

## **GREEN WASHING: THE DARKER SHADE OF GREEN**

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### **Abstract**

The boom of Go Green in recent years led to emergence of various jargons like greenIT, green data center, green collar, green manufacturing, green India, green planet and many word with the prefix green. The multitudinous activities performed under the label of “go-green” gave birth to new buzzword called “Green Washing”. **Greenwashing** is the practice of making an unsubstantiated or misleading claim about the environmental benefits of a product, service, and technology or company practice. It can make a company appear to be more environmentally friendly than it really is. It is also known as green sheen, green fever.

The paper examines and reviews the literature regarding green washing that is based on secondary data. The paper highlights how the companies create an aura that they are working for the benefits of an organization and how green consumers get trapped in the web with the illusion that they are actually doing something for the environment by purchasing the product with green label.

The research paper investigates the green washing problem in deep by taking various case studies from different sectors like automobile, beauty products, manufacturing to unveil the darker side of green marketing.

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Conclusion and recommendation is made on what customers should do in identifying greenwashing which will eventually help them in better purchasing decision regarding green products and what should marketers avoid in upholding their green image.

**Keywords:** Green washing, greenconsumer, green-IT, go-green

#### Abbreviation

**FTC:** Federal Trade Commission

**FSC:** Forest Stewardship Council

#### 1. Introduction

Green Washing is very similar to the word “white washing”.[1] As we know that white washing is “a coordinated attempt to hide unpleasant facts, especially in a political context.” In the same way, Green Washing is the same premise but in environmental context. Now-a-days company or organization spends more time and money claiming to be “green” through advertising and marketing, than actually implementing business practices that minimize environmental impact. It is whitewashing, but with a green brush. Companies adopt green practice as part of their corporate social responsibilities.

The main focus of any organization is to maximize its revenue. Companies claim that the products manufactured by their firms are environmental friendly, reduce carbon footprints, biodegradable and earth friendly. However there are no specific evidences that actually how their product is eco-friendly. The consumer comes under these luring words and thinks that by purchasing a product with an “eco-friendly” label, they are actually contributing something towards the environment. But, in reality, it just helps companies to increase their sales and ROI. There is hardly any positive impact that is noticed in the environment.

#### 2. Problem Statement

“Go-Green” is one of the significant steps that seriously helped the environment by conserving energy and reducing pollution. Even IT sector helps in protecting the environment by implementing green-IT policies. Under green IT movement, IT companies triesto use power more

efficiently, reduce waste within their companies, and create more eco-friendly computing products in order to save environment. But the problem is that many organizations are employing an unethical strategy of green wash under the umbrella term of “Green” in order to get monetary benefit in their business. The consumers are getting exploited, on the tag line of “eco-friendly” products.

### **3. Solution Approach**

The paper focus on how the hype created by green washing affects consumer and companies. Case studies are used as major supportive tools to highlight the unjust work practices of companies across the world under the term “eco-friendly product”.

#### **3.1 Research Objective**

The research objective of this paper is:

- To highlight the recent cases of 2016 in the field of green washing from across the world in various sectors.
- To investigate the factors by which consumer can understand that they are green washed.
- To recommend regulations that should be followed to avoid greenwashing.

#### **3.2 Research Design:**

A descriptive research is conducted by discussing five cases from across the world. Descriptive research is used to describe the types of greenwashing in the above mentioned 5 cases. For this purpose secondary data were composed. The secondary data were collected through newspapers, magazines, books, journals, conference proceedings, Government reports and websites. Reference is mentioned wherever required.

### **4. Outlook of Green washing:**

**4.1 Company Perspective:** The following points show how companies managed green washing:

- 1) **The misuse of misleading green image or name:** Companies make product with regular product cycle. The finished goods are prefixed by the word “green” or by colour “green” to give illusion that the product is eco-friendly and saves environment. The words like

“natural”, “organic”, “100% green” are used by companies to define their products. Just because label contains a tree, leaves, mountains and valley doesn’t mean that the product is organic.

- 2) **The ‘lesser of two evils’ trick:**[5] This is a fairly common one, whereby a company fools consumers into thinking it has gone green, when it is just slightly less harmful than it was before. Organic cigarettes, for example: they may be made of pesticide free plants, but in this context, ‘organic’ means just slightly less deadly than regular cigarettes.
  
- 3) **Irrelevant claims/Logos:** These are commonly made by companies to fool us into believing that they’ve made an effort to be green, but they have done nothing relevant towards this. One of the worst offenders is probably beauty products that proudly declare themselves to be ‘paraben and cruelty free’.[1,5]

Some companies create logo of green color which gives misconception that the company is working for good environmental cause.

*Misleading Logos Images*

*Source :Internet*



#### 4.2 Consumer Perspective:

- 1) Consumer buy eco-friendly product because they think that they are actually contributing in saving of environment.
- 2) Consumer gets flowed by variety of verbose advertisement flooded in newspaper and television.
- 3) The only way to prevent consumers from getting trapped in the web of eco-friendly products is by increasing customer awareness regarding the products. The best way to know what to buy

is to look for Third Party Certification. What this means is, check that the label has been certified by a recognized body that ensures a product is eco-friendly, such as:[5]

- The Soil Association
- EcoCert
- The Green Seal
- FSC (for paper and wood)
- LEEDS (for homes)
- The Leaping Bunny (for cosmetics)

## **5. Case Studies:**

### **Case1:Volkswagen/Mercedes-Benz(clean-diesel auto)**

**Sector:**Automobiles

**Brand:**Volkswagen/Mercedes-Benz

**Year:**2016

**Claim:**Car engine falsely portrayed in the form of “clean diesel” “Earth Friendly” engine.[7]

**Details:**Lawsuits were filed in February,against Mercedes-Benz allege that the luxury carmaker’s Blue TEC vehicles, which are marketed as “clean diesel” and “Earth friendly”, release nitrogen oxides at levels more than 65 times higher than what the EPA allows. The diesel engine was disguised in the name of “eco-friendliness”. There is nothing clean about diesel engines that spew pollutants at levels way over the legal limit.

