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Can advertising be saved from greenwashing?

by Béatrice PARGUEL & Guillaume JOHNSON

[Research World](#)

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In a two-part article, we're going to understand if advertising can be saved from "greenwashing". The first part will explain what "greenwashing" is and how green claims work. The second part will then understand why "greenwashing" is a problem and – most importantly – if and how we can solve it.



In 2020, a [study](#) conducted by the European Commission revealed that over half of the green claims made by companies in the EU were “vague, misleading, or unfounded”, with 40% lacking any substantiation whatsoever. In response, the commission has introduced a series of directives, including the “[Green Claims Directive](#)” in early

2023, which compels companies to provide evidence to support any green claims or face “dissuasive” penalties. Regarded as the most comprehensive and ambitious directive of its kind to date, this regulatory measure is part of a global movement among governments to combat “greenwashing”, increasingly viewed as a key impediment to achieving a successful ecological transition. While some view the regulation positively, others argue that it may fall short of effectively addressing the persistence of greenwashing in the advertising industry.

What is greenwashing?

The term “greenwashing” emerged in the mid-1980s alongside the rise of green claims made by companies seeking to address growing public concerns about the environment. It is believed that U.S. activist Jay Westerveld coined the term in a 1986 essay, wherein he criticised hotel chains for prioritising cost-cutting “save-the-towel” campaigns over meaningful efforts to reduce their environmental impact. During this early period, the focus of greenwashing criticism primarily centred around for-profit businesses that employed deceptive practices such as making false green claims, omitting environmental information, and utilising vague and ambiguous terms like “natural”, “local”, “durable”, “clean”, “green”, “better”, and “offset”.

During the late 2000s, as the volume of green claims continued to rise, and scrutiny from governments, media, and non-governmental organisations (NGOs) intensified, the criticism of greenwashing underwent a significant evolution, encompassing more subtle tactics. These include:

1. **Executorial greenwashing:** This refers to the use of nature-inspired imagery to create an impression of environmental friendliness. For instance, an ad featuring a peaceful forest setting accompanied by the sounds of singing birds may give a false impression of eco-consciousness.

2. **Greenwashing by assimilation:** This type of greenwashing involves using terms that are misleadingly equated with environmental concerns. Companies may use terms like "digital," "electric," or "second-hand" to falsely suggest ecological benefits that may not necessarily be present.
3. **Greenwashing by association:** In this form of greenwashing, companies leverage their sponsorship of environment-focused events, projects, or programs or associate themselves with individuals or organisations perceived to have strong environmental credentials. These associations create the impression of eco-friendliness without necessarily reflecting substantive environmental action.

The critique of greenwashing expanded beyond companies and their products to encompass a wide range of individuals and entities, including celebrities, politicians, administrations, governments, and even NGOs. This broadened scope prompted the development of a more inclusive definition of greenwashing, which can be understood as the **disconnection between claims made about environmental practices and the actual reality of those practices**.

Although greenwashing can stem from opportunistic motives, it can also be employed by companies that more genuinely believe in their environmental commitment, albeit excessively promoting their sustainability credentials. As businesses start to engage, there is a tendency to eagerly share positive news, sometimes leading them to prioritise talk over action.

However, most consumers face challenges in accurately assessing the disconnection between environmental claims and actual practices, largely due to limited access to information about the latter. Consequently, distinguishing genuine green claims from greenwashing becomes a complex task for most consumers. Their responses to such claims often rely on their preexisting beliefs and expectations concerning the environmental practices of companies.

How do green claims work?

At the corporate level, the fundamental objective of green claims is to bolster or preserve a company's reputation by strengthening the association between the company and positive environmental values in the minds of consumers. This phenomenon operates through two key mechanisms:

1. Emphasizing environmentally responsible attributes creates the perception that the company offers greater benefits compared to its competitors. By promoting their commitment to sustainability, companies aim to position themselves as superior choices, appealing to consumers who prioritize environmental considerations in their decision-making.
2. Incorporating visual representations of nature evokes pleasant emotions akin to those experienced during actual contact with the natural world. This positive emotional response is then transferred to the company.

By leveraging these mechanisms, green claims are anticipated to have a positive influence on a company's reputation, product perception, recruitment endeavours, and, ultimately, financial gains.

