

GREENWASHING BEHAVIOURS OF SELECTED AUTOMOTIVE COMPANIES IN THE CZECH REPUBLIC

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Abstract

Green marketing and the use of green marketing communication is very popular nowadays, not only with companies because it responds to the trend of sustainability and corporate social responsibility. Green marketing communication is classified as an innovative management tactics. It also positively influences the perception of the company, brand and products by customers and consumers. On the other hand, it is possible to move from green marketing communication to greenwashing that is defined as any misinformation spread by an organisation to present an environmentally responsible public image of itself.

The automotive sector is a very suitable sector for the use of green marketing communication but on the other hand also for greenwashing. This article focuses on the greenwashing behaviour of selected automotive companies in the Czech Republic that produce passenger cars. The aim of the article is to identify and analyse examples of greenwashing behaviour in selected automotive companies in the Czech Republic that produce passenger cars. The article contains a theoretical definition of the greenwashing concept and greenwashing tactics. The analysis of greenwashing behaviour is conducted using qualitative content analysis and comparative analysis. The results are discussed in the context of other related studies.

Key words: sustainability, green marketing, greenwashing practices, consumer perceptions, automotive industry

JEL Code: M31, M14, Q56

Introduction

Green trends are a very important issue not only in logistics but also in manufacturing and other sectors. Green marketing communication can have an indirect impact on the volume of products sold, the level of sales and the level of profit of the automotive companies. However, with people's growing interest in green products with the lowest possible negative impact on the environment, there are also ways to hide certain information from customers so that the product

appears more “green” than it really is. The greenwashing trend has not escaped the automotive sector. The automotive sector is a very suitable sector for the use of green marketing communication but on the other hand also for greenwashing. This is due to the ambivalent character of automotive sector. On the one hand, automotive has many positive benefits for individual stakeholders (it promotes mobility, increases the competitiveness of the national economy and economic growth). On the other hand, automotive also produces many negative environmental and social impacts (land use, greenhouse gas emissions, noise, and vibration). Greenwashing in this area is mostly associated with electric cars and the emissions that electric cars produce.

This paper is organized as follows: Section 1 presents a theoretical background of the issue. Section 2 describes the used methodology. Section 3 presents the obtained results, discussion, and possible extensions for the future research.

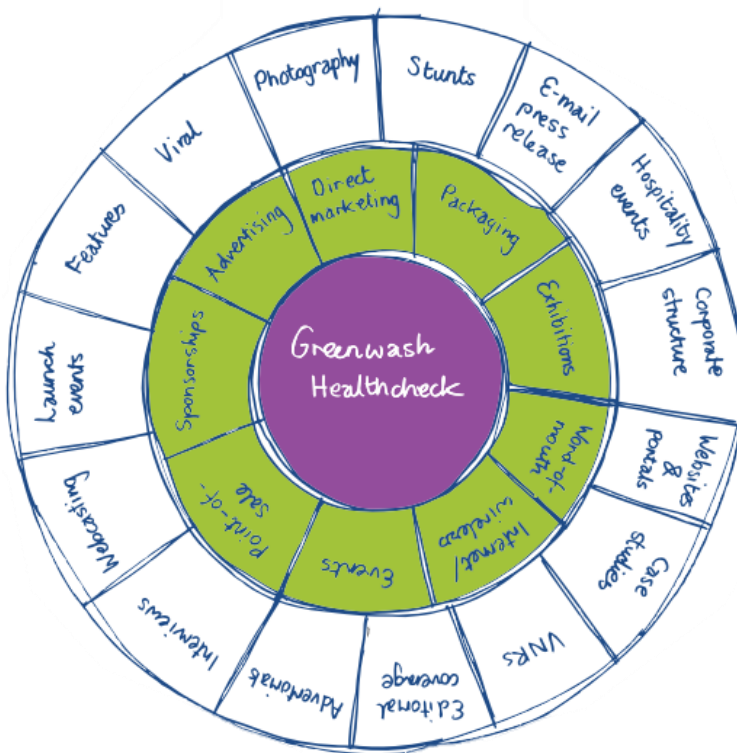
1 Theoretical background

Many authors argue that there is no fixed definition of greenwashing. However, Wu et al. (2016) state that company’s emphasis on observable aspects and negligence of the unobservable aspects are often labelled as greenwashing. Magali et al. (2011) define greenwashing as the act of misleading consumers or customers regarding the environmental practices of a company or the environmental benefits of a product or service. Netto et al. (2020) add that most researches are based on the definition that greenwashing is a deliberate corporate action with the presence of misleading elements focused on the deception of stakeholders.

