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Greenwashing in the Automobile Industry – A Root Cause Analysis (RCA)

Introduction

In recent years, greenwashing has become a serious ethical and environmental issue in the automobile industry. It happens when companies make misleading claims to appear more eco-friendly than they truly are (Kell, 2022). As public awareness about climate change continues to grow, car manufacturers face increasing pressure to adopt sustainable practices and project a cleaner image. Unfortunately, some brands respond by exaggerating or twisting their environmental efforts, giving the impression that they are greener than reality. This not only deceives consumers but also misleads regulators who rely on accurate sustainability information.

Current Situation

The automobile industry is one of the major contributors to global greenhouse gas emissions, which makes genuine innovation essential for achieving sustainability (UN, 2024). Yet, instead of focusing entirely on meaningful change, many companies depend on marketing strategies that exaggerate their environmental commitments. A well-known case is the Volkswagen Dieselgate scandal, where the company advertised its diesel cars as “clean” and low-emission while secretly using software to cheat emissions tests (Boiral et al., 2022). Likewise, automakers such as Toyota and BMW have faced criticism for publicly promoting green technologies while allegedly lobbying against policies that support electric vehicles (Tu, 2024). These contradictions highlight a wide gap between what companies claim and what they actually practice when it comes to sustainability.

Root Cause Analysis (RCA)

A closer look at the root causes of greenwashing in the automobile industry reveals three main factors: competitive pressure, regulatory gaps, and consumer perception management.

To begin with, competitive pressure drives car manufacturers to use bold marketing tactics to position themselves as sustainability leaders. As electric vehicle brands like Tesla continue to gain worldwide recognition, traditional automakers feel the need to promote a “green” image — even when their factories and supply chains still rely heavily on fossil fuels (Koch and Denner, 2025).

Secondly, regulatory loopholes make it easier for companies to mislead the public. Many nations still lack strict systems for verifying environmental claims, allowing automakers to use vague terms such as “eco-friendly” or “zero emissions” without any clear, standardized criteria (Boiral et al., 2022). This weak oversight enables firms to manipulate emissions tests or selectively highlight positive data that strengthens their reputation.

Lastly, consumer perception management plays a crucial role. As people have become more environmentally conscious, “green” branding has turned into an effective marketing tool. Car companies take advantage of this by using nature-inspired visuals and sustainability slogans to appeal emotionally to buyers — even if their actual environmental footprint tells a different story (Tu, 2024). This strategy often places image and profit above genuine environmental responsibility.

Conclusion

In conclusion, greenwashing in the automobile industry is far more than just a marketing mistake — it is a deeply rooted problem influenced by market competition, weak regulatory oversight, and the psychology of consumer perception. To overcome this challenge, automakers must commit to transparent sustainability reporting, independent verification of their claims, and genuine innovation that delivers measurable environmental benefits. Real sustainability is built on honesty and accountability, not image manipulation. Unless the industry embraces authentic change, greenwashing will continue to slow environmental progress and erode public trust in corporate responsibility.

References:

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