# GREEN MARKETING AND AGENDA 21: A QUESTION OF 'TRUE' CLAIM

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### **ABSTRACT**

The impact of environmental degradation on people's quality of life and the physical environment has been felt over the years. As a result, many consumers react hy changing their consumption behaviour to one that support "green" products purchase. "Green" or environmentally friendly products are products usually labeled with attributes such as phosphate free, asbestos free, etc. and are targeted for the growing number of environment-conscious consumers. To consumers, purchasing a "green" product can help create a better and safer environment (i.e. using environmental friendly products can help slowing the process of pollution). However, the question remains as to what and how much of the green claims made on the package or advertisements of the green products such as "better for the environment", "environmentally friendly", "eco-fresh", and "ozone safe" are true. This article discusses a study on two green product advertisements that addressed the 'what' and 'how' issue of environmental marketing claims. The study found that consumers do believe in advertisements they are exposed to. Thus, green marketers must be really sincere about their quest to conserve and protect the environment as sought in Agenda 21 to ensure that they convey truthful claims instead of marketing gimmick to gain quick profit from trusting consumers.

#### INTRODUCTION

In 1962, Rachel Carson through her book 'The Silent Spring' reminded the world how fragile our environment really is -i.e. how it is threatened by our bad attitude and behaviour towards nature. The book becomes the motivating factor for many environmental or green movements that were initially formed in the west.

Today, the move towards 'Saving The Planet' seems to have a universal appeal on many people. Many studies have found that more consumers today are more aware of the environmental issues and are concerned about them (e.g. Davies, 1991, 1994; Dunlap

and Scarce 1991; Ellen, Winer, and Cobb-Walgren 1991, Abdul Wahid, Abustan and Abu Bakar 2000; Abdul Wahid and Abustan 2001). Really concerned consumers have also been found to be willing to purchase green products in the market (e.g. Polonsky et al. 1995; Oyewole 2001). Such findings have been used by marketers to their advantage to promote sell "better for the environment" products to these concerned consumers that want to help save the planet and/or those who want to practice ethical consumption (e.g. ecologically concerned consumers/'green consumers'). For example, since CFC has been acknowledged as the chemical can cause the uprising of the green house gases to the atmosphere, many marketers today have come up with products that no longer use CFC based products (e.g. refrigerators, air conditioners) to sell to these green consumers.

### Better For The Environment Claims - Genuine Or Just A Marketing Gimmick?

Today, the number of available green products in the market is on a steady rise. Green products display labels claiming various environmental benefits like "better for the environment", "environmentally friendly", "eco-fresh", "asbestos free", and "ozone safe". The question is, how much of the green labels and claims are true? Do consumers believe in these claims? How much do they believe? What aspects of the claims do they believe? These questions amongst many other questions like these are important to ensure that product claims are not designed to confuse or mislead consumers at large. This is also to ensure that green marketers are really sincere and play their part right to conserve and protect the environment as sought in Agenda 21. As such, environmental claims made on the so-called 'green' products will not only be genuine but they will not be used as marketing gimmick to gain quick profit.

### ENVIRONMENTAL CLAIMS - WHAT IS IT?

Environmental claims refer to claims that are included in any labeling, advertising, promotional materials and all other forms of marketing, whether asserted directly or by implication, through words, symbols, emblems, logos, depictions, product brand names, or through any other means, including marketing through digital or electronic means, such as the Internet or electronic mail. The claims can be about the environmental attributes of a product, package or service in connection with the sale, offering for sale, or marketing of such product, package or service for personal, family or household use, or for commercial, institutional or industrial use.