Wu et al. (2016) argue that low transparency incentivizes a profit-driven company to engage in greenwashing through observable investment. On the other hand, authors state that sufficiently high transparency eliminates greenwashing and can motivate a socially responsible company to make an extra observable investment under the threat of greenwashing on the part of a profit-driven company. Greenwashing can have profound negative effects on consumer and investor confidence in green products and environmentally responsible companies making these stakeholders reluctant to reward companies for environmentally friendly performance (Magali et al., 2011). Wu et al. (2016) adds that greenwashing prevents consumers from making informed purchase decisions but raises overall corporate social responsibility spending.

Futerra (2008) add that greenwash can take shape through various channels of communication from advertising, via chief executive officer speeches or public relation activities to product packaging (see Fig. 1).

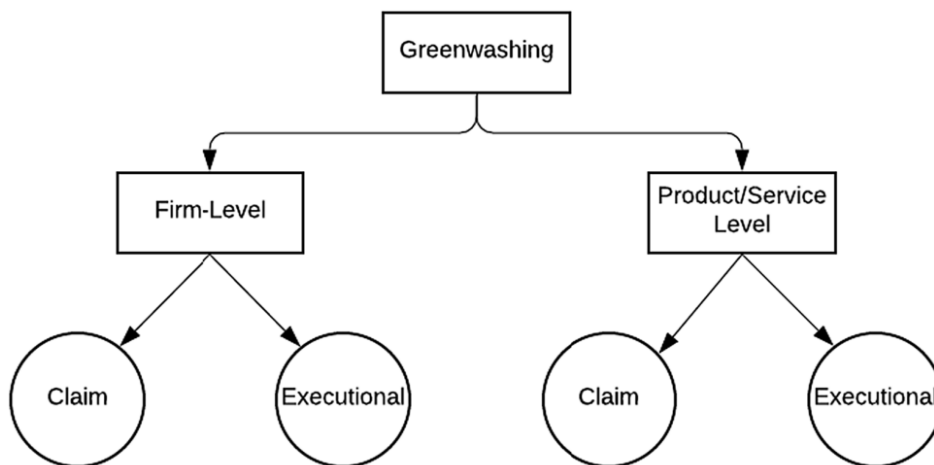
Fig. 1: Communications channels susceptible to greenwash



Source: Futerra (2008)

There is no fixed categorization of greenwashing and therefore it may vary across the literature depending on the sector. However, Netto et al. (2020) identified in their research a major classification of greenwashing as company-level executional, company-level claim, product / service-level executional, and product / service-level claim (see Fig. 2).

Fig. 2: Major classifications of greenwashing



Source: Netto et al. (2020)

According to Netto et al. (2020), claim greenwashing uses textual arguments that explicitly or implicitly refer to the ecological benefits of a product or service to create a misleading environmental claim; executional greenwashing suggests nature-evoking elements such as images using colours or sounds. Netto et al. (2020) state that the presence of advertising executional elements evoking-nature only generates higher perceptions of the brands greenness among non-expert consumers, expert consumers are not significantly affected.

According to TerraChoice (2010) and Futerra (2008), there are several “basic” sins of greenwashing such as:

- Vagueness – Every claim that is so poorly defined or broad that its real meaning is likely to be misunderstood by the consumer. All natural, eco-friendly, non-toxic, zero carbon, and carbon-neutral are examples of this greenwashing sins.
- Hidden trade-off – A product is labelled “green” based on a disproportionately narrow set of characteristics without attention to other important environmental issues.
- No proof – Every environmental claim that cannot be substantiated by easily accessible supporting information or by a reliable third-party certification. Common examples are products that claim various percentages of post-consumer recycled content without providing any evidence.
- Irrelevant claims – Claims that may be true within the product category but that risk distracting the consumer from the greater environmental impacts of the category as a whole. Organic cigarettes might be an example of this category as might be fuel-efficient sport-utility vehicles or biodegradable packaging around an energy-inefficient product.
- Imaginary friends – Product that through either words or images gives the impression of third-party endorsement where no such endorsement actually exists (fake labels).
- Fibbing – Environmental claims or data that are completely fabricated.
- Unimportance – Environmental claim that may be truthful but is unimportant or unhelpful for consumers seeking environmentally preferable products. “CFC-free” is a common example, since it is a frequent claim despite the fact that CFCs (chlorofluorocarbons) are banned by law.
- Jargon – Information only a scientist could check or understand.
- No credible – “Greening” a dangerous product does not make it safe (for example “Eco-friendly” cigarettes).
- Best in class – Declaring you are slightly greener than the rest even if the rest are terrible.

