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IMPACT OF GREEN WASHING ON USERS' OF GREEN PRODUCTS IN INDIA

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ABSTRACT

Green washing is the practice of making unsubstantiated or misleading claims about the Environmental benefits rendered by a product or service and is prevalent in every field. It is broadly referred to as, corporate disinformation" and it is known to acquire different forms, like underreporting of carbon emissions, adopting erroneous certifications, usage of jargons and misleading graphics in labels of products. Over the decade, companies experience pressure from its stakeholders to disclose more information about the products introduced into the market. On the other hand, the discourse of illegitimate information by the media is also on the rise, making it difficult for users to distinguish between genuinely green products and green washed products. This article aims to assess the impact of green washing on the user's perception of green products. Green washing is the usage of terms such as green, organic, ayurvedic, non - toxic, eco-friendly, herbal, chemical-free, natural, dermatologist tested, fake standards and certifications to promote a product as environmentally sustainable. An attempt is made by the researcher to identify the implications of green washing on the purchase of green products and to ascertain the challenges in faced by users in purchasing green products in Puducherry of India.

Key words: *Organic, Green washing, Eco - friendly, Environment, Sustainability.*

INTRODUCTION

Green washing consists of the list of operations that aim at gratifying users" needs but with minimal environmental impact. It is the inculcation of sustainability practices that enhance the marketing features in a product (Dangelico & Vocalelli, 2017)¹. Analysing the strategies employed by corporates for green washing, it is pivotal that every firm accomplishes the ideal marketing mix during the production and development of

green products taking into account, factors like segmentation and positioning in the environment followed by non – toxic methodologies employed to dispose waste, environment friendly logistics and opting for environment friendly resources for communication. Green washing is the management tool used to elevate a firm’s brand value in the eyes of the users and

to attain competitive advantage in the long run (Groening et al., 2018)². Green washing is the symbolic expression of actions that which intend to deflect the users’ attention to minor issues through statements targeted at gratifying stakeholder considerations in terms of sustainable development without any actual actions taken for development (Siano et al., 2017)³.

STATEMENT OF THE PROBLEM

Green washing is the series of activities involving the labelling and marketing of products as sustainable, green, non – toxic, herbal, organic, natural, eco-friendly and dermatologically tested when in real, that is not the actual case. It is the stating of fictitious statements, claims and slogans lacking transparency and is employed to allure users into trusting that the product is environmentally safe and advantageous. (Timmins 2021)⁴. The reason behind users falling for green washing practices is that there is an asymmetric dispersion of information and an imbalance in the details revealed to the stakeholders of the business and their capacity to find out more data. There are different strategies a business can adopt, in order to showcase itself as an organization, supporting sustainable practices, but there is no common ground as to what constitutes a green or sustainable practice (Lucarelli, Mazzoli, Rancan and Severini 2020)⁵. A query as to why organizations engage in the green washing activities arises. Corporate firms with profit motive in order to develop their customer base and add a premium to the price of green products develop innovative strategies to green wash products sold by them. These firms also depict an environment friendly image, in order to gain a competitive advantage over other firms in the market (Ramakrishnan, 2022)⁶. In this study the researcher has made an attempt to identify the impact of green washing on the user’s perception of green products.

OBJECTIVES

- To assess the impact of green washing on users’ of green products.
- To identify the implications of green washing on the purchase of green products.
- To ascertain challenges faced by users purchasing green products.

REVIEW OF LITERATURE

Akturan U (2018) in the article titled, “How does green washing affect green branding equity and purchase intention?” revealed that green washing involves the dispersal of misleading statistics by raising the significance of irrelevant facts and concealing the low sustainable performance of the firm. The article further stated that, a hike in the interest for green products is rapidly followed by a hike in Green washing practices also⁷.

Pizzetti, Gatti and Seele (2019) in the article titled, “Firms talk, suppliers talk: Analysing the locus of Green washing in the blame game and introducing vicarious Green washing” mentioned that, at times green washing can be caused through errors made by firms who believe that their data are Accurate when they are actually not, when an unsustainable supplier or a particular unit of the company is not fully compliant with green strategies previously implemented by the firm⁸.

Oliver 2022 in the review titled, “Investors Query and Sustainability” pointed out that, while green washing claims are common in representations made to the public and users, it is also prevalent within an organization where corporates make inaccurate claims to staff, shareholders, investors, directors and other stakeholders⁹.

METHODOLOGY

The study deals with the impact of green washing on user’s perception of green products in Puducherry of India. The sample size of the study is 50. Purposive sampling technique is used in this study. Primary data was collected from 50 respondents using Google forms. The statistical tools used for the analysis of data in this study are Garrett ranking and Likert’s scaling technique.

DATA ANALYSIS

Table 1 Ranking of the impact of green washing on users’ of green products

| Statements | *Total Score | **Mean Score | Rank |
|-------------------------------------------------------------------------------------------|--------------|--------------|------|
| Information on green products influence the buying decision of users | 203 | 4.06 | I |
| Green washing conveys that green products are Produced in a sustainable environment. | 199 | 3.98 | II |
| Exclusion of important information on the product is a feature of green washing | 196 | 3.92 | III |
| Corporate practices of green washing affect the way users perceive about an organization | 189 | 3.78 | IV |
| The reason for increase in public distrust on green products is green washing | 185 | 3.7 | V |
| Green washing promotes the concept of Sustainability among users. | 183 | 3.66 | VI |
| Green washing practices offer suggestions to Organizations to improve social performance. | 182 | 3.64 | VII |

*Total Score = (SA× 5) + (A ×4) + (NO×3) + (DA×2) + (SDA×1)

**Total Score /No. of respondents

Table 1 indicates the ranking of the impact of green washing on users’ perception of green products. Among the statements „Information on green products influence the buying decision of users” was reported to have a major impact on the users’ perception and thus it ranked first with the mean score of 4.06 followed by „Green washing conveys that green products are produced in a sustainable environment” which ranked second with the mean score of 3.98 and „Exclusion of important information on the product is a feature of green washing” ranked third with a meanscore of 3.92. „Corporate practices of green washing affect the way users perceive about an organization” with the mean score of 3.78 and „The reason for increase in public distrust on green products is green washing” with the mean score of 3.7 got the fourth and fifth ranks respectively.

