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GREENWASHING AND ITS IMPACT ON THE CONSUMER

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I hereby declare that I have compiled the paper independently and all works, important standpoints and data by other authors has been properly referenced and the same paper has not been previously presented for grading. The document length is 13084 words from the introduction to the end of conclusion.

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ABSTRACT

Green marketing is defined as a process of promoting production and sales of goods and services in a way the process causes as minimal harm to the environment as possible. Green marketing received attention for the first time in the 1960s, after that the popularity of green marketing and the demand for green goods and services has steadily increased. The growing demand for green products and services has developed a phenomenon called greenwashing. Greenwashing refers to the marketing strategy which attempts to capitalize on the ever increasing popularity of environmentally friendly goods and services. Greenwashing uses misleading and false environmental claims, about company's or products environmental-friendly qualities. Greenwashed claims often indicates that companies' practices or products are more beneficial for the environment that they really are. Studies have shown that consumer skepticism and distrust concerning green advertising is increasing because many of the green marketing claims have been proven to be misleading or false. The purpose of this study was to gain understanding and explore the effects of greenwashing on consumers. The research questions were aimed to find out if consumers are aware of the phenomena of greenwashing, how much greenwashing affects their perceptions of green goods and services, and how it affects their green purchasing intentions. To gain more knowledge about the subject, existing literature quantitative research was used. The data was gathered with a survey. The survey had 18 questions which were based on the research questions. The questionnaire was sent to potential participants directly by e-mail and messages. Other methods, such as social media, were also used to collect responses. The study did not have a specific target group since the aim of the study was to get a comprehensive picture of the effects of greenwashing. The surveys main focus was to find out are consumers aware of greenwashing, how their level of knowledge affects their perceptions, what kind of feeling greenwashing raised in them, and how awareness of greenwashing effects their purchasing decisions. The purpose of this study is to create a positive impact on social change by educating consumers about greenwashing, which could help consumers with better environmental purchasing decisions and to expand their environmental knowledge.

Keywords: Green marketing, greenwashing, consumer behavior, purchasing intention, perceptions

1. INTRODUCTION

Over the past years, people have become more aware of the environmental crises and that the planet earth will not endure if the humankind continues to spend and consume at the same pace as it has during the last century. Humanity is consuming more than they can afford, level of consumption is in overshoot, at this phase other 0,6 earth is required in order to answer the current demand of consumption (Global Footprint Network, 2017). People are constantly gaining more knowledge about the possible environmental consequences of their consumer behavior. As a result, the demand for eco-friendly products is growing. Products labeled as green, organic, natural and sustainable are more popular than ever. A study called TerraChoice (2010) noted that in between 2009-2010 the supply of products claiming to be green increased by 73%, and 93% of these products are practicing some level of greenwashing. Greenwashing is defined as "the act of misleading consumers regarding the environmental practice of a company or the environmental benefits of a product or service" (TerraChoice, 2010). Greenwashed claims usually offer misleading and shallow information about the eco-friendly attributes of a product or service which are often hard to confirm, and the real facts and information are not available for the customer. In today's market, many of which advertise and claim themselves to be "green" and eco-friendly are the ones that are actually the opposite, for example, airlines, oil, and car companies. Of course, there are companies with real pro-environmental intentions.

In some cases, the practice of greenwashing is driving consumers to negative purchasing intentions towards green products and services. The greenwashing phenomenon is creating distrust between consumers and companies. Because of the distrust, it is difficult, for consumers, to know which organizations are greenwashing and which green marketing (Brunton, 2015). As a result of these false claims and distrust, it is undermining the positive effort of green marketing. Researchers have also found that in many cases greenwashing can affect consumers' perceived perceptions of deception (Newell, 1998), skepticism (Pomeroy and Johnson, 2009), inconsistency (Gallicono, 2011), and misplaced trust (Chen and Chang, 2012).

1.1. Background

People are consuming more products and service than ever before, and it is crucial to study the impacts these habits have on the environment. Eco-friendly consumer behavior has become more common, and consumers want to positively influence our environment by changing their consumer habits. Consumers are demanding that corporations' all practices would be environmentally safe (Wood, 2015). The growing demand for environmentally-friendly goods and services led to the beginning of green marketing and later on greenwashing came to be. Green marketing literature shows how corporations have an increasing tendency to practice greenwashing and to mislead the consumer about their environmental activities (Furlow, 2010; Mitchell and Ramsey, 2011; Parguel, Benoit-Moreau, and Larceneux, 2011). Dishonest corporation practices increase distrust and skepticism in the consumer (Dilling, 2011; Rizkallah, 2012). Consumer knowledge and awareness about greenwashing is rising, which can be considered as a positive development because more knowledgeable the customers' are about the problem, they are able to make better consumer decisions (Dilling, 2011; Rizkallah, 2012). There is a need to understand that some organizations are practicing green marketing with a real environmental agenda, and that greenwashing is damaging their reputation by affiliation. If corporations can continue practicing greenwashing and therefore damaging the reputation of the whole green market. The damage caused by greenwashing will not only be inflicted to the parties engaged with greenwashing, but also to corporations' with legitimate green agenda, stakeholders, consumer, and in the end even nature will be harmed (Furlow, 2010). In this paper the effects of greenwashing on the everyday consumer will be examined, and how it affects consumer perceptions and purchasing intentions of green products and services.

1.2. Problem statement

Greenwashing affects consumer perceptions of environmentally-friendly products and services (Newell et al., 1998). Therefore affecting consumers' ecological behavior and green purchasing intentions. The primary purpose of this paper is to study the examined phenomena of greenwashing and how greenwashing has affected consumer preceptions and purchasing intentions towards environmentally-friendly products and services. Existing studies, indicate that greenwashing might have an adverse impacts on environmental-friendly consumer behavior. Due to greenwashing, the consumers are becoming skeptical, losing their confidence and trust in green products and services. By affecting consumer skepticism and trust, greenwashing does not only damage companies practicing greenwashing, but the negative effects of greenwashing are also reflected to companies with a legitimate green agenda. Because greenwashing causes confusion among consumers, it is difficult for the consumer to distinguish the real green claims from the false ones, therefore driving consumers away from the green market place (Parguel, B., Benoît-Moreau, F., and Larceneux, F, 2011). Greenwashing can positively affect a corporation's image and performance, but if exposed, the consequences can be catastrophic (Furlow, 2010). The problem with greenwashing is that by affecting consumer perceptions and purchasing intentions, the negative effects are often reflected on the society and therefore to the environment. Negative green perceptions can damage everyone part of the green market place (Mitchell and Ramey, 2011). The findings of this study could have a beneficial impact on social change by educating consumers about greenwashing, which could help them with better environmentally-friendly purchasing decisions. The more information the consumer has about the problem at hand; the consumer is better equipped to deal with the problem and to demand change. The results of this study could also provide useful information for green businesses and could be used as a tool when planning green marketing strategies.

1.3. Research aim and questions

The three main goals of this study were to explore the consumers' awareness of greenwashing and how greenwashing affects consumers' perceptions and purchasing intention towards green products and services. The three research questions that determined the focus of this study were as follows:

RQ1: How aware consumers are of greenwashing?

RQ2: How greenwashing effects consumer perceptions towards green products and services?

RQ3: How greenwashing effects consumer purchasing intentions towards green products and services?

Existing studies and quantitative research methods were used to answer the three research questions. Survey based on the research questions was conducted.

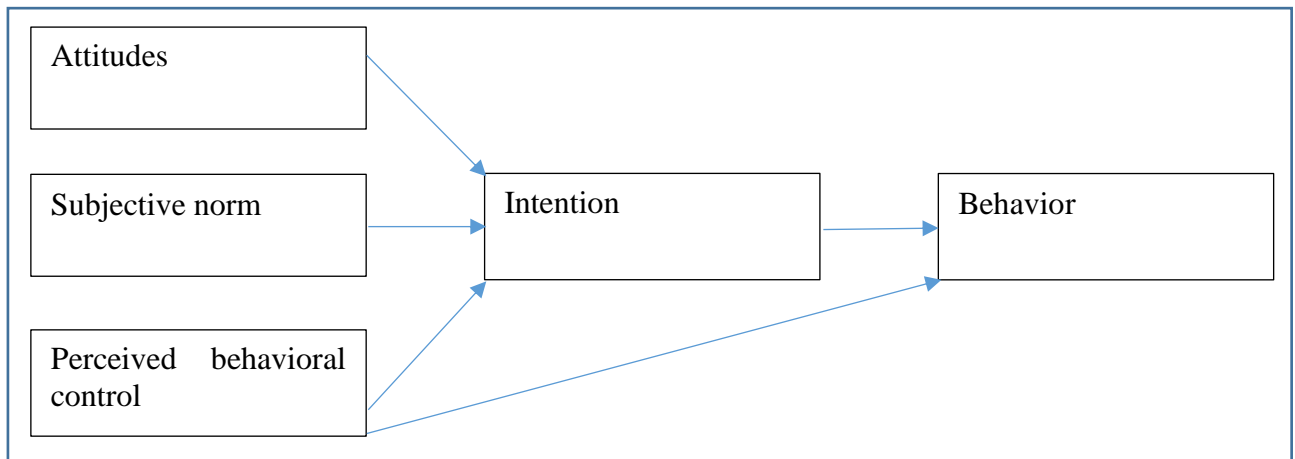
2. LITERATURE REVIEW

2.1. Theory of Planned Behavior

When consumers are considering of buying green products or services, the consumer goes through a five-part process of decision making, recognition, comparing alternatives, look for information, purchasing intention and post-purchase intentions (Armstrong and Kotler, 2010). The consumer is often able to see the problem or need when they recognize the difference between need and want. (Armstrong and Kotler, 2010). For example, a person might want to environmentally-friendly lifestyle, so they figure the desire to look for products which fulfill that desire. In this stage, the consumer will look for information related to the environmental qualities of products, on which the consumer will base their perceptions of the product. Perceptions are a significant factor influencing consumer purchasing intentions. Perceptions help the consumer in selecting, organizing and understanding the information available to them. After gathering information, the consumer will look for other products and compare them based on the information gathered. For example, a consumer could compare the price, quality or environmental benefit of the products. As the consumer's attitudes and perceptions of environmentally-friendliness are important, may their attitudes and perceptions guide them to buy the products with better environmental qualities. After the purchasing decision, the consumer will be either dissatisfied or satisfied with their decision and will start post-purchase behavior.

