REVEALING GREENWASHING: A CONSUMERS’ PERSPECTIVE

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ABSTRACT
A significant problem arising in discursive green marketing practices is the growth of greenwashing; companies providing irrelevant, exaggerated or false information regarding a product’s sustainable qualities. This has given rise to a number of issues yet has so far fallen short of being rigorously investigated. In this study, focus group discussions are used to provide one of the first assessments of the impact of greenwashing on consumers. The aim of the study is to gain an initial understanding of consumers’ evaluation of different corporate green marketing messages both before and after disclosing greenwashing strategies used in the messages, as well as how this affects their perception towards the brands and their purchase intention. The findings from five focus group discussions indicate that the source of the message, eco-labels, brand perception and brand knowledge have a great influence on the perceived credibility of the message. The impact on buying behaviour of disclosing greenwashing strategies is influenced by a number of factors but even in cases where it does not directly result in a change of buying behaviour, consumers felt that being made aware of greenwashing was important to their overall decision making process. More importantly, from a practical tenacity, this research shows evidence that greenwashing influences credibility and opens avenues for further research.

KEYWORDS
Green Marketing, Greenwashing, Focus Groups, Consumers’ Perspective.

1. INTRODUCTION
The environmental revolution starting in the early 1990s has led to an increase in green marketing practices (TerraChoice, 2010). While green marketing can help consumers make better-informed product choices, it is also a strong marketing tool for companies to create product differentiation based on sustainability-related positioning. Some companies capitalising on green marketing opportunities have been found to be making deceptive or misleading green claims. These deceptive or misleading claims often cannot be distinguished from genuine claims. For example, arguments such as 100% natural, recyclable, biodegradable and chemical free are often used in an exaggerated manner when they may in fact be false or trivial and simply masquerading as a proxy for credentials of actual environmental significance. Deceptive green marketing, referred to as greenwashing, is defined as irrelevant, exaggerated or false information regarding a product’s sustainable qualities. Research has shown it occurs on a large global scale (Baum, 2012, TerraChoice, 2010, Dai et al., 2014). Companies get involved in greenwashing practices for reasons such as increasing their sales and market share. To curb these practices governments worldwide developed guidelines such as the Green Guides by the United States’ Federal Trade Commission, the Australian Consumer Law by the Australian Competition & Consumer Commission and the United Kingdom’s Green Claims Code by the Advertising Standards Authority. Unfortunately, enforcement of these guidelines is limited (Delmas and Cuerel Burbano, 2011) and the compliance for global brands is made more difficult by differences in guidelines and regulations between countries. Greenwashing exploits consumers’ genuine environmental concerns which creates problems such as limiting consumers’ ability to make actual environmentally friendly decisions or generating confusion and scepticism towards all products promoting green credentials, including those that are genuinely more environmentally friendly. Greenwashing has a greater societal cost than other deceptive marketing practices; it not only affects consumers and companies but the environment as a whole. Ultimately, greenwashing threatens the progress of real improvements to sustainability.
Research to date in the area of greenwashing has mainly focused on describing deceptive or questionable green marketing practices (Peattie and Crane, 2005), providing recommendations for companies on decreasing greenwashing or avoiding ambiguous green advertising (Davis, 1993, Delmas and Cuerel Burbano, 2011), naming different types of greenwashing (e.g. Laufer, 2003, Peattie and Crane, 2005, Carlson et al., 1993), and discussing regulation around green marketing (e.g. Coppolecchia, 2009, Nehme and Adams, 2012). The majority of empirical research is quantitative in nature consisting of content analyses investigating the amount and types of greenwashing (e.g. Carlson et al., 1993, Fernando et al., 2014). Other qualitative empirical research tends to focus on green marketing with greenwashing being a subset such as survey questionnaires investigating consumers’ scepticism towards green advertising (Matthes and Wonneberger, 2014, Do Paço and Reis, 2012) or experiments that investigate the use of labels, claims and imagery and their persuasiveness and trustworthiness (Atkinson and Rosenthal, 2014, Parguel et al., 2015). Few qualitative studies mention greenwashing but they do not involve explicitly disclosing greenwashing and its impact on consumers (Atkinson, 2013, Hoek et al., 2013). The current study specifically explores the impact of greenwashing from a consumers’ perspective as their behaviour plays an important role in the move towards a greener marketplace. There is a significant gap in the literature on greenwashing as it is seldom investigated by itself. To the author’s knowledge, greenwashing practices are not revealed nor the effect this has on consumers’ behaviour or brand perception has been explored. Thus, the aim of this study is to investigate greenwashing through exploratory research on green marketing messages and consumers’ responses.

