

## THE AWARENESS OF GREENWASHING AMONG CZECH CONSUMERS

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**Abstract:** *This paper deals with the issue of greenwashing and sustainability. As greenwashing is nowadays trend in marketing communication of many companies, this paper tries to answer the question of whether Czech consumers know and understand the concept of greenwashing. The reason is that people looking for sustainable products will probably be exposed to greenwashing activities more often.*

*The research part is based on a questionnaire survey. The number of respondents was 348 and these are respondents from the entire Czech Republic. The results show that about two-thirds of respondents declare an interest in sustainable companies and sustainable products. At the same time, roughly three quarters of these consumers understand the concept of greenwashing. However, the threat of greenwashing is still there because communication practices are more sophisticated. Moreover, greenwashing is no longer just the well-known seven sins.*

**Keywords:** *greenwashing, sustainability, responsibility, marketing communication, companies, Czech Republic, customers,*

**JEL classification:** *M30, M39*

### 1 INTRODUCTION

Due to environmental pollution, many companies around the world are paying more attention to environmental care issues (Roulet, 2015). Here, the effects of climate change have been appearing in the last few years with increasingly intense drought and heat in the Czech Republic. People are sensitive to this and demand that companies behave more sustainably. Environmental awareness in our society has increased especially among consumers who desire environmentally friendly and sustainable products (Chan, Cheng, 2013, Wolniak, 2015). This is also proven by IPSOS research, according to which

customers most often respond to companies' ecological activities and associate them with their social responsibility and sustainability (Ipsos, 2022). Sustainability is becoming one of the main goals of global organizations. For example, the United Nations (UN) analyses companies and their impact on the environment. This control should lead to the mitigation of changes and thus contribute to the reduction of undesirable environmental effects and subsequent clean-up (UN site). In the same way, other actors also issue recommendations aimed at sustainability and subsequently try to enshrine them in legislation (Koudelková et al., 2022).

Companies respond to the increased demand for sustainable products or sustainable behaviour through corporate social responsibility (Porter, Kramer, 2006) or sustainable programs. One can most often see this reaction through marketing communication, when companies inform their stakeholders that they are sustainable, responsible, ecological, carbon neutral, etc. This is called Green Marketing. Companies can apply the notion of green marketing to facilitate their differentiation strategy intended to gratify customers' environmental needs or desires (Polonsky 1994 in Ching, Chen, 2013). However, these marketing claims are not always based on reality and often are CSR activities and sustainable activities used only as a marketing (Nesiba, 2019). At this moment we talk about greenwashing. Especially young people from Gen Z search for companies which have a "clear" image and are sustainable or responsible. On the other hand, they tend not to verify information published by companies and they have a lack of information about "bio" and "eco" fashion. (Koudelková, Hejlová, 2021). This generation can thus be easily discredited by greenwashing claims.

As we know that customers require a responsible and sustainable approach of companies, this paper is focused on researching knowledge of the concept of greenwashing. This knowledge can protect consumers from unfair marketing practices and is also a sign that these consumers are more deeply interested in environmental topics.

## **2 GREENWASHING**

First of all, it is appropriate to realize that we live in a time of consumerism, when supply is far higher than demand and every entrepreneur, every company wants to survive and keep "its place in the sun", the function of

marketing in a company (both green and classic) very important. The problem arises when the company's communication strategy is deceptive. That is, now when a company says something about itself and its products that is not true, but it has a positive effect on its image on the market. In the case of sustainable behaviour, we encounter this phenomenon often and we talk about the so-called Greenwashing.

Greenwashing was appeared first in 1986 by activist and journalist Jay Westerveld, when hotels begin asking guests to reuse towels, claiming that it was a company water conservation strategy, although, did not have any environmental actions with more significant environmental impact issues (Pearson, 2010; de Freitas Netto, Sobral, Ribeiro et al, 2020). According to the Ogilvy and Mather agency, greenwashing practices have grown to extreme proportions in recent decades (Hsu, 2011). With the rise of green markets, a trust issue has emerged as greenwashing has become increasingly common and customers still have difficulty identifying a genuine green claim (Nyilasy, Gangadharbatla, Paladino, 2014)

