

GREENWASHING: INFLUENCE ON THE DEVELOPMENT AND SUSTAINABILITY OF TOURISM IN INDONESIA

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Abstract

This research aims to determine (1) the influence of greenwashing on the image of tourism in Indonesia; (2) the influence of greenwashing on green consumer confusion in Indonesia, and (3) the influence of greenwashing on the development and sustainability of Indonesian tourism. This research is qualitative-descriptive research. The results of this research show that (1) Greenwashing practices have a negative effect on the image of tourism. Greenwashing practices represent inappropriate environmentally friendly claims that can create wrong perceptions about tourism and damage market demand; (2) Greenwashing practices negatively influence green consumer confusion. Tourists are confused when tourism destinations under the auspices of tourism stakeholders make environmentally friendly claims which turn out to be just marketing tactics, this slows down the movement towards sustainable consumption in the tourism industry; and (3) Greenwashing practices negatively influence the development and sustainability of tourism in Indonesia. The greenwashing phenomenon has been found in several cases in Indonesia, for example the practice of greenwashing by drinking water companies as a tourism requirement which claims to be environmentally friendly but does not match the facts on the ground. This can hinder the development and sustainability of Indonesian tourism.

Keywords: Greenwashing, development, sustainability

1. INTRODUCTION

People are now increasingly aware of environmental damage which is mostly caused by industry, namely water, air and land pollution. Indonesia is reported as the country with the second highest waste production, producing more than 3 million metric tons of plastic waste (Hakim, 2019). This fact raises public awareness to contribute to saving the environment. Apart from that, environmentalists encourage people to be more proactive and open in consuming environmentally friendly products. The good news is that consumers respond positively to reducing natural problems by choosing environmentally friendly products or services (Sugiarto, 2020).

This condition opens up opportunities for the tourism industry to meet the high demand for environmentally friendly products or services. The tourism industry has begun to aggressively create a Go Green movement, both by implementing an environmentally friendly management system and using Green Branding in its marketing, starting from using biodegradable packaging and environmentally friendly materials (Ismail, 2021). However, some irresponsible companies consider this practice to result in higher costs, and will also cause difficulties for the company

such as resources being difficult to obtain. This assumption causes companies to practice greenwashing as a marketing strategy, whether intentionally or not (Abeyratne, 2021).

Greenwashing is the false practice of claiming sustainability. Greenwashing occurs when an organization markets itself as 'green', but implements few of its principles and practices. These organizations communicate and have unclear marketing strategies to give the wrong impression of an ecotourism destination to increase revenue without any particular effort in preserving the surrounding natural environment. Greenwashing is closely related to ethics (Setiawan, 2022; Yang, 2020).

Basically, greenwashing is a marketing and communication strategy for a company to provide an environmentally friendly image, both in terms of products, values and company goals without actually carrying out activities that have an impact on environmental sustainability. The greenwashing strategy is carried out in the form of advertising, promotions or events with an environmentally friendly theme. Through this 'green' image, it is hoped that consumers will have a better view of the company compared to other products in the same sector, so that the company will experience increased profits. In fact, behind this increase in profits, there is also an increase in demand which is damaging the environment (Chandra, 2022).

However, greenwashing is not the company's only sin. Greenwashing can occur due to errors in the entire system, both from the company as producer, society as consumers, government as regulator, and market needs. As explained previously, companies form an environmentally friendly image as a good communication and marketing strategy. Of course, an environmentally friendly face becomes necessary because of pressure from the market by investors, competitors and consumers. Unfortunately, these pressure parties sometimes do not attach importance to the methods taken to achieve these good goals (Pimonenko, 2020).

Many consumers support environmentally friendly movements without first analyzing the actions taken by producers. This is because consumers are too optimistic about what producers offer and have a narrow understanding of environmental concerns. Meanwhile, on the regulatory side, existing regulations are still loose in regulating the environmental movement. This is followed by regulators who still do not provide space for participation by organizations, NGOs, or environmental activists in the process of monitoring, collecting aspirations, and making environmental regulations, especially regarding greenwashing. These conditions provide freedom for perpetrators to carry out greenwashing (Valendia, 2022).