This study looks at green marketing communication messages in Australia. Choice, Australia’s largest consumer organization, surveyed non-food items from three different supermarket chains in 2008 and found that only three of the 630 environmental claims made on packaging could be substantiated (Beder, 2009). Similarly, TerraChoice Environmental Marketing (TerraChoice), a Canadian-based environmental marketing agency, surveyed seven Australian stores in 2008 and 2009 and found that only five products out of the 866 products that made environmental claims did not engage in some form of greenwash (TerraChoice, 2010). Data from later date has not shown signs of major improvement (Pearse, 2014).

The purpose of this paper is to gain an initial understanding of young Australian consumers and their responses towards different types of environmental marketing messages and greenwashing practices. The research is of an exploratory nature and its results will be a first step towards understanding consumers’ evaluation of different corporate green marketing messages and the effect of disclosing greenwashing on both perception towards the brands used in the study as well as how it affects their purchase intention. The following research questions are formulated for this study.

1. How are green marketing messages viewed in terms of: (a) Source of message (b) Meaning (c) Trustworthiness and (d) Intention to buy
2. What changes in participants’ perception of the marketing messages and their intention to buy can be observed after revealing the greenwashing strategies and their relevance or veracity?

2. METHODOLOGY

This study is directed towards pragmatism, focusing on the outcomes of the research rather than the antecedent conditions (Creswell, 2013). As stated by Powell (2001) “to a pragmatist, the mandate of science is not to find truth or reality, the existence of which are perpetually in dispute, but to facilitate human problem-solving” (p. 884), it is focused on solving problems in the “real world”. Greenwashing is a real world problem affecting the real world (i.e. people, animals and the environment) and there is no clear solution yet. Pragmatism is not committed to one system of philosophy and reality, the truth is what works at the time and admits that research always occurs in different contexts, i.e. social, historical and political.

The study used focus group discussions with young Australian consumers, a segment considered to be more socially, culturally, ethically and environmentally involved than other consumer segments. This group of consumers grew up in a sophisticated media and computer landscape, are considered tech savvy, updated with global information and able to access the internet for information at any time (Bucic et al., 2012, Lee, 2008, Phillips and Stanton, 2004). The sampling strategy used for this study was homogeneous sampling as it is a useful method for focus group discussions. Homogeneous sampling gives the possibility to focus, to reduce and to simplify the study and facilitates group interviewing (Creswell, 2013). Participants were
undergraduate marketing students, aged between 19 and 25 years old and from a major Australian university. They have an affiliation with marketing and therefore expected to hold a more observed and critical view towards marketing messages. They were approached during one of their classes and asked to voluntarily participate after ethics clearance was sought. The focus group method was chosen as it is a good method for gaining initial insight into new or poorly understood phenomena, in this case consumers’ perspective of greenwashing. In addition, focus group discussions were the preferred method because of the group interaction. To a certain degree information processing and decision making takes place subconsciously and habitually, especially in the case of fast moving consumer goods (FMCG). Answering questions or responding to answers from either the focus group leader or other participants could lead to the development of thoughts or perceptions the participant was not aware of yet. By comparing the different viewpoints of the participants, allowing discussion between participants, motivation and underlying thoughts could be examined. Moreover, according to Morgan (1993) focus group discussions eventually lead to insight into both the range of opinions and the circumstances that lead to one respond rather than another.

A pre-test was conducted to review the comprehensibility of the questions, the presentation of the marketing messages used and to test the overall format of the interview. Subsequently, focus group discussions were held until saturation was reached, leading to five focus groups with a total of 42 participants. The participants were shown three types of real marketing messages, varying from packaging to advertisements. This was done because there might be a difference in perception towards green marketing whether it is communicated through an advertisement or through packaging. Real marketing messages were used for this study to being able to investigate participants’ underlying thoughts and perceptions about brands and companies. Using real marketing messages meant that the messages portraying environmental issues needed to be classified as such. Banerjee et al. (1995) developed an analytical framework to establish whether an advertisement is classified as environmental or not. It needs to fit one or more of the following criteria: explicitly or implicitly brace the product with the physical environment, promote a sustainable lifestyle with or without a product and present a corporate image of environmental responsibility. After confirming the marketing messages selected use environmentally focused arguments the next step was determining whether the messages are suspected of greenwashing. There are many overlapping terms and definitions in the academic literature to identify different types of greenwashing (Carlson et al., 1993; Laufer, 2003; Peattie and Crane, 2005). However, TerraChoice’s (2010) seven sins of greenwashing comprise of the most comprehensible and detailed overview of different types of deceptive green marketing. Their seven sins: no proof, vagueness, worshipping false labels, hidden trade-off, irrelevance, lesser of two evils and fibbing are widely known and cited in academic literature to identify different types of greenwashing (e.g. Lyon and Maxwell, 2011, Chen and Chang, 2013). The marketing messages chosen were from FMCG and available at the supermarket leading to a high possibility that the consumers were aware of the actual messages and products. Eventually three marketing messages of three well-known brands in Australia were used (Appendix A).

