

# **Food Marketing: The influence of organic greenwash towards Malaysian consumers' trust: A conceptual paper**

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## **Abstract**

This research is focusing on the influence of greenwash on Malaysian consumers' trust towards organic food products. Malaysian consumers are becoming more aware and understand the importance of organic food products. Although Malaysia's organic market is still niche, many organic food products and organic retail/shops are available to purchase it. However, Malaysian consumers are concerned with the validity and credibility of organic food products, as many organic food products are from the local and importing country. Organic food products can relate to the greenwash that will impact consumers' trust towards organic food products. Therefore, the conceptual framework is developed by proposing four constructs - organic greenwashing, organic perceived risk, organic confusion and organic trust. The research will also focus on Malaysian consumers who have organic purchasing experience or intend to purchase organic food products. This conceptual paper will give insightful ideas for future research and give benefits to organic food retailing.

**Keywords:** Food, organic, greenwash, consumer confusion, consumer perceived risk, consumer trust.

## **1. Introduction**

The demand for organic food products increases, and consumers' acceptance is also grown substantially (Ellison, Duff, Wang, & White, 2016; Hempel & Hamm, 2016; Ibrahim, 2016). It can be seen in the total of global organic food sales that reached US\$89.7 billion in 2016 (Lawson, Cosby, et al., 2018). Meanwhile, organic food sales in Malaysia recorded 4% current value growth to reach sales of RM10 million in 2017 (Euromonitor 2018). It shows that organic food products' market growth in developing countries is starting to increase to a high potential growth industry (Lian & Yoong, 2019). Indeed, the increase in organic food products is due to consumers response to globalized food chains and food scandals (Hempel & Hamm, 2016).

Organic food products are well known as products that do not contain chemical substances and are free from Genetically Modified Organisms (GMOs). All organic food products must carry valid organic certification to determine food products' status (Ibrahim, Hall & Ballantine, 2019). It is a food product to be considered a green marketing strategy where many companies focus on environmental sustainability.

Therefore, green marketing emphasizes environmentally friendly, green, and sustainable products and services such as organic food products.

However, there is criticism from an environmental expert that claims the green attributes are ambiguous and deceptive (Chen & Chang, 2013). The criticism of green marketing has created a new term called "greenwash". According to Chen and Chang (2013), greenwash is defined as the act or activities that mislead consumers toward sustainability practices. The message and the information delivered by the companies are important to the consumers as they rely on companies advertising and messaging when making the purchase decision (Hamann and Kapelus 2004). Therefore, the lack of consumers' confidence in the company green strategy can lead to distrust and confusion.

In Malaysia, most consumers' awareness of organic food products increases with many foods retailing organic food products. Still, some consumers lack knowledge and are not well informed about organic food products' features. According to Voon, Ngui & Agrawal (2011), Malaysian consumers only depend on food labelling and media advertising rather than looking at certification or any other valid quality assurance scheme.

Without valid quality assurance schemes to verify the organic food products, it can confuse consumers when differentiating them with non-organic food products. Producers or manufacturers must ensure that all organic food products are certified by valid certification bodies. There is a limited number of studies on organic greenwash and organic trust compared to previous studies that focus on organic purchase intention. This study refers to Chen and Chang (2013), to measure the influence of organic greenwash on organic consumer trust and discusses the mediation roles of organic consumer confusion and organic perceived risk. Chen and Chang (2013), suggest future research should focus on the purchasing of other green products in difference location. Therefore, this research aims to understand the influence of greenwash on Malaysian consumers' trust towards organic food product.

## **2. Literature Review**

### **2.1 Organic greenwash**

Organic greenwash is derived from greenwash to explain the company's practice that misused the sustainability concept by claiming the product as a sustainable product without any verification or validation (Chen 2013 and Parguel 2011). Indeed, the organic greenwash can impact consumers' trust towards the organic food product and the organic market. Therefore, this conceptual paper's main purpose is to highlight the relationship between organic greenwash and organic trust and to identify the impact of organic perceived risk and organic consumer confusion on the relationship between organic greenwash and organic trust.

### **2.2 Organic greenwash on organic consumer confusion**

Any products and services that misclaimed as sustainable or environmental are called greenwash. In this conceptual paper, any misleading claim of the organic food product is considered organic greenwash. According to Pomeroy & Johnson (2009), confusing consumers on organic food products can damage the market demand and influence them not to buy any green or organic food products. The implication of organic greenwash can make the consumers not buy or consume organic food products because they will perceive them as the company marketing strategy and increase the lack of trust in the sustainable products (Chen, 2013).

