

# Stemming the tide of 'greenwash'

*Ed Gillespie of Futerra defines 'greenwash' and shows how the apparent 'greening' of the market could have adverse effects on the environment*

**In recent years the marketplace for consumer goods and services has become ostensibly 'greener', as manufacturers and providers target consumers by promoting their environmental credentials. Ed Gillespie argues that this market change has been accompanied by the use of 'greenwash' - advertising or marketing that is misleading to consumers with regards to the ecological impact of the products they buy - and concludes that in the long term this may have a negative impact on public engagement with wider environmental issues.**

**T**he world has gone green, at least superficially. It seems we cannot turn a corner without being lambasted by the 'eco' credentials of yet another product or service scrabbling to portray itself as another small step to saving the planet. 'Green consumerism is the answer!' is a message we are being sold repeatedly. But is the truth so simple? In many cases, the 'greening' of the marketplace is worryingly little more than a hastily applied thin veneer of dubious substance. We have all seen and most of us have bought environmental products, fairly traded, co-operatively produced organic coffee or environmentally benign washing detergents, but since when did airlines and oil companies trumpet their supposed eco-credentials and get away with it? Welcome to the age of 'greenwash.'<sup>1</sup>

But what actually is greenwash and how can we define it? The Oxford English Dictionary tells us that greenwash is 'disinformation disseminated by an organisation, etc. so as to present an environmentally responsible public image; a public image of environmental responsibility promulgated by or for an organisation, etc. but perceived as being unfounded or intentionally misleading.'<sup>2</sup> But perhaps a more informal interpretation might be 'advertising or marketing that misleads the public by stressing the supposed environmental credentials of a person, company or product when these are unsubstantiated or irrelevant.'

Greenwash is nothing new. Veteran environmentalist David Bellamy first used the term over 20 years ago and it was in the early 1990s that use of the word 'greenwash' took off. It was relatively unsophisticated back then, using crude juxtapositions of 'eco' imagery such as frolicking dolphins or lush, utopian jungle-scapes to imply a product's environmental 'friendliness' (itself a now taboo description of sustainability due to its wilfully vague meaninglessness). Looking back these efforts appear extremely dated, though it is also worth noting that one of the first reports on greenwash, by Greenpeace USA back in 1992, highlighted a petrochemical company (who shall remain, for the sake of legal reasons, anonymous), whose advertising implied that using the waste of one industrial refinement process as fuel for another was an 'important recycling initiative.'<sup>3</sup> Roll on the clock 16 years and another major

hydrocarbon business has just been castigated for the very same trick, depicting flowers floating up from chimney stacks under the well-known slogan 'Don't throw anything away, there is no away'. Their claim was that the carbon emissions from their refinery were being used to grow blooms, the only issue being it was a minuscule fraction of the emitted carbon dioxide that was being captured and used this way.

## The danger of greenwash

The danger of greenwash now is that the consumer landscape is very different to that of the early 1990s. We have moved on dramatically from the 'ozone-depletion' days of CFCs and aerosols. Environmentalism has become mainstream and there is a slow, gradual awakening to a sense that the challenge is no longer about just selecting one eco-product over another less sustainable one, but actually about overall levels of consumption. However, this is a slow process and there is a reason why greenwash is being slapped liberally about by corporate marketers right now. It is because as consumers, we have started to change our buying behaviours.

As advertisers have scrutinised their market data they have seen the steady growth of a more conscious consumerism and latched onto the fact that in many ways this is a premium market. The warhorse of ethical consumption, the organic food movement, has doubled its sales since 2000. It is currently enjoying growth of 25 per cent<sup>4</sup> per year and projections for the organic market as a whole predict it will be worth £2 billion<sup>5</sup> a year by 2010. In 2007 Waitrose recorded that sales of organic and fairly traded goods had leapt by 80 per cent and 72 per cent respectively,<sup>6</sup> a huge leap from an already high benchmark.

Even in the current credit crunch amid wobbles of consumer uncertainty, sales of organic and fairly traded products appear to be holding their own and bucking the downward trends. Analysts attribute this to the notion that buyers are focusing their spending on what really matters to them in perhaps an increasingly values rather than solely value driven market. Indeed many environmentally sustainable actions are also cost-effective. 'The

green penny is dropping with consumers that they can not only save the planet, but also save money at the same time,' says The Climate Group's European Head of Media Tom Howard-Vyse.<sup>7</sup>

### Ethical consumerism

Ethical consumerism is a growth business and the strength of the 'green pound' is growing, which is why marketers have become very interested in trying to attract it. Ethical spending has rocketed in the UK, up 81 per cent<sup>8</sup> since 2002, and the majority of us have bought some form of discretionary ethical purchase whether it is a box of free range eggs, something with a high recycled content (such as toilet roll) or a fairly traded bar of chocolate. The value of this market, conservatively estimated at around £29.7 billion<sup>9</sup>, is still relatively modest but it is growing and looks likely to be sustained even in more difficult economic times. Green is no longer a niche market.

