

## GVH's analysis of "green" marketing messages are in the international focus

Budapest, 25 January 2024 - The findings of the market analysis of the Hungarian Competition Authority (GVH), in which the authority's case handlers examined the environmental advertising, are ground-breaking at an international level, was revealed in the GVH's English language workshop. In the research, published in mid-January, GVH case handlers concluded that green advertising messages are often unclear and confusing, and that a significant proportion of consumers are not aware of the exact content and meaning of certain claims and labels.

In order to make the most of the <u>market analysis</u>, <u>published on 11 January 2024</u>, and to discuss the growing role of consumer protection enforcement in the green transition, the GVH organised an online panel discussion in English on the 24<sup>th</sup> of January 2024, with the title of "Green claims: consumer perception, developments and guidance".

At the workshop, experts from the GVH and a researcher from ELTE presented in detail the findings and recommendations of the market analysis published in January, which investigates environmental claims. The international panellists (one expert from the British and one from the Polish competition authorities) presented the experience of their respective competition authorities, their closed and ongoing cases on the subject, and the main points of their guidelines on green claims.

Thanks to the international exchange of views, the market analysis of the GVH, in which the competition experts examined the prevalence of green claims and their impact on consumers' choices, could be widely used.

László Bak, Vice-President of the GVH, highlighted that "the impact of environmental claims on consumers is being investigated across Europe. The GVH is also active in this field and aims to contribute to legitimate commercial communications through its investigations, guidance and market analysis."

The GVH case handlers found that **domestic businesses communicate sustainability in a very broad and unsystematic way**. Many businesses use so-called trustmarks and logos to support their "green" credentials, but the certification body or criteria behind them are not always identifiable (or not available in Hungarian) to consumers.

As part of the market analysis, a controlled randomised experiment carried out in cooperation with ELTE showed that the display of green claims on product packaging has an impact on consumers' perception of the product and their purchase intention. However, a significant

H-1026 Budapest, Riadó u. 1-3. 1534 Budapest Pf.: 958 KRID: 213396918

Phone: +36 1 472-8900 E-mail: ugyfelszolgalat@gvh.hu



proportion of consumers are not aware of the exact content of the claims they see and often misunderstand them.

Ágnes Buvár, a researcher at ELTE, pointed out that "our results show that for identical products, the presence of green claims on the packaging leads to a more positive evaluation of the product. The size of the effect, however, depends on the product category, the content and presentation of the green claim, and the green commitment of consumers."

Based on the findings of the market analysis, the GVH made a number of **recommendations to the legislator** and market players, including **the establishment of a tiered, state-regulated sustainability labelling system**. The study summarising the results of the market analysis, including the GVH experts' partial recommendations and their reasoning, is available on the website of the Hungarian Competition Authority by clicking <a href="here">here</a>.

## **GVH Public Service Communications Section**

Further information:

Bálint Horváth, Head of Communication +36 20 238 6939 Katalin Gondolovics, Spokesperson +36 30 603 1170

H-1026 Budapest, Riadó u. 1-3. 1534 Budapest Pf.: 958 KRID: 213396918

Phone: +36 1 472-8900 E-mail: ugyfelszolgalat@gvh.hu