



## Study: 95% of Green-Marketed Products Utilize Misleading Claims

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While only 5% of the 5,300 products examined by TerraChoice were free of some form of greenwashing, the results, including in the construction sector, showed improvement over last year.

In the 2010 edition of its "Sins of Greenwashing" report, environmental marketing company TerraChoice found some form of greenwashing in more than 95% of consumer products labeled as "green." The construction sector by itself fared only slightly better, with greenwashing evidence in close to 94% of eco-marketed products.

On a positive note, that 95% is an improvement over last year, in which only 2% of studied products were free of greenwashing (and only 1% in 2007).

The study examined close to 5,300 home and family care products, including building and construction, toys, office, housewares, and health and beauty. Each product's environmental claims were weighed against guidelines from the FTC, the Competition Bureau of Canada, and the ISO 14021 standard for environmental labeling, and

findings were organized and identified using TerraChoice's "7 Sins of Greenwashing."

According to the report, the number of green-identified products on the market today is 73% higher than just one year ago. "This is good news, and it shows that consumers are changing the world by demanding greener goods and that markets and manufacturers are taking note," TerraChoice president Scott McDougall said in a statement.

The building and construction products sector experienced a significant shift in this area, with a whopping 108% increase in total green products offered. And along with its slightly higher number of legitimately marketed products (6%) versus the group as a whole, the construction segment also demonstrated improved use of legitimate standards, with 31.7% using genuine eco-labels such as Energy Star, Greenguard, UL Environment, and EcoLogo. (Usage of labels among the entire group, on the other hand, dropped to 19.8% of products.)

Still, a larger portion of construction products—40% of products compared to the study average of 27.4%—committed the “sin of the hidden trade-off,” i.e., focusing on one narrow attribute while ignoring others. The report found the most common single-benefit claims referred to “air quality,” “energy,” and “recycled content.”

Among other findings across all product categories in the study:

- Big box retailers stock more green products and more products with legitimate green labels than smaller green boutique-style stores. “We find that consumers can trust big box stores to provide the best selection and integrity of ‘greener’ product claims,” the report said.
- Eco certifications are helpful, but don’t completely prevent problems. Of products certified by an ISO 14024-based program, 30% were sin-free.
- Unfortunately, the use of false labels also is increasing, by a rate of more than 5% from 2009 to 2010. “Ease of access to false, completely meaningless eco-labels has become almost comical,” TerraChoice said.
- The “sin of no proof” also grew significantly, from 56.4% of products to 70.1%.
- Greenwashing declines with experience, with greenwashing-free products to be five

times greater in mature versus immature categories.

Overall, the study shows promising developments, but ultimately showcases how much improvement marketers still have to make to accurately and fairly describe green product claims that will in turn help build the trust of consumers.

“Green claims on home and family products are getting better, but the vast majority are still misleading,” the report stated. “If green demand is to create genuinely greener products, the environmental claims of those products must be true and transparent. This is why greenwashing is such a significant impediment to continued progress.”