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## Greenwashing in India: A Darker Side of Green Marketing

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### **Abstract:**

*Sporadic growth of green products and ever increasing environmentally conscious consumers are creating an environment where greenwashing is thriving and growing strong. Unraveling certain truth about some companies' ill intention to prove themselves as true green organization has created consumers' skepticism an intriguing issue on a massive scale.*

*Much research had been done on consumer behaviour on products ill-impact on environment, keeping in mind the life cycle into consideration. The organization is in a hurry to bridge the gap between green consumers' expectation and what they are providing. In this haste some are quite keen in adopting the practice of greenwashing thereby establishing the fact the generation of revenue is given more priority to business ethics.*

*Indian is not far behind from being affected by this greenwashing. Though Indian economy is a developing one but still the concept of recycling is inherent in Indian consumers. Media in India is playing a key role in uncovering the truth behind greenwashing but the fact still remains that Indian consumers by and large are still ignorant of environment and its related regulatory issues which could help them in identifying greenwashing.*

*This paper examines and review literature regarding the mentioned problem which is based on secondary data. The research paper investigates the effect of greenwashing by taking up four cases. The main objective of this paper is to unveil the darker side of green marketing and the sins the organizations are committing by dint of this evil practice. Conclusion and recommendation is made on what consumers 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.*

**Key words:** Greenwashing, Green Consumers, Green Purchase

### **1. Introduction**

Greenwashing is a metaphor like “whitewash” which is used in green marketing to build a perception that an organization is using the process and practices to produce a product which is environmentally benign. There is a difference between preaching and practicing. In other words companies are making false claim that they are green through advertising and marketing by spending huge money, time and effort behind it. Green marketing can be defined as an ethical approach to a sustainability of an organization who adopts green practices as their major corporate social responsible activities in order to meet the challenges put forward by consumers without having any ill-effect on the environment. So under the backdrop of ethics, it poses a great challenge in front of modern companies to behave in an environmentally friendly manner, thereby living up-to the expectation of green consumers. The gap between what companies are trying to communicate and the perception of common mass is misleading the consumers into believing the green practices employed by the companies. In India there are companies who are true “green” but there are others who are trying to claim themselves as eco-friendly. There is a lack in genuine commitment by so many companies in India and for so many cases of such greenwash being exposed in the recent past made consumers cynical.

This paper examines and reviews literature regarding the above mentioned topic which is based on secondary data. The research paper also examines the greenwash activities performed in the recent past. The main objective of this paper is to identify the areas where consumers are being greenwashed in India. Conclusion is made on about how companies in India need to act in a socially responsible way and ethically by not deceiving consumers in their green purchasing decisions.

#### *1.1. Problem Statements*

Green marketing being a modern tool has a positive effect on varieties of factors in the economy. Many companies are employing an unethical strategy, greenwash, in order to conduct business. The study will focus on the area of impact of greenwash utilized by industries, by taking only some cases into account.

#### *1.2. Research Objectives*

The objectives of this research paper are as follows:

- To investigate areas of greenwashing by companies in India.
- To recognize the factors by which consumers can perceive that they are being greenwashed.
- To recommending regulations that should be followed to avoid greenwashing.

## 2. Theoretical Framework

### 2.1. Green Consumers and Their Consumptions

A green consumer is an individual who is very anxious about the environment and, therefore, only purchase products that are environmentally-friendly or eco-friendly. People interested in green products can be segmented for successful marketing. According to Roper Survey (2002) green consumers can be segmented into four parts: (Green Gauge Report, 2003)

- **True Blue Greens (9%)**: They are also called environmental leaders and activists. They are more educated and have high purchasing power. They regularly access internet and are influential people;
- **Greenback Greens (6%)**: Dearth of time and interest makes them less willing to put their money on green product but there is a tendency towards green products. They seek pleasure which makes them more prone to comfort and less prone to environmentally friendly products;
- **Sprouts (31%)**: They rarely buys green product if it means spending more. They are supported on one issue might not be for others related ecology Because of their jockeying nature, they can be persuaded to purchase green products;
- **Grouzers (19%)**: Grouzers think the environment is others responsibility. They tend to be less aware about environmental issues and problem is too huge for them to affect change;
- **Basis Browns (33%)**: Basic browns essentially are blue collar people. They are less educated and have lower income which makes them cares about environmental social issues.

