

Eco labelling from the consumer perspective: A case study of indoor paint products

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ABSTRACT:

The use of eco oriented labels on indoor paints in European countries is focused. Based on a technical assessment and information from label organizations, the results show that the consumer should be sceptical to public or official labels as the EU Ecolabel or Nordic Swan Label as they accept almost every product and in fact is the same label even if marketed as different. The financing of label systems may results in more focus on growth and market shares than informing consumers, and there is a market protection dimension related to many label systems. The technical complexity makes it difficult to compare and understand actual label requirements for consumers. The major conclusion is that most trust should be

placed on labels offered by independent organizations focusing goals as health, safety or pollution were the label is just one of its activities and where label revenues is of limited importance for the organization offering it.

KEY WORDS:

Eco labelling, EU Ecolabel, green products, indoor paint, consumer confusion, greenwashing, label requirements.

In the recent years a number of eco labelling or green labelling schemes have been established. As an example, within the food industry more than 200 eco labels were in operation in 2013, where seals and logos communicated some ecological, ethical, ingredient or sustainability attributes to the consumers (www.organicmonitor.com). In this paper, we will look at environment labelling schemes from a consumer perspective focusing on how they are developed and established, and how consumers should evaluate and make decisions if they want to include some of the attributes that may be related to labels in their purchasing choices.

The concept of eco-labelling schemes

In principle, labelling systems may help the consumers to select environmental superior products compared to other products. A variety of different ownerships of labelling schemes exists, which may be by an industrial initiative, a public initiative or with an independent (often environmentally focused) organization as the main driver. The typical label systems have a committee determining which products that are covered and which criteria they have to meet in order to “get labelled”. Producers may voluntarily seek for acceptance, and if they are approved, they pay a license in order to use the label mark. An important part of the labelling system concept is the voluntary industrial participation.

It should be noted that frequent use of environmental related terms on products has resulted in distrust among consumers as described by Carlson et al (1996), while Zimmer et al (1994) states that different green labels communicate so many different aspects that they could become meaningless. Partly, some of the eco label initiatives have been criticized as being greenwashing, due to lack of evidence of environmental impact while Bustillo et al (2009) states that “the resulting eco-babble is of little practical use” from a consumer perspective (page B1).

The indoor paint example

In table 1, we present eco labels found used by the most dominant producers of indoor wall paint in Norway. Of these 22 products, 20 are marked with the EU Ecolabel (flower) sign. Then we have the Nordic Swan label system, where it seems as there are a lower number of products approved. But does this mean that the requirements are stricter, as 11 of the 22 products are included? The answer is no, because from 2008 the Nordic Swan requirements were harmonized with the EU Ecolabel system and these two marks are

organized within the same national organizations in a process partly driven by international trade agreements within the EU/EEA trade regime.

Table 1: Labels on wall paints on the Norwegian Market 2014

Manufacturer	Product	Nordic Swan	EU Ecolabel	NAAF	SAAF	Other
Jotun	Lady wall	X	X			
	Lady Balance	X	X			Eurofins Gold
	Lady Classic					
	Sense wall	X	X	X		
Flugger	Flutex 5		X			
	Flutex 7s		X			
	Flutex 10		X			
	Flutex 20s		X			
	Flutex 5s		X			
	Dekso 5		X			
	Dekso 25		X			
Gjøco	Bliss	X	X	X		
	Fashion					
	Interior		X			
	Superfinish		X			
Beckers	Elegant	X	X		X	
	Scotte	X	X			
Nordsjø	Ambience	X	X	X		
	Nordic Light	X	X	X		
	Original wall	X	X			
Butinox	Living Room	X	X		X	
	Childrens Room	X	X		X	

The practical consequence is that manufacturers just decide if they apply for (and pay for) use of one of these labels or both labels, as the requirements are identical. Finally, the consumer may also meet other labels, four products was market as approved by the Norwegian Asthma and Allergy Foundation (NAAF), three products are approved by the Swedish Asthma and Allergy Foundation (SAAF) and one product used a label named Eurofins Gold.

When we examine this table, how should a consumer evaluate the paints and labels? The EU Ecolabel is not used on two of the paints, which makes it reasonable to avoid these if focusing on which particular substances are used in the production of the paints. But it is not likely that consumers know that the Nordic Swan label is the same as the EU Ecolabel, partly because the information in brochures and web pages include sentences as "...fulfils the strict requirements of both the EU Ecolabel and the Nordic Swan label" (Butinox brochure, 2014). The only value of the EU Ecolabel or Nordic Swan label seem to be to

identify the about 10% of products with the weakest environmental profile. For the majority of products, these labels give limited information to consumers. However, the labels indicating approved by the asthma and allergy foundations in Norway and Sweden in fact distinguishes between products, with few products fulfilling the requirements defined. As an example, the paints with lowest input chemicals emissions are in the 0.3 g/l VOC area while the EU Ecolabel requirements are lower emissions than 30 g/l VOC, a difference factor of 300. When eco labels has been criticized for possible misleading consumers, this is relevant as it may make products with inferior environmental or health characteristics be perceived as equal to much better products.

Discussion

The EU Ecolabel now gets basis funding from the EU system and experience rapid growth from product licenses. In 2014, the EU Ecolabel organization states that more than 37 000 products are accepted and that the number is rapidly growing. The EU Ecolabel organization states that the criteria have been developed to ensure that only the 10% to 20% most environmentally friendly products currently on the market can meet them. We have only focused on indoor paint products but it exist information about other product types. Lang (2010) presents a report about the EU Ecolabel and forest products. He concluded that the criteria used for forest management and copy/graphic paper is very weak, in fact “so weak as to be meaningless” (page 80), that the processes are non-transparent and that the website statements like that only the very best products are able to carry the label is misleading.

The legislation underpinning the EU Ecolabel makes a point of the importance of non-governmental organizations (NGOs) involvement for acceptance by the general public, and that NGOs should play an important role and be actively involved in development and setting of label criteria. In 2011, a letter was written by 14 NGOs focusing on paper products, where they described how they were ignored and warned the European Commission that without change “NGOs across Europe will inform their supporters, the public and companies, that the label is meaningless at best, and misleading at worst” (<http://www.fern.org>).

Most labelling systems need to generate revenues, mainly from company fees for using the label. As a consequence, labels without participating firms may not survive for financial reasons or become irrelevant. In a study presented by Seifert and Comas (2012), Ole Just Sorensen of Grundfos A/S Management commented on the competition between

different labels in a race to gain market share: "The market for ecolabels is very confusing and, in some areas, it looks more like a new industry of 'selling stickers' and where generating money seems more important than the outcome and the importance of the label".

There is one exception in the entire eco label environment. Some organizations are independent, where income from labels is of limited importance. They may have the opportunity to define strict requirements. This distinction is fascinating, as the entire organization of label systems and the revenue aspect indicates that official or industrial label systems often develops weak requirements while organizations with a different focus (asthma, allergy, beware of the rain forest, reduced green gas emissions etc.) may be more dedicated and likely to decide on technical criteria with higher standards and survive even with limited industrial acceptance and label use.

As a consequence, consumers should look for labels used by organizations as Asthma and Allergy Foundations/ independent environmental organizations as they will be most likely to have relevant and demanding criteria and in general represent more valuable labels.

In addition, consumers should look for label providers where the revenues from the label may be of limited importance and where other goals than label revenues or industrial competitiveness exists.

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