

Fighting the **green**wash



Introduction

Transparency and sustainability

The United Nations Global Compact carries in its tenth principle on transparency and anti-corruption the will businesses may have, alike governments and the civil society to create a more transparent global economy.¹ While transparency is seen to contribute to socially responsible businesses in terms of public image, some marketing practices tend to present a seemingly transparent and positive image of themselves and their products without being able to deliver, such as in the area of sustainability.

Greenwashing

Greenwashing, as it is called, is the practice of companies dishonestly spinning their products and policies as environmentally friendly while they are not or less than advertised.² Greenwashing is as old as the contemporary environmental movement, started in the late 1960s, it grew and evolved since then to match consumer and policy-maker expectations.³ This case study reviews greenwashing practices today, why greenwashing exists and how this lack of transparency and the misleading information it spreads cannot fool consumers in the long-term. It consequently makes the case for a rapid move toward greater transparency and a shift to balance responsibility through social marketing, using the example of Ecover.

Greenwashing practices

Greenwashing encompasses a vast number of practices, commonly summarised in seven sins¹:

- 'sin of the hidden trade-off' (marketing focuses on one environmentally positive part of the business while forgetting the globally negative environmental impact of the business),
- 'sin of no proof' (there is no factual evidence of the claim being true),
- 'sin of vagueness' (the claim is vague enough for the consumer to misunderstand it),

- 'sin of worshiping false labels' (the claim uses fake labels / third-party endorsements),
- 'sin of irrelevance' (the claim is unimportant or unhelpful: for instance, claiming doing something that is obliged by law anyway),
- 'sin of lesser of two evils' (the claim presents a product that is more environmentally friendly than other products in its category, although the category itself is still environmentally unfriendly) and
- 'sin of fibbing' (the claim is false).

...As consumers prefer socially responsible brands,¹ being perceived as greener than a competitor represents a

Moving on

The explanation for the high level of greenwashing practices we have seen over the past decades lies within consumer demand and pressure, as well as issues of competitive advantage: communicating sustainability is a must-do for brands today. and pressure lies on marketing and communications departments to make the company look more sustainable, sometimes regardless of the company's actual sustainability and of how embedded sustainability principles actually are in the organisation. Revealing greenwashing practices, through consumers reporting it on the internet for instance, is indicative of the need for behaviour change, for companies to actually go green rather than try to look green. It also implies a real involvement on the part of marketing and communications departments and a need for sustainability and transparency to be truly embedded in the organisational structure, rather than as mere communication features.

Look green, sound green, taste green, be green...

Following an increasing demand for greener products, some companies went ahead and commercialised actually greener products, while others made further ecological claims without following up on them. A 2009 study on 2,219 current consumption products in North America found that over 98% were greenwashing to a certain extent. If consumers really are to purchase "green" then, they need solutions to make more informed choices, go past greenwashing marketing and differentiate the more environmentally friendly companies from the less environmentally friendly companies.¹⁰ Four main developments that may help tackle greenwashing have arisen over the past years.

*Reporting*

First, media and internet coverage of the phenomenon has increased, leading to greater more accurate information for consumers. Corporate greenwashing reporting sites have appeared on the internet, such as greenwashingindex.com (promoted by EnviroMedia Social Marketing in partnership with the University of Oregon School of Journalism and Communication), to allow consumers and campaign groups to report and share views on cases of greenwashing.⁴ The press, such as The Guardian, also contributes to fighting greenwashing by featuring columns designed to expose false environmental claims and allow consumers to make more informed choices.⁵ Furthermore, companies that use greenwashing practices should now fear social media and digitally empowered consumers that use twitter and facebook to communicate with their customer base.⁶

Standards

Advertising regulators worldwide are also tackling the issue: the UK's Advertising Standards Authority has committed to seeking proactive approaches to the problem, while the US, France and Australia have tightened regulations to diminish the phenomenon. In Norway for instance, the use of "green," "clean" or "environmentally friendly" in car adverts was banned under the postulate that no car is fundamentally good for the environment. Consumer scepticism has also increased: surveys show that, in the UK and the US, 90% of people are now sceptical about corporate and governmental environmental claims.⁷ Advertising standards watchdogs such as the Advertising Standards Authority receive an increasing number of complaints on part of individuals or groups about environmental claims that they argue are greenwashing.⁸ Hence, environmental claims, and the way they are presented may be influenced by local regulation, as well as voluntarily, through codes of conduct or ISO standards for instance, such as ISO 14025:2006 - Environmental Labels and Declarations, which establishes guidelines over environmental declarations and the use of environmental information.⁹

