



**Universitat**  
de les Illes Balears

## **BACHELOR'S THESIS**

CONSEQUENCES OF GREENWASHING: EFFECTS ON CONSUMERS,  
RELATIONSHIP WITH ENVIRONMENTAL AWARENESS; AND ECOLABELS IN  
THE TOURISM SECTOR

**Irene Pou Truyols**

**Degree in Business Administration and Management**

**Faculty of Economics and Business**

**Academic Year 2021-22**

CONSEQUENCES OF GREENWASHING: EFFECTS ON CONSUMERS,  
RELATIONSHIP WITH ENVIRONMENTAL AWARENESS; AND ECOLABELS IN  
THE TOURISM SECTOR

**Irene Pou Truyols**

**Bachelor's Thesis**

**Faculty of Economics and Business**

**University of the Balearic Islands**

**Academic Year 2021-22**

Key words:

Greenwashing, consumer perception, environmental concern, green scepticism, CSR, ecolabels, green marketing, sustainable tourism, environmental performance, environmental behaviour, sustainability, ecotourism.

*Thesis Supervisor's Name Javier Rey-Maqueira Palmer*

*Tutor's Name (if applicable)*

The University is hereby authorized to include this project in its institutional repository for its open consultation and online dissemination, for academic and research purposes only.

Author		Supervisor	
Yes	No	Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Resumen

La situación medioambiental juega un papel muy importante en la actualidad, y ha generado un cambio en los consumidores como en las empresas. Por esta razón, las compañías han ido aumentando su participación verde o sostenible, sobre todo en su ámbito publicitario. Mientras que algunas empresas son verdaderamente sinceras en su publicidad y sus actos, otras utilizan la comunicación como una herramienta para subestimar y falsificar su reducción de su impacto medioambiental. Este tipo de propaganda es conocida como Greenwashing (lavado verde). Esta práctica se refiere a la variedad de declaraciones engañosas que hacen las empresas y que tienen como objetivo crear unas creencias y pensamientos medioambientales positivos hacia los consumidores sobre las prácticas medioambientales de las mismas. En este contexto, intentamos entender como el greenwashing afecta a los consumidores en sus decisiones y pensamientos, así como sus reacciones. Uno de los objetivos de este trabajo es dar a conocer que no todas las empresas que dicen ser sostenibles lo son, a la vez que cómo los consumidores pueden saber si una empresa está utilizando un marketing sostenible o está practicando el greenwashing.

## Abstract

The environmental situation plays a very important role nowadays and has generated a change in consumers as well as in companies. For this reason, organisations have been increasing their green or sustainable involvement, especially in their advertising. While some companies are truly sincere in their promotions and actions, others use this communication as a tool to understate and misrepresent the reduction of their environmental impacts. This type of promotion is known as Greenwashing. This practice refers to the variety of misleading statements made by firms that aim to create positive environmental thoughts and beliefs towards consumers about companies' environmental practices. In this context, we try to understand how greenwashing affects consumers' decisions, as well as their reactions. One of the aims of this work is to show that not all companies that claim to be sustainable are, and how consumers can tell whether a company is using sustainable marketing or greenwashing.

## Index

1. Introduction	5
2. Literature review	6
2.1 Definitions of Greenwashing	6
2.2 Environmental Concerns and Knowledge	7
2.2.1 Objective and subjective knowledge	8
2.3 Green Marketing and the 'Sins' of Greenwashing	9
2.4 Different shades of Greenwashing	12
2.4.1 Behavioural-claim Greenwashing	12
2.4.2 Motive Greenwashing	12
3. CSR and Green Marketing	13
3.1 Cognitive Dissonance and Green Scepticism	14
4. Ecolabels: Sustainability and Tourism	14
4.1 Ecolabels	15
4.2 Importance of Ecolabels in the Tourism Sector	19
4.3 Ecolabels in Hotels	21
4.4 Influence on Guests	24
4.5 Environmental Performance: Greening or Greenwashing	25
5. Discussion and Conclusions	28
6. References	29

## Table of illustrations

Fig. 1	10
Fig. 2	16
Fig. 3	17
Fig. 4	18
Fig. 5	18
Fig. 6	19
Fig. 7	22

## 1. Introduction

Over the last decades, public concern and awareness of the current environmental situation have been growing. Climate change, the extinction of species and rising sea levels are some of the phenomena that have recently been reported in the media, consumers are increasingly interested in reducing their environmental impact, and many take the step of going “green” (de Freitas Netto, Sobral, Ribeiro & da Luz Soares, 2020). This has led to the creation of a market for environmentally friendly products and services, thus leading to the emergence of green marketing.

Keeping up-to-date is essential for companies that want to maintain their position in the market, so industries continue to make huge efforts to adapt to these changes in demand and to this green trend. Sustainable production and consumption have become organisational imperatives in today's world, as many companies are embracing the green shift to satisfy demand and maintain their good image and reputation (Naderer, Schmuck & Matthes, 2017).

Advertising is one of the most widely used mechanisms to communicate a green message to consumers (Nyilasy, Gangadharbatla & Paladino, 2014)., in fact, digital marketing has gained a lot of attention and popularity due to the fact that we live in a highly digitalised world. This recent increase in digital marketing, and thus green messages, has not always been followed by the development of a favourable consumer attitude towards the brand as, unfortunately, along with the resurgence of green marketing, the phenomenon of "greenwashing" is also becoming increasingly prevalent (Nyilasy, Gangadharbatla & Paladino, 2014). There has been a dramatic shift in the advertising strategies employed by firms; from a proud emphasis on their green strategies to more company-centric advertisements that highlight their efficiency as a potential player in the green market. However, not all companies are rewarded for being "green". Organisations that claim to be sustainable are often subject to greater control by the government, competitors and consumers, although in reality there are gaps, inconsistencies and points for improvement in the supervision of greenwashing. Companies take advantage of this lack of regulation through sustainable advertising campaigns using words such as sustainable, bio, eco, and organic, and through ecolabels to gain a competitive advantage in the market, increase their positioning, and obtain economic and social benefits, among others. Greenwashing has been enhanced because many companies that claim to be sustainable and environmentally conscious are not (Lyon & Maxwell, 2011), they have no business ethics, they only pursue their economic goals regardless of the philosophy or lifestyle of their consumers. The result of which has generated green scepticism among them and their stakeholders (Nyilasy, Gangadharbatla & Paladino, 2014).

This paper is organised as follows. First, it is determined the concept of greenwashing; secondly, it is discussed the types of consumers and their environmental knowledge. In order to contextualise this work, information about Green Marketing has been included, so the line between this term and greenwashing is detailed. Subsequently, the seven sins of greenwashing and the different instruments used by companies to manipulate public opinion will be stated. It also included information on the companies' CSR report and, finally, certified ecolabels will be presented, in reference to the tourism sector.

## 2. Literature review

### 2.1 Definitions of Greenwashing

A real problem has arisen since customers have difficulties in identifying a true green claim. This is due to the growth of existing green markets, whereby the phenomenon of *greenwashing* has emerged, followed by a great deal of scepticism and confusion that makes it very difficult for customers to differentiate the reliability of green marketing initiatives. This scepticism has hurt organizational credibility and consumer perceptions of the company's performance.

This paper aims to determine and know that not all companies that claim to be "green" are so, and for this, it will be considered the term "green marketing" as one of the firms' strategies, and in contrast, "greenwashing". However, what is greenwashing? Well, there are many different definitions of greenwashing, from various perspectives. This paper focuses on the perspective of greenwashing as a selective disclosure, but at the same time, and according to some authors, it also associates greenwashing with decoupling behaviour. Siano, Vollero, Conte & Amabile (2017), relate greenwashing with symbolic actions, "which tend to deflect attention to minor issues or lead to the creation of 'green talk' through statements aimed at satisfying stakeholder requirements in terms of sustainability but without any concrete action". This is, in other words, an abuse of concepts such as sustainability, either bio or organic. According to Guo, Tao, Yan, & Gao (2014), greenwashing essentially consists of dissociating symbolic environmental protection behaviours with no environmental protection behaviour or failure to fulfil these commitments.

Focusing greenwashing on consumers would be referred to as a selective disclosure, in which manipulation of consumers' ideals and principles is taking place. Leading them to believe that they are supporting a green policy, which the company does not *really* have, by consuming its products or simply using its services.

- Parguel, Benoît- Moreau & Larceneux (2011) define greenwashing as "the practices carried out by companies to appeal to the excessive functionality of their product on the environment and which cannot be sustained".
- TerraChoice (2010) defines it as "the act of misleading consumers regarding the environmental practices of a company or the environmental performance and positive communication about environmental performance".
- Delmas and Burbano (2011) state that is "poor environmental performance and positive communication about environmental performance".

