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THE EFFECTS OF GREENWASHING ON CONSUMER BEHAVIOR IN THE FASHION INDUSTRY

A STUDY COMPARING THE LUXURY FASHION AND FAST FASHION INDUSTRIES

– LITERATURE REVIEW PART 2 –

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Abstract

This thesis examines the effects of greenwashing on consumer behavior, focusing on the comparison between the luxury and fast fashion industries. A research gap was identified by the analysis of existing literature, indicating that there are substantially fewer greenwashing allegations against luxury fashion brands. This imbalance is further reflected in the amount of existing literature. Moreover, previous research has not yet provided a comparison regarding the effects of greenwashing in these sectors. Thus, this study makes a valuable contribution by revealing that greenwashing has more severe negative effects on consumer behavior in the luxury than in the fast fashion sector.

Keywords: Greenwashing, Sustainability, Consumer behavior, Fashion, Luxury fashion, Fast fashion

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Disclaimer

The structure of this master thesis is primarily based on scientific papers, as it is the authors' aim to make a valuable academic contribution with their work. The decisive reason for this decision was that the core element of this thesis is a consumer survey, on the results of which the main added value of the work is based. Since this experiment constituted a group effort, the present structure was chosen with the primary focus of ensuring the highest possible quality of the work. Since all the authors were equally involved in the creation of the survey, an important success factor was that all participants had a broad understanding of the disciplinary background in this research field. For this reason, the literature review and methodology sections were established as individual parts. This ensured a consistent state of knowledge among all authors. Another critical consideration for the chosen structure was the fact that it significantly improves the readability of the reader and makes it more comprehensible. After having outlined the rationale behind the present structure, the authors would like to conclude by emphasizing that all participants jointly developed the structure of the survey, its implementation, as well as the analysis and interpretation of the results. The equal distribution of the number of pages per person was nevertheless ensured. A more detailed clarification of the division of the individual parts can be found in Appendix 1.

Table of contents

List of appendices **1**

I. Literature review **2**

1. Introduction to the fashion industry 2

1.1. Fast fashion industry 4

1.1.1. Industry overview 4

1.1.2. Sustainability and the fast fashion 6

1.1.3. Greenwashing and the fast fashion industry 10

1.2. Luxury fashion industry 13

1.2.1. Industry overview 13

II. Methodology **16**

1. Hypotheses development 16

III. Results **20**

1. Hypothesis 1 20

2. Hypothesis 2 21

3. Hypothesis 3 21

4. Hypothesis 4 23

5. Hypothesis 5 25

IV. Discussion **26**

1. Interpretation 27

2. Academic and managerial implications 37

3. Limitations and directions for future research 39

V. Conclusion **40**

References **43**

Appendix **62**

List of appendices

Appendix 1: Distribution of individual parts ……..…….…….. 62
Appendix 7: Hypotheses visualization …….…….. 64
Appendix 8: SPSS output ……...…… 65
8.1.: Statistical outcomes – Reliabilities ……..……..……...…… 65
8.2.: Statistical outcomes – Hypothesis 1 ……..……..……..…….. 71
8.3.: Statistical outcomes – Hypothesis 2 ……..……..……..……... 71
8.4a.: Statistical outcomes – Hypothesis 3a ……..……..……...…….. 72
8.4b.: Statistical outcomes – Hypothesis 3b ……..……..……..…….. 73
8.5a.: Statistical outcomes – Hypothesis 4a ……..……..……..……..... 74
8.5b.: Statistical outcomes – Hypothesis 4b ……..……..……..…….. 76
8.6.: Correlation table – Hypothesis 5 ……..……..……..…….. 78
8.7.: Ranking of product categories …….……..…. 79
Appendix 9: Interview with Prof. Catherine da Silveira ……...…….. 80

I. Literature review

The following section reviews the existing literature on sustainability and greenwashing, being put into the context of the fast fashion and luxury fashion industry. This section provides the basis for a fundamental understanding of the subsequent study and the analysis of its results.

1. Introduction to the fashion industry

There are various definitions for the term fashion highlighting how multifaceted the expression is. However, one of the prevailing understandings refers to styles that are worn by groups of people and are perceived as popular at a certain time and place. The fashion industry is mainly focused on the design, manufacturing, and retail of clothing, wearable accessories, as well as footwear (Major n.d.; Rissman 2015; Serdari 2020).

Traditionally, the fashion industry was devoted to haute couture and high-end fashion, which catered to a classy and upscale clientele. The apparel industry, on the other hand, focused on large-scale production and placed more emphasis on practicality and marketability than on current trends. While those differentiations still exist, nowadays the terms fashion and apparel are oftentimes used interchangeably, however in the past, they have not been as closely related (Major n.d.; Roth Breitzer 2022).

Fashion serves as a means to differentiate people into groups by different styles, such as classic or punk for instance (Hasa 2016). The psychological concept of social identity theory denotes people's self-concept based on their belonging to groups, including criteria such as nationality, occupation, social class, sexual orientation, or ethnicity. This sense of belonging is connected to strong emotional ties and evokes feelings of pride and self-esteem (Akdemir 2018; McLeod 2019). One of the fundamental ways to express one's social identity is the way of dressing. Consequently, fashion has always been a part of society, as it is as a way of nonverbal communication, which allows people to express their identity, culture, group affiliation, and social class. However, clothing is not only a means of self-expression but also a tool to assess

other people. Hence, while fashion can give individuals the feeling of membership to certain groups, it can also be used to differentiate oneself from others (Akdemir 2018; Ellison 2014).

The multi-billion-dollar global fashion industry experienced substantial revenue growth over the previous decades until 2020 when the Covid-19 pandemic and the resulting restrictions severely disrupted the market (Smith 2022a; b). Even though challenges persist, from mid-2021 the situation has been improving, particularly in markets with high immunization and saving rates. However, although the pandemic shook the overall fashion industry, it especially aggravated the disparities in performance amongst its players, which have emerged as a reoccurring theme in previous years. While a few leading companies have achieved to regain or even exceed their pre-pandemic performance levels, the majority of fashion brands are still struggling (Berg et al. 2021). Further, it has been shown that fashion companies producing negative economic profits were more prevalent than ever in 2021. In that year, sportswear companies, luxury brands, as well as Chinese domestic businesses lead the market. In general, the fashion industry will most likely remain predominated by fast fashion and luxury fashion, while the mid-market will come under strain. The success of the well-performing companies during this time can be traced back to different factors: Those brands either catered to the current industry trends, such as "comfort, outdoor activities and online shopping" (Berg et al. 2021, 10), or to richer segments of the population who were able to withstand the effects of the crisis more easily (Berg et al. 2021).

Furthermore, in recent years, one of the focus topics in the fashion industry has been sustainability (Pucker 2022). The Global Sustainability Study 2021, undertaken by the consulting firm *Simon-Kucher & Partners* (2021), indicated, that in the previous five years, around 85% of consumers worldwide have altered their purchasing practices to become more environmentally friendly. Moreover, research suggests that compared to consumers in less advanced economies, consumers in developed nations place a higher value on sustainability

and display a higher willingness to pay premium prices for environmentally friendly goods (Minton et al. 2012). However, the willingness to buy sustainable products varies between product categories (McDonald et al. 2012). Accordingly, it has been shown that relatively few green consumers buy sustainable clothing (Kim and Damhorst 1998). Nevertheless, so far research has not been able to fully explain this attitude-behavior gap (Kong, Witmaier, and Ko 2021).

In the fashion industry, luxury fashion and fast fashion are placed at opposite ends of the spectrum. In the following sections, both segments will be explored in more detail.

1.1. Fast fashion industry

1.1.1. Industry overview

The global fashion industry has considerably evolved over the past two decades, leading to a higher frequency of fashion cycles as well as to changes in the structural parameters in the supply chains. As a result, apparel firms were pressured to strive for low costs as well as increased responsiveness and flexibility in terms of design, quality, speed of delivery, and time to market. Consequently, the market has become increasingly competitive (Bhardwaj and Fairhurst 2010). Up until the end of the 1980s, fashion retailers used to forecast consumer demand and upcoming trends well in advance of the actual moment of consumption. In the present day, however, the success of fashion retailers is determined by their capability to offer the latest fashion trends as quickly as possible. Hence, as the time between design to sale continually decreases, the frequency of fashion cycles increases (Bhardwaj and Fairhurst 2010).

Those developments have led to the rise of fast fashion. The term is based on the business model whereby clothing is produced very fast to react to the latest trends and is also purposely designed to have a short lifespan (Joy 2013). However, as fast fashion clothing imitates prevalent trends of high-end luxury fashion brands, some designers have accused those companies of intellectual property theft (Hayes 2022). Furthermore, the fast fashion industry is

characterized by new collections being introduced on a regular basis, as the clothing items are designed to sell swiftly, to ensure that inventory can be replaced regularly. Moreover, fast fashion retailers do not restock sold-out items, but rather replace them with new ones. Hence, people feel pressured to purchase immediately as items may not be offered for long. Additionally, due to fast fashion retailers' stores' frequent turnover, consumers are tempted to visit the shops more often, leading to an increased number of purchases. Another distinctive characteristic of the fast fashion model is that items are sold at affordable prices, leading to the democratization of fashion. As a result, due to low prices and the limited quantity of certain designs, customers tend to make more impulsive purchases (Hayes 2022; Lu et al. 2022; Mohn 2020).

People born between 1981-1996 are members of generation Y, also known as Millennials, whereas the 1997-2010 cohort is referred to as generation Z. It should be noted, however, that these dates may vary depending on the country and world region (Adigiconsult n.d.; Dimock 2019). Individuals belonging to those two generations are allegedly very concerned about sustainability and claim to be interested in consuming socially and environmentally conscious products, even if they must pay a premium price for them (Holman 2020; Tyson, Kennedy, and Funk 2021). However, at the same time, generation Y and Z consumers are the main target group of fast fashion companies. Especially young female adults represent the most regular shoppers in this fashion segment (Kim, Choo, and Yoon 2013). Hence, as fast fashion brands often display poor socially and environmentally responsible performance, there is a contradiction between those consumers' attitudes and actual behaviors, which is described as the attitude-behavior gap, as already explained in the preceding section (Lam, Yurchisin, and Cook 2016).

Well-known players in the fast fashion industry include companies such as *Zara*, *H&M*, *Forever21*, and *Primark*. The success of fast fashion businesses is primarily attributed to their

innovative and efficient supply chain management. The Spanish brand *Zara*, part of the textile powerhouse *Inditex*, can be seen as the pioneer of fast fashion. Its key success factor is the ownership of a fairly short supply chain, which allows them to minimize the timespan between design, production, and delivery. As a result, the brand creates more than 11,000 fashion pieces annually, compared to the industry average of 2,000-4,000 units. Still, *Zara* achieves the lowest levels of inventories at the end of the year in the industry (Hayes 2022; Uberoi 2017).

Through the emergence of new players, such as the online-only retailer *SHEIN*, the fast fashion industry was even further accelerated over the past decade. The Chinese e-commerce sensation *SHEIN* offers up to 1,000 new styles on a daily basis. Hence, such companies are referred to as operating an "ultra-fast fashion" business model, as they offer more items at even lower prices than traditional fast fashion retailers. Unlike the initial fast fashion brands, these firms operate solely online, using real-time data and advanced analytics to specifically target consumers and identify trending styles (Lieber and Chen 2022; Nguyen 2021; Wang 2022).

1.1.2. Sustainability and the fast fashion

Even though fast fashion has gained enormous popularity around the world, there are severe environmental and social consequences associated with this phenomenon and the industry in general (Mohn 2020). Over the past decades, worldwide garment production and sales have continually risen. Thus, if the industry will not manage to be more environmentally efficient, its environmental footprint will expand accordingly (Remy, Speelman, and Swartz 2016).

The highest growth rate in apparel consumption can be recognized in developing countries, as here more people are shifting into the middle class, and therefore have more disposable income to spend on clothing. Still, in comparison, consumers in developed countries purchase multiple amounts of clothing. Furthermore, the steep increase in clothing manufacturing and consumption can also be traced back to the rise of fast fashion. This business model, which has been the driver for many apparel businesses' exceptional growth, is sustained

by frequent purchasing, low-cost production, and a short period of use of clothing. All of those factors foster overconsumption (Remy, Speelman, and Swartz 2016).

Further, as the quality of fast fashion clothing is not particularly enduring due to its lack of quality, the emergence of fast fashion is also accompanied by a shift in consumers' mindset related to the durability of the clothing. This is reflected in the fact that nowadays consumers keep their clothes not even for half as long as they did two decades ago. Also, because of the low prices which are part of the fast fashion business model, clothes are considered disposable even faster (Peters et al. 2020; Remy, Speelman, and Swartz 2016).

Various stages of the fashion manufacturing process negatively influence the environment. First of all, the global fashion industry is responsible for the usage of an extensive amount of water, an estimate of 93 billion cubic meters annually. Most of the water consumption in this industry is related to cotton agriculture as well as certain wet production process steps, such as bleaching or dyeing. For one, this leads to a scarcity of ground and drinking water supplies, especially in arid production areas. Additionally, the chemicals and pesticides used during the production process create wastewater, which can cause water pollution if not handled correctly. As the majority of fashion factories are located overseas in nations with poor environmental protection regulations, a substantial amount of unpurified water gets into the ground and the oceans (Le 2020; Peters et al. 2020; United Nations 2019).

Furthermore, the fashion industry represents one of the most environmentally harmful industries around the globe. While figures vary slightly throughout different sources, the industry is estimated to be responsible for around 8-10% of worldwide greenhouse gas emissions (Ellen MacArthur Foundation 2017; Peters et al. 2020; Remy, Speelman, and Swartz 2016). The main cause for the high carbon footprint level of this industry is the high energy use during production. However, the level of emissions is strongly related to the type of energy used. Hence, as most textile factories are in developing countries, which predominantly rely on

fossil-fuel-based energy production, the carbon footprint of garments made in those locations is a lot higher than textiles manufactured in western countries. Accordingly, it is estimated that on average the production of 1kg of textile material creates approximately 23kg of greenhouse gases (Peters et al. 2020; Remy, Speelman, and Swartz 2016).

Another major problem of the present consumption habits in the fashion industry is the enormous amount of fabric waste. Textile waste has grown as a result of the substantial increases in fashion manufacturing and consumption. One of the main points of criticism of fast fashion is planned obsolescence, which refers to the notion that items are deliberately made to endure only for a brief period of time, with the goal to be exchanged for a newer model of the same product (Mohn 2020; Peters et al. 2020). In general, the materials of fast fashion clothing are mostly low-quality synthetics, which are not meant to be worn for a long period of time, but rather to be thrown away soon. This development is also described as "disposable fashion" (Hayes 2022). Moreover, clothing from fast fashion brands is usually not reused, as many secondhand shops refuse to sell them due to their low quality and resale value (Wicker 2016). Hence, because of the lack of reuse and recycling, most garments end up in landfills or are incinerated within only a few years of being produced (Remy, Speelman, and Swartz 2016). When buried in landfills, natural fibers such as cotton emit methane as they degrade. However, the fibers are processed (e.g., bleached, dyed, etc.) with chemicals during the production process, which leak from the garments and enter groundwater in poorly sealed landfills. If textiles are burned, these chemicals may also be released into the air. Furthermore, synthetic materials such as polyester share the same environmental disadvantages and take hundreds of years to decompose, as they are a kind of plastic material manufactured from petroleum (Wicker 2016). Additionally, those synthetic fibers are the main source of microplastics that enter the oceans, which has a destructive influence on the aquatic ecosystem (Le 2020).

