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Green Lies in the Operation of Enterprises

Abstract. *The main purpose of the article is to present the essence of greenwashing in the company's activities. The theoretical part shows the genesis, the essence of greenwashing and the impact of the phenomenon on consumer behavior. The practical part was prepared on the basis of a thorough analysis of foreign language articles. Therefore, the presentation of the struggles of enterprises in the area of greenwashing was made on the example of international companies such as: Mc Donald, BP and Walmart.*

Keywords: *ecology, green consumerism, greenwashing, sin, environment*

1. Introduction

Customers are aware of an enterprise's impact on the society and the environment. Therefore, they expect the products they purchase to be fully authentic and the information about them accurate. Corporate social responsibility or green marketing enable continuous communication between an enterprise and the customer. This communication can be used to highlight the environmental values of offered products. An enterprise that builds relationships with the customer should put a particular emphasis on the advantages of its products and accompanying processes. This demonstrates a conscious approach to the issue of environmental protection. It includes the way in which the product was manufactured, transported, stored and packed. Such information makes it easier for an enterprise to reach an environmentally-conscious customer, and allows the customer to make a choice.

2. Genesis and essence of greenwashing

The term “greenwashing” was coined in 1986 by Jay Westerveld, who described how one hotel induced its guests to have their towels replaced less often. It was under the pretence of caring for the environment. In reality, it wanted to spend less money on washing.

Greenwashing, also called green sheen or greenscam, is a trick used by producers to make customers believe that their products or services are environmentally friendly. This is mainly done through abusing ecological symbols. By stressing green aspects, producers divert attention from faulty areas of their operation. According to N. Ćwik, the author of the paper “Wybielanie za pomocą zielonego” (Whitewashing by means of green), greenwashing is manipulation that seeks to achieve the halo effect. An enterprise hopes that the brand’s green image will result in perceiving the whole organisation in the same way.¹

Greenwashing is a practice of giving untrue information, intentionally misleading, abusing ecological slogans and using terms incomprehensible to the customer. The aim is to present an enterprise, products, principles or goals in an environmentally friendly light. It is thus misinformation created by an organisation that relies on falsehood and intentionally deceptive image to portray itself as an entity responsible for society and the environment.

The negative phenomenon of greenwashing is known as sins. These sins are presented in Table 1.

Enterprises constantly seek cheap and easy ways to increase profits. Greenwashing allows them to achieve their goal. Companies win environmentally-conscious customers, and being environmentally-friendly is a way of standing out from the competitors and achieving competitive advantage. However, it should be borne in mind that the costs of eventually losing consumers’ trust can significantly exceed the benefits of fraudulent, manipulative practices.

In Poland, greenwashing is not as common as abroad yet. Nonetheless, signs are that over time this concept will grow in popularity. Green products are usually more expensive, which leads to higher profit. It is often enough to advertise a product as healthy to earn more money and gain a positive image. Organic business sounds good.

Greenwashing can be used with anything. From a food product to furniture or an expensive hybrid car. Therefore, one should not trust advertisements blindly, buying products in green packaging with “eco” label. It is reasonable to look for opinions about the product and read the list of ingredients. It is also important to check the authenticity of the certificates that an enterprise claims to have. In the age of the Internet, everything can be checked, but not everybody is aware of that.

¹ <http://www.proto.pl/artykuly/wybielanie-za-pomoca-zielonego> [accessed: 5.05.2019].

Table 1. Main sins of greenwashing

Sins of greenwashing	Characteristic
Sin of the hidden trade-off	Based on a few attributes, an enterprise suggests that its product is green. At the same time, it ignores a significant, negative impact on the environment or society.
Sin of no proof	An enterprise does not have credible certificates to confirm that its product is green.
Sin of vagueness	An enterprise presents green aspects in an unclear way. This may mislead the customers. Examples include products that are perceived by customers as fully natural but contain substances that are harmful to health.
Sin of worshipping false labels	An enterprise uses labels containing green images or terms. This practice misleads the consumer.
Sin of irrelevance	An enterprise presents facts that are detached from the reality. An example is using products containing substances that have been prohibited for many years.
Sin of lesser of two evils	Through environmental measures an enterprise avoids addressing serious issues connected with its product, e.g. promoting green cigarettes or environmentally-friendly pesticides.
Sin of fibbing	An enterprise unlawfully uses certificates confirming its environmental activities.

