

Strategic Direction



Pseudo green players and their greenwashing practices: a differentiating strategy for real green firms of personal care category

Deepti Jog and Divya Singhal

Deepti Jog is based at the Department of Management, Goa Institute of Management, Sattari, India.

Divya Singhal is based at the Goa Institute of Management, Sattari, India.

Shweta has gone to a supermarket to buy soaps and shampoos for her newly born baby and she has lot of brands available. She wants to pick products that are chemical free and have only natural ingredients.

This is not only Shweta's story, many consumers are now choosing the products that are environment friendly, natural and chemical free.

In the consumer markets, corporations are feeling pressure to go green. A number of companies have come up with green product alternatives for consumers. However, many of such efforts are being discussed from the perspective of justifying whether they are real or merely misleading advertisements to promote the image of the brand. Scholars have termed these misleading advertisements as "greenwashing" which is also known as "eco-washing", "green makeup", eco-bleaching' etc (Parguel *et al.*, 2011; Chen and Chang, 2013; Lyon and Montgomery, 2015). Greenwashing practices have infused new competitive dynamics amongst the green product manufacturers. Real green players or the companies that are genuinely investing in green practices and changing the way they operate and manufacture their products are finding it difficult to cope up in the market. It has become difficult for real green companies to differentiate themselves from the greenwashing practices by so-called pseudo-green players. How can the real green players differentiate themselves from pseudo green players remains a challenge.

Greening in personal care products

Increased preference for green products and enhanced environmental awareness among consumers has resulted in increased number of new green brands in the market. Particularly in the personal care category, the global market is expected to witness substantial growth. Grand View Research (2009) has estimated that personal care industry will reach USD 25.11 billion by 2025. The report suggested that the increasing demand for cosmetics and skin and hair care coupled with rising need for environment- and animal-friendly products is expected to drive the growth. Erceg (2018) expressed that the entire "Natural" segment is growing strongly. This expression stemmed from the fact that the sustainable growth with sustainable products can be driven more strongly in the personal care category by making the right claims on the products.

Today, consumers have become more involved with skin care and personal care products. It is a common belief among consumers that anything that is natural or herbal will have fewer side effects compared to chemical-based products on skin. This has led many companies to launch new brands or existing brands to launch new products in green

category. FMCG company Unilever has targeted ethical and environmentally conscious millennials with its newest personal care brand, Love Beauty and Planet (LBP), which was launched in 2018 in UK. Forest Essentials, Kama Ayurveda, Tjori are some other examples of personal care brands promoting their products as natural and green.

Reckitt Benckiser (RB), the consumer health and hygiene company that owns Dettol has recently launched new range of soaps and hand washes infused with natural tulsi and jasmine (Bansal, 2019). HUL has extended its soap brand Lux into the herbal and natural segment with the Lux Botanicals range infused with honey, aloe vera and other natural ingredients.

Some of the existing brands from the similar product categories also attempted to introduce a new product channel simultaneous to their existing range. Almost all of the existing brands in different categories responded to the consumers green needs by establishing green marketing strategies such as green alliances, green innovating, greening the organization (Duffett *et al.*, 2018).

Pseudo-greens marketing gimmick or greenwashing

When a marketing strategy is combined with environmental concern, it is called “green marketing”. Companies use a range of undertakings to satisfy the consumer demand for environmentally friendly products (Laufer, 2003). Revamping advertising, product adjustment, altering production operations, sustainable packaging and of course recycling are some of the measures companies are choosing (Baker, 2002). Any communication that misleads people in adopting overly positive beliefs about an organization’s environmental performance, practices or products can be termed as pseudo-green’s marketing gimmick or greenwashing. Today, possibly because of the growing demand for green and organic products, greenwashing instances are increasing. The greenwashing practices (cheating the consumer) are generally related to green packaging, which relates the product to the environment or shows it as an organic product by way of including a picture of leaf, or green fonts etc. Other greenwashing practices can be vague, irrelevant, and even false information about the product being green or ecologically safe.