Besides the harmful impact on the environment, the fashion industry also entails severe social consequences. Although there have always been social issues related to this industry, the emergence of fast fashion has aggravated the conditions, as it pushes companies to make clothing even cheaper and faster, regardless of the consequences (Sagapova, Buchtele, and Dušek 2022). Most clothing is manufactured in developing countries, with poor or non-existent labor rights. As apparel companies aim to minimize their costs, they move their production to locations where the cost of labor is the lowest, mostly even below living wages. Moreover, as fast fashion companies are pressured to always become more responsive, they often place hurried orders to the manufacturing firms, and alter the volume of production, design- or production schedules, without consenting to price increases or delays in delivery (D'Ambrogio 2014). Other consequences of low-cost production are bad working conditions, such as long hours and unpaid overtime, as well as health and safety hazards caused by inhaling toxic chemicals or structurally unsafe buildings (D'Ambrogio 2014; Hobson 2013; Sagapova, Buchtele, and Dušek 2022).

Industry expert Catherine das Silveira (Video Call Interview, November 1, 2022) (Appendix 9) explained that the rapid growth and proliferation of unsustainable fast fashion brands can partly be attributed to the lack of regulation in this industry. Furthermore, the increased sales growth in the (fast) fashion industry indicates that the majority of consumers either ignore, accept, or are not entirely aware of the social and environmental implications (Remy, Speelman, and Swartz 2016). The worldwide clothing demand, which will keep expanding in the upcoming years, offers a great opportunity for players in the fashion market. However, clothing businesses need to be cautious, as the expectations of younger generations concerning the increased sustainability of firms will have a substantial effect on purchase intentions and consumer attitudes in the future. Hence, investments to become more sustainable will offer companies improved resilience and profitability in the long run. Unfortunately, up to

now, most apparel firms have not been able to align their sales growth with equal advancements in their environmental and social responsibility (Remy, Speelman, and Swartz 2016).

However, the increasing consumer awareness regarding sustainable and ethical practices, as well as anticipated future government regulations, put pressure on the players in the industry. As a result, fast fashion businesses have begun to introduce sustainable collections, repair services, or collect used clothing to recycle, intending to boost their credibility and customers' confidence in the brand. Moreover, some clothing firms have joined forces to collectively address social and environmental issues. However, to fundamentally change the fast fashion market, consumers also need to act accordingly and balance their desire for up-to-the-minute fashion with their green values (Joy et al. 2012; Remy, Speelman, and Swartz 2016).

1.1.3. Greenwashing and the fast fashion industry

Over the past decades, the pressure in the fashion industry to act more ethically and sustainably has been steadily growing. As a result, fast fashion firms have responded by developing marketing communications that emphasize environmental benefits, increasingly misusing buzzwords such as "*sustainable*, *eco-friendly*, and *green*" (Kaner 2021, 203) to promote their alleged sustainable business strategies. However, if those businesses are unable to live up to their green promises, their strategy and marketing messages fall flat. As greenwashing is a common occurrence in the fast fashion sector, an increasing number of those brands are being criticized for making vague environmental claims and empty promises to capitalize on consumer demand for sustainable options (Kaner 2021).

One of the main enablers for greenwashing in this industry is the absence of a common understanding of sustainable fashion and how it must be measured. Also, the lack of government regulation has led to a loose market that facilitates greenwashing (Kent 2022a). Consequently, on the one hand, those circumstances increase the chances that businesses accidentally fall into the greenwashing trap, and on the other hand, it gives the opportunity for

brands to deliberately take advantage of the underlying ambiguity. The notion that firms solely focus on the environmental consequences of their business operations and ignore the human side, is another pitfall in the greenwashing trap. Furthermore, it is often difficult to find solid data about production practices in the fashion industry. One reason for that is that the supply chains in the fashion sector are worldwide the most decentralized, fragmented, and outsourced of any product kind (Kent 2020; Mondalek 2020). Thus, while many fashion businesses do not have a deep understanding of where their materials originate from, the ones that do gather information from their suppliers do not always choose to reveal them to the public. Additionally, in the case that such data is disclosed, the information is seldomly standardized to enable comparison against other brands (Deeley 2021).

In the past, there have been several greenwashing accusations against fast fashion brands. One of the cases that drew a lot of media attention concerned the allegations against *H&M* (Mondalek 2020). The *H&M* Group is one of the major players in the fast fashion industry and represents the second-largest clothing retailer after the Spanish Group *Inditex*, by sales (Smith 2022c). The fast fashion business model is characterized by fast response rates to the latest trends as well as consumer tastes, while at the same time retaining affordable prices (Hall 2018). Consequently, for brands that operate based on this business model, it is difficult to convey a sustainable image. *H&M* is conscious of this perception as well as the negative social and environmental effects of fast fashion and has continuously made efforts to counteract those issues. However, making sustainability-related promises and assertions entails a risk for businesses, as it exposes them to being accused of greenwashing. Consequently, the industry faces an increasing risk of "greenhushing", which describes the development that brands stop disclosing and communicating their sustainability-related efforts, as they are afraid of regulatory and reputational consequences (Kent 2022b).

H&M in particular has been accused of greenwashing concerning some of its sustainability-related initiatives: In 2010, *H&M* introduced its first sustainable collection – called the "conscious collection*"*. However, as the brand continuously launched these collections a few times a year, it was denounced that they become outdated as a trend all around, just like regular fast fashion. According to critics, the brand rather should have encouraged its customers to continue wearing the clothes they already own instead (Kaner 2021). In addition, criticism was voiced that the conscious collection is only a minimal part of *H&M*'s collective product offering, which entirely consists of regular unsustainable fast fashion items (Mondalek 2020). Furthermore, in 2019, the *Norwegian Consumer Authority* blamed *H&M* for not offering sufficient information about the sustainability level of their conscious collection. Accordingly, the authority demanded a precise definition of what *H&M* considered to be conscious, as they perceived the vagueness of the term to mislead consumers (Hitti 2019).

The example of *H&M* makes it apparent that publicly disclosing and discussing sustainability issues is a double-edged sword for fast fashion brands. On the one hand, being at the center of public attention exposes brands to criticism, even if their green initiatives are well-intended (Mondalek 2020). Nevertheless, on the other hand, public exposure can motivate firms to provide more information about this purpose and increase their investment in it. In the case of *H&M*, the exposure to public discussion and criticism has driven the company to be more transparent. As a result, in 2020, the brand was recognized as the most transparent fashion retailer by the *Fashion Transparency Index* (Kaner 2021). It should be noted, however, that the index only considers the level of transparency, but it does not verify how socially and environmentally responsible the firms really are. Yet, especially in the fashion industry, which is characterized by its complex value chains, transparency is vital for sustainable development, as it enables consumers to make more conscious purchase decisions (Marriott 2020).

According to industry expert Catherine da Silveira, unfortunately, most greenwashing incidents often involve companies like *H&M* or *Zara* that are making a real effort to move in the right direction, by implementing environmental strategies to become more sustainable. The reason for this is that these businesses communicate and publicly highlight their sustainability efforts, exposing themselves to the greenwashing trap. Further, she elaborated, that however, new, mainly Chinese online players such as *SHEIN*, offering clothing at even lower prices, represent the actual environmental offenders in the fast fashion sector. As they refrain from making environmental claims, nor reveal much information related to the sustainability of their operational practices, these businesses are less frequently accused of greenwashing. Furthermore, she explained that it is predicted that the change towards a more sustainable fashion industry will have to come from governments as well as the fashion companies themselves. Especially young generations of consumers state that sustainability is an important purchase decision criterium to them, yet price and style persist to be stronger drivers (Kent 2022a). Thus, to lead the industry into a more sustainable future and reduce misleading green marketing claims, regulators – especially in the US and Europe – are working on policies to control the market (Deeley 2021). Finally, according to *Business of Fashion*, "[…] the debate comes down to a key question: what's green and what's greenwashing — and who gets to decide?" (Kent 2022a).

1.2. Luxury fashion industry

1.2.1. Industry overview

There is no universal definition of luxury, as the concept is rather complex and context specific. It represents a subjective concept, that can be interpreted differently depending on place, time, and person. The expression luxury originates from Latin "Luxus", which denotes excess, abundance, and a demonstration of wealth. Accordingly, luxury is associated with pleasure and satisfying desires that go beyond actual needs (Cabigiosu 2020; Loureiro and de Araújo 2014).

One of the main functions of luxury is the creation of social stratification in society (Ahmad 2015). In the past, luxury was restricted to the rich elite class of society. As a result, luxury was often linked to conspicuous consumption, which describes the acquisition of products or services with the primary intent to showcase one's wealth. Hence, luxury is often associated with exclusivity and inaccessibility (Ghosh and Varshney 2013; Kenton 2021; Reddy and Han 2017). This exclusivity is predominantly sustained by high prices as well as deliberately limited sales volumes and outlets. Consequently, the consumption of luxury allows consumers to express their tastes, wealth, and status. However, over the last few decades, there has been a rise of the middle class with increased purchasing power. To meet the demands of this sizeable economic segment, several luxury companies have introduced more accessible product offerings for the mass-luxury market. This development is often described as the democratization of luxury, which however poses a threat to exclusivity as the essence of luxury brands. Hence, a major challenge for luxury brands is to balance growth and remaining luxury (Kapferer 2015; Shukla, Rosendo-Rios, and Khalifa 2022).

Luxury consumption can be influenced by both personal and interpersonal factors: For one, personal values relate to hedonistic consumption and emotions, involving the pursuit of personal gratification. Interpersonal values, on the other hand, are associated with ostentatious consumption, which aims to display status and prosperity (Cabigiosu 2020; Shukla, Rosendo-Rios, and Khalifa 2022). Further, it has been shown that consumers primarily associate six constitutive characteristics with luxury goods, including high prices, outstanding quality, aesthetic appeal, scarcity, extraordinariness, and symbolism (Dubois, Gilles, and Czellar 2001; Heine 2012a; Heine 2012b).

The terms luxury and fashion are frequently used in conjunction, even though it is apparent that especially fast fashion is far from being luxurious. Thus, according to Faiers (2015, 1 Abstract) "The combination luxury fashion, […] implies cost, exclusivity, indulgence,

and excess, and is typically understood as being constructed from the finest materials, involving a high level of craftsmanship, laborious production, and often originating from a specific manufacturing location". The luxury fashion segment is part of the personal luxury goods market, which besides cars, represents the second largest sector within the luxury industry. Globally, the personal luxury goods market, which entails high-end clothing, accessories, jewelry, and eyewear, was valued at €283 billion in 2021 (D'Arpizio et al. 2021; Sabanoglu 2022a). Further, in the international luxury goods market, the luxury fashion segment achieved the highest revenue in 2021, with approximately $92.7 billion. This segment was followed by luxury watches, jewelry, as well as luxury leather goods (Statista Research Department 2022).

To persist in this increasingly competitive landscape of the luxury fashion industry, increased skills and resources are vital for companies. Consequently, as smaller businesses do not have the same means as large fashion houses, there has been a large number of company mergers and acquisitions in this segment over the last two decades. Mostly it has been observed that big luxury groups have obtained several luxury fashion brands. As a result, the concentration in this market is growing, making it increasingly harder for small fashion businesses to endure (Cabigiosu 2020). In the personal luxury goods market, the three luxury groups *LVMH* (*Louis Vuitton Moët Hennessey*), *Richemont* and *Kering* represent around over a third of the market. These groups are particularly known for their fashion houses. With an annual revenue of almost €45 billion in 2020, the most valuable luxury brand globally is currently the luxury conglomerate *LVMH*, which entails fashion brands such as *Louis Vuitton*, *Christian Dior*, and *Fendi*. Furthermore, with around 45%, family-owned businesses account for an even larger share than the previously mentioned conglomerates in the personal luxury goods market. Many of those brands are also major players in the luxury fashion segment, such as *Chanel* or *Hermès* (da Silveira 2022; Sabanoglu 2022b).

II. Methodology

The methodology section describes the quantitative and qualitative analysis that was carried out in the form of a survey and an expert interview. The chapter is divided into five subsections. The first four sections describe the methodological approach as well as the questionnaire design and the corresponding sample selection. In addition, the conceptual model outlines the relationship between the applied variables. The last section presents the developed hypotheses. As the literature on the present research topic is still underdeveloped, a comprehensive analysis and association of existing studies in related fields was conducted to establish the transfer.

1. Hypotheses development

As previously outlined, the overarching term corporate sustainability includes three different components: environmental, social, and governance practices (ESG). Businesses engage in efforts related to those areas, in order to lessen their environmental impact or to realize further socially beneficial goals (Beattie 2021). Moreover, the perception of corporate sustainability influences consumers' brand attitudes and purchase intentions. Hence, for organizations, one of the main benefits of ESG-related initiatives that get recognized by the public is an enhanced reputation. However, firms need to be aware that their efforts must be genuine in order to achieve positive effects, as they are evaluated in relation to the company as a whole (Becker-Olsen, Cudmore, and Hill 2006). Consumers who trust a brand depend on the company to fulfill its declared purpose. Accordingly, factors such as corporate sustainability and transparency have a significant influence on trust and responsibility perception, which in turn impact consumers' brand loyalty and purchase intentions. Hence, brands which are considered trustworthy and truthful are able to create a favorable reputation through corporate sustainability (Chaudhuri and Holbrook 2001; McWilliams and Siegel 2001).

As **luxury** is associated with attributes such as rarity, exclusivity, superior quality, craftsmanship, and high prices, luxury brands are oftentimes regarded to be inherently

sustainable (Lo and Ha-Brookshire 2018; Serdari 2020). As many consumers rather blame the fast fashion industry to be unsustainable, luxury brands addressing sustainability are sometimes even considered unpleasant (Caïs 2021). Additionally, people often assume that luxury goods have rarely any substantial negative environmental or social implications because they are associated with high-end, prestige products. However, to a certain degree, the luxury industry is also responsible for the sourcing of raw materials, mistreatment of animals, poor working conditions, as well as environmentally harmful production practices (Kapferer and Michaut-Denizeau 2014). Accordingly, Davies, Lee, and Ahonkhai (2012, 41) call this misconception "the Fallacy of Clean Luxuries". Yet, consumers appear to focus on the favorable attributes of luxury brands and unconsciously separate those companies from the negative impacts they entail (Teona, Ko, and Kim 2020). Furthermore, luxury brands act as role models in their industry, therefore influencing fashion trends and guiding other players. Hence, if luxury brands emphasize sustainability in their strategy, others are likely to follow their example (Haus von Eden n.d.). Furthermore, consumers have the expectation towards luxury brands to address sustainability to a higher extent than fast fashion companies, and demand answers to their concerns regarding social and environmental problems. Accordingly, it has been shown that consumers seek a leadership role in luxury brands (Lo and Ha-Brookshire 2018).