Generally speaking, greenwashing involves a discrepancy between organizations' green claims and their actual environmental performance. At the same time, these organizations try to have the benefits of a green positioning without behaving accordingly. After this, what do we mean when we say that a company is deemed to be greenwashing? So, we come to the realisation where a dual behaviour of retaining publicity of negative information and exposing only the positive information, regarding a company's environmental

performance, takes place. Corporate Social Responsibility (CSR) communication is often used to enhance their corporate image which in many cases leads to a false green strategy where very little attention is paid to “avoiding bad” and instead focuses on “doing good”. It is only an illusion of ecological responsibility where a specific perception is created, so organizations appear more environmentally friendly to the public. However, it turns out to be false. From a holistic point of view where all business activities are part of the product that is consumed or the service that is provided, the fundamental concept is securing the overall protection of the planet and its eco-diversity; therefore, it is not just the final product that is considered, but all the production process itself and its surroundings.

## **2.2 Environmental Concerns and Knowledge**

Over the last decades, there has been a growing concern among the population about the preservation of the environment for future generations. Thus, greater attitudes towards environmental responsibility which ultimately lead people to become more environmentally sustainable.

Environmental knowledge correlates positively with green behaviour (Pagiaslis & Krontalis, 2014), either for personal and self-benefit, for the common good, or for the biosphere. This is, the more concerned consumers are, the more knowledge about environmental issues and solutions will be, the more positive beliefs they will have towards green products, and stronger intentions they will have to behave sustainably. Environmental concern is described as “a general concept that can refer to feelings about many different green issues” (Zimmer, Stafford & Stafford, 1994), which these green issues are “those dimensions of environmental concern currently viewed as important by consumers” (Zimmer, Stafford & Stafford, 1994). According to Fransson and Gärling (1999), people get more conscious when they have some knowledge about current environmental problems, and it is when they increase their intention to behave in an environmentally responsible manner. Going “green” is now a general trend for the population. Therefore, changing their behaviour towards the environment provides firms with an opportunity to exploit, thus take advantage of it, to differentiate from other companies in the market sector. This lets them position their products such that they can capture market share in emerging green markets. But on the other hand, the major challenge for these companies is to incorporate their environmental mission into their business strategies, -not only promoting green products- (Chen & Chang, 2012). Hence, organizations tempt to engage in greenwashing. Owing to environmental considerations, consumers, on their side, have ethical decision-making. They are more cautious when buying products as they would look more closely at the environmental policy and behaviour of the brand or organization in order to avoid products or services harming the environment. This fact makes consumers more aware of green product marketing and makes it less difficult for them to detect greenwashing businesses. At the same time, they could be more capable to differentiate the attributes of environmentally friendly products from conventional products. However, this differentiation is quite complicated, as it will be discussed later in this work.

In contrast, those consumers who do not have much knowledge of the environmental impacts are more likely not to be environmentally conscious of how a firm can damage the environment, and thus, will show more indifference towards green and non-green products. While organizations are doing green ads to persuade consumers to buy their “less harmful-designed” products, the ones who usually do not buy green products could now be supporting a brand or organization deemed to be greenwashing without realizing it, -only because of their unconsciousness in the field-. Furthermore, consumers buying these kinds of products may even think that they are doing some good for the environment. Eventually, having all this into account, according to the study made by Schmuck, Matthens, Neaderer & Beaufort (2018), there is empirical evidence that environmental claims have a stronger impact on environmentally conscious consumers than those with low levels of concern, as well as their purchasing intentions and beliefs on green products (Goh, 2016).

Moreover, research has shown that knowledge is directly related to many consumer behaviours, and is closely associated with making sustainable choices. Previous studies state that higher knowledge of environmental issues leads to higher engagement in environmental behaviours, including ethical purchase behaviours. In contrast, consumers with low levels of knowledge may find it difficult to make “good” choices because of the potential for confusion and poor ability to discriminate against non-environmental products or services (Ellen, 1994). It cannot be taken for granted, however, that conscious consumers will definitely be ‘green’ consumers. There have been several studies analysing consumer behaviour, but because greenwashing remains an open issue and consumer behaviour varies, further research in this field is needed to the extent of drawing clear conclusions.

### **2.2.1 Objective and subjective knowledge**

Objective knowledge could be associated with how much an individual actually knows about a product. In contrast, subjective knowledge refers to what the individual thinks or knows (Flynn & Goldsmith, 1999) about the product or service. The first one is relatively low among environmentally concerned consumers. The last one seems to be a better predictor of purchase decision satisfaction and plays a unique role in consumer behaviour (Ellen, 1994). Although both types of knowledge refer to some degree of concern there is one wider than the other. Subjective knowledge covers source reduction, recycling and political action behaviours while objective knowledge is limited to recycling behaviours (Han, 2019).

This public that prefers to pay a higher amount of money for an ecological product or service does so to support the environment and with the knowledge of what production process, this product or service has gone through in order to generate a lower environmental impact than others in the same category. These consumers are part of a fair movement, and the price they are *really* paying for those products or services is in line with the awareness of reducing the ecological damage caused, especially by large companies. In other words, it is about consumers’ values and principles, beliefs and intentions regarding the environment. However, taking all this into account, both environmental concern



and knowledge (objective and subjective) are two main indicators of consumers' environmental involvement with the brand or organisation.

### 2.3 Green Marketing and the 'Sins' of Greenwashing

Until now it has been seen that there are many different definitions of greenwashing and that consumers who are more concerned about environmental impacts, to which firms can be major contributors, are the ones who will be more cautious when shopping. But, how can consumers know when a brand or organization uses fake green marketing, and thus, is doing greenwashing? Terra Choice (2008), presents 'the seven sins of greenwashing' which is a list of seven different types of greenwashing claims that companies can be accused of and consequently, consumers themselves could detect.

Before going any further, it should be known that not all companies currently active in green markets are accused of greenwashing. There is *the other side of the coin*, where there are a wide variety of environmentally concerned organizations that are truly sustainable and environmentally concerned. Where being sustainable is understood as all those products that sustain themselves over the long term (sustainable development), including that the company is environmentally friendly and its production process does not harm the environment (sustainability), or the environmental impact is low. Hence, their marketing strategy is, in many cases, sustainable. This strategy is called 'Green Marketing'.

#### Green Marketing

Peattie and Charter (2003) defined green marketing as "the holistic management process responsible for identifying, anticipating and satisfying the needs of customers and society, in a profitable and sustainable way" with the minimum harmful impact on the natural environment. The emergence of this term has provided many firms to perform their CSR communication initiatives to enhance their corporate environmental image (Parguel, Benoît-Moreau & Larceneux, 2011), which also plays a very important role in today's socially conscious market environment. Moreover, the emphasis that firms put on socio-environmental issues is linked to a potential source of innovation and competitive advantage for marketers (Peattie & Charter, 2003). Thus, these green strategies consist of labelling products as sustainable or environmentally friendly, using certified ecolabels, and doing physically green packaging (including green ads and eco-messages, as shown in Fig. 1). The strategy has proved to be successful in attracting consumers (Urbański & ul Haque, 2020), besides increasing their emotional connection. As a result of this, firms spend large amounts of money on green advertising and CSR initiatives because they are interested in being perceived as social and environmentally friendly with the hopes of a more favourable brand attitude and consumer purchase intention, (Forbes, 2021). But even if firms use green marketing and appear to be environmentally friendly, it does not mean that they are *really* sustainable.

Fig. 1

*Patagonia 2011: Don't buy this jacket advertising campaign*



**DON'T BUY THIS JACKET**

**patagonia**  
patagonia.com

**COMMON THREADS INITIATIVE**

**REDUCE**  
WE make useful gear that lasts a long time  
YOU don't buy what you don't need

**REPAIR**  
WE help you repair your Patagonia gear  
YOU pledge to fix what's broken

**REUSE**  
WE help find a home for Patagonia gear you no longer need  
YOU sell or pass it on\*

**RECYCLE**  
WE will take back your Patagonia gear that is worn out  
YOU pledge to keep your stuff out of the landfill and incinerator

**REIMAGINE**  
TOGETHER we reimagine a world where we take only what nature can replace

**patagonia**

*How many brands can run an ad like this?*

Note. Adapted from APGD.DE, by S. Buchwitz, n.d., <https://apgd.de/media/patagonia-ad.png> CC-BY-NC-ND.

