Avoiding greenwashing: should fashion brands create a separate sustainable collection to present their eco-friendly products?

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Abstract

Many fashion brands are seeking to improve their environmental performance by introducing eco-friendly products in their assortment, alongside their conventional products (e.g., C&A, Chanel, H&M, Maje, Zara). A strategic choice for these brands is to decide whether to present these eco-friendly products in a separate collection or to integrate them into their already existing conventional collections. In this paper, we investigate whether grouping eco-friendly products in a separate sustainable collection (vs. already existing collection) has an impact on consumers' perception of the brand's greenwashing. With the help of an online experiment, our results suggest that putting eco-friendly products together in a separate collection highlights the difference between eco-friendly and conventional products in the assortment, leading to conventional products being perceived as less sustainable. In turn, this results in a greater perception of greenwashing.

Keywords: *greenwashing, collections, categorization*

Track: *Social Responsibility & Ethics*

1. Introduction

The fashion industry is classified by some experts as one of the most polluting industries in the world (Boström & Micheletti, 2016). In this context, many brands try to adapt and improve their environmental footprint. The transition to a more responsible offer is not something that can be done overnight. Therefore, a common strategy used by fashion brands is the inclusion of eco-friendly products in their assortment, alongside their conventional products. These eco-friendly products are products that strive to be produced, promoted, packaged and disposed in an environmentally friendly manner (Lee, 2017). In contrast, conventional products are products usually offered by the brand that have not undergone any environmental improvements. The trend of offering eco-friendly and conventional products in the same brand assortment is booming in the fashion market, as more and more brands offer products with very different environmental performances in their assortment.

Some brands present their eco-friendly and conventional products in the same collection (e.g., *Chanel* has introduced its first eco-friendly tweed suit within its 2022 Cruise Collection (Isaac-Goizé, 2021)). Other brands decide to present their eco-friendly products in a sustainable collection separate from their conventional products (e.g., *H&M* launched in 2013 the "*H&M Conscious*" line that hosts every season different conscious collection in which the eco-friendly products of the brand are grouped together (Shen, 2014)).

Through an experiment, this paper investigates whether the categorization of fashion products using different collections influences the perception of the categorized elements and in particular on the extent to which consumers perceive conventional products as (un)sustainable and the brand as practicing greenwashing. This study enriches the literature on the categorization of fashion products using collections and the impact of this categorization on consumers' perceptions. The results of this study provide managers with advice on their brand assortment strategies during this environmental transition.

2. Theoretical Background and Hypotheses

The clustering of eco-friendly products in a separate collection leads to a categorization that emphasizes the existence of the two product categories (i.e., the conventional and the eco-friendly products) in the brand assortment (Tajfel & Wilkes, 1963). Highlighting the existence of these two product categories in the assortment could be perceived by consumers as an indication that the brand is not fully committed to the environmental approach given that it is keeping a

conventional collection. In this regard, the categorisation of products could lead to a contrast effect (Tajfel and Wilkes, 1963) of the sustainable collection on the conventional products. According to Tajfel and Wilkes's experiment (1963), people tend to overestimate the differences between the components of two groups (contrast bias) compared to the differences between the components of a same group (assimilation bias). In the context of our mixed assortment, we hypothesize that following the categorization of eco-friendly and conventional products, consumers will tend to overestimate the difference in sustainability between these two groups of products. As a result, conventional products will likely be perceived as less sustainable when the eco-friendly products are grouped in a separate sustainable collection compared to when the eco-friendly and conventional products are presented in the same collection.

H1 - Grouping eco-friendly products in a sustainable collection creates a contrast effect with the brand's conventional products, such that the latter are perceived as less sustainable than when the two types of products are presented in the same collection.

Beyond its effect on product perceptions, the creation of a separate sustainable collection might also impact consumer perceptions of the brand itself. Indeed, highlighting the existence of these two categories of products (i.e. eco-friendly and conventional products) and their difference likely creates confusion for the consumer about the environmental positioning of the brand. When there is confusion about the environmental positioning of a brand and when consumers have difficulties identifying truly responsible companies, they tend to perceive greenwashing (Parguel, Benoît-Moreau, and Larceneux, 2011). Greenwashing refers to brands' attempts to mislead consumers about their environmental performance or impact, or about the environmental benefits of their products or services (Delmas & Burbano, 2011; Parguel et al., 2011).