Theory Planned Behavior (Ajzen, 1991), indicates that there is a link between consumer's beliefs and behavior. Theory Planned Behavior is often used when studying consumer beliefs, attitudes, behavior and intentions. Consumer intentions are a demonstration of the individual's ability to do particular behavior, it is based on the attitudes towards behavior, subjective norm, behavioral control, and is assumed to be an immediate precursor of behavior (Ajzen, 1991). Behavior is consumer noticeable reaction to the given situation. Behavior function combined from intentions and perceptions of behavioral control. Figure 1 present the Theory of Planned Behavior, and in this paper Theory of Planned Behavior is used to study consumer perception, attitudes, and purchasing intentions towards green products and services.

Figure 1. Theory of Planned Behavior (TBS); Ajzen (1991)



Source: Ajzen (1991). Theory of Planned Behavior (TBS)

Green products and services are often described as products which have a minimal harmful impact on the environment. It is often perceived that these products are produced in a sustainable and natural way. The demand for products perceived as green and eco-friendly is rising. Often consumer's perceptions affect the behavior and purchasing intentions. Purchasing intentions describes what the consumer is going to buy. As the Theory of Planned Behavior explains consumer's attitude, subjective norms, and perceived behavioral control are all linked to the consumer's purchasing intentions and behavior (Ajzen, 1991).

2.2. Expectation confirmation theory

Richard L. Oliver's Expectation Confirmation Theory (ETC) states that the post-purchase behavior and consumer satisfaction are compilations of consumer's expectations, product performance and disconfirmation of beliefs. The pre-purchase expectation is a direct factor affecting consumer's perceptions, therefore, it can have an effect on the disconfirmation of beliefs and post-purchase behavior. The Expectation Confirmation Theory begins with the customer expectations which are effected by outside factors such as what the consumer has heard, personal beliefs, word to mouth and incorrect marketing claims and promises. Then the consumer will either go through the decision or not, based on their expectations. After using the product or a service consumer experience with it becomes their perceived performance which either leads to confirmation or disconfirmation of their beliefs and expectations. If the product or service outperforms consumer expectations, it will lead to satisfaction. If the product or service does not meet their expectations, this will lead to a dissatisfaction (Oliver, 1980).

2.3. Green marketing

Environmentally friendly and green are terms often used in green marketing referring to products and services which claim to have minimal or no effects on the environment. Companies often use these terms to promote their own agenda. The excessive use of these terms usually refers to greenwashing (TerraChoice, 2010). Peattie (2010), described green marketing as a practice which promotes sales and use of environmentally-friendly products and services, therefore reducing harmful social and environmental impacts. Green products are often defined as products which are not as harmful to the environment concerning pollution, use of natural resources and are produced sustainably and can be recycled. Marketing is a significant factor affecting the sales of products and services, as it communicates the product message (Hurth and Whittlesea, 2017). Marketing is a vital tool for promoting sustainability and environmentalism (Hurth and Whittlesea, 2017). Green marketing can also be seen as an activity which encourages and maintains consumer's pro-environmental behavior (Lewandowska, Witzak and Kurczewski, 2017). For a consumer to be "green," it involves behavior that aims to have minimal harm to the environment or in some cases, behavior which has a positive impact on the environment. When a consumer is making decisions to minimize their environmental impact, they are facing many choices on how to do it. For example, one consumer could choose to bring their own shopping bag instead of buying new plastic one every time they go to the store, or one might choose to use public transports instead of buying a car. All these decisions represent a different level of commitment to decrease their environmental impact. Being green is not about one single act, but the constant effort to change their behavior as a consumer to minimize their impact on the environment.

Green marketing has been defined in many different ways since it was first invented in the 1960s. The earliest definitions of green marketing were focused on positive and negative aspects of green marketing, focusing on studying pollution, environmental harm, and the use of energy. The variables have changed a lot during the years. The modern definition of green marketing is more focused on the companies and the marketing strategies they use to reach their financial goals, as well as their environmental goals. Green marketing campaigns have a significant effect on people's lifestyle. Green marketing was defined as, all efforts to use, produce, distribute and promote in such a manner which is sustainable and sensitive on consumer environmental concerns

(Czaplewski, Olson, McNulty, 2014). According to Prakash (2002), green marketing is an environmentally friendly marketing strategy where only the relevant information about environmental attributes is revealed at different levels, such as industrial, company, and the production levels. Alternatively, Welford (2000) sees green marketing as a management tool which can be used to predict consumer needs and to satisfy them, and at the same time being sustainable, eco-friendly, and profitable without undreaming the consumers' ecological values. Dhalstorm and Ottman (2011) defined Green Marketing as the combination of environmental concerns and marketing, and this definition included aspects of price, production, placement, promotion and marketing communication. During the years Green Marketing has been defined in many different ways, and they all differ for each other slightly, but in the end, all the definitions share the same common idea of increasing company value, image, brand, and the profitability, and simultaneously improving company's environmental, and sustainable responsibility.

2.3.1. Green advertising

In the late 1960s for the first time, green advertising started to gain spotlight of the broader audience, as a result of the growing popularity of consumer activism and the increasing concerns among the scientific community about the harmful environmental practices of companies. Even though consumer activism and environmental concern were on the rise, it did not last long. After the peak in the late 60s and 70s popularity and the need for green advertising started slowly decline. The main reason for this was the change in the political environment and the greed of companies trying to profit from the popularity. Green advertising started to lose its effectiveness, because of the massive amounts of false environmental claims in the advertising. Later it was found out that consumers did not have enough knowledge to comprehend the complex and misleading terminology used in advertisements, which led to consumer skepticism and loss of trust (Polonsky, 1997). Green Marketing and advertising began to attract the attention of the broader population again in the 2000s, one of the reasons for this was that information had become easier to access, partly due to the increasing use of the Internet. Also during the 2000s international environmental legislation was developed, increasing awareness amongst the consumers, corporations, governments, and "the Green movement" started to gain global support which started the sustainable age.

Green advertisements often contain information about products environmental attributes, such as ecologically manufactured, environmentally friendly, sustainable, and all natural (Katrandjiev, 2016). Green advertising targets the consumer's eco-friendly needs and desires. Advertising has a

significant effect on consumer attitudes towards anything. It was discovered that green ads might not work as well as it was thought. Study done by Chase and Smith (1992) noticed that less than 70% of the target group were affected by green advertisements and more than 50% of the target group did not trust the green advertisement (Chase and Smith, 1992). As a result, it was discovered that it was not necessarily enough to only provide information about the eco-friendly properties of the product so that the customer would lean towards a positive attitude towards the green product (Chase and Smith, 1992). It was later found out that using an emotional approach in green advertising might be a more efficient way to attract consumer attention towards green advertising. In modern times, advertising is a big business and consumers are facing more ads than ever before. According to a study by Burst Media, up to 80% of consumers remember something about the green ads which they have seen in the last three months. As the way of thinking green has started to gain popularity again, consumers are paying more attention to green advertisements, and it is a good thing, but a lapse in this area could have serious consequences. Advertisements should be built on consumer trust and should keep the consumer safe against the greenwashed false environmental claims which are misleading and confusing and are just meant to increase sales and profitability. Greenwashing can lead to loss of consumer confidence and trust, and that may negatively impact future marketing, which includes an advertiser's ability to make green claims. When it comes to green advertising, responsibility and accuracy can be as important as the responsibility towards sustainability.

2.3.2. Eco-labels and certificates

Eco-labels and eco certificates are essential tools used in green marketing. Eco-labels and eco-certifications are tools which help marketers highlight and promote the environmental-friendly features of products (Cherian and Jacob, 2012). The eco-label is usually a patch or logo attached to the product packaging. The eco-certification is a testimony of the company's environmentally friendly operations. Eco-labels and Eco-certificates contain general information about the product's environmental-friendly features, such as how and where the product was manufactured. Eco-labels includes a wide range of information about the product, eco-label tells the complete environmental process of a product or service in its life cycle. Eco-labels and eco certificates are essential tools to allocate information between sellers and buyers. The primary purpose of eco-labels and eco-certifications is to convey information about environmental-friendly attributes and to guarantee the quality of the product. A third party usually grants Eco-labels and certificates. For a product or company to be granted an eco-label or certificate, the company or product must meet specific criteria and standardize principles. Producer of eco-labels and certificates is often licensed

through the state or private agencies which follows and inspects that companies follow the eco-labeling standards. Eco-labelling is a vital tool for turning consumer towards green products. Consumers are often willing to pay a higher price for the product or service which has been granted an eco-label or certification, knowing that the products they use are quality products. Eco-labels attract consumers by explaining the environmental impact (Cherian and Jacob, 2012). A consumer with knowledge about eco-labels and certifications often show more positive attitudes towards green products and the ecological activities (Rashid, 2009). However, in the other hand, a study done by Leire and Thidell (2005) showed that consumers' knowledge about eco-labels and certifications does not always mean that the consumer prefers eco-labeled products over the regular products because in many consumers green marketing creates distrust and skepticism. When it comes to any aspect of Green Marketing, there are always people with good intentions, but often these good intentions get undermined by the extensive use of greenwashing.