Nearly same case happened withVolkswagen, that it rigged 11 million of its own “clean diesels” with devices designed to cheat emissions. In March, the FTC became the third federal agency to get involved in the VW emissions scam, filing a false advertising lawsuit against Volkswagen Group of America seeking refunds for eco-minded consumers who purchased or leased an affected Volkswagen or Volkswagen-owned Audi between 2008 and 2015. The EPA, which previously issued a notice of violation against the German automaker, has also identified a Volkswagen-owned Porsche SUV equipped with the sneaky emissions-cheating software. Volkswagen offered to fix or buy back nearly half a million affected vehicles as part of a settlement reached with the EPA, California officials, and consumers. Arizona’s attorney general jumped into the mix and filed a lawsuit against Volkswagen, Audi, and Porsche alleging

the vehicles were fraudulently advertised, sold, and leased as “clean diesel” vehicles. Arizona is the fourth state to sue Volkswagen. But that seems to be the scandal of the day in the automotive industry.

The Jetta (2009-2015), Beetle (2012-2015), Passat (2012-2015), A3 (2010-2015), Jetta SportWagen (2009-2014), Golf (2010-2015), and Golf SportWagen (2015) all had the emissions cheating technology.

## **Case2:Recyclable paper plates of AJM Packaging Corporation**

## Sector: Manufacturing

**Brand:** AJM Packaging Corporation

Year : 2016

**Claim:** To own recyclable paper plates.[7]

**Details:** AJM Packaging Corporation claimed its Nature's Own Green Label paper plates were recyclable but did not have the competent and reliable scientific evidence to prove it. The FTC found out and, pursuant to a 1994 consent order, the company agreed to pay a \$450,000 penalty. (The company also could not back up claims that products were biodegradable and/or compostable.) Under the FTC's Green Guides, a product advertised as recyclable must be entirely recyclable.

### **Case3:HCL - Use of toxic materials in manufacturing electronic products**

## Sector: IT                      Company HCL

**Details:** A report by Greenpeace India in the year 2007 showed that there was a great agitation against HCL tendency to greenwash in HCL's headquarters in Noida. HCL had been accused of using PVCs and BFRs which are toxic chemical being used while manufacturing electronic products and computers. This, according to a study conducted by Greenpeace, tendencies in India had affected not only the workers who were involved in manufacturing but also the community at large. There are other competitors like Sony, Panasonic, Nokia, Motorola etc who already started using Printed Circuit Boards that are totally BFR free and manufacturing electronic products that are completely PVC free. Defending itself HCL argues that no wrong actions were taken. On its website, the company had a press statement from earlier this year from George Paul, the company's executive vice president who said that "HCL, as a socially

responsible corporate citizen, has a comprehensive program to ensure protection of environment, health and safety of all its stakeholders, which also recognizes the need to minimize the hazardous impact of e-wastes of its products on the environment.” The company had launched a new range of notebook PCs that are compliant with RoHS (Restriction of Hazardous Substances) standards[1]

#### **Case4 :“TRESemmé Naturals” Shampoos and Conditioners**

**Sector:** Beauty Products **Brand :** Unilever

**September 2013:** This action was dismissed without prejudice as to the named plaintiff. The reasons have not been disclosed.

**August 2013:** A class-action lawsuit was filed against Unilever United States, Inc. for allegedly falsely advertising the “TRESemmé Naturals” shampoos and conditioners as “natural” when the products actually contain synthetic ingredients. (*Cohen et al. v. Unilever United States, Inc.*, Case No. 13-cv-05162, D. NJ.).

#### **Case5: Stevia In The Raw® 100% Natural Zero Calorie Sweetener**

**Sector:**Food and Beverages**Company :**Stevia

**April 2016:** A federal judge granted final approval of this settlement.

**December 2015:** A federal judge preliminarily approved a settlement of this class-action lawsuit. According to the proposed settlement terms, class members would receive a \$2 refund for each product purchased (for up to 8 products or a maximum reward of \$16). The company also agreed to stop using the phrases “100% Natural” or “All Natural” on the packages or labels of Stevia in the Raw products.

**February 2014:** A class-action lawsuit was filed against Cumberland Packing Corp. for allegedly falsely marketing its Stevia In The Raw® 100% Natural Zero Calorie Sweetener. Specifically, plaintiffs claim that the company represents its products are natural when they actually contain highly processed ingredients and genetically modified organisms (GMOs). (*Frohberg et al v. Cumberland Packing Corp.*, Case No. 14-cv-00748, E. D. NY.).

## 6. Conclusion

There are various falseclaims which confuse the consumers about the credibility and honesty of an organization. Use ofthe term “green” beyond a certain limit of exploitation affects consumer loyalty. Another vital reason is ignorance and knowledge gap between consumer’s knowledge and environmental issues. The disadvantage of this context is that the real green companies will lose their footings in competition. Thisconfusion in consumers in turn will shun the real green products which are better for the environment. Unethical environmental marketing will harm the environment, consumers and the firms in an adverse way. It is time that consumers should get aware of what is greenwashing. Moreover, companies should be more socially responsible about their practices. Consumers can follow the checklist devised by Greenpeace called “CARE”. [1]Consumers can check a companies’ honesty in terms of greenwashing by probing into “Core Business”, “Advertising Practices”, “Research and Development” and “Environmental Lobbying Record”. ”Green washing Index” is also available where customer can post data and check the authenticity of the advertisement.

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