In contrast to the luxury fashion industry, consumers' trust in **fast fashion** brands has generally been dwindling. For one, the number of proven greenwashing cases of brands in this segment is growing. Hence, this makes consumers increasingly aware of the industry's grievances, which reduces the brand's credibility and damages consumers' trust in the company. Furthermore, the fast fashion industry has been subject to public criticism for its irresponsible social and environmental practices, as well as its non-transparent supply chains (Guerreiro and Pacheco 2021; Imran and Berg 2019; Lu et al. 2022). Moreover, the fast fashion business model focuses on making production as quick and inexpensive as possible, with little

consideration for its damaging effects on the environment. As a result, consumers associate the low price point at which fast fashion clothing is sold, with low-cost production and unfavorable supply chain methods (Boone 2009). Further, consumers' impressions of a brand are influenced by its credibility. Whether consumers perceive a company's corporate sustainability to be credible, thus depends on how well the new information about green branding fits into the preexisting consumer perception. Consequently, it is challenging for fast fashion brands to establish the credibility of green efforts (Kim and Hall 2015; Ng et al. 2014). Davies, Lee, and Ahonkhai (2012) support this line of arguments by finding that consumers perceive the lack of sustainability of non-luxury brands more unfavorably compared to luxury brands.

Based on present literature and above stated arguments, the hypothesis is proposed:

H1: *Perception of corporate sustainability is higher for luxury fashion than for fast fashion brands* (Appendix 7).

Consumers are becoming more environmentally aware and recognize that their purchase behavior has a substantial impact on the environment. As a result, the demand for green products is surging. Accordingly, companies increasingly utilize green marketing to garner consumers' attention. However, some companies exploit consumer's environmental concerns by engaging in greenwashing, which describes the use of false and misleading green marketing claims (Chen and Chang 2013; Chen, Lin, and Weng 2015). As consumers put their faith in companies' marketing and communication to make purchase decisions, greenwashing erodes their trust (Hamann and Kapelus 2004). Consequently, greenwashing might damage the market of sustainable products, as it makes consumers skeptical and suspicious. Accordingly, greenwashing has a negative impact on green trust (Self, Self, and Bell-Haynes 2010).

Luxury products stand for longevity and durability as they are usually made of high-quality materials. Thus, those products are perceived to be sustainable as they can be recycled, reused, or restored more easily (Ozdamar-Ertekin 2019). Additionally, since luxury goods are

expensive, consumers assume and expect that part of the price is the brand's responsibility and dedication to ensure the sustainability of the resources and materials. Consequently, consumers' confidence in those brands' credibility is higher (da Silveira, Video Call Interview, November 1, 2022). Furthermore, luxury brands can afford to be sustainable because they are not constrained in terms of price increases. This can be attributed to their customers' higher willingness to pay, as they anticipate that luxury brands represent higher standards of excellence, rarity, and taste (da Silveira, Video Call Interview, November 1, 2022; Hennigs et al. 2013). Accordingly, to support innovative practices and approaches to fashion, some of the major luxury companies have been funding innovation competitions intending to find new opportunities to become more sustainable (Faccioli and Sheehan 2021). This also contributes to the perceived leadership role of luxury brands with regard to sustainability, mentioned in the previous section (Lo and Ha-Brookshire 2018).

As consumers are becoming increasingly conscious of environmental issues, green marketing activities have been on the rise. However, skepticism towards green advertising has also increased, especially amongst consumers who display a high level of environmental concern (do Paço and Reis 2012). The **fast fashion** business model is widely known to be unsustainable. As a result, due to the absence of environmentally friendly business practices, green marketing initiatives are perceived as less authentic and increase the skepticism of consumers towards those brands (Hagman, Segerqqvist, and Wahlström 2017). Moreover, in the fast fashion industry, there have been several cases of greenwashing that caught public attention (Rauturier 2022). The reveal of false green advertising significantly damages consumers' trust in a company, and it takes a long time to restore the brand's credibility. However, the greenwashing activities of certain firms not only harm their own reputations but also increase the skepticism towards any other company's credibility in the industry that engages in green marketing (Mandarić, Hunjet, and Kozina 2021). Furthermore, as an

increasing number of fast fashion brands publicize their green branding efforts, consumers start to perceive them as a trend and thus attribute less credibility to them (Ottman 2011).

Finally, as already elaborated in the previous paragraph concerning hypothesis 1, perceived corporate sustainability has a significant influence on brand trust. Hence, as it is assumed that the perception of corporate sustainability is higher for luxury brands, it is also believed that green trust is higher for luxury than for fast fashion brands. The rationale behind this is the spill-over effect of a company's reputation and credibility on its products.

Based on those considerations, the following hypothesis is put forth:

H2: *Green trust is higher for luxury fashion than for fast fashion brands* (Appendix 7).

III. Results

The statistical analysis was performed using *SPSS* (version 27). Due to the robustness of ANOVAs and t-tests against violations of the normal distribution, this requirement was neglected (Schmieder et al. 2010; Pagano 2010; Rasch and Guiard 2004; Wilcox 2012). As part of the hypotheses testing, Levine-tests were computed to test for variance homogeneity. In the case of a violation of equality of variance (significant Levene-test), the results of the Welch-test were reported. In addition, in case of further prerequisite violations, alternative robust methods were applied. Prior to hypothesis testing, a reliability check of all variables in the study was performed which confirmed the high reliability of each of them (Appendix 8.1).

1. Hypothesis 1

In the validation process of the first hypothesis, a t-test was applied, because in this case the mean values of two groups are compared. Due to the significant Levene-test, the results of the Welch-test were considered. The results showed that the average sustainability perception of luxury brands (M = 3.53; SD = 1.55) is higher than that of fast fashion brands (M = 2.27; SD =

1.21). Further, the difference was significant, with a high effect size, $t(194.29) = 6.49$, $p < .001$, $d = 0.90$. Thus, the hypothesis was confirmed (Appendix 8.2.)

2. Hypothesis 2

In analogy to the first hypothesis, a t-test was also calculated to assess the second hypothesis. The data show that the mean level of green trust towards luxury brands ($M = 4.12$; $SD = 1.51$) was higher than toward fast fashion brands ($M = 2.77$; $SD = 1.41$). Furthermore, the difference has shown to be significant with a high effect size, $t(204) = 6.60$, $p < .001$, $d = 0.92$. Accordingly, the second hypothesis was also confirmed (Appendix 8.3.).

3. Hypothesis 3

To examine the third hypothesis, a 2 (brand: luxury brand vs. fast fashion brand) x 2 (ad design: neutral ad design vs. green ad design) mixed ANOVA was performed. In this study, the "within-subject" factor represents the Ad Design, while the "between-subject" factor stands for the brand type (luxury fashion vs. fast fashion). This test aimed to assess the influence that the green ad design might have on brand attitude and purchase intention. Additionally, a potential interaction between ad design and brand was investigated.

Hypothesis 3a (brand attitude)

The results indicate that the average level of brand attitude is higher for green ad design ($M = 4.93$; $SD = 1.34$) compared to the brand attitude towards the neutral ad design ($M = 4.46$; $SD = 1.31$). Moreover, the ANOVA revealed a significant difference alongside a high effect size (ad design), $F(1, 204) = 68.14$, $p < .001$, $\eta_p^2 = .25$. However, the present study did not reveal a significant interaction effect between luxury fashion and fast fashion brands in relation to brand attitude, and the effect size is low (ad design x brand), $F(1, 204) = 0.05$, $p = .829$, $\eta_p^2 = .00$. Additionally, it was observed that with low effect size there is no significant difference between

luxury fashion and fast fashion brands, concerning brand attitude (brand), $F(1, 204) = 0.38$, $p = .538$, $\eta_p^2 = .00$.

Hence, the hypothesis was partially confirmed. It has been shown that a green ad design has a significant positive effect on brand attitude. However, the difference in the level of brand attitude related to a green ad design is not influenced by the type of brand. Furthermore, the results show that the type of brand (luxury fashion / fast fashion) does not cause a significant difference in the brand attitude level. For the statistical outcomes as well as the visual illustration of the results, please refer to Appendix 8.4a.

Hypothesis 3b (purchase intention)

The results concerning hypothesis 3b suggest, that the mean purchase intention related to the neutral ad design ($M = 3.86$; $SD = 1.61$) was lower than the one linked to the green ad design ($M = 4.54$; $SD = 1.58$). Furthermore, the ANOVA showed that this difference is significant, and a high effect size was demonstrated (ad design), $F(1, 204) = 76.30$, $p < .001$, $\eta_p^2 = .27$. However, the data did not indicate a significant interaction between luxury and fast fashion brands in relation to purchase intention (low effect size) (ad design x brand), $F(1, 204) = 2.77$, $p = .097$, $\eta_p^2 = .01$. However, since the level of significance of .097 indicates a trend, the simple main effects were also calculated. These revealed a significant alteration in the purchase intention with respect to the neutral ad, between luxury fashion ($M = 3.63$; $SD = 1.52$) and fast fashion brands ($M = 4.10$; $SD = 1.67$) (small effect size), $F(1, 204) = 4.33$, $p = .039$, $\eta_p^2 = .02$. Furthermore, no significant difference between the two brand types (luxury fashion / fast fashion) with regards to purchase intention (brand) was found, $F(1, 204) = 2.60$, $p = .109$.

Hypothesis 3b was thus partially confirmed. It was shown that green ad design has a significant positive influence on purchase intention. However, the difference between brand attitude and green ad design is not influenced by the type of brand. Nevertheless, a difference was indicated by a trend. Furthermore, the results show that the brand type does not lead to a

significant difference in brand attitude. For the statistical outcomes as well as the visual illustration of the results, please refer to Appendix 8.4b.

4. Hypothesis 4

A t-test was used to test the hypothesis that there is a significant difference in the effect of greenwashing on brand attitude (H4a) and purchase intention (H4b) between luxury and fast fashion brands. To further investigate whether greenwashing in general had an impact on consumers' brand attitude and purchase intention, a mixed ANOVA was conducted, which, however, resulted in a significant Levene- and Box-test. Subsequently, a repeated-measures ANOVA was calculated for H4a and H4b, splitting the data set into luxury and fast fashion. Thus, the effect of greenwashing on brand attitude and purchase intention for both luxury and fast fashion brands was explored.

Hypothesis 4a (brand attitude)

The outcomes of the Welch-test were taken into consideration as the Levene-test was found to be significant. The average brand attitude, upon the disclosure of greenwashing, was lower for luxury (M = 1.80; SD = 1.01) than for fast fashion brands (M = 2.40; SD = 1.5). The difference was significant, with a mean effect size, $t(176.10) = -3.35$, $p < .001$, $d = -0.47$.

The repeated-measures ANOVA for luxury fashion, revealed a significant Mauchly-test, thus violating the condition of sphericity. Consequently, the Greenhouse-Geisser correction was applied. It demonstrated a significant difference in the brand attitude between the three levels (1: neutral ad design, 2: green ad design, and 3: greenwashing), with strong efficiency, $F(1.32, 135.4) = 227.53$, $p < .001$, $\eta_p^2 = .729$.

Analogous to luxury fashion, the investigation was carried out for fast fashion brands. Similarly, the Greenhouse-Geisser correction factor uncovered a significant difference in brand attitude between the three levels (1: neutral ad design, 2: green ad design, and 3: greenwashing) with strong efficiency, $F(1.45, 146.34) = 199.69$, $p < .001$, $\eta_p^2 = .644$.

Thus, the hypothesis was confirmed. It was discovered that brand attitudes in general are significantly negatively affected by greenwashing. Additionally, a statistically significant difference in the impact of greenwashing on brand attitudes between fast and luxury fashion brands was computed, demonstrating that greenwashing has a significantly more negative effect on brand attitudes for luxury fashion brands. The statistical outcomes as well as the visual representation of the results can be found in Appendix 8.5a.

Hypothesis 4b (purchase intention)

Similar to H4a, the Welch-test findings were taken into account given the significant Levene-test. After greenwashing was exposed, luxury fashion brands showed lower mean purchase intentions (M = 1.81; SD = 1.07) than fast fashion brands (M = 2.53; SD = 1.65). With a mean effect size, the difference was found to be significant, $t(172.71) = -3.71$, $p < .001$, $d = -0.52$.

As in H4a, the repeated-measures ANOVA for luxury fashion yielded a significant Mauchly-test, hence the sphericity requirement was once more violated. The Huynh-Feldt (HF) correction factor was used since the Greenhouse-Geisser Epsilon (ε) revealed a value higher than 0.75. Purchase intention showed a significant difference between the three levels (1: neutral ad design, 2: green ad design, and 3: greenwashing), with strong efficiency, $F(1.67, 172.29) = 149.14$, $p < .001$, $\eta_p^2 = 0.59$.

The analysis was computed for fast fashion in a similar manner. The Huynh-Feldt correlation factor likewise revealed a significant difference in the purchase intention between the three levels (1: neutral ad design, 2: green ad design, and 3: greenwashing), again with a strong effect size, $F(1.59, 160.70) = 108.69$, $p < .001$, $\eta_p^2 = 0.52$.

The hypothesis was thus fully confirmed. Greenwashing has been shown to have a significant negative impact on consumer purchase intention in general. In addition, a significant difference between fast fashion and luxury fashion brands was uncovered: Luxury fashion

brands' greenwashing has a significantly worse impact on consumers' intention to buy. The statistical results as well as the graphical representation of them are displayed in Appendix 8.5b.

5. Hypothesis 5

A Pearson correlation method was used to evaluate hypothesis 5. The goal was to determine whether there was a significant positive or negative association between fast and luxury fashion consumption habits (purchase frequency and money spending) and environmental awareness, green product attitudes, and green purchase behavior. Appendix 8.6. displays all correlation coefficients and their corresponding significance levels.

Hypothesis 5a (environmental concern)

No positive significant correlation could be found between luxury fashion consumption patterns (purchase frequency and money spending) and environmental concern, purchase frequency: r = .06, p = .395; money spending: r = .06, p = .365. The same applies to fast fashion money spending, r = -.13**,** p = .069. However, fast fashion purchase frequency was found to be significantly correlated with environmental concern, albeit in a negative way, r = -.17, p = .013. To conclude, the hypothesis is rejected. Although a significant correlation between fast fashion and environmental concern could be confirmed, the relationship was the opposite of what had been hypothesized.

Hypothesis 5b (green product attitudes)

There was no evidence of a significant relationship between luxury fashion consumption patterns (purchase frequency and money spending) and green product attitudes, purchase frequency, r = .10, p = .154; money spending: r = .08, p = .270. The same is true for fast fashion consumption patterns: Purchase frequency**:** r = -.07, p = .326; money spending: r = -.01, p = .884. Hence, the hypothesis is rejected.

Hypothesis 5c (green purchase behavior)

Luxury fashion consumption patterns (purchase frequency and money spending) and green purchase behavior were observed to be positively correlated, however, it was not shown to be significant, r = .07, p = .336; money spending: r = .08, p = .273. The same conclusion holds true for fast fashion money spending, r = -.12, p = .081. However, a strong significant negative link between fast fashion purchase frequency and green purchase behavior was discovered, r = -.192, p = .006. As a result, the hypothesis could only be validated insofar as there is a strong negative correlation between fast fashion purchase frequency and green purchase behavior.