### 2.2. Green Purchase Intentions

Eco consumer's attitude is defined as a learned predisposition to react consistently favorable or unfavorable manner with respect to the environment. There is a scientific evidence to show that a positive relationship exists between environmental attitude and behavior (Rashid, 2009). Studies suggested that people with less knowledge about the environment often do express strong emotional attachment to welfare of the environment (Ling-yee, 1997) and that is why we see attitude as an important factor of consumers' willingness to pay more for environmentally friendly products (Laroche et. al., 2001).

Knowledge has a great influence to a consumer's decision making process. According to Rashid in 2009, "Green purchase intention is conceptualized as the probability and willingness of a person to give preference to products having eco-friendly features over other traditional products in their purchase considerations".

### 2.3. Greenwashing and Its Problems

The term "Greenwash" came into existence in mid 1980s which is now widely accepted and people are familiar with the very word which means the practice of exaggerated and undeserved claims of environmental friendliness of a company in trying to get the larger market share. The propagation of false environmental claims or greenwashing has become so common practice of the modern companies that EnviroMedia developed the Greenwashing Index to monitor environmental claims used by manufacturers (Miller, 2008). Greenwash has its direct bad influence on environment, consumers and business. It can influence people leading them into action which might harm the environment. Consumers might lose trust on companies if they come to know that they have spent money in doing the wrong thing. Greenwash, which is face of one kind of myopia, will deter the growth of a company when its image degrades.

### 2.4. Seven Sins of Greenwashing

In 2009 TerraChoice, a North American company, had its research team categorized sins of greenwashing into seven categories. They are as follows:

- **Sin of the hidden trade-off**: committed by claiming a product to be green in terms of limited set of characteristics and hiding the other environmental factors which would say otherwise (e.g. household papers which promotes their recycle properties often hides their manufacturing effect like water pollution, air pollution etc).
- **Sin of no proof**: committed by declaring a product to be environmentally friendly without any substantial evidence to support it or by trustworthy third party certification (e.g. household papers so mentioned above do not provide any fact or evidence that they are recycled).
- **Sin of vagueness**: committed by a poor definition of the claim which misleads consumer (e.g. "chemical-free" is vague term as nothing is chemical free).
- **Sin of irrelevance**: committed by making a claim which is truthful but irrelevant to the present context which then gain deceives consumers from a truly greener product (e.g. CFC has been banned for thirty years but still company uses communication like CFC-free shaving gels).
- **Sin of lesser of two evils**: "committed by 'green' claims that may be true within the product category, but that risk distracting the consumer from the greater environmental impacts of the category as a whole" (e.g. Organic cigarettes may be more responsible choice for smoker but they should discouraged from smoking in the very first place).
- **Sin of fibbing**: committed by simply false claims (e.g. several shampoos that claimed to be "certified organic" found to have no such green certification from third party).

- **Sin of false labels:** committed by exploiting consumer's third party certification with fake labels or third party endorsement (e.g. fake certification like images).

### 3. Research Methods

#### 3.1. Research Design

A descriptive research is conducted in discussing four cases in India. Descriptive research is used to describe the types of greenwashing in the above mentioned four cases. For this purpose secondary data were composed. The secondary data were collected through newspapers, magazines, books, journals, conference proceedings, Government reports and websites.

#### 3.2. Quantitative Research

Quantitative data are generally collected at any point of time which leads to higher degree of reliability. Research reports and annual reports from secondary sources have been taken into consideration while collecting data. The techniques used during the data analysis stage of the research project included descriptive statistics such as mean, standard deviation and range, frequency distributions and percentages.

##### 3.2.1. Case 1: Coca Cola

In 2007 a report published in OneWorld.net by Aaron Glantz unveiled the darker side of Coca-Cola. Mentioned in the report that "Coca-Cola company has been charged with illegally seizing lands communally owned by small farmers and indiscriminately dumping sludge and other industrial hazardous waste onto the surrounding community". It even mentioned a report of India Resource Center, a San Francisco based environment health non-profit organization. The report accuses Coca-Cola with polluting the canals those leads to the river Ganges and damaging the agricultural field surrounding it with contaminated water being released, especially in northern part of India like Uttar Pradesh. To confirm the statement, Central Pollution Control Board of India in 2003 surveyed eight Coca-Cola bottling plants and tested the water for contamination and found toxic heavy metals like lead, cadmium and chromium and it was suggested to Coca-Cola to term that sludge as industrial hazardous waste. Coca-Cola denies all charges but still Srivastava of the Indian Resource Center termed the practice of Coca-Cola in India to be greenwashing.