Yet it is debatable whether consumers are aware regardless if these green-labelled products are environmentally friendly or not, sustainable or greenwashed. Environmentally sustainable products are frequently advertised to consumers to the extent that nowadays are becoming even bigger. Many companies face the challenge of changing their business behaviour and products towards the environment in response to please and meet some environmental requirements set by consumers, the legislation, or the company itself to pursue sustainability as a corporate goal. Consequently, they have become committed to being socially responsible, integrating environmental concerns into their product and service development (Ginsberg & Bloom, 2004). Green Marketing strategies are mainly used by companies that have adopted a positive environmental behaviour; referring to the care and protection of the environment and that want to differentiate themselves from the market. It often works hand in hand with social marketing, spreading green messages to promote sustainable behaviour among people with the aim of benefiting both society and the environment. However, according to Delmas and Burbano (2011), many organisations also implement these strategies because they expect the exhibition of positive environmental improvements from customers and competitors; to be more financially motivated in terms of increasing profits rather than being ethical; promoting the company being green before they are; and finally, because a green strategy may get developed but other parts of the organization may not want it. Nevertheless, companies often use claims that

look to be environmental but are vague, and at times false. Therefore, organizations can easily commit some of the sins of greenwashing:

### **The seven 'sins' of Greenwashing**

Following the study that made Terra Choice (2008) about the environmental claim of retail products in the United States, Canada, Australia, and the United Kingdom, we now can describe seven different types of greenwashing which are the following:

- **“Hidden trade-off”**: occurs when a product’s environmental claim is based on a very narrow set of attributes, ignoring, even hiding, the negative environmental impacts of other aspects of the product. A product made of recycled materials could be an example, as long as it may appear sustainable and ignores the manufacturing process that damages the natural environment.
- **“No proof”**: is quite common in environmental complaints. There is an environmental claim that adds statistics or percentages that the product is believed to have, but these are not verified and there is either proof of it. For example, shampoos and conditioners that state to have an “organic certificate” without any authentication.
- **“Vagueness”**: happens when claims are ambiguous, which makes them meaningless. In other words, what it states is unclear or too broad and its actual meaning could be misinterpreted by consumers. All those products that say to be “100% natural”, “chemical-free”, “eco-friendly”, etc. As a matter of fact, nothing is free of chemicals (i.e., water is a chemical) and everything can potentially become toxic to a certain measure.
- **“Irrelevance”**: When a product claims to be something that is already a legal requirement. It may be true, but it is irrelevant or unhelpful to consumers looking for environmentally preferable products. It, therefore, distracts the consumer from looking for a truly greener option. For instance, products that affirm to be without CFC (Chlorofluorocarbons), even though CFC have been legally banned for many years.
- **“Lesser of two evils”**: The product is presented as “green”. A claim that may be true within the product category, but distracts the consumer from the greater environmental impact with the argument that it is less harmful to the environment than most products in its category (among its competitors). A clear example is the promotion of “organic cigarettes”, which are still dangerous for the environment but might be a more responsible choice for smokers.
- **“Fibbing”**: Referred to any product that has stamps, labels or symbols not authorised. The product is not environmentally sustainable, but stamps are perfect for making consumers think it is. Some products say that are certificated from some recognised environmental standards like ISO 14001 and EMAS, issued by AENOR in Spain. An example of this would be a cleaning detergent claiming that is packed in “100% recyclable packaging” when yet the container is plastic, and thus certain materials cannot be recycled.
- **“False labels”**: committed by a product, either through certificates; labels; awards or even words that appear to have third-party approval but in reality, this approval does not exist and never took place. This false

impression misleads consumers to think that a product is rightfully “green” and has undergone an environmentally responsible process.

## **2.4 Different shades of Greenwashing**

Based on a case description of Lyon and Maxwell (2011), some authors (Menno, Huluba & Beldad, 2019) carried out a study investigating the effects of greenwashing on consumers and their role in purchasing intentions. They were exposed to organizations that audaciously lied or half-lied about their green behaviours. The effects of various degrees of greenwashing were distinguished, based on behavioural-claim greenwashing and motive greenwashing. In a way, these effects are more likely to have negative impacts on consumers’ attitudes and their performance intentions towards the brand or organization. Therefore, the company may even have a counterproductive effect on itself.

### **2.4.1 Behavioural-claim Greenwashing**

Behavioural-claim greenwashing implies that the organization does not (entirely) demonstrate the environmental behaviours it claims, creating a discrepancy between its “acts” and what it “says”. In the study carried out by Menno, Huluba and Beldad (2019) it is compared an organization that told the truth, one that told half-lies and one that lied about its environmental performance.

Telling a half-lie confirms that the organization indeed takes environmental initiatives but does not fully live up to its promises. There are doubts about the effectiveness and the degree of implementation of its green initiatives, which can be associated with the sin of “no proof” from the study carried out by Terra Choice (2008). Siano, Vollero, Conte and Amabile (2016), described two types of greenwashing: *decoupling* and *attention deflection*, where both are due to the organization’s reputation and stakeholders’ vision. They define decoupling as “an organization’s claim to fulfil stakeholders’ expectations”, where no actual changes exist in the organizational practices. It happens to be no support from the sustainability department or sufficient resources to achieve the goal. Subsequently, attention deflection refers to hiding unethical business practices to deflect stakeholders’ attention. It could even lead to misleading information and often doubt about certifications. According to Hamilton and Zilberman (2006), attention deflection is related to a fraud of self-declared eco-labels or common eco-labels -that have not passed the standards- to develop a collective reputation.

### **2.4.2 Motive Greenwashing**

In contrast to behavioural-claim greenwashing, motive greenwashing implies that only the reasons behind the organizations’ behaviours differ from what they communicate. This can be associated with the sin of “hidden trade-offs” from the study carried out by Terra Choice (2008), as there is a discrepancy built between communicated and real motives for carrying and environmentally friendly behaviour and “irrelevance”. In the same study by Menno, Huluba and Beldad (2019), two scenarios were analysed: an organization implementing green behaviours on its own initiatives and another one implementing green performances for following legal requirements.

In this context, the implementation of green practices to comply with legal obligations is associated with government pressure. The moment at which a company claims in its green promotion that it is implementing green practices without saying that such actions are of obligatory compliance, it is taking credit for it. Since the requirements apply to all companies, it is not a fact that any company should benefit from, let alone stand out in the market. If it were up to the company itself, no environmental action would be established due to a lack of business ethics and commitment to environmental protection. Therefore, they take advantage of the fact that they comply with this legal obligation and also promote themselves in a sustainable or environmentally friendly way to the public. This clearly showed that the organization was not being honest about its motives (Menno, Huluba & Beldad, 2019) because it only accomplished what is asked by law. There is no moral or ethical thinking behind its green practices, or better said its sustainable commitments. In fact, it is more closely to consumer manipulation. Consumers are led to believe that the company is becoming aware of the environmental issues and that the organization itself has adopted changes in the operational process when in fact it has not and all companies are legally bound to do the same. This makes no difference to other companies as they are subject to the same law, and therefore the same requirements.

### **3. CSR and Green Marketing**

Communicating the social, economic and environmental dimensions of a company plays a key role in the sustainable development of firms. Despite continuous growth in the area of green productivity, little effort and benefits have been achieved, which has led to an increased awareness of environmental issues and ecological change among people, as well as a growing pressure from customers for companies to join in this change. This is why the implementation of CSR reports come to organisations.

CSR is a self-regulated voluntary business model that reflects the sustainability aspects of the organisation. In this way, not only companies themselves but also external shareholders and stakeholders can be aware of the kind of impact they are having on social and environmental aspects. This non-financial approach is designed for companies to improve their environmental and social behaviour rather than degrade them. Firms spend large amounts of money on green advertising and CSR initiatives that go beyond legal standards and requirements because they want to be perceived as social and environmentally friendly with the hope of gaining positive brand attitudes and more favourable consumer purchase intentions (Nyilasy, Gangadharbatla & Paladino, 2014). Therefore, in business management, CSR and green marketing work together, both practices are implemented in a mutually supportive way to generate a greater effect on customers' thoughts and decision-making. However, greenwashing has often been used to refer to companies focusing on the prominent aspects of CSR and neglecting the unobservable aspects for the public. For example, in the fast-fashion industry, more and more companies are going green by using eco-friendly materials, but less attention is paid to working conditions and environmental issues in the production process. Therefore, the higher the level of information transparency, the higher the CSR investments to prevent a for-profit company from engaging in greenwashing strategies (Wu,

Zhang & Xie, 2020) and the bigger the reduction of information asymmetries between the different stakeholders (Bonsón & Bednárová, 2015).

### **3.1 Cognitive Dissonance and Green Scepticism**

Due to today's consumers are more environmentally informed and concerned than previous generations they are often facing contradictory stimuli about firms' performances and their advertising. This makes the public feel suspicious of companies' sustainability claims, leading to the emergence of *green scepticism* -defined as the consumers' tendency to doubt the environmental benefits or the environmental performance of a green product (Leonidou & Skarmas, 2017)-. More and more consumers are joining in such scepticism, as many companies profess to protect the environment but fail to demonstrate this through their actions and performance, which also influences users' attitudes towards the brand, credibility and even their purchase intention through environmental concern and knowledge. Goh and Balaji, (2016) suggest that if there is a high level of scepticism towards green products, there is more likely to be less concern and knowledge about environmental issues because customers in the end do not know what to think or believe; what is true and what is false. Therefore, there will be negative purchasing behaviour towards green products and services.

People have doubts about the environmental intentions of companies as their green advertising messages are often unclear, vague and potentially untruthful. Not only that, but firms' characteristics also affect green scepticism: company size, industry, irresponsible environmental behaviours, and not least, if the organisation has previously been associated with the scandal of greenwashing (Nyilasy, Gangadharbatla & Paladino, 2014). This scepticism greatly harms firms' image and can negatively affect customer loyalty. Therefore, the CSR report is associated with this credulity, and in order not to lose their public trust, companies use it to show transparency about their genuine sustainability efforts and performances. Leonidou & Skarmas, 2017 state that sceptical people can change their minds when provided with clear and convincing evidence. It is therefore important for organisations to disclose all the relevant information to support the environmental benefits and performance of their green products to achieve a truthful green positioning. This can be done through existing sources such as product packaging and promotional material, or additional sources such as environmental and corporate websites. In other words, scepticism is not considered as stable or enduring disbelief of customers towards the green products, but for CSR to be successful, companies should be cautious about publishing sustainability reports because if this social commitment is only a small part of the corporate philosophy and companies produce under environmentally and socially degrading conditions, the publication of this corporate behaviour, in the worst case, can quickly damage the company's image and can even be used against it.