### **2.3 Consumers confusion are caused by misinterpretation of the consumers.**

Organic confusion happened when a consumer misinterprets various aspects of a product or service during the information process (Turnbull, Leek, and Ying 2000; Chen and Chang 2013). Consumers are probably confused when they need to digest or process too much information about organic food products (Turnbull et al., 2000). Organic confusion occurs because consumers have limited cognitive capacity to process product information. With too much information that needs to be processed, there will be a high possibility the consumers experience an information overload. Thus, it can cause consumer confusion (Chen and Chang 2013).

H1: Organic greenwash is positively related to organic consumer confusion

### **2.4 Organic greenwash on organic perceived risk**

Organic perceived risk can be defined as a subjective estimation related to possible wrong decisions outcomes (Peter and Ryan 1976). The perceived risk occurs when the customers aware of the undesirable and uncertain consequences (Mwencha, Muathe & Thuo 2014). Purchase decision usually associates with the risk when consequences are unclear (Rao, Truong, Senecal & Le 2007; Tarabieh 2020).

Greenwashing would be creating a situation in which the market is supporting a practice that is harmful to the market's outreach as a whole (Lin, Lobo, & Leckie 2017a). Also, to some people, paying a higher price for an item that boasts the word "green" or "sustainable" is more appealing than an item that says something shady like "greenwashed" or "natural" (Hartmann & Ibanez, 2006). Greenwashing negatively affects the understanding and behaviours of customers. It promotes scepticism in the environment and perceived risk (Lin, Lobo, & Leckie, 2017b; Tarabieh 2020). Risk perception allows consumers to become uncertain regarding the purchase (Akturan, 2018; Tarabieh 2020).

Thus, organic greenwash positively connects to consumer misunderstanding and perceived risks in purchasing organic food products because green making tends to increase consumer choices. From another perspective, if a company uses greenwashing, it will cause an unfavourable connotation of the organic food product because consumers will no longer believe in the product or the company (Junior et al., 2019). How do the consumers feel when viewing organic greenwashing? This question can positively affect the perception of the consumers (Chen, Tien, Lee & Tsai 2016; Tarabieh 2020). Therefore, this study found that organic greenwash can create organic green perceived risks.

H2: Organic greenwash is positively related to organic green perceived risks.

### **2.5 Organic greenwash on Organic trust.**

Organic greenwash is become a threat to successful sustainability marketing campaigns because it can dissuade people from believing in environmental initiatives (Chen, 2013; Tarabieh, 2020). Besides, organic greenwash also lead to confusion in consumers purchasing behaviours when they cannot recognize true and deceptive claims (Chen, 2013). Indeed, companies who do not fulfill their sustainability commitments attempt to trick customers into buying. (Ramus and Montiel 2005; Chen, 2013; Tarabieh, 2020 ).

Greenwashing is also used to confuse and mislead customers about the sustainability benefits (Self, Self & Bell-Haynes, 2010). Well-informed consumers might begin to dismiss advertisers and manufacturers' findings regarding sustainability (Gillespie 2008). Trust is how much confidence another party will act as expected (Hart and Saunders, 1997). Rousseau, Sitkin, Burt, and Camerer, (1998) argue that trust is the

intention to address the vulnerability resulting from positive expectations of the intentions or behaviour of another party.

H3: Organic greenwash is negatively related to organic trust.

## **2.6 Organic consumer confusion on organic trust**

It is shown that greenwash has a positive effect on green confusion. However, it harms organizations' credibility, perceived corporate reputation, market significance, purchase intent, and green trust (Chen & Chang, 2013). It is widely recognized that environmentally conscious images in green advertising can lead to beneficial reactions by customers. Nevertheless, it is good to support a reliable green brand image for green advertising programmes because customers are overwhelmed by the number of different organic products (Akturan, 2018). In the consumers' eyes, they feel conflicted, limiting their trust in the business. They give up on their purchases because they are confused (Cho, Kang, & Cheon, 2006). Consumer confusion is detrimental due to increasing distrust in the market (Singh, Vrontis, & Thrassou, 2011). Kac, Gorenak, and Potocan (2016) noted that individuals who are confused about by-product information are more cautious with purchasing decisions. Green trust compromises environmental claims' credibility (Avcilar & Demirgünes, 2017; Chen, 2013; Tarabieh, 2020).

Consumers often hold companies responsible for green marketing that is complex and difficult to understand and question a company's motives (Walsh and Mitchell 2010). It means that consumer confusion is more significant in the modern-day environmental era. The more people know about green marketing, the less likely they are to trust green products (Kalafatis and Pollard 1999). The more people become confused by numerous green claims to combat these issues, the less they trust the marketplace (Chen 2010; Chen 2013).

