

## Acknowledgements

This project would not have been possible without the help of some very important people. When I think back to the first email I sent Professor Curtis before my senior year began, I never could have imagined the way this thesis would have progressed. To Professor Curtis, I want to say thank you for reading some of my earliest and roughest drafts while constantly pushing me to do my best work. Without your constant support, constructive criticism, and guidance, this project would not have been possible. Your courses first introduced me to the idea of greenwashing and challenged me to think more critically than anything else I've done at Drew.

Next, I would like to thank Professor Rosales and Professor Mundo for agreeing to take on this project. Beyond the edits, you both asked important questions that caused me to think deeper and analyze the work I had already done. I'm extremely lucky to have a thesis committee composed of my three favorite professors and it has been very fitting to end my time at Drew working with all of you. Your influence has taught me to do some of my best writing, while simultaneously helping me broaden my own interests and passions.

To my mom and dad, I am so thankful to have two parents with excellent writing skills and the patience to read through some of my earliest drafts, even when I was less than compliant. Thank you for providing me with so much support and encouraging me from the very beginning to take on this project, I am extremely grateful. The tension-ridden nights over winter break were definitely worth it. To my brothers, your phone calls

and interest in my project never went unnoticed- I'm lucky to have two people to look up to as students, writers and role models.

Lastly, I would like to thank my other thesis comrades, Corinne and Caroline. The stressful nights in the library spent complaining, and working to the point of losing our minds would not have been half as enjoyable or possible without my two friends who were in the exact same boat.

To anyone that I have not mentioned that helped me along the way even in the smallest of ways, thank you so much. This includes but is not limited to Professor Bishop whose time and edits helped immensely, the extremely helpful reference librarians, and anyone who dealt with a small portion of the madness. The wonderful people helping me along the way are what made this such a success.

Drew University

College of Liberal Arts

Talk isn't Cheap:

The Effects of Greenwashing on the Environment

A Thesis in Environmental Studies

by

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Submitted in Partial Fulfillment of the Requirements for the

Degree of Bachelor in Arts with Specialized Honors in

Environmental Studies

May 2014

## Abstract

The rise of green claims and green products on the market has grown exponentially in recent years. With this, there has also been a rise in greenwashing. This includes products pretending to be environmentally friendly when they are not and often cause real harm to the environment. While these false advertising claims run rampant, is greenwashing a significant environmental problem? Through the analysis of two indirect effects on the environment from greenwashing, this thesis concludes that it is a significant environmental problem. It negatively affects consumer choices that move away from lower impact products and reducing the level of consumption. The first indirect effect that greenwashing creates is skepticism of all green claims. This turns certain consumers away from all green products while other consumers do not recognize greenwashing and buy greenwashed products thinking they are positively contributing to the environment when they are not. Greenwashing claims have run rampant because the Federal Trade Commission's "Green Guides" are not legally binding and hence do not prohibit this dishonest behavior. Other countries have provided positive models of how to improve the current system that give consumers more of a role in reporting greenwashing. Stronger FTC guidelines would severely decrease the amount of these false claims. The second indirect effect that greenwashing encourages is "green consumerism" as a way to solve environmental problems. False green marketing makes consumers feel like they have done their part to help the environment. "Green consumerism" is not a viable solution because it individualizes environmental problems, creates more waste, and does not force a change to society's excessive consumption

habits. The solutions to this problem are not as clear cut. They include a widespread PSA campaign and society-wide paradigm shift advocating for a decrease in consumption but not at the cost of well-being. There are several organizations working with this issue but none that are widespread enough. This problem is unlikely to be solved without mainstream media attention. Greenwashing is more than just poorly designed advertising but poses significant threats to the environment.

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## **Green is the New Black**

Natural. Sustainable. Organic. Non-toxic. Environmentally-friendly. Green. Any person who has watched television, read a magazine, listened to the radio, or shopped at the grocery store anytime recently, has probably encountered these terms quite often. These days, it seems like almost every company is practically screaming at consumers, stressing their environmental concern and the benefits of purchasing their environmentally friendly products. These claims are circulating and appearing more often. Is there harm in advertisements and companies saying their products are better for the environment when they actually are not? Is this just poor advertising to laugh at and criticize or is this an important environmental issue that needs to be addressed?

Before launching into the extensive debate on this topic and its broader implications, it is important to take note of some examples of this type of false advertising, and to look beyond the surface of the advertisements to dissect and critically examine the messages these advertisements are trying to get across. The first example is a 2014 Ford Motor Company television advertisement that discusses how the new Ford Hybrid uses soybeans in its biodegradable seating material:

<http://www.youtube.com/watch?v=54fVAmyFBBQ>

The commercial claims that cars typically contain 300 pounds of plastic, taking between 500 and 1,000 years to biodegrade; however, according to the advertisement, these soybean seats take only 90-120 days to biodegrade. While this appears to be positive, thinking critically about these claims reveals something much different. The

advertisement does not take into account that these seats would need to be taken out of the plastic and metal car in which they are placed, and stripped of all these materials to which the seats are physically attached. Once the car has reached the end of its life cycle, it seems extremely unlikely that these seats would be disassembled carefully enough to biodegrade. There is a better chance all the material will end up in a landfill. Beyond creating more waste, the real danger is that certain consumers might believe the advertisement and think they are making an environmentally-friendly purchase. The soy bean seats do not eliminate the pollution the consumer would create by driving this vehicle. In the long run, these soybean seats are not benefitting the environment, when Ford is continuously extracting natural resources and harming the environment as part of its massive car production.

Another prime example of this type of advertising is in this Fiji bottled water advertisement:

<http://brandgeek.net/wp-content/uploads/2011/05/21.jpg>

Everything about this advertisement is trying to reconnect Fiji water to nature, neglecting the obvious use of plastic and how unnatural the product is. The tagline on the company website reads “Perfected by nature, untouched by man” (Fiji). The advertisement neglects to acknowledge the impacts to the environment from plastic and shipping this water across the world to places with perfectly healthy water sources. Some consumers might see this product as benefitting the environment because their purchase helps to “protect



Fijian rainforests.” This advertisement becomes dangerous if a consumer is convinced that buying this product is beneficial to the environment when it is the opposite.

These advertisements depict the ways in which greenwashing attempts to blur or ignore the real environmental impacts of the products. These types of products pretend to benefit the environment when they are doing more damage than good. In a survey conducted by TerraChoice (an environmental marketing agency) of more than 5,296 home and family products, 95% of these products violated one or more of the company’s greenwashing standards (TerraChoice). This example shows that greenwashing is appearing more often even though it is still not being widely discussed. Are the potential impacts to the environment severe enough to warrant more attention?