##### 3.2.2. Case 2: Nestle

A report declared on around March 2012 by Breastfeeding Promotion Network of India (BPNI) showed that Nestle does a greenwash in India. In this present era of modern marketing Nestle is using strategies called "cause-related marketing" clubbed with "association" of celebrities. According to the report though Nestle is leading the baby food market it has broken International Code of Marketing of Breastmilk Substitutes and India law like Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 and the Amendment Act 2003 (IMS Act). As Nestle has infringed these above mentioned laws so they have been accused by a court in Delhi and is facing a criminal trial. Government of Haryana also took action and seized Nestle's products from their factory accused with having violated labeling rules. It is seen that promotion of advantages of mother's milk and breastfeeding are neglected and less valued than more aggressive promotion of infant milk substitute and related products. This has created a negative effect on the part of the society where we see there is declination of breastfeeding by mothers leading to a harmful effect on infant's health.

Nestle trying to save its corporate image took a strategy of greenwash. With the help of "cause-related marketing" launched a campaign in August 2012 in association with CRY, Times of India and cinema celebrities like konkana Sen Sharma, Shabana Aazmi, which projected itself as mother and child friendly. Though misunderstood by the celebrities but still the company's name got authenticity and legitimacy by their presence. Taking it to be a greenwashing activity, Smt Krishna Tirath, Minister of State (I/C) Women and Child Development Government of India, declined to participate in this very event.

##### 3.2.3. Case 3: Indian Railways

Honorable Indian Railway Minister Pawan Bansal while announcing the railway budget in 2013 expressed that "Railways remain firmly committed to protecting the environment and promoting sustainable development and use of energy efficient technologies."

To support his facts he announced certain things related to green. The points are mentioned below (Shashwat DC, 2013):

- Setting up of Railway Energy Management Company (REMC) to harness potential of solar and wind energy.
- Setting up of 75 MW windmill plants and energizing 1000 level crossings with solar power.
- Deployment of new generation energy efficient electric locomotives and electrical multiple units (EMUs) saving about 60 crore units in 2011-12. Railways has also won the National Energy Conservation Award.
- Encourage more usage of agro-based and recycled paper, and ban use of plastic in catering.
- Extensions of bio-toilets on train.
- Chair at TERI Delhi to promote research in reducing carbon footprint.

If we tally this with the former Indian Railway Minister Dinesh Trivedi in 2012 offering then we can see the above offering was just a mean to greenwash consumers. He offered:

- Setting up of 72 MW capacity windmill plants in Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and West Bengal.
- Setting up of 200 remote railway stations as "green energy stations", powered entirely by solar energy.
- Providing solar lighting system at 1000 manned level crossing gates.
- Introduction of mobile emission test cars to measure pollution level of diesel locomotives.

- Commissioning of two bio diesel plants at Raipur and Tondiarpet.
- Introduction of a 'Green Train' to run through the pristine forests of North Bengal.
- 2500 coaches to be equipped with bio toilets.

Getting a glimpse of what green practices Indian Railway was practicing, it is observed that:

- In February 2012, the Railways had introduced a new energy-efficient electric locomotive "WAP 7".
- Already more than 150 of the Unreserved Ticketing System machines employed in Railways have been running on solar energy.
- Usage of solar-water heaters everywhere in running rooms, and panels in quite a few offices.
- Guidelines on renewable energy usage prescribe the usage of solar for UTS centers, signalling, PRS centers, lighting at railway stations, etc.

So the provision of green in the Railway Budget of 2012 is just ploy to greenwash and nothing more.

#### 3.2.4. Case 4: HCL

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.

#### **4. Conclusion**

Deceiving claims will definitely confuse the consumers about the credibility and honesty of an organization. Using the term "green" beyond a certain limit of exploitation can make the consumer's perception of the very term to a point of vagueness (Zimmer et. al, 1994). 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. Lost amidst this confusion consumers in turn will shun the real green products which are better for the environment (Mayer, et. al, 1993). Unethical environmental marketing will harm the environment, consumers and the firms in an adverse way (Polansky et. al, 1998). It is time that consumer should get knowledgeable against greenwashing. Moreover companies should be more socially responsible about their practices. Legal machineries of the state should get more tightened regarding greenwashing. Consumers, in trying to avoid themselves from greenwashing, should look for the credibility of company by identifying the six sins described above and can follow the checklist devised by Greenpeace called "CARE". Consumers can test a companies' honesty in terms of greenwashing by probing into "Core Business", "Advertising Practices", "Research and Development" and "Environmental Lobbying Record".

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