the packaging mentions that they are ecological, but does not provide specifications; 5) Natural tobacco for the “sin” of lesser of two evils, as there is risk distracting the consumer from the greater environmental impacts of the category as a whole [6]; 6) bamboo toothbrushes for the “sin” of fibbing, since while these are BPA-free, they are not biodegradable as a whole and bristles must be removed from the toothbrush to be disposed of separately from the compostable handle [7].

The results of the survey conducted among 81 participants show that the majority of the participants do not care about products being eco-friendly in the first place [Fig.1]. The awareness of greenwashing practices is low: only 22.2 % of respondents actually know what it is [Fig.2], out of whom the majority is young people up to 25 (66.6 %).

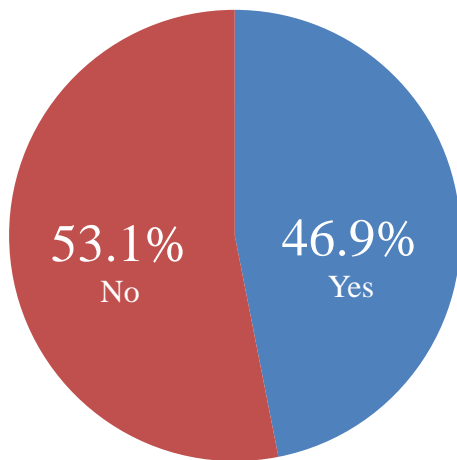


Fig.1. Answers whether respondents care about the products they buy being eco-friendly.

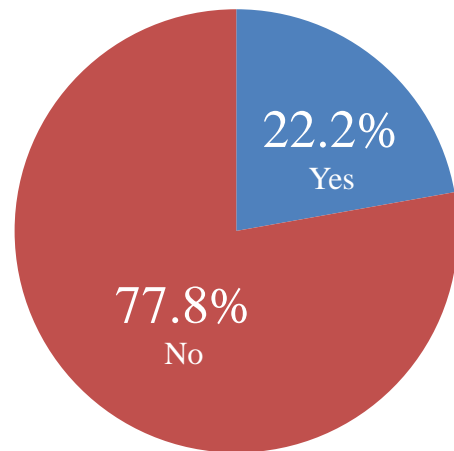


Fig.2. Answers whether respondents know what greenwashing is.

What concerns the products mentioned above, most of the respondents were guided by such factors as biodegradability (75.3 %), the prefix “eco”, the word “natural” (38.3 %) to identify eco-friendly products. It is important to note that if we take the older generation (aged 60 and older), 75 % of them connected the product being eco-friendly with natural colors, while only 16.6 % of younger generation (up to 25) did the same. It proves that depend-

ing on age, a person has a different perception of what is ecological and what is not. Additionally, 66.7 % of the respondents agree that after finding out the fact that the product is greenwashed, their consumer behavior will not change. Nevertheless, still most of the respondents experienced negative reactions to greenwashing, like disappointment and deceit. Moreover, 50 % of the respondents who know what greenwashing practices are reported that they would completely exclude such products from their shopping lists. This means half of the participants who are aware of greenwashing have their own reason not to cater their shopping choice in accordance whether the company is marketing their products ethically or not. It is worth noting that 76.3 % of the respondents with lower income reported that greenwashing claims would not change their decision to buy a particular product. It can be explained by the fact that the attribute of sustainability is falling behind other important factors, such as price. People with higher income are more likely to engage in sustainable consumption, as they do not care about switching costs [8], which cannot be said about lower income consumers.

As the findings show, it is evident that the core problem is unawareness of general population of greenwashing and how such practices are implemented, as well as general indifference to green products as a whole. Consumers who were not interested in sustainability of the products did not have any strong reaction to greenwashing claims accordingly. It is interesting to note that the problem of consumers not making a choice for the green products is not inherently Belarusian. Even in such countries with developed green marketing as the USA, only 26 % of people actually buy sustainable products [9], while in the United Kingdom, only 5 % of the public places ethical or social considerations above all others in purchasing decisions [10]. Nevertheless, greenwashing claims generally cause harsh criticism and disapproval, for instance, consumers in South Korea were extremely upset with the famous skincare brand creating misleading advertising of “paper bottle”, which was actually just plastic [11].

Since consumers themselves are not interested in purchasing green products specifically, there can be several things done in order to encourage sustainable consumption: raising prices and taxes on less sustainable products to internalize negative externalities, information provision through massive communication campaigns, including sustainable consumption as a part of education, introduction of corporate sustainability reporting to inform consumers of their social and environmental values and practices [12, p.13].

