Reversing the Green Backlash in Services: Credible Competitors Help Large Companies Go Green

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Purpose – The purpose of this research is to first demonstrate a "green backlash" effect whereby evaluations of a large service organization decrease after the organization announces a new green practice and second, explore how the presence of green competitors might moderate this effect.

Design/methodology/approach – The approach includes one exploratory in-depth interview study and three follow-up experiments.

Findings – The results indicate that consumers percieve large companies to be lacking in credibility and that when a large service organization announces the adoption of a green practice, evaluations of that firm may actually decrease, i.e. a green backlash. Additionally, it is observed that the opposite is true when consumers are aware of a credibly green competitor. In these circumstances, large players are significantly worse off if they do not also adopt green practices. Initially it was hypothesized that the large company would need to imitate the credibly green competitor. However, the results suggest that a reversal of the backlash effect can occur even if the companies are engaged in very different green activities.

Research limitations/implication – The context of the experiments is limited to the food service industry.

Practical implications – The practical implication for large service organizations is that in markets where there is no green competitor, they should consider not promoting their green practices. However, these organizations need to have programs in place when a credible competitor inevitably arrives. The practical implication for environmentalists is the finding that large companies can be forced to go green simply via the existence of a small credibly green competitor.

Social implications – *The social implications of this research is that small green service providers are an important catalyst and necessary ingredient in the transition to a more sustainable service economy.*

Originality/value – *This article is the first to empirically demonstrate a green backlash effect and identify conditions under which this effect might be reversed.*

Keywords - *Credibility, Green marketing, Greenwashing, Sustainability, Trust, Marketing, Services*

Paper type - *Research paper*

Introduction

Sustainability has been characterized in the management literature as an "emerging megatrend" (Lubin and Esty, 2010). It appears that the much of the service sector has whole-heartedly embraced this idea. Everywhere you look are restaurants promoting their use of locally-sourced organic ingredients, hotels announcing reductions in their carbon footprint, ski areas installing wind powered chairlifts, and so forth. The trade press is abuzz with new ideas for "ways to turn your guests green" (Caterer & Hotelkeeper, 2010). This apparent enthusiasm for all things green is well founded. From an operations standpoint, simple practices such as switching to compact fluorescent or LED light bulbs can result in substantial savings – both in terms of costs and natural resources. With regards to human resources, recent research suggests that employees working at an organization committed to sustainability may experience greater job satisfaction (Parish et al., 2008; Walsh and Sulkowski, 2010). From a sales perspective, other recent research suggests individuals are willing to pay more and are more satisfied with services that incorporate green features (Robinot and Giannelloni, 2010; Susskind and Verma, 2011; Schubert et al., 2010). Last but not least, being a bit easier on the planet just seems like the right thing to do.

It is not surprising that service organizations are motivated to pursue sustainability initiatives and want to inform consumers about their efforts. Unfortunately, for those dedicated to real change, a variety of companies have been accused of exaggerating the extent to which their products and services are environmentally friendly. "Greenwashing," as this practice has come to be known, is a serious problem. In a disturbing trend, Ottman (2011) has noted that businesses are increasingly reluctant to promote their green achievements due to concerns that consumers may suspect them of greenwashing. A recent survey by the Carbon Trust (2011) finds that consumers doubt the efficacy of companies' green

programs and highlights the potential for a "green backlash" whereby consumers lower their evaluations of a company after being told about the company's sustainability initiatives. Empirical research is needed to determine whether a green backlash exists and, if so, how it might be mitigated. The present research first uses a grounded theory approach to explore consumers' thoughts and feelings surrounding sustainable services. This is followed by three experiments that seek to uncover how a green backlash effect might be affected by the presence of competitors who also engage in (and promote) sustainability initiatives.

Literature Review

Despite the importance of sustainability, it has been pointed out that research on this topic is conspicuously absent from premier marketing journals (Chabowski et al., 2011). Similarly, Goldstein et al. (2008, p. 479) note how "very little empirical work has been conducted in the consumer behavior literature on the factors that influence consumer's prosocial behaviors, and even less on proenviromental behaviors" In a recent Journal of Marketing article, Kotler (2011, p. 132) called for a reinvention of marketing to manage the environmental imperative and pointed out the "need to recognize a major difference in the mindsets of firms and consumers in the presustainability versus the sustainability world".