The literature documents several effects that greenwashing can have on brand-related variables. Perception of greenwashing negatively affects consumers' attitude towards the brand and purchase intentions (Szabo1 & Webster, 2021; Zhang, Li, Cao, and Huang, 2018). It also decreases the trust that consumers have towards the brand, and the green brand image (i.e., the set of perceptions of a brand in a consumer's mind that is linked to environmental commitments and environmental concerns) (More, 2019). More broadly, the perception of greenwashing has a negative impact on the stock market value of the company (Du, 2015).

The literature is less extensive concerning the factors that lead to a perception of greenwashing. Previous research has found that poor environmental performance together with positive communication about a company's environmental performance would lead to

greenwashing perception (Delmas & Burbano, 2011). Greenwashing perceptions can also arise when there is confusion about the environmental positioning of the brand (Parguel et al., 2011). We propose that creating a separate sustainable collection would lead to confusion about the environmental positioning of the company as it creates a contrast effect with the existing collections in the brand's assortment. Furthermore, separate collections can be used as a communication tool as they allow designers to highlight certain characteristics of clothes and to tell different stories (Renfrew & Lynn, 2021). Brands could use fashion collections as a communication tool to highlight their environmental performance. This could be perceived as greenwashing as this collection coexists with other collections in the brand assortment. Hence, we hypothesize:

H2 - Consumers perceive more greenwashing when eco-friendly products are presented in a separate sustainable collection compared to when they are presented in the same collection as the conventional products of the brand.

Implicit in the reasoning behind our first two hypotheses is the idea that the extent to which the conventional products of the brands are perceived as (un)sustainable influences greenwashing perceptions. Indeed, the more the conventional products are perceived as unsustainable, the greater the likelihood that consumers will view the creation of a separate sustainable collection as an attempt of the brand to appear as more environmentally responsible than it actually is. Thus, we expect the perceived sustainability of conventional products to mediate the effect of grouping eco-friendly products in a sustainable collection on consumers' perceptions of greenwashing of the brand.

H3 - The perceived sustainability of conventional products mediates the effect of grouping eco-friendly products in a sustainable collection on consumers' perceptions of greenwashing.

3. Methodology

We tested our hypotheses using a between-subject experimental design. We developed two scenarios about a fictitious clothing brand, *Manajo*, that offers both conventional and eco-friendly products. We used the scenarios to manipulate the presence of a separate sustainable collection to group the eco-friendly products. The presentation of the scenario was followed by an online questionnaire composed of the items of our study constructs, manipulation checks and profile questions. The constructs and manipulation checks are measured on 7-point Likert scales ranging

from "strongly disagree" to "strongly agree". 101 respondents were recruited from the general population through online posts on several websites and they were randomly assigned to one of the two experimental conditions.

Each scenario included the brand name and pictures of two t-shirts offered by the brand. One of the two t-shirts had the following description: "*eco-friendly product: by reducing water waste and produced without pesticides*". In the "same collection" condition, the two t-shirts were put in a box with a common title "*summer collection*". In the "separate sustainable collection" condition, the conventional t-shirt was put in a box with the title "*summer collection*" and the eco-friendly t-shirt was put in another box with the title: "*eco-friendly collection*".

The two main constructs measured in our questionnaire are perceived sustainability of conventional products and perceived greenwashing of the brand. Perceived sustainability of the conventional product was measured with a 3-item scale adapted from Kianpour, Jusoh, and Asghari (2014). It includes the following items "*The product is friendly to the environment and harmless for nature*", "*The product has environmental certification for saving energy*" and "*The product is green and harmless for humans*" (Cronbach's α = .894). The *Perceived Greenwashing* construct was measured by a scale adapted from Martínez et al. (2020). The scale includes eight items such as "*I believe that this brand fools consumers*" or "*This brand is truly ethical*" (reverse-coded) (α = .895).

We also measured socio-demographic variables including the respondent's *age*, *gender*, *education*, *profession* and *environmental consciousness*.

Participants' average age was 30 with ages ranging from 17 to 63. The majority stated that their highest level of education was an advanced university degree (57%) or an advanced non-university degree (15%). 75% of the respondents to the survey are women.

