



## EXPLORING GREEN PRODUCT ENDORSEMENTS: A COMPREHENSIVE INVESTIGATION

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### KEYWORDS :

#### 1. INTRODUCTION.

The modern world has seen a growing emphasis on environmental consciousness because of its significant impact on people's health and well-being. Greendex 2012 survey revealed that Indian consumers were actively trying to buy eco-friendly products, and the marketing of green products in India has been on the rise. However, many manufacturers of green products were found to be exploiting consumers' positive attitudes by not genuinely adhering to environmental responsibility. This has led to consumer scepticism about the validity of green product claims, as there often isn't enough evidence to support them. As a result, consumers are demanding proper endorsement and validation of these claims to make informed choices when purchasing green products (Geographic, 2012, Bhattacharya, 2007, Jain & Kaur, 2004 & Motak & Roy, 2014).

#### 2. Literature Review

Defining a "green" product lacks consensus, but it should ideally be sustainable, recyclable, biodegradable, and free from harmful chemicals. It should also use eco-friendly packaging, avoid harming animals, and meet human needs with minimal environmental impact. Green products should be affordable, perform well, have a limited environmental footprint, and maintain a reputation for quality and environmental responsibility (Varma, 2012 & Polonsky, 2009)

A "green consumer" is someone who prefers to buy environmentally responsible products. These consumers consciously avoid products that may harm their health, the environment, or contribute to energy consumption, waste generation, or cruelty to animals. They are deeply concerned about environmental preservation and personal health, which drives their interest in eco-friendly products. Green consumers also seek information on manufacturing processes and ingredients and may boycott products associated with suspected polluters (Elkington, 1989 & Ottaman, 1991)

In India, most companies are producing environmentally-friendly products due to the growing demand for natural products. This presents opportunities for both Indian and international manufacturers. However, the global rise of green marketing has brought attention to the issue of "greenwashing" by Indian manufacturers. Greenwashing involves companies making false or exaggerated environmental claims to deceive consumers and boost profits, which contradicts the principles of ethical and green marketing. This term, coined by environmentalist Jay Westerveld, pertains to industries that adopt eco-friendly appearances with profit-driven motives, eroding consumer trust in a company's environmental efforts. (Carlson, Grove, & Kangun, 1993 & Davis J, 1993).

Greenwashing is an unethical practice where companies exploit consumers' environmental concerns for profit. Deceptive advertising regulations often allow companies to exaggerate their products' environmental attributes, leading

to scepticism and distrust among consumers. In India, the lack of effective regulation has resulted in corporations making misleading environmental claims, highlighting the need for a reliable third-party endorsement system for green products. The Indian government introduced the 'Eco Mark' in 1991, a certification system for eco-labelling various product categories, aiming to help consumers identify genuinely green products and promote environmental responsibility (Elkington, 1989 & Carlson, Grove, & Kangun, 1993).

The Indian Ecomark Scheme, similar to the FTC's efforts in the United States to endorse green products, faces limitations. Despite noble intentions, manufacturers have been hesitant to seek Ecomark certification due to high costs. Conforming to BIS regulations is perceived as burdensome. The industry is concerned that Ecomark may inadvertently suggest non-Ecomark products are not environmentally safe. Participation in the scheme remains voluntary (Sarma & Kukreja, 2015). The National Programme for Organic Production (NPOP) aims to establish an organized organic agricultural system, overseen by the AGMARK scheme. This adds credibility to Indian organic products in the global market (Shrum, McCarty, & Tina, 1995). Certifications for green products, in the form of "Certification Mark," educates consumers and curb greenwashing. These endorsements empower consumers to make informed choices. Hence, credibility is essential for consumer trust (Ellen et.al 1991, Matthes et.al 1995 & Houston, 2012).

Public scepticism toward environmental advertising has grown due to fraudulent environmental claims, with surveys showing that only a small percentage of the public finds such claims very believable. This scepticism is attributed to several factors, including the lack of clear definitions for terms commonly used in environmental advertising, intricate and evolving scientific knowledge, and incomplete product comparisons (Smith, 1992).

Green consumers have good reasons to doubt green products without supporting evidence, which may lead to product boycotts and erode consumer trust. Proper certification of green products can instil confidence in customers and influence their purchasing decisions. Price differences between green and conventional products, along with consumer perceptions and endorsements, are important factors to consider in the context of green marketing, especially in developing countries like India (Landler, 1991).

#### 3. The Problem Statement

Over the past two decades, the green product market has grown significantly in India, with most manufacturers introducing green products. However, the rise of greenwashing has led to misleading claims from manufacturers about their products and services. This has resulted in a market filled with green claims lacking proper evidence, making consumers increasingly sceptical. The gap between consumers' interest in green products and the lack of

credible and verified information from manufacturers is a prominent issue.