There are many different definitions of greenwashing, in various perspectives. *"Greenwashing can be defined as the intentional dissemination of misinformation by a company that is interested in presenting an environmentally responsible image of itself to the public"* (Kouřil, Miessler, 2008). It's a kind of parasite on good things. The 2018 Greenwashing Index says: *"Greenwashing is whitewashing painted with a green brush"* (Greenwashing Index, 2018). If we know that whitewashing is defined as "hiding unpleasant facts" (especially in the political environment), then this statement fits - greenwashing is in some cases also hiding certain facts, only in the environmental field. If we know that greenwashing is a negative undesirable behaviour, why do companies even resort to it? The answer is simple and green customers stand behind it. Not only them, because over the past few years so-called green and eco-products have become popular among all customers. The natural reaction of companies is that they try to offer their customers what they desire, but not every company has sufficient capacity for this, be it financial, personnel or time. The necessary knowledge and know-how is also lacking somewhere.

It can be argued that a company that invests large sums in marketing must have enough funds to invest in ecological behaviour. Yes, but these companies often

lack the knowledge and know-how. Sometimes there can be miscommunication between the marketing department and the sustainability department.

Then there are companies that can invest in advertising but cannot invest in research and development. Starting production, when, for example, new products are made from waste is neither simple nor cheap. Therefore, products that are manufactured with real consideration for the environment are several times more expensive than those that are not manufactured in this way (Koudelková et al, 2022).

As you can imagine, it is not always easy to detect greenwashing actions or communication. The so-called sins of greenwashing, of which we recognize seven basic sins, can help us in this (Terrachoice, act. 2022). These sins show the form in which greenwashing takes place and give us a chance to distinguish the degree of "guilt". Companies should definitely know them and do a little revision of their behaviour - do they really behave green or just talk green?

### **3 METHODOLOGY**

Within this paper, quantitative research was used - a questionnaire survey. The questionnaires were distributed throughout the Czech Republic to ensure the reliability of the research. The research was conducted in the spring of 2022 and the questionnaires were distributed throughout the Czech Republic among women and men from 18 to 65 years of age. Respondents aged 18-20 who do not yet earn money were included in the research because they belong to generation Z, which is easily influenced by greenwashing claims, and these young people will soon enter the labour market.

The questionnaire consisted of 7 sections and contained 45 questions. It contained both open and closed questions as well as scales. As part of this research, 348 relevantly completed questionnaires were returned.

The questionnaire is not part of this paper. Since this paper deals with only a certain part of the research, the results relevant to this article are presented here.

The main goal was to find out whether the respondents know the concept of greenwashing.

The research results were then statistically analysed. For the purposes of this paper, a descriptive analysis was used.

**RQ1: Are respondents interested in the sustainability of companies and their products**

**RQ2: Do the respondents orient themselves in the concept of greenwashing?**

### 3.1 Research Results

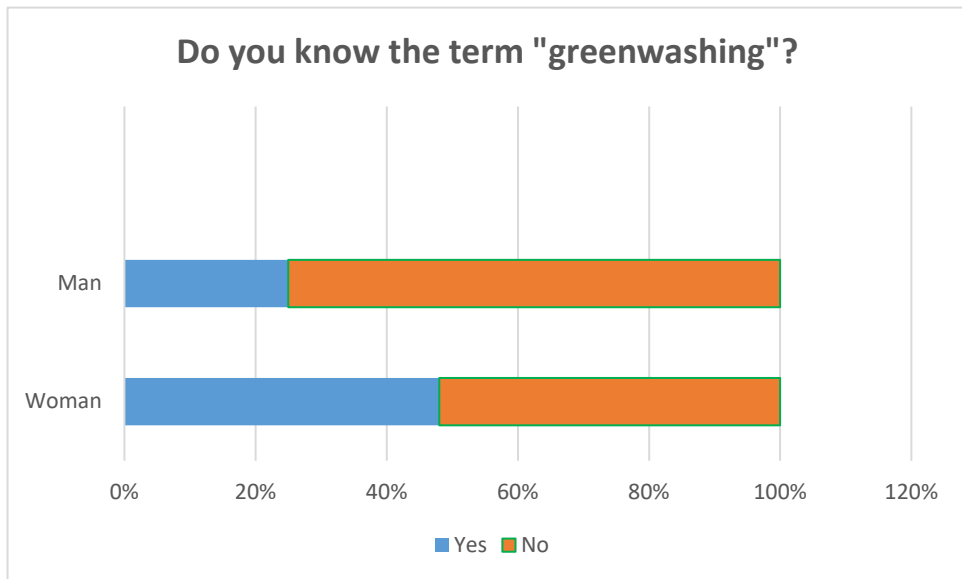
A total of 348 respondents from all over the Czech Republic took part in the research, where M = 128, F = 220. The respondents were from all over the Czech Republic and there was an effort to maintain proportional coverage within the geographical areas. The age of respondents is mentioned in table 1 (the research primarily targeted people who don't fall into group "retirement age", therefore this small representation of this group is not significant).