Departing from the explanation above, this research aims to determine (1) the influence of greenwashing on the image of tourism in Indonesia; (2) the influence of greenwashing on green consumer confusion in Indonesia, and (3) the influence of greenwashing on the development and sustainability of Indonesian tourism.

2. METHOD

This research is qualitative-descriptive research, the findings and discussion of this research are presented in the form of a description. Descriptive qualitative research is a research method for exploring meanings that are considered to originate from social problems (Kusumastuti, 2019). This is in line with the research objectives to describe the influence of greenwashing on the image of tourism in Indonesia, the influence of greenwashing on green consumer confusion in Indonesia, and the influence of greenwashing on the development and sustainability of Indonesian tourism.

The data source that researchers used in this research is research that is relevant to the influence of greenwashing on the development and sustainability of Indonesian tourism. The data collection technique in this research is a reading technique by reading sources that are relevant to the research discussion and then determining the appropriate data. The data analysis technique in this research uses the Miles and Huberman perspective in the form of data presentation, data reduction, and drawing conclusions (Huberman & Miles, 2002).

3. RESULTS AND DISCUSSION

3.1.Greenwashing Practices in Ecotourism

Ecotourism is a tourism sector based on natural travel and including sustainability principles. The International Ecotourism Society (TIES) defines ecotourism as travel activities to natural areas that preserve the environment and improve the welfare of local communities. The main problem that is often encountered is a practice called greenwashing, namely businesses that claim to be sustainable businesses, but do not comply with generally accepted standards, or even worse. This would contradict their claims. For businesses that are truly trying their best to comply with all ecotourism standards, this is unfair and damages the credibility of the entire industry.

One way to determine which businesses truly practice ecotourism (or sustainable tourism in other market segments) is certification. The World Tourism Organization (2002) has identified 60 ecotourism and sustainability certification programs worldwide. Some programs operate worldwide, some are regional, and most are national or local. A number of studies have compared certification programs, to determine how they differ and where they can be improved.

Research around ethics is needed to find the difference between responsible ecotourism compared to greenwashing practices. This is important for the sustainability of tourism and the effectiveness of sustainable tourism certification programs. Paying attention to ethics to avoid greenwashing can be done in the following ways: (1) Involving local communities in providing information to tourists to influence purchases when traveling; (2) Thinking about the ideal sustainability concept for the long term; (3) Allowing local communities to provide a comparative perspective on the outcomes of ecotourism and how tourism development can be better for them; (4) Distribute tourism profits with local communities.

3.2.The Influence of Greenwashing on the Image of Tourism in Indonesia

H1: Greenwashing has a negative effect on tourism image.

The findings of this research show that environmentally friendly tourism claims do not match the facts on the ground, this has a negative effect on the image of tourism. Greenwashing indicates unfounded claims that aim to mislead tourists into believing that tourism products are environmentally friendly or green products. Greenwash damages market demand by confusing tourists and making them unsure about purchasing environmentally friendly products. Greenwashing often creates suspicion and skepticism about green claims and as a result tourists distrust all environmental efforts of marketers and manufacturers. Greenwashing can give rise to wrong perceptions about tourism.

With the phenomenon of greenwashing where there are inappropriate claims and labeling in the name of environmental aspects, this has actually infringed the basic rights of consumers

which should be protected. Obtaining infrastructure financing, especially from investors who are oriented towards greener investments, becomes more difficult if the implementation of Environmental, Social and Governance (ESG) is just "greenwashing" or at the level of "labeling" as "green". The Minister of Finance, Sri Mulyani, said that the greenwashing phenomenon is one of the challenges for the green economy in the future. For project owners, greenwashing practices can threaten the project owner's reputation. Meanwhile, from an investor's perspective, greenwashing causes the investor's investment goals to not be achieved. Investors can unknowingly and indirectly take part in deceiving the public and even destroying the environment.