IV. Discussion

The primary research objective of this master thesis was to investigate the effects of greenwashing on consumer behavior, focusing on the comparison between the luxury and fast fashion industries. This investigation was specifically examined through the fourth hypothesis of the thesis. However, to understand the central research question more deeply and to be able to interpret it more accurately, additional influencing factors were also considered in the study. The underlying objective was to be able to draw conclusions about consumer responses, based on the resulting findings. Based on the selected research approach, the influence of corporations was investigated by assessing the variables' *perception of corporate sustainability*, *green trust*, as well as *green ad design*. For this purpose, hypotheses 1, 2, and 3 were established. In order to further explore the consumer side, the variable environmental involvement was investigated in hypothesis 5 of this paper. This investigation was intended to analyze potential correlations with consumer behavior patterns. By comparing the concepts of luxury and fast fashion, the subsequent sections will provide further analysis and interpretation of the research findings. Furthermore, the academic and managerial implications of this study are discussed. Lastly, the limitations of this thesis are outlined and directions for future research are presented.

1. Interpretation

The first hypothesis aimed to investigate the differences in the level of consumers' perceived corporate sustainability, between luxury and fast fashion brands. Previous research focusing on **luxury** brands suggests, that many consumers perceive luxury firms to be sustainable by nature, as they associate certain characteristics with those brands, such as high quality, exclusivity, and high price points (Davies, Lee, and Ahonkhai 2012; Lo and Ha-Brookshire 2018; Serdari 2020). Further, industry expert Catherine da Silveira elaborated that due to those associations, especially the high prices, consumers expect luxury brands to be sustainable as they assume that those brands can afford to engage in sustainable production practices. Moreover, as consumers believe that luxury brands are more aware of the potential environmental impact of their operations, they are also more careful in this regard. Consequently, consumers seek a leadership role in luxury firms (da Silveira, Video Call Interview, November 1, 2022; Haus von Eden n.d.).

Existing literature concerning **fast fashion** brands implies that in general the fast fashion business model is perceived as unsustainable. Especially since the prices of fast fashion clothing items are low, consumers associate low-cost production methods with those brands (Boone 2009; da Silveira, Video Call Interview, November 1, 2022). Therefore, it appears to be obvious and logical to most consumers that clothing sold at such low prices cannot be sustainable. This perception seems to be common sense for most individuals, even if they have no specific background information on specific fast fashion brands. Further, as the practices of fast fashion brands increasingly have come under public criticism, consumers are becoming more aware of the social and environmental consequences of fast fashion. In addition, the number of greenwashing allegations in the fast fashion industry has increased substantially in recent years, raising consumer awareness (Guerreiro and Pacheco 2021; Imran and Berg 2019; Lu et al. 2022). In summary, luxury and fast fashion brands are placed at two opposite ends of the

spectrum in terms of sustainability from a consumer perspective. Thus, it is assumed that this view can also be applied to individual luxury and fast fashion brands in this market.

With regard to the first hypothesis, the research findings indicated that consumers' average corporate sustainability perception of luxury brands was higher than that of fast fashion brands. Hence, the results of this study confirm the first hypothesis. The research outcomes are in line with the previously discussed literature, and thus further support the findings and strengthen the theoretical framework.

The second hypothesis focuses on the variable green trust. Since it is assumed that perceptions about the corporate sustainability of a company as a whole strongly influence the credibility of that firm's green statements and therefore green trust, the reasoning behind the first two hypotheses is in line. The association between the two variables, perception of corporate sustainability and green trust, can be attributed to the spill-over effect of a brand's reputation and trustworthiness on its individual products and claims.

The existing literature on **luxury** brands implies that for one, luxury goods are regarded as sustainable because high-quality materials make those products more durable. Thus, luxury goods can be recycled, restored, or reused more easily (Ozdamar-Ertekin 2019). Further, luxury fashion houses have increasingly invested in advancements of sustainability-related innovations. As a result, these companies have received increased media exposure on this topic (Faccioli and Sheehan 2021). Consequently, consumers perceive luxury brands to be more cautious regarding their environmental impact. Thus, even though some luxury brands could certainly still make sustainability-related improvements, consumers do not deeply question the production practices and environmental claims of the brands (da Silveira, Video Call Interview, November 1, 2022). This suggests that the green trust of consumers in those brands is high.

Regarding **fast fashion**, the prevailing literature indicates that when consumers discover that brands deliberately have been making false green marketing claims, their trust in those

companies is broken. For one, it may take a long time for the affected company to restore the trust of its customers. But also, the breach of trust and the damage to the company's reputation is not only transferred to the company involved, but also to other brands operating in this market (Mandarić, Hunjet, and Kozina 2021). Furthermore, with the emergence of even more unsustainable ultra-fast fashion brands, doubts about the credibility of sustainability-related matters of the entire fast fashion industry may be diminishing even more.

The findings of the study concerning the second hypothesis showed that the average level of green trust was higher for luxury fashion brands than for fast fashion brands. Hence, the findings confirmed the second hypothesis. These results are consistent with the existing literature presented, thus increasing the findings' credibility. Moreover, since the results confirmed hypotheses 1 and 2, this proves once again that there is indeed a correlation between the variables of corporate sustainability and green trust.

The third hypothesis sought to investigate whether green ad design affects consumer behavior in the sense of influencing their intent to purchase or attitude toward a brand. The study findings are in line with previous research conducted by Chan and Lau (2004) and Hu (2012), in the aspect, that customers' purchase intentions and brand attitudes are in general positively impacted by green ad design. However, although some research suggests that consumer perceptions of claims alter depending on attributes associated with a specific brand (luxury fashion vs. fast fashion) (Teona, Ko, and Kim 2020), the present study findings could not prove that there are significant differences between luxury and fast fashion brands in terms of the impact of green ad design on consumer behavior. Even though the majority of the literature suggests that luxury fashion brands may benefit more strongly from green ad claims than fast fashion brands, it should be emphasized that there remains a substantial discrepancy in the literature, with wildly divergent arguments.

Regarding **luxury fashion**, previous studies argue that sustainability-related claims, particularly those relating to (recycled) materials, are perceived as unappealing and less desirable (Beckham and Voyer 2014; Kapferer and Michaut-Deniueau 2014). In contrast, Catherine da Silveira contends that consumers have already realized that recycling can be beneficial and does not degrade the quality of products, thus she does not believe that green claims weaken the perception of the highly sophisticated luxury image among consumers. In addition, it could be argued that if consumers viewed recycling negatively, there would not be as many luxury brands promoting sustainability-related services and utilizing recycled materials. Furthermore, the luxury second-hand sector, which can be considered as more sustainable, is experiencing a surge (KD Market Insights 2021). This may be due to lower prices of the products on the one hand but also demonstrates that consumers are receptive to purchasing refurbished, second-hand goods on the other hand. Contrary to those arguments, other studies found evidence indicating that sustainability may raise consumers' favorable perceptions of luxury brands (Yoo 2017; Steinhart, Ayalon, and Puterman 2013). Moreover, it is assumed that consumers are more involved while evaluating the claims and assertions made by luxury brands (Han, Seo, and Ko 2017; Fionda and Moore 2009; Kim and Joung 2016) as the brand's image is frequently transferred to an individual's identity in luxury fashion.

Similarly, conflicting assertions regarding the impact of green ad design on consumer behavior could be also found in existing literature regarding **fast fashion** brands. According to Kim and Hall (2015), the credibility of a company's environmental standards is determined by how well those statements align with the existing perception that consumers have of the brand. Consequently, it may be difficult for fast fashion brands to establish trustworthy green marketing. Researchers further contend that green marketing for fast fashion businesses may result in even more negative brand attitudes because consumers may find the claims misleading (Carrigan, Moraes, and McEachern 2013). This appears to be contrary to the observations of

Chan, Leung, and Wong (2006), who argue that green ad design has minimal effect on the purchase intentions and brand attitudes of most fast fashion consumers as they are usually uninvolved in environmental issues.

Those contradicting arguments in the literature for both luxury and fast fashion brands may be used as a plausible explanation for the lack of significant evidence that the difference in consumer behavior regarding green ad design is influenced by the brand (luxury fashion vs. fast fashion). In other words, the study's finding that the impact of green ad design on consumer behavior is not influenced by the type of brand underscores the discrepancy in the literature.

The fourth hypothesis was designed to investigate the effects of greenwashing on brand attitude and purchase intention. Consumers have the expectation towards **luxury** brands to address environmental and social issues to a greater degree (WWF 2007). In accordance with this, previously published studies demonstrated that luxury brands face a high reputational risk if they fail to act in a sustainable manner, given their high profile and iconic status (Kapferer and Michaut-Denizeau 2014). Hence, for luxury firms, brand identity and favorable reputation are vital, as the brand itself is one of the primary reasons why consumers purchase goods from a specific brand. Chapter II. 3. Introduction to the fashion industry already explained the social identity theory and its link to fashion. Accordingly, individuals use fashion to differentiate themselves from others or to signal their belonging to a certain social group (Akdemir 2018; McLeod 2019). Hence, in this context, it becomes apparent that consumers purchase from specifically selected luxury brands, based on which ones they identify themselves with.

Furthermore, industry specialist Catherine da Silveira pointed out that for one, the luxury industry has to deal with scandals related to environmental matters, such as cases of misleading environmental information or the reveal of unsustainable production practices. In that case, the degree to which consumer trust is damaged depends on how the claim has been communicated. She further elaborated, that if a brand actively states sustainability-related

claims that it cannot deliver on, consumer trust is broken. However, if a company does not actively make environmental claims, consumer trust in the brand is less likely to be damaged, even if sustainability-related misconduct becomes publicly known. Hence, a plausible reason for the fact that there have been only a few greenwashing allegations in the luxury fashion industry, is that luxury brands refrain from communicating their sustainability-related efforts as actively as fast fashion brands do. While there are some cases of environmental nuisances, the majority of scandals in the luxury fashion industry are related to social issues, as already further elaborated in chapter II. 3.2.3. Greenwashing in the luxury industry. In the case of social scandals in the luxury fashion industry, most consumers will not return to an affected brand, as their trust in the company has been destroyed. Also, in the luxury fashion sector, the negative impact of social scandals is much more detrimental than the ones related to environmental sustainability (da Silveira, Video Call Interview, November 1, 2022). A possible rationalization for this could be that social scandals, which might include the discrimination of certain ethnic groups or sexual orientations, directly offend individuals on a personal level. While the environmental destruction of corporations is also a main topic of concern for many individuals, most people still do not feel personally offended by it.

Previous studies relating to the **fast fashion** industry have shown that those consumers are less environmentally concerned (Chan et al. 2006). Thus, as sustainability is not one of their main purchase decision criteria (Mandarić, Hunjet, and Vukpvić 2022), it is expected that those consumers most likely will not alter their consumption patterns, even if they are aware that a fast fashion firm is engaging in greenwashing. Further, most consumers are in fact aware of the unsustainability of the fast fashion business model, and previous results of this thesis study have indicated that green trust and the perceived corporate sustainability of fast fashion brands are rather low. Therefore, consumers might not be as surprised when it is revealed that the green claims of certain fast fashion brands are not entirely true. Moreover, another possible

explanation for why consumers continue to purchase from fast fashion brands, despite being aware of greenwashing accusations, is that fast fashion clothing represents low-involvement purchases, which are characterized by impulsivity and bounded rationality (University of Minnesota n.d.).

According to the existing literature that has just been juxtaposed, greenwashing seems to have worse consequences for luxury brands than for fast fashion brands. A potential explanation for this might be that consumers identify themselves more strongly with luxury brands than with fast fashion brands, as owning luxury goods enables individuals to improve their social status (Xi et al. 2022). Furthermore, consumers who are wearing fashion can be seen as advertising mediums of brands. Hence, when a fashion brand is exposed of greenwashing, the consumers might feel exposed as well. However, this unpleasant feeling of exposure may be enhanced for luxury consumers, as usually products of luxury brands intentionally can be visibly assigned to the brand (e.g., by a distinctive logo). Also, since luxury goods are expensive and therefore represent a financial commitment for consumers, the disappointment in the brand through a scandal like greenwashing, is likely to be higher for luxury than for fast fashion brands. Additionally, since the brand name itself constitutes a substantial proportion of the price of luxury goods, the product value most likely decreases tremendously for consumers if the brand is damaged by scandals. Consequently, customers may associate loss, regret, and disappointment with the purchase and the brand itself.

The data analysis of the study showed that the fourth hypothesis was confirmed. Moreover, it was uncovered that in general, greenwashing has a negative effect on the brand attitude, as well as the purchase intention of consumers. Furthermore, a significant difference between fast fashion and luxury brands was calculated, which indicates that greenwashing has a significantly more negative effect on brand attitude, as well as on purchase intention for

luxury fashion brands. Thus, the findings are in line with existing research, making the results as well as the theoretical framework more robust.

Hypothesis five examines the relationship between luxury and fast fashion consumption patterns (purchase frequency and money spending) and environmental involvement. As already outlined, previous studies have found that there are at least three conceptualizations of green involvement that are pertinent and strongly interrelated: environmental concern, green product attitudes, and green purchase behavior (Matthes, Wonneberger, and Schmuck 2014; Schuhwerk and Lefkoff-Hagius 1995; Chang 2011; Kim and Choi 2005). Environmental involvement is therefore evaluated along these three dimensions in the context of this thesis. In fact, the present study has strengthened the notion that those three concepts are strongly interrelated, as there is evidence of a strongly significant, positive correlation (Appendix 8.6.).

As prior research illustrates a strong link between environmental concern and green product attitudes (Kirmani and Khan 2016), which is reasonable given that both relate to consumers' attitudes and values, similar hypotheses were established for the two dimensions. According to previous studies, consumers who demonstrate **luxury** consumption patterns are generally concerned about sustainability, impact, and meaning (Connell 2021). However, the present study was unable to validate these findings as neither a positive nor negative correlation between luxury consumption patterns and environmental concerns / green product attitudes was demonstrated. Industry expert Catherine da Silveira further confirmed that, contrary to previous research, consumers who frequently purchase luxury goods do not necessarily exhibit higher levels of environmental awareness.

In terms of **fast fashion**, Gazzola et al.'s study (2020) revealed that younger generations, the fast fashion industry's primary target groups, seem to be the most environmentally conscious and committed to shaping the future accordingly, both for them and future generations. According to additional studies, consumers generally place greater emphasis on sustainability

and become increasingly aware of environmental issues (Newman, Gorlin, and Dhar 2014; Bianchi et al. 2020). Considering these findings, it was initially assumed that there is a significant positive relationship between fast fashion consumption patterns and environmental concern / green purchase behavior. However, the present study not only failed to support this positive correlation, but also demonstrated the exact opposite, i.e., a negative correlation between fast fashion purchase frequency and environmental concern. Similarly, to hypothesis three, these findings may be explained by the presence of contradictory evidence in the literature. In fact, according to other, opposing studies, consumers who frequently purchase fast fashion are either unconcerned with the environment or do not recognize a link between fast fashion and sustainability (McNeill and Moore 2015).

As for green purchase behavior, researchers argue that consumers who frequently purchase **luxury** goods are generally better positioned (e.g., from a financial standpoint) to take ownership of their buying decisions and understand the social and environmental consequences of those purchases. Although luxury customers place little emphasis on sustainability when making high-involvement (luxury) purchases, a positive relationship was found in prior studies between luxury consumption patterns and environmental awareness when making regular, every day, low-involvement purchases (Muratovski 2015; Joy 2015). As industry expert Catherine da Silveira supports these literature findings by pointing out that consumers who frequently buy luxury goods are also more likely to be able to afford green products in general, the theoretical framework is further strengthened. However, since no significant correlation could be found, the results of the study cannot support those theoretical conclusions.