Source: Witek 2013: 124-125.

Cases of greenwashing can be reported to the body Advertising Council by filling in a simple form. To do that, one should visit the website www.radareklamy.pl, and open the “File a complaint” link.²

Denying greenwashing is possible though brand fan pages in the social media. Any doubts concerning green products can be clarified by posting a comment or sending a private message. It is also a good way to express dissatisfaction when encountering a green scam. A customer’s consistent stance is the best form of objection against a company trying to pull his/her leg, even a green one.³

3. Greenwashing and customer behaviour

Consumers are constantly bombarded with ubiquitous advertisements. They are surrounded by information about healthy snacks, environmentally-friendly cleaning materials and biodegradable packaging. So, how to make informed choices and distinguish goods that are environmentally-friendly? How to make purchases without harming Mother Earth? What to watch for and what to look for when reading product labels?

² <https://www.radareklamy.pl/zloz-skarge> [accessed: 10.05.2019].

³ <https://stressfree.pl/greenwashing-czyli-ekosciema-wokol-nas/> [accessed: 10.05.2019].

Consumers' environmentally-friendly behaviours are determined by increasing ecological awareness. Ecological awareness is a set of beliefs and information about the natural environment and the cause-and-effect relationship between the environment and the society's quality of life [Burger 1986: 18].

Environmental awareness is shaped by the following factors:

- level of knowledge,
- sense of personal insecurity,
- sense of responsibility for the natural environment,
- awareness of health protection,
- readiness for limitations [Łuczka-Bakuła 1996: 51].

Sense of personal insecurity is a key factor shaping consumers' emotional attitudes towards the natural environment. A person concerned about the negative consequences of the environmental issues is more likely to put an emphasis on ecological criteria when making purchasing decisions. The more directly the threat affects the consumer, the more important the ecological aspect is. The consumer notices the relationship between the natural environment and his/her health condition.

Consumers are increasingly aware that their behaviour impacts the natural environment. As a result, in all phases of the process of purchasing a product people take into account the aspect of environmental protection. Such behaviour is defined as green consumerism.

Green consumerism refers to cutting down on products that have a negative impact on the environment and involve:

- products that are dangerous to the society and the environment,
- the use of excessive quantity of resources,
- waste,
- damage inflicted as a result of the manufacturing and use of a product,
- cruelty towards animals [Peattie 2001: 132].

A conscious consumer should respect a few important principles:

1. A shopping list.
2. A reusable shopping bag.
3. A product's country of origin.
4. A product's labelling.

5. A product's packaging [Kodeks Świadomego Mieszczucha; Code of a conscious city slicker 2016: 21-23].

The first rule is to prepare a list of the products that are needed. By doing so one can avoid rash decisions and making choices on the spur of the moment. A shopping list should be made on the phone or on the back of an unneeded sheet of paper.

The use of reusable shopping bags reduces the amount of disposable plastic bags. In Poland, 10 million plastic bags are taken by customers every day. In order

Table 2. Examples of product labels

	Organic food
	Organic farming
	Food produced in an environmentally-friendly and man-friendly way
	Products not tested on animals
	Production using only natural raw materials
	Safe for ozone
	Energy-efficient product
	Throw into a garbage bin

Source: <https://www.ekologia.pl/>, <https://www.ekoszyk.mos.gov.pl> [accessed: 5.05.2019].

to produce them, around 3 thousand tonnes of crude oil are used and 3 million tonnes of carbon dioxide are emitted to the atmosphere. Moreover, plastic bags pose a serious danger to animals. During a play with a plastic bag, it can be tightened around the neck of an animal or damage its bowels.

Monitoring the product's country of origin is important in terms of supporting the local economy. Choosing a product that was manufactured in the country benefits the environment and society. A local product is fresh, less processed and healthy. All that thanks to travelling a shorter distance. A shorter distance means less noise and pollution, whereas by supporting local suppliers we enable organic farms to develop.