In USA, Section 5 of the FTC Act (which addresses the issue of environmental marketing) states that deceptive acts and practices in or affecting commerce are considered unlawful. Thus, any party making an express or implied claim that presents an objective assertion about the environmental attribute of a product, package or service must, at the time the claim is made, possess and rely upon a reasonable basis substantiating the claim. A reasonable basis is one that must consist of competent and reliable evidence. Thus, in the context of environmental marketing claims, such substantiation will often require competent and reliable scientific evidence, defined as tests, analyses, research, studies or other evidence based on the expertise of professionals in the relevant area, conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

Distinction between benefits of product, package and service

As stated earlier, an environmental claim must be able to make clear distinction about the benefits of the product, package and service that it refers to, to potential customers in the market. According to FTC Act, in general, if the environmental attribute or benefit applies to all but minor, incidental components of a product or package, the claim need not be qualified to identify that fact. It means that a shopping bag can be labeled "recycled" without having to substantiate the claim as although the bag may be made entirely of recycled material but with a handle that can be easily detached, this handle is considered as an incidental component only, not a major to the product. Thus, this claim is not deceptive. However, exception to this general principle applies when an unqualified "recyclable" claim is made and the presence of the incidental component significantly limits the ability to recycle the product. In this instance, the claim would be deceptive. For example, when a box of aluminum foil is labeled with the claim "recyclable," it must be further elaborated. This is because unless the type of product, surrounding language, or other context of the phrase establishes whether the claim refers to the foil or the box, the claim is deceptive if any part of either the box or the foil, other than minor, incidental components, cannot be recycled.

### Overstatement of environmental attribute

An environmental marketing claim must not overstate the environmental attribute or benefit, expressly or by implication. It means that marketers must not imply that their product has significant environmental benefits when in fact the benefit is negligible. For example, a marketer may labeled his product package "50% more recycled content than before" as he has increased recycled content of its package from 2% recycled material to 3% recycled material. Although the claim is technically true, it is likely to convey the false impression that the advertiser has increased significantly the use of recycled material. However, in the case where a marketer claims that his paper grocery sack is "reusable", this claim is not considered an overstatement as the sack can actually be reused for carrying groceries or other articles although it may break down after two or three usage.

### Comparative claims

Some environmental marketing claims may include a comparative statement. In this case, unless the marketer is able to sufficiently substantiate the comparison made, the claim is considered deceptive to consumers at large. Although a marketer may claim that his shampoo bottle contains "20% more recycled content", the claim made in its context is ambiguous. Depending on contextual factors, it could be a comparison either to the marketer's immediately preceding product or to a competitor's product. The marketer should therefore clarify the claim to make the basis for comparison clear, for example, by saying "20% more recycled content than our previous package." Otherwise, the advertiser should be prepared to substantiate whatever comparison is conveyed to reasonable consumers. In a situation where the marketer claims that "our plastic diaper liner has the most recycled content" and that the advertised diaper does have more recycled content, calculated as a percentage of weight, than any other on the market, although it is still well under 100% recycled; the claim is not deceptive provided the recycled content and the comparative difference between the product and those of competitors are significant and provided that the specific comparison can be substantiated.

HITACHI - NATIONAL AD CLAIMS STUDY

As environmental claims also refer to direct or implied claims that are included in any advertising through words, symbols, emblems, logos, depictions, product brand names, etc., it was decided to use two Hitachi and National advertisements focusing on their air conditioner products that appeared in a local newspaper for study.

#### Hitachi ad

'Hitachi Inspire the Next' was the theme for the Hitachi ad. It was placed at the upper right end of the ad. On the upper left end of the ad, the title of the ad 'one touch, eco-fresh silent cool' followed suit product. The word eco-fresh was written using different font type and size, in light green colour. Placed underneath is a big display of the Hitachi air conditioner. Green leafs can be found displayed all over the ad – to symbolise that it is a green product and thus, eco friendly. In this ad, two green attributes – eco-fresh and eco-durable were the main attractions for consumers although the ad was more focused on its eco-fresh claim. Further down the ad, consumers were given brief explanations (supported by symbols- washable and green fin - that can be interpreted as connected to the environment) about both the eco-fresh and eco-durable attributes. The ad was ended by putting in further claims "Quality and Reliability. The Lasting Touch" and displays of other air conditioner products by the company with addresses of its companies (see Appendix A).