- Suggestive pictures – Green images that indicate an (un-justified) green impact e.g. flowers blooming from exhaust pipes.

Sovacool et al. (2021) state that externalities cut across multiple lifecycle stages of energy and transport systems (e.g. raw materials and construction to fuel processing and use, roadbuilding, car crashes) as well as types of impacts (including pollution, accidents, and noise).

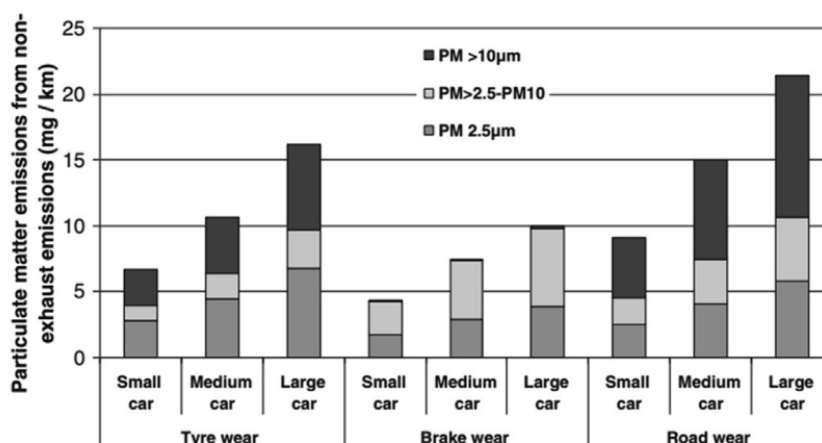
Thorpe and Harrison (2008) claim that while emissions control regulation has led to a substantial reduction in exhaust emissions from road traffic, currently non-exhaust emissions from road vehicles are unabated. These include particles from brake wear, tyre wear, road surface abrasion and resuspension in the wake of passing traffic. Vehicles emit PM (particulate matters) through their exhaust and through non-exhaust sources, such as tyre wear, brake wear, road surface wear and resuspension of road dust (Thorpe and Harrison, 2008).

According to Eisler et al. (2011), emissions are also generated depending on the nature and quality of the road, during storage, refuelling and maintenance and repair of motor vehicles or during braking such as brake pad abrasion. Hawkins et al. (2012) define what should be included in a complete state-of-the-art environmental assessment of hybrid and electric vehicles considering components and life cycle stages, emission categories, impact categories, and resource use and compare the content of 51 environmental assessments of hybrid and electric vehicles.

Marinello et al. (2020) state that air quality is a widespread problem with the presence of pollutants in indoor and outdoor environments that generate significant consequences for the population, ecosystems and exposed materials.

Timmers et al. (2016) state that governments have been heavily incentivising the market to switch to electric passenger cars in order to reduce air pollution. Authors further states that literature review suggests that electric vehicles may not reduce levels of PM as much as expected because of their relatively high weight. Fig. 3 presents non-exhaust particulate matters emissions from passenger cars according to the size of the passenger car and tyre wear, brake wear, and road wear.

Fig. 3: Non-exhaust particulate matters emissions from passenger cars



Source: Simson (2016)

The aim of the article is to identify and analyse examples of greenwashing behaviour in selected automotive companies in the Czech Republic that produce passenger cars.

2 Methodology

The article uses the scientific method of qualitative content analysis and qualitative comparative analysis.

Kibiswa (2019) define qualitative content analysis as a research methodology carried on in either an inductive or a deductive way. While in the inductive approach, researchers draw categories / themes from data they collected to start their research; in the deductive, also known as direct approach, they rather draws them from existing theory / theories to set up the categories / themes that guide their research.

Thiem (2016) described qualitative comparative analysis as comparisons of phenomena, works or systems etc. based on qualitative criteria. The author charted evolution of qualitative comparative analysis and he defined some standards for this type of analysis.

The processing procedure is based on:

- the selection of the three most important automotive companies in the Czech Republic in terms of the number of cars sold (ŠKODA AUTO a.s., Hyundai Motor Manufacturing Czech s.r.o., Toyota Motor Manufacturing Czech Republic, s.r.o.),
- a comprehensive content analysis of English-language websites of these automotive companies by two independent researchers,
- a comparison of websites in the context of the theoretical definition of greenwashing by two independent researchers and drawing conclusions.