## **4. Ecolabels: Sustainability and Tourism**

Tourism is currently one of the world's biggest industries. Moreover, in recent years, tourism, and more importantly, *sustainable tourism* has been growing considerably, especially in lower-middle-income countries. However, this term is

becoming most used by developing and developed countries, and in the literature, is a focus of debate that is still being analysed.

So far, it has been seen that every year, for more and more consumers, *environmental concern* and *friendliness* have become two important factors in the choice of a product or service, thus ecotourism in the hotel industry. According to Wearing and Neil (1999), ecotourism is a form of “alternative tourism” as opposed to “mass tourism” where a particular philosophical and ethical orientation toward nature comes into play. Accordingly, people who stand out for sustainable tourism tend to be environmentally conscious. Therefore, it is essential that consumers have concrete shreds of evidence about organisations’ reduction of environmental impacts as their preference for staying in a “green” hotel is greater than staying in a congress/spa hotel (Preziosi, Tourais, Acampora, Videira & Merli, 2019). Consequently, one of the ways in which tourism businesses provide this environmental evidence is by creating green trust in consumers’ claims through ecolabels. According to Galarraga (2002), ecolabelling “seeks to inform consumers about the effects on the environment of the production, consumption and waste phases of the products/services consumed”.

In this section, this paper tries to analyse the importance of ecolabels in the tourism sector with the aim of understanding the effects that they have on the hotel industry.

#### **4.1 Ecolabels**

There have been made several attempts to move towards more sustainable and environmentally friendly approaches. Hence, according to Gallastegui (2002), one of the approaches that recently have acquired significant importance in the business world is ‘ecolabelling’ or ‘environmental labelling’.

What is referred to as an ecolabel and what is it for? According to Buckley (2002), an ecolabel is something associated with the product/service in a way that a purchaser/user can obtain information from it and whose principal content refers to the environment. In other words, account for labels placed on products that help consumers to identify those products that meet specific environmental performance criteria- friendly or unfriendly-. Gallastegui (2002), sets out two objectives for which ecolabels are developed: (i) to provide consumers with more information about the environmental effects of their consumption, leading to a shift towards more environmentally friendly consumption patterns, and (ii) to encourage producers, governments and other agents to increase the environmental standards of products/services. Therefore, *protection of the environment* and *sustainability of consumer behaviour* are two of the most important reasons that justify the introduction of ecolabelling schemes. In many countries, there is a demand for high environmental quality goods and services, therefore there are some government regulations that are imposed on companies to meet minimum environmental requirements, but it must be clear that the use of ecolabels is completely voluntary, and no company is obliged to use them.

The International Organization for Standardization (ISO) states that ecolabelling is “a set of voluntary tools with the aim of boosting the demand of products and

services with less environmental effect by providing essential information on their life cycle to meet the buyer's demand for environmental information". This organisation plays a fundamental role in this field and therefore establishes three main types of ecolabels as defined below, hence some examples are shown in Table 1, Fig. 2, Table 2, and Fig. 3:

### **Type I environmental labelling: ISO 14020**

It is for ecolabelling schemes where there are clearly defined criteria for products. Aimed at businesses wanting to develop an environmental label or claim which have not yet been developed.

Characteristics of Type I: Designed to be consumer-friendly-informative; based on the fulfilment of a set of criteria according to the life cycle; awarded by a certified third-party program; evaluation and selection requirements are available to the public; certification granted for a specific time period after which the product/service needs to be rectified; often government-supported.

**Fig. 2**

*Type I Ecolabel examples*

Label	Certification	Origin
	EU Ecolabel	Europe
	The Blue Angel	Germany
	Nordic Swan	Scandinavian countries
	Ecomark	Japan



	Good Environmental Choice	Australia
	Milieukeur (Dutch environmental quality label)	The Netherlands

*Note.* This table has been personally created and edited

### Type II self-declared environmental claims: ISO 14021

It is supported by the same manufacturer or packager, and usually refers to a single stage of the life cycle or a particular aspect of a product. They can be on the product or elsewhere such as in product literature, advertising or reports.

Characteristics: Self-declared; focuses on a particular quality; not independently certified; can raise questions about the validity of certification when unverifiable.

**Fig. 3**

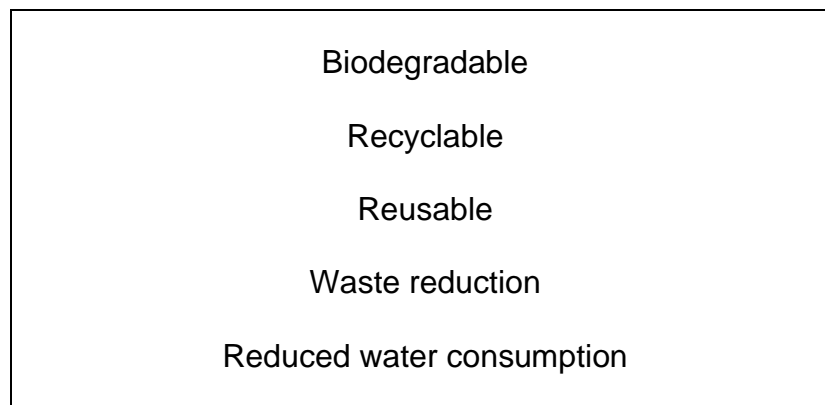
*Self-declared ecolabel examples of Type II (ISO 14021)*



*Note.* This figure has been personally created and edited

**Fig. 4**

*Terms and Statements most used Type II (ISO 14021)*



It can often use misleading claims, as the statements are not clear with the product or if they refer to only parts of the product. They do not specify the environmental aspects related to the stages of the product's life cycle. These labels bring the most confusion to consumers because they are difficult to interpret. Therefore, the abundance of such labelling has led to consumer concerns about 'greenwashing' and exaggerated marketing claims despite regulatory agents.

### **Type III environmental declarations: ISO 14025**

It is for specific aspects of products using a life-cycle approach. Provide an inventory of qualified environmental data of the product based on the standards, concerning Life Cycle Assessment (LCA). They are also useful for fulfilling regulatory requirements.

Characteristics: Mandatory verification by a third party; does not certify any specific quality of a product/service; facilitates the drawing of independent conclusions about the sustainability of a product/service; increases firms' transparency.

**Fig. 5**

*Environmental labels used in the frame of Type III ecolabels*



*Note.* This figure has been personally created and edited

## 4.2 Importance of Ecolabels in the Tourism Sector

Ecolabels have a very important, and indeed, specific role in the contribution of general social awareness of the environmental impact of products and services. They aim to bridge the information gap existing between operators offering environmentally friendly products and services and consumers making purchasing decisions in the market. However, there is a great deal of scepticism about ecolabels due to their widespread misuse by companies, either because of the lack of company transparency or because of the inconsistencies showed between their environmental plans and actions. If trade terms are applied in the tourism sector an ecolabel would be a certification of a particular level of environmental performance in the production of an internationally tradable product (Buckley, 1992). Although, it is a difficult industry to regulate (Font, 2001) since this sector has preferred to work with its own systems.

A list of the drivers for obtaining and keeping ecolabel certifications are shown in Table 3, as well as the most important barriers that exist and lead to a rejection of these certifications, both for companies and consumers in the tourism sector. It must be understood that the list provided includes self-declared eco-friendly companies, thus self-declared standards, which means that they also compete with the ones that try to fulfil the “general” standards.

**Fig. 6**

### Drivers and barriers to the ecolabel certification

<b>DRIVERS</b>	<b>BARRIERS</b>
Creates green image	Misunderstanding of the information and consumer scepticism
Easy identifiable and reliable mark of credibility	Existence of too many ecolabels
Encourage greater awareness of the environment and consumer behaviour	High standards
Help consumers have additional information	Lack of real rewards for environmental improvements
Gain competitive advantage and market share	Lack of objectivity in setting criteria
Check and improve companies' environmental performance	High costs
	The arbitrariness of the process of selecting and updating criteria
	Criteria focus on environmental management rather than environmental performance

Assaker, O'Connor and El-Haddad (2020), define a *green image* as “the consumer perception that the hotel is committed to environmental protection”. Firstly, from a subjective point of view, ecolabels are beneficial because they show a green image in the eyes of the consumer. There is a worldwide tendency of associating organic labels with quality. In fact, one of their main objectives is to reflect the quality of products and services bearing the label. Several studies (Iraldo, Griesshammer and Kahlenborn, 2020; Galarraga, 2002; Capacci, Scorcu & Vici, 2015) have shown that ecolabels promote the spread of environmental awareness among consumers and enable a more informed and quality choice in their decision-making process. This makes ecolabels one of the most important signals to the market to help such a process. At the same time, they guide and encourage tourists to become more environmentally aware, for the purpose of changing their consumption behaviour towards sustainability. On the other hand, there is a vast variety of ecolabels with different meanings; criteria; geographical scope; and confusing messages (Font, 2001). Due to this, usually environmentally conscious consumers become suspicious of their viability, leading to green scepticism, and weakening tourism enterprises' green image. Subsequently, consumers who are not so aware, or who are just starting to become so, when they see two different ecolabels, may find difficulties in interpreting them, and to avoid confusion, they prefer to avoid them (Font, 2001). As a result, they continue behaving in a non-eco-friendly manner with which they are more familiar.