This thesis will demonstrate that greenwashing is a significant environmental problem. Greenwashing negatively affects consumer choices that move away from lower impact products and reducing the level of consumption. The following chapters will seek to present and explore the ways in which greenwashing is an environmental problem and requires action to combat this issue.

## **Chapter 1: It's Easy Being Green... Or is it?**

The dramatic increase of green marketing (the marketing of products claiming to be environmentally friendly) over recent years has led to a new level of scrutiny about the sorts of products and claims made by many large corporations. Major claims about the environmental awareness of a company or the environmental attributes of a product are often followed closely by charges of greenwashing. Magali Delmas and Vanessa Curel Burbano state that, “Greenwashing is the act of misleading consumers regarding the environmental practices of a company (firm-level greenwashing) or the environmental benefits of a product or service (product-level greenwashing)” (6). In essence, greenwashing allows either a company or product to pretend and appear to be environmentally friendly when it actually is not, thus deceiving the consumer.

The fundamental question of this thesis is: is greenwashing a significant environmental problem? An effective way to look at this issue is to weigh the direct and indirect effects of greenwashing on the environment. There are several indirect impacts from greenwashing that this thesis will address. Direct effects refer to situations where greenwashing advertisements are actually harming the natural environment. For example, a direct mail campaign uses greenwashing advertisements. Indirect effects refer to situations where the negative impact to the environment is not immediate but has potential to spiral into problems. For example, a person sees someone with a new eco-friendly car and this prompts them to buy the same car even if they do not need it. This thesis will address how greenwashing impacts the environment in two indirect forms, by 1) creating mistrust of all green claims and 2) promoting “green consumerism” as a way

to solve environmental problems. These indirect impacts reinforce negative ideas that perpetuate environmental problems, and ultimately have the potential to change people's environmental behaviors in a harmful way.

One of the major difficulties in addressing greenwashing is that there is not a uniform standard for what qualifies as this type of deceptive marketing. The idea of what is "green" may change from person to person and varies product to product. In many cases, one product may be better for the environment than another, but that does not mean that it is fully sustainable; for example, buying 100% recycled brown paper bags as opposed to purchasing regular brown paper bags. Greenwashing is taking those products which are "brown" (i.e. not environmentally friendly) and molding them to look "green." The signs of greenwashing (which will be further discussed) help identify cases of greenwashing based on specific marketing techniques. It is difficult to specifically define "green" for all products, but there needs to be evidence that the product has made a large change to benefit or harm the environment less. An example of a product making one of these strong commitments could be a cleaning spray without toxic chemicals. An example from the opposite end is an "eco-friendly" car that only has a one mile per gallon improvement in mileage. Sustainable marketing expert, Jacquelyn Ottman, comments on the difficulty of deciding what "green" is, stating:

"Greening one's products and processes, and communicating the benefits to consumers is messy. Confusing. That's because, more often than not, greening is not clear cut. There are no absolutes in green. In fact, there's no such thing as a green product. All products use energy and create waste. So green is a relative term. One product is greener for someone at sometime in some place." (Ottman 4).

According to Ottman, green really just depends. There are many factors that can change and shape a product to be “green” and these are constantly shifting. Some products should never be considered “green,” such as bottled water, no matter what reduction of plastic is used, for example. A large part of deciding between “green” and “greener” products is up to the discernment and various factors surrounding the consumer.

There are different ways that these indirect effects from greenwashing negatively impact the environment. These negative impacts on the environment can most easily be seen using the I=PAT equation created by Paul Erlich and John Holdren. The breakdown of the equation looks like this:  $I$  (Human Impact) =  $P$  (Population)  $\times$   $A$  (Average Material Standard of Living)  $\times$   $T$  (Throughput). In totality, increasing negative human impact on the environment is a result of growing population, average material standard of living, and throughput. For this thesis, the two variables most relevant to greenwashing are average material standard of living ( $A$ ) and throughput ( $T$ ).  $T$  incorporates all the pollution, waste, and resource use involved in the stages of production, distribution, consumption, and disposal of a product. For example, a car with higher mpg has lower throughput than a car with lower mpg.  $T$  is dependent on technology as well as consumer choice because often products with a lower  $T$  may cost more. At the same time,  $A$  is increases when people buy additional items (a new car for example) or bigger items (a longer flight to vacation for example).  $A$  is based on many different factors such as culture, advertising, and values. Society is focused on creating products with lower  $T$ , but not concerned with the need to reduce the average material standard of living, to curb increasing and destructive consumption habits.

In order to better understand these indirect effects, it is important to recognize greenwashing advertisements in media messages today. Below is a recent magazine advertisement for “Greenworks” Clorox brand cleaning wipes:

<http://thegreenwashingblog.com/2009/02/28/marketing-green-or-greenwashing-clorox/>

The plastic container is placed in a grassy field surrounded by trees, with the words “Just what the world needs, another cleaning product. They’re 99% natural and biodegradable, but clean with the power of Clorox. Actually, they’re exactly what the world needs. Naturally.” Among the many questions that this ad raises, are the blaring ones: how is a plastic container “natural?” What does “natural” even mean in this context? How can a chemical product (made with chlorine) be considered safe or environmentally-friendly? The advertisement is trying to place the product in a natural setting and reconnect it to the environment. The vagueness of this ad allows Clorox to put the word “green” on a product but provides nothing to back up that claim. Looking closely at the bottom right hand corner, the Sierra Club label has been placed strategically to show that Clorox “supports” environmental efforts and that this organization also supports Clorox. Again, this links Clorox to being concerned with environmental issues when, in reality, the product is quite harmful. This is just one example of product advertising demonstrating common elements of greenwashing.

Chemical products often can fall into the greenwashing trap, but another important product to look at is cars. An example of this appears in a Saab magazine advertisement from Australia: A 2007 silver model of the car (which drives on part

ethanol) is driving up in a picturesque mountaintop with a forest, ocean, and the sun shining behind it in the background (Source Watch).

<http://www.sourcewatch.org/index.php/Greenwashing/Australia>

Lower on the advertisement it reads: “Fueled by Nature: Enjoy More Power with a Cleaner Conscience” (Source Watch). The tagline wants viewers to feel positive about buying a car that is being portrayed as beneficial to the environment. The advertisement neglects to discuss all of the natural resources used to make the car and the pollution that will be created from driving the vehicle. This car may be better than a Hummer for example, but Saab is trying too hard to align the product with nature. Saab is trying to convince the consumer that this car is environmentally-friendly when it is not as beneficial as it seems.