Inconsistency as the Rule

There is at least one well-documented green marketing phenomenon. It is the gap between what people say about sustainability and what they do. Prothero et al. (2011) identify the discrepancy between sustainable attitudes and unsustainable behavior as the No. 1 opportunity for research in this area. One issue is the price premium typically associated with sustainable services coupled with the current state of the economy. Many people simply may not be in a position to justify the extra expense. In a field study involving an Australian grocery store, Vanclay et al. (2011) found that carbon labeling of groceries resulted in a small change in purchase behavior when the green labeled product was more expensive, but a large effect when the product was the cheapest option. While some consumers may balk at the price of green service features, individuals committed to lifestyles of health and sustainability may reject a service that does not convey green values. Indeed, in service settings, there is a clear link between value/image congruence and outcomes such as attitudes, adoption, and affective commitment (Kleijnen and Andreassen, 2005; Zhang and Blomer, 2011).

In the case of hospitality services, sustainability is often associated with decreases in service levels (Tzschentke et al., 2008). Research by Robinot and Giannelloni (2010) suggests that green hotel attributes, when evaluated negatively can reduce overall satisfaction, but when evaluated favorably have only a slight influence on satisfaction formation. Similarly, in the physical goods realm, Luchs et al. (2010) demonstrated the potential for a "sustainability liability." They found that product ethicality was associated with gentleness, and that when strength was a desirable product characteristic, perceived ethicality decreased preference for the product. Other times, consumers may simply not want to think about sustainability. It has been demonstrated that consumers will actively avoid information about ethical attributes of products and that this "willful ignorace" is driven by the desire to avoid negative emotion (Ehrich and Irwin, 2005).

Signaling and Trust

A number of researchers have argued that the consumption of green products is best understood using the theoretical paradigm of signaling, both from a consumer and organizational perspective (Connelly et al., 2011; Griskevicius et al., 2010; Sexton and Sexton, 2011). In the context of the present research, signals such as signage and other methods of communicating green efforts form an important part of the overall servicescape (Rosenbaum and Massiah, 2011). However, it is necessary that customers trust these signals if fears of firm opportunism (i.e. greenwashing) are to be reduced (Martin and Camerero, 2005). Tzschentke et al. (2008) identify skepticism towards environmental alternatives as a primary barrier to action in green tourism firms.

It is likely that this type of skepticism will be particularly acute when the business in question is a large corporation. A recent Gallup poll found that 67 percent of Americans are dissatisfied with the size and influence of major corporations in the country today, the highest level since Gallup first asked this question in 2001 (Saad, 2011). This is perhaps not surprising. In recent years, large corporations have received a significant amount of negative press. Corporate greed and questionable ethics are commonly offered as the cause of everything from the downturn in the economy to environmental disasters. Thus, when individuals see a large corporation promoting their adoption of a green practice, they may start to question the validity of these claims. After all, when individuals encounter information that is inconsistent with their previous conceptions, it warrants additional attention and consideration (Meyers-Levy and Tybout, 1989). Consumers are well-versed in the tactics that marketers utilize in their persuasion attempts (Friedstad and Wright, 1994) and as evidenced by the Carbon Trust survey

discussed above, may suspect that the company's adoption of the green practice is motivated by a desire to increase sales rather than protect the environment.

What would be the outcome of such consumer suspicions? Trust is an important precursor to perceived value and loyalty intentions (Guenzi et al., 2009). In a series of studies examining the effect of corporate social responsibility (CSR) initiatives on consumer attitudes, Becker-Olsen et al. (2006) found that brand-inconsistent initiatives had a negative impact on consumer attitudes. This negative impact was also observed when the CSR was perceived by participants as profit motivated. Similarly, initiatives presented as being part of a public relations recovery effort also resulted in decreased evaluations of the firm. In their research of guilt appeal advertisements, Cotte et al. (2005) found that when consumers perceived the appeal to be a manipulative "tactic" they not only did not feel guilty, but also reported negative attitudes towards the advertiser.

It should be noted that it is still possible to be a green giant. Large companies such as Whole Foods, Google, Ikea, Microsoft, and SC Johnson made the top ten in a 2010 survey evaluating consumer perceptions of brand greenness (WPP, 2011). However, it seems likely that, by promoting their green initiatives, large firms risk lowering consumer evaluations of their brand, especially when those initiatives are not perceived to be genuine. The idea that "small is beautiful" is one of the fundamental ideas that guide the sustainability movement. E.F. Schumacher's (1973) famous book, entitled Small is Beautiful promotes the building of strong local economies that link people, land, and community. Consistent with this notion, the use of the word "small" in this paper refers to independent local businesses with a strong commitment to environment. Conversely, the term "large" describe a global corporate entity with a well established brand identity that does not have strong associations with pro-environmental practices.