Secondly, in the case of tourism enterprises, ecolabels give companies a differential advantage over their competitors, as a result of fewer environmental impacts than other similar enterprises (Sasidharan, Sirakaya & Kerstetter, 2002). Buckley (2002) suggests that for ecolabels to generate market value and be effective, in the tourism industry, they have to be recognised and meaningful to the target market that uses them. This means that, for example, it would be most beneficial for a local bed-and-breakfast to use an ecolabel that is only recognised locally. Companies have incentives to maintain and improve environmental performance standards to keep pace with the market and gain market position. Nevertheless, very strict standards have been set for obtaining ecolabels, which companies find difficult to achieve. At the same time, the costs of applying and maintaining ecolabels are high, especially for small and middle enterprises (SMEs), (Iraldo & Barberio, 2017). Tourism enterprises that do not follow the standards or are not ecolabelled might have a lower environmental impact than those that do (Galarraga Gallastegui, 2002). As a result, there is a lack of objectivity in setting the criteria. This also applies to setting real rewards for environmental improvements.

Finally, for the tourism industry, eco-labels are obtained also to see whether (or not) companies comply with environmental requirements. From this point, many of them realise how some activities they thought would not have been a threat to the environment were. In other words, ecolabels have helped them to improve their environmental performance thanks to a deeper understanding of the environmental impact they were causing. As a result, the industry may make better use of ecolabels. However, the criteria focus on environmental management rather than environmental performance (Font, 2001). This means that the requirements are designed around the strategy, not on the activity. In other words, whether companies achieve (or not) the objectives set out in that

plan are left aside. Moreover, Font (2001) suggests that it is not possible to accurately estimate all the damage that the entire life-cycle of the project can have on the environment. The measurements are therefore not exact, leaving empty spaces.

Due to many cons that exist and the barriers mentioned in Table 3, tourism enterprises are often biased towards the decision of not obtaining an ecolabel. However, if many of them were reduced, tourism businesses would be much more willing to apply for one. It is clear that the multitude of benefits they present is of great interest to tourism enterprises, but many of them claim that it is not cost-effective. For this reason, greenwashing is on the rise. It will be seen later on that there is not only one way to get a certification, and that is why greenwashing is used -especially for those companies that only want to be identified at a glance by consumers-. All in all, the process of obtaining an ecolabel should be regulated.

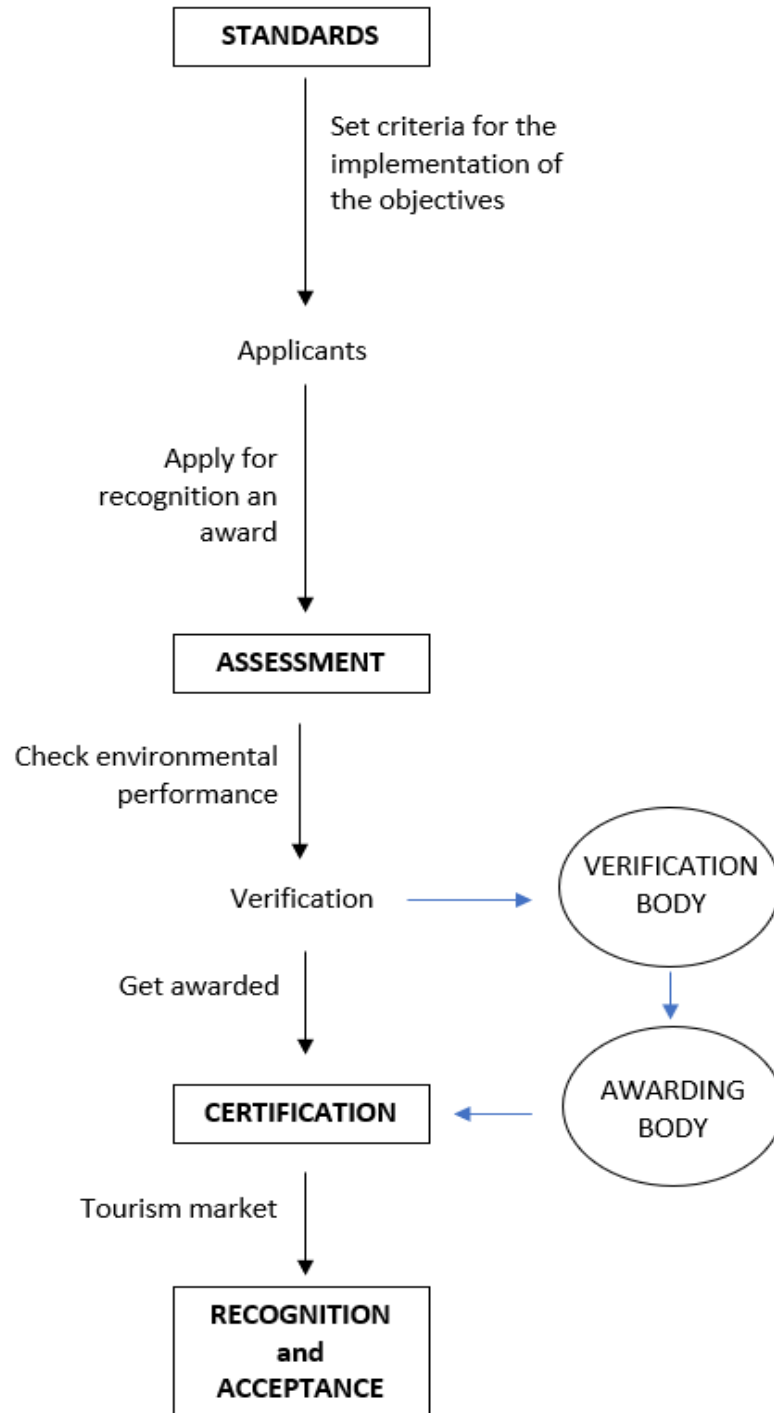
### **4.3 Ecolabels in Hotels**

A study conducted by Iraldo & Barberio (2017), mentions that the use of ecolabels showed interest in businesses that want to expand their activity. Triguero, Mondéjar and Davia (2013), hold that “companies introduce eco-innovative products and services only when it is rewarding”. It seems that ecolabels are essential for the ones that are publicly honest and want to demonstrate product safety in order to build consumer confidence. If they are green, they deserve to be seen as so.

First, it is important to have a brief understanding of the process by which tourism enterprises undergo to obtain an ecolabel and how an ecolabel works. It must be known that not all ecolabels follow the whole process, showing gaps which rise to issues. This process shown in Fig. 4, can be a summary of how obtaining an ecolabel work, focusing only on the “default” method which refers to type III ecolabels, excluding type I and type II, mentioned above.

**Fig. 7**

*The process of tourism ecolabels*



An awarding body made up of experts in the label criteria and usually experienced in project management is hired. An external verification body prepares the detailed scheme of the label criteria and develops the manual to

verify whether applicants comply with the set criteria. Once the verification method is approved for both bodies, the awarding body announces the ecolabel to the applicants which will enable them to present it in a credible way to the tourism market. There are four clear steps in the process as follows:

### **1. Standards**

According to Meybeck & Gitz (2014), a standard is a normative document approved by a recognized body, that sets rules or guidelines for products and related production processes to be followed in international trade. The first step of this process is to set the criteria needed to implement the objectives. If a standard is not documented, hotels will not be able to comply with it because their understanding will vary between them, thus the objective will not be achieved. There are different types of standards such as voluntary, mandatory and those that have been developed by consensus of all parties (Font, 2001).

### **2. Assessment**

The next step is to apply for recognition of the environmental quality of their performance. An assessment takes place, the environmental performance is examined, measured and tested. But the assessment of the criteria needs to be verified, where this verification can take place by three different parties: first, second and third-party refer to self-evaluation, the organization in charge and an independent body, respectively.

### **3. Certification**

There is a mass of companies competing in the process. Only a few ones go through, as the standards are normally quite high to reach. However, once it is verified, the hotel gets awarded by a third party or the awarding body, which gives written assurance that the hotel conforms to specific requirements. Thus, certification takes place.

### **4. Recognition and Acceptance**

After being certified, it is time to show the tourism market that the hotel has fulfilled the requirements of the standard and passed through such a process. The purpose is to be recognised and accepted by the industry as a quality symbol and a meaningful difference that influence purchasing behaviour.