The effectiveness of green claims remains nevertheless not so straightforward. Consumers' favourable evaluation of a company is contingent upon perceiving the company's environmental commitment as sincere and credible. Consequently, the effectiveness of green claims is heightened when the company's environmental dedication meets the following criteria:

1. **Consistency and Longevity:** Consumers are more likely to respond positively to green claims when a company's environmental commitment has been demonstrated consistently over a significant period.
2. **Core Business Focus:** A company's environmental commitment carries more weight when it is integral to the core operations of the business, rather than being seen as an ancillary activity or afterthought.
3. **Independent Corroboration:** Green claims gain credibility when they are supported by neutral, independent sources that can verify the company's environmental efforts.
4. **Significant Investment:** Consumers are more inclined to trust green claims when a company allocates a substantial amount of financial resources to its environmental initiatives, especially when compared to how much the company spends to advertise the initiatives.
5. **Factual and Precise Formulation:** Green claims that are communicated in a clear, specific, and factual manner resonate more effectively with consumers compared to vague and general statements.
6. **Advertising Platforms:** Green claims are better received when they are promoted through media channels that consumers perceive as less harmful to the environment, such as direct mail, catalogues, brochures, and in-store posters, rather than platforms associated with greater environmental impact, such as newspapers, magazines, mobile phones, outdoor posters, radio, television, cinema, and the Internet.

Moreover, the responses of consumers to green claims are also shaped by their individual characteristics. Consumers' objective knowledge about environmental issues can play a crucial role in enabling them to identify instances of greenwashing. Similarly, a general tendency among consumers to be sceptical of advertising undermines the effectiveness of green claims. Meanwhile, no consensus emerges regarding the influence of consumers' environmental concerns: While some studies suggest that environmentally concerned consumers are inherently vigilant about environmental attributes, and so may not necessarily exhibit a more favourable response to green claims, others find that they would be more receptive to green claims.

Lastly, research indicates that time plays a crucial role in understanding the effectiveness of green claims. In earlier periods, when only a limited number of companies emphasised their commitment to the environment, green claims served as a notable and positive signal. However, as the landscape has evolved and an increasing number of companies now assert their interest in environmental responsibility, the impact of such claims has diminished. Consequently, green claims have experienced a significant loss of credibility and are met with growing scepticism.

Why is greenwashing a problem?

Scholars acknowledge two distinct forms of greenwashing perception errors among consumers: unnoticed greenwashing and wrongly perceived greenwashing. The presence of these errors raises significant ethical concerns as they misguide consumers and hinder their ability to make independent ecological decisions.

1. The first type, **unnoticed greenwashing**, poses deontological questions. It involves instances where consumers fail to recognize greenwashing practices, preventing them from making informed choices that align with their ecological values.
2. The second type, **wrongly perceived greenwashing**, is connected to consumers' skepticism towards green claims. Although this skepticism has existed since the 1990s, it has significantly intensified over time. Consequently, consumers now tend to perceive greenwashing in various contexts, even where it may not actually exist. This heightened skepticism hampers their ability to distinguish genuine environmentally beneficial or less harmful products, resulting in missed opportunities to take meaningful action for the environment through their purchasing decisions.

Either way, greenwashing perception errors damages reputations and profits for “truly” committed companies, which do not make a return on their investment in environmentally-friendly action. As such, from a capitalistic perspective, greenwashing creates a distorted playing field, entangling “virtuous” companies in a prisoner's dilemma-like situation. Despite their ongoing communication about environmental commitments, these companies face little motivation to persist with their green endeavors. Ultimately, some argue that by reducing both companies' general credibility and the efficiencies of green markets, greenwashing jeopardizes the whole idea that a greener capitalism can solve the climate crisis.

We present an alternative viewpoint in a recently published [article](#)¹. We question the excessive focus on greenwashing and highlight its potential drawbacks in obscuring the underlying politics of green claims (greenwashed or not). We propose that overlooking such politics contributes to what we term the “great green illusion.”

Our argument centers on the idea that green claims serve as a crucial tool for individuals to assess ecological practices. Consequently, they play a significant role in shaping the public's perception of the environmental landscape, extending beyond mere consumer behavior. The widespread use of green claims creates a false impression that specific environmental issues are being effectively addressed, thus diminishing concerns, and diluting the perceived urgency for climate action. This perception shift can lead to a misguided belief that stringent legal regulations are unnecessary, as companies are seemingly taking responsibility for environmental challenges. In effect, green claims function as a form of soft law, diverting the responsibility of lawmaking away from democratic institutions and towards private entities. This approach relies on voluntary, non-binding commitments rather than robust, enforceable regulations. We conclude that the unanimous and uncritical condemnation of greenwashing can perpetuate the

¹ Parguel, B., & Johnson, G. (2021). Beyond greenwashing: Addressing ‘the great illusion’ of green advertising. *Revue de l'organisation responsable*, 16(2), 59-66.

legitimacy of green claims, thereby impeding efforts to challenge the underlying neoliberal agenda embedded within them.