The main focus of this thesis is product greenwashing <sup>1</sup>. The product side of greenwashing is visible to the consumer in daily encounters in print, media or even directly in the grocery store. In the previous paragraphs, examples were shown with a specific product being greenwashed. These advertisement campaigns aim to convince people that these products are less harmful to the environment than they actually are. These advertisements are also fueled by a public that wants to jump on board with a growing environmental movement. Companies are able to play into this desire and gain

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<sup>1</sup> While the focus of this thesis is the greenwashing of products, another type is greenwashing a corporation. These campaigns involve creating an environmentally positive image for an entire corporation, when everything else about the company is destructive to the environment. For the purposes of this thesis, this aspect will not be discussed but is notably an important one that needs mainstream media attention just as much.

valuable customers who think they are positively benefitting the environment when in reality they are not.

One of the primary issues with combating greenwashing is that there is currently little regulation of this practice. While the Federal Trade Commission (FTC) has some impact on the way that greenwashing is regulated in the current advertising industry, many critics are not supportive of the work that has been done. The FTC has some basic guidelines that companies should follow (as a suggestion) regarding green marketing. These guidelines are not legally-binding and do not have immediate or severe impacts on these corporations. Under extremely slim circumstances, a company might be charged a relatively small fee for violating the guidelines, but cases do not often reach this point.

While greenwashing is mainly unregulated, awareness and attention around greenwashing from other types of outlets are helping to expose this deceptive marketing. It is clear that many environmental organizations and consumers see greenwashing as a problem<sup>2</sup>. There has been important work done to locate just what this phenomenon looks like. A British sustainability communications agency, Futerra, works with various ethical, environmental, and corporate responsibility issues through branding and consumer campaigns (Futerra). This group has also dedicated a significant portion of its work to exposing the issue of greenwashing. Futerra has created a helpful list entitled “The Ten Sins of Greenwashing” in order to give consumers the ability to recognize this trend.

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<sup>2</sup> While there are notable organizations such as Adbusters and Greenpeace launching their own campaigns against greenwashing, further detail of these groups will not be discussed. While these movements should not go unnoticed, they are not reaching a large enough audience where it is making a meaningful impact. To learn more see: Greenpeace (<http://stopgreenwash.org/>) Adbusters (<https://www.adbusters.org/>)

<http://griid.org/2012/02/29/mazdas-new-suv-gets-fictional-approval-from-the-lorax-and-the-truffula-trees-but-no-one-else/>

While a list like this is primarily aimed at educating consumers to better recognize when they are falling into the trap of these claims, there are still few guidelines that prevent it from happening. Unfortunately, this material has not been widespread (though it should be) as there are still many consumers unaware of or unable to recognize the signs. Moreover, this list allows consumers to diagnose the problem but does not provide treatment or prevention for greenwashing.

Beyond the scrutiny of watchdog organizations, it is also important to mention the academic discussion around greenwashing. Many academics have highlighted some of the same issues that serve as the two main indirect effects from greenwashing in this thesis. As will be highlighted in the second chapter, greenwashing has the potential to undermine all green product claims. Delmas and Burbano argue that greenwashing could potentially undermine consumer confidence of green products and that the current lax regulations do not help to establish better habits and standards for these companies (3). In her dissertation, Jennifer Budinsky links greenwashing to a rise in the idea of “green consumerism,” the perception that being more socially aware of purchasing “green” products can positively benefit the environment. Shopping “better” is the way to address environmental problems. The idea is that these “better” products are those with a lower T (throughput as per the IPAT equation). This idea relates back to the second indirect effect that greenwashing encourages green consumerism as a way to solve environmental problems, which will be discussed in the third chapter. However, this only avoids the



problem; lowering T does not address the problem of consistently increasing A (material standard of living).

Greenwashing has potentially severe impacts on specific consumer groups, but not every consumer is impacted in the same way. There have been several studies that break down the different types of green consumers. These types of consumers differ in their knowledge of environmental issues, and their choice of product varies according to these different levels of knowledge. One particular thesis written by Tara Mintz analyzed the original Roper Study, which was one of the first polls to place consumers into five categories based on their environmental behavior and activities (Mintz 1). While there are five categories, this thesis is only concerned with the middle two categories. Those consumers at the top with the most environmental awareness and concern will see through greenwashing and those at the bottom will not recognize it at all. The middle categories are at a major risk to changing their environmental purchasing behaviors when they come in contact with greenwashing. These categories include:

<b>“Green-Back Greens”</b>	<b>“Sprouts”</b>
Understands there are environmental issues worthy of supporting financially but in early stages of changing their environmental behavior (Mintz 2).	Beginning learning stages of changing environmentally-friendly behaviors (Mintz 2).

These categories represent a very basic breakdown of the different types of environmental consumers, but it is important to recognize that not everyone reacts or responds to green advertisements in the same way. As the discussion moves into how

greenwashing disassembles all green claims, it is important to recognize that every consumer is different.

This thesis has several goals to outline before proceeding into the following chapters. There has been discussion of the differences between a direct and an indirect effect, the latter serving as the main topic of this thesis. Indirect effects of greenwashing should not be taken lightly just because they do not have an immediate direct impact on the environment. In many aspects, these indirect effects are more dangerous because they have the potential to change people's mindsets and actions towards the environment, which in turn can spiral into a direct effect on the environment. If greenwashing continues to go unregulated and overlooked, the system can only reinforce destructive habits. Some of the indirect effects from greenwashing have definitive solutions whereas others are more ambiguous. Greenwashing has not been discussed greatly in the mainstream media yet, but if these issues are not projected into a bigger conversation, the effects on the environment will be felt incredibly soon in a jarring and negative way.

## **Chapter II: Little Green Lies**

Greenwashing creates public skepticism of all green advertising claims. More specifically, greenwashing impacts certain consumers by creating mistrust through the deceptive use of false environmental terms and claims. With the flagrant misuse and overuse of these terms, consumers are finding it increasingly difficult just to figure out which products are green and which are not. Engaged customers will stop being motivated to buy green products with a lower T because they see it as a flawed system. On the other hand, those consumers who fall into the greenwashing trap are further damaging the environment by purchasing higher T products when they think they are buying lower T ones. With this strained relationship, the combination of consumer and corporate miscommunication could lead to the disassembly of the green product segment of the market. Without proper regulation of these claims, companies have too much freedom to represent these products in a dishonest way, eroding the very market that committed customers want to support.

