

OVERVIEW OF GREENWASHING METHODS AND TOOLS USED IN POLISH AND WORLD ENTERPRISES

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Abstract: Greenwashing is a way of achieving unfair competitive advantage due to creating a false perception that a proffered product or service is environmentally sound. The article presents a study both on the methods and tools that are used in the case of the greenwashing phenomenon in Polish and world enterprises, and the main purpose of article is to analyse the different ways and examples of their use. In this article, we also present data which is connected to statistical greenwashing usage and Corporate Social Responsibility (CSR) in world-class companies operating in four different sectors.

Keywords: Greenwashing, greenwashing methods, greenwashing tools, Corporate Social Responsibility, CSR reporting, Non- financial data reporting.

1. Introduction

Nowadays, reporting of social responsibility is an inherent part of many enterprises' business model, and while most are forced to report different kinds of non-financial data, there are also organisations that want to report this voluntary. One of the main reasons is the fact that voluntary Corporate Social Responsibility Reporting (CSR) is recognized as a means of building a competitive advantage. Counting on successful enterprise image building and seeing the chance to stand out from other business entities, many are ready to take part in various kinds of activities to reach that goal.

One of the most common initiatives taken to achieve the targets and benefits connected to CSR activity is creating a positive ecological image in the undertaken business activity. Indeed, many business entities have begun to plan their own development paths and create "business behaviours" subordinating the greater part of their work to the ecological aspect of their non-financial data reporting. Due to this attitude, many benefits for an organisation and its culture

can be achieved (Płoska, 2016; Jakubczak, 2019), as well as for customers or clients, the local environment and third party operators.

Unfortunately, non- financial data reporting requires high levels of honesty in preparing and analysing the obtained data. The problem appears when enterprises begin to create situations and find opportunities to show data that is apparently green, but not actually so. Such situation is labelled a ‘Greenwashing Phenomenon’ (GP). GP, although noted in international literature since the 1980s, has only been researched recently in Poland (Kubiak, 2016). There are a lot of GP methods and tools that can be chosen by different business entities (Griese et al., 2017) that create a false appearance of ecological soundness. These depend on many factors, for example: size, customer groups, financial issues, ecological incentives, way of management and pursuit of sustainable development.

2. Marketing activities as a methods of use the Greenwashing Phenomenon

The Oxford Dictionary defines the term ‘greenwashing phenomenon’ as “Disinformation disseminated by an organization so as to present an environmentally responsible public image” (Wolniak, 2016). Due to this practice, serious problems can occur (Griese et. al., 2017; Dahl, 2018; Wolniak, 2015, 2016; Hąbek, and Wolniak, 2016). In public image construction, several different greenwashing strategies are applied (Table 1).

Table 1.

Greenwashing strategies in marketing

Strategy of Greenwashing	Example of use in market
Hidden goal conflicts	One activity is ecological-friendly, but the rest are not.
Lack of evidence	Proffering purported ecological-friendly activities that are without scientific backing.
Abstract, vague statements	Using terms that can be misinterpreted so as to create an ecological- friendly image.
Wrong labels/slogans	Falsely labelling a product, green, to increase the product’s and its producer’s green credentials.
Irrelevance	The company advertises a product that is seemingly green due to being free from substances/ingredients that are in fact, banned by law.
Design elements	Making an impression through using images that are considered ecological-friendly.

Adapted from: (Griese et. al., 2017).

All these strategies are major forms of greenwashing. Under them, there are hidden a lot of tools, methods, concepts which can be use by business entities to create false images of ecological friendliness. From the customers’ perspective, the greenwashing phenomenon creates public confusion (Dahl, 2018). A quoted example is that of Malaysia Palm Oil Council. Their TV advertisements speak about the natural origin of this product (Dahl, 2010). The fact is that Palm oil is highly refined and the plantations have destroyed tropical forests and

make extensive use of pesticides and artificial fertilizers. How it is marketed is the perfect example of the use of the strategies listed above. It also should be noted that some companies promote one aspect of their activity that is green while covering up other activity that is not (Jakubczak, 2019).