In order to avoid the traps set by companies that use green tricks, it is useful to know eco-labels. Eco-labels are symbols designed to inform the consumer that the product is environmentally-friendly (Table 2). Knowing a few eco-labels makes it easier to make a choice. Eco-labels are awarded by state and private organisations. The symbols can be found on cosmetic and food products, textiles, cleaning materials and electronic equipment. Farms applying for an eco-label have to meet the following criteria:

- water protection,
- soil protection,
- no risk to birds,
- no interference in the development of plants,
- no practice of grass burning,
- grazing of animals without risk to grassland birds.

In Poland, the most popular symbol is “Ekoland,” which is awarded to organic food by the Polish Association of Food Producers Using Organic Methods. [Kodeks Świadomego Mieszczucha 2016: 24-25].

A conscious consumer pays attention to the packaging of products. More and more often, goods are packed in several boxes. This practice is mostly seen with household cleaning products and cosmetics. A tube of paste or a glass jar placed in a paper box – these are just a few examples. By making conscious choices, one can avoid unnecessary rubbish. The best option is paper or glass packaging. Glass can be processed unlimited number of times, and paper is biodegradable.

4. Greenwashing in practice

McDonald's, after modernising its restaurants all over the world, decided to implement a project to improve its image. The fast food chain plans to place the corporate logo on a green background in the future. This measure is meant to symbolise care for the natural environment.⁴

⁴ https://www.focus.de/panorama/vermishtes/mcdonalds-fastfood-kette-wird-gruen_aid_456774.html [accessed: 4.05.2019].

However, how can one talk about ecology and not address the issue of waste at the same time. The company admits to generating enormous amount of waste. The use of cutlery and disposable accessories alone accounts for around 81 289 tonnes of waste produced annually by McDonald's – 13 772 tonnes of plastic and 32 218 tonnes of paper waste.⁵ Changing the colour of the logo will not be enough to protect the environment. But it may camouflage certain activities.

Another reprehensible practice is using genetic engineering during poultry feeding. Growing generically modified soya has negative consequences for the natural environment in the form of water, soil and air pollution. McDonald's tries to convince the public that it protects agricultural land, natural resources, animal welfare and controls all stages of production. However, these promises are a sham, so-called greenwashing. McDonald's cannot promise all of that and at the same time use generically modified soya in animal feed. Inappropriate production of cheap meat will be expensive for future generations and the environment. Consumers do not want genetic engineering in food, even if it is used in animal feed. Most of them would rather pay more and get a sandwich with poultry which was fed in an appropriate, rational way.⁶

Another example of greenwashing is the practice of Walmart. The largest retailer sold plastic products that were misleadingly labelled as biodegradable or compostable, violating the law of the State of California. Walmart claims that sustainable development is its priority and the products sold to Californian consumers conform to the norms. This is highly misleading. The state law prohibits the sale of plastic products labelled as biodegradable. The same applies to selling plastics labelled as compostable. Californians, who are willing to reduce the amount of waste in landfills, are misled. Consequently, Walmart agreed to pay 1 million dollars to settle greenwashing claims. This payment is a win for consumers and the environment.⁷

The company also misled consumers about the impact of its stores on the natural environment. A report by the Institute for Local Self-Reliance (ILSR) reveals that Walmart's sustainability campaign is designed to improve the company's image rather than the natural environment. Over the last eight years, its greenhouse gas emissions have increased despite advertising claims about solar installations and efficiency measures. The company only generates 2% of electric energy from wind and the sun.⁸

⁵ <https://www.premiumpark.de/mcdonalds-cr-report/> [accessed: 4.05.2019].

⁶ <https://www.greenpeace.de/themen/mcdonalds-gruene-schminke> [accessed: 5.05.2019].

⁷ <https://www.environmentalleader.com/2017/02/greenwashing-costing-walmart-1-million/> [accessed: 7.05.2019].