Study 1: Exploratory In-Depth Interviews

Method

The findings presented in study 1 are the result of a Cornell University Marketing Research class project. For this project, students received training in the Zaltman Metaphor Elicitation Technique (ZMET), an in-depth interview technique involving a number of steps designed to tap into areas of the consumer's conscious not accessible via traditional marketing research methods (see Zaltman and Coulter, 1995 for a description). A key premise of ZMET, supported by research in cognitive psychology, is that images are the fundamental building blocks of our thoughts (Gibbs, 1992). Thus, much of the

interaction between the researcher and participant during a ZMET interview consists of discussing a collection of 12-15 pictures assembled by the participant prior to the interview. Pictures are selected by the participants based on the extent to which they represent the participant's key thoughts and feelings regarding the research question. In this case the research question posed to participants was:

RQ: What are your thoughts and feelings regarding sustainable hospitality?

Each of the 50 students in the class interviewed one other student. This interview was recorded and transcribed. Each student then conducted a "grounded theory" analysis of their transcript. Grounded theory refers to "insights garnered from data, systematically gathered and analyzed" (Strauss and Corbin, 1998). In brief, each line of the interview transcript is examined (i.e. coded) with the goal of identifying reoccurring themes. The resulting codes from all transcripts are then combined and further distilled into code families. These code families are then integrated into a conceptual map detailing the linkages between the various concepts (see Strauss and Corbin, 1994 for a detailed explanation of these techniques). It is important to note that this type of grounded theory analysis is, in fact, an empirical method. The findings are not simply the result of some global interpretation or hunch on the part of the researcher. Rather, the results are the product of a highly methodical process of documenting and analyzing a set of quantifiable data. For the final step, the students were placed in groups of six or seven where they compared their individual maps and looked for common themes across the interviews. The most important themes along with a supporting quote (and the related image) were presented to the class and several industry professionals.

Key Findings

The project generated a number of interesting insights. Of particular interest to this report, seven of the eight groups identified distrust of environmental claims to be a fundamental theme. However, unlike the Carbon Trust survey presented above, for the participants in this study, it appeared that their distrust was less about the initiatives themselves and more about the motivation driving the company to pursue those initiatives. A typical quote went something like this:

Sometimes I can't help but think so many of these companies who have this whole green initiative like if they really care about the environment or they're really just trying to look good so they can make more money.

While it was not always explicitly stated, it appeared that "large" companies were the primary target of this distrust. The concept of "green" was more associated with being independent or outside of

the mainstream. Images of "hippies" were linked to the idea of sustainability by one-fifth of participants. Small, it would seem, is also credible:

I disapprove of [big companies] having such power because I just think that big companies [. . .] do whatever they want [. . .] maybe take away opportunities from other people because they just have so much money and that money gives them power to do kind of what they want to do.

Another theme identified by six of the eight groups was confusion regarding the sustainability initiatives themselves. Many mentioned the need for third-party certifications of green activities (though some also indicated distrust regarding certification bodies). Others mentioned the need for more education regarding sustainability. This uncertainty was not only in reference to the practice itself, but also to its effect on the guest experience.

Discussion

The findings of this project are consistent with the results the academic research and popular press surveys discussed above. However, the results may provide some additional insights. It would seem that the participants in this study have well formed (negative) opinions of large corporations, but are unsure about what activities are truly green and have substantial consequences for the environment. Thus, when large companies announce the adoption of a green practice, it seems crucial that they establish the credibility of the green practice. It is also worth noting that these results are somewhat surprising given the nature of the participant. One would think that college students, as a group, are much more educated about sustainability and favor companies with green practices. By all accounts, this study was biased in favor of sustainability. The fact that the vast majority of the respondents expressed a deep suspicion of large company's sustainability initiatives and a reluctance to purchase green products may indicate a growing green marketing backlash. Notably, the issue of credibility is particularly important in the service industries. A fundamental characteristic of services is that they are intangible. Because of this intangibility, trust is fundamental. Thus, engaging in an activity that raises the question of credibility is likely to be a bad idea. Studies 2-4 are designed to further examine whether promoting green practices might decrease evaluations of a company and whether or not copying a credibly green competitor (studies 2 and 3) or another large competitor (study 4) might establish credibility and reverse this effect.