The marketing message of a global soft drink company introducing a new natural and healthier product was suspected of the sin of vagueness. Its promotion featured green imagery and a term like natural is too broad and not defined in the advertisement. Using vague terms is a common way of greenwashing and therefore important to include in the study (Cummins et al., 2014). The same reasoning applies to using the second marketing message, which is suspected of the sin of hidden trade-off, meaning the brand is marketed as green on a specific set of attributes without considering other aspects that might be environmentally damaging. The second marketing message consists of solely the packaging of a green home-brand from a major Australian supermarket. The suspicion of greenwashing was not about the product itself, it was about the company behind the product. The supermarket owning the green home-brand is part of a conglomerate that has major investments in the mining industry. The green product line gives the strong impression that the supermarket is contributing to protecting the environment, a position that is not in alignment with the million tonnes of coal that the parent company produces annually. The third marketing message used was an advertisement of a large tuna company making a claim of being dolphin safe. Canned tuna is a popular product in Australia as it is affordable, convenient and a healthy snack and therefore included in the study (Choice, 2016). Australian tinned tuna is fished in the Western Pacific where anglers generally do not catch dolphins. It does not specify that the by-catch contains no other species like turtles, sharks and other fish (Choice, 2016). Thus, boasting about the safety of one species is an irrelevant distraction and the advertisement is suspected of the sin of irrelevance.
3. RESULTS

The data was analysed by both the software program Nvivo for digital analysis and manually by the researcher. In general the combination of both the digital and the manual method is seen as deriving the best results (Welsh, 2002). The manual transcription analysis was performed by highlighting key points in the texts and searching for common replies from participants within a focus group and across focus groups. Analysing data in Nvivo occurs via coding. The type of coding chosen for this study was “open coding”, which means summarising text by the use of concise code. There is a continuous interplay between data collection and analysis; a consistent process of comparing and contrasting the qualitative data in the search for similarities and differences (Glaser and Strauss, 1967). Coding of the data was done by setting up nodes or categories for developing themes. These are organised in hierarchies, moving from a general topic (parent node) to more specific topics (child nodes). The transcription of the first focus group discussion was used to set up parent nodes and child nodes for answers of participants according to the questions asked, their views and perceptions towards the marketing messages and the revelation of the greenwashing practices. Each following group discussion adds onto the existing parent and child nodes or causes the categories to become even more specific, or to develop a new parent or child node.

Most of the participants gave environment related responses when asked what thoughts arise when viewing the marketing messages. Animal friendliness, health, safety, corporate social responsibility and ethics were other topics that arose in participants’ minds when looking at the marketing messages. Although these terms somewhat overlap they are not the same, implying that the use of green marketing does not mean the same to everyone.

When asked about trustworthiness quite a number of participants consider themselves as sceptical of marketing messages while at the same time assuming that those messages need to contain some sort of basic truth. To them a marketing message can be a bit exaggerated, but the information in the messages needs to rely on truth. The green home-brand and the tuna brand were seen as trustworthy with one having a recycled logo and the other a dolphin safe mark. The soft drink advertisement was seen as least trustworthy, because in the participants’ view “X is always going to be unhealthy” (F5). In most of the participants’ minds consumers are aware of this and understand that a soft drink product is never going to be natural and healthy. The marketing message was seen as obviously misleading by the participants and the doubtful information given by the company in terms of healthier and being natural seems to be taken for granted. One participant summed it up concisely by saying “People that drink X probably won’t care whether it is from natural sources and got a little less sugar than the normal product and people who do care about that stuff won’t be drinking X anyway” (F4). The participants’ intention to buy was not necessarily related to the environmental aspect. This was only the case for the tuna brand because of its animal-friendly message visible in both the ad and on the side of the product. The reason for purchasing the soft drink was that at the time it was newly introduced to the market. For the green home-brand the main reason to purchase it was because it is a store brand and therefore expected to be cheap, plus it is recycled. In other words, in the range of low-cost products it was preferred because of the recycled aspect.