We are not just buying more 'green' however, we are also raising, quite rightly, our expectations of the responsibility of businesses in this context. Evidence shows that most of us strongly believe that companies should be doing the right thing to improve the social and

environmental impacts of their products and services. Eighty-three per cent<sup>10</sup> of the public claim to at least think about a company's green reputation when shopping, even though the harsh reality of choice-overload in the supermarket aisle may tell a slightly different story of how we actually shop. The combination of greener consumer purchasing behaviours and desire to see more corporate responsibility has created a boomtown 'greenrush' towards ethical and green advertising.

### The rise of 'green' advertising

In 2003 just £448,000 of advertising spend included the words 'CO<sub>2</sub>', 'carbon', 'environmental', 'emissions' or 'recycle'. By 2006 this had increased nearly 40-fold to £17 million.<sup>11</sup> This was not just the Body Shop's advertising budget either, the big spenders included mainstream businesses such as Marks and Spencer and others like Exxon Mobil. The perfect storm of consumer confusion thus begins to form: you want to buy green, you expect companies to be green and as a result they just cannot quite resist the temptation to tell you that they are, often, unfortunately, without good reason or justification for doing so. This is greenwash in the 21st century.

Figure 1: The 10 signs of greenwash

**1. Fluffy language**  
Words or terms with no clear meaning, eg 'eco-friendly'

**2. Green products v dirty company**  
Such as efficient light bulbs made in a factory which pollutes rivers

**3. Suggestive pictures**  
Green images that indicate a (unjustified) green impact, eg flowers blooming from exhaust pipes

**4. Irrelevant claims**  
Emphasising one tiny green attribute when everything else is un-green

**5. Best in class?**  
Declaring you are slightly greener than the rest, even if the rest are pretty terrible

**6. Just not credible**  
'Eco-friendly' cigarettes anyone? 'Greening' a dangerous product doesn't make it safe

**7. Gobbledygook**  
Jargon and information that only a scientist could check or understand

**8. Imaginary friends**  
A 'label' that looks like third-party endorsement...except it's made up

**9. No proof**  
It could be right, but where's the evidence?

**10. Outright lying**  
Totally fabricated claims or data

The 10 signs of greenwash can be seen in Figure 1. If consumers, who in one way, shape or form are reliant on advertising and corporate messaging for a lot of their information about a product, are becoming cynical that a lot of it is just 'window dressing', then this has potentially profound implications for the whole nascent green business case. Greenwash is essentially undermining consumer confidence in advertising and as a result only 10 per cent of consumers trust green information from business or government.<sup>12</sup> Green marketing is increasingly being seen as just another of the 'dark arts' being used to sell more products. Consumers are therefore starting to question green claims and exercise green purchasing powers more reluctantly as they no longer know who to believe.<sup>13</sup> The real worry is that the 'virtuous circle' of companies producing and promoting green products, consumers actively choosing them over others and businesses therefore striving to become genuinely greener is at real risk of breaking down. Greenwash could sabotage the whole environmental movement within business.

The more widespread problem lies not in deliberate attempts to mislead consumers, but in ignorance and sloppiness on the part of manufacturers, together with a failure to understand the complexities of the sustainability agenda and a subsequent mangling of facts, figures and visual imagery.

## Guidance and sanctions

Guidance for responsible companies does exist: the UK government published a non-binding guide called the 'Green Claims Code'<sup>14</sup> in 1998 that provided advice on how to properly represent one's position. This complemented the Advertising Standards Agency's (ASA) own 'Environmental Claims'<sup>15</sup> clause that dates back to 1995. However, for the ASA to take action on a green claim still requires someone to raise a formal complaint. Around 10 per cent<sup>16</sup> of claims are from corporate competitors generating 'tit for tat' battles between companies attempting to out-green one another and rubbish the others' claims. A recent example of this includes a spat where Easyjet lodged a complaint with the ASA over a Virgin Trains advertisement. Virgin had claimed a train journey emits 75 per cent less carbon dioxide than a similar trip by air. This complaint was rejected by the ASA. Only a matter of weeks previously Easyjet had been found guilty by the ASA for misleading claims about the environmental benefits of its new aircraft fleet.

One might imagine that the threat of forced campaign withdrawal, with all the associated costs and loss of pre-purchased advertising slots and space, would keep companies on their toes in regard to greenwash. Alas, this does not seem to be the case and the number of upheld complaints on environmental claims to the ASA has doubled between 2005 and 2007. Interestingly though, the number of specific complaints submitted (but not necessarily upheld) has also risen sharply in the last year suggesting that whilst greenwash

is also on the rise so too perhaps is the scrutiny it is receiving.

So who are the worst offenders? Perhaps unsurprisingly, the most notorious sectors are the utilities (energy and water companies) and car companies. Transport is a real growth sector with both motoring and holiday and travel companies being increasingly held to account for green claims in 2007. Their offences are around 'truthfulness', 'substantiation' and 'environmental claims' with 'misleading' being a new error of transgression replacing the merely 'inaccurate'. Whilst these interpretations could be accused of being a little subjective it is clear that there is a problem with the understanding of the rules of honest, green claims by advertisers and marketers. Therein lies the crux of the problem and the inherent danger that accompanies it.

