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A Conceptual Analysis of Online Marketing through Corporate Greenwashing

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Abstract

This study aims to advance the understanding of consumer perceptions towards corporate greenwashing in internet marketing. A review of recent literature on the subject revealed a study vacuum on the impacts of corporate greenwashing on the internet and how it affects Generation Z (those born between 1995 and 2010) (Francis and Hoefel, 2018). This cross-sectional, mixed-method study methodology explores the effects of the internet marketing environment and the characteristics of Generation Z, building on existing knowledge while utilizing existing results. The study supported earlier findings by showing that Generation Z has little faith in big businesses and is inherently dubious of green marketing. But being aware of greenwashing has little direct impact on consumers' intentions to buy; instead, it depends more on other criteria.

Keywords: Greenwashing, Generation Z, Corporate, Online Marketing.

Introduction

The existence of "greenwashing" in green marketing materials will be the main topic of this investigation. "Some organisations may be unsure of whether to maintain their good reputation or give in to the temptation of engaging in greenwashing—that is, purposefully misleading consumers with false propaganda about their environmental practices—due to pressure from shareholders for increased profitability." (Page 227, Junior et al., 2018). Greenwashing, a word play, has developed as a divergence from "going green" and is generally understood to mean "wilful deception of consumers with respect to ecological activities of an organisation or the environmental benefits of a product" (Gräuler and Teuteberg, 2014, p. 2).

Rationale

The topic of unsustainable consumption and its effects on natural resources has gained global attention since it was first brought up at the United Nations Earth Summit in 1992. As a result, businesses are finding it increasingly important to market sustainability in order to satisfy consumer demand for change. This shift is being aided by

the growing use of “green marketing,” which aims to convey sustainable practices connected to the environment to businesses. However, the idea is not without its problems. Defined as “fulfilling human desires or needs. While posing the least amount of harm to the environment.” The notion of green marketing has also been characterized as “nothing more than a thinly veiled and cynical ploy to attract socially and environmentally conscious consumers while sweeping pressing environmental and social concerns under the carpet” (Jones et al., 2008, p. 126) (Polonsky, 1995, p. 2). Furthermore, research has indicated that green marketing has numerous drawbacks. According to several studies (Jones et al., 2008; Rettie, Burchell and Riley, 2012; Upchurch, 2013), being “green” is frequently expensive for businesses, has no clear meaning, and is a phrase that contradicts itself. These weaknesses have created an unforeseen enemy of sustainability, whereby firms are “spending more money, time and efforts on marketing its products as ‘green’...than actually minimizing its adverse impact on the environment” (Aggarwal and Kadyan, 2011, p. 61), resulting in improved brand image at the cost of real operational change (Mitchell, 2012; Conway, 2019). This practice has been labelled as ‘greenwashing’.

Theoretical Framework

The growing strain on global resources as a result of developed countries’ population growth was first discussed by Ehrlich and Holdren (1971), who claimed that “overdeveloped countries...are the principal culprits in the consumption and dispersion of the world’s non-renewable resources” (p. 1214). Prior to Ehrlich and Ehrlich (1990) addressing individual consumption patterns as another contributing factor to global resource pressure, earlier sustainability literature (Boulding, 1966; Hardin, 1968; Ehrlich, 1968) frequently concluded that overpopulation was the primary cause of ecological pressures. They popularised the idea of “overconsumption,” which is now thought to have started during the industrial revolution and is only seen in industrialised countries (Toth and Szigeti, 2016).

The issue of consumption as an impact on sustainability was later discussed on a global, governmental scale at the United Nations Conference on Environment and Development (Earth Summit) in 1992 (United Nations, 1993), which addressed “unsustainable patterns of consumption and production, particularly in industrialised countries” (p. 378), and stated that “states should reduce and eliminate unsustainable patterns of production and consumption” (p. 4). Based on these findings, Ofstad, Westly and Bratelli (1994) produced the Oslo Symposium on Sustainable Consumption, proposing a definition of sustainable consumption as “the use of goods and services that respond to basic needs and bring a better quality of life...minimising the use of natural resources...so as not to jeopardise the needs of future generations” (p. 9). This introduced consumption change as a means for minimising the impact of unsustainable behaviour patterns.

The same year of the Oslo Symposium, Elkington (1994) introduced Triple Bottom Line (TBL) theory, a strategic framework created for businesses incorporating the concept of sustainability. It established three pillars to consider for sustainable growth: people, planet and profit, intended to “focus corporations not just on the economic value that they add, but also on the environmental and social value that they add – or destroy” (Elkington, 2004, p. 3). More recently, Elkington proposed a recall of his framework on the basis that adhering to it was no longer enough, adding that “indeed, none of these sustainability frameworks will be enough, as long as they lack the suitable pace and scale - the necessary radical intent - needed to stop us all overshooting our planetary boundaries.” (Elkington, 2018).

