

The Psychology of Green Marketing: Why Consumers Fall For Greenwashing

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Abstract

Green marketing has emerged as a dominant strategy in modern business as sustainability becomes a central concern in consumer decision-making. Companies increasingly promote products based on environmental benefits to appeal to environmentally conscious consumers. However, the growing prevalence of greenwashing—misleading or exaggerated environmental claims—raises serious ethical and psychological concerns.

This conceptual study examines the psychological mechanisms that make consumers vulnerable to greenwashing practices. Drawing upon consumer decision-making theory, cognitive bias literature, and ethical marketing frameworks, the paper

explores how heuristics, emotional appeals, trust signals, and moral motivations shape consumer perceptions. The study argues that greenwashing succeeds not merely due to lack of consumer awareness, but because it aligns with natural cognitive shortcuts and emotional processing systems. The findings highlight the need for stronger regulatory frameworks, ethical corporate responsibility, and improved consumer literacy to ensure that green marketing genuinely supports sustainability goals.

Keywords: Green marketing, Greenwashing, Consumer psychology, Cognitive bias, Ethical advertising, Sustainability

I. INTRODUCTION

Environmental sustainability has emerged as a critical global concern due to accelerating climate change, depletion of natural resources, biodiversity loss, and increasing levels of pollution. In response to these environmental challenges, governments, international institutions, and organizations across industries are promoting sustainable development practices. At the same time, growing environmental awareness among consumers has significantly influenced market dynamics. Modern consumers increasingly prefer products and brands that demonstrate environmental responsibility and ethical practices.

To respond to this shift in consumer expectations, businesses have incorporated green marketing strategies into their operations. Green marketing involves the promotion of products and services based on their environmental benefits, such as the use of eco-friendly materials, energy-efficient production processes, sustainable sourcing, recyclable packaging, and reduced carbon emissions. When implemented authentically, green marketing can support sustainable consumption patterns, enhance corporate social responsibility, and contribute positively to environmental protection.

However, the increasing demand for environmentally responsible products has also led to the emergence of greenwashing. Greenwashing refers to the practice of misleading consumers regarding the environmental performance of a company or the environmental benefits of its products. This may occur through vague or unverified claims, selective disclosure of favourable information, exaggerated advertising, or the use of environmental imagery that creates a false perception of sustainability. Such practices undermine consumer trust and distort fair competition in the marketplace.

Despite rising environmental awareness and access to information, consumers continue to be influenced by misleading green claims. This phenomenon suggests that consumer decision-making is not always fully rational or analytical. Behavioural research indicates that purchasing decisions are often shaped by

cognitive biases, heuristics, emotional appeals, and trust signals rather than detailed evaluation of factual information. Visual cues such as green packaging, eco-labels, and nature-based imagery can strongly influence perceptions of environmental responsibility, even in the absence of substantive evidence.

Therefore, understanding the psychological mechanisms underlying consumer susceptibility to greenwashing is essential. By integrating insights from green marketing literature and consumer behavior theory, this research aims to examine why greenwashing remains effective and how it influences consumer perception and trust. The findings of this study are expected to contribute to academic understanding, promote ethical marketing practices, and support policies that encourage genuine sustainability efforts.

Objectives of the Study:

The primary objective of this study is to examine the psychological factors that make consumers susceptible to greenwashing.

Specific objectives include:

1. To analyze the concept of green marketing and its evolution.
2. To examine the nature and types of greenwashing.
3. To explore consumer decision-making theory in the context of sustainable consumption.
4. To identify cognitive biases influencing green product evaluation.
5. To understand the psychological mechanisms exploited in greenwashing strategies.
6. To provide recommendations for ethical marketing practices and policy regulation.

Literature Review

Green marketing and greenwashing have gained significant attention in recent years due to rising environmental awareness and sustainability concerns. While green marketing aims to promote environmentally responsible consumption, deceptive practices such as greenwashing raise ethical and psychological concerns. This literature review examines key scholarly contributions that explain green marketing, greenwashing, and the psychological mechanisms influencing consumer susceptibility.