2.3.3. Green branding

The essential tools used for green branding are eco-labeling and green positioning (Sarkar, 2012). Green positioning consists of two parts, functional and emotional approach. The functional aspect of the green positioning includes informing the consumers about the functionality and environmental qualities of the product or service Sarkar (2012). The functional approach is considered to be as less effective compared to the emotional. The emotional approach might be more efficient in guiding consumers towards positive green attitudes. In green marketing strategies, the emotional approach is often used to gain the favor of the consumer, creating an emotional connection between the consumer and the brand by appearing as green, selfless, trustworthy and socially responsible. Well executed green branding strategy creates many benefits for the brand, such as increased positive attitudes towards the brand, higher brand satisfaction, higher brand loyalty, and positive brand image and in the end to higher sales(Chen, 2010). Pickett-Baker and Ozaki (2008) suggested that brands could positively influence consumer attitudes and environmentally-friendly consumption. In order to gain a competitive advantage in any marketplace, it is crucial that the product or the brand stands apart from the competition, and appearance is an excellent way to stand out. A small investment in packaging can lead to a substantial increase in brand image and sales (Barber, 2010), especially when it comes to the green market place because just by adding simple eco-label to the products packaging customers can see that the company practices are sustainable and environmentally friendly. However, on the other hand, when we are talking about green marketing, there is always a risk of gaining negative attention from the customers, because of the negative perceptions greenwashing has created

amongst the consumers. Greenwashing is marketing or public relations practice used to promote organizations image, goals, products and services as environmentally friendly even if they are not. Companies are using green marketing and branding strategies as their tool to gain popularity and profits. Greenwashing raises skepticism and mistrust in consumers about the motivations and credibility of companies' eco-friendly activities (Raska and Shaw, 2012).

2.3.4. Green consumer

In order to gain a better understanding of the concept of greenwashing it is essential to know the customers using green products and services. The green consumer is defined as a consumer who is ecologically conscious and prefers to buy goods and services which have been manufactured in a way that causes minimal harm to the environment. Typically green consumer strongly believes that their individual actions have a substantial impact on the environment. According to Straughan and Robert (1999), eco-friendly consumer attitudes might be profoundly affected by their personal factors. The green consumer feels that job of environmental protection should not only be left for governments, corporations, environmentalist, and scientist but that the individual consumer also has an important role to play when it comes to the protection of our environment. There are many different ways people can reduce their impact on the environment, for example, recycling, avoiding products with hazardous materials, saving paper and electricity, using clean energy, use of biodegradable products, eating fresh local foods. A consumer with green purchasing habits is often more open-minded to try new products and services if they are good for the environment. This is the main reason why consumer with pro-environmental attitudes are more likely to adopt sustainable and environmental consumer behavior, and are influenced more by green marketing and greenwashing. Green marketing studies are often based on theories about consumer behavior, purchasing intentions, market segmentation, and willingness to pay. Ottman (1993) categorized consumer's environmental needs into four segments, need for more information, to be substantive, choice of lifestyle and need to be in control. It was found out that the green consumer is often young adult with good education, and prefers to buy and use a green product over the non-green alternatives as long as they offer the same value without a huge difference in price (Laroche, 2001). Because of the growing environmental awareness, green consumer behavior has become more common (Raheem, Vishnu, and Ahmed, 2014). Environmental awareness and previous knowledge about eco-friendly products and services have a significant effect on green purchasing intentions (Khare, 2013). Consumer's intentions are often influenced by their personal beliefs, shaping their eco-friendly attitudes and behavior (Ajzen, 1991). Grob (1995) described green consumer behavior as a choice of action where consumers purchasing habits have a direct impact on the

environment. There are many reasons why consumers are moving toward green consumerism, information is easier to access, the world is more connected than before, consumers realizing that their habits have a direct impact on the environment, and the popularity of the green movement is rising. Different factors are influencing consumer environmental purchasing intentions, consumer's environmental awareness and knowledge are significant factors which affect their decision making and purchasing intentions (Carlson, 1993). Product quality and price are significant factors strongly influencing consumers green purchasing intentions. Green products are often more expensive compared to non-green alternatives. According to Ginsberg and Bloom (2004), the green consumer is not willing to compromise on the quality of the product even if the product would fulfill their environmental needs, but the green consumer is often willing to pay a premium price if the product meets their ecological needs. Pickett-Baker and Ozaki (2008) study showed that correlation exists between consumer's environmental beliefs and consumer trust in the quality of green products. Green consumer behavior is often influenced by social factors, such as social norms and acceptance from others, especially in developed countries. Consumer's ethical behavior and the background is strongly linked to green consumer behavior. Young, Hwang, McDonald, and Oates (2010) projected that there is a gap between consumer attitudes and environmental concerns, and consumers green purchasing habits are not always led by their ecological concerns. Consumer environmental knowledge and concern is continuously rising, and the popularity of green consumerism is all-time-high.

2.3.5. The need for green marketing

As a marketing philosophy, Green Marketing's main fundamentals are to promote eco-friendly and sustainable production and distribution of environmentally friendly goods and services. Green Marketing includes several different activities, such as improving the use of green technologies, use of eco-friendly production methods, use of clean energy, local production, environmental protection, and sustainability. The "Green effort" is not only left for the big corporations, and governments but also the consumers, and small business are part of the Green Marketing effort, and everyone has a role to play. The basic idea of Green Marketing is to create environmental benefits through marketing. In modern days as the consumer demand for the eco-friendly products and services constantly increases, it is vital that businesses, consumer, and government adopt the message green marketing stands for. Concern about the environment and global warming is gaining more and more spotlight, people around the world are paying more attention to their consumer behavior, and they want to do their part as an ecological customer, which has led to higher demand for products which are green, natural, and less harmful to the environment, and

because of the continually increasing demand, green marketing is more important than ever. Literature and research behind green marketing consist of studies which examine the need for green marketing, especially consumer demands and environmental considerations. Estimation by Gupta and Ogden (2009) the global green industry in 2006 was worth more than 200 billion dollars. "FtseRussell: Investing in the global green economy: busting common myths" reported that in 2018 the global green industry was worth 4 trillion dollars, and if the green economy keeps its current course it could reach a value of 90 trillion dollars by the year 2030 (FTSE International Limited., 2018). The main reason for this is considerably increased awareness among consumers, businesses, and governments about minimizing their environmental impact. According to a global study done by McKinsey (2007), the study showed that 87% of consumers are concerned about their ecological and social impact of products and services they use, which demonstrates the growing global environmental concern and the need for green marketing.

2.4. Greenwashing

Greenwashing, often also referred as green sheen, is marketing or public relations practice used to promote organizations image, goals, products and services as environmentally friendly even if they are not. As a phenomenon greenwashing is not new, the term greenwashing has been gaining recognition since the 1980s. Greenwashing is often defined as an act of misleading consumers regarding the environmental practice of a company or the environmental benefits of a product or service, in order to gain higher profits, market share, boost in brand image, and more customers. Scholars have defined greenwashing in many different ways. Furlow (2010) defined it as the company's deliberate act of misleading people about their environmental efforts. Carlson, Grove, and Kangu (1993) defined greenwashing as a marketing strategy which uses deceptive and misleading environmental claims which are often confusing, broad, hard to understand, and false or a combination of all these. Another very simple but accurate definition of greenwashing was, company, product, or service with weak environmental performance but a positive environmental message about their performance (Delmas and Burbano, 2011). In order to reach consumers, companies use a different type of environmental claims in their advertisements (Banerjee et al., 1995). Greenwashing includes environmental messages and claims which deceive consumers towards positive attitudes and beliefs about an organization's environmental performance, practices, or product. This is because it is not in the best interest of the company to share information about their low environmental performance to the consumer (Nyilasy et al., 2013).

Carlson et al. (1993) divided greenwashed advertisements into four categories, vague, hard to understand, false, or combination of these. Companies continually use deceptive and misleading environmental claims in their marketing campaigns. Companies continually use deceptive and misleading environmental claims in their marketing campaigns. Carlson et al., (1993) definition of greenwashing is still viable and is often used, for example, in TerraChoice (2010): The sins of greenwashing.

In recent years the practice of greenwashing has started to get out of hand. A study made by TerraChoice 2010 Environmental Marketing, noted that in 2009-2010 the supply of products claiming to be green had increased by 73%, and 93% of these products are practicing some level of greenwashing. TerraChoice vice president Scot Case stated, the problem of greenwashing is escalating fast, and the number of green claims is just going to increase (TerraChoice, 2010). In many cases, organizations practicing greenwashing spend significant amounts of money and time to their marketing campaigns, when in the other hand organizations with real green agenda do not feel the need for overstatements, and their claims are based on facts that consumer can confirm. Organizations greenwashing practices can range from renaming their products, to worldwide multimillion-dollar marketing campaigns. For this reason, TerraChoice (2010) created a list of seven most common greenwashing practices, it was named seven sins of greenwashing, and they are;

1. The sin of the Hidden Trade-off: Environmental statement or claim indicating that the product or service is eco-friendly based on misleading or false information, without offering any real information about the real environmental qualities of the product or service. For example, claiming that the product is environmentally-friendly because the materials used are natural, but leaving out the information about how it was manufactured.
2. The Sin of No Proof: Environmental statement or claim which cannot be confirmed, and the information is often hard to come by or is based on unreliable third-party certifications for example advertising product as natural without offering any information about it.
3. The sin of Vagueness: Environmental claim or statement which is wide and badly defined, so the real meaning is hard to understand, for example, stating that the product is recyclable, but not stating which part of the product can be recycled.
4. The Sin of Irrelevance: Environmental claim or statement which offers irrelevant information and the purpose is to mislead the consumer to think that the product or service is more beneficial to the environment that it really is.