Study 2: Copying Credible Competitors

It would seem that, when it comes to being green, small companies are credible while big companies are not. Interestingly, recent research by Wilson et al. (2010) has demonstrated that a large company with a bad environmental track record can bolster its green credibility through the friendly acquisition of a credibly green competitor (ex. Colgate-Palmolive purchasing Tom's of Maine). Not every large company has the ability or desire to purchase a competitor simply to improve their own image. However, perhaps it is possible for a large company to generate the same effect by aligning oneself with a credible competitor in another way. In particular, it may be enough to simply imitate the credible competitor. Study 2 was designed to test, under controlled conditions, whether or not a green backlash would accompany a large company's promotion of a sustainability initiative. An equally important objective was to determine whether this backlash effect would occur when the large company's sustainability initiative imitated that of a credibly green competitor. We formally hypothesize that:

H1: In the absence of a credibly green competitor, there will be a negative effect of promoting a green practice on evaluations of a large company.

H2: The presence of a credibly green competitor with a similar practice will reduce the green backlash effect described in H1.

Method

We conducted an on-line experiment to test the above hypotheses. In total, 189 undergraduate students participated in the experiment in exchange for course extra credit. Guided by the criteria discussed above, we selected Red Lobster as the "large" company brand to use in our scenario. The experiment consisted of a 2 (Red Lobster green practice: no mention, locally sourced ingredient) £ 2 (credibly green competitor: absent vs present) between-subject design. Respondents were randomly assigned to one of the four resulting conditions.

The scenario: respondents were presented with a scenario and asked to imagine that they had actually experienced this situation. The context of this study was a spring break trip to St Augustine, FL. We asked them to imagine that they decided to look for a seafood restaurant while waiting for their friends who would be arriving in three hours. As they were driving, they encountered a billboard for Red Lobster, which included the Red Lobster logo, a picture of a pie, and directions to the restaurant. For half of the participants, the billboard read "Now serving pie made from locally grown Florida key limes!" (locally sourced ingredient conditions). For the other half the billboard slogan read "Now serving an

expanded selection of desserts!" (no mention conditions). Additionally, half of the participants also saw a billboard for a small credibly green competitor reading "Over 80 percent of our seafood is sustainably sourced from local Florida fishermen" (competitor present conditions). For those assigned to the competitor absent condition, there was no second billboard.

Participants were then asked to indicate their overall evaluations of Red Lobster with three-item nine-point evaluation scales (dislike/like; unfavorable/favorable; negative/positive). These items were averaged to form a composite measure of brand evaluations (α= 0.98). Next, we measured individual differences in their overall approach to sustainable/green behavior. Specifically, they indicated the extent to which they agree with the following statements on a nine-point scale (1 – completely disagree; 9 – completely agree): "I would be willing to pay more for food produced in an environmentally sustainable way," "I buy organic groceries," "People might consider me to be a bit of a tree hugger," and "I prefer food that has no artificial ingredients." These four items were averaged to form a composite measure of sustainable/green tendency (α=0.80). Finally, we asked their liking of seafood on a nine-point scale (1 – dislike; 9 – like) and demographic information.

Results

We conducted a 2 (large company green practice) x 2 (credibly green competitor) ANCOVA on brand evaluations with respondents' liking toward seafood, sustainable/green tendency, gender, and age as control variables. As predicted, the analysis revealed only a significant interaction effect ($F(1,182)=4.75$, $p=0.03$; see Figure 1). In the absence of a credibly green competitor, consumers' evaluations of Red Lobster (M=4.71) decreased when the company announced their adoption of a green practice (M=4.27) although this decrease was only directional ($p=0.13$). However, in the presence of a credibly green competitor, the announcement of a green practice enhanced consumers' evaluations of Red Lobster (M=4.23 vs 5.04; $p=0.02$).

