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AN ANALYSIS OF NUDGE THEORY, GREENWASHING AND THEIR APPLICATION TO THE FASHION INDUSTRY

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INTRODUCTION

This thesis deals with 'Nudging Theory' and 'Greenwashing', both of which have revolutionized the economic and ethical approach to consumption. Nudge Theory deals with applications of behavioural science, and has been discussed since the mid-1900s.

In behavioural economics, it is a notion developed to render easier the decision-making processes of citizens and consumers, by directing them towards options that they will perceive as consistent with their values and never infringing on their freedom of choice.

The term *nudge*, which equates to "*gentle push*", is what ,say, a business could do to lead citizens to behave more efficiently and productively for themselves and for others. By using behavioural sciences, this practice is aimed at helping governments direct citizens' behaviours towards more effective choices.

Alongside the phenomenon of Nudging, this thesis will also focus on Greenwashing.

Greenwashing could be defined as a situation where businesses, institutions, and organizations present their actions as being genuinely positive for the environment without being able to prove said actions are actually helping or even balancing harm to Nature.

This qualifies Greenwashing as a façade, a communication strategy that businesses and brands may deploy to alter their image in the face of consumer scrutiny. This exploits the propensity of consumers to prefer environmentally friendly products over ones perceived as "dirty", by presenting "*facts*" able to direct their tastes and desires. Such products paints a picture of environmental responsibility, seldom uphold by those making these lofty claims. The result are products launched through marketing campaigns that frequently contain misleading information.

The fashion world today is more akin to a fashion universe. Despite the well-known adage "you can't judge a book by its cover" many today consider clothing as a passport, an element required to belong in certain environments and be perceived as part of a group, a social class or to convey status and beliefs. This situation is markedly different from the one characterizing the twentieth century.

While in earlier times a person typically had just a few clothes for daily activities and even fewer for social events, nowadays individuals often own many more clothes than they need. It is likely that this behavioural transformation did not just occur because of the After-War Economic Boom : it also the result of an engineered desire for more and more consumption, where the individual needs symbols or trademarks to prove their worth and to belong in society.

In the twentieth century, high-end fashion houses (Valentino, Gucci, Yves Saint Laurent) created exclusive models based on the quality of the fabrics and design. They were business cards for those who wore them because only people from the upper socioeconomic classes could have own these clothes.

Then, in the twenty-first century, Fast Fashion Brands emerged, and everyone could afford to buy the latest fashion.

However, this made what was considered to be "*in*" and what was marked as being "*out*" alternate in ever shorter cycles, so that consumers which wanted to be always fashionable needed quasi-compulsive shopping behaviours to keep up, driving consumption to new heights.

This continued drive to consume exponentially favours the development of Greenwashing and Nudging phenomena.

- o From the consumer's perspective: because it allows them to drown their sense of guilt under the ethical production claims of fashion companies,
- o From the companies' perspective: because it allows them to keep increasing sales and profits.

However, many consumers have become curious, sensitive, and attentive to the methods by which goods and services are produced, forming groups demanding that businesses use their power to produce goods, services, and goods that respect environmental sustainability and take care of the environment.

The main challenge that the Fashion Industry will face in the coming decades will be transforming green *attitudes* in green *behaviours*. This may be achieved through a Brand's ability to guide consumers to make conscious and sustainable choices. This phenomenon is known as Green Nudges, designed to create a gentle push to encourage actually sustainable behaviour.

While normal nudges are implemented mainly in the Fast Fashion field in favour of the businesses, exploiting workers from rural areas where no regulations are established, Green nudges are designed for a Slow Fashion system instead. In fact, in the last years many brands have put at the core of their business transparency and respect for the environment. For consumers, buying Slow Fashion means purchasing fewer garments but with a better quality. A Slow Fashion attitude is all about making good choices, like choosing nicely-made commodities that have been designed to endure, suit an ethical way of life, and guarantee a long-lasting and functional garment.