5. The Sin of Lesser of Two Evils: Environmental statement or claim which can be true within the product segment and the purpose is to distract and mislead the consumer about the real harmful effects of the whole category. An excellent example of this sin is, organic cigarettes, which are the better option compared to the regular cigarettes, but the point is to distract the consumer from the more significant environmental impacts of the category as a whole.
6. The Sin of Fibbing: Environmental claims which are simply false, for example, a product claiming to be certificated by reliable third-party when they are not.
7. The Sin of Worshiping False Labels: A company or product appearing as eco-friendly through using words and images, making the consumers believe that the company or product is certificated by reliable third-party when they are not.

The purpose of this list was to help the consumer to recognize the practice of greenwashing and to attract the attention of consumers and decision-makers on the issue of false and misleading environmental claims (TerraChoice, 2011). In many cases, the practice of greenwashing may lead to negative consumer perceptions. In a matter of fact, the list seven sin of greenwashing made by TerraChoice (2010) might create more skepticism and distrust in consumers.

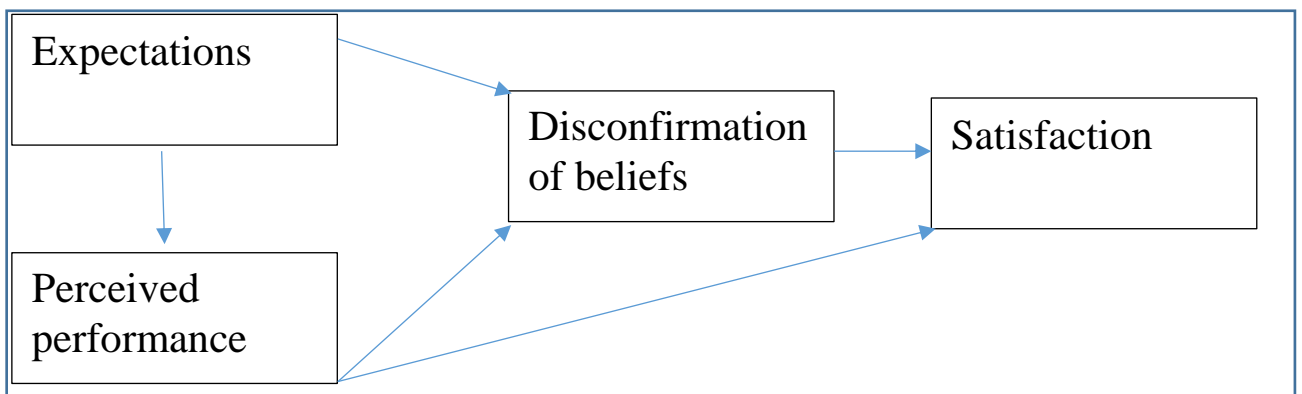
2.4.1. Driver of greenwashing

In 2009 green market was valued to be over 500\$ billion globally and with estimated annual growth of 20% (Bodger & Monks, 2009). Because of this high, and continuously growing consumer demand for green products and services, companies are tempted to enter green markets, and the temptation of misleading consumer perceptions of specific attributes of their products or services is high, and in some cases highly profitable. In order to understand why companies practice greenwashing, it is vital to know why it is possible and how it is possible for companies to continue greenwashing, even though it is known to be harmful. The primary driver of greenwashing is the continually growing gap between ethics and capitalism. In today's marketplace, the number of companies emerging is higher than ever before, and to get a competitive advantage, and it is harder than ever before. One of the most significant problems is that there are no strict laws to regulate and control greenwashing, companies have the ability to practice greenwashing almost without any oversight from governments or other entities, and because of this companies are able to make green claims and eco-certifications for themselves, misleading consumer even more (Delmas & Burbano, 2011).

2.5. Greenwashing effects on the consumer

Companies using greenwashed marketing strategies are risking their reputation and competitive advantages on the green market place, when consumer start to doubt the legitimacy of their environmental practices (Chen and Chang, 2012). Greenwashing creates negative perceptions among consumers. Greenwashing affects consumers' perceived perceptions of deception, skepticism (Pomeroy and Johnson, 2009), inconsistency (Gallicono, 2011), distrust and risks (Chen and Chang, 2012). There are many reasons for the consumer to buy green, but the consumer motives vary greatly depending on the consumer. It is believed that greenwashing is influencing consumer perceptions and trough that their purchasing intentions when the green products or services are not able to satisfy consumers expectations. If we take a closer look at the link between consumer's negative perceptions and the misleading green claims we can see it agrees with Richard L. Oliver's Expectation-Confirmation Theory. The expectations-confirmation theory states that expectations, paired with perceptions of performance, will lead to satisfaction after the purchase. According to expectation-confirmation theory, the effects can be negative or positive on perceived performance and expectations. If the product or service outperforms the consumer's expectations, consumer satisfaction is gained. If the product or service did not meet the consumer's expectations, the result leads to dissatisfaction (Oliver, 1980).

Figure 1: Expectation-Confirmation Theory (ECT)



Source: Source: Oliver (1980). Expectation Confirmation Theor (ECT)

In the beginning, greenwashed product claims can have a positive effect on consumer perceptions. The expectations-confirmation theory is used, and it states the consumer purchasing intentions are dependent on the consumer's post-purchase perceptions, and later confirming the perceptions over time. When later on the consumer finds out that the information and claims which up on the consumer has based their perception are overstated or false, the consumer's perceptions can dramatically change. Using (ECT) it can be seen that the practice of greenwashing can lead to negative consumer perceptions and therefore to the decreased consumer satisfaction, trust, and eventually to negative purchasing intentions towards green products and services.

Greenwashing is a practice with high risk and high rewards. The consequences of greenwashing do not only affect the consumer, but also all the companies in the green market place, and it does not matter if they practice greenwashing or not. According to Youssef and Abderrazak (2009), the practice of greenwashing creates confusion amongst consumers, not knowing which products are legitimately green and which are not. Greenwashing is a phenomenon where companies with legitimate green agenda and products are choosing not to market their goods and services as green and eco-friendly (Mitchell and Ramey, 2011). Because these companies understand the negative backlash of consumer skepticism, and consumers habit to label all green marketing as greenwashing. One of the main problems seems to be that consumers are not able to distinguish greenwashing form the green marketing with real eco-friendly agenda, driving consumer towards negative perceptions and purchasing intentions. In many cases, the consumer tends to pay more attention to negative corporate behavior (Liu, Wang, and Wu, 2010). The rising consumer skepticism and distrust, as well as the constantly increasing amount of greenwashed claims, has created a negative backlash against the term green (Mitchell and Ramey, 2011). Researchers and environmentalists are concerned that if organizations are able to continue practicing greenwashing, without proper oversight and sanctions, ultimately, consumers may lose all the confidence in the green market and thereby cause it to collapse.

2.5.1. Skepticism

As the demand for green products and services has increased, so has the amount of green advertising and greenwashing. Greenwashing has a significant effect on consumer perceptions, and it impacts consumers' skepticism and trust towards green products and services, therefore affecting their environmental attitudes and purchasing intentions (Nyilasy, Gangadharbatla, and Paladino, 2012). Greenwashing guides consumers into green purchases which do not meet the

consumers' ecological needs (TerraChoice, 2007). Due to the increased use of corporate greenwashing, consumers have started to question corporate motives, doubting their environmental claims (Leonidou and Skarmeas, 2017). Because of greenwashing, consumers are confused, not knowing which environmental claims can be trusted. The main problem is the consumer's lack of knowledge about the problem. Green claims often offer information which is misleading and hard to understand. Even though there are regulations and guidelines to prevent this, green product and marketing claims continue to be deceptive and confusing (Newell, 1998). Consumers tend to generalize all green marketing claims as greenwashing because the claims are often confusing or hard to understand; consumers have difficulties in separating false green claims from the true. It is, therefore, causing green skepticism among the consumers. The growing green skepticism has caused problems in communications between corporations and consumers, and the problem is reflected in all parts of the green market place. If the consumer is too skeptical and perceives all green advertising as greenwashing, they will see it as deceptive (Newell, 1998), and if the consumer cannot identify greenwashed advertisements from the real ones, they will perceive all green marketing as a negative. As a result, consumers might lose the ability to trust environmental benefits explained in advertisements and products. Therefore green marketing can lose its effectiveness.

2.5.2. Trust

When it comes to consumer's relationship with the corporations, the corporation holds the responsibility of being honest with its customers. Trust is defined as the firm belief in the reliability, truth, or ability of someone or something. Castaldo et al., (2009) defined it as the expectation of trustees' willingness to keep the promises and obligations promised to the trustee. When it comes to the green trust, Chen (2010) defined it as the "willingness to depend on product service, or brand based on the belief or expectation resulting from its credibility, benevolence, and ability about its environmental performance" (p. 309). Consumers know and understand that it is vital for corporations to be profitable, but at the same time, consumers expect that corporations are obligated to work to improve the well-being of society and the environment (Boccia and Sarno, 2012). If a corporation wants to keep the consumer's trust, it is essential to keep the consumer relationships intact, and they should not focus only on profitability. Gaining consumer trust is one of the most significant factors affecting the consumer-corporation relationship, and in order for a consumer to see the corporation's social value (Gazzola, 2012). If the consumer cannot see the value in what the corporation is offering, as advertised, or does not trust it, there is little to no value for the consumer-corporation relationship (DeWitt and Dahlin, 2009). The consumer often tends

to have more trust in corporations with socially responsible practices. Previous studies indicate that trust is one of the main factors affecting the consumer-corporation relationship. According to Hong and Yang (2009), from the six relationship factors influencing the perception of relational satisfaction, the trust had the most significant effect on consumers positive behavior in favor of the corporation, it was also implied that consumer with trust would be more likely to have positive perceptions and recommend the organization to others. Research conducted by Yi and Siqing (2011), pointed out that the problems with consumer trust are not as simple in the context of does the consumer trust an organization or not. Their research supported theory which indicated that there are three types of trust, "competency-based, benevolence-based, and identity-based" (p. 443). Yi and Siqing defined competency-based trust as "customer's confidence in a company's ability to realize its promise" (p. 445), benevolence-based trust, as "customer's confidence that a corporation has a sincere concern about the consumers' interests and motivation to do good to its customers' (p. 445), and the identity-based trust as trust based on "shared characteristics, values, and common goals existing between a corporation and a consumer"(p. 445). As a result of a survey administered to 239 participants, it was found out, that out of the three types of trust, the identity-based trust had the most significant impact on the consumer-corporation relationship Yi and Siqing, 2011). As greenwashing uses false and misleading environmental claims, it can be seen how consumers might see greenwashing, as a betrayal of their trust. Consumer trust has a profound and vital impact on the relationship between the consumer and corporation, and corporations should not risk losing it. Despite the narrow approach, the previous studies and literature seem to agree that the practice of greenwashing can have an adverse effect on the consumer, betraying consumers' trust and confidence. The research points out that the consumer sees the practice of greenwashing as a violation of their trust. Based on this it can be concluded that greenwashing can have a significant effect on consumer trust and there for a great influence on consumer behavior.