1. Peattie K & Crane A. (2005). Green marketing: Legend, myth, farce or prophesy? *Qualitative Market Research* 8(4) 357–370.

Peattie and Crane critically analyze the evolution of green marketing and argue that many early green marketing efforts failed due to superficial implementation. They emphasize that green marketing should not be limited to promotional activities but

must be embedded in strategic organizational practices. The study highlights that symbolic environmental claims without substantive action lead to consumer skepticism. Their work provides foundational understanding of how green marketing must move beyond rhetoric to genuine sustainability integration.

2. Delmas M. A. & Burbano V. C. (2011). The drivers of greenwashing. *California Management Review* 54(1) 64–87.

Delmas and Burbano define greenwashing as misleading stakeholders regarding environmental performance or benefits. They identify external and internal drivers of greenwashing, including regulatory pressure, market competition, and organizational incentives. The study suggests that firms may exaggerate environmental initiatives to gain reputational advantages without substantial environmental improvements. This research provides a structured framework for understanding why organizations engage in deceptive green practices.

3. Lyon T. P & Montgomery A. W. (2015). The means and end of greenwash. *Organization & Environment* 28(2) 223–249.

Lyon and Montgomery categorize greenwashing into firm-level and product-level practices. They explain that greenwashing can occur through selective disclosure, vague claims, and incomplete reporting. Their research highlights how communication strategies may create a false impression of sustainability. The study contributes to understanding the strategic communication techniques used in greenwashing and their implications for consumer perception and market trust.

4. Kahneman, D. (2011). *Thinking Fast and Slow*. Farrar, Straus and Giroux.

Kahneman introduces the dual-process theory of decision-making, distinguishing between System 1 (fast, intuitive thinking) and System 2 (slow, analytical thinking). In consumer contexts, most purchasing decisions rely on intuitive processing. Green marketing often activates System 1 thinking through emotional imagery, eco-labels, and environmental cues. This theoretical framework explains why consumers may accept green claims without critical analysis.

5. Chen Y. S & Chang, C. H. (2013). Greenwash and green trust: The mediation effects of green consumer confusion and green perceived risk. *Journal of Business Ethics* 114(3) 489–500.

Chen and Chang explore the relationship between greenwashing and green trust. Their findings indicate that greenwashing increases consumer confusion and perceived risk, which negatively affect trust and purchase intention. The study demonstrates that deceptive environmental claims damage long-term brand credibility. It provides empirical support for the psychological consequences of misleading sustainability communication.

Research Gap

Existing studies have widely discussed green marketing and greenwashing, focusing mainly on corporate strategies, regulatory issues, and consumer trust outcomes. While research explains the drivers and consequences of greenwashing, limited attention has been given to the psychological mechanisms that make consumers susceptible to misleading environmental claims.

Although cognitive biases and dual-process decision-making theories are well established in psychology, their integration with greenwashing practices remains underexplored. Most studies examine consumer reactions after deception is identified, rather than analysing why consumers initially accept green claims without critical evaluation.

Therefore, this study aims to bridge this gap by integrating consumer psychology theories with green marketing literature to better understand why greenwashing continues to influence consumer behavior.

Methodology

This study adopts a conceptual and exploratory research design. It is qualitative and theory-driven in nature. Secondary data sources include peer-reviewed journal articles, academic books, and reports on sustainable marketing and consumer psychology.

A systematic literature review and thematic synthesis approach were used to integrate findings across disciplines.

Limitations include reliance on secondary data and absence of empirical survey evidence.

Psychological Factors behind Greenwashing

Heuristic Processing

Consumers often use mental shortcuts to simplify complex decisions. Environmental claims can be difficult to verify; therefore, consumers rely on surface cues such as green colors, nature imagery, and eco-labels.

Halo Effect

When a product displays one positive environmental feature, consumers assume overall sustainability. A recyclable package may lead consumers to assume ethical sourcing and low emissions.