⁸ <https://www.climatechangenews.com/2013/11/18/walmart-accused-of-greenwashing-over-clean-energy-claims/> [accessed: 7.05.2019].

In 2017, right before Earth Day Procter & Gampel created Pampers Dry Max. These remarkable nappies are designed to help parents to reduce the negative impact on the environment. Thanks to a special design they contain less material, thus ensuring that the use of resources is minimal. In theory, Pampers Dry Max are designed to save landfill space. But are disposable nappies better than reusable cloth nappies. A reusable cloth nappy is unrivalled in terms of ecology and waste reduction. Studies show that Pampers Dry Max contain Sodium Polyacrylate, which is a chemical water absorber. It can cause burns and rash in children. An identical chemical was removed from tampons as a cause of toxic shock syndrome. Thus, Pampers Dry Max are not “green” at all. These nappies cost much more money without offering any special qualities that protect the environment.⁹

Huggies Pure & Natural nappies are a similar story. According to the producer, the nappies contain organic materials and ingredients that ensure a perfect protection. The nappies are latex, fragrance free and hypoallergenic. They contain a breathable outer cover made of organic cotton. Are they certified organic? - this fact has not been documented. What’s more, the packaging is sourced from only 20% recycled materials. In fact, many companies boast 100% recycled materials. Huggies nappies, like Pampers, contain Sodium Polyacrylate. However, parents believe that they are a green, natural product. This shows how skilfully the company plans its marketing campaigns.

The last case of greenwashing to be analysed is BP’s declaration. The company spent millions of dollars portraying itself as a leader in green technologies. In reality, it is responsible for the most destructive oil spill in the history of the world. The spill disturbed natural habitats and the ecosystem. It inflicted harm on fishermen, fish industry and local population. What happened along the Gulf coast is in contrast to BP’s logo. The green and yellow colours communicate the advent of spring. A flower is a symbol of life, bloom. It is a perfect visual trick that diverts attention from the real product. The graphic representation of the company proves to be the antithesis of its identity. This contradiction required well-thought-out marketing campaigns. But BP will always be a company that derives profits from oil. A company associated with a drilling rig, oil tanker, petrol station and air pollution. Interestingly, in 2009 Greenpeace awarded BP the Emerald Paintbrush award for greenwashing. Greenpeace operating in the United Kingdom presented the company with a trophy featuring a paintbrush covered in green paint. This is a sign of disapproval of the company’s practices.¹⁰

⁹ <https://www.growingagreenfamily.com/greenwashing-fun-with-disposable-diapers/> [accessed: 6.05.2019].

¹⁰ <https://www.greenpeace.org/usa/recapping-on-bps-long-history-of-greenwashing/> [accessed: 7.05.2019].

5. Conclusions

Companies put a lot of effort into receiving relevant certificates, sourcing alternative materials, implementing environmentally-friendly technologies or designing without compromising available resources. Sometimes, a company unintentionally abuses green values and qualities in its communication and misleads the customer. Cases of intentionally suggesting that a product is environmentally-friendly to make it stand out from the competitors are less frequent. Companies that consciously use greenwashing should consider the negative consequences of this practice. Disappointed customers will chose competitive products, and the company will be punished for violating the law – it will take a long time before the damaged reputation is rebuilt.

Greenwashing comes under increasing criticism not only from environmental organisations, but also consumers and public administration institutions. Deceit may pay off in the short run. But in the long run it will result in unrecoverable losses.

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Zielone kłamstwa w działaniu przedsiębiorstw

Streszczenie. *Zasadniczym celem artykułu jest przedstawienie istoty greenwashingu w działaniach przedsiębiorstwa. Część teoretyczna ukazuje genezę, istotę greenwashingu oraz wpływ zjawiska na zachowania konsumenta. Natomiast część praktyczną przygotowano w oparciu o wnikliwą analizę artykułów obcojęzycznych. W związku z tym dokonano prezentacji zmagani przedsiębiorstw w obszarze greenwashingu na przykładzie międzynarodowych firm, takich jak: McDonald, BP i Walmart.*

Słowa kluczowe: *ekologia, green consumerism, greenwashing, grzech, środowisko*