Certifications and labels

Finally, consumers have seen the development of third-party certifications, some of them genuine and others misleading. Some are reputed and recognised labels that abide by a certain set of standards (e.g. the “Marine Stewardship Council” label for fish, which guarantees you are not eating an overfished or endangered species; the “Forest Stewardship Council” for wood and paper that requires producers to monitor their supply chain). Others are created by the companies themselves, or abide by a set of rules that allows interpretation (e.g. the “Cruelty Free” label has no set standards; or any “Green” or “Nature’s friend” label, that do not actually mean anything and aren’t ruled by standards.).¹¹

Shift to balance responsibility

However, if the age of green marketing has seen greenwashing become a rather mainstream activity, according to experts in the field of sustainable communications, 2010 is likely to witness a shift of focus from proving how green companies are to a focus on helping and encouraging consumers to lead greener lives, which should influence greenwashing practices.¹² Companies may use what is called social marketing as a way to promote behaviour change for the social good through marketing practices, while promoting their own products.¹³ Companies now have the opportunity to use innovation, creativeness and communication to teach consumers how to be more sustainable and gain a competitive advantage through relating their products to consumers’ daily life. In essence, it means that a company may gain a competitive advantage by offering a product that, in addition to its main purpose, helps consumers themselves to go green and to adopt new behaviours, and consequently build green credentials while further engaging in its relationship with customers.¹⁴

*Best practice: Ecover*

Ecover is a leader in ecological detergents and eco-friendly cleaning and laundry products.¹⁵ In addition to making its products environmentally-friendly, it communicates on its website on its commitment to the charity WaterAid, on how it aims to have a minimum impact on aquatic environment and on efficient water use, while also encouraging donations and raising awareness of water issues through a short film presented by Natalie Imbruglia.¹⁶ Rather than merely raising awareness and encouraging sustainable behaviours, it also informs customers how to efficiently do so, and features for instance, a series of web pages on how to ensure you are living in a healthy home, including facts and tips.¹⁷ It also list links to other pages that may help its customers achieve sustainability in their daily lives¹⁸ and produced a £3 worth healthy homes booklet.¹⁹ Finally, it demonstrates transparency as it backs up its claims and publishes on its website its full response, point by point, to consumer organisation Which? that had questioned its claims, and labelled part of them as greenwash.²⁰ In conclusion, Ecover stands out as an environmentally responsible, transparent company that seek to engage its customers in sustainable behaviours through social marketing, practical information as well as through its products.

Conclusion

In conclusion, while the explanation for so many cases of greenwashing mainly lies within a combination of consumer demand and lack of transparency, the future decline of greenwashing lies within the very same consumer demand and transparency issues. First, it is established that greater transparency contributes to truly solid corporate social responsibility and environmental credentials. On the contrary, consumers are to find out, one way or another, whether through reporting, through failings to meet advertising standards or through a lack of appropriate certification / label, a lack of transparency on part of companies they buy from that commonly practice greenwashing. Then, if consumers request greater environmental friendliness, they do not only mean sustainability within the companies they buy from and in the products they buy: they crave for more practical and accurate information to help them enhance their own sustainable behaviours and make a difference themselves. For these reasons, companies that know how to harness the power of both transparency and social marketing are likely to experience less issues in their sustainability communications than those who don't.

¹ <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/principle10.html>

² <http://www.terrachoice.com/>

³ <http://www.corpwatch.org/article.php?id=242>

⁴ <http://www.greenwashingindex.com/>

⁵ <http://www.guardian.co.uk/environment/series/greenwash>

⁶ <http://www.guardian.co.uk/media/2010/mar/19/advertising-twitter-facebook>

⁷ <http://www.ethicalconsumer.org/CommentAnalysis/Features/Greenwash.aspx>

⁸ <http://www.guardian.co.uk/environment/2008/may/01/corporatesocialresponsibility.ethicalliving>

⁹ http://www.iso.org/iso/catalogue_detail.htm?csnumber=38131

¹⁰ <http://www.terrachoice.com/files/EcoMarkets%202009%20Summary%20Report%20-%20Oct%202009.pdf>

¹¹ <http://motherjones.com/environment/2009/11/your-eco-label-lying>

¹² <http://www.businessgreen.com/business-green/news/2259733/green-marketing-careers-towards>

¹³ <http://nsmcentre.org.uk/what-is-social-marketing.html>

¹⁴ <http://www.environmentalleader.com/2008/01/30/companies-going-green-should-ignore-green-consumer/>

¹⁵ <http://www.ethicalsuperstore.com/products/ecover/>

¹⁶ <http://www.ecoverwateraid.com/en/>

¹⁷ <http://www.thehealthyhome.eu/site/uk-en/content/home.asp>

¹⁸ <http://www.thehealthyhome.eu/site/uk-en/content/links.asp>

¹⁹ <http://www.ecover.com/gb/en/HealthyHomesBooklet.htm>

²⁰ <http://www.ecover.com/gb/en/News/Details.htm?ID=274>