But why is an advert making bold statements about the supposed environmental credentials of a gas-guzzling SUV (Sports Utility Vehicle) more irritating to campaigners than those for more blatantly unsustainable products? Disposable nappies, cheap flights and obesity related fast food are all arguably worse, yet are promoted perfectly legally to our collective detriment. Should we be aiming our guns at these mainstream culprits and not just the naughty niche products and their window dressing? Well yes, but this should be in addition to tackling the more corrosive effect greenwash is having on the whole green business case. The market is pushing green because we are buying it. If we get cynical as a result of greenwash and stop, then the market will likely revert to type and green will retreat back to its modestly proportioned share of the pie and its early adopter consumer base. There is a perverse irony in greenwash potentially destroying the very market it hoped to service.

Recent consumer surveys on both sides of the Atlantic compound this concern. Nine out of ten of UK consumers are sceptical about green claims from Government or business, half of us do not know what to believe and 80 per cent want to see claims backed up by verifiable proof.<sup>17</sup> The situation is similar in the USA as seven in ten Americans either 'strongly' or 'somewhat' agree that 'green' is essentially a marketing tactic and therefore not to be trusted. Tragically the ongoing greening and sustainable transformation of the economy depends on the demand for genuinely green products and services, but greenwash is leading consumers to mistrust all green claims no matter how well justified they may be.

## The future for greenwash

So how is the industry responding? What are the advertising and marketing agencies currently in the line of fire doing to brush up their act? In a survey of the top ten London based agencies Futerra found some intriguing results. While eight had sustainability or environmental policies, covering a range of internal house-keeping issues from energy consumption to transport,

few had plans to extend these to cover their client work or they way they advertise. Bringing to mind the environmental manager of a large aerospace company who boasted of the '100 per cent recyclability' of their new fighter jet, this is somewhat missing the point of tackling the real impact.

It is fair to say that advertisers are caught in a bit of a prisoner's dilemma. Agencies are obliged to sell a product on its 'differentiation' factor – the attribute that gives it a unique position in the marketplace. In the words of one agency's Managing Director, 'If a car company has invented the world's first hybrid supercar – which might still be very polluting – then as an agency, we could not turn to the client and tell them to sell it on the free sat-nav instead of the environment.' Agencies are thus torn between client expectations, their ability to aid the environment and their capacity to create greenwash.

Those who host advertisements do not escape responsibility here either. Futerra contacted 19 national newspapers, 16 of the best-selling magazines, and four of the UK's leading commercial broadcasters, who between them account for £6.77 billion of advertising space each year. Of these, only three had heard of the term 'greenwash'. This commercial broadcaster and a couple of broadsheet newspapers were lone voices in a wilderness of greenwash ignorance.<sup>18</sup> As with advertising agencies many of the media outlets were concerned and taking action on their own environmental impacts, but were failing to tackle arguably their biggest impact: their potentially malign advertising influence. Many publications said they could not foresee a time when advertisements making misjudged green claims would be turned away, with one Ad Sales Manager saying, 'To be frank, what needs to happen is that the general public begins to understand that some ads are environmentally obscene – but let's face it, for the moment environmental concern is certainly not on a par with depiction of violence or nudity.'<sup>19</sup>

So how can we start to stem the tide? There are some simple things that both companies wishing to promote products and their agencies can do. Firstly companies

should choose products they wish to promote on their green credentials with care, be aware of the context and ensure their marketers remain grounded. The best way to promote a green product is to design a green product through innovation, rather than retrospectively bolt a 'green' tag onto something just because it is the least damaging in its class. The substance of a green claim should be checked both internally with CSR or sustainability experts and externally with critical friends from campaigning organisations. Finally third party objective endorsement or a recognised and respected trademark on the product will help cement consumer trust.

From an agency perspective the challenge is arguably even simpler. They need to develop specific policies in-house on greenwash and train their account managers and creatives on the potential pitfalls and how to avoid them. Like companies, agencies could benefit from some honest feedback from external campaigners and thirdly they should go public about their commitments – sending a powerful message to the wider market that they're overtly trying to weed the greenwash from their activities.

By addressing the problem of greenwash from the client, agency and advertising standards perspectives we might hope to see a fairer, clearer context for genuine green products in a competitive market. But the future is also presenting other difficulties such as the greenwashing of largely unregulated web-based marketing. The good news is that the growth of the green market may even outpace the growth of greenwash itself, transforming the way we consume and quite probably making us all a little bit happier in the process. On current trends of green consumption in the UK alone the 'green pound' could be worth £53.76 billion by 2013 and a rather respectable £180 billion by 2022.<sup>20</sup>

This scale of shift will have enormous, mainly positive ramifications for the whole supply chain and might help us feel a little better about ourselves and our consumption patterns in the longer term. Less is most definitely more and that goes for the amount of stuff we each get through and misleading advertising. Here's to the swift demise of greenwash.

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