2.5.3. Loyalty

It is known that there is a link between consumers brand image and consumers brand loyalty. Over time different scholars have defined loyalty in many different ways, but all the definitions agree on that loyalty is a vital component for an organizations success. Oliver (1980), described loyalty as the consumer's continuous commitment to use and repurchase the same products or services of a preferred brand time after time. Definition by Dick and Basu (1994) referred loyalty as customer's faith or commitment to a brand, product or service and their willingness to repeat their purchases. Chen (2010) defined consumers green loyalty as the commitment to repurchase product, service or brand, based on environmental believes and sustainable commitments. With

greenwashing, companies can boost the environmental features of their products which can lead to increases in sales and loyalty. However, risk and reward often go hand in hand, by engaging in greenwashing companies are risking their reputation. Greenwashing often increases perceived risk which can be linked negatively to consumer's loyalty. Because greenwashing is common in today's marketplace, companies can gain short-term benefits from it, but it is not without risks. In the long-run greenwashing could have a significant effect on green consumer behavior, negatively affecting consumer's ability to separate what is trustworthy and what is not, therefore leading to decreased consumer loyalty.

2.5.4. Brand image

In this chapter, we are going to take a closer look at the impacts of greenwashing on brand image. Greenwashing refers to the act of misleading consumer's perceptions of the environmental benefits of organizations product, services, activities or policies. The purpose of greenwashing is to make consumers see a company's product, services, activities or policies as environmentally friendly. Since greenwashing is a practice based on misleading the consumer, it can have adverse effects on the brand image, and how the consumer views the organization. Greenwashing causes consumers to question their green marketing agenda (Polonsky, 2010). Brand image is a crucial marketing tool for a company if they want to stand apart from the competition. Brand image is a combination of the consumer's perception and associations of the brand. Green brand image is often based on consumer's perceptions, and how they are linked to their environmental commitments and environmental beliefs (Chen, 2010). By creating confusion in the consumer greenwashing can make it more challenging to see the value of what the organization is offering, and as a consequence of that, it can hurt the brand image.

3. EMPIRICAL STUDY

This chapter reviews the research methodology used in the paper and the results of the empirical study. This chapter will include the research objectives, aims, methods, design, data analysis, results and the findings of the empirical study.

3.1. Research method

In this paper, two types of research methods were used, literature review and quantitative research. The literature review was vital for this research to gain a more in-depth knowledge of the terms used and to better understand the concept of greenwashing. It also gave the opportunity to investigate the associations between the empirical study and theoretical framework. The quantitative research method was chosen because the survey was a perfectly suitable research tool for this paper. A survey with 18 semi-structured questions was used as the main instrument to collect primary data. The survey consisted of 18 questions, 15 multiple choice questions, and three open-ended questions. The survey questions were derived from the research questions so the responses would provide data relevant to this study. The primary functions of the survey were to gather data and to explore the effects of greenwashing on the consumer.

3.1.1. Research design

The survey consists of 18 question, three open-ended questions, and 15 multiple-choice questions, which were based on the research questions. The survey was designed to investigate, consumer awareness about greenwashing, how greenwashing effects consumer perceptions, and how greenwashing is influencing consumers' green purchasing intentions. Questions one, two, and three were about the respondent's demographics, gender, age and level of education. Questions four was intended to provide an understanding of the environmental awareness of the respondent. Questions five and six were designed to study respondents' attitudes, and preferences concerning green products and services. Questions seven and eight were aimed to find out what are the consumer's main reasons to buy green products and services, and how much marketing affects their purchasing intentions. The survey questions 10, 12 and 15 were focused on the first research

question, and the aim was to gather data about consumer's knowledge about greenwashing. Questions 11, 14, 17, and 18 were based on the second research question, and the purpose was to find out what kind of feeling and perceptions greenwashing raises in consumers, and how greenwashing affects consumer's confidence and trust. With Questions nine, 13, and 18 the purpose was to find answers to the third research question, "how greenwashing effects consumers green purchasing intentions." Although some of the questions in the survey focused more on a particular research question, however, all of them are connected, factoring in the results.

3.1.2. Data collection

The questionnaire was sent to potential participants directly by e-mail and messages. Other methods, such as social media, were also used to collect responses. The survey did not target any specific group; the target group included all consumers. The idea of the study was to find out what consumers know about greenwashing and how this affects their perceptions and purchasing intentions towards green products and services.

3.1.3. Data analyses

An inductive approach was used to analyze the results of the study. The inductive approach refers to the way in which generalizations and conclusions are drawn from material facts. The inductive approach fits very well in this case because the answers to the questionnaire consist of respondents' feelings and opinions. In the data analysis, answers were compared to each other, which made it possible to find connections from the answers. Based on the coherent facts found in these answers, it was possible to create a generalized result.

3.1.4. Results

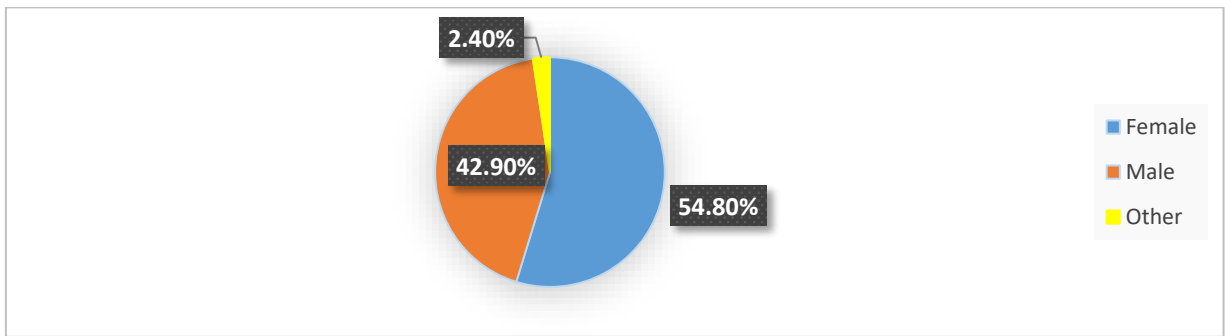
In total, there were 42 participants to the survey, and all of the responses were suitable for the study. To get a better understanding of the participants, first, the demographic information of the participants is explained by examining the distribution of gender, age, and level of education. From 42 respondents 23 (54,8%) identified as a female, 18 (42,9%) as a male, and 1 (2,4%) as other. The age range of the 42 participants was from 18-64 years of age, and was distributed as follow; 6 (14,3%) were 18-24 years old, 25 (59,5%) were 25-34 years old, 1 (2,4%) was 35-44 years old, 4 (9,5%), and 6 (14,3%) of the participants were between 55 and 64 years old. Third demographic measured in this survey was the level of education, and it was distributed as follow; 4 (9,5%) of the respondents were high school educated, 5 (11,9%) college or equivalent, 17 (40,5%) Bachelor's degree or equivalent, and 16 (38,1%) of the respondents had a Master's degree or equivalent.

Figure 3, shows the demographic information of the participants, and it gives a clear picture of the number of participants and the distribution of demographic information.

| Figure 1. Demographic Information | | |
|-----------------------------------|----|-------|
| Gender | | |
| Female | 23 | 54,8% |
| Male | 18 | 42,9% |
| Other | 1 | 2,4% |
| | | |
| Age | | |
| Under 18 | - | - |
| 18-24 | 6 | 14,3% |
| 25-34 | 25 | 59,5% |
| 35-44 | 1 | 2,4% |
| 45-54 | 4 | 9,5% |
| 55-64 | 6 | 14,3% |
| 65 or older | - | - |
| | | |
| Level of education | | |
| Less than high school | | - |
| High school | 4 | 9,5% |
| College or equivalent | 5 | 11,9% |
| Bachelor's degree or equivalent | 17 | 40,5% |
| Master's degree or equivalent | 16 | 38,1% |
| Doctoral Degree | | - |

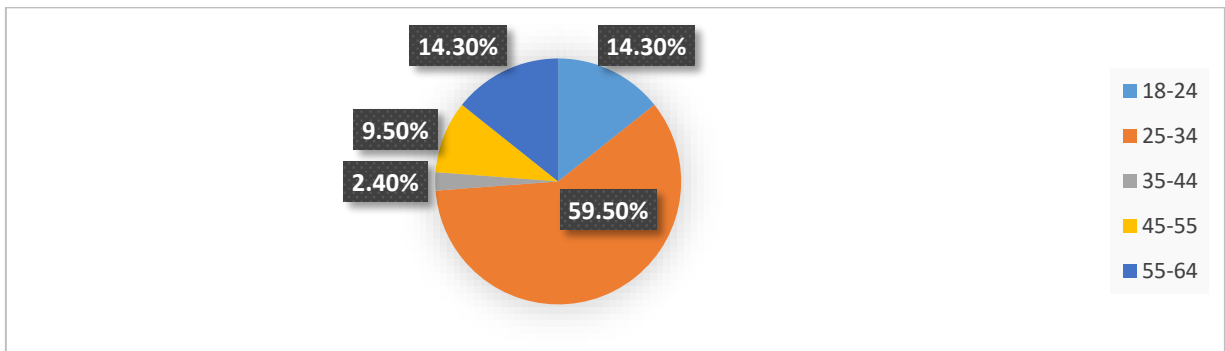
Source: Elias Tammivuori (2019). Figure 3. Demographic information

Figure 4, shows the distribution of gender between the participants.