3 Results and Discussion

The official websites (Toyota Motor Manufacturing Czech Republic s.r.o., n.d.; ŠKODA AUTO a.s., n.d.) of the most important automotive companies in the Czech Republic (ŠKODA AUTO a.s., Hyundai Motor Manufacturing Czech s.r.o., Toyota Motor Manufacturing Czech Republic, s.r.o.) were analysed in terms of greenwashing claims theoretically defined in Section 2 by TerraChoice (2010) and Futerra (2008).

On the websites of ŠKODA AUTO a.s. (n.d.) were identified examples of greenwashing such as irrelevant claims, hidden trade-off and no proof. The first claim “...Electric cars help improve air quality by reducing NO₂ emissions.” can be perceived as an irrelevant claim because there can be other important environmental issues in the production process of electricity, car parts, and the batteries themselves including their disposal, which may be equally or more significant.

Based on the literature, which suggests that the emissions produced can be from both exhaust and non-exhaust sources there are claims like “...Key benefits of battery electric vehicles include zero local emissions” and “...Electric cars have zero local exhaust emissions (no exhaust system)...”. First claim means, that there are no local emissions, which is based on the literature an obvious lie (fibbing). Second claim is not a part of greenwashing. There is shown that only one word can change whole meaning of claim. On the other hand, first claim can be tag, as hidden trade off where only operational emissions were reduced (not life cycle emissions).

In the section of the website, “Preconceptions and facts” were found these sentences with greenwashing:

- “The life cycle of an electric car (production, operation, servicing) has approximately three times lower emission impact than a comparable petrol car...”. Based on this claim life cycle of a product has three stages, but it is widely known that the life cycle of a product has four stages, there are raw material extraction, production, use, and (environmental) disposal. It is questionable why the last phase of the product life cycle was not included in this claim. Based on the sins of greenwashing, this claim was identified as a hidden trade-off or irrelevant claim in the case that the disposal of an electric car puts a greater burden on the environment than the previous three phases of the product life cycle.

- “The battery... If it is no longer usable in this way either, it is 96% recyclable, and we are constantly working to increase this figure.” This claim was identified as no proof. It is an environmental claim that cannot be substantiated by easily accessible supporting information or by a reliable third-party certification.

On the websites of Toyota Motor Manufacturing Czech Republic, s.r.o. (n.d.) were identified examples of greenwashing such as fibbing. Another claim says “...The second-generation Toyota Mirai offers an economical and dynamic driving experience with no emissions... “. This claim means that there are no emissions, which is based on the literature an obvious lie (fibbing).

The last example of greenwashing is based on the “Guide to fuel consumption and carbon dioxide (CO₂) emissions” available on the website of Toyota Motor Manufacturing Czech Republic, s.r.o. (n.d.). The table of “Guide to fuel consumption and carbon dioxide (CO₂) emissions” shows that hydrogen cars are reported to produce zero CO₂ emissions, but this can be misleading as emissions can depend on the production of hydrogen (whether it is from lignite, natural gas, or electrolysis). Nowhere in the entire guide does it state that these are zero local exhaust emission cars. Therefore, the information as it stands is misleading and is related to greenwashing.

From the information available on the Hyundai Motor Manufacturing Czech s.r.o. website, no signs of a greenwashing claim were found.

Conclusion

The issue of green marketing and the use of green marketing communication are very topical in the context of sustainable development and corporate social responsibility activities. On the other hand, the inappropriate use of green marketing communication carries significant risks and threats for every company because it can be greenwashing communication. The use of green marketing communication is very important for the automotive industry because the industry also generates negative environmental and social impacts and green marketing communication just supports the positive perception of companies and products by its customers, consumers and other stakeholders.

The aim of the article was to identify and analyse examples of greenwashing behaviour in selected automotive companies in the Czech Republic that produce passenger cars. Based on the analysis, it can be stated that examples of greenwashing were identified on the websites of some of the analysed car companies, most often irrelevant claim, fibbing, hidden trade off, and

no proof. This could be due to a mistranslation of the website into English, professional ignorance or intentional intent. The limit of the research is the number of companies analysed (a total of three), because there are other companies in the industry suitable for analysis. Another limitation is that only websites in English were analysed, not in other language versions.

Subsequent research in this area could focus on non-automotive sectors as well as on the perception of individual greenwashing tactics by customers and consumers, including the impact of greenwashing on the perception of companies by individual stakeholders.

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