After disclosing the greenwashing information and explaining the specific sins the marketing messages were suspected of, the immediate responses could mainly be described as surprise or shock. Most of the participants did not expect that all these marketing messages were somehow misleading or not telling the complete truth. While discussing the question, there were only a few participants that expressed longer-term strong negative opinions towards the marketing messages and the companies behind them. After the greenwashing information had sunk in most participants somewhat changed their perception towards the disclosure of greenwashing practices. In their eyes, it became just another marketing strategy and there is something deceitful to almost all marketing messages of all companies. Overall, responses ranged from calling it “Shifty” (F1), mentioning “They’re not lies, they’re just exaggerating” (F2) to “All companies make these sort of claims” (F1). Looking at the specific marketing messages and brands, hardly anybody was surprised by the soft drink company advertisement. The participants did not expect it from the other two companies and therefore the negative responses were mainly targeted at the green home-brand and the tuna company. The participants in one of the focus groups mentioned that they were disappointed in the green home-brand, not knowing that the supermarket is part of a much bigger conglomerate with large investments in the mining industry. “You buy the greener version because you think it is better than the normal brand and then it turns out that the money from both goes to the same big mining investing company” (F3). Once the
greenwashing practices were revealed, participants’ responses were on a brand or company-level rather than product-level. Participants linked the greenwashing information to the initial impressions they held about the brands while discussing the impact of the greenwashing information, not the specific product portrayed in the marketing messages. Asked whether they would still consider purchasing the products the majority indicated yes. For some it depended on the price. Especially for the green home-brand price was an important decision factor; the product would be purchased only if it is not much more expensive than the normal home-brand. The tuna brand could lean on brand loyalty; its consumers were not likely to change simply because they like the brand. The impression was that if the purchase intention is not necessarily green, the greenwashing practices do not influence their purchase intentions. There were a few that might not buy the products mentioning “I probably think twice now” (F1) but in general participants agreed that it is undoubtable to take the background of for example the green home-brand into account. Once chosen to go to supermarket X, the rest of the information becomes irrelevant, defending themselves by saying that “You cannot investigate the company behind every product” (F4).

After the focus groups discussions were done the researcher was approached by multiple participants asking how to find out about greenwashing. They expressed their concerns when they found out that information about greenwashing is not easily available and accessible, especially not when taking into account that they have to investigate each product they buy. They uttered that if they would know more about greenwashing practices and if the information were more easily available, they would be able to make better decisions. Information seems important, because “If you don’t know the whole picture you can never be sure whether you actually make the right decision” (F3).

4. DISCUSSION

The discussion section discusses the findings in relation to the research questions set up at the initial stage of the study (source of message, meaning, trustworthiness, intention to buy, changes in perception and changes in buying behaviour).

Source of message: The fact that most participants showed a tendency for their opinions to be influenced by their attitude towards the brand as a whole rather than just the actual marketing message shows the strength of brand influence and previous knowledge of products, brands and organisations. It was expected that people’s opinions were strong because they saw existing brands that they probably would have seen and experienced at least at some point in their life. This was particularly evident with the tuna company; being considered a well-regarded and well-known brand by the participants led both users and non-users to believe the idea carried by the marketing message (that their products are animal friendly and safe).

Meaning: Even though green is a colour used to signify the environment, people also attach other meanings. All participants saw the same marketing messages but gave different responses when asked about the meaning behind the marketing message. Besides environment, animal friendliness, corporate social responsibility, ethics, safety and health were other aspects the participants related to green. Research often states that consumers buy green products because of their environmental consciousness (Van Birgelen et al., 2009, Schlegelmilch et al., 1996). The findings of this study show that not each consumer relates green exclusively to the environment. This could indicate that consumers have different motives to buy green which supports the idea that consumers do not necessarily buy a product based on its green credentials (Ottman et al., 2006). In other words, not every consumer who buys green products can be considered a green consumer.

Trustworthiness: There is research stating that consumers are becoming sceptical and critical towards labels (Chen and Chang, 2013, Gillespie, 2008) but the results of this study do not seem to support that. Claims such as 100% recycled and dolphin safe were important indicators for trustworthiness. The major problem this creates is that consumers think they make the right decision while their purchase decisions will have profound effects to the environment or animals’ well-being. The dolphin safe label for example seems to serve as an indicator for making an animal friendly decision, even though it clearly only states dolphin safe and the rest is left to be inferred by the consumer.

Intention to buy: Nobody explicitly stated they intended to buy the products because of the green claims. When weighing options out loud it became clear that price, quality, newness and likeability of a product are
more important factors to base a purchase decision on than environmental attributes. The environmental friendliness aspect is rather seen as an extra benefit.

