



GREENWASHING AND ITS IMPACT ON CONSUMERS AND ENVIRONMENT

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Abstract

Greenwashing is the essence of 'anti-sustainable'. It is the technique by the companies to claim their products and services are green than in reality. According to Cambridge dictionary, Greenwashing is an attempt to make people believe that your company is doing more to protect the environment. Greenwashing exists because there is a lot that needs to be done to be green. Consumers need to be more aware during their purchase and do not believe in the words of the sellers. Companies try to use vague words to attract people and gain trust. The findings of this paper suggest the urgency to take steps to control the environment's deterioration from greenwashing. The study also finds out that the reason the government alone is not able to address the problem of greenwashing. Finally, the paper suggests the ways the government and private organisations together are taking new initiatives to control greenwashing and its impact on the environment.

Keywords: Consumers, False Claims, Greenwashing, Green Marketing, Sustainability.

Introduction

Going green means all the activities that are designed to satisfy human needs or wants and satisfaction of these wants have minimal effect on the environment. Green marketing also includes products packaging, advertisement. But, due to increase in the demands of consumers and to meet these demands the companies are engaged in the practice of greenwashing ignoring the environmental consequences. **Jay westerveld** coined the term 'Greenwashing' in 1986, Following the "save the towel" in the hotel industry. Hotels were placing the notice in the rooms asking the guests to reuse the towels to protect the environment. But in reality, they benefited from lower laundry costs. Greenwashing refers to disseminating incomplete or false information in order to gain public image. It is not a new concept it has been since the mid-1980s, where greenwashing has gained wide acceptance for describing the practice of making fake, exaggerated claims of eco-friendly products for capturing a large market share. That time people were not much aware of these practices and did not realize the importance of being green. But currently consumers are highly demanding green products without knowing the false claims made by the companies. And, the consumers are not much informed about the reality of these companies. They are being kept in the dark and rely on the products provided by these companies. There are so many companies in every sector engaged in the practice of greenwashing from fashion to food everywhere greenwashing happens. Fast fashion has posed a higher consumption than need. Seasons are getting shorter and the change is at its peak. Every month it is noticed that different kinds of changes and excessive production to fulfil these demands, which has forced the producer to use techniques which satisfy consumers without thinking of the environment and with the increase in competition green marketing has faced some challenges. And companies end up misleading consumers, claiming products and services to be green, falsely gaining trust of consumers. Due to these consumers pay extra for misrepresented and false products.

Literature Review

Environmentally friendly products or green products can be defined as products which cause less harm to the environment as compared to its substitute products in terms of diminishing natural resources or contaminating environment (Shamdasani, P. Ong Chon-Lin G.& Richmond D., 1993). Green audits should be developed to check the working of companies on a regular basis. There should be strict laws to prevent environmental damage. Charlie Brandley Ross in their article titled as "Are you greenwashing? How green washing destroys brands" greenwashing is extremely unethical practice by the companies for their short-term gain. It is very common and cheap for a company to spend a little more money on marketing and advertising than investing a huge amount in modifying the products. Still, there are many companies who miss out important information related to greenwashing and make themselves look green. According to Magali A. Delmes in the papers titled as "The drivers of Greenwashing" The green washing can have negative effects on consumer and investor confidence in green products, eroding the consumer market for green products and services. The prevalence of greenwashing was shot in recent years, firms are combining poor environmental practice with proper interactive communication of being environmentally friendly. Harsh Mankodi (Nov,2018) in the article titled as "Green marketing or greenwash" Green washing has negative effects on consumers and producers keeping in mind the environment. So, it is responsibility of everyone to take care of the environment and not misuse the power entrusted on us and act in a more mature way that can be beneficial for the long term.

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.

Research Objectives

1. To find out consumers' attitude towards green washed products.
2. To investigate the level of awareness among consumers related to greenwashing.
3. The initiative that should be adopted to discover companies that are into greenwashing.
4. The ways to avoid greenwashing and educating people the consequences of being greenwashed

Hypothesis

1. Consumers will not be able to identify the misleading claims made by different companies.
2. Consumers support greenwashed products and are ready to buy these products.
3. Green washing does not affect the environment.

Research Methodology

Primary data

In order to collect reliable and authentic information the primary data was collected for this purpose a well-structured questionnaire was prepared and respondents were asked to give the response. The questionnaire contained questions covering greenwashing and to check how much respondents are aware of greenwashing and to what extent they want to phase out. Further, telephonic interviews were conducted for data collection.

Secondary data

The journals, websites, published articles of different authors are used. The data was also collected from the past studies of different scholars and other related literature.

Limitations

1. For this research, only some companies are considered which are discovered as greenwashed.
2. The data is collected from a small number of people of Gwalior, M.P.
3. During this study only environmental consequences are considered.
4. The data may not depict the whole population of other parts of the country.

Conclusion

From the study conducted it is inferred that consumers are environmentally conscious and prefer green products but are not much informed about the green claims made for the products which turns out to be greenwashing. It is used to gain trust of consumers and take competitive advantage to earn more money. It is about over emphasizing what is being done and hiding what should be done. These products are being sold and purchased without going in detail about the ingredients. Consumers end up buying misleading products at high prices seeing the labeling and words like natural, herbal, organic etc. Consumers rely on such products without taking much information and research about the products. These misleading claims may become very risky for the companies after their claims are discovered and also lose trust of their customers which may not be possible to gain again. So, Companies should stop using these techniques to earn higher profit and wrongfully gain consumers' trust. Sometimes people don't realize their involvement in greenwashing which can be harmful to everyone one including the environment. New and strict laws should be implemented for companies misleading the public. The government should conduct campaigns, training for companies to understand the importance of green marketing and contribute to the betterment of the society. The greenwashing should become a punishable offence and these companies should be charged a huge amount of penalty and they should be boycotted from the market if found in greenwashing. Limited information about the firm's environmental performance with irregular and ignorant punishment for greenwashing contributes to work for environment deterioration and exploitation of natural resources. Stakeholders, NGO can take action to decrease the working of these firms and help them change their cognitive thinking of adopting greenwashing and increase transparency of company's performance and their working. Regulators, Stakeholders, NGOs can give incentives to work as responsibility for the environment and join hands together to save our mother earth.



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