

Lack of Visibility of Eco-Labels: A Study on Consumer Deception

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Abstract- *This paper focuses on consumer deception and aims to understand the level of awareness of eco-labels amongst consumers, whether they fall prey to the deception of pseudo eco-claims and if so, what are the reasons for the persistence of this malpractice. It aims to answer the following questions, (1) why eco-labels are scarcely used and mostly go unnoticed while there is more awareness about regular labels, (2) how can consumers distinguish between eco-label and pseudo eco-claim, (3) is there a need to recreate the existing eco-labels which can represent an overall assessment of a product's environmental burden over its entire life cycle. The main contributions of the paper are that it will help consumers from falling for the deceptive practices which only claim to offer eco-friendly products and it will also benefit the companies which actually stand up to their eco-claims but often get overshadowed by the existence of pseudo eco-claims. A questionnaire survey was conducted which targeted individuals from the Indian demographics who regularly purchase items from the market. The objectives of the survey were to understand the individual's level of awareness about the eco-labels, if they could recognize eco-labels and regular labels and if they could distinguish between eco-labels and eco-claims. The systematic reviewing of earlier research literature revealed that there is a lack of consumer awareness and that there is a dire need for law enforcement. This paper highlights the fact that in spite of the existence of government accredited eco-labels and laws to stop these deceptive practices, it is still practiced. It was found that these labels mostly go unnoticed or are absent from the product and the explicit visibility of pseudoeco-claims leads to the consumers blindly accepting the authenticity of these products or getting skeptical about all eco-products/labels. In the absence of specific logos for each phase of eco-transitions, which various companies are currently going through, there arises the problem of ambiguity about what the term 'sustainability' stands for. The present study will contribute significantly to the existing body of knowledge in regard to creating awareness of existing pseudo eco-claims and bring about a new standard for eco-labeling. It will also benefit industries whose eco-claims are genuine.*

Keywords- *Sustainability; green advertising, eco-labels; eco-claims; consumer awareness; eco-labeling; pseudo eco-claims, green washing.*

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I. INTRODUCTION

1.1. Research Background

People around the world have become more concerned about environmental issues. Organic items are more readily available, fuel-efficient vehicles are becoming more popular and consumers are motivated to make an environmental difference, even if it is gradual. In response to this consumer behavior, companies are increasingly trying to inculcate the 'eco-friendly' aspect to their products or services in order to show that they are sensitive to environmental issues. This is done using several strategies, one of which is a green advertisement. It started in the 1970s with a recession caused by an oil price hike and environmental damages that had been ignored for years. In a very short time, people were faced with the fact that the resources were not endless and using them had major consequences for the environment. This green trend was followed by companies and they tried to communicate their green concern to fulfil consumers' growing demands for green products. Haytko and Matulich(2008) and Banerjee, Gulas and Iyer(1995) defines green advertising as an advertisement that meets one of or more of the following criteria:

1. Addresses the relationship between a product/ service and the biophysical environment.
2. Promotes a green lifestyle with or without highlighting the product or service.
3. Presents a corporate image of an environmental responsibility.

With these increasing advertisements, there is also a growing confusion among consumers regarding the eco-claims used in many ads, such as 100% organic and labels with green colour scheme. This occurs in spite of government authorized green labels. This scenario raises a question, whether the problem is with presence of these labels on the products or their recognition by the consumers or companies' inability to get them labelled by government authorized logos. This research will throw some light on this issue and its relationship with government certified eco-labels, fake claims and trustworthy sources for green product according to consumers.

1.2 Gap Identification

Extant literature has on consumer deception predominantly has researched the effects of this problem on consumer behaviour, and consumers' unawareness about green products. The surveys had different sins of advertisement which is very difficult for a consumer to identify. The current research has attempted to figure out the reason for this consumer unawareness inspite of the existence of laws and government certified green labels.

1.3 Objectives of the study

1. To identify the consumer awareness regarding the presence of eco-labels compared to the regular labels.
2. To analyse consumers' ability to distinguish between authentic and pseudoeco-labels.
3. To understand consumers' reliable source of considering a product's eco-friendliness

II. REVIEW OF LITERATURE

Katait (2017) stated that greenwashing is happening in a large scale in India and consumers are unable to distinguish between pseudo and authentic claims. Mishra and Mishra (2016) stated that perfect deception is when

you lie to yourself and believe in it, “a perfect deception’ is attitude of many brandstoday. Many multinational giants tend to get associated with or even acquire the smaller companies which have adopted greenways or sustainable options. Every consumer is now demanding credibility and sustainability and hence in the quest of boosting their sustainable / green image, they do not actually change their own practices / policies, but just acquire the smaller and greener ventures. According to the Sustainability Report 2013, consumers are ready to pay extra premium for the products that match their ideologies. However, the problem lies in the fact that those small business firms which are actually green, due to shortage of funds, are unable to promote their firm and products as rigorously as the business giants who practice consumer deception. Sceptical consumers may unknowingly form threat to he development of environmentally friendly products. (Paço& Reis, 2012)