H4: Organic consumer confusion is negatively related to the organic trust.

## **2.7 Organic Perceived Risk on Organic Consumer Trust.**

Perceived risk theory suggests that consumers increase or decrease their risky behaviour rather than seek the maximum possible gain (Mitchell, 1999; Avcilar & Demirgünes, 2017). A mixture of actual outcomes and variable uncertainty is also a perceived risk. People tend to be motivated to search for positive outcomes rather than avoid adverse outcomes (Chen & Chang, 2012). Moreover, a consumer's preference for either trusting or distrusting a supplier will be influenced by the perceived degree of risk (Harridge-March, 2006). Consumers prefer to buy a brand with a low perceived risk to have a better overall reputation and have more financial value (Avcilar & Demirgünes, 2017). Therefore, the perceived risk would affect the purchasing decision (Chen & Chang, 2012).

Consumers tend to decrease risk rather than maximize utility in their buying behaviours, and perceived risk helps explain consumer behaviour (Mitchell 1999; Chen, 2013). The lack of information provided decreases with the ability to verify the product quality beforehand (Mishra, Heide & Cort, 1998). The asymmetry in information in the marketplace provides a way for companies to act dishonestly (Mishra et al. 1998). As a result, customers are often hesitant to buy a product due to the inherent lack of information about the organic food product or the retails (Gregg and Walczak 2008; Chen, 2013).

H5: Organic perceived risk is negatively related to organic consumer trust.

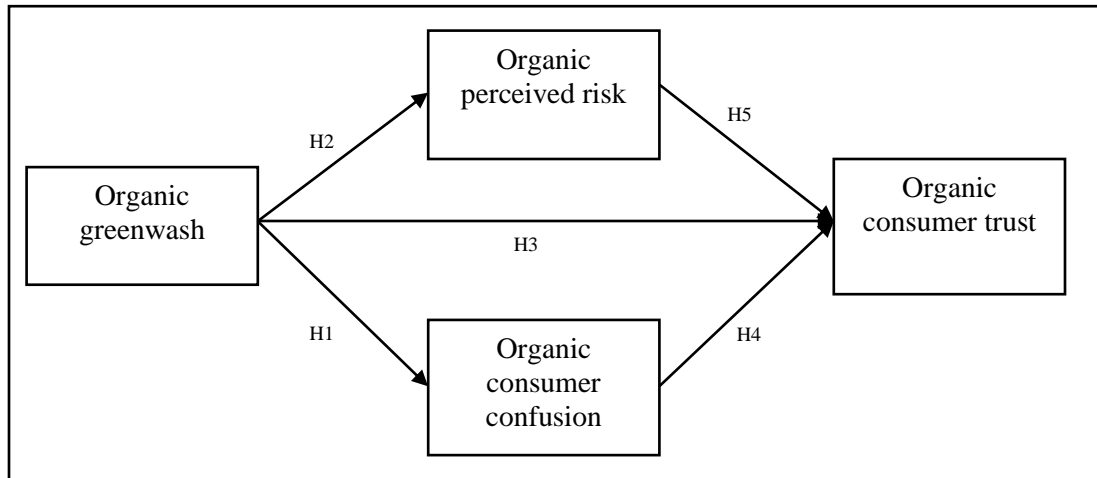


Figure 1: Conceptual framework

### 3. Research Method

This research investigates customers who purchased or intended organic food products. The empirical research was conducted based on data from respondents in the Klang Valley areas using the convenience sampling technique. Also, an online questionnaire was used to collect the data. This method makes it highly convenient to obtain data, especially when the population is large (Saunders, Lewis, & Thornhill, 2009). It is possible to collect information about people's knowledge, perceptions, and behaviours (Neuman, 2003).

This survey used Likert scales that strongly disagree with the anchor. The Likert seven-point scales are an efficient and commonly used way to assess organizational research attitudes and behaviour (Sekaran & Bougie 2016). The questionnaire is based on the outlined literature, and the overall purpose of the study is considered. A survey was pre-tested with a limited number of customers. The pre-test is important to ensure that respondents understand the questionnaire's contents (Sekaran & Bougie 2016). Nonetheless, before the questionnaire is administered, it helps resolve shortcomings and reduce bias when respondents respond to the questionnaire.

### 4. Conclusion

The acceptance of organic food products among Malaysian is increasing due to the importance of health conscious. This paper has explained the conceptual framework of how the impact of organic greenwash towards consumers' trust. The existing literature indicate that organic greenwash can lead to confusion and increase the perceived risk when consumers want to buy the organic food products. Therefore, further research need to be conducted by applying propose conceptual framework and the findings of the research can be used for academic purpose as well to the food retailers in Malaysia.

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