A significant question is if the general population does not really care about greenwashing claims, can companies resort to greenwashing? When having a discussion about greenwashing, societal consequences always come first, as they might bring damaged reputation and trust from the consumers,

which will result in loss of profit. Even if societal consequences are not taken into account, unfortunately there are still environmental ones as greenwashing can be harmful to the environment. In 2008, the Malaysia Palm Oil Council produced a TV commercial presenting itself in very general terms as eco-friendly, claiming that palm oil plantations provide home for native flora and fauna. In reality, such practices are linked to deforestation, habitat loss, pollution, destruction of flood buffer zones along rivers and other negative effects [13]. Another reason is that generally greenwashing practices threaten the effectiveness of organizations' bona fide CSR policies [14]. It creates cynicism among stakeholders, reducing credibility and trust in all corporate communications, making it more difficult for well-meaning corporations to communicate their real CSR achievements.

To conclude, we can say that still to this day the awareness of greenwashing is not as extensive in Belarus as it is in other western countries. Despite this fact, people still have negative reactions when greenwashing is revealed but other factors like price, switching costs make them not deviate from their consumer choice. Still, depending on age and income level, consumers can have different understandings of what is sustainable and therefore make different decisions. There is still a big gap between actual green consumerism and awareness and intention. Nevertheless, with growing trend in sustainability it is only a matter of time when Belarusians start paying more attention to products in terms of green practices. Greenwashing, despite the indifference of general public, is unethical practice and brings more harm besides societal consequences. While in the short run greenwashing can seem to be profitable for organizations, it can have serious negative consequences in terms of trust later.

References

1. *Crowther, D., Aras G.* Corporate Social Responsibility. 1st ed., bookboon.com, 2008.
2. *D. A. Lubin, D. C. Esty.* The Sustainability Imperative / D. A. Lubin, D. C. Esty // Harvard Business Review | Sustainability. URL: <https://hbr.org/2010/05/the-sustainability-imperative> (date of access: 19.03.2021).
3. The "Six Sins of Greenwashing". TerraChoice Environmental Marketing Inc., 2007.
4. GLP Infographic: International science organizations on crop biotech safety // Genetic Literacy Project. URL: <https://geneticliteracyproject.org/2013/08/27/glp-infographic-international-science-organizations-on-crop-biotechnology-safety/> (date of access: 19.03.2021).
5. NAD Finds Tide purclean's Website "Plant-Based" Claims Supported But Label Claims Should be Modified; P&G to Appeal "4x Cleaning Power" Finding // BBB National Programs. URL: <https://bbbprograms.org/media-center/newsroom/nad-finds-tide-purclean-s-website-plant-based-claims-supported-but-label-claims-should-be-modified-p-g-to-appeal-4x-cleaning-power-finding> (date of access: 19.03.2021).

6. American Spirit: Not a safer choice // Truth Initiative. URL: <https://truthinitiative.org/research-resources/traditional-tobacco-products/american-spirit-not-safer-choice> (date of access: 19.03.2021).
7. The Truth About Your Biodegradable Bamboo Toothbrush // My plastic free life. URL: <https://myplasticfreelife.com/2015/12/the-truth-about-your-biodegradable-bamboo-toothbrush/> (date of access: 19.03.2021).
8. Today's Most Environmentally-Conscious Consumers are Wealthy, Educated and Have Luxury Tastes // CISION. URL: <https://www.prnewswire.com/news-releases/todays-most-environmentally-conscious-consumers-are-wealthy-educated-and-have-luxury-tastes-126771408.html> (date of access: 16.04.2021).
9. *K. White, D. J. Hardisty, R. Habib*. The Elusive Green Consumer // Harvard Business Review. URL: <https://hbr.org/2019/07/the-elusive-green-consumer> (date of access: 14.04.2021).
10. *R. Cowe, S. Williams*. Who are the ethical consumers? The cooperative bank, 2000.
11. South Korea beauty brand sorry for 'paper bottle' label fail // BBC. URL: <https://www.bbc.com/news/world-asia-56687585#:~:text=Innisfree%20says%20the%20product%27s%20plastic,less%20plastic%20than%20previous%20packaging.&text> (date of access: 18.04.2021).
12. Promoting Sustainable Consumption: Good Practices In OECD Countries. OECD, 2008.
13. Green Washing // Environmental Health Perceptives. URL: <https://ehp.niehs.nih.gov/doi/full/10.1289/ehp.118-a246> (date of access: 16.04.2021)
14. *W. Elving, M. Van Vuuren*. Beyond identity washing: corporate social responsibility in an age of skepticism // Digital Slovenian Library. URL: <https://www.dlib.si/details/URN:NBN:SI:DOC-8ABNOZ4S> (date of access: 18.04.2021).