Green Marketing

“Consumers want to be green. Ergo, advertisers want to be green as well’ (Zinkhan and Carlson, 1995, p. 5). Green or Environmental Marketing is a branch of Sustainability Marketing defined as “all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants...with minimal detrimental impact on the natural environment.” (Polonsky, 1995, p. 2). It supports the ‘planet’ factor of the Triple Bottom Line for sustainable business growth. The implementation of green marketing is a firm’s primary means of communicating their active dedication to the concept of sustainable consumption (Saxena and Khandelwal, 2010, p. 279), but the concept has been noted as having multiple challenges.

Firstly, to market ‘green’, firms must be green. Emery (2011) notes that conventional businesses are not sustainable by nature and operate by the linear economy model of “take-make-dispose” (Goyal, Esposito and Kapoor, 2018). Thus, switching to a circular economy model which fits non-governmental organisations’ (NGO) eco-labelling standards (Van der Ven, 2019), requires firms to make significant changes to most areas of a business and the overall financial cost of shifting to full sustainability is almost always high (Chen and Chai, 2010; Mohajan, 2012).

Secondly, it is noted that, by definition, it is not clear what ‘green’ is. Tiwari et al. (2011) state “it faces a lot of challenges because of lack of standards and public consensus to what constitutes “Green”...there is no definition of “how good is good enough” when it comes to a product or company making green marketing claims” (p. 21). This, combined with the sheer number of eco-labels (Woolverton and Dimitri, 2010) such as ‘eco-friendly’, ‘environmentally friendly’, ‘green’ and ‘sustainable’ (Kelkar et al., 2014; Shelton Group, 2015), with little legal governance (Mohajan, 2012, p. 2), has led to consumer confusion surrounding green marketing (Peattie and Crane, 2005; Chen and Chai, 2010; Tiwari et al., 2011).

Third and most importantly, the concept of green marketing has long been scrutinised in media and literature as contradictory. The Chartered Institute of Marketing (2007, cited in Jones et al., 2008, p. 123) identify that “marketing and sustainability are set for a head on collision because marketing is about selling more while sustainability is about consuming less”, while Upchurch (2013) wrote for *The Guardian*; “to most people, consumption means buying more stuff; buying more stuff means making more things; and making more things means unsustainable consumption”. Furthermore, Jones et al. (2008) note the incompatibility of the two concepts by describing sustainable marketing as “little more than a thinly veiled and cynical ploy to attract socially and environmentally conscious consumers while sweeping pressing environmental and social concerns under the carpet” (p. 126). They conclude that green marketing which promoted true sustainable consumption “would contain the seeds of its own destruction and those of the current business model that is at the heart of contemporary capitalist society” (Jones et al., 2008, p. 128). This is further supported by

Rettie, Burchell and Riley (2012) who argue that firms wishing to promote sustainable consumption should be normalising sustainable behaviours, rendering green marketing unnecessary.

While the Oslo Symposium definition of Sustainable Consumption still requires a certain consumption level that fulfils “basic needs” or a “better quality of life”, which allows acceptance towards goods which can be described as satisfaction-seeking rather than pleasure-seeking (Campbell, 1987), the consumption of hedonistic pleasure-seeking goods has been accused of being the enemy of a potentially sustainable world (O’Shaughnessy and O’Shaughnessy, 2002; Abela, 2006; Helm et al., 2019). O’Shaughnessy and O’Shaughnessy (2002) also note that the consumption of green products continues to offer the materialistic value of product acquisition for the consumer, contributing to the social acceptability of overconsumption. The production and consumption of hedonistic goods is not necessary, making it difficult to justify its existence parallel to the environmental damage it causes.

Corporate Greenwashing

“Pressurized by shareholders for greater profitability, some organizations may be in doubt whether to keep their image untarnished or fall to the temptation of practicing greenwashing, that is, deceiving consumers intentionally with false propaganda about their environmental practices.” (Junior et al., 2018, p. 227). In keeping with TBL theory, the need for profitability combined with the weaknesses of green marketing; the high cost of going green, varying consensus on what ‘green’ is, and consistent demand for hedonistic goods, has resulted in the “wilful deception of customers with regard to ecological activities” (Gräuler and Teuteberg, 2014, p. 2). Greenwashing fits the logic of opportunistic business by taking advantage of a short-term business opportunity for a focus on quick financial gain rather than making strategic long-term investments (Agarwal and Chatterjee, 2014), such as shifting towards a circular economy business model.

Means for detecting greenwashing has varying approaches and results. TerraChoice’s Seven Sins of Greenwashing (2009) (appendix 1.0), which evaluates the presence of any seven ‘sins’ in environmental marketing messages, is the most commonly noted and used framework for means of greenwashing identification (Lyon and Montgomery, 2013; Gräuler and Teuteberg, 2014; Leonidou and Skarmas, 2017). Based on this framework, research carried out by TerraChoice (2009) in North America examined 5,296 “green” products and found that 95.6% contained signs of greenwashing. Green marketing is also found to be present in marketing across industries (Saari et al., 2018), so the scope for potential greenwashing is broad and not market or consumer specific. However, Jones et al. state that green marketing common in fast moving consumer goods (FMCG), “where regular shopping allows habits to be formed and maintained” (2008, p. 127), while Schmuck, Matthes and Naderer (2018) have found that environmental claims are often used for products that are not inherently environmentally friendly, such as airline flights, plastic bottles, and (nonhybrid) cars. Within these more unsustainable industries, the implementation of environmental claims by one company pressures competition to follow suit (NAAG, 1990), referred to as a “feedback loop” (Middleton, 2016) in the market.