In the hotel industry, there are common cases where only one environmental practice is carried out. A single change in the production process of the products or services provided by hotels is taking place, such as reducing water consumption by cleaning less often or implementing reusable containers to reduce plastic consumption, among others. Indeed, those practices do not harm the environment in the short run and therefore they claim to be sustainable. In those cases, hotels take advantage of it, especially in their marketing strategies. For this, their image is considered to be green in the eyes of the consumer, but actually, in the long run, making only one change does not *really* have a positive environmental impact. It has been shown that a single policy is not enough to be considered environmentally friendly (Bernini & Cerqua, 2019), thus obtaining green certification. From a holistic approach, all environmental changes companies carry out need to converge to achieve similar or specific objectives relating to the reduction of environmental impacts.

Hoteliers are increasingly exposing credible certification programs and ecolabels such as Green Seal, Leadership in Energy and Environmental Design (LEED), Green Key and The Blue Flag among others, which oblige them to implement rigorous environmental practices that help to construct their credibility. Perhaps, there are hotels implementing green practices that are not certified due to the barriers there are to holding an ecolabel or not wanting to apply for one. These are the overall costs of implementation and application procedure. According to a study made by Iraldo and Barberio (2017), some SMEs have declared the difficulty to achieve these costs because they could be even higher than their fixed costs. Despite the cons shown in Table 3, there are others such as lack of recognition; lack of economic incentives; and too much documentation required. About hotel patronage, perceived cost reduction; inconvenience; and decreasing luxury are other reasons for not considering changing their practices to greener ones in order not to lose these advantages and thus, guests.

#### **4.4 Influence on Guests**

On account of an increased number of hotels that are showing their environmental projects on their websites, it has been mentioned above that ecolabels have become a marketing strategy for many organizations to exploit. Market factors such as increased competition and improved responsiveness to consumer demand are seen as major motivations for using ecolabels on their products and services. According to Buckley (2002), "the most basic test of a tourism ecolabel is whether it is accepted by tourists as meaningful, reliable, and useful in the choosing process".

For hotel guests, the aim of an ecolabel is that conscious tourists who want to stay in a green hotel and are familiar with the type of green labelling do not have to look for additional information about whether the hotel is sustainable (or not). Thus, just by seeing the ecolabel, they can easily identify if the hotel is performing environmentally and what kind of standards has had to meet in order to obtain the certification. Above, it has been shown that deception exists in ecolabels when sources are not perceived as credible, which has led to a great deal of consumer scepticism. On the other hand, there is also consumer difficulty in understanding what ecolabels are communicating. Therefore, ecolabels need to be judged with the aim of reducing or eliminating the scepticism that has emerged and the lack of knowledge about their meaning. A possible solution to this issue is by providing tourists with easy access to fundamental criteria such as assessment and audit; application process; applicable geographical region; products accredited to date; and also, the process of deciding whether a particular product meets the standards (or not) to use an ecolabel (Buckley, 2002). This allows consumers to have more clear and reliable information, that in addition has been verified by a third party. According to Lebe and Vrečko (2014), sustainable tourists are only "an attractive minority" willing to pay a premium price for holidays with sustainable attributes. Therefore, their behaviour tends to be stricter than that of a non-sustainable guest because they consciously invest their money by paying to reduce their environmental impact in a country other than their own and supporting sustainability, so they want to ensure the effectiveness of the hotel's ecolabel.



Greenwashing perception affects significantly customer brand engagement indirectly through green trust (Guerreiro and Pacheco, 2021). According to a study made by Prezioski, Tourais, Acampora, Videira and Merli (2019) on how guest satisfaction, loyalty, and trust in hotels are influenced by environmental behaviour, it has been shown that ecolabels are not the main reason for concerned tourists wanting to come back, but both the implementation and guests' collaboration as a whole in green practices. At the same time, when observing the hotels' behaviour in green practices and the other conscious guests, the ones that had lower levels of environmental awareness were positively influenced to collaborate on green practices. In other words, although ecolabels play an important role in providing information, hotels' environmental communication and behaviour had a greater influence on guest green behaviour. Thus, the key factor in guests' evaluation of green practices is how they perceive the hotel's communication of green performance. This shows how the fact of only having an ecolabel is not enough to gain consumer loyalty and satisfaction, neither for concerned and non-concerned tourists. For this reason, and in order not to fall into greenwashing, the hotel has to act in line with what it reflects to be in a way that the visibility of the ecolabel is purely a reflection of its environmental performance.

#### **4.5 Environmental Performance: Greening or Greenwashing**

So far, it has been shown that companies have a great responsibility to promote and contribute to sustainable development by innovating their products and processes. That is, using raw materials more efficiently, better managing the waste generated or reducing the environmental or carbon footprint, among others. All of this encompasses environmental performance. However, what do we mean by *environmental performance*? The European Parliament (2009) defines it as "the measurable results of an organisation's management of its environmental aspects". This implies the review or assessment of a company's environmental plan. It is of importance to understand that the results obtained by carrying out such a plan are kept aside and do not form part of the environmental performance.

This section distinguishes two forces driving companies to adopt green practices and thus introduce environmental performances; (i) to genuinely reduce their environmental impact and (ii) because of social and institutional pressure, which in several cases, this last one, can lead to greenwashing. Articles have addressed greenwashing, also in the tourism industry. Research studies in the literature that were taken to examine this phenomenon empirically have been very limited and it is still under discussion, therefore further investigation is needed. However, a study conducted on the contribution of third-party certifiable environmental management systems (EMSs) by Heras-Saizarbitoria, Boiral & Díaz de Junguitu (2020), is based on voluntary international standards analysing two main frameworks; (i) ISO 14001; and (ii) Eco-Management and Audit Schemes (EMAS). Not much detail will be given on these schemes because it is more of interest here to understand whether these standards are *actually* followed.

Firstly, due to the inconsistent results of the studies made to date, there is uncertainty as to whether the adoption of EMSs improves performance (or not).

It is assumed that the implementation of the standards is merely to reduce the environmental impact that the firm is causing, either by implementing environmental practices itself or by institutional pressure. However, these standards only require companies to implement control structures for environmental aspects, without including their practice (Heras-Saizarbitoria, Boiral & Díaz de Junguitu 2020). But practices are one of the most important aspects to produce the change to a lower environmental impact. In the study, most of the companies fail to meet the indicators, this is, results obtained by implemented practices differ from the objective of the established plan. More negative than positive results are shown, and companies do not show clear justifications for this deterioration. But, even so, they continue to be certified as "sustainable". This shows how firms' interest in obtaining a certification is more due to reinforcing their corporate image and legitimacy among stakeholders - a concept associated with greenwashing - rather than improving internal practices and environmental performance.

Moreover, several studies suggest that the reason for companies' non-compliance is that the standards are too high (Font, 2001; Delmas and Burbano, 2011) and therefore difficult to achieve. Nevertheless, according to Heras-Saizarbitoria, Boiral & Díaz de Junguitu (2020), it is about stakeholders that do not exert pressure nor require better environmental performance. This lack of external pressure does not encourage certified companies to continue with their environmental practices and consequently, does not encourage them to achieve the targets set in the standards. In this way, by reclassifying concepts, the following can be observed:

- (i) The lack of stakeholder interest in companies being more concerned about reducing their environmental impact.
- (ii) A strong interest in showing a green image.

These two statements, in any context, are not compatible with each other. If there is no interest in improving environmental performance -and complying with it-, there is neither existence of valid certifications that the firm is carrying out some kind of environmental practice. Without certification, companies today lose competitiveness and market share, and weaken their marketing strategy, leading many to resort to Green Marketing to present a green image, which ends up being greenwashing.

It has been seen, throughout this paper, that greenwashing practices are not only related to advertising and marketing but are also more deeply and holistically related to the organization, the management approach, the process or the different activities of firms. In Europe and Spain, there is also a commitment to the ecological transition, and to this end, governments are aware of the existence of this practice. In this case, greenwashing is necessary to be regulated under different regulations and laws, with the criteria to combat it. In this way, it is needed to protect not only competition but also consumers who are currently fighting more and more for the protection of the environment and to put an end to false ecolabels, thus greenwashing. However, there is limited regulation, as well as significant gaps, inconsistency and uncertainty about environmental regulation.

Today, we live in a society that is becoming more informed and aware of injustices, more hyper-connected and concerned about environmental and

social justice issues, and more frequently mobilised around different causes for the rights of different groups of people. Activists and non-government organisations (NGOs) play a critical role as informal monitors of greenwashing, as they act in favour of detection by campaigning against greenwashing and disseminating information about incidents of it. It is much easier to use the media to give voice to the existence of this type of corporate environmental fraud. Public and consumer access to this new information have increased due to the use of social media such as Facebook, Twitter, Instagram, YouTube and other internet-based platforms. Subsequently, the public and investors have become more interested in environmental issues, which has led to activist groups becoming more powerful, more influential and exerting more pressure to implement environmental performances in companies. However, due to the lack of regulation, these publications only lead to reputational damage to greenwashing firms.

The greater the environmental pressure perceived by these consumers and investors; the more likely companies are to engage in greenwashing. So much so that and for fear of being left behind their competitors, companies resort to positive communication of their “environmental practices”, being their behaviour unethical. According to Iraldo and Barberio (2017), one of the most powerful drivers for companies to choose the ecolabel is the need to respond to the external pressures coming from the “demand-side” mentioned above, who ask for reliable and clear information presented as “green”.

