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Green Lies: Exploring Consumer Perceptions of Greenwashing

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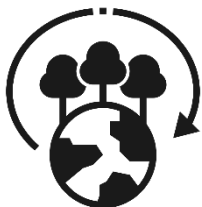
WHAT IS 'GREENWASHING'?

As environmentalism and ethical practices are increasingly put under the spotlight, companies are being held to account for their lack of sustainable practices. Consumers are becoming more aware of such issues, with the help of Blue Planet II and Greta Thunberg. To win favour with the public, it is thought that some companies use green PR / marketing to convey a **false impression of how environmental their products are**. The term 'greenwashing' was coined in the mid-1980s, but these deceptive practices pre-date it. Greenwashing can manifest in many ways, as identified by TerraChoice's study into environmental claims made on products, which led to the development of the "Seven Sins of Greenwashing"¹.

Greenwashing is damaging – when exposed – and can have a negative effect on consumer attitudes towards a company. We wanted to explore this in more detail, as well as the initiatives most likely to lead to perceptions of a company as sustainable. To do this, Shift Sustainability conducted an **online survey with 1,002 UK consumers** to explore perceptions of companies' sustainable initiatives.

A LITTLE LESS CONVERSATION, A LITTLE MORE ACTION

We wanted to find out what actions led consumers to perceive a company as sustainable/eco-friendly. Over half of our sample (59%) believed having clear environmental goals was most likely to impact their view, with other influential actions including showing ethical practices (46%) and off-setting carbon (45%).



59% believed having clear environmental goals was most likely to impact their view.



46% believed ethical practices were influential.



45% indicated that off-setting carbon would be impactful.

Actions less likely to be impactful included talking about sustainability (20%) and donating to a cause or charity (20%). This suggests consumers are more likely to perceive a commitment to direct action as most sustainable.

We also tested product features and services. Products that focused on naturalness and a lack of toxicity, as well as those which made product end-of-life easy on the consumer, were considered most

¹ <https://www.ul.com/insights/sins-greenwashing>

favourable. Products that were second-hand or upcycled, as well as those which were rented rather than sold, were less likely to indicate sustainability.



59% believed eco-friendly materials or ingredients would cause them to think a company was sustainable or eco-friendly.



58% believed recyclable packaging was impactful.

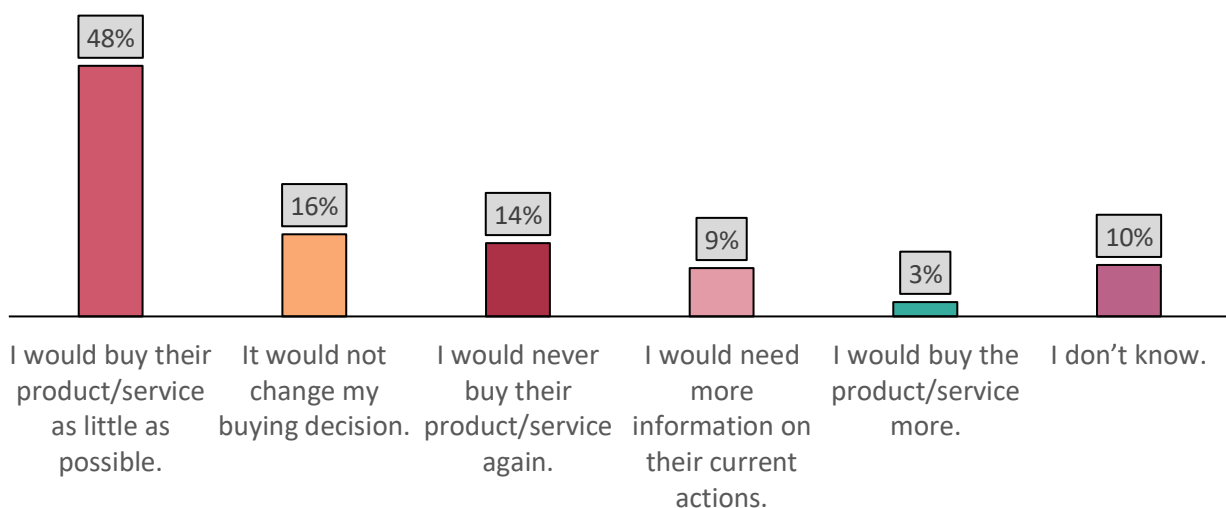


46% thought that products that were non-toxic for the environment were impactful.