### National Ad

Similar strategy can be seen for the National ad. At the upper left end, readers was introduced to 'National air conditioners' followed by the title 'National Milenia Gold Air Conditioners' at the upper middle of the ad. The theme 'It's N – new life Live it up!' was placed at the upper right end of the ad. The ad was then divided into two segments to focus on its two main green attributes - catechin air purifying filter and solar refreshing deodorising filter. A big too leaf was put as a symbol for the introduction of the first attribute at the left end of the segment and a display of the air conditioner was put at the right end. A statement - "National's unique catechin air purifying filter traps and deactivates viruses and bacteria" was carefully placed at the lower end of the segment. The background for this segment was rows of tea trees.

The second segment, similar to the first, used a big sunflower to symbolize the second attribute at the left end. Sunflowers surrounded this segment all over. Then the statement "National's unque solar refreshing deodorizing filter absorbs smoke and odour" was placed at the lower end of the segment. Readers can see that National uses lots of tea leafs and sunflowers to reflect its' closeness to nature.

The ad, after stating its' two main green attributes –, then proceed with a statement "Malaysia's best-selling air-conditioner ensures you breathe healthier air". And under this statement, the ad again reminded the reader about the two main features and other additional features that the product has, complete with full detail about the features in question. A bunch of tea leaves was put as symbol and support at the section where unique catechin air purifying filter was explained. The advertisers cleverly put in Malaysia Good Design symbol at the lower right end of the ad. To end the ad, a bold National air conditioners was placed at the lower middle part followed by a small font displaying the manufacturer of the product i.e. Matsushita Industrial Corp. Sdn. Bhd. (see Appendix B)

### Samples

Around 143 students comprising of both Engineering and Business students who were exposed to environmental issues in their class lecture were asked to study the two advertisements and provide their responses to a series of close and open ended questions.

For the purpose of this paper, only selected responses involving the following will be discussed:

- a) Which ad did respondents think potrays an environmentally friendly product?
- b) How did respondents' consider the claims made on the ads in terms of specificity?
- c) Are enough information given in the ads about how the products potrayed are eco-friendly?
- d) Can the respondents make sense out of the environmental claims made by the company?
- e) Did the respondents believe in the ads i.e. that the products potrayed are actually environmentally friendly?
- f) Are Hitachi and National companies considered as companies that care for the environment?
- g) How much did the respondents think the products are going to contribute helping to care for the environment?

### **FINDINGS**

## Respondents'Profile

Table 1 shows the profile of the respondents participated in the survey. Of the 143 respondents, the sample seems to be skewed towards male gender (60.8%), aged between 20-29 years (95.1%), from the Malay ethnic (52,4%), and of Islam background (53.8%). Many come from urban and semi urban areas (38.5% and 44.8% respectively).

Table 1 Characteristics of Respondents

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Characteristic	Frequency	Percentage		
1. Gender				
1. Male	87	60.8		
2. Female	56	39.2		
2. Age				
1. 20 and below	6	4.2		
2. 20-29	136	95.1		
3. 30-39	0	0		
4. 40-49	1	0.7		
3. Ethnicity				
1. Malay	75	52.4		
2. Chinese	57	39.9		
3. Indian	6	4.2		
4. Others	5	3.5		
4. Religion				
1. Islam	77	53.8		
2. Christian	20	14.0		
3. Buddha	41	28.7		
4. Hindu	4	2.8		
5. Others	1 1	0.7		

# Frequency Results

a) Which ad potrays an environmentally friendly product?

As we can see from Table 2, the majority of respondents considered both ads as potraying an environmentally friendly product (51.4%). However, others considered Hitachi and National as the only one potraying such a product (27.3% and 21.1% respectively).

Table 2 Ad potrayal

	Ad po	otrayal		Hitachi	National	Both
Which	ad	potrays	an	27.3%	21.1%	51.4%
environm	entally	friendly prod	uct?			

b) How do the respondents' consider the claims made on the ads in terms of specificity?

Many felt that the claims made on the National (63.2%) to be more specific (specific environmental claims – SEC) compared to the Hitachi ad (62.6%) that was considered as unspecific in nature (unspecific environmental claims – UEC) – refer Table 3. As a note, SEC is defined in the study as "claims that present concrete, tangible environmental characteristics and benefits of the product are supported by objective, factual information". And that UEC is defined as "claims that present concrete, tangible environmental characteristics but benefits of the product are supported by objective, factual information". These definitions are taken from Davies's study (1993).

