

## **Greenwashing practices in the tourism business and their impact on consumer trust and business reputation**

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Against the backdrop of the growing global agenda on sustainable development and the increasing adoption of ESG approaches, tourism businesses are becoming increasingly keen to showcase their environmental responsibility, ethical behavior, and contributions to local communities. However, this is accompanied by a rising risk of greenwashing – the conscious or unconscious exaggeration of a company’s “green” achievements, which creates an illusion of sustainability in the absence of fundamental systemic changes in the business model. In the tourism industry, where services are intangible, and information asymmetry between companies and customers is significant, the problem of greenwashing becomes particularly acute.

Greenwashing is understood as a set of marketing, communication, and managerial practices aimed at creating the image of an “environmentally responsible” or “sustainable” company without sufficient factual foundations. In the tourism industry, such practices are evident in the use of terms such as “eco-hotel”, “green tourism”, or “carbon-neutral experience”, yet there is no transparent disclosure of environmental indicators, systems for managing environmental impacts, or concrete social commitments. “Greenwashing appears to be a salient issue in business practice and public policy” (Melloni, Pataconi, & Vikander, 2023), and “scholarly research has yet to offer externally valid evidence on the actual prevalence or diffusion of the phenomenon in business practice and also the extent to which there is a market mechanism that can, at least partially, address it by penalizing implicated companies” (Papagiannakis, Vlachos, Koritos, & Kassinis, 2024).

The specifics of tourism give rise to several typical forms of greenwashing. First, there is excessive or misleading use of certifications and “green” labels: a hotel or tour operator positions itself as environmentally friendly by referring to formal or secondary initiatives (for example, refusing plastic straws while failing to introduce meaningful measures in energy efficiency or environmentally sound waste management). Second, selective disclosure of information is widespread, as companies highlight certain “green” aspects (such as tree planting and support of local crafts), while downplaying or ignoring the substantial carbon footprint of flights, cruises, or large-scale construction in coastal areas. Third, greenwashing is manifested in the

use of vague and non-specific statements (“we care about nature”, “we support local communities”) that cannot be substantiated by appropriate reporting and measurable indicators.

The impact of greenwashing practices on consumer trust is contradictory and, as a rule, short-lived. At the initial stage, appealing “green” messages may attract tourists who prioritise ethical consumption and responsible travel. However, once inconsistencies between declared values and the company’s actual behaviour are revealed, trust declines sharply. This is reflected in negative reviews, reputational scandals on social media, customers switching to competitors, and a general rise in scepticism regarding the environmental claims of tour operators and hotel chains.

Exposing greenwashing undermines reputational capital, weakens the company’s market position, and reduces the effectiveness of even those initiatives that are genuinely sustainable and socially responsible. Moreover, dishonest “green” practices by individual market players damage the image of an entire tourist destination, shaping in consumers’ minds the perception of “fake” sustainability.

At the same time, the development of genuinely responsible practices and transparent communication enables tourism companies to use ESG approaches as a source of long-term reputational advantage. An alternative to greenwashing is evidence-based, verifiable sustainability: the disclosure of quantitative environmental and social indicators (energy consumption per guest, share of recycled waste, percentage of local employment), independent certification, and regular non-financial reporting based on widely recognised standards. For large tourism holdings and hotel chains, the preparation of ESG reports integrated with strategic development goals becomes an additional tool.

Thus, greenwashing practices in the tourism business have a dual effect: in the short term, they may create an appearance of competitive advantage, yet in the long term, they undermine consumer trust, increase reputational risks, and discredit the very idea of sustainable tourism. Building a long-term corporate reputation in the tourism sector requires a shift from decorative “green” communications to systemic, transparent, and verifiable ESG-oriented management practices.

**Keywords:** tourism, greenwashing, ESG approaches.

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