One of the most important things to realize about this indirect effect of greenwashing is that consumers are impacted in different ways by greenwashing claims. There are three groups of consumers with different connections to this indirect effect. The first, the oblivious consumers who do not recognize or care about greenwashing so they will buy higher T products (the “Browns”), will not be impacted by this indirect effect because they maintain their habits as they usually would. The second type of consumer is aware of greenwashing but is willing to put in extra time, research and effort to find truly green products and companies so he or she will buy “greener” products with lower T but

is not affected by this indirect effect either. The third type of consumer registers that they are coming in contact with greenwashing, becomes cynical, and boycotts all green marketing because of it, so they end up buying higher T products. In this scenario, greenwashing has the largest potential impact for the cynical consumer who is cognizant of greenwashing and has the dangerous potential to swear off all green products and claims even though he or she finds the environment to play an important part in his or her values and behavior.

Moreover, green consumers are only thinking of the environment through a narrow mindset. When these environmentally concerned consumers respond to green marketing, they are thinking of the environment only in terms of good or bad purchasing. There is a disconnect with the more deeply rooted environmental issues and they are not seeing themselves as linked or connected to environmental problems happening. For example, a consumer might be focused on buying an eco-friendly car instead of collectively organizing a group to fight for better public transportation. It seems like a lot of “green” consumers are only thinking about helping the environment in ways that would not severely impact their lives, so changing to a “better” product is not difficult for them.

Several academics have cited important studies analyzing consumer opinions about environmental advertisements and the corporations producing them. Although environmental values and awareness are different for every consumer, those who find it important enough to care desperately want to “do their part” in what they see as a positive way to create environmental change. In her master’s thesis, Staci Stokes stated that while

some consumers in the study didn't comprehend that they were being greenwashed, other consumers who did recognize it lowered their opinions of the organization that was greenwashing the advertisements (Carlson, Grove, and Kangun, 1993) (9). Business for Social Responsibility (BSR), cited a 2009 study from Havas Media of more than 20,000 consumers which found 64% of those surveyed saw sustainability as a "marketing tool" and did not trust these brands' claims (14). Though there was no further explanation of how the same surveyed customers changed their habits, it is obvious that these consumers at risk can see through these false claims. Essentially, the consumers who shop for these products do not trust or believe the messages from the major brands (BSR 14). Further research from the Newell, Goldsmith, and Banzhaf study of 1998 stated that consumers will form a negative perception of deceptive environmental claims, but only if they perceive them to be deceitful (Stokes 10). This leaves the more aware consumers in a dangerous spot, threatening to change their consumption habits for the worse.

The reason that these green claims have been able to circulate is because there is little regulation of the subject. There are many different tactics that some of these products use to distinguish themselves as "green" even if they are really not. These claims often over-use terms such as "green" and "natural," making it increasingly difficult for the public to find any meaning in these words. On a similar note, products use illegitimate "seals of approval" that look prestigious and professional, but really do not mean anything. An example of one of these seals is listed below:

[http://www.123rf.com/photo\\_6116981\\_100-eco-friendly-natural-label-vector-image.html](http://www.123rf.com/photo_6116981_100-eco-friendly-natural-label-vector-image.html)

A consumer looking at this label may think the product is actually environmentally friendly when it is not and has no credibility. Jessica E. Fliegelman of Fordham University says that consumers look for authenticity in companies' marketing and environmental claims, but are increasingly finding it difficult to distinguish just what is "green" (3). There are no strict and solid standards for what exactly defines words like "eco-friendly;" these claims have no consistent meaning and yet are constantly being used. The frustrating part is that there are some legitimate seals such as Energy Star or USDA Certified Organic, for example, which are committed to products that better benefit the environment, but could be washed out in the sea of greenwashing. It is unfair if these credible sources lose their appeal because of untrustworthy seals and wording from other companies.

In an ideal world, environmental attributes would not be used as a marketing tool but would be an inherent quality in that product that ensures everyone has access to products with the lowest environmental impact. A prime example of this philosophy is seen in the company Method Soaps, which has a line of household cleaning products. The company launched in 2001 with an increasingly large series of non-toxic, environmentally friendly, physically appealing, and attractive products. The bottles are not covered with fake seals or claims about the environmental friendliness of the product. The Method company is built on three important aspects: "limited or no paid advertising, transparency, and community" (Ottman 52). The basis of the business has been built on realizing that advertising itself as "green" is not the most effective way to sell the brand, as well as on wanting to avoid suspicion of greenwashing its lower T products. In an

interview, the founder Adam Lowry states that “To us, ‘sustainability’ and ‘green’ are just aspects of the quality of our product- they are not a marketing positioning... I mean everything should be that way. Just build it into the quality of the product and let the experience of the product be the real hero” (Ottman 52). Method does not have to draw customers in with green marketing; it is simply part of the company’s identity. Method represents an encouraging and positive model for other US companies and products. If a company truly has environmental motives, it will not have to force them on the consumer.

The largest issue with greenwashing making all green claims suspect is that it has the potential to erode the green market. If any company is able to falsely portray itself as environmentally friendly, then those companies with honestly lower T products lose valuable customers. Allowing false claims overshadows the honest companies that are doing the very things consumers want them to be doing. Ed Gillespie of Futerra further comments on this idea saying, “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” (81). Essentially, greenwashing has the potential to ruin relations between consumers, companies, and the entire market at large if these consumers become skeptical. There should be incentives to attempt better green practices, rather than a loss of motivation because companies feel their real environmental messages cannot get through. Both consumers and the environment lose in the grand scheme of the greenwashing problem.

In summary, greenwashing impacts different consumer groups' actions on the environment in a negative way. On the one hand, greenwashing may obstruct consumers from understanding the impact of their purchasing choices because they cannot differentiate between valid and invalid claims (Horiuchi et al 3). On the other, it frustrates and makes certain consumers cynical, causing them to forgo buying lower T products altogether and harming the environment even more. Allowing greenwashing to run rampant puts the entire green market at the real potential of breaking down, straining all involved relationships. Greenwashing is lacking strong governmental enforcement which would reduce false claims. Consumers are becoming wary of this false advertising, and the public wants honesty and transparency. Energy needs to be expended on choosing between viable positive environmental options instead of wasting time trying to dissect the truth from the lies. Those engaging in positive environmental performance get cheated out by companies making products that only appear to be making an effort when they are doing the opposite.



## **Chapter II: Little Green Lies**

### *Part B: Solutions*

To ensure that corporate advertising of products avoids greenwashing, both clear standards and governmental enforcement need to be implemented. Eco-labels might play an important role in deciphering truly “green” products, but it is clear stricter regulation is needed. To date, stricter governmental regulation has not happened in the United States. Regulations in both the United Kingdom and Norway, as well as the approaches of non-governmental organizations in the United States, demonstrate improving aspects of effective models to combat greenwashing.

