

The Effects of Green Washing

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ABSTRACT

Today companies estimate the importance of fulfilling one of their major stakeholders that is environment. Customers are also more conscious to use products that are sustainable. To satisfy them, products are developed by highlighting green features such as recyclable, environment- friendly etc. The green initiatives of companies are appreciable, yet, many of their claims are misleading. Marketing efforts are aimed to artificially make the products green. Green washing is thus used in sales promotion tools as a strategy to appeal customers that make them difficult to differentiate fake and genuine green promotions. In this context, a study is conducted to analyze the effects of green washing such as customer's perception on deception, their attitude towards green washed advertisements and purchase intentions.

1. Introduction

Consumers are becoming more environmentally conscious and the demand for green products and services has increased tremendously at present. In order to meet the demand of consumers for greener products, there are several instances where companies adopt false or misleading environmental claims, also known as green washing. Today, brands find it difficult to withstand by appealing functionally and emotionally alone. As part of fulfilling social responsibilities of business, demand arises to include an environmental dimension too. Striving to meet consumers demand for green products, unwarranted and exaggerated claims of sustainability and environmental friendliness have incurred (TerraChoice,2010).The companies' quest for meeting green demands have given rise to the term green washing which is becoming increasingly controversial.

2. Purpose of the study

The purpose of the study is to measure the effect of green washing on perceived deception, attitude and purchase intentions of consumers. Based on literature review, the following research questions evolved:

- Do consumers have a deceptive perception about green washed ads?
- Do consumers possess a positive attitude towards such ads?
- Do consumers have intention to purchase such advertised products more?

3. Hypotheses

From the above research questions following hypotheses are formulated:

- H1: consumers will not be able to identify claims of green washed ads as defective.
H2: consumers will have a favorable attitude towards green washed ads.
H3: consumers will have higher purchase intention for products in green washed ads.

4. Methodology

A deductive research approach with a quantitative method and an experimental research design is proposed to follow. Data from primary and secondary sources were used for analysis. Primary data were collected from surveying 30 respondents. Secondary data were collected from published and unpublished journals, magazines, web resources etc. The effects of green washing on different aspects are studied by comparing the responses on neutral and green washed ads. As the assumptions for parametric tests like normality and equal variance were not satisfied, non parametric test was used for analysis. Wilcoxon signed ranks test was used to compare means of variables like perceived deception, attitude towards ad etc. before and after green washing.

5. Key Variables Used in the Study

▪ Perceived deception

The variable measures consumer's perception on advertised claims as deceptive on a five- point Likert scale. It is presumed that consumers who realize the element of green washing will rate the ad low compared to neutral ad

▪ Attitude towards ad

The variable is arrived by summing up positive and negative responses on neutral and green washed ads.

▪ Purchase intention

The variable measures the intention of consumers to buy the product before and after green washing.

Reliability check:

Cronbach α was used to calculate the internal validity of the instrument. For the three questions each about perceived deception before green washing and perceived deception after green washing, the Cronbach α was .713 and .745 respectively. Attitude towards ad before green washing have a value .813 and attitude towards ad after green washing have a value .701. All these values stood at the acceptable range.

6. Testing of Hypotheses

Hypothesis 1 (H1) assumes that consumers will not be able to identify green washed claims as deceptive. The average level of perceived deception before green washing is 2.72 and for perceived deception after green washing is 3.09. Wilcoxon signed ranks test shows a statistically significant difference between the mean scores between perceived deception before green washing and perceived deception after green washing ($Z = -3.4$, $p = .001$). This result supports H1 that consumers are not able to perceive green washed ads as deceptive.

Hypothesis 2 (H2) assumes that consumers have a favorable attitude towards green washed ads. The average level of attitude towards ad before green washing is 3.03 and for attitude towards ad after green washing is 3.54. Wilcoxon

signed ranks test shows a statistically significant difference between the mean scores between attitude towards ad before green washing and attitude towards ad after green washing ($Z = -3.20$, $p = .001$). This result supports H2 that consumers have a favorable attitude towards green washed ads.

Hypothesis 3 (H3) assumes that consumers have a higher purchasing intention for products green washed. The average level of purchase intention before green washing is 2.83 and for purchase intention after green washing is 3.33. Wilcoxon signed ranks test shows a statistically significant difference between the mean scores between purchase intention before green washing and purchase intention after green washing ($Z = -2.03$, $p = .04$). This result supports H3 that consumers have a higher purchase intention for green washed products.

The summary of results are shown in tables 1 and 2.

Table-1
Mean and Standard deviation

		Perceived deception	Attitude towards ad	Purchase Intention
Before green washing	Mean	2.67	3.03	2.83
	Standard deviation	.71	.45	.83
After green washing	Mean	3.39	3.45	3.33
	Standard deviation	.69	.48	1.02

Table-2
Wilcoxon Signed Ranks Test

	Significance
Perceived deception before and after green washing	0.001**
Attitude towards ad before and after green washing	0.001**
Purchase intention before and after green washing	0.040*

7. Findings

- Consumers consider most of the green claims in the advertisements as real. Hence, they less perceives green washed ads as deceptive.
- Consumers have a favorable and positive attitude towards products advertised in the green washed ads.
- Consumers' intention to buy green washed products is more than products in the neutral ad.

8. Suggestions

- The current legislations are insufficient as marketers can easily deceive consumers by green washing their products.
- A general understanding on green washing may enable consumers to differentiate neutral and green washed ads.
- Mechanisms are needed to regulate green washed products and to develop truly green products.

References

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9. Conclusion

As the consumers' ability to critically review environmental claims is limited, a well formulated environmental marketing legislation is required to stop companies from green washing. Also, marketers can implement internal ethical guidelines to solve the issue.

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