Seven sins of greenwashing

TerraChoice (2009) listed “7 sins of greenwashing” and stated that any firm that is into green advertising does at least one of the 7 sins of greenwashing listed in the report. These seven sins of greenwashing are:

1. Sin of hidden trade off: Companies label their product as eco-friendly but do not mention their negative impacts on environment;
2. Sin of no proof: Many brands while advertising makes claims without any evidence e.g. ‘animal testing free’ but without any evidence;
3. Sin of vagueness: There are companies using terms that are poorly defined, broad or misunderstood. For example, advertisements may say that ‘*we have 100% natural ingredients*’. What are those natural ingredients is not specified;
4. Sin of irrelevance: Companies stating about an environmental claim that is technically true but is unimportant or unhelpful for consumers seeking environmentally preferable products. ‘*CFC free*’ is a common example and a frequent claim. Despite the fact that CFCs are banned by law;
5. Sin of lesser of two evils: Companies may claim that their product is ‘natural’ or ‘organic’ than another product but in reality, the impact of the product is no good. For example, advertising a cigarette brand as ‘organic’;

6. Sin of fibbing: Advertising about something that has little or no truth; and
7. Sin of worshipping false labels: In this type, products through images or words create an impression of third-party endorsement. However, in reality no such endorsements exist.

TerraChoice research findings suggested that in most cases the companies are involved into 2-3 sins while advertising for their green products. Pseudo green players use such form of advertising where consumers are misguided regarding the environmental benefits of product or service. This form of advertising, emphasizes elite power and propaganda in influencing how people think of companies' environmental performance.

Through one or more greenwashing practices, the pseudo green players are able to create a green impression in front of consumers and thus give tough competition to the real green brands.

What green organizations can do?

The companies need to visibly demonstrate how the green brands make a real difference to people's lives through their environmental and quality of life benefits (Danciu, 2015). If the companies are concerned for environment, they need to be ready to invest in a new green manufacturing setup. Ethical sourcing or responsible sourcing is a way to establish the sustainable product.

Pseudo green players through greenwashing behaviours, try to get a competitive advantage with minimum green effort. An additional challenge for the firms lies in the marketing of the product so as to differentiate themselves from other product ranges and particularly from the pseudo green players.

The green organizations can bring in differentiation through:

Awareness regarding Greenwashing: It is important to make consumers realize that they are being deceived because of greenwashing practices. And for this, real green organization needs to create awareness regarding greenwashing and the ways pseudo green companies use to cheat consumers.

Highlighting Environmental Issues: Green organizations need to take adequate measures and raise awareness regarding the environmental issues through a new language.

Exposing the brands/products using Greenwashing: Real green companies need to publicize the typical greenwashing behaviours and take steps to expose them. This may act as a defensive advertising strategy and can provide a platform to green firms to publicize their green efforts. For this reason, providing statistical evidences of the greenwashing practices may help persuade the consumers. Exposing deliberately misleading information will only work for the more obvious and active greenwash.

Demonstrating Green behaviour: Last but not the least, real green companies need to demonstrate the commitment towards greening by implementing green human resource practices, promote green supply chain and reducing, reusing and recycling all possible waste.

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About the authors

Ms. Deepti Jog is a Research Associate at Goa Institute of Management. She is pursuing her PhD from Goa University's Department of Management Studies after completing M Phil. She has published some research papers and book chapters in the area of sustainability, tourism and supply chain. Her recent research interests include sustainability, green consumption, supply chain, tourism and textile industry. Deepti Jog is the corresponding author and can be contacted at: deeptijog@gim.ac.in

Dr. Divya Singhal is an Associate Professor at the Goa Institute of Management (GIM), Goa (India). She is currently leading the Centre for Social Sensitivity and Action at GIM. She has over 17 years of teaching experience and 4 years of journalism experience. Her research interest lies in the area of development, education, gender, social responsibility and Quality etc. She has won several awards at national level for essay and case writing.

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