Marketers use many different types of claims in green advertising to successfully reach environmentally conscious consumers (Banerjee, Gulas and Iyer 1995). Carlson, Grove and Kangun(1993) classifies environmental advertising claims using a matrix where the environmental claims are divided into five different types:

1. Product orientation: focuses on characteristics of a product (e.g. biodegradable).
2. Process orientation: internal production techniques or disposal methods within a company (e.g. only uses recyclable materials).
3. Image orientation: associates the organization with environmental cause (e.g. committed to saving the oceans).
4. Environmental fact: an independent statement about the environment at large or its condition (e.g. the rainforests are being destroyed).
5. Combination of the claims above.

Delmas and Burbano (2011) define green washing as “the intersection of two firm behaviors: poor environmental performance and positive communication about environmental performance”. Carlson, Grove and Kangun(1993) categorizes green washed ads into four misleading or deceptive categories of environmental advertising claims:

1. Vague/Ambiguous: The claim which lacks specific meaning (e.g. “environmentally friendly product”).
2. Omission: The claim omits important information (e.g. “product contains no sodium nitrite”, but in fact contains other environmentally harmful chemicals).
3. False/Outright lie: A fabricated or incorrect claim.
4. Combination of the types above.

Greenwashing may not always negatively affect the consumer attitude. It has moreover lead to the rather ‘green’ fad. Consumers’ desire to look green is more than the willingness to critically review companies for their eco-friendly claims and this becomes a reason for the deception. And this also gives rise to a question whether current legislation is sufficient (Kraft and Saito 2014).

Schmuck, Matthes andNaderer (2018) argued that vague verbal claims are not perceived as greenwashing. False claims, by contrast, enhance greenwashing perceptions, which detract attitudes toward ads and, in turn, attitudes toward brands. Segev, Fernandes, and Hong (2016) found that the use of nature-related ads connected more

with the audience to be eco-friendly. Also, a study by Parguel, Benoit-Moreau, and Russell (2015) indicated that the mere presence of nature-evoking image enhanced a brand's ecological image among consumers.

The trust factor has gained much importance in recent researchers. Brust and Sarkis (2012) established connection of green purchase to trust of government and environmental non-profits. Young et al (2010) concluded that individuals' green consumption was found to be connected with their trust of various sources that provides them with environmental information, environmental knowledge and personal affect towards the environment.

Choice (2009) identified seven company "sins" with regard to misleading advertisements for green products:

1. Sin of the hidden trade-off: This is a claim that a product is "green," based on a narrow set of attributes, without mentioning other important issues.
2. The sin of no proof: This is an environmental claim that cannot be substantiated by easily accessible supporting information or by a reliable third-party certification.
3. The sin of vagueness: This is a claim that is so poorly defined or so broad that its real meaning is likely to be misunderstood by the consumer.
4. The sin of worshipping a fake label: This is a product advertisement that, either through words or images, gives the impression of a third-party endorsement, when in fact no such endorsement exists.
5. The sin of irrelevance: This is an environmental claim that may be truthful, but is unimportant or unhelpful for consumers seeking environmentally safe products.
6. The sin of the lesser of two evils: This as a claim may create an illusion for the consumer from the greater environmental impact of the category as a whole.
7. The sin of fibbing: This includes environmental claims that are simply false. (Aji and Sutikno, 2015)

Stokes (2007) found the presence of green washed advertising as a nagging issue for both the advertising industry and consumers. The complexity of the green movement and its relation to advertising was analysed by Richards (2013). A product can be labelled green based on recyclable packaging, "all natural, organic" ingredients or eco-friendly production, consumption and disposal standards. Environmentalists may go green through "green" activities like recycling, energy conservation, purchasing energy efficient appliances, joining sustainability programs, etc. (Coleman et al., 2011). Researchers have labelled an advertisement as green due to various elements such as stating environmental claims, the highlighting of "green" product attributes, or the placement of natural images/symbols into the advertisement's design.

III. RESEARCH METHODOLOGY

3.1 Research design

In order to identify the nature and extent of consumer deception and advertisements relationship, a descriptive research design has been chosen. This will help us analyze the problem of deception and patterns of relationship with green logo and their identification. It explains in detail about the steps of consumer purchase

decision-making process towards eco products based on their perception of eco-claims or eco-labels regardless of their credibility. Our research only applies quantitative research.

3.2 Population

We included **consumers who are active buyers** or are involved in the purchase of regular household items.