DON'T GREENWASH AWAY YOUR CUSTOMERS

Previous research² has suggested that companies thought to be faking their environmental commitments are negatively viewed by consumers. Greenwashing can lead to a loss of customer loyalty, trust and satisfaction in products. We wanted to explore this further, to find out if respondents would change their behaviour if they thought a company was not living up to their claims.

Q: If you thought a company was not living up to their sustainable claims, how would you react?



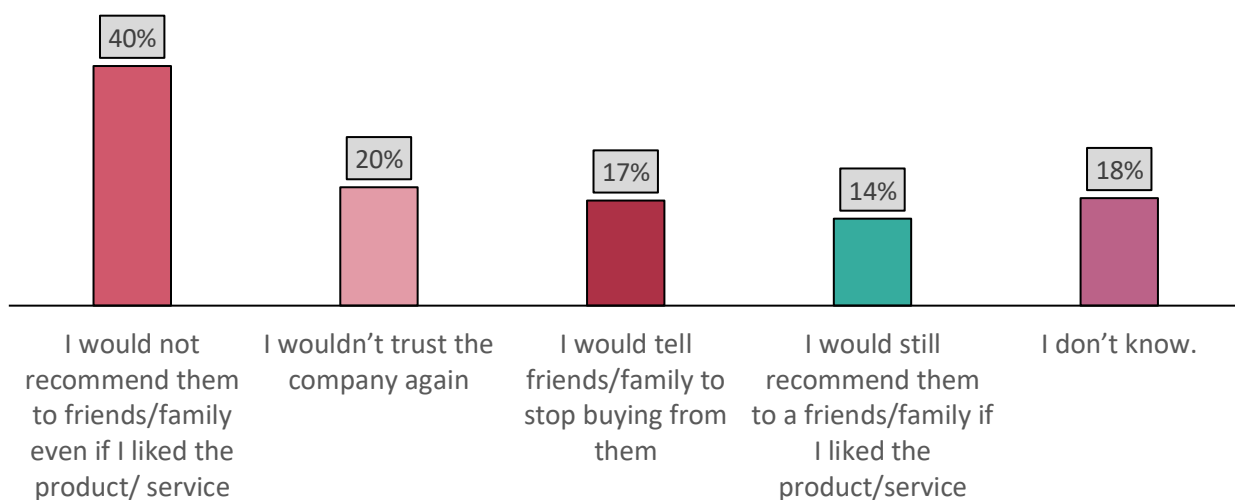
Base n = 1002

² https://www.scielo.br/scielo.php?script=sci_arttext&pid=S2531-04882019000200006

Our findings suggest that greenwashing could lead to a loss in revenue, with 48% of our sample saying they would purchase from the company as little as possible, and a further 14% indicating they would cease purchases altogether. While currently only a minority would commit to a total boycott of disingenuous companies, this could increase as consumers become more sustainably conscious – although other factors still shape decision-making.

Additionally, we wanted to explore how greenwashing would impact respondents' likelihood to recommend a product or service. Only 14% reported they would still recommend the product or service, while 40% said they would not recommend them, and 17% suggested they would tell friends and family to stop buying from the company.

Q: If you thought a company was not living up to their sustainable claims, how would you react?



Base n = 1002

Our findings suggest that greenwashing has more of an impact on consumer perceptions of a company than their purchasing behaviour. Despite recognising unsustainable practices, they typically aren't committed to boycotting a company. Consumers appear to react through words, more than actions – the opposite of what they want to see from companies. This demonstrates the gap between what consumers think and their actual behaviour.

Previous research³ has found an imbalance between sustainability concerns and consumption habits. For example, despite global concerns for the environment, fast fashion is booming and, prior to the COVID-19 pandemic, consumers had been taking more flights than ever. While consumers will adopt new behaviours if they are sustainable, research suggests they must also be better than the alternative in terms of price, convenience, etc. Sustainable practices are often a secondary benefit, or the cherry on top of a cake, with other factors driving change.