Red Lobster's Green Practice
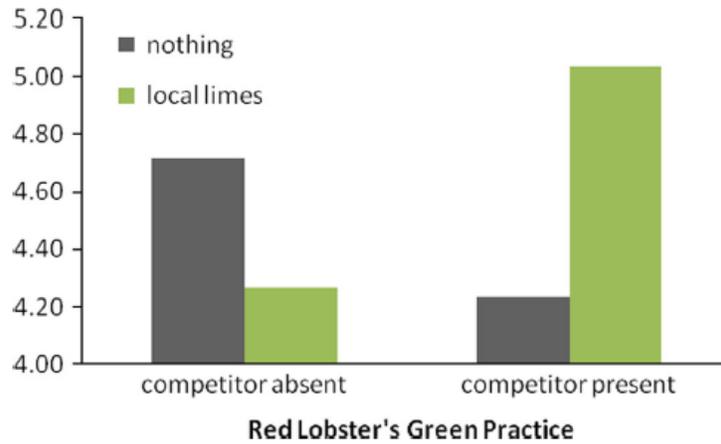
Notes: A2 (a company's green practice) × 2 (a credibly green competitor) ANCOVA on brand evaluations with respondents' liking toward seafood, green tendency, gender, and age as covariates revealed only a significant interaction effect ($F(1,182) = 4.75, p = 0.03$)

Figure 1.
Evaluations of Red Lobster in study 2

Discussion

The results of study 2 provide support for H1 and H2 regarding the potential for a green backlash effect and whether or the presence of a credibly green competitor might reverse this effect. The results clearly demonstrate that in markets where green competitors are present, large players will be significantly worse off if they do not also adopt similar green practices. However, in retrospect, it is not entirely clear that our manipulation addresses the intended question. In particular, it is debatable whether or not Red Lobster's local sourcing of a single dessert ingredient would be seen as similar to the credible competitor's claim of locally sourcing 80 percent of their seafood. It is probably not feasible for most large organizations to implement green practices on the same scale as small independents and our motivation when designing this manipulation was to present the participant with a green practice that a large company might actually be able to execute. However, in pursuit of ecological validity, we may have strayed from our original purpose and presented a green practice perceived by consumers to be different from that of the credible competitor. Additionally, while study 2 confirmed our predictions regarding the proposed effect, we did not directly address the process by which the reversal was attained. Study 3 was designed to investigate this process and also replicate the results of study 2 with particular attention to the similarity of the two companies' green practices.

Study 3: Similar vs Dissimilar Green Practices

As mentioned above, it is not entirely clear whether participants in study 2 perceived Red Lobster's green practice as being similar or dissimilar from that of the credibly green competitor. Study 3 is designed to clarify the issue of perceived practice similarity while also replicating green backlash effect observed in study 2. Additionally, study 3 examines the process through which the presence of a credible competitor reverses this backlash effect. In particular, based on our earlier discussions in study 1, we predict that the perceived credibility of the large company mediates this effect:

H3. The mechanism underlying reversing the green backlash effect described in H1 and H2 is the perceived credibility of the large company's green actions.

Method

In total, 433 panelists from a national marketing research company participated in our study. Of the respondents, 47 percent were male. About 77 percent were Caucasian, 9 percent African American, 4 percent Asian, 4 percent Hispanic, and 1 percent Native American. Their ages ranged from 19 to 90, with the average age of 47. McDonald's was chosen as a brand to represent a large hospitality company in our scenario for study 3.

We conducted an on-line experiment utilizing 2 (McDonald's green practice: no mention vs organic sandwich toppings) x 3 (competitor situation: no competitor, credibly green competitor, credibly green competitor using organic sandwich toppings) between-subject design. Respondents were randomly assigned to one of the six conditions created by this design.

The scenario: respondents were asked to imagine that they encountered the situation presented in the study. They were all told that they were walking down a street near where they work and they decided to grab lunch. One-third of the respondents read that there was a McDonald's at the corner of the street (no competitor conditions) and the other two-thirds read that there was a McDonald's at the corner of the street and an Earth Burger, a restaurant featuring locally raised free-ranged beef, across the street (credibly green competitor conditions). The information about McDonald's was presented such that half of the respondents were told that McDonald's was advertising their use of locally grown organic vegetables for all sandwich toppings. For the other half of respondents, there was no mention of McDonald's organic topping practice (no mention conditions). Of the participants exposed to Earth Burger, half were told that this credible competitor uses locally grown organic vegetables for all sandwich toppings.

After reading the scenario, participants reported their evaluations of McDonald's using the same three-item evaluation measure used in study 1. Also, as with study 2, individual differences in sustainable/green tendency and demographic data were collected. In order to control for participants' eating habits in a fast food category, the information about the frequency of eating out in a fast food restaurant per month was collected. In study 3, a measure of perceived credibility was also included to examine potential mediating processes. Participants reported the extent to which they thought McDonald's was committed to the green/sustainability initiative (1 – not at all committed; 7 – very committed), whether McDonald's practice of using organic vegetable toppings is effective in conveying its green initiative (1 – not at all effective; 7 – very effective), and whether McDonald's is credible (trustworthy) in conveying its green initiatives (1 – not at all credible (trustworthy); 7 – very credible (trustworthy)). These four items were averaged to form a composite measure of credibility (α=0.94).