3.3 Sampling technique

We applied non-probability convenience sampling technique to get the maximum number of responses of the online survey. The survey was sent to all the people from various parts of India, namely, Rajasthan, Haryana, Uttar Pradesh, Delhi and Kerala.

3.4 Sample Size

The research was conducted on 152 consumers.

3.5 Data Collection Technique

To facilitate the empirical investigations, survey was conducted with a self-administered questionnaire on consumer deception. The researchers could thus gather first hand, reliable and authentic information. Secondary data was collected through published journals, magazines, books, thesis and other related literature.

3.6 Data Analysis Technique

Data analysis was performed with descriptive statistics that also helped prove the four propositions.

3.7 Research Propositions

P1: Eco-labels are scarcely used and mostly go unnoticed whereas eco-claims are used often and are explicitly visible

The purpose of the first proposition is to reveal the reason why eco-labels are scarcely used and less noticeable while eco-claims are so visible, this gives an insight into why consumers are not aware of the labels. The labels are mostly slipped into the background.

P2: The label does not represent an overall assessment of a product's environmental burden over its entire life cycle. (Absence of non-green labels)

This proposition evaluates why eco label is missing from most products, most companies are in the transition phase of becoming entirely green. Perhaps they do not use eco-labels because the product is not green, this generates a need to develop labels for each phase of this transition.

P3: There is a lack of specific eco-labels as compared to regular labels in the market. Only a small number of products can realistically be labelled as 'green'. Vast majority of goods do not fall under any eco-labelling programs.

P4: Consumers are unable to distinguish between authentic eco-labels and pseudo eco-claims/labels. Due to the similarity between eco-labels and eco-claims, consumers often get confused and fail to distinguish between the authentic and pseudo eco-labels.

IV. ANALYSIS AND INTERPRETATION

4.1 Data Analysis

The first section of the questionnaire aimed at understanding the background of our respondents.

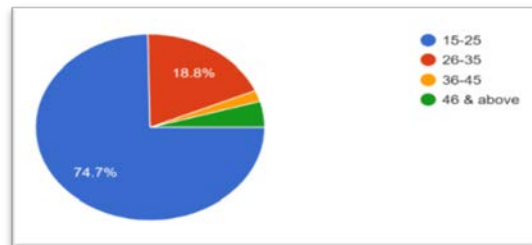


Figure 1 : Respondent distribution based on age

Most of the respondents belonged to the age group of 15-25 years that is 74.7% whereas 18.8% of the respondents belonged to the age group of 26-35 years and rest of them belonged to the age of 36 & above.

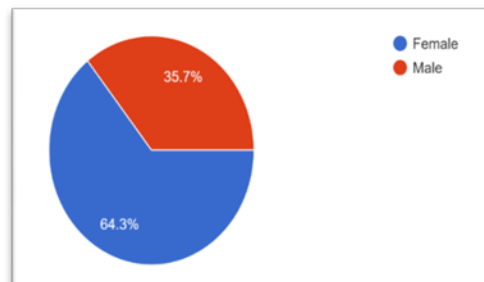


Figure 2 : Respondent distribution based on gender

Most of the respondents were females which is 64.3% of the total respondents and rest of them were males comprising 35.7%.

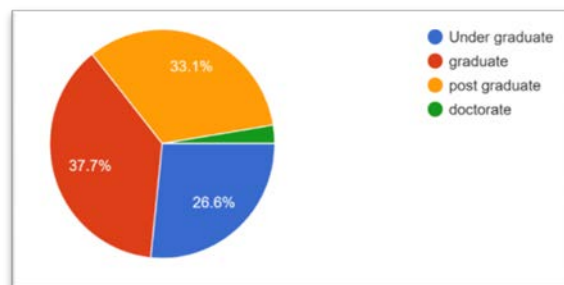















Figure 3: Respondent distribution based on educational background

Respondents' data was collected based on their educational qualification, which represents that 37.7 % of them were graduates, 33.1% were post graduates and 26.6 % were under-graduates including 3.2% doctorates.

The second section of the questionnaire was designed to check the visibility of eco-labels as compared to regular labels.

Table 1: Visibility of Eco-labels as compared to the Regular labels

Sl. No	Logo	Seen	Not seen
1		95.4%	4.6%
2		14.5%	85.5%
3		75.5%	24.3%
4		37.9%	62.1%
5		96.1%	3.9%
6		52.9%	47.1%
7		27.3%	72.2%
8		27.3%	72.2%

9		25.2%	74.8%
10		90.7%	9.3%
11		61.3%	38.7%
12		98%	2%
13		34.4%	65.6%

Based on the responses it was established that most eco-labels go unnoticed and are not visible enough to consumers, whereas regular labels are comparatively more visible.