Regarding **fast fashion**, the results were different. Current study findings are consistent with previous research indicating a negative relationship between fast fashion consumption and green purchase behavior as fast fashion purchase frequency was found to be strongly negatively correlated with the latter. Young people, who were shown to consume fast fashion most often,

usually have lower income levels and are consequently more likely to opt for cheap products over more expensive, higher-quality alternatives (Gazzola et al. 2020). In addition, Catherine da Silveira asserts that, although not limited to fast fashion, a particularly wide disparity between behaviors and attitudes can be observed. More specifically, she claims that only 8% of customers genuinely apply their attitudes and values to their behavior. She further contends that the current economic crisis has contributed to the polarization of consumers seen in recent years, with a small group of consumers (approx. 20%) focused entirely on sustainability and the other group (approx. 80%) solely on price. Hence, consumers who have already demonstrated lower green purchase behaviors are now even more inclined to opt for lower-priced, unsustainable alternatives. Moreover, in terms of green purchasing behavior in general, she pointed out that people would rather opt for the more sustainable option in other product categories, such as food or household supplies, rather than fashion. In fact, the present study findings confirm this observation. The study's participants have been found to be more willing to make sacrifices to be more sustainable in the categories of food and cosmetics while showing a lower willingness in fashion (Appendix 8.7.). This finding could be attributed to the fact that more sustainable, organic foods or cosmetics provide direct health benefits to consumers, while fashion is just something they wear.

Since it was expected that fast fashion consumers are in general environmentally concerned, it was initially believed that the hypothesized negative link between fast fashion purchase frequency and green purchase behavior was primarily attributed to an attitude-behavior gap. However, given that the survey revealed that consumers who purchase fast fashion frequently had a lower level of environmental awareness, one can argue that the reduced green purchase behavior is merely a result of this.

To summarize, the present study revealed that there was no association between luxury consumption patterns (purchase frequency and money spending) and environmental

involvement (environmental concern, green product attitudes, and green purchase behavior). However, the results indicated that fast fashion purchase frequency was negatively correlated with both environmental concern and green purchase behavior. The fact that there was a substantial overlap between fast fashion and luxury consumers in this study may be one explanation as to why no significant positive or negative correlation between luxury consumption patterns and environmental involvement was observed. Meaning those who claimed to purchase a lot of luxury fashion also tended to consume fast fashion to a greater degree. A significant positive correlation between luxury fashion consumption patterns (purchase frequency and money spending) and fast fashion consumption patterns (purchase frequency and money spending) proves this assertion (Appendix 8.6.). Therefore, it can be argued that previous studies often misrepresent the definition of luxury and fast fashion consumers, leading to a frequent disregard of the fact that many luxury consumers also purchase fast fashion. The study's findings thus demonstrate that, at least for the present sample, it may be challenging to separate luxury and fast fashion consumers and that doing so could result in misleading conclusions.

2. Academic and managerial implications

The findings of the present study have several academic implications. Firstly, this research makes a contribution to the underdeveloped field of greenwashing in the luxury fashion industry. As previously discussed, there have been only a few greenwashing accusations of luxury fashion brands engaging in greenwashing. Hence, research about the effects of greenwashing in this industry has received less attention. Secondly, in the present study, a comparison of the effects between luxury and fast fashion was made, expanding the body of literature on greenwashing in the fast fashion sector. Lastly, it can be argued that this thesis contributes to a clearer understanding of the impacts of greenwashing activities on consumer behavior for low- and high-involvement goods, as previous research mainly has focused on

low-involvement products. Even though the fashion sector was the subject of this study, it can be argued that the findings are likely to be applicable to other low- or high-involvement goods as well, making them at least partially transferrable to other product categories.

The research results also point to a number of managerial implications. Firstly, it is suggested that managers should disregard any potential short-term gains such as a boost in sales, or other advantages of greenwashing, including the opportunity to obtain credibility and express values concerning environmental issues. Instead, it is critical for managers to recognize the threats of greenwashing, particularly in the luxury fashion sector, as it has been demonstrated to have a detrimental impact on consumer perceptions and intent to purchase. However, this does not imply that companies should refrain from sustainability communication altogether. The literature has shown that luxury brands tend to be more reluctant to communicate sustainability compared to fast fashion firms. The study's findings, though, clearly demonstrate that green claims have a favorable impact on customer behavior, indicating that increased sustainability marketing can be indeed beneficial. However, since it makes businesses more susceptible to greenwashing, marketers, especially those in the luxury sector, need to be particularly cautious when implementing green marketing. In that context, it is recommended to establish a common understanding of sustainability and how it must be measured within the company. Corporations may only be able to thrive in the expanding green markets and capture market share if their sustainability communications are in line with this definition and claims are additionally backed up by relevant evidence such as official certificates. Secondly, the findings emphasize the significance of comprehending consumers' attitudes and consumption patterns, as well as the implications that follow for relevant departments such as marketing, PR, or product development. In this respect, target group research is crucial in order to be able to uncover cultural or generational distinctions among consumers and, as a result, to communicate in a target group-specific manner. Moreover, given

the dynamic times we live in, considering current events such as the Covid-19 pandemic or the energy crisis and associated inflation, it is of fundamental importance to monitor changing consumer attitudes and behavior towards sustainability to stay ahead of those shifts.

3. Limitations and directions for future research

Despite the contributions, there were some limitations to the present study. Due to the restrictions of scope of this thesis, this research did not further explore potential influencing factors such as different generations, cultures, or socioeconomic backgrounds (e.g., measured by different income levels). Thus, future research could investigate potential differences related to those factors. Also, the majority of the survey participants originate from the DACH (Germany, Austria, Switzerland) region. This can be explained by the fact that the authors of this paper are from those geographic regions. Accordingly, the survey was sent predominantly to the authors' social networks which are also mainly based in those locations. However, this condition limits the representativeness of the sample, which should be considered when making any generalizations. Hence, future research should explore the topic with a more culturally diverse sample.

Another limitation of the quantitative research refers to the fact that only a green claim was used in the experiment to assess the variable of green ad design. However, research indicates that other elements such as nature-related visual elements or the color green might further influence the effects of green ad design on consumers' perception and behavior as well (Lim et al. 2020; Schmuck, Matthes, and Naderer 2018). Therefore, in the future, researchers could investigate the impacts of additional green ad design elements on consumer behavior.

Lastly, in addition to the quantitative analysis, an interview with an industry expert who is specialized in the luxury and fashion industry was conducted. This provided further valuable qualitative insights into the research, however, despite the authors' efforts, no interview with an employee of a luxury and fast fashion brand could be obtained. The reason for this is assumably

the sensitivity of the topic of greenwashing, which most companies do not like to address in the context of interviews for research purposes. However, as the corporate perspective of brands accused of greenwashing would have enriched the analysis, scholars should continue to strive to include the business perspective of those brands in future research.

V. Conclusion

The purpose of this research was to explore the effects of greenwashing on consumer behavior in the fashion industry. More specifically, the study aimed to give a comparison of those effects between the luxury fashion and fast fashion sectors. Accordingly, the following research question was addressed: What are the differences in the effects of greenwashing on consumer behavior in the fast fashion and luxury fashion industries?

While there have been various well-publicized cases of greenwashing accusations against fast fashion brands, there is little data available on sustainability-related incidents involving luxury fashion companies. In addition, although researchers have already studied how these scandals affect consumer behavior in the fast fashion market, insufficient literature in this regard was found for the luxury fashion sector, and consequently the comparison between the two fashion industries. Given the identification of this research gap, five hypotheses were developed to investigate this subject more deeply. Moreover, to better comprehend and assess the effects of greenwashing on consumer behavior, several other variables, that were expected to explain consumer reactions to greenwashing, were further examined. To validate the hypotheses, both quantitative and qualitative research methods were applied. More precisely, the data collected through a quantitative, experimental study that directly assessed consumer behavior, was enriched by industry expert knowledge, making the study's methodology more effective.

Based on existing research it was predicted to uncover differences in the effects of greenwashing between luxury and fast fashion brands. In fact, on the basis of the findings of

this study, it can be safely concluded that consumers respond to greenwashing incidences of those types of fashion companies differently. More specifically, the results indicate that greenwashing practices have stronger negative effects on consumers' brand attitude and purchase intention in the luxury than the fast fashion sector, which can be explained by several additional significant findings: Firstly, consumers were found to have a comparatively higher perception of corporate sustainability with luxury brands and show greater confidence in their green claims, indicating higher levels of disappointment when those companies are involved in such scandals. In contrast, as most consumers are aware of the unsustainable nature of the fast-fashion business model, and as a result have less faith in those businesses' green claims, they won't be particularly surprised and alter their behavior as much if it is revealed that those claims are not entirely true. Secondly, it was observed that consumers who consume fast fashion frequently exhibit low levels of environmental concern and green purchase behavior, further explaining the less severe consequences of greenwashing on consumer behavior. However, it must be noted that those results come with limitations as already discussed in the preceding section on limitations and directions for future research, leaving room for future research.

The current research adds significant value with regard to several aspects: Firstly, a contribution is made to fill the aforementioned research gap by providing key findings regarding the differences in the effects of greenwashing between the luxury and fast fashion industries. Secondly, the research findings, as well as derived implications, assist fashion brands to better comprehend and forecast consumer behavior and based on this, by aligning their strategies in terms of sustainable development and sustainability communication. Lastly, this thesis offers critical education for consumers, given that many of them are ignorant or not aware of the threats of greenwashing and fail to reflect on the discrepancies between their environmental attitudes and actual fashion consumption patterns. This is particularly important

as informed and educated consumers are key to sustainable development. Only those who are informed and have a clear conscience can advocate sustainability.

Although changing consumer attitudes and behaviors play a fundamental role in the fashion industry's sustainable development, and thus in combating greenwashing, it can be argued, based on the study's findings, that businesses and governments will ultimately be the primary forces driving change. In fact, even though consumers become increasingly environmentally concerned, it was realized that they often neglected the issue of sustainability in their consumption behaviors. Hence, considering future developments, it can be inferred that primarily the threat of stricter regulations and monitoring may discourage greenwashing. Regarding businesses in the fashion industry, it can be expected that luxury brands will raise prices to further improve product quality and durability, though this is likely to be accompanied by lower sales volumes. While the luxury business model allows the implementation of sustainability, in theory, fast fashion companies are more challenged to put it into practice. Those brands that actually strive to be more sustainable will fundamentally need to invest more in sustainability, although increasing the cost of goods sold will be a hurdle given that the success of fast fashion companies is fueled by low prices. Additionally, these companies will be severely threatened by ultra-fast fashion companies for which there is no possibility of being sustainable due to their extremely low prices as well as short fashion cycles. Government restrictions and lower consumer demand, owing to shifting consumer attitudes regarding sustainability, will assumably prevent these businesses from selling to the United States or Europe in the future. Consequently, ultra-fast fashion firms may exclude those markets and either launch new brands or seek alternative ways to overcome the system. Ultimately, the future direction of greenwashing and the overall success of sustainable development in the fashion industry depend on the interplay of consumer, corporate and governmental efforts.

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Appendix

Appendix 1: Distribution of individual parts

Please note that the number of pages per person in each section may vary slightly to ensure the completeness of the content. However, through the general (group) section the equal distribution of the number of pages per person was nevertheless ensured.

Verena Christina von Unruh:

Total page count: **16.25 pages**

Section	Subchapter	Page count
I	Introduction	3.25
II	1. Sustainability 2.1. Definition and types	2 2
III	1. Methodological approach 2. Questionnaire design 3. Conceptual model 4. Sampling	1.5 1 5.5 1

Miriam Patricia Schindler:

Total page count: **17.75 pages**

Section	**Subchapter**	**Page count**
II	3. Introduction to the fashion industry	2.1
	3.1.1. Industry overview	2.15
	3.1.2. Sustainability and the fast fashion industry	4
	3.1.3. Greenwashing and the fast fashion industry	3.25
	3.2.1. Industry overview	2.25
III	4. Hypotheses development (H1-H2)	4

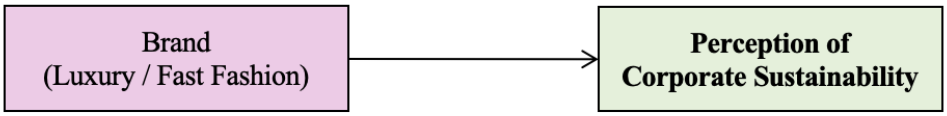
Hannah Mooslechner:

Total page count: **17.5 pages**

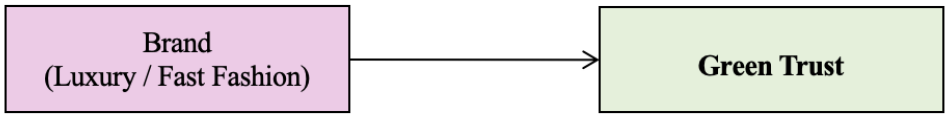
Section	**Subchapter**	**Page count**
II	1.1. Drivers of greenwashing	3.5
	3.2.2. Sustainability and the luxury fashion industry	3.75
	3.2.3. Greenwashing and the luxury fashion industry	3.25
III	4. Hypotheses development (H3-H5)	7

Appendix 7: Hypotheses visualization

H1: *Perception of corporate sustainability is higher for luxury fashion than for fast fashion brands.*



H2: *Green trust is higher for luxury fashion than for fast fashion brands.*



Appendix 8: SPSS output

Appendix 8.1.: Statistical outcomes – Reliabilities

Scale: Green trust

Case processing summary:

		N	%
Cases	Valid	206	100,0
	Excluded[a]	0	,0
	Total	206	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability statistics:

Cronbach's Alpha	N of Items
,877	3

Item statistics:

	Mean	Std. Deviation	N
Q2 GT: Reputation	4,57	1,835	206
Q2 GT: Performance	4,30	1,801	206
Q2 GT: Claims	4,78	1,744	206

Item-total statistics:

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q2 GT: Reputation	9,08	10,491	,789	,802
Q2 GT: Performance	9,35	11,069	,745	,842
Q2 GT: Claims	8,87	11,334	,756	,833

Scale statistics:

Mean	Variance	Std. Deviation	N of Items
13,65	23,243	4,821	3

Scale: Sustainability perception

Case processing summary:

		N	%
Cases	Valid	206	100,0
	Excluded[a]	0	,0
	Total	206	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability statistics:

Cronbach's Alpha	N of Items
,930	3

Item statistics:

	Mean	Std. Deviation	N
Q3 SP: Employees	4,99	1,548	206
Q3 SP: Responsibility	5,01	1,750	206
Q3 SP: Protection	5,30	1,585	206

Item-total statistics:

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q3 SP: Employees	10,31	10,467	,810	,935
Q3 SP: Responsibility	10,28	8,789	,878	,883
Q3 SP: Protection	10,00	9,683	,890	,873

Scale statistics:

Mean	Variance	Std. Deviation	N of Items
15,29	20,968	4,579	3

Scale: Brand attitude (Neutral ad design)

Case processing summary:

		N	%
Cases	Valid	206	100,0
	Excluded[a]	0	,0
	Total	206	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability statistics:

Cronbach's Alpha	N of Items
,834	2

Item statistics:

	Mean	Std. Deviation	N
Q4 N AD: Desirability	3,56	1,460	206
Q4 N AD: Feeling	3,52	1,360	206

Item-total statistics:

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q4 N AD: Desirability	3,52	1,851	,717	.
Q4 N AD: Feeling	3,56	2,130	,717	.