Chapter 1 : Nudge Theory and its Application to the Fashion Industry

1.1.THE COLLAPSE OF HOMO ECONOMICUS

Throughout History, humans have often been described as 'rational decision-makers'. In the 1930s the Neoclassical economic model was theorized, explaining that when a human being is engaged in a decision-making process, he is entirely rational, taking into consideration all relevant information, perfect access to knowledge, and consistent, self-interested motivations. (E. Roy Weintraub, 1930)

The Theory lies on the foundation of the Homo Economicus model, describing a metaphorical human being distinguished by an endless capacity for logical decision-making. (J. Stuart Mill, 1836). The term Homo Economicus comes from a paper on political economics published in 1836 by John Stuart Mill, an English civil servant, intellectual, and political economist. J. Mill defined the rational human being as a "*being who desires to possess wealth, and who is capable of judging the comparative efficacy of means for obtaining that end.*"

The most essential characteristic of the Homo Economicus is that he is primarily concerned with maximizing profit. More importantly, he is always capable of making judgments that allow him to pursue an aim in the most effective manner possible. If he is a producer, his main goal would be to maximize profit, if he is a customer, then his main purpose would be to achieve the greatest utility. (Fiona Maclachlan,2011). Ultimately, it presumes that the Homo Economicus makes fully rational decisions that are never twisted by personal prejudices. The models that support this theory assume decisional models that follow a completely rational individual.

Nonetheless it should be noted that Neoclassical economic model is only and exclusively a model. It is a theoretical estimation that represent reality based on certain assumptions, such as humans perfect rationality. Therefore, this model does not reflect human's intricate decision-making systems in real-life settings. (M. Osman, 2017)

In 1979 Israeli psychologists D. Kahneman and A. Tversky, established discipline of Behavioural Economics with their publication *"Prospect Theory: An Analysis of Decision under Risk"*. In their studies they have shown that humans are not rational in their decision-making process. This theory incorporates also the idea of risk aversion, a cornerstone in Behavioural Economics. Thus, unlike Rational Models, (see, e.g., Allais, 1953; Ellsberg, 1961; Simon, 1955; Strotz, 1955), the Prospect Theory seeks to represent people's real behaviour in everyday life situation, which are biased in

their real estimation of probability of events happening. The Theory is founded on the assumption that individuals get value from "*gains*" and "*losses*" in relation to a certain criterion. This criterion differs to each individual and the circumstances they are in. They discovered, through a social experiment, that when offered the choice between receiving $1,000 or a 50% probability of receiving $2,500, respondents choose the $1,000. (D. Kahneman & A. Tversky, 1992).

They observed that people assess their loss and gain perspectives asymmetrically. Individuals are normally risk averse and will choose the sure over a hazardous future, even if the risk brings the possibility of a bigger return, implying that someone who loses $100 will be less satisfied than someone who wins $100. (Amos Tversky & Daniel Kahneman,1992)

Considering that the final statement fails to represent the homo economicus paradigm, in what way does the decision to maximize profit stand out? At this point, it is clear that the Prospect Theory draws doubt on the Homo Economicus model and clearly represents that people do not always act rationally.

1.2. NUDGE THEORY: A GENERAL DEFINITION

A hundred years ago S. Freud originated the science of Psychoanalysis, a discipline based on the belief that everyone possesses unconscious thoughts, desires and primitive forces hidden inside the minds of us as human beings. Freud understood that those forces shouldn't be repressed but encouraged, because out of this would come a new type of strong individuals and a better society. However those studies of him were used by his American nephew, Edward Bernays, a leader in contemporary advertising strategies. He used Freud's theories to influence the masses, by demonstrating to American businesses for the very first time the way they could have made consumers desire items that were not essential to them by tying manufacturing commodities to their irrational impulses. (BBC, Century of the Self, 2020)

Throughout the years many advertisement campaigns made by businesses, created easy slogans to be memorized, such as ' you're free to create your own identity' or 'what I wear is a statement'. (E. Bernays, 1929). Those slogans resonated into people's mind because they helped them to feel more unique. They felt encouraged by the environment in which they lived to express their feelings and desires of being unique through the purchase of goods. While people felt free to express themselves, their identities actually became increasingly dependent on businesses, transforming themselves in constantly moving machines. Bernays, over the decades, managed to manipulate people's mind, not by repressing their thoughts but by feeding their infinite desires. (BBC, 2020).

This kind of supervised freedom has been refined throughout time, eventually evolving into the Nudge Theory. Richard Thaler and Cass Sunstein initially presented the notion of 'Nudge' in their 2008 publication *'Nudge: Improving Decisions About Health, Wealth, and Happiness'*. It was defined as a concept connected to behavioural sciences, that changes people's behaviour in an easily foreseeable manner while not prohibiting any alternatives or substantially affecting their financial motivations. To qualify as a slight nudge, an action has to be simple and inexpensive. Nudges are not commandments since people retain their autonomy to choose and influence over their conduct. Nudges are not intended to coerce individuals into making choices, rather to steer them towards the right direction while still giving them the option of selecting. (R. Thaler & C. Sunstein , 2008).