**Table 1: Respondents**

	<b>students</b>	<b>employees</b>	<b>self-employed</b>	<b>mothers on maternity leave</b>	<b>retirement age (60+)</b>
Female	81	90	23	25	3
Male	48	50	29	0	1

Source: author

The data obtained are valid, as all the questionnaires were completed according to our requirements - we did not have to exclude any respondents and the answers allowed us to fulfil our goal.

**Figure 1: Knowledge of term „greenwashing“ according to the gender**

Source: author

The first results show whether the respondents understand the concept of greenwashing in connection with gender (figure 1) and on age (figure 2).

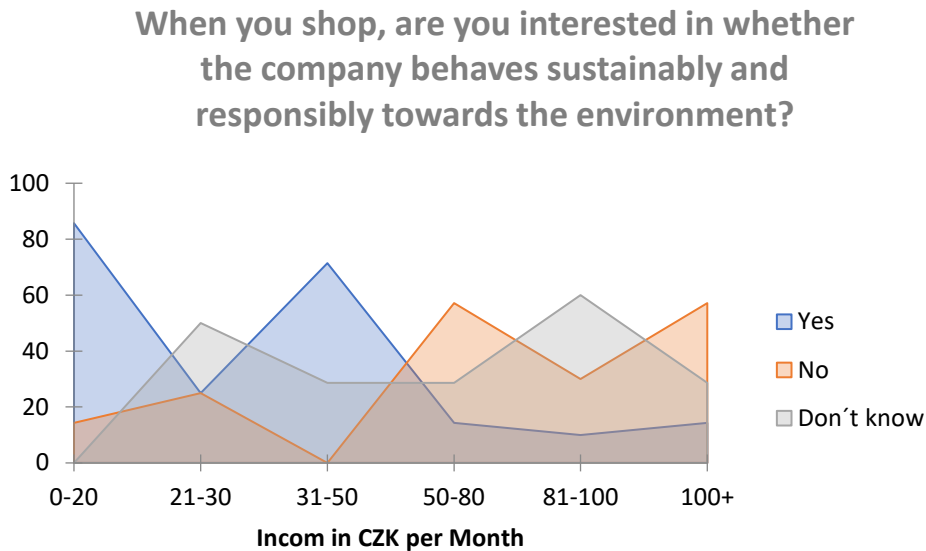
The first graph shows that women more often declare their understanding of the concept of greenwashing, at around 50%. For men, the declared understanding is lower, roughly 25%.

As part of the open question in the survey, the respondents were asked to further define greenwashing. Below are selected 8 of the most common responses:

1. Marketing commitment for eco products.
2. I know the word but don't know the meaning.
3. When a company or organization tries to look more ecological than it actually is.
4. Consideration of ecological criteria in decision-making.
5. Greenwashing is an attempt by marketing practices to convince the public that an activity has a positive impact on the environment even though it is negligible or non-existent.
6. It is brainwashing.

- 7. Not sure, but something about promotion of green products
- 8. I have never heard this term