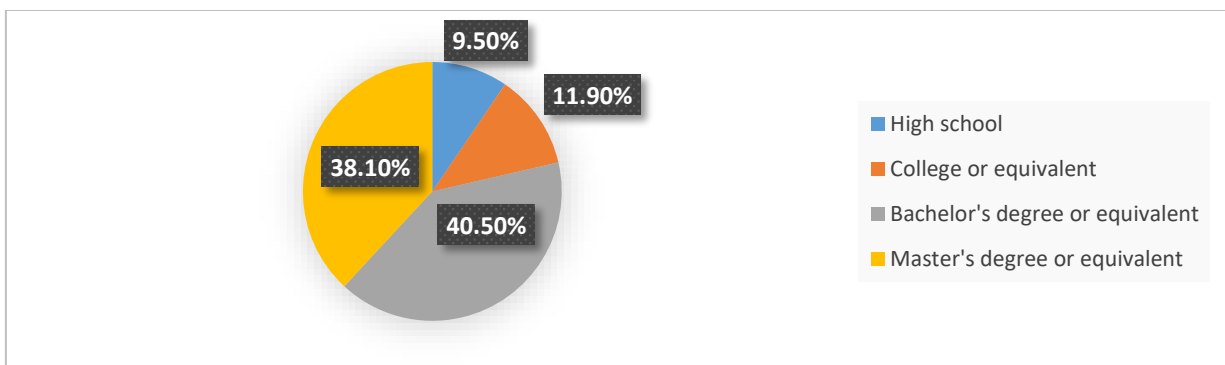
Source: Elias Tammivuori (2019). Figure 4. Distribution of gender

Figure 5. Demonstrates the age distribution of the participants. From figure 3 it can be seen that majority of the participants were young adult between the age of 25 and 34.



Source: Elias Tammivuori (2019). Figure 5. Distribution of age

Figure 6, shows the distribution of the level of education between the respondents. In the survey, there were seven different categories of education level, but none of the respondents had education level lower than high school education, or higher than master degree or equivalent. Most of the respondents held a Bachelor's degree or equivalent (38%), or a Master's degree or equivalent (40%).



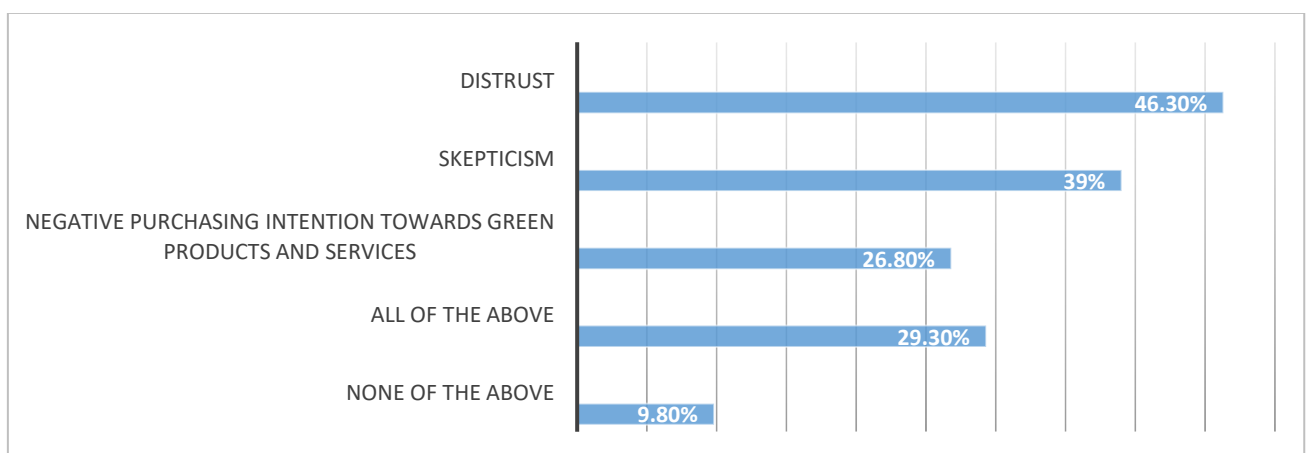
Source: Elias Tammivuori (2019). Figure 6. Distribution of level of education

The demographic data from survey questions one, two and three, clearly shows that most of the participants were young adults with a high level of education.

The survey questions four, was designed to measure the participants level of environmental awareness, and questions, five and six were focused on examining participant's pro-environmental attitudes, and preferences towards green products. The results of the study show that the participants had a high level of knowledge concerning environmental issues, 3 (7%) of the respondents describing their level of environmental awareness as extremely high, 18 (43%) described their environmental awareness as, high, 16 (38%) answered that their level of environmental awareness is moderate, and 5 (12%) of participants responded that their level of environmental awareness is "little" or non-existing. According to the results, 46% of the respondent preferred green products over the non-green alternatives, and almost 50% of the participants prefer green products over the non-green alternatives sometimes, if the green product offers the same value as the non-green alternative, without huge price difference. According to the study result, 57% of the respondents think environmental-friendliness is very or extremely important.

Survey question seven was open-ended question, and the primary purpose of the question was to find out what are the main reasons why the participants are choosing to buy green products and services. An inductive approach was used to analyze the open-ended questions, and the results showed that the most common reason why the participants chose to buy green products was their concern about climate change and the environment. It was also found out that many of the participants prefer green products because of the potential increase in product quality compared to non-green alternatives. However, this was the case only if the price of the green product is not too high compared to the non-green alternative. Many of the respondents answered that they always choose the green alternative if available. The purpose of the eight survey question was to measure the effectiveness of green marketing and advertising. The results indicated that green marketing has a significant effect on the green purchasing intentions, 18% of respondents answered that green marketing has a moderate impact on their purchasing decision, 12 (29%) answered that marketing affects a lot to their purchasing intentions, and 12 (28%) answered that marketing has a little or no effect on their purchasing decision when it comes to green products or services. The survey question nine shows that more than 73% of participants have stopped using and buying products after discovering unethical procedures made by a company, and this shows the negative effect greenwashing can have if a company is exposed of practicing greenwashing.

Questions 10, 12 and 15 were based on the first research question. The purpose was to gain an understanding of consumer knowledge about greenwashing. The results showed that 60% of respondents had some knowledge about greenwashing, and 40% of the participants did not have any knowledge concerning greenwashing before this study. With question number 11, the aim was to find how the participants felt when they first time heard about greenwashing. The result showed that the most common response was that people were not surprised that greenwashing is happening. Also, another common feeling was the feeling of disappointment and that they have been betrayed. Other answers that were repeated were the feelings of disgust and anger. With questions 14, 17 and 18 the aim was to discover how greenwashing affects consumers' perceptions of companies engaged with greenwashing. The results showed that 83% of participants did not think that companies practicing greenwashing cannot be trusted, and 17% felt that they could be trusted. Study results also showed that 71% of the participants viewed companies engaged with greenwashing, as bad or very bad, and 29% had a neutral opinion. Questions 13 and 18 were based on the third research question, how greenwashing effects consumer green purchasing intentions. The finding of the survey question 13, showed that 48% respondents might continue using company's products or services after finding out about their involvement with greenwashing, 36% would not stop, and 17% of the respondents would definitely stop. The results indicated that greenwashing could have a negative effect on green purchasing intentions if the consumer knows the corporation's engagement with greenwashing. The results from the survey question 18, clearly indicated that consumer awareness of greenwashing has negative effects on consumer green purchasing intentions, and their perceived perceptions of distrust and skepticism, as demonstrated in figure 7.



Source: Elias Tammivuori (2019), Figure 7. Effects of greenwashing on distrust, skepticism and purchasing intentions

Figure 7, shows how participant's awareness of greenwashing impacts their perceptions of skepticism, distrust and how their knowledge about greenwashing influences their green purchasing intentions. As the majority of the respondents were aware of greenwashing, it shows that there are correlations between consumer's environmental knowledge and negative perceptions and green purchasing intentions.

3.2. Limitations of the study

This research provided exciting facts about the impact of green greenwashing on consumer behavior, but there is some limitation in this study. One of the most significant limitations of this study was the small sample size and the small variance in socio-demographic factors, with larger sample size and variance the study would give a better understanding about consumer perceptions and which green marketing factors affect the consumers most. The future research could be conducted with new approaches to this study by using a more extensive variety of research methods and focusing on a more specific target audience. Using multiple methods is a better way to get more accurate results.

