A Study on Customer's Perception towards Green Washing with Special Reference to Cosmetic Products in Madurai

Dr. S. C. B. Samuel AnbuSelvan, Associate Professor of Commerce, The American College, Madurai

Ms. K. Deepthi Nivasini, Assistant Professor, Department of Commerce, Thiagarajar College, Madurai.

Abstract

This study aims to identify customer's perception towards green washing of cosmetic products. Many companies try to exhibit their concern for the environment and attract consumers who are also eager to contribute to a greener planet. On the contrary, this has led to an increase in green washing of products, where companies devise strategies to attract consumers without making any significant changes to their products. The study has looked into the impact of green washing on the consumer's buying behavior. Additionally, the socio-economic profile of the respondents was examined. Percentage analysis, Garrett ranking technique and Likert`s scaling technique were used for analyzing the data

Keywords: report cards, comments, sentence structure, mechanics

I. Introduction

The attempt of companies to rapidly meet the increasing demand for green products has led to the rise of the term "greenwashing", which has grown considerably over the past years and has become increasingly debatable.(Carlson, L., Grove, S. J., &Kangun, N., 1993)[1].Critics of greenwashing point to the intention of "going green" as a deceptive way to increase business profits rather than as a way of fulfilling any duty to the environment. When the intention behind the product's "greenness" is to increase sales, businesses may be sacrificing the environmentally positive aspects of a product for the marketability or costefficiency of producing it. The more money businesses put into marketing their "green-ness," the less money they put toward environmentally sustainable efforts. In practice, this leads to businesses putting on a front of being eco-friendly while still practicing environmentally unsustainable practices such as polluting or lobbying against environmentally forward laws. This, in the end, places the burden on the consumer to distinguish between authentic environmentally friendly companies.(Dahl, 2010)[2].Greenwashing is defined as the false claims regarding the environmental practices of a company (firm-level greenwashing) and the environmental benefits of a product or service (product-level greenwashing) (Delmas 2011)[3]. Guidelines should be provided for environmental marketing claims. The usage of environmentally friendly image on the product which has no environmental impacts should be prohibited. Companies should present an environmental marketing claim in a way that makes clear whether the environmental attribute or benefit being asserted refers to the product or the product's packaging. (WahidaShahanTinne, 2013)[4].

II.   Statement of the Problem

Green washing is a strategy used by companies to show consumers that they care for the environment and they may choose to do so, for any of the following reasons: other stakeholder groups going green, the emergence of a group of green consumers and business development.Consumer's perception of greenwashing is real and their impact on brand attributes and purchase intent are significant.(Nyilasy, Gangadharbatla, &Paladino, 2013)[5].There is a plethora of companies relishing in their "eco-friendly" and "sustainable" practices. Their claims of sustainability and environment-friendliness in product labels are effective in persuading consumers,to buy the product but they are not effective enough to actually fulfil their environmental claims. The study is carried out to ascertain the perceptions of consumers on greenwashing of cosmetic products by corporates and how it influences customer buying behavior of green products.

III.   Review of Literature

(TerraChoice, 2007) addressed the consequences of green washing in his article "The Sins of Greenwashing" as follows,"Consumers with good intentions of purchasing green products may be misled into purchases that do not deliver on their environmental claim. As a result, the potential benefit of a green purchase disappears. Illegitimate environmental claims take away market share from products with true and real benefits.[6]

Delmas and Burbano (2011) in their study found that, there are four underlying reasons for companies to participate in greenwashing: (1) There are expectations from customers and competitors to exhibit positive environmental improvements. (2) Those within an organization may be less ethical and instead more financially motivated so they may only want to improve their environmental reputation to increase profits. (3) Sometimes various parts of the organization, such as the marketing teams, may create environmental targets and start advertising the company as green before the requirements are met. (4) Sometimes a green marketing strategy may get developed, but other parts of the organization may not want it.[7]

Krafft et. al. (2014)in their study found that, when consumers were presented with a greenwashed ad or an environmentally neutral ad, consumers considered brands more environmentally friendly if they were greenwashed.[8]

Sanjay KeshaoraoKatait (2017) in his study reveals, "The Seven sins of Green washing" as follows (1) Sin of hidden Trade-off- Suggesting a product to be green based on a few attributes. (2) Sin of no Proof- Environmental claimsthat do not have enough supportiveor trustworthy information. (3)Sin of Vagueness- Environmental claims that are so broad and easily misunderstood by the consumer. (4) Sin of Irrelevance-Environmental issues that are unrelated to the product are emphasized. (5) Sin of lesser of two evils- Environmental claims on products that do not have environmental benefits. (6) Sin of worshipping false labels- false certifications and labels. (7) Sin of Fibbing- Environmental claims that are totally not true.[9]

ManviKhandelwal et. al. (2019) in their study inferred that consumers do have an understanding of greenwashing tactics used by the firms such as the use of words like herbal, organic and natural but when it comes to their buying behavior, they often do not make informed choices and end up being greenwashed. Greensuggestive labels, pictures, words and packaging seem attractive to the new age consumer who is inclined to buy the product.[10]

IV.   Objectives of the Study

1. To ascertain the socio-economic profile of the respondents.
2. To assess customer's perception on green washing of cosmetic products in Madurai city.