The importance that we may attribute to the Nudge Theory stems from the fact that it was developed by an economist and a jurist. Economic research also considers how should be shaped the future economic space. On the other hand legal studies give rise to the development of regulations aimed at identifying and regulating social innovations. Thaler and Sunstein have created a contract: The relationship between judicial oversight and the expansion of industrial capitalism is a fundamental understanding upon which to build a society devoid of exploitation and oriented toward the development of a clear social space (Mongin and Cozic,2018).
The Nudge Theory Strategy is currently being employed across every social sphere, from the government field to the economic one, from the health sector to the advertising one.

Furthermore, based on the fact that humans are ontologically lazy, and that people strive to utilize our automated system as often as possible arrived at the conclusion that us, as humans, possess two distinct systems of thought: *'System 1 and System 2'* (Hansen and Jespersen, 2016 & Sunstein, 2016).

a) The first System applies in situations where we make rapid, reflexive judgments with little effort, like drinking water from a glass. This sort of actions generally require the use of(incorporate) heuristics, biases, and intuition.

b) We utilize instead System 2 when making systematic judgments based on reasoning, such as applying for a job.

Nudges are effective because they tap into the automatic, subconscious System 1 thinking. This system is also known as the Status Quo bias. (Samuelson and Zeckhauser, 1988).

It reflects our illogical inclination over the standard alternative since it maintains the ongoing situation as it is and does not alter the present or earlier status. It promotes postponing action to acting, even when acting is the better option. (Samson & Ramani, 2018). As a result, it is simple to predictably modify people's behaviour and guide them towards their 'preferred' option by taking advantage of these systematic distortions that influence people's choices and prevent them from making an impartial evaluation of the available options. The default option is frequently seen as a "safe bet". (McKenzie et al., 2006).

For example, many people want to eat healthier, save money, or live more sustainably, but they are unable to accomplish it. This is due, in part, to the fact that we prioritize our short-term desires over our long-term goals, despite the fact that they are not the healthiest, most economical, or most sustainable choices for us. (Johnson & Goldstein, 2003).

Nudges, as they are known, can be used in a number of situations. A store, for example, can place children's cereals on lower shelves so that children can notice them right away, or encourage organ donation by making it an option that can be enabled instantly when renewing an identity card rather than through a lengthy bureaucracy. (Yannan Jiang , Jacqui Grey ,2020).

Because our brains use few resources to comprehend intricate and unforeseen scenarios, we apply cognitive shortcuts which make our behaviours more dependent on the context, such as "do what other people do" or "take the easiest alternative" (Raymond J. Dolan, 2020). In addition, because it appears safe to do so, we prefer to stick to established routines or function on auto-pilot for nearly all of our tasks.

1.2.a. Dark nudges and Good nudges.
We can have two different types of Nudges: Dark nudges and Good Nudges (Harry Brignull, 2010). The first makes an unethical use of Nudges. It creates a zero-sum situations, attempting to influence client behaviour against their best interests. Because Dark Nudges serve bad purposes, they are more manipulative than persuasive. The alcohol and the Tobacco industries are two examples that suits the definition of Dark Nudges. In fact drinking alcohol or smoking tobacco are presented as normal goods and even as a positive way of having fun. (Lesch M. & J.McCambridge , 2022).

 In this case Nudges may turn into Sludges, which, through the use of specific fonts, colours, and graphic layouts, appears to exploit mental preconceptions in order to make medical details on the

dangers related to alcoholic beverages hard to identify while also increasing the exposure to misinformation. (R. Thaler, 2018).

A good Nudge, on the other hand, empowers individuals by letting them to choice whether or not to follow the "desirable" alternative (Harry Brignull, 2010). A good nudge requires a simple alternative that can be avoided with minimal consequence. Furthermore, a good nudge is easy to put into action. Finally, it is unique to each person, since each one possess different definition of good from the other people. Nudges that take into account people's attitudes, interests, and behaviours ensure that the most wanted option overall is also the most desired one for that individual person. (McKinsey & Company, 2020).

1.3. CHOICE ARCHITECTURE

Nudges are often implemented as adjustments to the choice architecture (Thaler, Sunstein, and John P. Balz. , 2020). The architecture of choices is an arrangement of all the possible combination that are offered to the client, as well as the effect a given predisposition of items has on them.