Before examining effective methods in confronting greenwashing, it is important to look at existing governmental regulation in order to see why current policies have such a limited impact. One of the first efforts to limit greenwashing was when The Federal Trade Commission (FTC) published a set of “Green Guides” in 1992, followed by a revision in 1998, and the most recent revision in 2012 (Mullin et al). These “Green Guides” function not as set rules, but are designed to suggest how certain phrases framed on products by sponsoring companies could be seen as deceptive under Section 5 of the Federal Trade Commission Act (Mullin et al), which prohibits individuals from engaging in unfair or deceptive acts or practices in interstate commerce (FTC). The newest revision of these guidelines took into account the changing terminology that has appeared on environmental packaging since 1998 in light of the green market boom. This changing terminology, for example, includes words such as “carbon offsets” and “free-of” and “non-toxic” claims (Mullin et al). An example from the FTC guide advises businesses to

avoid making “Blanket Statements” (Mullin et al). These large and general claims include terms like “environmentally friendly” or “green” placed on a product (Mullin et al). In reference to the Futerra guidelines, these words would violate the “Fluffy Language” sin of greenwashing. This example highlights a part of the ineffectiveness of these guidelines because these types of statements are still widely in use. Many appear to be happier with the newest revisions of the guide but the language still remains quite broad. Looking at the Futerra criteria for greenwashing, the “Green Guides” have not addressed every different type of greenwashing, so the newest update still does not feel fully comprehensive. Rather than as strict regulation, the “Green Guides” function more as a description of “best practices” for businesses on how to avoid confusing language on products rather than strict regulation. Nevertheless, the FTC can bring actions against companies if it is able demonstrate that reasonable consumers are being deceived by specific marketing claims (Mullin et al). These actions include issuing a “cease and desist” order to the corporation and, if behavior does not stop it can result in fines up to \$10,000 or one year in prison (Delmas and Burbano 9). The main complaint that many have with the FTC is that while it has investigated and charged companies for faulty environmental claims, the FTC typically does not exercise these rights (Delmas and Burbano 9). According to the FTC website, there were only 42 environmental cases from 1990-2009; it is obvious that this power is not being exercised (Delmas and Burbano 9). These cases varied from a claim against biodegradable diapers to another claim about non-toxic memory foam mattress padding. The FTC has set up a system that has the

potential to enforce but is not taking the extra effort to actually do something that has a lasting impact.

One way to help formulate new ideas for the system is to look at the ways other countries are tackling the greenwashing problem. England has established the Advertising Standards Authority (ASA). It works as a self-regulatory organization of the advertising industry in the UK. The Committees of Advertising Practice (CAP) write and maintain the UK advertising codes administered by the ASA and are available to give direct advice to advertising campaigns seeking questions about the guidelines (CAP website). While they do not have the power to place sanctions on companies, they can forward these complaints to the Office of Fair Trade (OFT), which does have the power to apply and enforce penalties (CAP website). The interesting thing about the ASA website is how transparent everything is for the consumer. Any viewer can file a complaint about a specific advertisement and it will be recorded. The public can view complaints and verdicts on every case from the last five years (ASA website). The ASA can only rule based on a complaint it receives which brings consumers into the conversation. The regulatory organization cannot prosecute every single offender, so this gives consumers a vital role in the process. Many complaints might result in the banning of a particular advertisement or fines to the advertiser, and it sends the message to other companies engaging in this same behavior that it will not go unpunished (ASA website). There are more differences than similarities between the US and English systems to combat greenwashing, specifically in terms of consumer involvement. The only complaints the FTC is taking on its website are for things such as credit card fraud,

unwanted telephone spam etc., so the first step would be updating this so that consumers can also complain about greenwashing accounts. It might be possible to adopt a similar system but would require major changes that would allow consumers to play a larger part in the process.

In stringent regulation, the Norwegian Consumer Ombudsman actually banned the use of “green,” “clean,” and “environmentally friendly” in car advertisements in 2007 (Forbes). The spokesperson for the Ombudsman expanded on the Norwegian ruling saying that cars cannot do anything positive for the environment (Ombudsman). This provides an extreme example and most likely is not possible to implement in US society, both because of differences in position about corporate speech laws as well as US society’s reliance on the automobile industry. Yet, this provides a positive and inspiring example of a government controlling an industry rather than the other way around as is usually the case in the US.

While this thesis has been critical of the way greenwashing is being handled in the United States, there is a larger conversation critiquing greenwashing that is already in progress. More specifically, many academics are criticizing the governmental response to greenwashing. Delmas and Burbano write that:

“We emphasize that more stringent, enforced regulation of greenwashing would serve as the most direct means to reduce greenwashing. We recognize, however, that effective implementation of more stringent regulation would be challenging due to a lack of clarity about what constitutes green behavior and confusion surrounding the correct use of green adjectives.” (9).

It is clear that many people are calling for stricter regulation but, due to the lack of clarity about what “green” is, this is not an easy task. It is difficult to understand what is

acceptable because there is a lack of uniformity; the guides have important pieces but they are not complete. Delmas and Burbano expand to say that the relaxed policy makes corporations feel like they are not taking on a major risk by advertising untrue statements because there is a slim chance they will be charged (11). Since the penalties for violating the FTC guidelines are so random, the FTC has not established enough credibility yet. Beyond these problems, Fliegelman expands to discuss several more common criticisms of the guides. The first analysis is that they are voluntary, lacking effective monitoring and enforcement (Fliegelman). Another criticism is that the guidelines do not have a national uniform standard, so states have come to interpret these differently (Fliegelman). The most recent revisions have cleared up some of the confusing terminology, which was a common criticism, but clearing up language is not all that needs to be fixed. Clear language means very little without stricter widespread and uniform enforcement.

Academics have innovative ideas of how to improve the ineffective governmental action about greenwashing. Fliegelman suggests the possibility of creating a joint framework between the FTC and the EPA. The EPA would create mandatory standards and better technical definitions for the use of environmental marketing claims, but both the EPA and the FTC would enforce them more strongly (Fliegelman). He states that proponents of this idea think the EPA should create the guidelines because they have “more experience and qualifications” (Fliegelman). Having two agencies tackle this large issue would allow for stricter monitoring and enforcement of the regulations with the added bonus of including a group that is centered in the environmental sector. There is also the possibility that issues could arise from conflicting interests or disagreements

between the two groups. With many people already skeptical of the way the government is functioning, it is uncertain if two government agencies would be better when the current system is not working adequately. Another critique is that because the current guidelines are non-binding, individual states have adopted different definitions for various environmental terms, meaning there is no real consensus among the entire country, creating more confusion for consumers everywhere (Flieglman). A joint program between the EPA and the FTC could be an idea to consider, but the most important point is putting power behind the regulation, even if this means giving more power to one governmental agency. Issues may arise from relying too much on the government, but there needs to be an established uniformity across the country or that just continually creates confusion for the consumer. Voluntary guidelines are a starting point just to familiarize companies with how the new rules will be in place, but it is apparent that there needs to be a move into mandatory guidelines that will prohibit companies from engaging in greenwashing practices on a consistent basis.