Greenwashing can occur in three processes; Firstly, at the retailing definition stage, if there is inaccurate information regarding environmental claims provided by the company regarding a product or service, it can be said that greenwashing has occurred at the retailing stage. Then, social marketing definition, in the product development process, if the product claims that the product aims to minimize negative impacts on the environment, but in reality this is not the case, then it can be said that greenwashing has occurred at that stage. Finally, in the environmental definition, namely at the production and packaging stage, if the product claims that production and packaging are carried out with environmentally friendly principles but in reality it is not, then it can be said that greenwashing has occurred at that stage. At the claim stage in marketing, Indonesia has regulations regarding ecolabelling, where products to be traded, if they want to make green claims, need to go through the verification and certification stages. Ecolabeling is a means of conveying accurate, verified and non-misleading information to consumers regarding the environmental aspects of a product (goods or services), components or packaging.

3.3.The Influence of Greenwashing on Green Consumer Confusion in Indonesia

H2: Greenwashing has a negative effect on green consumer confusion

Greenwashing can cause consumer confusion. Consumer confusion arises when companies make green claims which turn out to be only used as a marketing strategy. Apart from that, the prohibition on business actors from producing, trading products and services that do not comply with the conditions, guarantees, privileges or efficacy as stated in the label, label or description of the goods or services has also been violated by the practice of greenwashing.

This phenomenon of a false environmentally friendly image gives rise to green consumer confusion, which occurs when consumers are confused because they fail to interpret the information obtained regarding the benefits of a product in the tourism industry. Tourists are confused when tourism destinations under the auspices of tourism stakeholders make environmentally friendly claims which turn out to be just marketing tactics. The growing phenomenon of fake eco-friendly images makes consumers feel more vulnerable. Adopting misinformation allows consumers to make wrong purchasing decisions, exposing them to the risks of purchasing environmentally friendly products. As a result, the existence of a false eco-friendly image not only misleads consumers, but also slows down the movement towards sustainable consumption.

From an environmental perspective, in Article 68 of Law Number 32 of 2009 concerning Environmental Protection and Management, it is regulated that business actors have an obligation to provide information related to environmental protection and management in a correct, accurate, open and timely manner. Thus, the practice of greenwashing actually also violates people's rights to a good and healthy environment as protected in the Law on

Environmental Protection and Management (PPLH) in Indonesia. Therefore, it can be seen that there is actually a correlation between aspects of consumer protection and the environment in the greenwashing phenomenon.

In Indonesia itself, although there are no regulations that specifically regulate greenwashing, the legal umbrella that can be used at this time can refer to the regulations in Law no. 8 of 1999 concerning Consumer Protection (Consumer Protection Law). Article 4 point 3 of the Consumer Protection Law states that the right to correct, clear and honest information regarding the condition and guarantee of goods or services is one of the fundamental consumer rights that is protected. In addition, business actors are also prohibited from misleading consumers by stating as if goods or services have met certain quality standards, as well as producing or trading products or services that do not comply with the conditions, guarantees or privileges as stated in the label, label or description of the goods or these services.

This regulation is the only regulation in Indonesia that regulates the protection of the public from greenwashing practices. The impact is the need for regulatory updates and law enforcement regarding this practice, but currently this is not yet a priority.

3.4. The Influence of Greenwashing on the Development and Sustainability of Indonesian Tourism

H3: Greenwashing has a negative effect on the development and sustainability of tourism in Indonesia.

Research data published by the National University of Singapore (2020) openly reveals that the level of concern of companies in Indonesia in implementing the TJSL (Social and Environmental Responsibility) CSR Program is low compared to other ASEAN countries. Currently, CSR activities do not fully contribute to sustainable development and many are more directed towards greenwashing or marketing tools for companies. Therefore, the extent of the company's program commitment to the sustainability of the natural and social environment affected by the company's operations is not known with certainty.

