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Too May Eco-Labels 'Overwhelming,' Companies Say

Consumers and companies alike are becoming “confused” and “overwhelmed” by eco-labeling, according to a survey of more than 1,000 international companies including Hewlett-Packard, Nestlé, Canon, Sara Lee and E.On.

The [joint study](#) by the International Institute for Management Development and the Ecole Polytechnique de Lausanne concludes that eco-labeling has nearly reached the saturation point with companies and consumers increasingly concerned about the practice's over-proliferation and credibility.

Germany's Ministry of the Environment introduced the world's first eco-label, the [Blue Angel](#), in 1978. Now more than 400 are used across 25 industries in 250 countries.

Only a minority of customers, called “dark green” in the report, are especially cognizant of the notion of sustainability. Their “light green” counterparts are unaware or uninterested, while “mid-green” consumers may think sustainability is important but they don't want to take the time to find out why.

Because of this, study authors say the idea that the average buyer will spend time sifting through eco-labels is unrealistic.

In interviews, companies listed brand strengthening, addressing consumers' sustainability demands and protecting against pressure-group attacks as key benefits of adopting eco-labels. But they also expressed what the study called “substantial skepticism” over eco-labels' enduring credibility and the rigor of the criteria and certification procedures.

The research found continuing fragmentation, consumer confusion and lack of consensus on qualifying criteria as the greatest challenges to eco-labeling continuing in its current form.

Earlier this year UK retailer Tesco [quit using Carbon Trust labels](#) — a few years after promising to label all 70,000 of its products — saying the program was too expensive and time-consuming.

In 2011 chemical company [BASF launched a website](#) to help customers compare the crowded world of eco-labels and certifications.

Research by Canada's University of Victoria, published in 2011, found [organic eco-labels for seafood](#) are often better indicators of a product's green credentials than industry eco-labels or those assigned by retailers such as Whole Foods or Marks & Spencer.