Are there solutions to greenwashing?

As the debate of greenwashing intensifies, a range of solutions has come to the forefront as potential remedies, including the implementation of regulations, the consideration of bans, the adoption of rigorous self-regulation practices, and a focus on consumer education.

Regulation stands out as an initial solution to address the issue of greenwashing. Alongside general laws that prohibit misleading or deceptive advertising, numerous countries have established comprehensive guidelines for both general and sector-specific best practices when communicating the environmental attributes of products. These guidelines serve as a safeguard against upfront greenwashing tactics by businesses. Some countries have taken more decisive measures by enacting laws specifically aimed at bolstering consumer protection against unreliable or false environmental claims. These laws outline the conditions under which green claims are permitted and the required evidence to substantiate them. Notably, the European Union's "Green Claims Directive", mentioned earlier, represents the most stringent regulatory framework to date. Under this directive, companies are compelled to provide detailed information on the sustainability of their products.

NGOs, however, raise concerns about the limitations of existing regulations, arguing that they primarily address product or service communication and overlook widespread cases of greenwashing at the corporate/institutional level. NGOs advocate for stronger regulations that encompass a **comprehensive ban** on the use of green claims for the most environmentally damaging products. This includes categories like internal combustion engine vehicles (particularly SUVs), energy and air transport, as well as food and soft drinks that generate substantial waste (notably in the form of plastic). Taking a more radical stance, some argue that advertising itself perpetuates economic models centered on excessive consumption, which clashes with the boundaries of our planet. They call for a complete prohibition of advertising within these sectors. In a notable example, a coalition of nonprofit organizations and grassroots groups launched the European Citizens' Initiative #BanFossilAds in 2022. Their initiative urges the European Commission to propose legislation that bans fossil fuel advertisements and sponsorships, along with any promotion of transportation reliant on fossil fuels. Their reasoning is straightforward: Fossil fuel advertisements must be prohibited due to their contribution to air pollution and greenhouse gas emissions by boosting sales for fossil fuels and fossil fuel products.

Regardless of the content of the regulation, NGOs are urging for a shift in the oversight of advertising content regulations, advocating for **independent authorities** to be responsible rather than industry-controlled bodies. They emphasize the importance of imposing **substantial fines** that serve as a strong deterrent for non-compliance. In France, in 2021, [43% of companies](#) opted to pay fines rather than fulfill their obligation to quantify their greenhouse gas emissions through a carbon footprint report. Additionally, there is a growing call for the development of a harmonized cross-border regulatory framework. This would prevent companies engaged in global advertising campaigns from encountering varying enforcement procedures across different countries, and facilitate their compliance with these regulations.

Empowering consumers presents an alternative approach to regulation. Recognizing this, the European Commission advocates for **consumer education initiatives** that start from a young age, utilizing awareness campaigns to equip individuals with the necessary knowledge to identify and correctly interpret green claims. National online platforms and mobile applications that offer interactive experiences can play a crucial role in disseminating educational materials on sustainable consumption. In the UK, the government has introduced the [Green Claims Code for Shoppers](#), providing guidance to consumers on how to discern genuine environmental claims when considering purchasing products and services.

In addition to education, policymakers should also consider **banning self-administered labels** that create the illusion of being verified by independent third parties. Furthermore, the provision of easily accessible supplementary information can enhance transparency. For instance, in France, as of 2022, all visual commercial communications (television, cinema, online advertising, including social networks, and print) are required to display the CO2 emissions level and emissions class (ranging from A to G) of the featured car. These legible and visible labels, familiar to consumers, enable automatic processing of information, rendering any attempts at greenwashing ineffective. Such labeling mechanisms contribute to informed decision-making by eliminating ambiguity and promoting genuine environmental accountability.

In the realm of advertising, a key principle holds true: what you can't measure, you can't effectively manage. As a result, it is imperative to encourage advertisers to adopt a systematic approach to measuring the impact of their advertisements, encompassing both their carbon footprint and the potential influence on consumers' behavior. By doing so, advertisers can take proactive steps to mitigate their environmental impact and ensure transparency, guarding against deceptive practices. Ultimately, embracing measurement and accountability becomes crucial to save advertising and its industry.

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