Before testing our hypotheses, we ensure that the respondents have well captured the stimulus present in the scenario that was shown to them by conducting an independent samples t-test on the following manipulation check question, measured on a 7-point scale anchored by strongly disagree / strongly agree: "E*co-friendly clothes are presented by the brand in a separate collection from the "summer collection"?"*. Results indicated that study participants in the "separate sustainable collection" condition had a statistically higher mean on the manipulation check question (M=5.30) than participants in the "same collection" condition (M = 3.62, t = -5.987, p<.001).

4. Results

To test our two first hypotheses, we conducted independent samples t-tests. As expected in H1, results indicate that grouping of eco-friendly products in a separate sustainable collection decreases the perceived sustainability of conventional products (M = 2.7) compared to when conventional and eco-friendly products are presented in the same collection (M = 3.65, t = 3.69, p < .001). As expected in H2, the independent samples t-test indicates that the grouping eco-friendly products in a separate sustainable collection increases the perception of greenwashing (M = 4.18) in comparison with the introduction of eco-friendly clothing items in the same collection as the conventional clothes of the brand (M = 3.78, t = -2.21, p < .05). Our first two hypotheses are thus **supported**.

We tested the prediction that the perceived sustainability of conventional products mediates the effect of grouping eco-friendly products in a separate sustainable collection on perceived brand greenwashing using the PROCESS bootstrapping method (Hayes 2013; "model 4"; 10000 bootstrap samples). Results confirm the mediation process hypothesized in H3. Presenting eco-friendly products in a separate (vs. same) collection had an indirect, positive effect on the perceived greenwashing through lower perceived sustainability of conventional products (indirect effect: β =.1286, SE =.0473, 95% CI [.0481, .2320]). The direct effect of grouping eco-friendly products in a separate collection on perceived greenwashing was no longer significant after accounting for the perceived sustainability of conventional products as a mediator (direct effect: β = .0689, SE = .0882, 95% CI [−.1062, .2439]). These results support the existence of a full mediation model.

5. Conclusion and Recommendations

The environmental transition of fashion brands is certainly a challenge given the weight of this industry in environmental issues. This environmental transition phase of fashion brands can go through the introduction of eco-friendly products and collections in the brand assortment. A possible threat when a brand embarks on an environmental initiative is that it would be perceived as greenwashing. In this context, this study aimed to investigate how the initiative of creating a sustainable collection is perceived by the consumer.

The results of our study indicate that when a fashion brand starts its environmental transition and integrates eco-friendly products into its assortment, if it decides to group the eco-friendly products in a separate collection, then this sustainable collection will create a contrast effect with

the brand conventional products. Through this contrast effect, conventional products will be perceived as less sustainable because people will tend to increase their perception of different sustainability levels between the two types of products. As a result, consumers will perceive more greenwashing for the brand.

Our research contributes to the academic literature in two ways. Firstly, our study contributes to the literature on product categorization by investigating the contrast effect that arises from categorizing clothes in different collections. Specifically, our study investigates the creation of a separate sustainable collection and its effects on the sustainable perception of the brand assortment that has not yet embarked on the sustainable journey. Secondly, our study shows that grouping eco-friendly products in a sustainable collection tends to increase the perception of greenwashing for the brand. In this respect, our study contributes to the literature on the perception of greenwashing for fashion brands that start their environmental transition and introduce eco-friendly products and collections in their assortment.

From a managerial point of view, our study highlights that when brand managers attempt to improve their environmental communication by creating a separate sustainable collection, it actually puts the spotlight on the fact that part of their assortment is still not eco-friendly. This could, according to our study, have a negative impact on the sustainable perception of these conventional products and increase the consumers' perception of greenwashing for the brand.

This study is subject to various limitations. Firstly, we use an experimental scenario to maximize the internal validity. Additional empirical tests should extend our results to field data to ensure external validity. Secondly, our study of the sustainable collection does not consider whether the sustainable collection is a capsule collection (which is a one-shot project) or whether the sustainable collection is a long-term project, for which the brand has made a line extension to hosts the sustainable collections over time. We invite a future study to look at these two concepts.

To conclude, our research has shown that grouping a brand eco-friendly products in a collection separated from its conventional products increases the perception of greenwashing for the brand. This is because it highlights the fact that the brand has two types of products in its assortment, including a part that has not yet embarked on the environmental transition. We hope that our findings will stimulate research on mixed brand assortments composed of both eco-friendly and conventional products, and more importantly as this is an increasingly growing phenomenon.

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