From a neo-institutional perspective, it has been found self-declared ecolabels; certificates granted by private institutions; and even the adoption of terms such as “environmentally friendly”, “recyclable product”, “no CFCs”, etc. without any reason nor third-party verification. According to Iraldo, Griesshammer and Kahlenborn (2020), these forms of “private ecolabelling” have become an unexpected success. The phenomenon of being ‘green’ is also implemented by most hotels in the tourism sector, as making use of organic stamps enhances their image even more. Due to this trend, abundant use of ecolabels in the tourism sector has taken place having realised the potential persuasion that they have, especially in conscious guests. Herewith, the more ecolabels exist the bigger the confusion and thus, the more opportunities there are for greenwashing. Are eco-labels part of greenwashing? Indeed, a large number of ecolabels are clearly related to greenwashing. Therefore, it has emerged the need for policymakers to put order and give greater authority. The aim of which is to officially recognise only products and services, and thus the production process, that fulfil the environmental standards.

Despite the certification programmes, several ‘green’ hotels have not really lived up to their *environmentally-friendly* potential, and even some of them have declared their environmental claims. Some assert their greening by simply hanging a sign that indicates so, others just prefer to join commercial green marketing and associations that publicise green hotels for a fee. These are just some of the cases of what goes behind obtaining the ecolabel, which is unknown to guests. And it is this lack of information that leads to scepticism.

There have been several studies (Han, Shaniel & Rahman, 2019; Rahman, Park & Chi, 2015; Chen, Bernard & Rahman, 2018) examining towel reuse in hotels where instead of changing towels every day, guests were asked to reuse them to clean them less often. In this way, hotels show that are environmentally

concerned about reducing water consumption, but in reality, this practice is exclusively for reducing laundry costs. From a conscious guest point of view, this makes them question whether hoteliers are actually being environmentally friendly or they are just implementing green practices exclusively for saving costs (as one of the main reasons).

In addition, there is a notion that in many cases hotels try to go the 'easy way' to attract guests; gain market share, competitive advantage and marketing strategy. In most cases, this consists of implementing new environmental practices, which have not been shown not to harm the environment nor reduce their environmental impact, but in the eyes of consumers appear to do so. Another easy way would be to pay for obtaining an ecolabel -corruption-. Sustainability characteristics are not directly visible by consumers, and whatever is behind how the ecolabel has been obtained is unknown.

## **5. Discussion and Conclusions**

The aim of this paper was to examine and understand the different effects of the different levels of greenwashing on consumers, and how companies abuse green marketing to attract them.

Given the many ways in which greenwashing can be observed, it is a challenge to identify the manifestations of the phenomenon, whether for conscious consumers, well-informed or the market in question. For consumers who are considered regular ones, who have no or limited information about the environment, the process of distinguishing is even more complicated.

It has been seen through this paper that consumer perceptions of greenwashing are real. Its impact on consumer brand attitudes and purchase intentions is significant. Green advertising not only has ethical consequences, but also on consumer insight and, ultimately business and financial ones.

Moreover, it has also been discussed the variety of different types of ecolabels and how companies in the tourism sector make use of them. Hence, guests - and consumers in general- need to be aware that hoteliers also misuse them. One suggestion is that the public should be more well informed about the operation and application of ecolabels; concluding that hotels are primarily responsible for providing such information. If they are so determined to display their ecolabel(s), they should also be diligent enough to show transparency about what exactly the label means, how it has been obtained and what standards they do meet to have it and show it publicly.

Focusing on environmental management and performance, it has been found that the hotel sector is one of the industries where customers can be most involved in the environmental practices of the company. They see with their own eyes whether the hotel lives up to its claims. That is if its ecolabel makes reference to its ecological actions. The second recommendation is that companies, not just hotels but in general, show transparency in their environmental policies, their CSR reports and their green advertising messages. Otherwise, both consumers and stakeholders will be sceptical, companies will have a bad reputation, and they will lose consumers' loyalty. For closure, greenwashing affects companies' image, consumer trust and loyalty.

## 6. References

- Aguilar, A.E. (2017). Marketing verde, una oportunidad para el cambio organizacional. *Realidad y Reflexión*. 44, 92-106. <https://doi.org/10.5377/ryr.v44i0.3567>
- Assaker, G., O'Connor, P. & El-Haddad, R. (2020). Examining an integrated model of green image, perceived quality, satisfaction, trust, and loyalty in upscale hotels. *Journal of Hospitality Marketing & Management*. 29(8), 934-955. <https://doi.org/10.1080/19368623.2020.1751371>
- Bernini, C. & Cerqua, A. (2019). Are eco-labels Good for the local economy? *Papers in Regional Science*. 99(3), 645-661. <https://doi.org/10.1111/pirs.12502>
- Blessersholt, J. (2017). *The 'sins' of greenwashing*. Stockholm University, Department of Economic History and International Relations, Stockholm. Retrieved from: <https://www.diva-portal.org/smash/get/diva2:1562569/FULLTEXT01.pdf>
- Bonsón, E., & Bednárová, M. (2015). CSR reporting practices of Eurozone companies. *Revista de Contabilidad*. 18(2), 182-193. <https://doi.org/10.1016/j.rcsar.2014.06.002>
- Buckley, R. (2002). Tourism ecolabels. *Annals of Tourism Research*. 29(1), 183-208. [https://doi.org/10.1016/S0160-7383\(01\)00035-4](https://doi.org/10.1016/S0160-7383(01)00035-4)
- Capacci, S., Scorcu, A. E. & Vici, L. (2015). Seaside tourism and eco-labels: The economic impact of Blue Flags. *Tourism Management*. 47, 88-96. <https://doi.org/10.1016/j.tourman.2014.09.003>
- Chen, H., Bernard, S. & Rahman, I. (2019). Greenwashing in hotels: A structural model of trust and behavioral intentions. *Journal of Cleaner Production*. 206, 326-335. <https://doi.org/10.1016/j.jclepro.2018.09.168>
- de Freitas Netto, S. V., Sobral, M. F. F., Ribeiro, A. R. B., & da Luz Soares, G. R. (2020). Concepts and forms of greenwashing: A systematic review. *Environmental Sciences Europe*. 32(1), 1-12. <https://doi.org/10.1186/s12302-020-0300-3>
- de Jong, M. D. T., Huluba, G., Beldad, A.D. (2020). Different Shades of Greenwashing: Consumers' Reactions to Environmental Lies, Half-Lies, and Organizations Taking Credit for Following Legal Obligations. *Journal of Business and Technical Communication*. 34(1), 38-76. <https://doi.org/10.1177%2F1050651919874105>
- Delmas, M.A., Burbano, V.C. (2011). The Drivers of Greenwashing. *California Management Review*. 54(1), 64-87. <https://doi.org/10.1525/cm.2011.54.1.64>

European Parliament (2009). Draft European Parliament Legislative Resolution [https://www.europarl.europa.eu/doceo/document/A-6-2009-0084\\_EN.pdf?redirect](https://www.europarl.europa.eu/doceo/document/A-6-2009-0084_EN.pdf?redirect)

Flynn, L. & Goldsmith, R. E. (1999). A Short, Reliable Measure of Subjective Knowledge. *Journal of Business Research*. 46(1), 57-66. [https://doi.org/10.1016/S0148-2963\(98\)00057-5](https://doi.org/10.1016/S0148-2963(98)00057-5)

Font, X. (2002). Environmental certification in tourism and hospitality: progress, process and prospects. *Tourism management*. 23(3), 197-205. [https://doi.org/10.1016/S0261-5177\(01\)00084-X](https://doi.org/10.1016/S0261-5177(01)00084-X)

Forbes. (2012, February). BP goes for public relations makeover to get beyond Gulf spill. *Forbes*. Retrieved from: [https://www.forbes.com/sites/greatspeculations/2012/02/07/bp-goes-for-public-relations-makeover-to-get-beyond-gulf-spill/?utm\\_medium=twitter&utm\\_source=dlvr.it&sh=72f08813fabe](https://www.forbes.com/sites/greatspeculations/2012/02/07/bp-goes-for-public-relations-makeover-to-get-beyond-gulf-spill/?utm_medium=twitter&utm_source=dlvr.it&sh=72f08813fabe)

Fransson, N. and Gärling, T. (1999) Environmental concern: conceptual definitions, measurement methods, and research findings. *Journal of Environmental Psychology*. 19(4), 369-382. <https://doi.org/10.1006/jevp.1999.0141>

Galarraga Gallastegui, I. (2002). The use of eco-labels: a review of the literature. *European Environment*. 12(6), 316-331. <https://doi.org/10.1002/eet.304>

Ginsberg, J. M., & Bloom, P. N. (2004). Choosing the right green marketing strategy. *MIT Sloan management review*. 46(1), 79-84. [https://www.academia.edu/download/32334347/chosing\\_the\\_right\\_green\\_marketing.pdf](https://www.academia.edu/download/32334347/chosing_the_right_green_marketing.pdf)

Guerreiro, J. & Pacheco, M. (2021). How Green Trust, Consumer Brand Engagement and Green Word-of-Mouth Mediate Purchasing Intentions. *Sustainability*. 13, 7877. <https://doi.org/10.3390/su13147877>