A more recent example of new technology usage in greenwashing practices is the situation from 2016 connected to Volkswagen AG and its lies about greenhouse gas emission in their 2.0 litre turbo diesel engine offerings from 2009-2015. The advertisements speak of meeting Euro Standard 4, but a cut-out was used in the emission controls so that in testing – it met them, but in daily use, it did not. In this case of greenwashing, the greenness of the product was a lie knowingly perpetuated. The chosen approach backfired due to high media attention and loss of social credibility. As a result of this revelation of corporate malfeasance, Germany lost its green credentials (Lane, 2016; Majlath, 2016).

3. Greenwashing in company practice

The companies that utilize greenwashing can be broken down into four different types (Dahl, 2010) (Table 2).

Table 2.
Types of companies use greenwashing

Type of company	Describe
Misguided	Problems with effective communicate efforts that were taken by companies to make public environmental improvements of ecological aspects connected to their products or processes (not intentional).
Unsubstantiated greenwash	Spending more time on communicating different kinds of data than on environmental and ecological activities. These efforts are often unmasked by customers or government agencies (intentional).
Greenwash noise	Creating positive environmental images wherein the real value of these activities is low.
Effective environmental communication	Organizations that undertake diverse genuine activities to improve their products and activities from a pro-ecological view and are able to communicate this effectively.

Adapted from: (Wolniak, 2016).

From all types of organizations showed in Table 2, “effective environmental communication” is the one correct situation (Horiuchi, and Schuchard, 2009). A company that genuinely cares about the environment and suitably communicate this pro-green stance can achieve successes and be credible in a long- time perspective. The environmental value or effect of the greenwashing activity listed in Table 2 is revealed in Figure 1.

Although consumers do not like greenwashing practices, they still buy products from companies that do this. We can distinguish three main reasons for this phenomenon (Marciniak, 2010):

- the brand remains crucial – some people became attached to certain products (or services) and do not give eco-friendly attributes a special dispensation,
- the “green” feature is not the only reason for buying a product – critics pay too much attention to the ethical or environmental benefits of a product (or service), not emphasizing other important qualities,
- personal accountability, altered behavior and effective action – first of all, the key factor is to redefine the ways people consume (much more responsibly or simply less) and then try to convince them to buy from a particular company with “green” credentials.

However, there is a big difficulty in competition between two types of organizations: those that use “effective environmental communication” and the other kinds of Greenwash companies. Activities that are both connected to caring about ecological issues, and can effectively communicate this stance, must use up a lot of time and financial resources to be green, while the rest of the Greenwash companies count on easy, cheap and fast ways of creating an empty pro-ecological image, hence, gain greater profits. It should be noted that companies are more and more aware that their environmental reputation is highly influential in customer purchasing decisions (Witek, 2013). Thus, in greenwashing, when the false claim is uncovered, the company can have major problems (Wolniak, 2016; Hourichi, and Schuchard, 2009).