**4. Objectives of the Study**

To assess the relationship among variables that give rise to bogus claims.

**5. Theoretical Framework and Hypotheses Formulation**

The theoretical framework revealed about bogus claims of manufacturers. The evidence was directed towards the formulation of following research-hypotheses.

**5.1 The Intention of Firm**

The intent of firms in the green product market plays a crucial role, with different companies expressing distinct goals. Deceptive marketing remains a significant challenge, with the five significant variables in the existing literature being Higher Price, Green Business Opportunities, the Influence of Green Advertising, Leveraging the Potential of Sustainable Products, and Responding to Market Challenges.

H1 : The intention of firm will have positive and direct effect on self-claim

H2 : The intention of firm will have positive and direct effect on customer confusion

H3 : The intention of firm will have positive and direct effect on customer distrust

**5.2 The Self- Claim**

Self-claims made by green manufacturers regarding the eco-friendliness of their products have caused confusion and distrust among consumers. The slightly higher price of green products compared to conventional alternatives may mislead consumers and foster scepticism. The absence of mandatory green advertising regulations in India allows firms to make self-claims, but when these claims lack proper evidence or are exaggerated, they can lead to distrust. This results in five significant variables contributing to the overarching variable of 'Self-Claim,' with consumers forming notions about the credibility and trustworthiness of these claims.

H4: The self-claim will have positive and direct effect on confusion.

H5: The self-claim will have positive and direct effect on distrust.

H6: The self-claim will have positive and direct effect on consumers' belief as bogus claim

**5.3 Confusion of Consumers**

Consumer confusion in the context of environmentally conscious manufacturers and advertising arises from the challenge of comprehending the information presented. Vague or ambiguous statements, information omissions, unclear environmental claims, elaborate expressions of a company's green ethics, and insufficient information about green product processes and disposal all contribute to this confusion. Moreover, it has cumulative impact on the consumer distrust. This situation necessitates the formulation of the following research hypotheses.

H7: The confusion will have positive and direct effect on distrust of consumers.

H8: The confusion will have positive and direct effect on consumers' belief as bogus claim

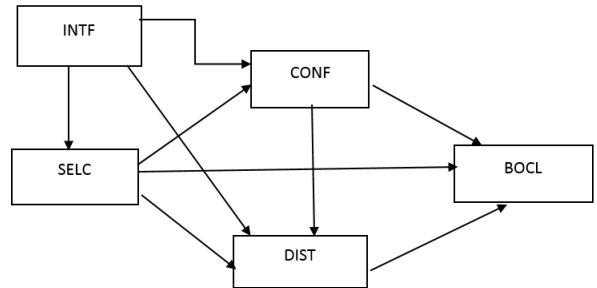
**5.4 The Distrust**

Consumer distrust in the context of green marketing can be attributed to several factors which relies on manufacturers providing accurate and truthful information, encompassing reliability, credible support, and truthfulness of claims, lack of credible support from manufacturers, unreliability, the exploitation of green marketing opportunities, false or deceptive information, and the absence of green ingredients in green products.

H9: The distrust will have positive and direct effect on consumers' belief as bogus claim

**5.5 Bogus Claim**

Deceptive claims often distort information related to health, product safety, and environmental protection in an attempt to attract consumers. Green product innovation should be grounded in scientific truth, and any deviation from these standards can lead to consumer dissatisfaction.



**Figure 1: Hypothesized Model**

INTF= Intention of firm

SELC= Self-Claim of firm

CONF = Consumer Confusion

DIST= Consumer Distrust

BOCL = Consumer confirmed the green claim as Bogus Claim

**5. METHODOLOGY.**

The empirical study followed a descriptive research approach. The variables used in the study were derived from both the literature review and unstructured discussions with consumers. The study engaged among consumers, and the study conducted at Thiruvananthapuram and Kollam districts of Kerala.

To confirm the scale items, a pre-test was conducted with selected respondents (n=20) before the final survey. The study included a large sample size of 144 responses, with efforts made to eliminate outliers or extreme responses.

The questionnaire used in this study consisted of four sections. The first section sought demographic information about the respondents. The second section addressed 25 variables identified from the literature review, each embodied logically by statements to solicit responses from consumers regarding the relationship between individual beliefs and deceptive claims. These questions were rated on a seven-point scale, ranging from "strongly agree" (7) to "strongly disagree" (1).

To formulate a hypothetical model, these 25 predictive variables were grouped into five categories: "Intention of Firm," "Consumer Confusion," "Self-Claim," "Distrust," and "Bogus Claim." The model postulate nine research hypotheses.