3.3. Summary of the findings

The primary objective of the survey was to examine the effects of greenwashing on the consumer and to investigate how consumer's socio-demographic and personal factors such as consumer's pro-environmental attitudes and environmental awareness affect their perceptions and green purchasing intentions. Another goal was to investigate consumer's knowledge concerning greenwashing. The findings of the study strongly indicated that there are correlations between consumer's environmental awareness and green purchasing intentions, but in another hand, the findings of the study suggest that consumers' knowledge about greenwashing has a negative effect on the consumer's perceptions and purchasing intention towards green product and services. The key findings of the study were as follows, respondents were aware of greenwashing, and their awareness was the most significant factor affecting their perceptions of green products and services. It was also discovered that in most of the respondent's greenwashing caused distrust and that greenwashing can have an adverse effect on green purchasing intentions. From the results of the survey, it can be concluded that greenwashing has more negative than positive effects on the consumer.

The results of the empirical study indicate that consumers' knowledge of greenwashing could have a negative effect on consumers' green purchasing intentions. More than 70% of the respondents told that they have stopped using a company's products or services because of their unethical practices and that 60% of the respondents would stop using the company's products if they would know about company's involvement with greenwashing. The survey question 18 pointed out that the respondents' knowledge of greenwashing caused skepticism, distrust and negative purchasing intentions towards green products and services. Therefore answering the third research question; how greenwashing effects consumers green purchasing intentions?

Based on the finding of the empirical study it can be concluded that respondents were aware of greenwashing. Greenwashing has a negative effect on consumer perceptions of green products and services. Consumers' awareness of greenwashing is a significant factor affecting their green purchasing intentions. Greenwashing can have an adverse effect on consumers green purchasing intentions, but only if the consumer knows about greenwashing. The results of empirical research are consistent with the finding of the literature review.

CONCLUSION

In this chapter, we will return to the aims and objectives of this paper; the primary purpose will be to answer the three research question. How aware consumers are of greenwashing? How greenwashing effects consumer perceptions towards green products and services? How greenwashing effects consumer purchasing intentions towards green products and services? In order to achieve this, we will focus on the finding of the empirical study and compare them to the existing body of literature reviewed in the literature review.

Greenwashing is a fairly new phenomenon, which affects every part of the green market place. As the amount of greenwashing grows, green consumer skepticism and negative perceptions will increase. From the compilation of studies examined in the literature review, it can be seen how greenwashing is linked to negative consumer perception, and therefore affecting consumers green purchasing intentions.

According to the empirical study, respondents were aware of greenwashing, more than 60% answering that they had previous knowledge about greenwashing and that they have experienced greenwashing in their life. The results of the empirical study do not fully agree with the existing body of literature, as the literature review indicates that consumers might not be as aware of greenwashing as the survey result indicates. The reason for this is the small sample size of the study. In the other hand, the literature review indicates that young adults with a high level of education are more environmentally conscious, which agrees with the results of the empirical study. As the sample size mostly consisted of young adults with a high level of education. Therefore answering the first research question; how aware consumers are of greenwashing?

Greenwashing can affect consumers' perceived perceptions of deception, skepticism (Pomeroy and Johnson, 2009), inconsistency (Gallicono, 2011), distrust and risks (Chen and Chang, 2012). As the expectation-confirmation theory states consumer purchasing intentions are dependent on the consumer's post-purchase perceptions, and later confirming the perceptions over time (Oliver, 1980), and if the consumer later realizes that the environmental claims the consumer's perceptions

were based on were greenwashed, it can have an adverse effect on the consumer's perceptions. The finding of the empirical study implied that the consumer's knowledge about greenwashing cause skepticism and distrust in the consumers, which creates negative perceptions towards green products and services. Most of the respondents (83%) thought that companies engaged with greenwashing are not entirely trustworthy. According to the survey, the most common characteristics of traits the respondents appreciated in a company were transparency and trustworthiness. By betraying consumers trust and post-purchase perceptions, greenwashing creates negative perceptions towards green products and services. Existing studies examined in the literature review confirm the finding of the empirical study. Therefore answering the second research question; how greenwashing effects consumer perceptions towards green products and services?

As the literature review stated, greenwashing has a significant effect on consumer perceptions. Greenwashing has a negative effect on green consumer skepticism and trust, which often reflects on consumers green purchasing intentions (Nyilasy, Gangadharbatla, and Paladino, 2012). The results of the empirical study confirmed that consumers' knowledge of greenwashing has a negative effect on consumers' green purchasing intentions. More than 70% of the respondents told that they have stopped using a company's products or services because of their unethical practices and that 60% of the respondents would stop using the company's products if they would know about company's involvement with greenwashing. The survey question 18 pointed out that the respondents' knowledge of greenwashing caused skepticism, distrust and negative purchasing intentions towards green products and services. Therefore answering the third research question; how greenwashing effects consumer green purchasing intentions?

From the finding of the literature review and the empirical study, it can be concluded that greenwashing has a negative effect on consumer perceptions towards green products and services. The finding also strongly indicates that consumer's knowledge about greenwashing can have a negative effect on green purchasing intentions. The finding of this paper could have a positive effect on social change, by informing and educating consumers about greenwashing. This study could also be used as a tool when planning a green marketing strategy.

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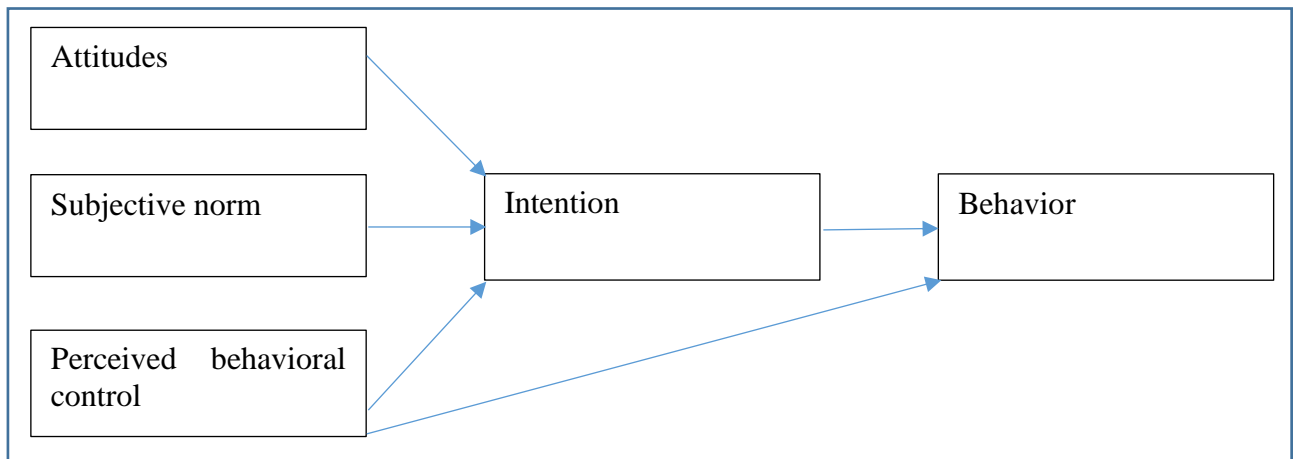
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APPENDICES

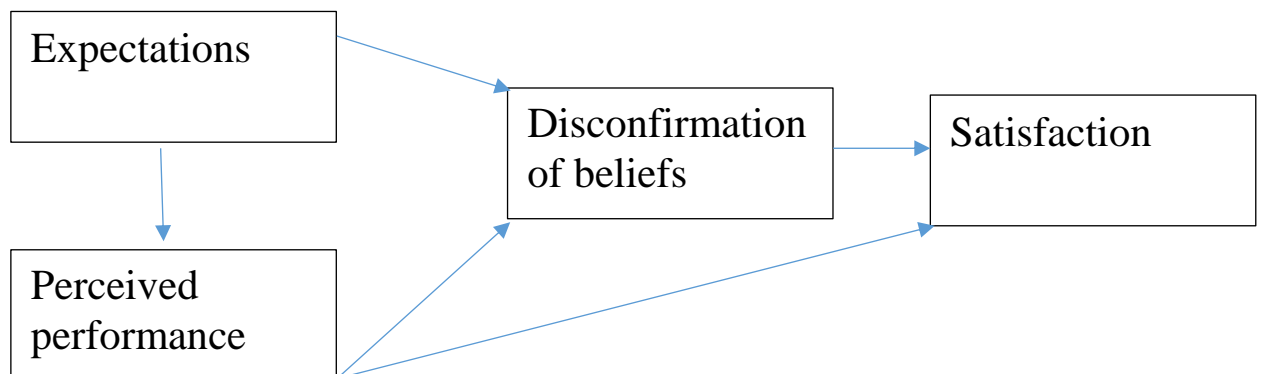
Appendix 1. Theory of Planned Behavior (TBS); Ajzen (1991)



Source: Ajzen (1991). Theory of Planned Behavior (TBS)

Appendix 2. Expectation Confirmation Theory

Figure 1: Expectation-Confirmation Theory



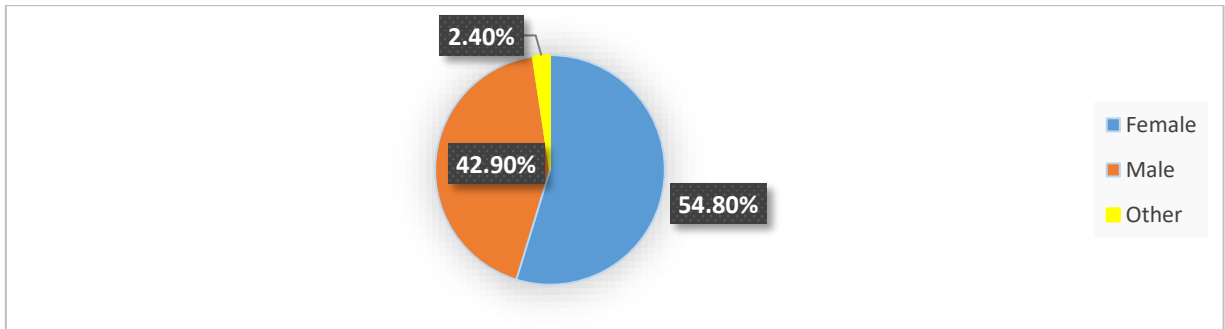
Source: Oliver (1980). Expectation Confirmation Theory