Table 3 Ad Claim Specificity

Ad claim specificity	SEC	UEC
Hitachi	37.4%	62.6%
National	63.2%	36.8%

c) Are enough information given in the ads about how the products potrayed are eco-friendly?

Results in Table 4 show that in terms of information given in the ads about how the products are eco-friendly, many of the respondents felt that only National (34.5%) gave them enough information. Interestingly, quite as many stated that they were not given enough information about how the products are eco-friendly (33.8%). Others responded by saying the ads did actually provide enough information for them (20.4%) or that only Hitachi ad did so (11.3%).

- d) Can the respondents make sense out of the environmental claims made by the company?
- In terms of the claims made in the ads, the responses varies; i.e. about 34.3% said the claims made sense to them, around 27.9% said that they cannot make sense out of the environmental claims made by the two companies, 21.4% said only National ad made sense to them, and that another 16.4% responded that only Hitachi ad made sense to them (refer Table 4).
- e) Do the respondents believe the ads that the products potrayed are actually environmentally friendly?

As can be seen in Table 4 results, when asked whether they really believe that the products are environmentally friendly after reading the ads, most answered yes (40.8%).

f) Are Hitachi and National companies considered as companies that care for the environment?

Most of the respondents believed that the two companies producing both Hitachi and National brands product as companies that do care for the environment (74.5%) as shown in Table 4 results.

Table 4 Ad Evaluation

Evaluation	Yes	No	Only Hitachi	Only National
Information - is it enough?	20.4	33.8	11.3	34.5
Claims - do they made sense?	34.3	27.9	16.4	21.4
Ad Belief – is product really green?	40.8	26.1	9.2	23.9
Company care for environment – is it?	74.5	15.3	0.7	9.5

f) How much do the respondents think the products are going to contribute helping to care for the environment?

When asked to nominate out of 100%, how much do they thought that these products are going to contribute helping to care for the environment, many nominated between 25%-50% contribution to the environment. Only 1.4% thought that the product advertised will be contributing 100% to the environment while another 4.2% did not believe that the products are going to contribute to care for the environment after all (refer Table 5).

Table 5 Percentage of Product Contribution to Environment Care

% product contribution to environment	% respondents perceived
100	1.4
75	32.9
50	40.6
25	21.0
0	4.2

#### WHAT DO THE FINDINGS IMPLY?

The findings of the study have shown that the two ads are perceived as ads that portray green products. As National ad claims are considered specific, it made sense why respondents thought that it gave enough information to them about how the product is eco-friendly compared to only a small percentage of response for Hitachi claims. We have to take note on the fact that many respondents however thought that enough information are not given to them. Although these are the case, the two environmental claims were thought to have made sense to readers, and thus, they did believed in the ads i.e. the products are environmentally friendly. This belief can be further seen when on average, the products are thought to be contributing around 50-75% to the environment — which show quite a high percentage of belief. More importantly, the ad claims also influenced them to believe that the two companies are companies that actually care about the environment.

The findings indicate that advertisement is a strong tool that can be used to educate and influence consumers' behaviour at large. As a small objective of Agenda 21

can be achieved if consumers consume green products, then it is vital to let green marketers use advertisement as their means to reach potential consumers in the marketplace. With correct appeal, consumers not only will be educated about how the product can help save the environment, but will also be persuaded to buy the product, hence making ethical consumption. What the study has shown is that ad claims are not only important, but they have to be specific in nature. Vague claims will not help consumers understand the importance of the green attributes that a product has, thus they may underestimate the level of importance. This is more true in the situation where consumers' knowledge about the environment or how they can save the environment are low. The claims made in the ad supported by symbols, logos, emblems and related background picture (e.g. green leafs, sunflowers) can help connect the reader (audience) to the environmentally friendly theme developed for a product displayed in the ad.