3. To analyse the impact of green washing on customer's buying behaviour.
4. To offer findings, suggestions and conclusion to the study.

V. Methodology

The study deals with customer's perception on green washing in cosmetic product marketing. The study was conducted among the women consumers of Madurai city.The sample size of the study is 30. Random sampling technique has been used in this study.Quantitative data was collected from women consumers using interview schedule. Since the study has its own predetermined objectives and methodology, it is both descriptive and analytical in nature. The statistical tools used for the analysis of data in this study are inferential statistics, Garrett ranking and Likert's scaling technique.

VI. Data Analysis

Socio-economic profile of the respondents

Socio-economic variables such as age, education, income,occupation and marital status indicate the socio-economic profile of the respondents.

Table 1. Socio-economic profile of the respondents

Variables	Characteristics	Respondents (In Percentage)
Age	15-25 years	43
	25-35 years	37
	35-45 years	13
	45 & Above	7
Educational Qualification	Primary level	10
	Secondary level	27
	UG Degree	30
	PG Degree & Above	33
Marital Status	Married	26.5
	Unmarried	66.5
	Widowed	7
Occupation	Housewife	23
	Profession	27
	Student	37
	Others	13
Annual Household Income	□50,000-□ 100,000	40
	□100,000-□ 1,50,000	7
	□1,50,000-□ 2,00,000	23
	Above □2,00,000	30

Table 1 shows the socio-economic profile of the respondents which reveals that (43%) of the respondents are between the age group of 15-25 years and (33%) of the respondents have completed their PG degree and above.More than half of the respondents (66.5%)are unmarried and (40%) of the respondents have an annual household income of □50,000 – □100,000 and (37%) of the respondents are students.

Table 2. Customer's preference for Green Products

Preference of Green Products	Respondents (In Numbers)	Respondents (In Percentage)
Rarely	6	20
Sometimes	14	47
Always	9	30

Never	1	3
Total	30	100

Table 2 shows the preference of customers to buy a green product while purchasing cosmetic products. Nearly half of the respondents (47%) look for a greener alternative sometimes while buying cosmetic products.

Table 3. Ranking of greenwashed cosmetic products based on customer's perception using Garrett ranking Technique

Cosmetic Products	Total Score using Garrett table values	*Mean Score	Rank
Shampoos and Conditioners	1750	58.33	I
Face Cream and Powder	1730	57.66	II
Lipsticks and Lip Balms	1624	54.13	III
Toothpaste and Mouthwash	1619	53.96	IV
Hair dye and Hair Serum	1544	51.46	V
Eye Shadow and Mascara	1536	51.2	VI
Body Lotions and Sunscreens	1518	50.6	VII
Body wash and Cleansers	1396	46.53	VIII
Nail polish and Cuticle oils	1144	38.13	IX
Perfumes and Deodorants	1079	35.96	X

*Total score /No. of respondents
Source: Primary data

Table 3 shows the ranking of greenwashed cosmetic products based on customer's perception of green washing in the cosmetic industry. It is clear that 'Shampoos and Conditioners' with the Garrett mean score of 58.33 were identified as the major green washed products and ranked first, followed by 'Face Cream and Powder' which ranked second, 'Lipsticks and Lip Balms' ranked third, 'Toothpaste and Mouthwash' ranked fourth, 'Hair dye and Hair Serum' ranked fifth, 'Eye Shadow and Mascara' ranked sixth, 'Body Lotions and Sunscreens' ranked seventh, 'Body wash and Cleansers' was ranked eighth, 'Nail polish and Cuticle oils' ranked ninth and 'Perfumes and Deodorants' with the Garrett mean score of 35.96 were the least greenwashed product as expressed by the respondents thus it got the last rank.

Table 4. Ranking of the impact of green washing on consumer's buying behaviour using Likert's scaling Technique

Statements	*Total Score	**Mean Score	Rank
It is hard to find the difference between greenwashed products and truly natural products.	122	4.06	I