The third section of the questionnaire was designed to find the extent to which respondents are exposed to pseudo eco-claims/ labels.

Table 2: Respondent distribution based on exposure to pseudo eco-claims/labels



The above pseudo eco-claims were shown to the respondent in order to understand the extent to which a consumer was exposed to these fake eco-claims/labels. It was observed that 49.4% of the respondents believed that they have seen these claims and 48.7% of them believed that they have seen them sometimes. Just 1.9 % of them believed that they have never seen such claims.

The fourth section was an attempt to understand the consumer reliability on these claims.

It was observed that 51% of the respondents were doubtful about the authenticity of the claims given to them, whereas 41% of consumers trusted the authenticity and 8% of them did not trust the authenticity and felt that they could not rely on those claims.

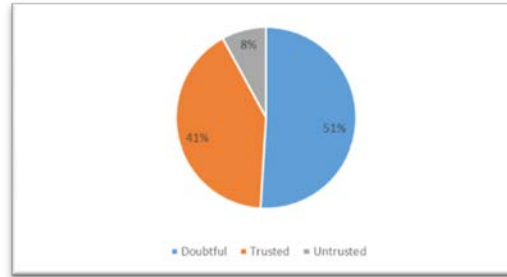


Figure 4 : Consumer reliability on eco labels

The fifth section aimed at understanding various factors the consumer considers when buying a green product.

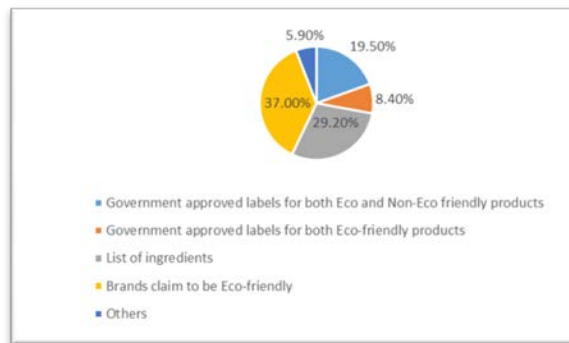


Figure 5 : Factors affecting the authenticity of eco labels.

It was observed that 37% of respondents believed that they can be sure of the authenticity of eco-friendly products by seeing a brand’s claim to be eco-friendly, 29.2% can believe that by looking to the list of ingredients, 19.5% can believe by seeing the government approved label for both eco and non-eco-friendly products whereas 8.4% can believe that by the government approved label for eco-friendly products. And few of them can believe by a different way.

4.2 Proposition Testing

S.N.	Proposition	Results
P1	Lack of eco-labels as compared to regular labels	Supported
P2	Consumers not able to distinguish between authentic eco-labels and pseudo labels/claims.	Supported
P3	Eco-labels are scarcely used and mostly go unnoticed.	Supported
P4	Absence of non-green labels.	Supported

V. FINDINGS

Consumers' unawareness is one of the main reasons for the existence of consumer deception. Many researchers have investigated this aspect of consumer deception in their studies and have concluded that the introduction of some government accredited labels would help in reducing if not removing this malpractice from the market.

It was found that there already exist government accredited eco-labels and laws to stop these deceptive practices, yet consumers are unaware and fall prey to these deceptions. This study dug deeper into the reason of consumer unawareness and found that consumers' unawareness existed due to the absence of eco-labels from most of the products that they were utilizing and even if the eco-labels were present, they usually went unnoticed. The pseudo eco-claims are so explicitly visible to the consumers that they end up believing that the products are authentic or become skeptical about all eco products/labels. There is lack of advertisements to promote green logos and lack of transparency and ease for consumers to identify green and non-green products. In addition, it was found that there are no specific logos for each phase of the eco transitions which various companies are currently going through. This creates an ambiguity among consumers about the term "sustainability" itself. This malpractice is harmful and discouraging for those companies who are actually into sustainability, but eco-labels go unnoticed by the consumers or are disadvantaged due to the skepticism that resulted from a fake claim by another company.

VI. CONCLUSION

This paper aims at benefitting consumers and those companies which are genuinely green. It attempts to bring more consumer awareness by increasing the visibility of the already existing eco-labels and introducing eco-labels which represent each phase of the product's sustainability. It also suggests the use of non-green labels which in turn would help create awareness about the green/eco-labels. The few green companies which actually sell authentic green products often get overshadowed by the abundant pseudo eco-claims, it is a major drawback for them because of which consumers are not able to identify authentic green product/companies. Consumers become increasingly skeptical of all companies, green or non-green. This paper also focuses on finding solutions to do away with which consumer skepticism and unawareness and the disadvantages green companies face; it proposes to do so with the help of new advertising techniques and new labels.

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