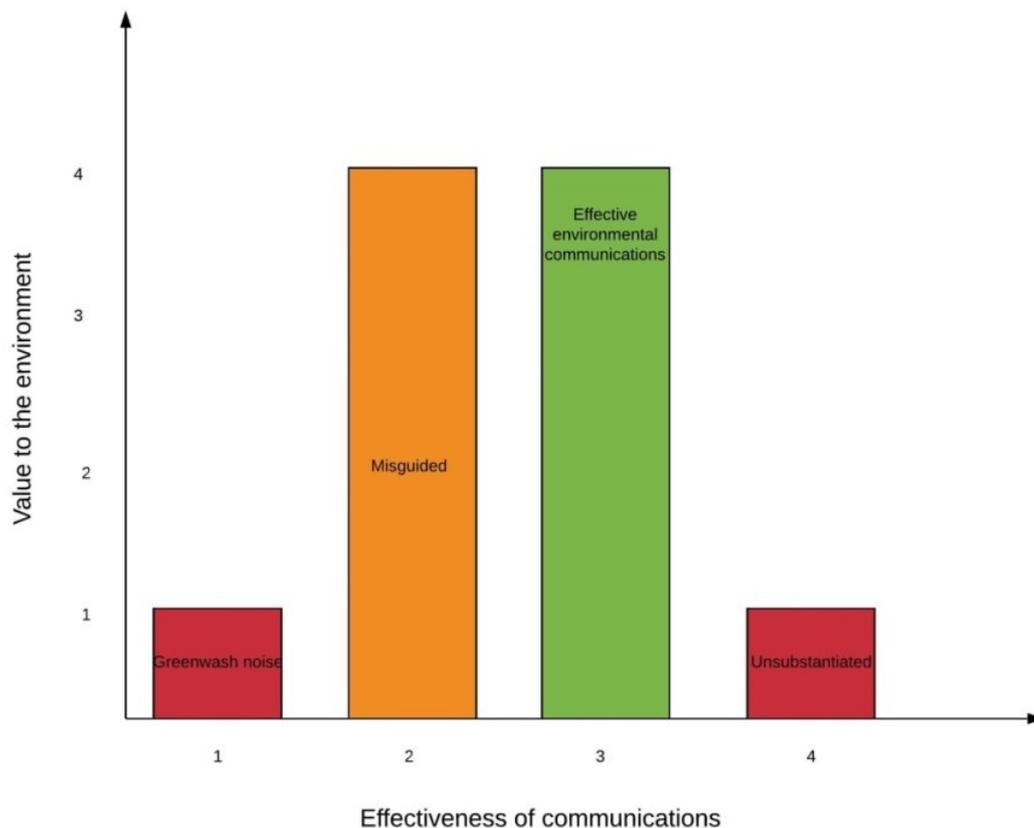


Figure 1. Types of companies using greenwashing – actual value to the environment. Adapted from: (Hourichi, and Schuchard, 2009).

4. The seven major forms of greenwashing

From among all the greenwashing techniques that are used by companies, there are 7 major forms that are applied (Płoska, 2016):

1. Hidden alternative costs (compromise) – Communication transfer of company is concentrated upon the properties of one or many offers that are seemingly or actually ecologically-friendly. At the same time, the company is silent about other properties or offerings that are less favourable to the natural environment.
2. Lack of evidence – Used in market communication – declarations that are seemingly genuine, but have not been tested by reliable concerns or certification bodies.
3. Lack of precision – Using wide and generally imprecise statements of environmental merit that can be easily misinterpreted by customers as evidence of pro-ecological friendliness.
4. Immateriality – Suggestion in communications of green features that are not really so or are irrelevant to the actual product manufacture or use.
5. Lesser evil – Using pro-ecological slogans or imagery for products that are in actuality damaging to human health and world ecology – for example, cigarettes advertisements.
6. Cheat – Peddling outright lies and false information about non-existing pro-ecological features.
7. False ecological labels – Making and using own ecological signs and labels that closely mimic actual bona fide labelling done by independent certification bodies.

5. Greenwashing as undertaken by world corporations

The CSR reports are a measurable source in which “pro-ecological” attitude can be observed (Hąbek, and Wolniak, 2014, 2016; Wolniak, and Hąbek, 2016). The basic model of greenwashing usage according to CSR reporting is a sender-receiver relation. Herein, the sender (company) takes an effort to send information to the receiver (customer), which, in consideration of the product can choose to accept the proffered information and purchase or not purchase the product (Brazillier, and Vauday, 2013). It must be recognized that most business entities do not favour corporate social responsibility. In numerous cases, enterprises realize the concept of social responsibility in disordered, incidental and limiting (Chład, 2016). One of the outward aspects of Corporate Social Responsibility is care about the natural environment (Leśna-Wierszołowicz, 2016). CSR data provides indications of how corporations apply greenwashing (Wolniak, 2017; Dahl, 2010). Table 3 lists the sectors certain world-class corporations that profess pro-ecological stance occupy.

