

## **What is *Greenwashing*?**

It is the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service.

In simple terms, greenwashing refers to misleading information presented by a person or organization to present an environmentally responsible image.

## **What harm is there in *Greenwashing*?**

*Greenwashing* confuses and discourages the consumer.

*Greenwashing* damages the companies that are really green.

*Greenwashing* prevents the company that is doing the greenwashing and “getting away with it,” from ever going legitimately green.

*Greenwashing* hurts the green marketplace by decreasing trust in green products.

## **Why is *Greenwashing* growing?**

Although companies are paying more attention, greenwashing continues to grow. This is due largely to a growing demand for green-related products – and to the fact that the companies attempting to respond to that demand lack either the ability or the willingness to decipher and act on what is expected.

### *1. Consumer demand for more environmentally responsible products is growing.*

Once confined to a small market of environmentalists, consumers who choose green products over other options now represent 40% of the American market, according to Cone’s “Green Gap 2008 Survey.” In 2007 that translated to roughly US \$230 billion, with significant growth forecasted ahead. This trend is global and is found in environmentally friendly consumer behavior around the world.

### *2. Sales of environmentally oriented products have increased.*

According to a CBS News report, major U.S. manufacturers launched 328 products labeled as “environmentally friendly” in 2007, up from just five in 2002. The organic industry has nearly tripled since 1997, accelerating seven times faster than the average food category.

### *3. Demand remains strong despite the economic downturn*

While many wonder whether the economic downturn will decrease the demand for environmental products, studies have indicated that they remain a priority for many consumers. The 2009 “Cone Environmental Survey,” which was conducted by Opinion Research

Corporation with 1,087 U.S. adults, found that attitudes toward environmentally responsible products remain strong with the state of the economy. 34 percent indicate they are more likely to buy environmentally responsible products today, and another 44 percent indicate their environmental shopping habits have not changed as a result of the economy.

4. *Regulation and government action pending*

Recent analysis by HSBC of the economic stimulus packages that have passed or are pending in 15 nations found that US \$3 trillion is planned to stimulate their economies over the next decades. Much of this will support environmental objectives-the U.S. stimulus packages promises to double clean energy capacity and is expected to create around 2.5 million green jobs. A key result of this is that lobbying is on the rise. For example, the number of climate changes lobbyists in Washington rose to 2,430 last year – an increase of 300 percent over the previous five years, or about four lobbyists for every member of the U.S. Senate and House of Representatives. In turn, companies sometimes pursue tactical opportunities that are out of sync with their messages about environmental friendliness elsewhere.

5. *There are generally not industry wide standards for communicating environmental messages*

In interviews carried out with communications agencies and media sellers, the U.S. Federal Trade Commission (FTC) was frequently characterized as an insufficient mechanism for overseeing advertising practices, given the organizations breadth of responsibility and slow response rate. But advertising spending on green continues to rise:

“This is not just a fashionable thing. We’ve turned a corner and it is part of doing business now. That’s not going to go away.”

David Mallen

Associate Director, National Advertising Division (NAD)

We need more transparency, right now there is a lack of accountability (from government to consumers).

**What are third party endorsements?** – Certifications and Green Labels that qualify a product or process.

What is the significance of a green label? A green label seems to validate a product.

There are numerous green labels on products today. Many of these labels are bogus. You need to look beyond the label to the testing that was done to prove the claims. What are the standards and qualification of this test? Does this industry have standards and does this company meet them?

Simply put is this product or process toxic free? How does this product or process affect anyone or anything?

## How to recognize *Greenwashing*

Three years ago, the FTC began updating the Green Guides to reflect emerging environmental terminology. Meanwhile it is up to us the consumer to identify greenwashing.

Let's look at ads and claims:

- Misleading with visuals and/or graphics
- Overstating or exaggerating how green the product/company/service actually is.
- Leaving out or masking important information, making the green claim sound better than it is.

## Avoid the Sin of Worshiping False Labels



Sin of Worshiping False Labels

- If third-party endorsement of your claims is important: Get it, don't fake it.
- Favor eco-labels that are themselves accredited, and that address the entire lifecycle of the product.

## Avoid the Sin of the Hidden Trade-Off



Sin of the Hidden Trade-Off

- Start with an honest understanding of all of the environmental impacts of your product across its entire lifecycle.
- Emphasize specific messages (particularly when you know your audiences care about those issues) but don't use single issues to distract attention from other impacts.
- Don't make claims about a single environmental impact or benefit, without knowing how your product performs in terms of its other impacts, and without sharing that information with your customers.
- Pursue continual improvement of your environmental footprint (across the entire lifecycle), and encourage your customers to join you on that journey.

## Avoid the Sin of No Proof



Sin of No Proof

- Understand and confirm the scientific case behind each green marketing claim.
- Make evidence readily available, or rely on third-party certifications whose standards are publically available.

## Avoid the Sin of Vagueness



Sin of Vagueness

- Use language that resonates with your customers, as long as that language is truthful.
- Don't use vague names and terms (eg. 'environmentally-friendly') without providing precise explanations of your meaning.

## Avoid the Sin of Irrelevance



Sin of Irrelevance

- Don't claim CFC-free, unless it is a legitimate point of competitive differentiation.
- Don't claim any environmental benefit that is shared by all or most of your competitors.

## Avoid the Sin of the Lesser of Two Evils



Sin of Lesser of Two Evils

- Help each customer find the product that is right for them, based on their needs and wants.
- Don't try to make a customer feel 'green' about a choice that is harmful or unnecessary.

## Avoid the Sin of Fibbing



Sin of Fibbing

- Tell the truth. Always.

“Courtesy of TerraChoice Group Inc.”.

Marilyn Jones is the President and Founder of Consolidated Printing Company in Chicago. Consolidated's quest to go green dates back to 1973. Over the years, we have successfully developed a printing process that is toxin-free, petroleum-free and 100% natural. The company has been recognized for its sustainable efforts by numerous local, state, national and industry organizations, including the Illinois EPA in the 90's. Additionally, the Printing Industry of America's Director of Environment states, "Consolidated Printing is unique in the country and beyond." Marilyn has been fighting greenwashing for the past five years by educating consumers and people in the printing industry.