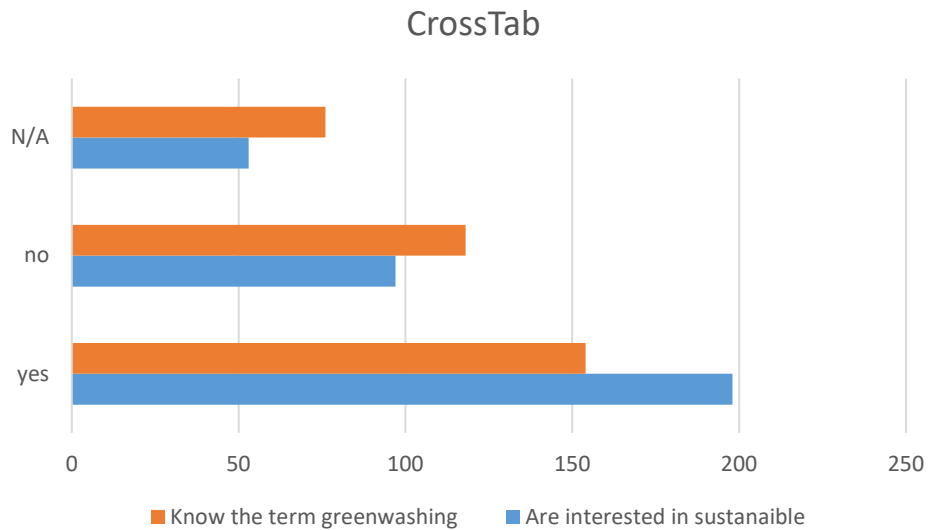
**Figure 2: Knowledge of term „greenwashing“ according to the age**



Source: author

Furthermore, it was investigated whether consumers somehow consider the fact that the company has a social responsibility or sustainability program when making purchases. As we can see, this fact is important for young people up to about 21 years of age (unfortunately, this group does not always decide on purchases by itself or has its own, somewhat unlimited, budget). It is also important for people from 30 to 50 years old. According to the results they are most often people aged 37-43. On the contrary, a negative answer prevailed among people over 50, and many of those interviewed said that they did not know that this does not solve the problem when shopping. After all, these results also copy the results obtained from research that focused on sustainable fashion and was conducted in spring 2022 at the Institute of Social Studies, Faculty of Social Studies, Charles University (Matějovcová, 2022).

**Figure 3: The dependence of the knowledge of the term greenwashing on the consideration of the company's sustainable activities when purchasing**



Source: author

Figure 3 points out that respondents considering sustainable behaviour in their purchasing process also understand the concept of greenwashing. This means that they should be able to detect greenwashing practices and respond appropriately to them.

#### 4 DISCUSSION AND CONCLUSION

Greenwashing and its position on the market is a very complex topic. Here we only looked at whether people who buy products from companies that are sustainable or that produce sustainable products can recognize greenwashing (at least according to their declaration). The reason why this research is important, is the fact that these customers are potentially the most at risk of greenwashing and must face it.

Within the framework of the research, two research questions were established. RQ1 asked whether respondents are interested in the sustainability of companies and their products? We know from research that this is the case in approximately 66% of cases. This result contradicts the results of the research on sustainable fashion, which was carried out in 2022 on a



sample of 1089 respondents from the Czech Republic. Here it was found that 27.5% of respondents are interested in sustainable fashion. The discrepancy may be due to the fact that in this research respondents were asked about sustainable fashion, and in our research, it was generally about sustainable products, which include cosmetics and food, for which people are more likely to look for eco and bio labels.

The second research question asked about knowledge of the concept of greenwashing. Here, it turned out that more than half of the respondents declared knowledge of this term and its meaning. Thus, the correct definition often appeared in verbal responses. In this case, this is a positive finding.

It is obvious that green communication positively improves the corporate image (e.g. Mohr and Web, 2005; Van de Ven, 2008), however, this green communication should be a part of a complete marketing mix - green marketing. The point is that corporate marketing is in harmony with corporate activities.

In any case, the threat of greenwashing is still here. In addition, we know that nowadays greenwashing is no longer just the seven sins established by the Terrachoice agency, but that we encounter new, well-established practices that may vary by industry and are difficult to recognize. For that reason, customers should continue to educate themselves on this issue, at least to the extent of their free capacity. Companies should then be careful in what they communicate to avoid unwanted greenwashing. If intentional greenwashing occurs at companies, it is necessary to adopt legislative measures that would stop this. From the point of view of Czech legislation, greenwashing is perceived as deceptive advertising. Therefore, it is prohibited by law. In addition, it also affects our natural environment. Instead of something positively changing, the situation remains the same, maybe even worse. This leads to the pollution of the natural environment and the subsequent manifestations associated with it, as evidenced by some studies (e.g. Parquel et al, 2015).

In conclusion, it is necessary to state the limits of this research, which are a smaller sample of respondents and the fact that the research was held at the general level of knowledge. For further research, it would be interesting to look at individual industries, as each is specific and has typical manifestations of

greenwashing. For some, greenwashing is more important in cosmetics, for others in fashion, and for someone else, for example, in transport or services.

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