³ <https://www.researchworld.com/sustainable-behaviour-change/>

SEPARATING FACT FROM FICTION

We wanted to find out consumers' current perceptions of companies being disingenuous about sustainability. In an unprompted open question, we asked respondents which companies they think have greenwashed. 78% were unable to answer this question, which may suggest consumers are less able to recognise deceptive green marketing – or at least that it hasn't remained front of mind.

Companies perceived to be falsifying their sustainable commitments included Amazon, Shell, McDonalds, BP, Coca-Cola and Nestlé – although these were only mentioned by <5% of our sample.

FORGET ABOUT GESTURES AND HALF MEASURES

It is clear that the sincerity of sustainable initiatives is open to interpretation. We presented respondents with a series of real-life adverts to find out whether they thought each company was being serious about its commitment to sustainability.



Patagonia

Released during 'Black Friday' sales, asking customers not to buy anything they didn't need.



Greggs

Produced vegan baked goods.



Boohoo

Launched a recycled clothing line.



Coca-Cola

Creating bottles out of 25% recycled ocean debris.



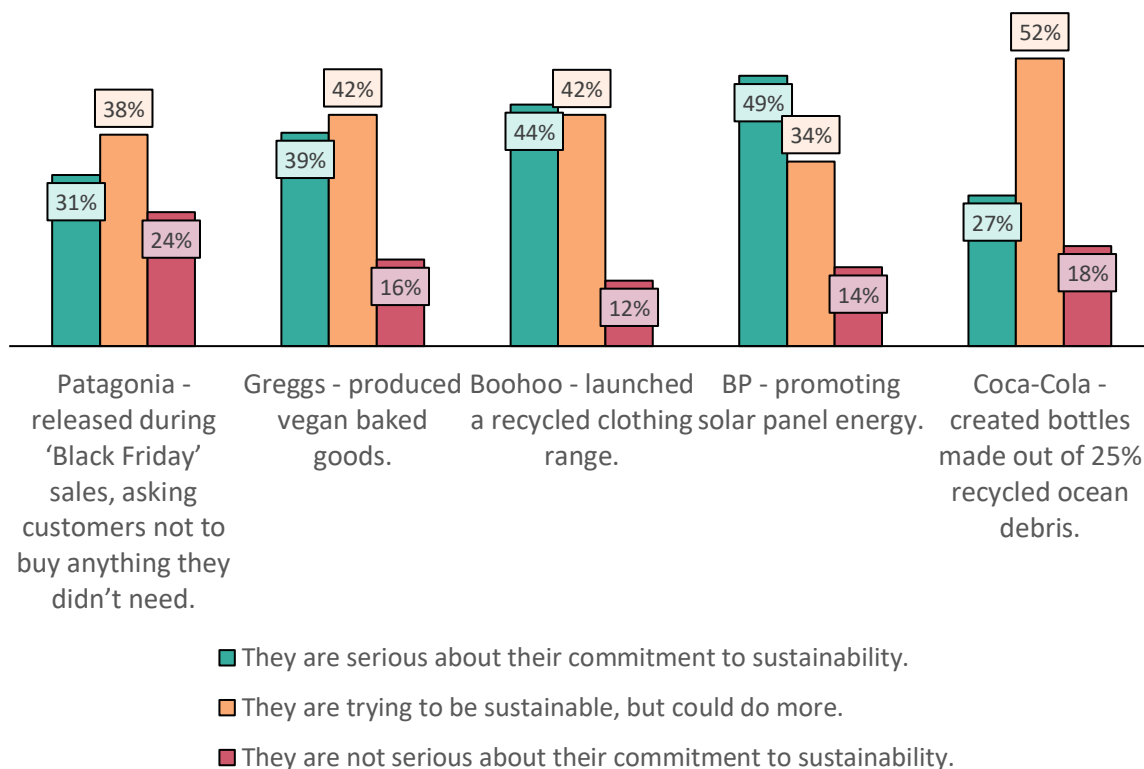
BP

Promoting solar power energy.