Table. 3*Sectors in which the exemplified companies occupy*

Number	Sector	Company name
1	Automotive	Nissan Motor Co. Ltd.; General Motors; Volkswagen AG; Mitsubishi Motor Corp.; Toyota Motor Corp.; Mazda Motor Corp. ;Ford Motor Corp.; BMW; Honda Motor Co. Ltd.; Fiat Auto
2	Electronics	Philips Electrolux AB; Videocon Industries Ltd.; Samsung Electronics Co. Ltd.; Panasonic Corporation Dell, Inc.; Sharp Corporation; LG Electronics Inc.; Hewlett-Packard Co.; Sony Corporation
3	Food and Beverages	Coca Cola Company, Kellogg Company, General Mills; PepsiCo Unilever PLC; Tata Global Beverages H.J. Heinz Company; Whole Foods Markets Starbucks Corporation; McDonald's Corporation
4	Personal Care	Oriflame Cosmetics SA; Lóreal; Henkel KGAA; Dabur India Ltd.; Revlon, Inc.; Johnson & Johnson; Beiersdorf; Unilever PLC; Procter & Gamble Company; Kimberly-Clark Corporation

Adapted from: (Aggarwal, and Kadyan, 2011).

The results of correlation between CSR reporting and greenwashing (based on Mean, Median, Mode, Standard Deviation, Min., Max, Amount of observations) as used within the marked sectors listed in Table 3 is seen in Table 4.

Table. 4*Correlation analysis between CSR and Greenwashing use*

Particulars	Pearson's Correlation	p-value
Overall (Hypothesis Ha1)	0,9%	0,954
Automotive (Hypothesis Ha 2)	21,5 %	0,547
Electronics (Hypothesis Ha 3)	-0,33,7%	0,342
Personal Care (Hypothesis Ha 4)	-10,0%	0,783
Food & Beverage (Hypothesis Ha 5)	8,9%	0,805

Adapted from: (Aggarwal, and Kadyan, 2011).

Between all four sectors (overall) and CSR scores the correlation is insignificant. When analysed one by one, the correlation suggests that for the Automotive and Food and Beverage sectors, positive association can be observed. However, negative association is evident between Personal Care and the Electronics sectors. All the p-values are greater than 0,05, and all alternative hypothesis are rejected (Aggarwal, and Kadyan, 2011). Researchers have also found (Volleto, et. al, 2016) that the CSR communication seem to be clearly influenced by an attempt to avoid the creation of a greenwashing effect. CSR communication can create a misleading impression of corporate performance, and, therefore, leaves companies open to accusations of greenwashing.

8. Conclusion

Our highly-developed societies mean more and more demanding customers, the purchasing approaches of who are often driven by pro-environmental attitudes. These can influence corporate behaviour. Unfortunately, the lack of customer knowledge, ecological trends and shopping decision haste bring about situations wherein they can be easily tricked into buying products that are not really ecologically-friendly. For companies that want to maintain or extend their marketing share, social responsibility, particularly, perception of environmental friendliness, gives a wide field to introduce themselves from the best perspective. With respect to the environment, this can be genuine, or it can be undertaken in the form of greenwashing. This can, in reality, be damaging to the ecology and the practice is unfair to companies that are honourable and socially responsible. In this paper, we give a brief description of the main practices of greenwashing, especially in the context of CSR reporting. However, we cannot be sure of the reliability of CSR reports, although such reports are very important from corporate image points of view. Nowadays, image means value. Thus, on the basis of literature review, we believe that there is a need of conducting more in-depth analysis connected to identifying and analysing CSR practices pertaining to the ecology, from the scientific and social point of view. The intent of this is to find the tools to distinguish between good and false social responsibility reports.

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