

Millennial's Perception of Greenwashing after Exposure to Corporate and Societal Websites about the Energy East Pipeline

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Abstract

Purpose: The business objective of creating corporate good to the detriment of social good is on the rise. The former involves self-interest and shareholder returns, whereas the latter seeks value creation according to norms, and obligations of the community of stakeholders. Millennials overwhelmingly believe that business needs to pay as much attention to people and purpose as it does to products and profit. These “digital natives” have greater needs to belong to social groups, share with others and have peer bonds. This research compares Millennials’ perception of the issues of an oil pipeline project and Greenwashing after website promotion of corporate good versus societal good.

Design: Three groups of Millennial university students participated in this online study. A “control group” (N= 103) was exposed simply to the existence of various existing and projected pipelines of Alberta oil to North American coastal locations. A “Corporate First” group (N=104) was initially exposed to the website promotion of the TransCanada Corporation’s proposed “Energy East Pipeline” project and subsequently to a composite website promotion from societal organizations opposed to such a project. A “Societal First” group (N=101) was initially exposed to the societal organization website and subsequently to the TransCanada Corporation website. Qualtrics online surveys assessed; 1) the participants perceptions of the pipeline project issues of: safety concerns, economic benefits, environmental and climate impacts and indigenous and community relations, 2) the willingness to join and actively participate in the social media action group of either the TransCanada Corporation or a societal organization, and 3) the degree of the TransCanada Corporation’s Greenwashing as perceived by the participants.

Findings: 1. The “Corporate First” group’s exposure to the corporate website resulted in positive and significantly higher perceptions of the project’s safety, environmental impact and community relationships than the control group, but no difference for the economic benefits. However, after the “Corporate First” group’s exposure to the societal website, these four perceptions of the pipeline project became very negative and significantly lower than their original opinions. As expected, the “Societal First” group had negative and significantly lower perceptions than the “Corporate First” group for all four pipeline issues and significantly lower than the control group except for the environmental issue. After subsequent exposure to the corporate promotion, the “Societal First” group perceptions remained strongly negative. 2. After

initial exposures, the “Societal First” group was more willing to participate in their own social media action groups than were the “Corporate First” group to theirs. 3. The control group’s perception of Greenwashing by the Transcanada Corporation was neither positive nor negative. However, no matter in which order the participants viewed the corporate and societal website promotions, the final perceptions of the existence of Greenwashing were equally strong for both the “Corporate First” and “Societal First” groups.

Implications: This example of Corporate Social (ir)Responsibility shows that social media promotion through Greenwashing can be effective in creating corporate good unless countered by the concomitant promotion of societal good.