Results

We examined the differences in the evaluations of the brand between the "no mention" vs "organic sandwich toppings" conditions depending upon the presence of a credibly green competitor and the type of green practices adopted by the two companies. Consistent with study 2, when there was no competitor present, the large company (McDonald's) green action (i.e. organic topping) decreased consumers' overall evaluations of the brand (M=5.19-4.79). However, their overall evaluations of the brand increased when the large company announced a green practice – regardless of whether their practice is similar to (M=4.64-4.91) or different than (M=4.40-4.83) that of the credibly green competitor (see Figure 2 for the results). Interestingly, the dissimilar green practice actually seemed to produce the most positive results. Since there was no interaction effect observed between the two competitor present conditions, we combined them and conducted a 2 (large company's green practice) x2 (competitor presence vs absence) ANCOVA on evaluations of the brand with respondents' green tendency, fast food eating frequency, gender, and age as control variables. The analysis revealed a significant interaction effect (F(1,401)=3.72, p=0.05). As per the follow-up contrasts, whereas in this scenario, the McDonald's promotion of organic toppings decreased consumers' overall evaluations of the brand in the absence of a competitor (p=0.10), attitudes increased in the presence of a competitor (p=0.06), regardless of whether that competitor featured a similar practice. It is also worth noting that for this study McDonald's was significantly better off when there was no green competitor present (5.19 vs 4.52).

We further tested H3 regarding whether credibility would mediate the observed effect. Participants' evaluations regarding the credibility/trustworthiness of a McDonald's green practice had a positive effect on their evaluations of the brand (b=0.75, t=17.29, p=0.001).Additionally, the observed significant interaction effect between a company's green practice and the presence of a credibly green competitor was rendered insignificant when consumers' beliefs about credibility/trustworthiness of a company's green practice was controlled (from F(1,401)=3.72, p=0.05 to F(1,400)=1.79, p=0.18). Consumers' beliefs about credibility/trustworthiness of a company's green practice remained as a significant factor (F(1,400)=287.51, p<0.001), confirming that perceived credibility/trustworthiness of a green practice served as a mediator.
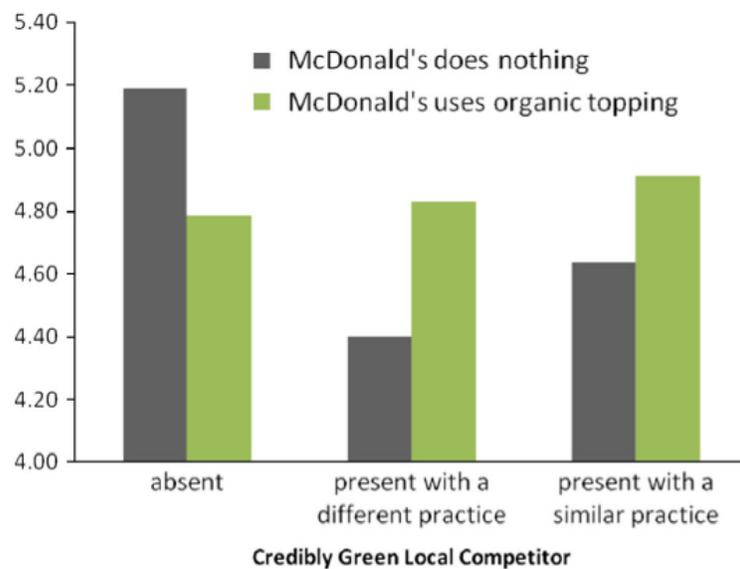
Notes: For the overall interaction effect, the two competitor present conditions were combined due to no interaction observed between the two competitor present conditions: A2 (McDonald's green practice) × 2 (competitor present vs absent) ANCOVA on brand evaluations with respondents' green tendency, fast food eating frequency, gender, and age as covariates revealed a significant interaction effect $(F(1,401) = 3.72, p = 0.05)$

Figure 2.
Evaluations of
McDonald's in study 3

Discussion

Study 3 replicated the results obtained in study 2 and also provided evidence that perceived credibility functions as the underlying mechanism. However, what was particularly interesting about study 3 was the insights gained regarding the type of green practice a large company should pursue. In contrast to what was originally hypothesized, the results appear to indicate that it is not necessary to imitate a credibly green competitor. Indeed the bigger positive effect was observed when the large company's practice was not at all similar to that of the credibly green company. Thus, it is simply the presence of this competitor in the market that matters when the large company promotes green initiatives.