The data gathered were evaluated by entering them into Microsoft Excel Spreadsheet and used SPSS (21), Amos software for analysis.

**6. Analysis and findings**

The demographic breakdown of the respondents reveals that 38% of them are in the 40-49 age group, with 27% in the 30-39 age category. Only 18% are over 50 years old. Among the total respondents, 58% are female, and a significant 93% hold a degree or higher qualification. In terms of monthly income, 40% earn between Rs. 30,000 and Rs. 50,000, while 31% earn between Rs. 15,000 and Rs. 30,000. In terms of occupation, 34% work in the services sector, 23% are housewives, and 19% are self-employed.

The Cronbach's Alpha value of .852, indicating a very high

level of internal consistency among the items

**Table-1 Model Testing**

			Estimate	S.E.	C.R.	P
SEL	<---	INTF	.888	.081	10.954	***
CONF	<---	INTF	.369	.117	3.139	.002
CONF	<---	SEL	.144	.089	1.617	.106
DIST	<---	INTF	.275	.098	2.814	.005
DIST	<---	SEL	.172	.072	2.372	.018
DIST	<---	CONF	.359	.067	5.338	***
BOCL	<---	SEL	.188	.068	2.781	.005
BOCL	<---	CONF	.429	.080	5.389	***
BOCL	<---	DIST	.411	.089	4.630	***
X2						8.464
p						.004
GFI						.978
AGFI						.663
NFI						.974
CFI						.976

Source : Primary data

The path analysis revealed that chi-square value 8.464 (at P.004), the Goodness of Fit Index (GFI) of 0.978, indicate a perfect fit. Adjusted Goodness of Fit Index (AGFI) 0.663 signifies the degree of freedom available for the testing the model. Normed Fit Index (NFI) and Comparative Fit Index (CFI) are 0.974 and 0.976 respectively, which are near to one, displays the perfect fit.

The analysis indicates that the intention of the firm (INTF) has a positive and direct effect on self –claim of firm (SEL) with a p-value <0.001, consumer confusion (CONF) with a p-value 0.002 and consumer distrust (DIST) with a p-value 0.005. Similarly, the self-claim of firm (SEL) has a positive and direct effect on consumer distrust (DIST) with a p-value 0.018 and consumer confirmed the green claim as bogus claim (BOCL) with p-value 0.005, but it has no positive effect on consumer confusion (CONF) p-value 0.106. It is apparently clear that consumer confusion (CONF) has a positive and direct effect on consumer distrust (DIST) with p-value <0.001 and consumer confirmed the green claim as bogus claim (BOCL) with a p-value <0.001. Finally, the distrust of consumer (DIST) has also shown positive and direct effect on consumer confirmed the green claim as bogus claim (BOCL) with a p-value <0.001. Therefore, out of nine research hypotheses postulated for the study, eight confirmed its positive relationship, where as one with negative relationship.

The hypothesized model was subjected to collinearity diagnostics, and it was determined that the Variance Inflation Factor (VIF) value was less than 1.9 As a result, the model is considered relevant

**7. DISCUSSION**

The finding of research is inspiring the researcher to quote the following citation.

- The consumers perceived that the present green products certification is quite insufficient to match with their expectation.
- The first determinant states that customers consider third-party endorsement or certification for green products, which should be properly communicated to consumers. The second determinant involves timely random inspections of certified green products by the government, Lastly, customers emphasize that certification should exclusively be conducted by government agencies.
- It could identify that majority of customers (91.8%) are willing to pay more for green products.
- It could also identify that there is an association between green product certification and consumers willing to pay more for green products.

- It could identify that the variables in connection with intention of firm (INTF) has influenced the self-claim of company (SEL), consumer confusion (CONF) and consumer distrust (DIST). Whereas self-claim of company (SEL) does not seldom create consumer confusion (CONF), but creates consumer distrust (DIST) as well as it leads to the state of bogus claim (BOCL). In the case of variables on consumer confusion (CONF) create consumer distrust (DIST) and leads to bogus claim (BOCL). Once there is consumer distrust (DIST) it would lead to bogus claim (BOCL).
- The state of bogus claim (BOCL) denotes the consumers' confirmation of the green claim as bogus claim
- The contribution of the study denotes that in order to eschew the consumers' state on bogus claim by properly put forth a remedial action on the variables identified in the study.

**8. Concluding Comments**

Most Indian companies manufacturing green products primarily seek certifications for products intended for export to meet the stringent requirements of developed countries, resulting in a lack of green product certifications for the domestic market. This absence of certification enforcement allows manufacturers to make false claims about their green products, posing challenges for consumers in making informed purchasing decisions.

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