With the way greenwashing is being dealt with currently, it is obvious that something stronger needs to take place. Environmental organizations offer a positive role in trying to inform consumers, but these campaigns are not widespread enough that this can be the only movement. The current suggested guidelines from the FTC do not have enough enforcement behind them to make a large difference. Many corporations have proven that they are not willing to commit to being environmentally conscious on their own terms. Governmental enforcement would be designed to strengthen the “green guides” so that greenwashing can be reduced and to lower the indirect harms to the

environment of higher T products. Other countries have shown a positive framework that is better enforced and puts the consumer at the center, allowing them to voice their own opinions about greenwashing. If the U.S. is committed to making these environmental changes, the first step is to take a critical look at the system and realize that it is not working.

### **Chapter III: Saving the Environment One Credit Card Swipe at a Time**

At the most basic level, greenwashing is a form of marketing and advertising. Companies want to make their customers feel like their product choices will help the environment. Similarly, concerned consumers want to put their money where they think it could benefit the environment. Greenwashing is an effective marketing strategy because it is able to play off of “green consumerism.” Pettit and Sheppard define “green consumerism” as “consumers voluntarily contribute to environmental interests by making rational decisions in their product purchase, usage and disposal behavior (Grunert)” (330). Essentially, it is the idea that buying environmentally friendly products can contribute and even solve environmental problems. In terms of the IPAT equation, the idea focuses on purchasing products with a lower T but avoiding lowering A. For example, a customer purchases a cloth bag so she will not use plastic bags anymore and thinks this is all she has to do. Both greenwashing and “green consumerism” take advantage of consumers’ good intentions to positively support the environment, and actually end up creating more problems. “Green consumerism” is problematic because it 1) individualizes environmental problems, 2) increases consumption, and 3) does not force a change in society’s excessive consumption habits. It is a dangerous perspective because it gives the idea that simply by choosing a certain product, individuals have the power to change the environment on their own and that the work is done. This issue does not require structural changes but a paradigm shift in the way society thinks and reacts to overconsumption.



Before moving forward, it is important to distinguish between green marketing and greenwashing. Green marketing consists of products that are more beneficial to the environment or have fewer damaging aspects of a product versus its competitors. Both ideas are reinforcing consumerism, but greenwashing addresses different aspects than green marketing. It seems like greenwashing plays more into heightened emotional reaction, which convinces consumers that one environmentally minded purchase is enough to save the planet, or to make even more wasteful purchases elsewhere. Another issue is that greenwashing includes more goods and services as being acceptable even though some of these products are higher T. Consumers engaging in the green consumerism mindset honestly think they are purchasing products with a lower T. Greenwashing appears to have products with lower T, but in reality they are higher T. Overall, greenwashing encourages consumers to buy more when these products are not actually sustainable or better.

Consumers fall into the trap of “green consumerism” because environmental purchasing choices make them feel good and they feel like they have done something to benefit the environment. This concept provides an example of “moral licensing,” which is “feeling entitled to self-indulgent behavior that one would not permit oneself without first having done a positive action” (Tiefenbeck et al). For example, a consumer might feel good about buying the new Ford EcoBoost car (because they are greenwashed) and they feel entitled to buy even more wasteful products in other aspects of life because they think that one contribution is enough. They have “done their part”. The issue is that the consumer is still polluting and consuming, so merely buying a more “eco-friendly” car

will not solve much. Pettit and Sheppard believe that many consumers are not purchasing these products to actually benefit the ozone layer (for example), but more for that actual feeling of contribution to the environment (336). “Green consumerism” feeds into emotions and feelings that really do not have much to do with the actual products themselves. A psychology study by Nina Mazar and Chen-Bo Zhong concluded that while green products may create some positive societal effects at first, the eventual damage is that these purchases may license self-indulgent, self-interested, and unethical behaviors. For example, a consumer purchases eco-friendly lightbulbs and thinks he or she is making a positive impact on the environment. Meanwhile, this same consumer allows for self-indulgent behavior elsewhere. Reinforcing the idea to consumers that one product is their ticket to helping the environment is dangerous, giving free reign for even more neglectful or harmful behavior in other aspects of life.

“Green consumerism” satisfies individual desires to contribute positively to the environment but takes away from necessary collective efforts to confront environmental problems. Breaking down environmental problems into a choice as simple as deciding between products individualizes the situation rather than addressing problems as a collective unit. Budinsky expands on this idea, stating that:

“Individuals are encouraged to believe that they can be environmentalists simply by making ostensibly thoughtful choices from within the range of consumer choices available on the market. Attention is deflected away from the importance of collective action often needed to bring about meaningful social/environmental change.” (2).

Individualizing the situation allows consumers to feel their choices make the largest impact. One of the problems with this is that there are only so many types of these

products on the market. Essentially, consumers do not have as much choice as they think they do. Michael Maniates expands on this idea of individualization affirming that:

“The individually responsible consumer is encouraged to purchase a vast array of “green” or “ecofriendly” products on the premise that the more such products are purchased and consumed, the healthier the planet’s ecological processes will become. “Living lightly on the planet” and “reducing your environmental impact” becomes, paradoxically, a consumer-product growth industry.” (47).

If the real goal is to lower overall impact on the environment (I) as per the IPAT equation, then consuming more will not achieve this goal. Many people see buying a ‘green’ product as the ‘lesser of two evils’ but it is still contributing to more consumption and increased waste in society (Budinsky 2). These messages that appear to be spreading important environmental messages are actually reinforcing consumerist tendencies. In the way that “green consumerism” forces an individualized solution to environmental problems, it also places both the blame and solution into the hands of the consumer. This false solution allows for the ownership to slip away from key players (such as major corporations or lack of governmental action) who are contributing negatively to the environment and creating these greenwashing claims.