Scale statistics:

Mean	Variance	Std. Deviation	N of Items
7,08	6,827	2,613	2

Scale: Brand attitude (Green ad design)

Case processing summary:

		N	%
Cases	Valid	206	100,0
	Excluded[a]	0	,0
	Total	206	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability statistics:

Cronbach's Alpha	N of Items
,911	2

Item statistics:

	Mean	Std. Deviation	N
Q5 G AD: Desirability	3,13	1,420	206
Q5 G AD: Feeling	3,00	1,370	206

Item-total statistics:

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item–Total Correlation	Cronbach's Alpha if Item Deleted
Q5 G AD: Desirability	3,00	1,878	,837	.
Q5 G AD: Feeling	3,13	2,017	,837	.

Scale statistics:

Mean	Variance	Std. Deviation	N of Items
6,14	7,152	2,674	2

Scale: Brand attitude (Greenwashing revealed)

Case processing summary:

		N	%
Cases	Valid	206	100,0
	Excluded[a]	0	,0
	Total	206	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability statistics:

Cronbach's Alpha	N of Items
,954	2

Item statistics:

	Mean	Std. Deviation	N
Q6 GR: Desirability	5,84	1,323	206
Q6 GR: Feeling	5,96	1,355	206

Item-total statistics:

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q6 GR: Desirability	5,96	1,837	,913	.
Q6 GR: Feeling	5,84	1,751	,913	.

Scale statistics:

Mean	Variance	Std. Deviation	N of Items
11,80	6,863	2,620	2

Scale: Environmental involvement

Case processing summary:

		N	%
Cases	Valid	206	100,0
	Excluded[a]	0	,0
	Total	206	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability statistics:

Cronbach's Alpha	N of Items
,854	3

Item statistics:

	Mean	Std. Deviation	N
Q11 EC: Concern	2,12	1,175	206
Q11 EC: Sacrifice	2,54	1,158	206
Q11 EC: Actions	2,17	1,202	206

Item-total statistics:

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q11 EC: Concern	4,71	4,549	,749	,774
Q11 EC: Sacrifice	4,28	4,662	,736	,787
Q11 EC: Actions	4,66	4,645	,694	,827

Scale statistics:

Mean	Variance	Std. Deviation	N of Items
6,83	9,686	3,112	3

Scale: Green product attitude

Case processing summary:

		N	%
Cases	Valid	206	100,0
	Excluded[a]	0	,0
	Total	206	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability statistics:

Cronbach's Alpha	N of Items
,882	4

Item statistics:

	Mean	Std. Deviation	N
Q12 GPA: Like	2,40	1,249	206
Q12 GPA: Feeling	2,29	1,215	206
Q12 GPA: Environment	2,42	1,265	206
Q12 GPA: Pride	2,88	1,393	206

Item-total statistics:

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q12 GPA: Like	7,59	11,268	,787	,832
Q12 GPA: Feeling	7,70	11,099	,846	,811
Q12 GPA: Environment	7,57	11,973	,668	,877
Q12 GPA: Pride	7,11	11,085	,690	,873

Scale statistics:

Mean	Variance	Std. Deviation	N of Items
9,99	19,424	4,407	4

Scale: Green purchase behavior

Case processing summary:

		N	%
Cases	Valid	206	100,0
	Excluded[a]	0	,0
	Total	206	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability statistics:

Cronbach's Alpha	N of Items
,876	4

Item statistics:

	Mean	Std. Deviation	N
Q13 GPB: Switch	2,92	1,603	206
Q13 GPB: Harm	2,39	1,356	206
Q13 GPB: Price	3,07	1,445	206
Q13 GPB: Avoidance	2,74	1,350	206

Item-total statistics:

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q13 GPB: Switch	8,20	13,012	,748	,837
Q13 GPB: Harm	8,74	15,297	,669	,865
Q13 GPB: Price	8,05	13,778	,780	,822
Q13 GPB: Avoidance	8,38	14,686	,746	,837

Scale statistics:

Mean	Variance	Std. Deviation	N of Items
11,13	24,228	4,922	4

Appendix 8.2.: Statistical outcomes – Hypothesis 1

Group statistics:

	Brand	N	Mean	Std. Deviation	Std. Error Mean
Mean Sustainability Perception reversed	Luxury Fashion	104	3,5256	1,55148	,15214
	Fast Fashion	102	2,2680	1,21146	,11995

Independent samples test:

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Mean Sustainability Perception reversed	Equal variances assumed	7,480	,007	6,476	204	,000	1,25767	,19420	,87478	1,64055
	Equal variances not assumed			6,492	194,294	,000	1,25767	,19374	,87557	1,63976

Independent samples effect sizes:

		Standardizer[a]	Point Estimate	95% Confidence Interval	
				Lower	Upper
Mean Sustainability Perception reversed	Cohen's d	1,39355	,902	,615	1,188
	Hedges' correction	1,39870	,899	,612	1,184
	Glass's delta	1,21146	1,038	,728	1,344

a. The denominator used in estimating the effect sizes.
Cohen's d uses the pooled standard deviation.
Hedges' correction uses the pooled standard deviation, plus a correction factor.
Glass's delta uses the sample standard deviation of the control group.

Appendix 8.3.: Statistical outcomes – Hypothesis 2

Group statistics:

	Brand	N	Mean	Std. Deviation	Std. Error Mean
Mean Green Trust reversed	Luxury Fashion	104	4,1154	1,50996	,14806
	Fast Fashion	102	2,7712	1,41264	,13987

Independent samples test:

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Mean Green Trust reversed	Equal variances assumed	1,057	,305	6,595	204	,000	1,34414	,20382	,94229	1,74600
	Equal variances not assumed			6,599	203,549	,000	1,34414	,20368	,94254	1,74574

Independent samples effect sizes:

		Standardizer[a]	Point Estimate	95% Confidence Interval	
				Lower	Upper
Mean Green Trust reversed	Cohen's d	1,46259	,919	,631	1,205
	Hedges' correction	1,46799	,916	,628	1,201
	Glass's delta	1,41264	,952	,647	1,253

a. The denominator used in estimating the effect sizes.
Cohen's d uses the pooled standard deviation.
Hedges' correction uses the pooled standard deviation, plus a correction factor.
Glass's delta uses the sample standard deviation of the control group.

Appendix 8.4a.: Statistical outcomes – Hypothesis 3a

Descriptive statistics:

	Brand	Mean	Std. Deviation	N
Mean NAD Brand Attitute reversed	Luxury Fashion	4,3990	1,31160	104
	Fast Fashion	4,5196	1,30483	102
	Total	4,4587	1,30646	206
Mean GAD Brand Attitute reversed	Luxury Fashion	4,8846	1,41461	104
	Fast Fashion	4,9804	1,25848	102
	Total	4,9320	1,33718	206

Test of within-subjects effects:

MeasureMEASURE_1

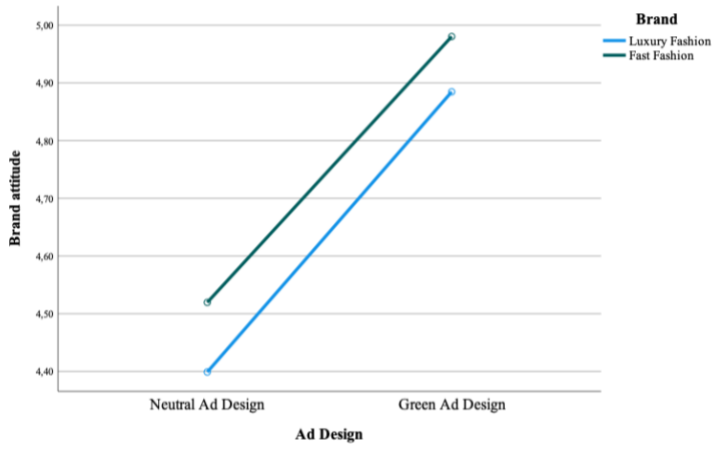
Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
AdClaim	Sphericity Assumed	23,060	1	23,060	68,141	,000	,250
	Greenhouse-Geisser	23,060	1,000	23,060	68,141	,000	,250
	Huynh-Feldt	23,060	1,000	23,060	68,141	,000	,250
	Lower-bound	23,060	1,000	23,060	68,141	,000	,250
AdClaim * Group	Sphericity Assumed	,016	1	,016	,047	,829	,000
	Greenhouse-Geisser	,016	1,000	,016	,047	,829	,000
	Huynh-Feldt	,016	1,000	,016	,047	,829	,000
	Lower-bound	,016	1,000	,016	,047	,829	,000
Error(AdClaim)	Sphericity Assumed	69,036	204	,338			
	Greenhouse-Geisser	69,036	204,000	,338			
	Huynh-Feldt	69,036	204,000	,338			
	Lower-bound	69,036	204,000	,338			

Test of between-subjects effects:

Measure: MEASURE_1
Transformed Variable: Average

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Konstanter Term	9084,404	1	9084,404	2867,911	,000	,934
Group	1,205	1	1,205	,380	,538	,002
Error	646,191	204	3,168			

Visual representation of results:



Appendix 8.4b.: Statistical outcomes – Hypothesis 3b

Descriptive statistics:

	Brand	Mean	Std. Deviation	N
NAD Purcase Intention reversed	Luxury Fashion	3,6346	1,52046	104
	Fast Fashion	4,0980	1,67397	102
	Total	3,8641	1,61123	206
GAD Purcase Intention reversed	Luxury Fashion	4,4423	1,56929	104
	Fast Fashion	4,6471	1,58986	102
	Total	4,5437	1,57899	206

Test of within-subjects effects:

Measure: MEASURE_1

Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
AdClaim	Sphericity Assumed	47,393	1	47,393	76,304	,000	,272
	Greenhouse-Geisser	47,393	1,000	47,393	76,304	,000	,272
	Huynh-Feldt	47,393	1,000	47,393	76,304	,000	,272
	Lower-bound	47,393	1,000	47,393	76,304	,000	,272
AdClaim * Group	Sphericity Assumed	1,723	1	1,723	2,774	,097	,013
	Greenhouse-Geisser	1,723	1,000	1,723	2,774	,097	,013
	Huynh-Feldt	1,723	1,000	1,723	2,774	,097	,013
	Lower-bound	1,723	1,000	1,723	2,774	,097	,013
Error(AdClaim)	Sphericity Assumed	126,704	204	,621			
	Greenhouse-Geisser	126,704	204,000	,621			
	Huynh-Feldt	126,704	204,000	,621			
	Lower-bound	126,704	204,000	,621			

Test of between-subjects effects:

Measure: MEASURE_1

Transformed Variable: Average

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Konstanter Term	7286,058	1	7286,058	1645,330	,000	,890
Group	11,495	1	11,495	2,596	,109	,013
Error	903,379	204	4,428			

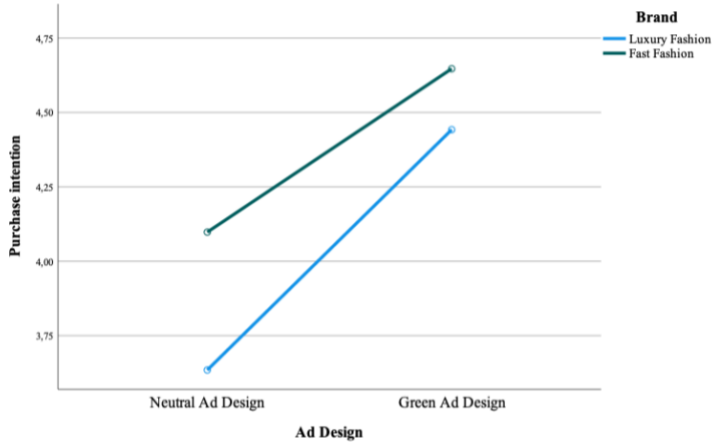
Univerate tests:

Measure: MEASURE_1

AdClaim		Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
1	Contrast	11,059	1	11,059	4,329	,039	,021
	Error	521,135	204	2,555			
2	Contrast	2,159	1	2,159	,865	,353	,004
	Error	508,948	204	2,495			

Each F tests the simple effects of Brand within each level combination of the other effects shown. These tests are based on the linearly independent pairwise comparisons among the estimated marginal means.

Visual representation of results:



Appendix 8.5a.: Statistical outcomes – Hypothesis 4a

Group statistics:

	Brand	N	Mean	Std. Deviation	Std. Error Mean
Mean GR Brand Attitute reversed	Luxury Fashion	104	1,8029	1,00826	,09887
	Fast Fashion	102	2,4020	1,50418	,14894

Independent samples test:

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Mean GR Brand Attitute reversed	Equal variances assumed	10,467	,001	-3,364	204	,001	-,59908	,17810	-,95024	-,24792
	Equal variances not assumed			-3,351	176,096	,001	-,59908	,17877	-,95187	-,24628

Independent samples effect sizes:

		Standardizer[a]	Point Estimate	95% Confidence Interval	
				Lower	Upper
Mean GR Brand Attitute reversed	Cohen's d	1,27807	-,469	-,745	-,191
	Hedges' correction	1,28280	-,467	-,742	-,191
	Glass's delta	1,50418	-,398	-,676	-,119

a. The denominator used in estimating the effect sizes.
Cohen's d uses the pooled standard deviation.
Hedges' correction uses the pooled standard deviation, plus a correction factor.
Glass's delta uses the sample standard deviation of the control group.

Mauchly's test of sphericity[a,b]:

Measure: MEASURE_1

Within Subjects Effect	Mauchly's W	Approx. Chi-Square	df	Sig.	Epsilon[c] Greenhouse-Geisser	Epsilon[c] Huynh-Feldt	Epsilon[c] Lower-bound
AddClaim	,479	75,060	2	,000	,657	,663	,500

Tests the null hypothesis that the error covariance matrix of the orthonormalized transformed dependent variables is proportional to an identity matrix.

a. Brand = Luxury Fashion

b. Design: Konstanter Term
Within Subjects Design: AddClaim

c. May be used to adjust the degrees of freedom for the averaged tests of significance. Corrected tests are displayed in the Tests of Within-Subjects Effects table.

Tests of within-subjects effects[a]:

Measure: MEASURE_1

Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
AddClaim	Sphericity Assumed	571,059	2	285,530	277,526	,000	,729
	Greenhouse-Geisser	571,059	1,315	434,267	277,526	,000	,729
	Huynh-Feldt	571,059	1,325	430,902	277,526	,000	,729
	Lower-bound	571,059	1,000	571,059	277,526	,000	,729
Error(AddClaim)	Sphericity Assumed	211,941	206	1,029			
	Greenhouse-Geisser	211,941	135,445	1,565			
	Huynh-Feldt	211,941	136,502	1,553			
	Lower-bound	211,941	103,000	2,058			

a. Brand = Luxury Fashion

Mauchly's test of sphericity[a,b]:

Measure: MEASURE_1

Within Subjects Effect	Mauchly's W	Approx. Chi-Square	df	Sig.	Epsilon[c] Greenhouse-Geisser	Epsilon[c] Huynh-Feldt	Epsilon[c] Lower-bound
AddClaim	,620	47,857	2	,000	,724	,732	,500

Tests the null hypothesis that the error covariance matrix of the orthonormalized transformed dependent variables is proportional to an identity matrix.

a. Brand = Fast Fashion

b. Design: Konstanter Term
Within Subjects Design: AddClaim

c. May be used to adjust the degrees of freedom for the averaged tests of significance. Corrected tests are displayed in the Tests of Within-Subjects Effects table.