Results suggested that BP’s solar power initiative was most likely to demonstrate a serious commitment to sustainability for respondents (49%) – despite BP being perceived by some as having a history of greenwashing in earlier unprompted questioning.

Boohoo’s recycled clothing range was also likely to be recognised as showing a serious commitment (44%), whereas over half of respondents believed Coca-Cola’s campaign suggested they were trying to be sustainable, but could do more. Campaigns likely to be interpreted as more impactful or large-scale appear to be received more positively.

Q: Do you think the company is serious about its commitment to sustainability?



Base n = 1002

Findings indicate that there is no clear consensus amongst consumers about the sincerity of these initiatives – although it seems many are given the benefit of the doubt. Nonetheless, those more likely to be considered sustainable appeared to change their core activity. BP’s work on a solar panel farm seeks to reduce the need for their oil production, therefore directly addressing their core practices.

Patagonia’s campaign, on the other hand, may be less well received as it is not putting forward direct action. As consumers are aware that Patagonia will still need to sell clothes to maintain their business, they are not appreciating Patagonia’s efforts to change consumer behaviour instead of manufacturing practices. This finding may also suggest consumers are less receptive to initiatives that put the onus on the consumer, rather than the company. It is worth considering that Patagonia are a brand built

with sustainability in mind, therefore poor perceptions here may indicate a lack of awareness of the brand amongst our sample.

While recycling initiatives are generally well-received by consumers, the view that Coca-Cola could do more is likely influenced by their commitment to 25% recycled materials, rather than a full recycled product. The reference to ocean debris may also trigger negative imagery of plastic bottles washed up on beaches, which has been at the forefront of many environmental campaigns.

LEAD OR GET LEFT BEHIND

Greggs debuted a vegan-friendly sausage roll in early 2019. This was positively met with a new wave of customers and substantial profit increases, which led to a spike in other high-street food giants releasing their own vegan goods. In our survey, Greggs' vegan baked goods were generally well received, with **39%** of respondents believing this initiative indicated the company was serious about their commitment to sustainability.



Reasoning for this included a recognition of Greggs' goals to reduce meat consumption, as well as the company being a trailblazer for the wider market.

This perception of being a sustainable leader within a given sector is likely to be key. A company's initiatives will likely be judged against what other competitors are doing. Being a leader, rather than jumping on the bandwagon, will influence perceptions of sincerity.

The **16%** who believed Greggs was not serious about their sustainable commitment suggested that the company was opportunistic, just trying to make money, while still selling unsustainable products and/or packaging.

CONCLUSION

Greenwashing is clearly difficult to recognise, but it seems that some consumers will give companies the benefit of the doubt, particularly around initiatives that are core to their business activity or in instances where they are recognised as trailblazers. Nonetheless, our findings suggest greenwashing could lead to a loss in customers and a damaged reputation. As consumers generally support sustainable initiatives, companies should continue to consider these factors in the development of products in a genuine and honest way. Being a leader in this area is clearly beneficial for companies.

If you need evidence-based guidance to navigate sustainability, particularly in the new landscape created by COVID-19, we can provide market and audience insights to inform your roadmap, as well as futures workshops to help you plan scenarios and responses. To discuss any specific research ideas, or just chat about sustainability issues you're facing, please get in touch with one of our directors, Helene Moran, on 0207 253 8959 or Helene.Moran@shift-insight.co.uk.

ABOUT SHIFT INSIGHT

Since 2002, we have grown to become a leading research consultancy – originally focused solely on education, but then expanding into the complementary areas of Membership and Sustainability, alongside Learning.

Shift Sustainability are experts in market research, consultation and materiality assessments, enabling us to identify and address global and local challenges. In this age of shifting mindsets and competing priorities, where success comes to those who listen and adapt, we give organisations the evidence and insight they need to make a real impact.

To find out more about us, please visit our website: shift-sustainability.co.uk.

PROFESSIONAL ETHICS

We are members of the Market Research Society and European Society for Opinion and Market Research. We are also registered with the Information Commissioner's Office and inform them of any personal information held. Our researchers fully abide by:

- The Data Protection Act 2018 and GDPR
- The ICC/ESOMAR International Code on Market and Social Research
- The MRS Code of Conduct.