Greenwashing itself has been carried out many times by Indonesian companies without us realizing it. For example, processing air into drinking water using "Manna Generation Water" technology from PT Astana Manna Indonesia in the Batu Cermin tourism destination, Labuan Bajo. The claim is that this technology is environmentally friendly because it does not use groundwater and does not use plastic packaging in an effort to reduce the use of plastic bottles in tourist destinations. Tourists who visit can bring a tumbler to fill the water. However, in fact, the marketing of drinking water which is managed by BUMDes Batu Cermin Village in collaboration with PT Astana Manna Indonesia and the Labuan Bajo Flores Tourism Authority Agency (BOPBLF) is actually marketed in glass bottles and 19 liter gallons which are considered by some parties to be not as environmentally friendly as he claimed. Star hotels in Labuan Bajo order 4000 bottles per month of this technology, requests also come from the Manggarai Regency Government for drinking water for civil servants in government offices. Even though it sounds like a big step to reduce waste in tourism destinations, especially plastic bottle waste, this can be categorized as greenwashing when looking at the other side of this movement.

Another example, one of the large bottled drinking water (AMDK) companies in Indonesia launched bottle packaging made from 100% recycled plastic which is used in one of Indonesia's provinces including for the tourism industry with a target of being able to be used in all

provinces by 2025. The company stated that has collected 12,000 tons of plastic bottle waste every year for the recycling process. This can be categorized as greenwashing when looking at the other side of this movement. First, the company in question is suspected of carrying out large-scale exploitation of water sources. Second, the number of plastic bottles that are stated to be collected and recycled is still far from the number of plastic bottles that Indonesia produces every year, around 4.86 billion plastic bottle waste. In fact, this company's products are also known to be one of the largest contributors to plastic bottle waste in Indonesia, which is around half of the national plastic bottle waste.

Efforts to increase the amount of waste collected, such as increasing the number of recycling plants and distributing drop boxes, are also still minimal and not evenly distributed throughout the region. Apart from that, this 100% recycled packaging (which cannot even be confirmed whether the claim is true) is only available for one bottle size: 600 ml packaging. Meanwhile, other packaging sizes, which also contribute to plastic waste, are still produced using old bottles. This selectivity in 'green' efforts is one of the characteristics of greenwashing. If refilling options were more promoted, the reduction in plastic waste would be much more meaningful. Some of the reasons above show how greenwashing is often used more to improve the 'face' of the company, rather than out of a spirit of caring for the environment.

Another greenwashing phenomenon is seen in the opening of conservation land as a tourist destination with claims of sustainable tourism (strengthening protection, conservation and restoration of nature, ensuring that no protected areas are lost and reducing carbon emissions). However, in reality there are cases of logging of natural forests and confiscation of forests for tourism purposes for personal gain. Greenwashing in this case is the dishonest promotion of business as reducing carbon emissions or limiting the use of scarce resources, but the real goal is to increase profits by implementing some easy steps to save costs.

4. CONCLUSION

Based on the research presentation, the conclusion of this research shows that greenwashing practices have a negative effect on the image of tourism. Greenwashing practices imply inappropriate environmentally friendly claims and as a result tourists distrust all environmental efforts of marketers and manufacturers (damaging market demand). Greenwashing can give rise to wrong perceptions about tourism. Furthermore, greenwashing practices negatively influence green consumer confusion. Tourists are confused when tourism destinations under the auspices of tourism stakeholders make environmentally friendly claims which turn out to be just marketing tactics, this slows down the movement towards sustainable consumption, especially in the tourism industry.

Greenwashing practices have a negative influence on the development and sustainability of tourism in Indonesia. The greenwashing phenomenon has been found in several cases in Indonesia, for example the practice of greenwashing by drinking water companies as a tourism requirement which claims to be environmentally friendly but does not match the facts on the ground. This can hinder the development and sustainability of Indonesian tourism. Several cases of greenwashing have occurred in Indonesia because there are no regulations that clearly regulate the limits of environmental claims issued by companies. The Indonesian government needs to tighten existing regulations. In this way, cases of environmental damage caused by greenwashing can be prevented.

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