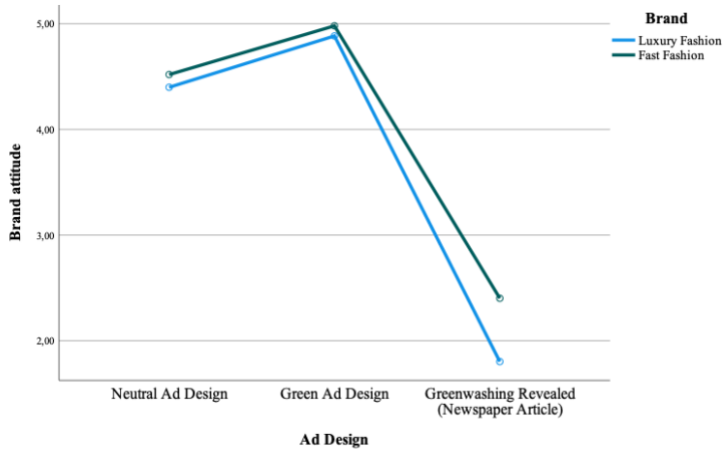
Tests of within-subjects effects[a]:

Measure: MEASURE_1

Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
AddClaim	Sphericity Assumed	385,732	2	192,866	199,686	,000	,664
	Greenhouse-Geisser	385,732	1,449	266,219	199,686	,000	,664
	Huynh-Feldt	385,732	1,464	263,392	199,686	,000	,664
	Lower-bound	385,732	1,000	385,732	199,686	,000	,664
Error(AddClaim)	Sphericity Assumed	195,101	202	,966			
	Greenhouse-Geisser	195,101	146,342	1,333			
	Huynh-Feldt	195,101	147,912	1,319			
	Lower-bound	195,101	101,000	1,932			

a. Brand = Fast Fashion

Visual representation of results:



Appendix 8.5b.: Statistical outcomes – Hypothesis 4b

Group statistics:

	Brand	N	Mean	Std. Deviation	Std. Error Mean
GR Purcase Intention reversed	Luxury Fashion	104	1,8077	1,07104	,10502
	Fast Fashion	102	2,5294	1,65132	,16350

Independent samples test:

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
GR Purcase Intention reversed	Equal variances assumed	19,806	,000	-3,729	204	,000	-,72172	,19356	-1,10335	-,34009
	Equal variances not assumed			-3,714	172,707	,000	-,72172	,19433	-1,10529	-,33815

Independent samples effect sizes:

		Standardizer[a]	Point Estimate	95% Confidence Interval	
				Lower	Upper
GR Purcase Intention reversed	Cohen's d	1,38897	-,520	-,797	-,241
	Hedges' correction	1,39410	-,518	-,794	-,240
	Glass's delta	1,65132	-,437	-,716	-,156

a. The denominator used in estimating the effect sizes.
Cohen's d uses the pooled standard deviation.
Hedges' correction uses the pooled standard deviation, plus a correction factor.
Glass's delta uses the sample standard deviation of the control group.

Mauchly's test of sphericity[a,b]:

Measure: MEASURE_1

					Epsilon[c]		
Within Subjects Effect	Mauchly's W	Approx. Chi-Square	df	Sig.	Greenhouse-Geisser	Huynh-Feldt	Lower-bound
AddClaim	,787	24,385	2	,000	,825	,836	,500

Tests the null hypothesis that the error covariance matrix of the orthonormalized transformed dependent variables is proportional to an identity matrix.

a. Brand = Luxury Fashion

b. Design: Konstanter Term
Within Subjects Design: AddClaim

c. May be used to adjust the degrees of freedom for the averaged tests of significance. Corrected tests are displayed in the Tests of Within-Subjects Effects table.

Tests of within-subjects effects[a]:

Measure: MEASURE_1

Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
AddClaim	Sphericity Assumed	378,949	2	189,474	149,137	,000	,591
	Greenhouse-Geisser	378,949	1,649	229,764	149,137	,000	,591
	Huynh-Feldt	378,949	1,673	226,552	149,137	,000	,591
	Lower-bound	378,949	1,000	378,949	149,137	,000	,591
Error(AddClaim)	Sphericity Assumed	261,718	206	1,270			
	Greenhouse-Geisser	261,718	169,878	1,541			
	Huynh-Feldt	261,718	172,286	1,519			
	Lower-bound	261,718	103,000	2,541			

a. Brand = Luxury Fashion

Mauchly's test of sphericity[a,b]:

Measure: MEASURE_1

Within Subjects Effect	Mauchly's W	Approx. Chi-Square	df	Sig.	Epsilon[c] Greenhouse-Geisser	Huynh-Feldt	Lower-bound
AddClaim	,727	31,939	2	,000	,785	,796	,500

Tests the null hypothesis that the error covariance matrix of the orthonormalized transformed dependent variables is proportional to an identity matrix.

a. Brand = Fast Fashion

b. Design: Konstanter Term
Within Subjects Design: AddClaim

c. May be used to adjust the degrees of freedom for the averaged tests of significance. Corrected tests are displayed in the Tests of Within-Subjects Effects table.

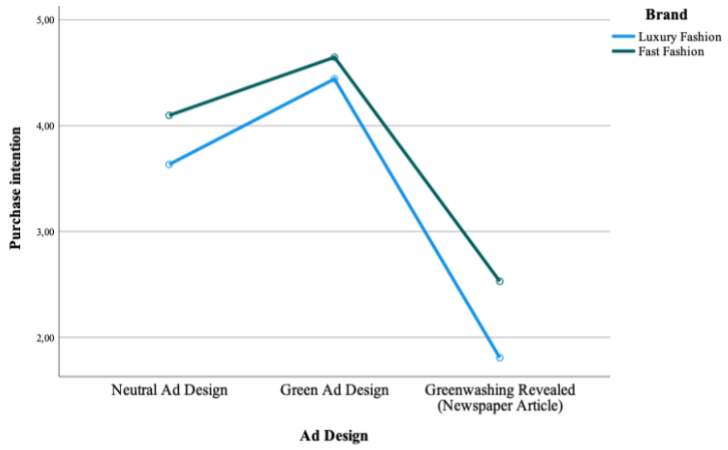
Tests of within-subjects effects[a]:

Measure: MEASURE_1

Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
AddClaim	Sphericity Assumed	246,379	2	123,190	108,687	,000	,518
	Greenhouse-Geisser	246,379	1,571	156,871	108,687	,000	,518
	Huynh-Feldt	246,379	1,591	154,851	108,687	,000	,518
	Lower-bound	246,379	1,000	246,379	108,687	,000	,518
Error(AddClaim)	Sphericity Assumed	228,954	202	1,133			
	Greenhouse-Geisser	228,954	158,629	1,443			
	Huynh-Feldt	228,954	160,699	1,425			
	Lower-bound	228,954	101,000	2,267			

a. Brand = Fast Fashion

Visual representation of results:



Appendix 8.6.: Correlation table – Hypothesis 5

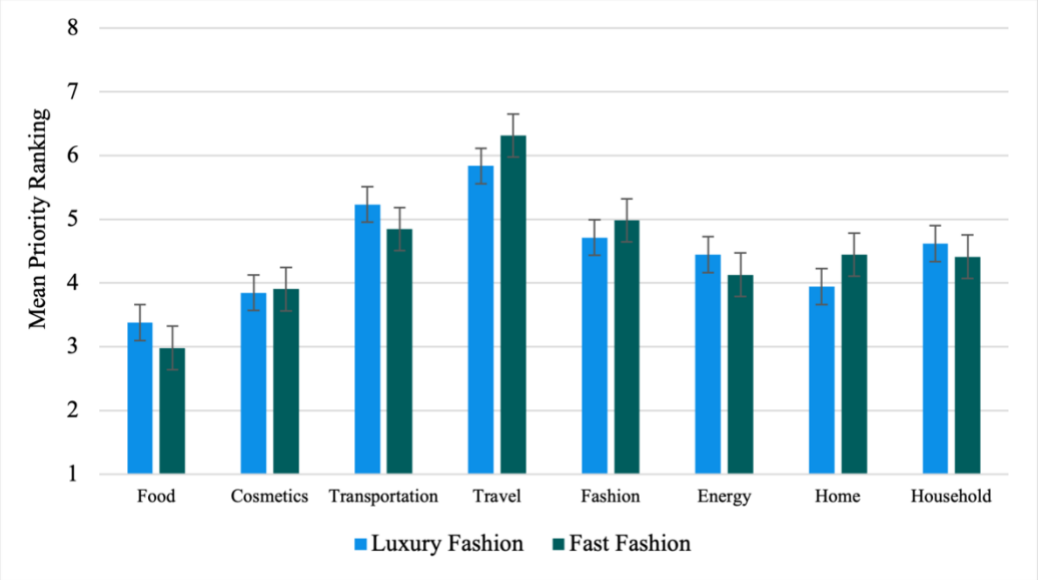
Variable	n	M	SD	1	2	3	4	5	6	7
1. Purchase frequency fast fashion	206	3.00	1.56	1	.662**	.169*	.157*	-.174*	-.069	-.192**
2. Money spending fast fashion	206	4.42	1.42		1	.170*	.200**	-.127	-.010	-.122
3. Purchase frequency luxury fashion	206	3.93	1.78			1	.652**	.060	.100	.067
4. Money spending luxury fashion	206	5.68	1.15				1	.063	.077	.077
5. Environmental concern (mean)	206	2.28	1.04					1	.680**	.680**
6. Green product attitudes (mean)	206	2.50	1.10						1	.710**
7. Green purchase behavior (mean)	206	2.78	1.23							1

**. Correlation is significant on the 0.01 level (2-tailed).

*. Correlation is significant on the 0.05 level (2-tailed).

Appendix 8.7.: Ranking of product categories

Ranking of product categories regarding respondent's willingness to make sustainability-related scarifies (1 – highest willingness, 8 – lowest willingness)



<u>Appendix 9:</u> Interview with Prof. Catherine da Silveira

Date: 1st of November 2022

Miriam Schindler: So, our first question would be, because there have been several accusations of fast fashion brands being involved in greenwashing or having false green marketing claims. And in the luxury industry, there haven't been really that many accusations. But of course, luxury fashion is also not perfectly sustainable. And why do you think there's not so such obvious greenwashing in the luxury fashion industry or in luxury in general? Do you think that there is actually greenwashing going on, or is it just not that obvious as in fast fashion?

Catherine da Silveira: Okay, first question, how would you define greenwashing?

Miriam Schindler: Yes, so having false green, misleading marketing claims that are actually not entirely true.

Catherine da Silveira: Okay, good. So, your first question is why more in mass fashion than in fast fashion? Fist in mass fashion, then, in luxury.

So, in luxury, actually, first of all, because the prices are higher, because it's as you know, as we have studied, the price in in in the luxury market is not topped. Right. There is no limit. So, the costs of goods are very much taken into account. And when the costs increase, then the price also can increase. Right. So, because of that the luxury players can afford, much more easily to produce according to the best possible practices. So, this is one thing that is very important is that they do not feel the same price and cost limitations than the mass fashion industry. Okay, so this is one point.

And the second point is that. I think that they have understood that they have to be, in a sense, a kind of model, right. They have to take the responsibility of being a role model for the

total fashion industry and also access our industry. And therefore, they are extremely careful about their practices. So, I think that there are in terms of the greenwashing, so I'm only talking about environmental questions, okay? So, yes, they are very cautious about that. They can be very cautious because they can produce at a higher cost if changing supplier or buying from a different producer would impact the cost. This is not a problem for them. So, in terms of greenwashing, they need to take responsibility towards the market, and they are not so dependent on prices and costs. And this is a reason why I honestly think that there is no such thing as that in the fast fashion market. Right. I would say bad resources, or not controlling the origin of the material of the ingredients that they use.

And then there is also something else, which is the fact that they were less vulnerable to transparency in the sense that the consumers didn't really ask for a lot of transparency. So, this gives us the time to adjust. I can give you a very concrete example in the jewelry sector, for instance. Diamond and stones are all not coming from the best sources, right? I mean, the most environmental sources. And then just to that, they took the time to change that. So most of the companies I know or I'm aware of, they're very careful about where the diamonds come from they really trace the journey of any ingredient, a precious stone and everything. So, it's a very good example because we see that as soon as they understood that they were not doing very well, they took actions. And because the consumers were not asking so much for transparency, this gave them the time to change their sources. And now they are buying diamonds and stones from the best sources. So, in terms of environmental practices, I have no doubt that the luxury industry is much more cautious and much more careful about the environmental footprint.

Now, we could look at it from the social perspective. And from the social perspective, this is quite different. Yes, they made a lot of social mistakes that should have been avoided. Here we can talk about I don't know what you want to call it, it's not really greenwashing, it's

maybe social washing. I don't know how we would call it, but there are a lot of scandals. From, you know, working with models that are too slim or anoractic to almost promoting this type of body. So, yeah, in terms of social washing, there are some cases. So, it's very different than what's going on with fast fashion. It's a completely different business model. So yes, exploiting models or showing models that are too slim. And then those cultural mistakes that some brands made in some markets, we I think we discussed in the class some cultural mistakes, like for instance, in the Chinese market, but also in other markets. I think that from this social perspective, yes there are some cases. But those cases are not, I wouldn't say environmental cases they are more social cases. And they have been trying to address, but I'm not sure that they're addressing it so well.

Miriam Schindler: Okay, that is super interesting. Thank you.

Catherine da Silveira: But it's not so complex for them. And for all the reasons that I explained. And they really take responsibility for that. So, there are not that many cases because there are not that many. I mean, there is evidence that they are much more cautious in terms of sourcing.

Miriam Schindler: Thank you. I mean, that goes a bit in hand with our second question: So, do you think that the damaging effect of greenwashing, so the damaged trust in the brand, would be stronger for luxury brands than for fast fashion brands? As you said, because of the higher price or because luxury consumers have high expectations and would be more disappointed? So, do you think that consumers would react differently to fast fashion and to luxury fashion?

Catherine da Silveira: What I have seen is that when there is a kind of scandal in the luxury sector, when a luxury player is indeed doing something, and when I say doing it's always social. With social or cultural mistakes or copying a model that comes from a certain tribe. So, it's completely different than the issues that we are seeing in the mass fashion industry. I think it's

a completely different situation. But yes, from my experience, when brands that have been facing those kinds of scandals, so in a way cases of misleading practices, I think that unfortunately consumers never forget. From what I have seen, consumers never forget. I mean, even cases like *Dolce & Gabbana*, when they said that they thought that two men couldn't have a kid, or that it was not natural for two men to raise a kid. I mean, this was already almost ten years ago. But still, I feel that *Dolce & Gabbana* was very much hurt by this thing. And I think that the consumers will never forget. Also, because there is this idea that in environmental mistakes or misleading practices, consumers understand that if there is a claim or if there is a situation, then a company can react. Of course, this has happened, but I think that part of the consumers believe that companies are more aware, so they are more careful, so we are moving in the right direction. I would say, engaging in more environmentally sustainable practices is a journey. Why? In luxury, when there is a social problem, it's a crisis, it's a break, and the relationship with the consumers is completely broken. The trust is broken. And if trust is broken, most of the consumers might not go back to the brand.