**Changes in perception:** Revealing the misleading information communicated by the major soft drink company did not surprise the participants and does not seem to harm the brand or the brand perception much. This was different for the other two products. Especially the green home-brand, build on being green, got some negative feedback. The product is sincere, however the fact that the money earned with the greener products ends up in the pocket of a large polluting company that uses it for non-environmental friendly investments was something none of the participants were aware of before it was revealed to them. The dolphin safe label in the tuna message was a meaningless label and even after revealing the greenwashing information one of the comments was “At least you know this one for sure is dolphin safe” (F2) showing how effective this technique can be.

**Changes in buying behaviour:** Participants in this study did not necessarily disregard products and brands when accused of greenwashing. In addition to that, the majority of participants said that knowing the companies behind these brands and marketing messages make false claims, give questionable information, or only base their marketing message on a single piece of information does not change their buying behaviour. The main reasons given for continuing to buy products from companies engaged in greenwashing is that it is simply too hard to investigate how green a company actually is, all companies do it so no point changing, but also it is not worth the trade-off because of their positive experience with the product or brand. Participants indicate that it is impossible to investigate every product, brand, company and umbrella organisation by themselves for each product they are considering purchasing. However, there is still a number of participants that argued that they would make better decisions if they had more information beforehand.

5. CONCLUSION

Greenwashing seems to be apparent in almost all marketing practices around environmental issues. Most research in the field of green marketing and greenwashing is done in a quantitative manner leading to clear quantifiable results. The findings of this study contribute to the body of knowledge as it is one of the few qualitative studies done in the area of greenwashing. It is one of the first studies that investigated the impact greenwashing has on consumers’ perception and behaviour by revealing greenwashing practices used in real marketing messages. This exploratory research investigated the perceptions and thoughts of young consumers and future marketing professionals on different environmental marketing messages. Source of the message, labels, brand perception and brand knowledge seem to have a great influence on the credibility of a marketing message communicating green information. Labels proved to be particularly effective for persuading consumers, even after greenwashing practices were disclosed. After disclosing the greenwashing practices, brands not known for their environmental friendliness or ethical practices making misleading claims seem to suffer from less image damage than brands that use green credentials as their main flagship or are built on the idea of environmental friendliness and engage in greenwashing. Overall, there seems to be no change in buying behaviour, however provision of information seems key to make consumers more aware and have them make better informed decisions.

The results of this study have practical implications for companies as it shows that environmental messages still have a positive effect on consumers’ perception of products and brands as well as their purchase intention. However, greenwashing does not seem to be beneficial for companies in the long run. To further reduce incentives for companies to greenwash, public policy and government regulations should prevent greenwashed marketing messages from reaching the market. Currently there is no specific Australian legislation that regulates greenwashing (Nehme and Adams, 2012). Section 18 of the Australian Consumer Law (ACL), describing misleading or deceptive conduct, and Section 29 about false or misleading misinterpretations should be considered when companies make environmental claims (ACCC, 2011). This regulation does not prevent greenwashing practices happening on a large scale with companies exploiting the grey area between misleading (deliberately or not) and outright lying: information in environmental marketing messages is often not necessarily false, but merely exaggerated or trivial. Clear enforceable guidelines should be set in place to assure consumers they are able to make an informed decision.

As this study was one of the first of its kind and exploratory in nature; more research is needed to both verify the results and elaborate on the findings. This research was conducted by means of a student-sample,
future research could verify the findings on a broader sample. This study used real marketing messages from three brands known in Australia. Each message was suspected of a different form of greenwashing based on the seven sins developed by TerraChoice. Future research could include all seven types of greenwashing and more thoroughly investigate whether there is a difference in consumer perception toward these different types, the base for potential differences and explore the opportunity of levelling the seven sins i.e. make them measurable. Influence of brand knowledge and experience had not been investigated in the field of greenwashing but proved to be of great influence. There was an example of a non-green brand and one example of a greener brand included into this study. Future research is needed to investigate whether a brand is judged more or less harshly by consumers for greenwashing depending on how dominant green marketing is in their overall branding strategy. The findings also show that not every consumer who buys green products can be considered a green consumer. It is important to further investigate the underlying motivations (e.g. animal friendliness, sustainability, health) and the depth of these motivations (e.g. level of environmental awareness) as the response towards greenwashing might differ based on the type of motivations consumers hold. When motivations of consumers are more clear and their response towards greenwashing is understood, provision of information about greenwashing can be adjusted accordingly.

REFERENCES


APPENDIX A

Figure 1. Global soft drink company
Figure 2. Green home-brand
Figure 3. Large tuna company