The findings already indicate that consumers do believe in the ads that they see or read. Thus, it would be a great loss if green marketers do not take advantage of such situation. This shows that other producers of green products in their ads strategy can use appeals similar to these two ads. Green leafs and sunflowers seemed to be accepted as symbols that connect ad readers to the environment. Focusing on the green attributes that a product offers, supporting by explanations about how they are "green" will make readers to be more informed about the 'save the environment' quest.

Since consumers in Malaysia are quite aware of the importance of saving the environment but they are not quite keen on doing something about it (Abdul Wahid et al. 2000; Abdul Wahid and Abustan 2001), thus, educating them can be done through repeated advertisements with an environment theme. This way, information about 'saving the environment' can be disseminated to the public easily.

# ENVIRONMENTAL MARKETING CLAIMS IN ADS: CONVEY THE TRUTH

Advertisements are good source of information as people whether they like it or not, will be exposed to them through available media and other sources. To take advantage of this situation, environment-related claims made in ads must be clearly communicated to consumers at large using layman's words and are truthful at all times. This is to ensure that the proposed environmental benefits take into account the consumer's perspective and is legal under the law (e.g. not deceptive, misleading, confusing, or fraud). As such, marketers must firstly consider the environmental concept that they want to communicate to their consumers even before advertising planning begins. Marketers must consider at least six things before they decide on an environmental marketing claim in their final green advertising appeal. These are:

- a) the terms,
- b) graphics,
- c) explanation,
- d) linked claims,
- e) evidence supporting the claims,
- f) real benefit, and
- g) endorsements.

### a. Terms - is the term clear or vague?

Some green products are promoted with vague terms like 'environmentally safe', 'eco-fresh' or 'green'. However, we all know that almost all products have some adverse impact on the environment either in their manufacture, packaging, use or disposal. As such, details should be given, e.g. a list of ingredients or specific claims about environmental benefits on the product so that it is clear to the consumers what they in for.

### b. Graphics - can the image support the claim made?

Some ads have pictures of leafs, flowers, forests, the earth, or endangered specifies without any explanation. Does the image mean anything? To a marketer, although he knows why the specific image is put there (e.g. strategic marketing plan) but this may not be true in a customer's case. Any normal consumer would look for something that explains why the image is there in the first place. Or else, they will make their own assumption about it. To them, the image may mean that the product is better for the environment or that in addition to the better for the environment, it is much better product than the competing brands in the market.

### c. Explanations - is there clear explanation?

Is there a clear explanation of what exactly is environmentally good about the product? As a good communicator, a marketer must ensure that all claims are spelled out in a 'lay-man' language - a language that everyone could understand. For example, a claim that an 'air conditioner ensures you breathe healthier air' should explain the possible bad effect of polluted air, e.g. it promotes bad health to the public, rather than letting the consumers guess about what it means.

# d. Linked claims - is there any linkages between the claims made to any part of the product?

Are the environmental claims linked to some feature of the product? For example, extraction, transportation, manufacture, use, packaging or disposal of the product? This is because a product with some good environmental features might still be harmful. For example, an air conditioner may be using a CFC free component (CFC is a chemical that contributes to the uprising of the green house gases to the atmosphere) in the product, but there are other components that are hazardous to the environment used in the product. So, the claims should refer to specific component of the air conditioner.

## e. Evidence on who says it is good - is there any support?

Any claims of environmental benefits must be backed by valid evidence. For example, 'biodegradability' is beneficial only if a product breaks down in a reasonable time and into residues that do not harm the environment. What consumers need to know is - how long does it take and what's left? As such, marketers must know whether their made claims about biodegradability really tell the consumers anything about this or not. If not, the claims should be rewritten.

### f. Real benefit - Is the claim a real benefit?

Are the claims made in an appropriate context or setting? For example, it would be misleading to claim that a product was 'not tested on animals' if neither it nor others like it had ever been.

### g. Endorsement

Some products carry endorsements by either government or private schemes. Check to see that claims include: the grounds on which the endorsement was given; how the products will help the environment; and the nature of the scheme itself.

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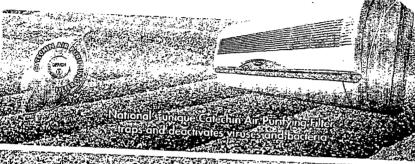


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# **National**