If trust is broken depends on what they claim. For example if they're *Everlane* and they go through environmental misconduct, then people won't trust them anymore. So, the relationship is broken. But if they do not claim that they're extremely sustainable, which is the case of *Zara* or *H&M*, and then they're trying to go to address one by one all the issues and they are progressing. I think the consumers understand. It's that trust is not broken in the same way, but in luxury when there is a big social problem, trust is broken. I see the impact as much more powerful. And also, why? When there's a clue, the luxury brands react very fast. Did you see the recent scandals with Kanye West?

Miriam Schindler: Yes.

Catherine da Silveira: You know the fashion show in Paris and most of the brands, they basically dropped the contracts the day after, or in some cases even 2 hours after. So, they really

react super-fast. And they are forced to do that, otherwise the trust will be broken, and they can't take the risk.

Miriam Schindler: Thank you, that's really interesting. So, for our next question, we are looking at environmental involvement. So, we defined it to have three factors: environmental concern, green product attitude, and green purchase behavior. And it has been shown that even though consumers are getting even more environmentally involved over the last decade, or the last years especially, sustainability is not really one of the top purchase decision criteria. Especially in luxury. Why do you think that luxury consumers are not that concerned about the sustainability factor when they are making a luxury purchase?

Catherine da Silveira: I think that luxury is different. I am not aware of a huge misconduct in terms of environmental issues from luxury brands, as I told you. And this could have happened in the past, but they had time to react. So, when some possible issues were identified, like the origins of the stones and the diamonds in the jewelry industry, they immediately started to invest. I mean, they immediately started to work on this, and they didn't say anything in the meantime. So now they are only communicating now, *Cartier* or *Tiffany*, on more sustainable or stones. Because they made the change, you know. And they are much more drastic in that sense. I can remember those scandals which were a long time ago, really 20 years ago maybe, crocodile skin and those kinds of things. And they then banned crocodile skins. They took actions. As environmental questions are concerned, consumers are not acting differently because they expect the brands to be sustainable and to have sustainable practices. And from what I know, all the luxury brands are really much more careful, or at least most luxury brands. Basically, the biggest groups at least are very careful. And when they identify a risk, they immediately try to face the risk. They either stop producing, like *Hermes* for instance, they created their own farm of crocodiles where they treated the animals much better. They purchased them. Both *LVMH* and *Hermes* for instance, own some farms for different animals,

to make sure that they control all processes from the beginning. And they are much more careful. They're careful about the way they treat the animals and everything. So yeah, I do not see so many cases of greenwashing, because there are not so many issues in terms of sustainability. There are some of course, but I see that they are investing a lot in trying to face them. What is more difficult for them is to face the social issues. And here it's much more difficult to predict what's going to happen in the future. When an influencer behaves badly, or sometimes they're facing some issues that they didn't even think about before. Like they were criticized in beauty because they didn't have enough tones for the black skins, but they immediately launched 42 new tones in foundation. So yeah, I see they try to be very reactive but still, they have some social issues to solve, but not that many environmental issues to address, because they have money. They can raise the costs and the products are more expensive. And the customers, when they buy a more expensive product, expect that part of the price is, of course, dedicated also to ensure the full responsibility of the brand and the sustainability of the resources and the ingredients.

Miriam Schindler: Thank you. Moving a bit more towards mass or fast fashion industry. So, especially the generations, gen X and Y, are really claiming that they're very environmentally concerned and care a lot about the environment. But at the same time, they are the main target group for fast fashion brands. So, they are really shopping a lot at those brands, but still saying that they care a lot about the environment. How would you explain this attitude-behavior-gap? Do you think it's because of the price?

Catherine da Silveira: There are many reasons for that. In general, so even before talking about fashion, whatever the category, there is a huge gap between attitude, intention, and behavior. The gap there is really huge. It's like 80% of the consumers worldwide, I just saw the numbers very recently, 80% of consumers in developed countries said that they care about

sustainable, environmental and socially sustainable products. But only 8% really purchase and incorporate sustainable dimensions and environmental dimensions in their purchase, so really take actions. So, you see the gap is huge. So, it's not only in fashion, it's everywhere, it's in food, it's everywhere. There is a big gap. And so, this big gap can be explained by different things. In fashion first, clothes it's not something that you eat. It's something that you put on your skin. And therefore, if ever, consumers would first go for food, you know, in their sustainable behavior. They would prioritize first the food they eat and whatever they eat, and then they go for fashion. It's the second, and then they go for home care products. Fashion is secondary because it's not what you eat. It doesn't impact your health directly. So, this is one thing.

Then the second thing is indeed the price. It's very complex and complicated because in the current world, and specifically now that we have a huge level of inflation, what we have seen is actually a polarization between targets. So, consumers who are completely focused on sustainability and other consumers that are completely focused on price. So, actually the situation is getting worse I would say, because before the pandemic, price was maybe the first driver for purchase, but the second one was sustainability. And then depending on different factors, maybe the second driver would come first. But now with those crises it's just a polarization. We have a small group that is really sustainability first and they would do everything for sustainable consumption. And then you have 80% of the consumers that are completely focused on price. And sustainability that used to be the second driver, now is probably the fourth of the fifth or it's not even the driver. It's plan B. So, the situation is getting worse. The problem is that before the crises, we had in between a lot of people that would go for one, then the other. But now no, it's either price, either sustainability. And the ones that are focused on sustainability, they are extremely and exigent, I would say too much. Because I think that the way to go is to best tradeoff, and they don't do any tradeoffs. If they consider that

the brand is greenwashing, they don't buy this brand, they are very much into second hand, they try to keep the clothes longer, they don't buy that many clothes, and so on. I would say that the attitude is more deconception, in terms of fashion also. Why the others? It's price, price, price, price, price. They go for low prices, whatever. And they say, okay, we are aware that the planet is not going in the right direction, but for the moment our issue is just to pay the bills and to make sure that we are doing more or less okay. So, sustainability is not a driver for them anymore. So, actually the situation is getting worse, this is my view. I actually think that the change will come from the companies. So, I think that the activists are a little bit too bold in this sense, because I don't think that the change will come from the consumers. I think this change will come from the companies and from the governments, that force the companies, you know, to like drop some substances in the clothing that are bad for the health, or are much more careful about the origin, ask for more proof and so on. So, I think that the change will come from the companies.

Miriam Schindler: That's super interesting, thank you. So, because what you already said before, that luxury goods are made more sustainably, because the business model is just more sustainable than fast or mass fashion, for example. Do you think that you can generally say that people who purchase more luxury fashion goods are more sustainable than fast fashion consumers?

Catherine da Silveira: No, I don't think so. I think that everything comes from the luxury brands. I think that the luxury groups, they can afford to be to be much more sustainable in terms of sourcing. But I don't think that the consumers who value the status mainly, they just feel better when they buy luxury, because they assume that in the price they pay, responsibility is also included.

Miriam Schindler: Okay, and they don't question it that much then?

Catherine da Silveira: No.

Miriam Schindler: Okay, thank you. Now looking at green trust: So, green trust meaning believing the green claims of companies and believing that they're trustworthy. Do you think that green trust and in general, the perception of corporate sustainability of brands, is higher for luxury brands than for fast fashion brands? Because, you know, they kind of expect that of luxury brands. Or do you think that the trust in those brands is generally higher because they probably also don't question the sustainability as much as for fast fashion brands?

Catherine da Silveira: I would say yes, but I would say that also most of the luxury groups, of course there are exceptions, but most of the luxury groups, they can do better. It's just that it's very difficult for the fast fashion and mass fashion brands, because the ones that actually try to be more sustainable, like *Zara*, or the group *Inditex*, or even *H&M*, they are very much challenged by all those Chinese new players like *SHEIN*. And this is perfectly unsustainable. But still, young consumers buy a lot of *SHEIN* products. So yeah, it's crazy. This is a problem. The more you try to say, the more you are exposed. Okay. And *SHEIN* is not saying anything, so they're not that much exposed, but they are terrible. *SHEIN* and of course those very, very cheap brands. They are the worst. We don't even know exactly what's going on, because there is not that much control. And, you know, nobody's going to China. And so, they say that they are paying more to the ones who are producing the pieces, but we don't know. Who can know that? Who can visit that? You know, it's very difficult.

Miriam Schindler: Yes, that's true. Also relating to that: So, for example in fast fashion, oftentimes when the practices in general, or like the business model in general is known to be not that sustainable, then green communication is often not that credible in the first place.

Catherine da Silveira: But they don't even communicate on that. They don't say anything, while *H&M* is trying to communicate, and everybody criticizes them for greenwashing. I mean,

if I were an activist, I would focus my effort on *SHEIN*, or all those super cheap brands, because those are the ones who are absolutely non-sustainable and no control. While with *H&M* and *Zara*, there are some kinds of control. Of course, they are not doing so well, I mean, I know that they don't pay the suppliers well. And I know there are many problems that they try to fix it over time. They are trying to move towards the right direction. And everybody is really strongly against them, but they should have a look at *SHEIN*. I don't understand how people who said that they are sustainable buy *SHEIN*, or other brands like those ones.

Miriam Schindler: Yes, that's true. But do you think then for both, fast fashion and luxury, is it smart to actually communicate their sustainability efforts? Especially if it's not really credible?

Catherine da Silveira: I mean, luxury brands try to communicate less, I mean, they try not to communicate. They don't try to communicate, they don't try to put this into their claim. But of course, they show the origins in the websites. So, if you go on the website, it's not so complicated to find the information. You go to the website, and they always have a part of the website where they explain carefully where each material, each ingredient comes from. And I know that they're working heavily into systems of tracing. They are actually now working on processes, to be able to when a customer will buy a luxury item, then you will also receive a certificate with the origin of each of the of the ingredients, all the products or whatever is served to make the product. They're working on that. So yeah. But they do not say that they are working on that, but they have big teams working on that. They do not communicate.

Miriam Schindler: So, in some papers we have read, that they're trying not to communicate it as much, because it might dilute the luxury brand. Because some consumers for example don't really like recycled materials, because they perceive it as not being as luxurious. What do you think?

Catherine da Silveira: No, I don't think so anymore. I think this is wrong. I think that the consumers now have integrated that recycling can be good, but it depends on how it's done. But I think that they do not communicate because they don't want to expose themselves, but they do not hide either. But the mass market brand like *Zara* and *H&M*, I think they try to communicate. And the more they communicate, the more they expose themselves, the more they are in trouble. And *SHEIN*, they don't say anything, and they are terrible.

Miriam Schindler: Yes, very interesting. And again, regarding the purchase decision criteria for luxury, because when you read through literature, it says that sustainability for luxury fashion purchases is not the top priority. I mean like you said, they might expect it. But why do you think it's not really a high priority for them? Even though the consumers generally might care about the environment a lot, but when it comes to luxury purchases, it's just not on top of their minds, maybe.

Catherine da Silveira: I think they feel better. They feel better because they're buying more expensive items and, in their mind, the sustainability is already ensured. So, they feel better, and they know that we are talking about items who will last longer, and now the brands do not communicate sustainability. But the luxury brands communicate a lot on the lasting items. They communicate a lot on the fact that for example this watch will stay in the family for 200 years. And all of them have implemented repair ateliers. So, they are now investing a lot in repairing, facilities and processes, in order to fix issues that might arise on all the luxury items. So, I'm telling you, they're doing a lot of things, but they do not say that much about what they're doing.

Miriam Schindler: Super interesting, thank you. Now for our final question: so, how do you think the fashion industry as a whole, including luxury and also the mass market, will develop in the future. Considering that sustainability is getting increasingly important for consumers,

especially for younger generations, do you think that luxury brands should play a leadership role to improve the industry as a whole?

Catherine da Silveira: The luxury brands, they already play it. I think what's going to happen in the luxury market is that they will raise the prices in order to ensure the best possible quality, the best possible origin, and make sure that those items are long lasting. They also have super-efficient repair services if there is an issue. I think that this is what's going to happen in luxury, they won't communicate unless they're forced to do it. But if you want to find information, the information is available. It's written on the card, when you buy the item, but they do not claim it. It's not a claim for convincing people to buy, because they think that their role is to be behind this attitude you see. So, this is about the luxury market: I think that the price will rise. But the idea is we sell less, but we sell even better products that will last longer. And I think they are still exploring what they're going to do with resale. Because I think that they would like to take control of the reselling of their own items. But they don't know exactly how to do it. So, they are exploring, they are working on this for the moment. So, this is for luxury.

Now for mass fashion. So, I would divide it into three groups. There are the ones who claim that they are sustainable, like *Everlane*. When they are forced to give proof to the consumers that they are fully sustainable. And to decompose the price of the T-shirt between, you know, the price, the cost of goods and so on. They have to be super transparent. It's not easy at all to be in this position, because you never know what can happen in a supplier, it's difficult. So, and then we have the brands that have more exposure, mass fashion brand that are trying to move towards more responsibility and more sustainability, like *Zara* and *H&M* for instance. But they are very much challenged by this compresence and like *SHEIN*. So, the margin is very, very s91mall. Because they can't raise the prices too much, otherwise nobody will buy them anymore. But on the other hand, if they want to put in place really efficient second-hand processes, and to recycle and so on, they need to invest. And it's more difficult

for them because of the margin, they can't increase the cost of goods so much. So, they are trying to move their production to countries where they think that sustainability is safer, it's more guaranteed. But anyway, they have a very difficult role. They are in the middle of the market.

And then you have the low-cost fashion that's absolutely not sustainable. There is no way it can be, it's not possible to sell a T-shirt, €2 or €3, and be sustainable, you can't it's just impossible. There is no way you can produce and not exploit someone or use the wrong materials. There is no way. So, it's obvious that they are not. They don't say anything. They are trying to do two or three actions, something from time to time. And they see the business model as a short term. It's very different. They see them on the market for ten years. They don't see them on the market for 200 years. So, I think that they have taken it to an extreme. The reasoning of *SHEIN* is to say okay, one day we won't be able to sell anymore to Europe and to the US, because we are not environmentally sustainable. And at that point we just stop producing this brand or we produce this brand only for the Asian markets and then we launch a new brand.

Miriam Schindler: Okay. But like in that sense, you were also saying when they can't ship to Europe anymore for example. So, it will come more from the governments and not so much because consumers won't buy it anymore, right?

Catherine da Silveira: I mean, consumers won't buy only if they're forced, if the government forced them not to buy. If they put some barriers at entry, that they should do, they're starting now. That will raise the price. They ask for more control on the origin of the products. But for the moment, they're squeezing the system, because *SHEIN* is sending to the consumer directly from China. So, there is no control. They always find a way to overcome the system. This is wrong.

Miriam Schindler: That’s true. So, before you said that for luxury, they will try to increase the prices to be as sustainable as possible. But there has also been the rise of what you might call “mass luxury”. So, there's an emerging middle class that has more purchasing power, so this is making luxury a bit more available for those people as well.

Catherine da Silveira: No, they won’t do that. They will raise the price and they will keep some entry level products available, like belts, t-shirts and so on, to be accessible for different types of people. But they will raise the price.

Miriam Schindler: Okay, very interesting. Thank you for your insights on all of the questions. It was very interesting to get insights from the industry inside basically, and not just the literature. So again, thank you so much for taking the time.

Catherine da Silveira: Good luck for your thesis. Thanks.