The main issue with “green consumerism” is that it does not motivate people to change their habits in a way that would benefit the environment. Petit expands on this idea saying that, “this notion of green consuming has become popular as a means of addressing environmental concerns without compromising the market driven economy” (329). For example, a person might feel positive about purchasing clothing that is 10% recycled but the fact is that he or she is still continually purchasing this clothing. People are allowed to feel good about their purchasing choices and still go along with a

“business as usual” model that does not force them to make any changes. Maniates expands on this idea saying that:

“It’s our struggle to bridge the gap between our morals and our practices, we stay busy- but busy doing what we are most familiar and comfortable with: consuming our way (we hope) to a better America and a better world. When confronted by environmental ills- ills many confess to deeply caring about- Americans seem capable of understanding themselves solely as consumers who must buy “environmentally sound” products (and then recycle them), rather than as citizens who might come together and develop political clout sufficient to alter institutional arrangements that drive a pervasive consumerism.” (51).

Essentially, consumers get to contribute to the environment but not in ways that actually compromise the way they live right now or force them to change their habits. This type of marketing gives the false idea that shopping is the biggest impact people can make rather than coming together collectively and working to change wider destructive habits. “Green consumerism” is creating an illusion that individuals can solve environmental problems without making any big changes. The world needs to be concerned with making big changes and this can only come through changing destructive mindsets and habits surrounding consumption.

In summary, greenwashing pushes consumers to buy more environmental products but it does not promote a positive or viable option to solve environmental issues, and even creates more negative effects. Greenwashing and advertising in general encourage the individual to “do their part” and continually force consumers to think of personal issues and agendas before the greater collective. “Green consumerism” continuously promotes this idea, forcing increased consumption and a general disregard for the collective movement as a whole. The idea of selective purchasing leaves more

questions than answers. It is time to realize that lowering consumption is the key to solving many of our environmental problems.

### **Chapter III: Saving the Environment One Credit Card Swipe at a Time**

#### *Part B: Responses*

In the way that greenwashing encourages consumption, it promotes “green consumerism” as a way to solve environmental problems. While “green consumerism” might delay environmental issues, it certainly will not solve them. “Green consumerism” does not recognize the root problem of many environmental issues which is the consistent increase of A in the IPAT equation discussed earlier. Society is working to lower T but practically ignoring the continuously increasing A while greenwashing is driving up higher T products. The goal needs to be reducing A. As was previously discussed, greenwashing contributes and worsens “green consumerism” because it includes more higher T products to be acceptable and heightens emotions. While there is important discussion surrounding this subject, there needs to be a widespread movement that reaches beyond environmentalists and includes those who have the power to implement these changes. Unlike the other indirect effects mentioned in this thesis, there is no specific solution to this. Rather than solutions, this section discusses responses and examples that need to be acknowledged and considered to shift this false mindset. Greenwashing worsens “green consumerism” in that it includes more products to qualify in this category that are actually high T and creating worse impacts on the environment.

There has already been some important literature on this topic mostly concerned with the idea of “sustainable consumption.” Michael Renner from The Worldwatch Institute, in his research in *The State of the World: 2004* describes this process:

“To support the move towards a less consumptive economy, consumers and producers will need to pay close attention to the full life cycle of products. This

means they need to concern themselves not just with the characteristics of the product itself, such as how much energy use it may require, but also with the materials and production methods used to manufacture the product and the kinds and types of wastes generated in the process. In addition, both consumers and producers need to consider how effectively goods actually deliver wanted services and comforts, how long products last, and what happens to them once they reach the end of their useful life.” (Renner 98).

This requires consumers to play a large part in the consumption process, not being content with purchasing and disposing a product while not thinking about its future effects. In order to implement ideas of sustainable consumption would require a paradigm shift from the way society currently works. Renner expands on this, saying:

“Most fundamental, though, is a shift in human perceptions of economic value. In *Natural Capitalism*, Amory Lovins and co-authors Hunter Lovins and Paul Hawken make the case for “a new perception of value, a shift from the acquisition of goods as a measure of affluence to an economy where the continuous receipt of quality, utility, and performance promotes well-being.” In such an economy, corporate revenues and profits would no longer be associated with maximizing the quantity of stuff produced and sold rather with deriving the most service and best performance out of a product, and therefore minimizing energy and materials consumption and maximizing quality.” (Renner 118).

This demonstrates a new mindset that needs to be adopted, but part of the issue is overcoming vested interests, political obstacles, and involves a certain level of risk.

Renner’s example represents an idealized version of what society could look like, but he makes the important note that consuming *better* does not equate with consuming *more* (110). There is a lack of consciousness and awareness of consumption levels that needs to be better understood by the greater public.

The positive aspect is that there are some important movements concerned with these consumption issues. For example, The Center for a New American Dream is a non-profit organization that focuses on working with individuals, institutions, businesses, and

communities to conserve natural resources, counter the commercialization of American culture, and promote positive efforts to change the way goods are produced and consumed in the US (The Center for a New American Dream). Their programs involve redefining the American dream as something that is not about acquiring as much as possible, but examining current cultural values and acting in ways that support everyone (The Center for a New American Dream). On a similar note, the website project also talks about the idea of “sharing economy.” This concept literally involves building “ways that help community, clear clutter, and allow for more equitable access to resources. The ‘access-over-ownership’ model frees us from having to make, buy, and consume ever more stuff, saving your pocketbooks and reducing our environmental impact” (The Center for a New American Dream). Buying lower T products is not the answer to solving this issue, engaging organizations doing this type of work and bringing these new ideas into wider discussion is extremely important.

Other organizations are working to generate the idea of reducing consumption and forcing consumers to think critically about the impacts their purchases make on the environment. Another important example is seen in the widely-viewed animated mini-documentary and book, *The Story of Stuff* written by Annie Leonard. This important book (a longer version of the short-animated film) tracks the “life” of “stuff” through the phases of extraction, production, distribution, consumption and disposal (Leonard). Along the way, the book exposes the systemic patterns of how society consumes and throws away, the human relationship with the planet and key solutions that value time over “stuff” (Leonard). Putting time and investment into an idea like this one would help



to reduce greenwashing simply because fewer of these products would be available. These extremely important ideas need to be circulating out to the wider public and not just environmentalists or specific groups of people. These are messages that everyone needs to hear.

A more constructive idea to combat this issue would be adopting widespread campaigns that share these important messages. These campaigns would have to be launched by environmental organizations because there are few corporations which would seemingly work to lower their profit and actually encourage consumers not to buy their products. The important messages for these new campaigns have been best discussed by the author Julie Schor in her book, *True Wealth*, which discusses the idea of “plenitude” and well-being. Schor notes, “It puts ecological and social functioning at its core, but it is not a paradigm of sacrifice. To the contrary, it involves a way of life that will yield more well-being than sticking to business as usual, which has led both the natural and economic environments into decline” (2). This “wealth” is not in things that are monetary or economical. True well-being and happiness come from things that are not consumed, such as interactions with people and a healthy environment. The new campaigns launched by environmental organizations or concerned citizens do not have to be “anti-consumption” but would be advocating true well-being that benefits both humans and the environment.