„Green washing promotes the concept of sustainability among users” with the mean score of 3.66 secured the sixth rank followed by the statement „Green washing practices offer suggestions to organizations to improve social performance” with a mean score of 3.64 which got the last rank.

Table 2 Ranking of implications of green washing on user’s purchase decision of green products

| Implications | *Total Score | **Mean Score | Rank |
|----------------------------------------------------------------------------------|--------------|--------------|------|
| Expensive promotion is to make the product appear environmentally friendly | 198 | 3.96 | I |
| Brand reputation/image of the product is affected because of green washing | 195 | 3.9 | II |
| Word of mouth and reviews of users comes in handy when making purchase decisions | 190 | 3.8 | III |
| Eco-labeling practice induces the user to make the wrong purchase decisions | 187 | 3.74 | IV |
| Energy efficiency percentage is concealed in green washing | 186 | 3.72 | V |

| | | | |
|----------------------------------------------------------------------------------|-----|------|------|
| Environmental concerns are not addressed instead made worse due to green washing | 184 | 3.68 | VI |
| Reduced trust of users on businesses selling green products | 183 | 3.66 | VII |
| There is not much scope for innovation when green washing exists | 181 | 3.62 | VIII |

*Total Score = (SA× 5) + (A ×4) + (NO×3) + (DA×2) + (SDA×1)

**Total Score /No. of respondents

Table 2 indicates the ranking of the implications of green washing on user's purchase decision of green products. Among the implications, „Expensive promotion is to make the product appear environmentally friendly“ ranked first with the mean score of 3.96 followed by „Brand reputation/image of the product is affected because of green washing“ which ranked second with the mean score of 3.9 and „Word of mouth and reviews of users comes in handy when making purchase decisions“ ranked third with a mean score of 3.8. „Eco-labeling practice induces the user to make the wrong purchase decisions“ with the mean score of 3.74 and „Energy efficiency percentage is concealed in green washing“ with the mean score of 3.72 got the fourth and fifth ranks respectively. „Environmental concerns are not addressed instead made worse due to green washing“ with the mean score of 3.68 secured the sixth rank followed by the statements „Reduced trust of users on businesses selling green products“ with a mean score of 3.66 and „There is not much scope for innovation when green washing exists“ with a mean score of 3.62 in the seventh and eighth ranks respectively.

Table 3 Ranking of challenges faced by users purchasing green products

| Challenges | Score using Garrett table values | Mean Score | Rank |
|-----------------------------------------------------|----------------------------------|------------|------|
| Green products are highly priced | 3824 | 76.48 | I |
| Misleading visuals and graphics | 3772 | 75.44 | II |
| Non - availability of green products | 3664 | 73.28 | III |
| Quantity of green products offered for sale is less | 3653 | 73.06 | IV |
| Masking of data printed on products | 3616 | 72.32 | V |
| Scientific jargons and inaccurate claims used | 3586 | 71.72 | VI |
| Selective disclosure of product ingredients | 3580 | 71.6 | VII |
| False certifications used to promote the product | 2819 | 56.38 | VIII |

*Total score /No. of respondents

Table 3 shows the ranking of challenges encountered by users of green products. It is clear that „Green products are highly priced“ with the Garrett mean score of 76.48 was identified as the major problem and ranked first, followed by „Misleading visuals and graphics“ which ranked second, „Non - availability of green products“ ranked third, „Quantity of green products offered for sale is less“ ranked fourth, „Masking of data printed on products“ ranked fifth, „Scientific jargons and inaccurate claims used“ ranked sixth, „Selective disclosure of product ingredients“ ranked seventh and „False certifications used to promote the product“ with the Garrett mean score of 56.38 was the least important problem and thus it got the last rank.

FINDINGS

From the foregone analysis, it is found that the statement „Information on green products influence the buying decision of users“ was reported to have a major impact on the users“ and thus it ranked first with the mean score of 4.06. The implications of green washing on user's purchase decision of green products were ranked using Likert's scaling technique, „Expensive promotion is to make the product appear environmentally friendly“ ranked first with the mean score of 3.96. The challenges encountered by green product users were ranked using Garrett ranking technique. „Green products are highly priced“ with the Garrett mean score of 76.48 was identified as the major problem and ranked first. „False certifications used to promote the product“ with the Garrett mean score of 56.38 was the least important problem and thus it got the last rank.

SUGGESTIONS

There should be proper monitoring of information printed on green products and the Authenticity of standards and certifications on labels should be verified prior to the product entering the market for sale. Scientific jargons could be avoided on product packaging. Green products sold in outlets and online could be made more affordable.

CONCLUSION

Green washing is not a new concept anymore as it is prevalent everywhere, corporate concerns make use of green washing strategies to increase the customer base and widen the profit scope for green products. Green washing creates more awareness about the environment, than how much it actually contributes to the well – being of the users of green products and the environment. Hence, it is advisable for business entities to pool funds into manufacturing truly sustainable products. This act of corporates will enable the users of green products to contribute to the environment and also transform into more loyal and satisfied users.

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