Goh, S. K., & Balaji, M. S. (2016). Linking green skepticism to green purchase behavior. *Journal of Cleaner Production*, 131, 629-638. <https://doi.org/10.1016/j.jclepro.2016.04.122>

Guo, R., Tao, L., Yan, L., Gao, P. (2014) The effect path of greenwashing brand trust in Chinese microbiological industry from decoupling view. *BioTechnology*. 10(7), 1827–1831. <https://www.tsijournals.com/articles/the-effect-path-of-greenwashing-brand-trust-in-chinese-microbiological-industry-from-decoupling-view.pdf>

Hamilton, S. F. & Zilberman, D. (2006). Green markets, eco-certification, and equilibrium fraud. *Journal of Environmental Economics and Management*. 52(3), 627-644. <https://doi.org/10.1016/j.jeem.2006.05.002>

Han, T. I. (2019). Objective knowledge, subjective knowledge, and prior experience of organic cotton apparel. *Fash Text* 6, 4. <https://doi.org/10.1186/s40691-018-0168-7>

Heras-Saizarbitoria, I., Boiral, O., & Díaz de Junguitu, A. (2020). Environmental management certification and environmental performance: Greening or greenwashing? *Business Strategy and the Environment*. 29(6), 2829-2841. <https://doi.org/10.1002/bse.2546>

Holden, E., Linnerud, Kristin., Banister, D. (2014). Sustainable development: Our Common Future revisited. *Global Environmental Change*. 26, 130-139. <https://doi.org/10.1016/j.gloenvcha.2014.04.006>

Iraldo, F. & Barberio, M. (2017). Drivers, Barriers and Benefits of the EU Ecolabel in European Companies' Perception. *Sustainability*. 9(5), 751. <https://doi.org/10.3390/su9050751>

Iraldo, F., Griesshammer, R. & Kahlenborn, W. (2020). The future of ecolabels. *The International Journal of Life Cycle Assessment*. 25, 833-839. <https://doi.org/10.1007/s11367-020-01741-9>

ISO (2019). Environmental labels. International Organization for Standardization, Geneva. <https://www.iso.org/files/live/sites/isoorg/files/store/en/PUB100323.pdf>

Lebe, S. S. & Vrečko, I. (2014). Eco-labels and Schemes: A Requisite Holistic Proof of Tourism's Social Responsibility? *Systems Research and Behavioral Science*. 32(2), 247-255. <https://doi.org/10.1002/sres.2266>

Leonidou, C. N., & Skarmeas, D. (2017). Gray shades of green: Causes and consequences of green skepticism. *Journal of Business Ethics*, 144(2), 401-415. <https://doi.org/10.1007/s10551-015-2829-4>

Lyon, T. P. & Maxwell, J. W. (2011). Greenwash: Corporate environmental disclosure under threat of audit. *Journal of economics & management strategy*. 20(1), 3-41. <https://doi.org/10.1111/j.1530-9134.2010.00282.x>

Marrucci, L., Iraldo, F. & Daddi, T. (2021). Investigating the management challenges of the EU Ecolabel through multi-stakeholder surveys. *The International Journal of Life Cycle Assessment*. 26, 575-590. <https://doi.org/10.1007/s11367-021-01866-5>

Meybeck, A. & Gitz, V. (2014). Signs to choose: voluntary standards and ecolabels as information tools for consumers. *Voluntary Standards for Sustainable Food Systems: Challenges and Opportunities*. 171. [https://catalogue.unccd.int/415\\_a-i3421e.pdf#page=178](https://catalogue.unccd.int/415_a-i3421e.pdf#page=178)

Naderer, B., Schmuck, D., & Matthes, J. (2017). Greenwashing: Disinformation through green advertising. <https://lirias.kuleuven.be/retrieve/604657>

Nyilasy, G., Gangadharbatla, H. & Paladino, A. Perceived Greenwashing: The Interactive Effects of Green Advertising and Corporate Environmental



Performance on Consumer Reactions. *J Bus Ethics*. 125, 693–707 (2014).  
<https://doi.org/10.1007/s10551-013-1944-3>

Pagiaslis, A. and Krontalis, A.K. (2014). Green consumption behavior antecedents: environmental concern, knowledge, and beliefs. *Psychology & Marketing*. 31(5), 335-348. <https://doi.org/10.1002/mar.20698>

Parguel, B., Benoît-Moreau, F. & Larceneux, F. (2011). How Sustainability Ratings Might Deter 'Greenwashing': A Closer Look at Ethical Corporate Communication. *Journal of Business Ethics*. 102(1), 15-28.  
<https://doi.org/10.1007/s10551-011-0901-2>

Peattie, K. & Charter, M. (2003). Green marketing. In M. J. Baker (ed.), *The Marketing Book* (5th ed., pp. 726-757). Butterworth-Heinemann  
<http://digilib.stiem.ac.id:8080/xmlui/bitstream/handle/123456789/38/Marketing%20Book.pdf?sequence=1&isAllowed=y#page=765>

Preziosi, M., Tourais, P., Acampora, A., Videira, N. & Merli, R. (2019). The role of environmental practices and communication on guest loyalty: examining EU-Ecolabel in Portuguese hotels. *Journal of Cleaner Production*. 237, 117659.  
<https://doi.org/10.1016/j.jclepro.2019.117659>

Punitha, S. & Rasdi, R.M. (2013). Corporate Social Responsibility: Adoption of Green Marketing by Hotel Industry. Canadian Center of Science and Education. 9(17). <https://doi.org/10.5539/ass.v9n17p79>

Rahman, I., Park, J. & Chi, C.G. (2015). Consequences of "greenwashing": consumers' reactions to hotels green initiatives. *International Journal of Contemporary Hospitality Management*. 27(6), 1054-1081.  
<https://doi.org/10.1108/IJCHM-04-2014-0202>

Ruhanen, L., Moylee, C. & Moyle B. (2018). New directions in sustainable tourism research. *Tourism Review* 12-2017-0196. <https://doi.org/10.1108/TR-12-2017-0196>

Schmuck, D., Matthens, J., Neaderer, B., Beaufort, M. (2018). The effects of environmental brand attributes and nature imagery in green advertising. *Environmental Communication*. 12(3), 414-429.  
<https://doi.org/10.1080/17524032.2017.1308401>

Scholder, E. (1994). Do we know what we need to know? Objective and subjective knowledge on pro-ecological behaviors. *Journal of Business Research*. 30(1), 42-52. [https://doi.org/10.1016/0148-2963\(94\)90067-1](https://doi.org/10.1016/0148-2963(94)90067-1)

See Kwong, G., Balaji, M.S. (2014). Linking green skepticism to green purchase behavior. *Journal of Cleaner Production*. 131, 629-638.  
<https://doi.org/10.1016/j.jclepro.2016.04.122>

Sesidharan, V., Sirakaya, E. & Kerstetter, D. (2002). Developing countries and tourism ecolabels. *Tourism Management*. 23(2), 161-174.  
[https://doi.org/10.1016/S0261-5177\(01\)00047-4](https://doi.org/10.1016/S0261-5177(01)00047-4)



Siano, A., Vollero, A., Conte, F., Amabile, S. (2017). "More than words": Expanding the taxonomy of greenwashing after the Volkswagen scandal. *Journal of Business Research*. 71, 27-37. <https://doi.org/10.1016/j.jbusres.2016.11.002>

Triguero, A., Moreno, L & Davia, M.A. (2013). Drivers of different types of eco-innovation in European SMEs. *Ecological Economics*. 92, 25-33. <https://doi.org/10.1016/j.ecolecon.2013.04.009>

Urbański, M. & ul Haque, A. (2020). Are You Environmentally Conscious Enough to Differentiate between Greenwashed and Sustainable Items? A Global Consumers Perspective. *Sustainability*. 12(5), 1786. <https://doi.org/10.3390/su12051786>

Wearing, S. & Neil, J. (1999). *Ecotourism: Impacts, Potentials and Possibilities*. Oxford, Butterworth-Heinemann (183 pages). [https://ceeto-network.eu/content/ecotourism\\_impacts\\_potentials\\_and\\_possibilities\\_stephen\\_wearing\\_and\\_john\\_neil\\_1999.pdf](https://ceeto-network.eu/content/ecotourism_impacts_potentials_and_possibilities_stephen_wearing_and_john_neil_1999.pdf)

Wu, Y., Zhang, K., & Xie, J. (2020). Bad greenwashing, good greenwashing: Corporate social responsibility and information transparency. *Management Science*. 66(7), 3095-3112. <https://doi.org/10.1287/mnsc.2019.3340>

Yokessa, M., & Marette, S. (2019). A review of eco-labels and their economic impact. *International Review of Environmental and Resource Economics*, 13(1-2), 119-163. <http://dx.doi.org/10.1561/101.00000107>

Zimmer, M.R., Stafford, T.F., Stafford, M.R. (1994). Green issues: dimensions of environmental concern. *Journal of Business Research*. 30(1), 63-74. [https://doi.org/10.1016/0148-2963\(94\)90069-8](https://doi.org/10.1016/0148-2963(94)90069-8)