If increased governmental regulation were put into implementation as suggested in the previous chapter, this increase in regulation would not address the problems with “green consumerism.” The proposed regulation would improve the validity of green

claims, but would not encourage consumers to decrease A. In an ideal world, the government would be supportive of sustainable consumption but currently this is not a reality. A portion of this issue is because consumers have a blurred sense of just how to support the environment in a healthy way. This is best explained in an article from the *Washington Post* in which the environmentalist Paul Hawken states that in order to actually be “green” it means, “having less. It does mean less. Everyone is saying, ‘you don’t have to change your lifestyle’. Well, yes, actually you do” (*Washington Post*). Essentially, to actually be environmentally friendly means an emphasis on durable and reliable products rather than constantly acquiring more. Again, the difficulty is in changing the consumerist culture that has unfortunately defined American society and a large portion of the world for the past 50 years or so. There is an important conversation happening but it has not made it to the mainstream media yet, where it could have the most impact.

The responses that have been discussed to solve this problem are extremely challenging. There are many important figures doing positive work on this issue, but the difficulty is in translating these important messages to the mainstream media. In the meantime, lower T products that are durable, repairable and long-lasting are important, but a wider discussion needs to open up. Solving this indirect effect will require challenging and shifting mindsets about how to approach consumption and wealth. A “quick-fix” solution does not exist for this problem, but it is extremely important that new ideas be considered as quickly as possible. There needs to be a focus on finding solutions that will work to reduce A without an impact on well-being.

## **Greenwashing into the Future**

The fundamental goal of this thesis has been to answer the question, is greenwashing an environmental problem? Currently, there are tools available to identify greenwashing such as the Futerra guidelines that were mentioned, but not solutions of how to stop greenwashing. The current literature surrounding greenwashing has not confronted these issues in the same way that this thesis has. Making the clear distinction between direct and indirect effects on the environment, there are no clear direct impacts from greenwashing, but the indirect effects are severe enough to warrant attention and action. Relying on the important I=PAT equation, this thesis focused on T (throughput) and A (material standard of living) in reference to the greenwashing problem. Given the literature, this thesis contribution is to display these two indirect effects and their negative impacts on the environment. Through the analysis of these two indirect effects, it is apparent that greenwashing is a problem that encourages more severe environmental impacts if it continues to go unregulated and unwatched. These indirect effects should not be taken lightly because they change people's mindsets and actions towards the environment that can negatively affect the environment in a major way.

The first chapter showed that greenwashing creates skepticism and mistrust of all green claims. The indirect effect of this impact increases T through the way that it leads some consumers to abandon the entire green market altogether and purchase more products that further damage the environment by having a higher T. These environmental claims have been allowed to run rampant because there is little governmental regulation on the use of these claims and products are portrayed as environmentally friendly when

they are not. This chapter acknowledged the difficulty in determining just what qualifies as “green.” There is value in picking one product over another, but it is difficult to decide what is “better.” Many different factors affect what counts as “green” in distinct situations for different types of consumers. On a similar note, it is important to realize that not every consumer will have the same reaction to greenwashing. Certain consumers will fall into greenwashing because they are unable to recognize it. Other consumers will recognize greenwashing and become skeptical enough to stop buying all green products. These skeptical consumers are the most at risk because they will settle with higher T products and develop a disregard for all green products, increasing negative impacts on the environment. While there is a lot of uncertainty, this indirect effect has the most concrete solutions. This section critiqued the current regulatory guidelines in the United States and also compared the system to positive examples in Europe that might serve as models for how better enforcement could function. Academics have suggested reforming the FTC’s regulation and creating a joint agency with the EPA. It seems possible that joint governmental agencies might actually cause more issues with their conflicting interests. This chapter showed that stricter enforcement of the “green guides” would decrease false “green” claims and hopefully achieve the goal of reducing T.

The second chapter focused on the idea that greenwashing encourages “green consumerism” as a way to solve environmental problems. “Green consumerism” is not a viable option for solving environmental problems because it individualizes environmental problems, increases consumption, and doesn’t force society to change its destructive behaviors and mindsets. The indirect effect impacts the A in the equation, constantly

increasing the material standard of living to an unhealthy degree. Greenwashing heightens emotional reactions to green products and often allows for more destructive behavior to surface in other areas of life. The idea of “moral licensing” comes into play with “green consumerism” because consumers feel like they only have to make a “green” purchase to make a positive impact on the environment. This idea leaves consumers feeling as if they can be even more wasteful in other aspects of life and further perpetuates the problem. This indirect effect does not have answers that are clear-cut and rather than solutions, this section warrants responses. Important examples such as sustainable consumption and discussion of organizations currently working towards reducing consumption showed the broader conversation that needs to take place. A hopeful idea would be a PSA campaign launched with the idea of reducing A without decreasing people’s well-being. While these responses present an interesting and larger discussion that needs to take place, these things would be extremely difficult to implement because they are contradictory to the way that society currently functions. Until these issues gain wider coverage and media attention, it seems difficult and unlikely that they will be addressed extensively.

Given the literature, this thesis contribution is to display the two indirect effects on the environment from greenwashing and to demonstrate that these indirect impacts are severe enough to warrant more attention and action. These indirect effects have major impacts on the environment that shift people’s perceptions of environmental problems and further increase damage to the environment. The solutions and responses proposed are ones that will not be implemented until a broader audience is reached with these

important messages. These responses and policy ideas are designed to reduce the indirect harms coming from greenwashing, both higher T products and the ever-increasing A. Through these indirect effects, this thesis has shown that greenwashing is more than just an issue to laugh about, but an environmental problem that needs to be considered and the ways in which it is being dealt with need to be reformed.

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### **Videos**

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### **Photos**

Photo 1: <http://brandgeek.net/wp-content/uploads/2011/05/21.jpg>

Photo 2: <http://thegreenwashingblog.com/2009/02/28/marketing-green-or-greenwashing-clorox/>

Photo 3: <http://www.sourcewatch.org/index.php/Greenwashing/Australia>

Photo 4: <http://griid.org/2012/02/29/mazdas-new-suv-gets-fictional-approval-from-the-lorax-and-the-truffula-trees-but-no-one-else/>

Photo 5: [http://www.123rf.com/photo\\_6116981\\_100-eco-friendly-natural-label-vector-image.html](http://www.123rf.com/photo_6116981_100-eco-friendly-natural-label-vector-image.html)