Study 4: Large Competitors as Critical Mass

Studies 1-3 were presented at the 2011 "Quality in Service (QUIS)" conference. Following the presentation there were a number of interesting issues raised by the session attendees. Among them was the question of whether the competitor must be small in order to establish credibility. One possibility offered was that two large companies following the same practice might serve to provide a critical mass that, in itself, lends credibility to the practice and attenuates the backlash effect. Alternatively, would a second non-credible company following the same practice serve to make the practice appear to be even more of a manipulative marketing tactic, resulting in an even greater backlash? In order to address these issues, we conducted study 4.

Methods

We conducted an on-line experiment with 303 participants from Amazon Mechanical Turk survey panel. Of the respondents, 37 percent were male. About 81 percent were Caucasian, 6 percent African American, 9 percent Asian, and 4 percent Hispanic. Their ages ranged from 18 to 79, with an average age of 37. As an extension of study 3, McDonald's was chosen as a brand to represent a large hospitality company, and Burger King as a large competitor for the scenarios used in study 4. The experiment consisted of a 2 (McDonald's green practice: no mention, locally sourced ingredient) x3 (large competitor: absent, present/non-green, present/green) between-subject design. Respondents were randomly assigned to one of the six resulting conditions.

The scenarios: these were similar to those used in study 3. Respondents were asked to imagine that they were walking down a street near where they work and they decided to grab lunch. One-third

of the respondents read that they noticed a McDonald's up ahead (no competitor conditions) and the other two-thirds read that there was a McDonald's on one side of the street and a "Burger King" (a large competitor present conditions) on the other side. Half of the respondents were told that McDonald's was advertising their use of sustainably-grown organic vegetables for all sandwich toppings. For the other half of respondents, there was no mention of McDonald's organic topping practice (no mention condition). Of the participants exposed to Burger King, half were told that this competitor uses sustainably-grown organic vegetables for all sandwich toppings (competitor present/green condition) and the other half were not given any information about this practice (competitor present/non-green condition).

After reading the scenario, participants reported their evaluations of McDonald's using the same three-item evaluation measure used in studies 2 and 3. Also, as with study 3, individual differences in sustainable/green tendency, monthly frequency of eating fast food, and demographic data were collected. Monthly frequency of eating at McDonald's was collected as an additional control variable because this study involved two fast food chains, whereas a hypothetical store was used in study 3.

Results

A 2 (McDonald's green practice: present vs absent) x3 (large competitor: absent, non-green, green) ANCOVA on evaluations of McDonald's revealed only a negative main effect of McDonald's green practice ($F(1,294)=3.971$, $p=0.047$). Across all of the competitive conditions, the results indicate that McDonald's is evaluated more favorably when the brand does not adopt any green practice (M's ¼ 4.47 vs 4.08). In the condition where there is no competitor, the green backlash effect observed in studies 2 and 3 was replicated (M's=4.39 vs 3.85; $p=0.05$). Although evaluations of McDonalds were always lower when they promoted a green practice, interestingly this tendency was weakened when a large competitor also adopted a green practice (Figure 3).

Discussion

The results of study 4 suggests that a large company is better off not promoting green initiatives in the presence of another large competitor even though a green practice does not appear to harm the brand as much when the large competitor also adopts a green practice. Together with the findings from study 3, it seems that a large company benefits from advertising a green practice only when a small-scale, credibly green competitor is present (regardless of their green activities). Therefore, what reverses the green backlash effect is not merely the presence of any competitor adopting a green

