



A STUDY ON CUSTOMER PERCEPTION ON GREEN WASHING OF THE COMPANIES

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Abstract : This study attempts to determine how consumers feel about companies that claim to be environmentally friendly. Many businesses make an effort to show their concern for the environment and draw in customers who want to do their part to make the world greener. Contrarily, this has increased the practice of "green washing," in which businesses come up with plans to draw customers in on the pretext of environmental sustainability and caring for Mother Nature. The study examined how greenwashing affects consumer purchasing decisions. The respondents' socioeconomic profiles were looked at, to gain a better understanding of the consumer base. A theoretical framework was designed by us to understand the bearing factors namely, Beliefs, Loyalty, Reputation, Perceived Quality and Awareness have on Green Washing. This study will help students and professionals alike in gaining knowledge about how customers today perceive the landscape of eco-friendly initiatives undertaken by companies, and their understanding about the subject of greenwashing.

IndexTerms – Customer Perception and Green Companies.

I. INTRODUCTION

People are more aware of environmental issues since they've worsened. Environmentally claimed products increased significantly in the early 1990s. The trend quickly vanished. Recently, several firms have used confusing, misleading, or even false environmental claims to market their products or companies to a growing number of environmentally sensitive consumers. Green washing is spreading. "Green" and sustainable options are promoted at practically every purchase. These products may not be as environmentally beneficial as they claim, which consumers are unaware of. In green washing, firms exaggerate or lie about their claims to steer customers towards their products. Green washing is the public promotion of sustainable concepts to hide waste or lack of advantages. Market concerns about green washing are developing. Social media is being used more by companies to promote environmental claims, but this reinforces Green washing claims and makes it harder for customers to tell fact from fiction. As environmental concerns grow, more customers worldwide say they're eager to buy more sustainable items. Consumer sentiments towards green brands, products, and companies are at an all-time high. Many consumers care about a company's social responsibility. Many national regulations have been created to prevent Green washing by only approving products that meet specified criteria. Green washing is a severe issue that is steadily declining. This study examines customer perceptions of green washing and how factors affect their purchasing decisions. With increased interest in sustainability and environmental challenges, this study will promote more honest and trustworthy environmental communication.

The significance of this research would be that it would provide insights into how various factors tend to affect consumer perception of Green washing. This information would be useful for companies and policymakers in developing targeted marketing strategies and regulations to promote sustainable consumption. Furthermore, this will contribute to increasing the understanding of consumer behavior in relation to Green washing.

OBJECTIVES OF THE STUDY

To explore how consumer beliefs and values influence consumer perception of Green washing.

To assess consumer awareness and understanding of green washing, as well as the sources of information that contribute to their awareness.

To examine consumer attitudes towards environmentally friendly products and their perception of the credibility of environmental claims made by companies.

RESEARCH METHODOLOGY

The present study is both descriptive and analytical in nature. It is descriptive in the sense that it tries to identify various characteristics of research problems. It is analytical in the sense that it analyzes and interprets data in order to arrive at a conclusion. Also, the data is

analyzed to examine consumer perception of environmental claims by companies. Both primary and secondary data were used for data collection.

Primary: Primary data was collected by using questionnaires.

Secondary: Secondary data were collected from books, websites, articles, magazines.

An online questionnaire was prepared and convenience sampling was used. Google form and Google sheets were used to administer the responses. The survey was conducted with consent of respondents and confidentiality is maintained throughout the research. The population is restricted to Hyderabad residents and the sample size is 104. The data is presented through tabular and graphical tools.

REVIEW OF LITERATURE

Previous research on "consumer perception of Green washing" are reviewed in this chapter. These reviews summarise research papers and identify gaps in this field.