Emotional Appeals

Advertisements often use emotional triggers such as protecting nature, future generations, or wildlife. Emotional engagement reduces analytical scrutiny.

Confirmation Bias

Consumers who already believe a brand is environmentally responsible may ignore contradictory information and accept green claims without verification.

Moral Licensing

After purchasing a “green” product, consumers may feel morally satisfied, reducing further critical evaluation of environmental impact.

Information Asymmetry

Consumers lack technical knowledge about sustainability metrics. Firms exploit this gap by providing selective or ambiguous information.

Impact of Greenwashing

Greenwashing has significant consequences for consumers, businesses, and the broader sustainability movement. One of the most serious impacts is the erosion of consumer trust. When consumers discover that environmental claims are exaggerated or misleading, their confidence in the brand declines. Over time, repeated exposure to deceptive green claims reduces overall trust not only in individual companies but also in green marketing as a whole.

Greenwashing also damages brand credibility. In the short term, firms may benefit from positive environmental positioning; however, once deception is exposed, reputational damage can be severe and long-lasting. Consumers today have greater access to information, and negative publicity spreads quickly through social media and digital platforms, amplifying reputational risks.

Another important consequence is unfair competition. Companies that genuinely invest in sustainable production processes often incur higher costs. When other firms falsely claim sustainability without making real changes, they gain an unfair competitive advantage. This discourages ethical companies and distorts market competition.

Furthermore, greenwashing reduces motivation for true environmental innovation. If symbolic environmental communication is sufficient to attract consumers, firms may prioritize marketing strategies over actual sustainability improvements. This slows progress toward meaningful environmental goals.

Finally, repeated instances of greenwashing create public scepticism toward sustainability initiatives. Consumers may become cynical and assume that all environmental claims are deceptive, weakening support for legitimate green efforts. In the long run, this cynicism undermines the broader objective of promoting sustainable consumption and responsible business practices.

Findings and Discussion

The findings of this study indicate that greenwashing significantly influences consumer perception and decision-making processes. Consumers are often attracted to products labeled as “eco-friendly,” “natural,” or “sustainable,” especially when such claims are supported by green colors, environmental imagery, and eco-labels. However, many consumers do not critically evaluate the authenticity of these claims. This suggests that purchasing decisions are frequently driven by intuitive and emotional responses rather than analytical reasoning.

The study also highlights the role of psychological mechanisms such as the halo effect, heuristic processing, and confirmation bias. When a product displays one positive environmental attribute, consumers tend to assume that the entire brand is environmentally responsible. Similarly, time pressure and information overload encourage reliance on mental shortcuts, making consumers more vulnerable to misleading sustainability claims.

Another key finding is that while greenwashing may provide short-term marketing advantages, it negatively impacts long-term consumer trust and brand loyalty. Once consumers recognize deceptive practices, their scepticism increases, not only toward the specific brand but toward green marketing efforts in general.

Recommendations

Managerial Recommendations

- Provide measurable and verifiable sustainability data.
- Avoid vague terminology.
- Adopt third-party certification systems.
- Integrate sustainability into core strategy rather than marketing rhetoric.

Consumer Recommendations

- Develop environmental literacy.
- Verify eco-labels and certifications.
- Avoid relying solely on packaging cues.
- Practice critical evaluation of green claims.

Policy Recommendations

- Strengthen advertising regulations.
- Standardize eco-labeling systems.
- Impose penalties for deceptive environmental claims.
- Increase public awareness campaigns.

II. CONCLUSION

Green marketing has the potential to promote sustainable consumption and support environmental protection. However, when misused through greenwashing, it undermines trust and weakens genuine sustainability efforts.

This study demonstrates that consumers fall for greenwashing not simply because of ignorance but because of inherent psychological processes such as heuristics, emotional reasoning, and cognitive biases. Addressing greenwashing requires ethical corporate behavior, informed consumer participation, and strong regulatory intervention.

Only through transparency, accountability, and psychological awareness can green marketing truly contribute to sustainable development.

III. REFERENCES

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