initiative but the presence of a "credibly green" company whose motivation is not being questioned. On the other hand, perhaps the addition of Burger King was simply not enough to reach the critical mass required to attenuate this effect. Perhaps with the addition of more large competitors, we may see the backlash effect continue to shrink, or even reverse as with the small credible competitor studies. Identifying this tipping point would be a worthwhile topic of future research.
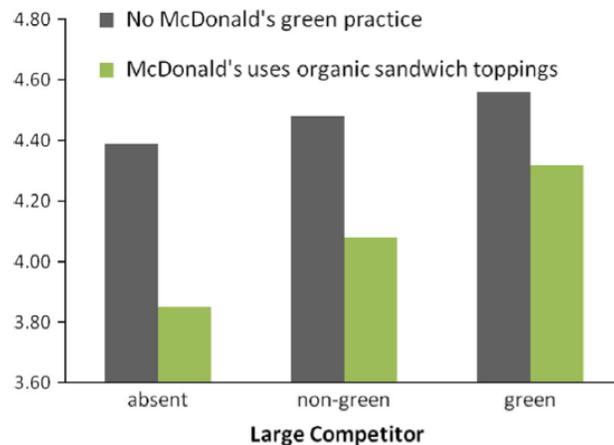
Notes: A2 (McDonald's green practice) × 3 (large competitor) ANCOVA on brand evaluations with on evaluations with respondents' green tendencies, fast food eating frequency, frequency of eating out at McDonald's, age, and gender as covariates revealed only a significant main effect ($F(1,294) = 3.97, p = 0.047$)

Figure 3.
Evaluations of
McDonald's in study 4

General Discussion and Implications for Service Sector Organizations

Both researcher and managers agree that a socially responsible approach to business that includes effective green programs will be a necessary ingredient for success in the near future (Kuosmanen and Kuosmanen, 2009; Lubin and Esty, 2010). Therefore, for this paper, we have made the assumption that large companies want to go green and are actively pursuing options for reducing their impact on the environment. While the pursuit of a lower carbon footprint is a laudable goal; the present research suggests that large service organizations should be cautious about how they promote their sustainability efforts to consumers. The above research demonstrates the potential for a green backlash whereby companies are worse off after engaging in green marketing. Furthermore, what is clear from the data is that when there is a credibly green competitor in the consideration set, large organizations will be worse off if they do not also promote their sustainability measures.

Thus, even if certain initiatives are not immediately useful for marketing purposes, large service organizations should adopt any and all green measures that they can. Then, when a credible competitor arrives, they will have something in place that they can promote to the public. Furthermore, the data suggests that it does not particularly matter whether the large company engages in the same practices as the credible competitor. Therefore, large service organizations should feel free to seek out any and all green opportunities.

For these studies we have focused on the presence of a credible competitor as the necessary ingredient for reversing the green backlash. However, there may be other forces that accomplish the same goal, for example, as consumers become more educated regarding green practices, they may not need to rely on the presence of a green competitor to establish credibility. Perhaps large companies simply need to educate consumers regarding the efficacy of their sustainability initiatives. However, it also seems likely that, given the extent to which consumers distrust large companies, these educational efforts might be in vain. The best strategy for big businesses may be to adopt a variety of operationally beneficial sustainability practices, but wait to promote those practices until consumers are ready to accept those programs as valid.

Limitations and Directions for Future Research

Regarding limitations, study 1 adopted a much-abbreviated version of grounded theory development and qualitative researchers could easily devote an entire paper to a more rigorous examination of this topic. With regards to the three experiments, the key limitation was that they relied on projective scenarios (all of which involved the food-service industry). While the use of projective scenarios is a well established technique, real world replication with actual behavior as the dependent variable would be desirable.

Looking at studies 2 and 3 together we see that, in study 2, the large firm is evaluated most favorably when they are promoting green practices in the presence of a credible competitor. In study 3, however, the reversal of the green backlash was not sufficiently strong and the company was better off when there was no green practices and no green competitors. Future research could endeavor to uncover the moderators that might be responsible for this difference.

While the results of study 4 suggest that a single large competitor does not have the same impact as a single small competitor, perhaps the presence of two or more large competitors would. After all, the backlash effect was attenuated with the addition of a large competitor and even more

when that large competitor promotes a green practice. Future research should look into whether the presence of multiple large competitors would be sufficient to reverse the green backlash effect.

Lastly, another direction for future research would be to uncover other signals of credibility (as opposed to small credible competitors) that would serve to reverse the green backlash effect. One potential option might be third-party certifications. Another might be community endorsement of green businesses. One thing is clear: consumer confusion is a fundamental driver of the green backlash effect and, because sustainability programs are difficult to evaluate objectively, consumers turn to heuristics (such as the presence of a green competitor) to inform how they should respond to green marketing. What is also clear is that, in order for service organizations successfully navigate this "emerging megatrend," much more research is needed.

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