Review of literature

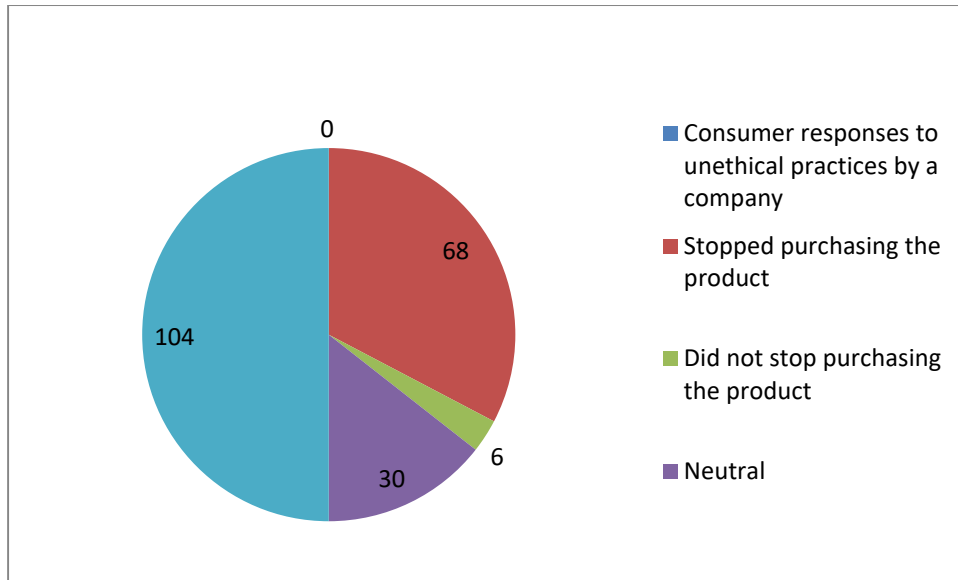
According to Delmas, M. A., & Burbano, V. C. (2011), green washing has increased sharply as companies combine poor environmental performance and practices with favourable environmental advertising. More companies are green washing, misrepresenting their environmental performance or product benefits. Green washing is rising, which might hurt consumer and investor faith in green products. Green washing mitigation is difficult in a context of limited and unpredictable regulation. This article investigates the external (institutional and market), organisational, and individual determinants of Green washing and provides managers, politicians, and NGOs ways to reduce it.

TD Gallicano, (2011) demonstrates how easy it is for a company to be criticized for promoting its environmental efforts according to the framework for analyzing Green washing. Companies could show improvement with their environmental efforts, but they could still be accused of Green washing if there is a perception that this green promotion distracts from their overall environmental impact. Starbucks is considered by many as a leader in corporate social responsibility and has provided an immense amount of information about its sustainable business practices on its website; however, there were still some legitimate criticisms about its environmental communication. Starbucks opens itself to such criticism because it has chosen to brand itself as environmentally friendly. This study examines the fairness of Starbucks' CSR practices, and verbatim comments and details of Starbucks' practices are included to help readers decide if they agree or disagree.

Nyilasy, G., Gangadharbatla, H., & Paladino, A. (2012) aims to investigate the effects of green corporate advertising and corporate environmental performance. It uses attribution theory to explain factors of effectiveness in green advertising and links Green washing to consumer responses.

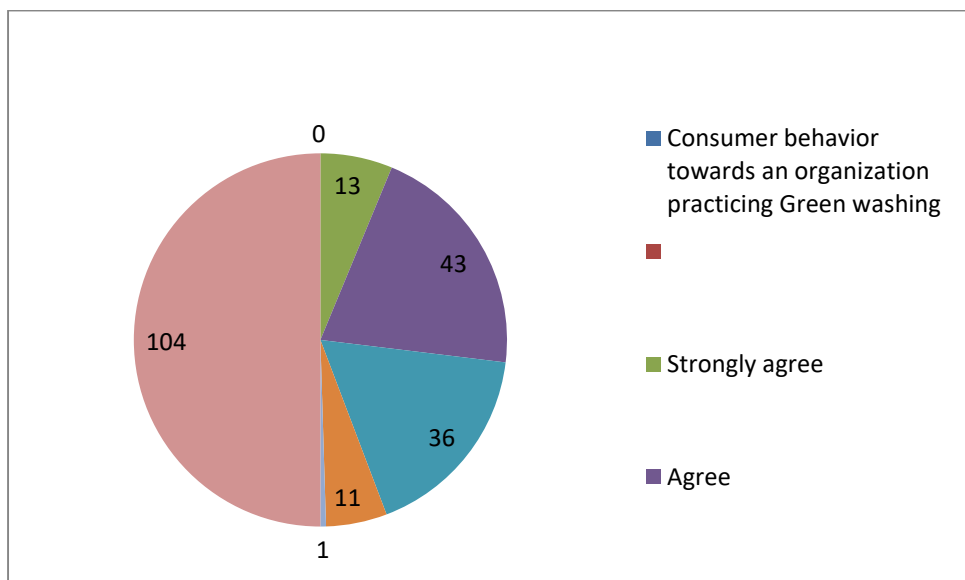
TABLE 4.12 IMPACT ON PURCHASE DECISIONS OF CONSUMERS AFTER DISCOVERING UNETHICAL PRACTICES BY A COMPANY