Statement	Total Score*	Mean**	Rank
Cosmetic companies use green washing to increase brand credibility.	119	3.96	II
Greenwashing of cosmetic products is unethical and causes distrust while making future purchases.	118	3.93	III
Today consumers are environment conscious and search for labels that denote health, wellbeing and 'toxin-free' claims.	117	3.9	IV
Most cosmetic products, emphasize a small green attribute of the product to make consumers believe it to be a totally green product.	115	3.83	V
Colors, slogans and logos on cosmetic products are used to convince the consumers that the product is a green product.	114	3.8	VI
Most cosmetic products that really work are not really green products but green washed products.	113	3.76	VII
The term "eco-friendly" on cosmetic products makes a big difference in the decision to purchase the product.	108	3.6	VIII
True green products are too expensive than green washed cosmetic products.	107	3.56	IX
The term "Dermatologist tested" on skincare products makes purchasing the product more reliable.	106	3.53	X
Eco-label does not ensure that consumers will get the genuine eco-friendly products.	104	3.46	XI
There are no government standards and regulations for cosmetic products, companies can easily call their products "natural" or "organic" using false labelling.	100	3.33	XII

*Total Score = (SA× 5) + (A ×4) + (NO×3) + (DA×2) + (SDA×1)

**Total Score /No. of respondents

Source: Primary data

Table 4 indicates the ranking of the impact of green washing on consumer's buying behaviour using Likert's scaling Technique. Among the statements 'It is hard to find the difference between greenwashed products and truly natural products' was reported to have a major impact on the consumer's buying behaviour and thus it ranked first with the mean score of 4.06 followed by 'Cosmetic companies use green washing to increase brand credibility' which ranked second with the mean score of 3.96 and 'Greenwashing of cosmetic products is unethical and causes distrust while making future purchases' ranked third with a mean score of 3.93. 'Today consumers are environment conscious and search for labels that denote health, wellbeing and 'toxin-free' claims'

with the mean score of 3.9 and 'Most cosmetic products, emphasize a small green attribute of the product to make consumers believe it to be a totally green product' with the mean score of 3.83 got the fourth and fifth ranks respectively. 'Colors, slogans and logos on cosmetic products are used to convince the consumers that the product is a green product' with the mean score of 3.8 ranked sixth. The statements 'Most cosmetic products that really work are not really green products but green washed products.' with the mean score of 3.76 and 'The term "eco-friendly" on cosmeticproducts makes a big difference in the decision to purchase the product' with the mean score of 3.6 ranked seventh and eighth respectively.'True green products are too expensive than green washed cosmetic products' with the mean score of 3.56 got the ninth rank followed by the statement 'The term "Dermatologist tested" on skincare products makes purchasing the product more reliable' with the mean score of 3.53with the tenth rank. The statements 'Eco-label does not ensure that consumers will get the genuine eco-friendly products' with the mean score of 3.46 and 'There are no government standards and regulations for cosmetic products, companies can easily call their products "natural" or "organic" using false labelling' with the mean score of 3.33 show that green washing has less impact on the buying behavior of consumers and thus got the eleventh and twelfth ranks respectively.

VII.   Findings

➢ From the foregone analysis, it is seen that (43%) of the respondents are between the age group of 15-25 years and (33%) of the respondents have completed their PG degree and above.

➢ More than half of the respondents (66.5%) are unmarried and (40%) of the respondents have an annual household income of □50,000 – □100,000 and (37%) of the respondents are students.

➢ Nearly half of the respondents (47%) look for a greener alternative sometimes while buying cosmetic products.

➢ The results of the study show that among the various cosmetic products sold in the market, based on the perception of the consumer on green washing of cosmetic products, 'Shampoos and Conditioners' with the Garrett mean score of 58.33 were identified as the major green washed products and ranked first. 'Face Cream and Powder' ranked second with the mean score of 57.66. 'Nail polish and Cuticle oils' ranked ninth with the mean score of 38.13 and 'Perfumes and Deodorants' got the last rank with the Garrett mean score of 35.96.

➢ The analysis on the impact of green washing on consumer's buying behaviour using Likert's scaling Technique reveals that, the statement 'It is hard to find the difference between greenwashed products and truly natural products' with the mean score of 4.06 had the most impact on consumer's buying behavior and the statement 'There are no government standards and regulations for cosmetic products, companies can easily call their products "natural" or "organic" using false labelling' with the mean score of 3.33 shows that green washing has less impact on the buying behavior of consumers and thus got the twelfth rank.

VIII.   Suggestions

➢ Consumers should become aware of the green washing practices which persuade them to buy cosmetic products that provide false or irrelevant environmental claims.

➢ Green audit has to be undertaken as a part of business development operations by cosmetic companies to assess their contribution towards conserving the environment and the planet.

➢ More companies should come forward to be certified organic just as L'orealGarnier has

been certified by "The accreditation of Soil Association Certification", UK in 2019.

IX. Conclusion:

Customers have exhibited significant ethical choices, in the buying behavior of cosmetic products since the early 2000s and it has been increasing ever since. It is evident from the study that, the consumer'sdemand for green cosmetic products has led to the increaseof green washing by corporates. Cosmetic companies try to convince consumers in order to generate more sales claiming to be environment friendly and Sustainable. The modern consumer has to be prudent while purchasing green products and look forward to certified and trustworthy products that genuinely benefit both the environment and the consumer.

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