Appendix 3. Demographic Information

| Figure 3. Demographic Information | | |
|-----------------------------------|----|-------|
| Gender | | |
| Female | 23 | 54,8% |
| Male | 18 | 42,9% |
| Other | 1 | 2,4% |
| | | |
| Age | | |
| Under 18 | - | - |
| 18-24 | 6 | 14,3% |
| 25-34 | 25 | 59,5% |
| 35-44 | 1 | 2,4% |
| 45-54 | 4 | 9,5% |
| 55-64 | 6 | 14,3% |
| 65 or older | - | - |
| | | |
| Level of education | | |
| Less than high school | | - |
| High school | 4 | 9,5% |
| College or equivalent | 5 | 11,9% |
| Bachelor's degree or equivalent | 17 | 40,5% |
| Master's degree or equivalent | 16 | 38,1% |
| Doctoral Degree | | - |

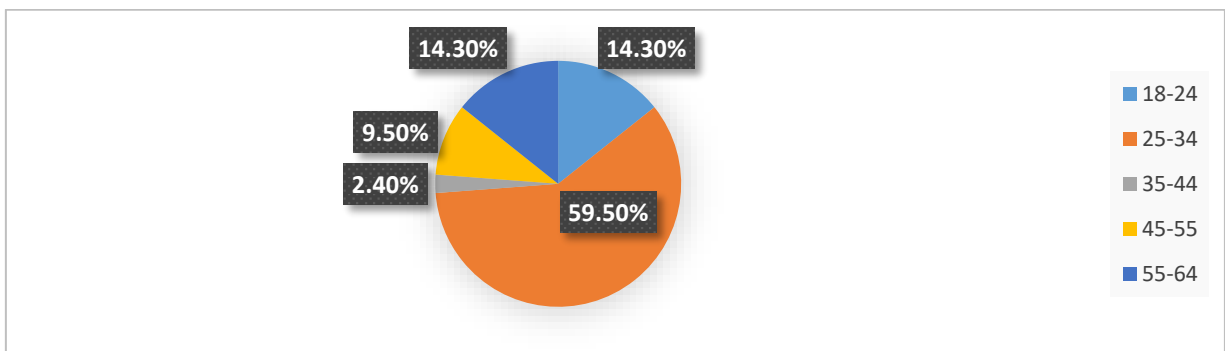
Source: Elias Tammivuori (2019). Figure 3. Demographic information

Appendix 4. Distribution of Gender



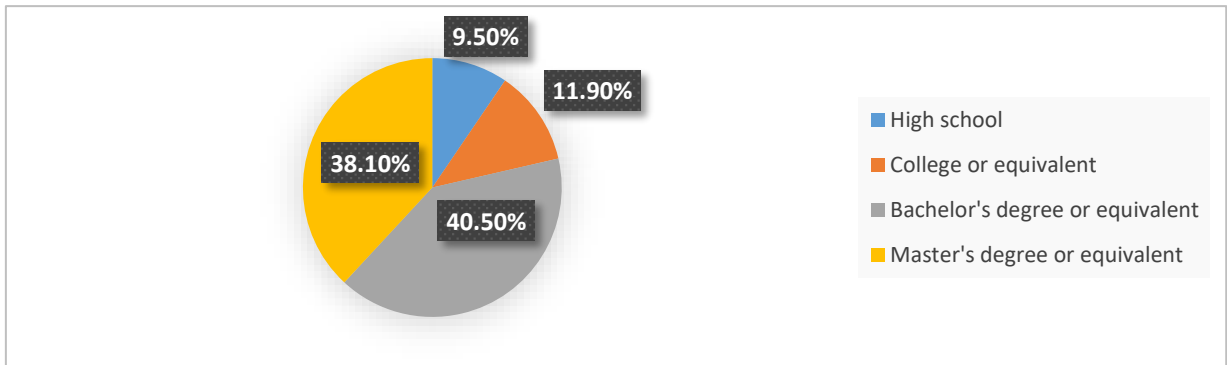
Source: Elias Tammivuori (2019). Figure 4. Distribution of gender

Appendix 5. Distribution of age



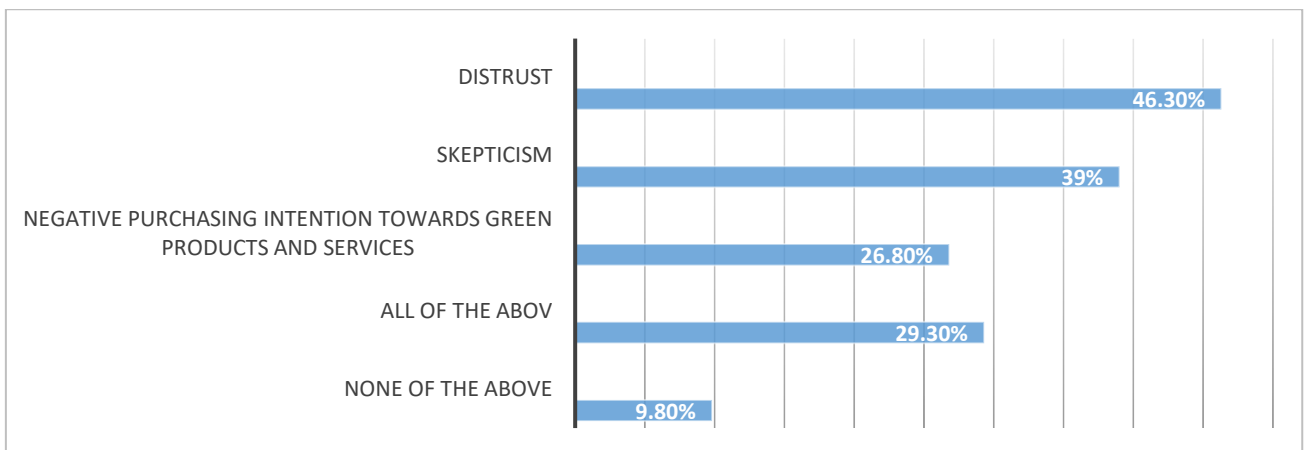
Source: Elias Tammivuori (2019). Figure 5. Distribution of age

Appendix 6. Level of Education



Source: Elias Tammivuori (2019). Figure 6. Distribution of level of education

Appendix 7. Effects of Greenwashing on trust, skepticism, and purchasing intentions



Source: Elias Tammivuori (2019), Figure 7. Effects of greenwashing on distrust, skepticism and purchasing intentions

Appendix 8. Survey

Greenwashing survey.

By responding to this survey, you participate in research aimed at exploring "Greenwashing," and its impacts on the consumer. The results of the study will be used for my Bachelor's thesis project at Tallinn University of Technology. Participation in this study is anonymous. Thank you for participating!

Terms often used in this study.

"Green product/service."

- Green products are those that have less of an impact on the environment or are less detrimental to human health than traditional equivalents. Green products might, typically, be formed or part-formed from recycled components, be manufactured in a more energy-conservative way, be supplied to the market with less packaging, or be manufactured from local materials to reduce the need for transportation and reduce carbon footprints (or all four).

"Greenwashing"

- Greenwashing is the use of marketing to portray an organization's products, activities or policies as environmentally friendly when they are not. The act of greenwashing, also known as "green sheen," entails the misleading of consumers about the environmental benefits of a product or policy through deceptive advertising, public relations and unsubstantiated claims.

1. What is your gender?

Female

Male

Other

2. What is your age?

Under 18

18-24

25-34

35-44

45-54

55-64

Older than 65

3. What is your level of education?

Less than high school

High school

College or equivalent

Bachelor's degree or equivalent

Master's degree or equivalent

Doctoral Degree

Other

4. How would you describe your level of awareness concerning environmental issues?

Extremely
High
Moderate amount
Little
Not at all

5. How important environmental- friendliness is to you?

Not at all

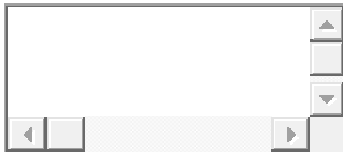
1
2
3
4
5

Extremely

6. Do you prefer green products/services over non-green alternatives?

Yes
No
Sometimes

7. What are the main reasons for you to buy green products/services?



8. How much does marketing/advertising affect your purchasing decision when it comes to green products/services? (Advertisements, packaging, Eco-labels, brand, etc.)

A great deal
A lot
A moderate amount
A little
Not at all

9. Have you ever stopped buying products after discovering unethical procedures made by a company?

Yes
No

10. Do you know what greenwashing is? (Before this survey)

Yes
No

11. When you first heard about greenwashing, how did it make you feel? (Please describe shortly)



12. Have you ever bought a product you thought to be environmentally friendly but later found out that it wasn't environmentally friendly?

Yes

No

13. If you would find out that a company is engaged in greenwashing, would you still use their products? (Company marketing their products, services, activities or policies as environmentally friendly when they are not)

Yes

No

Maybe

14. Do you think that companies which practices greenwashing are trustworthy?

Yes

No

15. According to your estimation, how common is greenwashing?

Extremely

Very

Somewhat

Slightly

Not at all

16. What character traits you value in a company? (Please describe shortly)

17. What is your opinion about companies practicing greenwashing? (Company marketing their products, services, activities or policies as environmentally friendly when they are not)

Very bad 1 2 3 4 5 Very good

18. Does your knowledge about greenwashing cause you to have any of the following feelings?

Distrust

Skepticism

Negative purchasing intention towards green products and services

All of the above

None of the above