CONSUMER RESPONSES TO UNETHICAL PRACTICES BY A COMPANY	NO. OF RESPONSES	PERCENTAGE(%)
STOPPED PURCHASING THE PRODUCT	68	65.38%
DID NOT STOP PURCHASING THE PRODUCT	6	5.77%
NEUTRAL	30	28.85%
TOTAL	104	100.00%



ACCORDING TO THE RESEARCH, 65.4% OF RESPONDENTS STOPPED BUYING FROM A COMPANY THAT ENGAGED IN UNETHICAL CONDUCT. GREEN WASHING IS NOT THE ONLY UNETHICAL PRACTICE. FALSE CLAIMS, EXPLOITING CONSUMER DATA, BRIBERY, EXPLOITATION, ETC. KNOWING THIS CAN HELP US COMPARE CONSUMER RESPONSES TO UNETHICAL ACTIONS TO GREEN WASHING. TABLE 14.13 CONSUMER BEHAVIOR TOWARDS AN ORGANIZATION PRACTICING GREEN WASHING

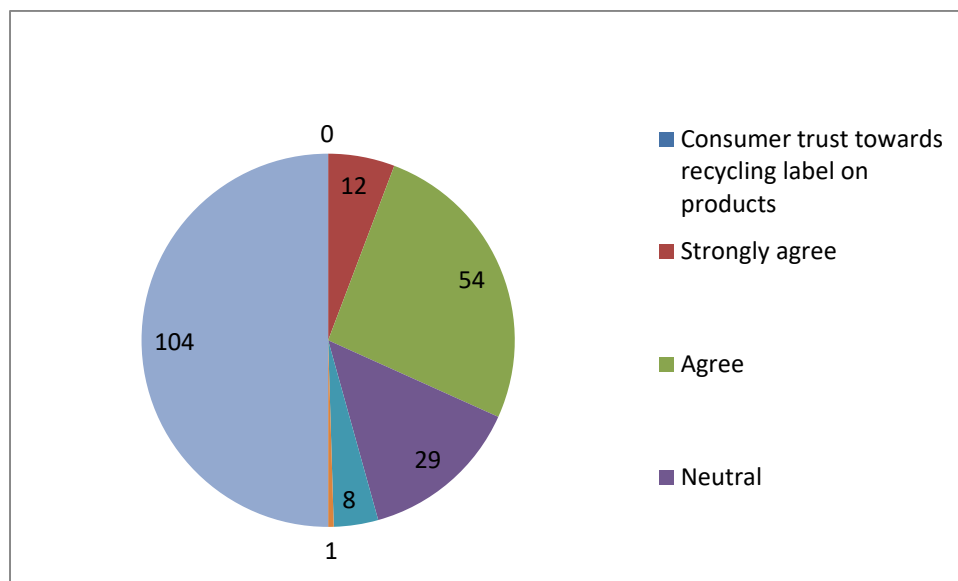
CONSUMER BEHAVIOR TOWARDS AN ORGANIZATION PRACTICING GREEN WASHING	NO. OF RESPONSES	PERCENTAGE(%)
STRONGLY AGREE	13	12.5
AGREE	43	41.34
NEUTRAL	36	37.44
DISAGREE	11	10.57
STRONGLY DISAGREE	1	0.96
TOTAL	104	100%



THIS STUDY FOUND THAT 41.34 % OF INDIVIDUALS LIKE GREENWASHING COMPANIES. 37.44% ARE NEUTRAL, 12.5% STRONGLY AGREE, AND 10.57 DISAGREE THAT THEY WILL LEAVE THE COMPANY.

TABLE 14.14 CONSUMER TRUST TOWARDS RECYCLING LABELS ON PRODUCTS.