Online Marketing

The use of online media to raise awareness and learn about environmental issues in the past decade has risen (Mavrodieva et al., 2019; Severo et al., 2019). Social media was the biggest driver in popularising veganism (Jones, 2018), and continues to drive social influence and environmental awareness, especially among young people (Robelia, Greenhow and Burton, 2011). Simultaneously, online marketing now accounts for half of total advertisement spending worldwide (Enberg, 2019), and has created an ideal environment for firms to communicate CSR efforts (Carroll and McCombs, 2003; Lyon and Montgomery, 2013; Araujo and Kollat, 2018).



Research produced by Gräuler and Teuteberg (2014) investigates the effect of greenwashing in online advertisements on trust-building factors. They assess greenwashing claims and signs of executional greenwashing using visual design elements such as environmental imagery. The authors note that greenwashing in online advertisement is often undetected and that if detected, is not immediately perceived as negative, demonstrating similar signs of rationalisation found by Atkinson and Kim (2014). However, their results found that while identification affects brand trust, the extent varies depending on brand, platform and visual quality of the online advertisement. The authors note that participants were introduced to the concept of greenwashing prior to the survey, and it is therefore “obvious that the respondents were primed to detecting greenwashing” (Gräuler and Teuteberg 2014, p. 9). The authors suggest that future research into greenwashing detection should avoid informing participants of the concept and identify this as their key limitation (2014, p. 9).


Generation Z

“In little over a decade, Generation Z will account for 33% of all consumers worldwide” (OC&C, 2019, p. 3). Generation Z is the youngest and most dynamic group to consider when investigating attitudes around both online marketing and the topic of sustainability. Francis and Hoefel (2018) describe those born in 1995 to 2010 as a “hypercognitive generation... comfortable with collecting and cross-referencing sources of information...integrating virtual and offline experiences” (p. 1). Gen Z are actively concerned with environmental issues (Mintel, 2019), likely linked to their increased quality of education, exposure to technology for information and community-oriented nature (Su et al., 2019).

However, they show low trust in ‘large companies’ to facilitate change (Levine, 2019), which is furthered by their desire to “proactively seek out learning opportunities...independently via online platforms” (Gomez, Mawhinney and Betts, 2019, p. 11). Young consumers are the most active users of social media (Kulkarmi, Kalro and Sharma, 2019), and have the highest tendency to consume as well as share online content (Chen and Lee, 2014). They are described as a generation wanting both social and environmental benefits from companies, but also authenticity and transparency (Frost and Sullivan, 2019), leaving much reason to analyse their thoughts on corporate greenwashing.

Table Online marketing examples containing signs of green washing

							For Researchers use Only	
Fig.	Date	Source	Media Type	Platform	Visual	Copy	Greenwashing Sin (s)committed (Sinof)	Content Purpose
1	2015	Coca-Cola (2015)	Video	YouTube		“Introducing Plant Bottle packaging, the first ever fully recyclable PET plastic beverage bottle Partly made from up to 30 percent renewable plant-based material.”	Hiddentrade-off Noproof Vagueness Irrelevance Lesser of two evils False labels	Convince
2	2018	PepsiCo (2018)	Inter active Webpage	Website		In 2018, we set a new target to strive to use 25 % recycled content in our plastic packaging by 2025, another step toward building a world where plastics need never become waste.	Hiddentrade-off Noproof Vagueness Lesser of two evils	Educate

3	2019	Nestlé (2019)	Facebook Post	Facebook		We're accelerating our actions to tackle plastic waste. Check out how we are working towards making 100% of our packaging recyclable or reusable by 2025, with a focus on avoiding plastic-waste.	Hidden trade-off Vagueness	Inspire
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Discussion

Composing this essay was a worthwhile experience that gave me the chance to wrap off my studies in Digital Marketing by fusing research with a subject I’ve always considered personally fascinating. Kolb’s (1984) Experiential Learning Cycle serves as a guide for my experience composing this research paper, reflecting all facets of growth encountered on this trip.

Due to a lack of prior experience with having such control over content and organisation, it was first intimidating to take on the complete responsibility of selecting a study subject and steering its course. Finding and assessing earlier research, on the other hand, is something I like the most. It seemed more satisfying to do this for a topic I had never thought of before and had never been able to investigate before. Managing a project over a broader time frame than any past academic work was also an opportunity to advance my time skills, and the use of a corporate demanding.

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