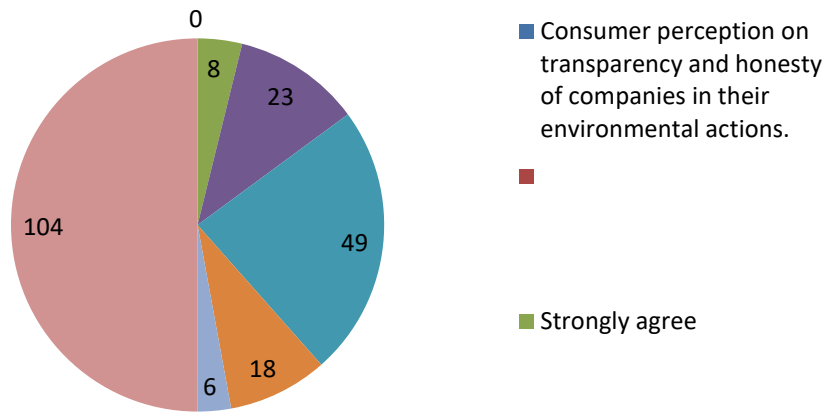
CONSUMER TRUST TOWARDS RECYCLING LABEL ON PRODUCTS	NO. OF RESPONSES	PERCENTAGE(%)
STRONGLY AGREE	12	11.53
AGREE	54	51.92
NEUTRAL	29	27.88
DISAGREE	8	7.69
STRONGLY DISAGREE	1	0.96
TOTAL	104	100%



THIS SURVEY FOUND THAT MOST PEOPLE BELIEVE PRODUCT RECYCLING LABELS. 27.88% ARE UNSURE ABOUT THIS PROCESS. 11.53 % STRONGLY AGREE AND MAY HAVE EXPERIENCED IT. ABOUT 8% STRONGLY DISAGREE AND MUST TRUST PRODUCT RECYCLING LABELS.

TABLE 14.15 CONSUMER PERCEPTION ON TRANSPARENCY AND HONESTY OF COMPANIES IN THEIR ENVIRONMENTAL ACTIONS.

CONSUMER PERCEPTION ON TRANSPARENCY AND HONESTY OF COMPANIES IN THEIR ENVIRONMENTAL ACTIONS.	NO. OF RESPONSES	PERCENTAGE%
STRONGLY AGREE	8	7.69
AGREE	23	22.11
NEUTRAL	49	47.11
DISAGREE	18	17.3
STRONGLY DISAGREE	6	5.76
TOTAL	104	100%



MOST PEOPLE ARE NEUTRAL, ALTHOUGH MORE BELIEVE MOST CORPORATIONS ARE HONEST AND CLEAR ABOUT THEIR ECO-FRIENDLY INITIATIVES. 7.69% HIGHLY AGREE, 22.11% AGREE, 47.11% NEUTRAL, 17.3% DISAGREE, 5.76% STRONGLY DISAGREE. THE REPLIES ARE MORE POSITIVE REGARDING MOST FIRMS.

FINDINGS:

Most respondents report being persuaded by green advertising, supporting the belief that consumers trust environmental claims despite the possibility of deception. Half of respondents are unsure if they have been greenwashed. More individuals believe they were greenwashed than not. Some folks may not realise they were greenwashed..

- Many fewer people have the above response to green washing, and the responses alter when a brand is mentioned versus
- Most buyers indicated they consider other reviews when buying a product. Price and environmental sustainability follow.
- Most respondents believe firms use green washing to boost brand reputation, gain competitive advantages, and increase profits. The majority of respondents agree that firms are upfront and honest about their environmental initiatives, indicating trustworthiness without concrete evidence. It also implies that greenhushing is unknown to most.

SUGGESTIONS

Encourage ethical practices: consumers should be encouraged to support ethical practices by choosing products and brands that are environmentally and socially responsible. Companies should answer for unethical actions like green washing, fabrication of facts, misuse of consumer data, bribery, and exploitation.

Empower consumers consumers should be empowered to make informed decisions. They will make better decisions if they are given accurate and easily available information regarding environmental claims. Consumer organizations may also compile databases of businesses and products that have been linked to cases of green washing.

Increase focus on sustainability companies and organizations should increase their focus on sustainability and work towards reducing their environmental footprint. Customers will be more likely to believe them and trust them, and their statements will be more transparent and accurate as a result.

Foster a culture of skepticism consumers should be encouraged to be more skeptical about environmental claims made by companies. They should become adept at questioning claims and seeking out supporting data. By doing so, the possibility of green washing would be reduced and accountability for businesses will be guaranteed.

CONCLUSION

Green washing and environmental claims by firms are becoming more known to consumers. Despite this, many consumers trust these statements and may not adjust their buying habits. To develop consumer trust, organisations must be transparent and ethical, according to the survey. To help customers make educated judgements, it advises greater Green washing education. Increased openness and consumer education are the best ways to help environmentally conscious customers and companies. Green washing may be stopped by addressing one falsehood and one exaggeration at a time

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