Furthermore, it is impossible to have an unbiased choice environment because every illustration of a decision, no matter how casual, impacts how and what the person making the option chooses. Even seemingly insignificant things can have a significant influence on people's behaviour. As a result, there are various methods to communicate a choice, and what one selects typically relies on how the choice is presented (Lev Virine and Michael Trumper, 2019).

Given that these are human-made decisions, architecture must examine and comprehend human behaviour. Architects employ a variety of factors to create appealing architecture. The default choice is the most popular and successful. When presented with choices, consumers are naturally inclined to favour the standard choice, since both energy and time spent exploring possibilities has already been used. A recurring default occurs when someone who previously chose a decision after taking the time to consider all of the options, and then chooses that choice again simply because they previously accepted it. (Cronqvist et al., 2018; Thaler & Benartzi, 2004). For example, if you go back to a restaurant, you may order the same dish you had before if you liked it, rather than exploring all the possibilities again.

Opting in and out of services in business are instances of default choice architecture at work. When prompted to opt into getting a newsletter, users are more likely to choose the default option of not

receiving a newsletter. This also works the opposite way around. People are more likely to maintain their default position of opting in in the case in which everyone is opting in to receive a newsletter and he or she is the only one to be opting out. Because individuals are impatient, the concept of time is equally vital and useful to suppliers (Hagman et al., 2015; Reynolds et al., 2019).

Biases occur when people are presented with alternatives. People may choose short-term gain to long-term accomplishment if they believe the future is too far or unknown, while the present may provide guarantee of reward. This explains why people choose to spend now rather than save, or why they prefer to overeat unhealthy foods for instant pleasure rather than eat nutritious meals, which may appear boring, in order to have a long-term benefit (Loewenstein et al., 2012).

This may be seen in business through time-sensitive offers and sales that occur in shorts bursts. The context in which the alternatives are given (limited time) has an indirect impact on the desire to purchase rapidly. Businesses may utilize communications to assist customers in understanding the results of their decisions for long-term benefits products and services, allowing the client to have confidence and assurance about the future (e.g., Bruns et al., 2018). Finally, a remarkable example of Choice Architecture is deciding how to group choices based on their attributes. This is a very effective way to impact an individual's decision process. The distinction between grouping options by alternatives (i.e. categories) and grouping choices by attributes (a choice's features) is significant and can end up in modifying their final decision.

To summarize, the choice architecture technique aims to use choice heuristics to the decision-maker's advantage, and thus to change the environment in order to direct and encourage the behaviour of those who are interested toward the best option available, without denying the possibility of selecting any of the other options. (Barton & Grüne-Yanoff, 2015).

1.4. LIBERTARIAN PATERNALISM
In order for the Nudge to not be invasive, it always has to leave a margin of freedom. Perhaps it should be necessary to introduce a new concept: Libertarian Paternalism (Richard Thaler, Cass Sunstein, 2003).

It arises from the combination of two terms that seem to contradict each other, since paternalism provides for the imposition of rules that necessarily limit freedom of choice, while for libertarian thought individuals should be allowed to be free to choose(Harkin, James, 2006). Thaler and Sunstein speak of a "relatively tenuous, indulgent, and unobtrusive paternalism, because choices are

not blocked, prevented, or made excessively burdensome." The adjective "libertarian", used as an attribute of "paternalism", wants to mean the maintenance and pursuit of individual freedom of choice in a context where the so-called "architects of choices", that are those able to influence the choices of others - consciously direct subjects towards a better quality life (Saghai, 2013).

The two authors support this point of view by being convinced that institutions - both in the private and public sectors - must make a conscious effort to direct, for their own good, the choices of individuals.

As opposed with different kinds of paternalism, libertarian paternalists embrace people' desires. (R.Thaler & C.Sunstein, 2008)

They hold the view that Nudges drive individuals to act within an isolated course of
action consistent solely to their own individual tastes. Libertarian paternalism,
specifically, professes to embrace a person's desired outcome along with attempting to influence the way individuals act in the achievements of their aims (Sunstein 2014).

Nonetheless, Libertarian paternalists, recognize that individual tastes can occasionally not be well-formed. As a result, researchers define personal wellness to be an achievement of a given person's genuine desires, the ones that the individuals in question might have accomplished under idyllic circumstances with full knowledge, impeccable discipline, along with limitless conceptual capacities. (Sunstein and Thaler 2003).

1.4.a. The individual and the social driven libertarian paternalism
Usually, an authority, being it a Brand or a State, tends to have a libertarian paternalist approach towards consumers (for brands) or masses (for Governments). Libertarian paternalism is classified into two types: the individual one and the social driven one (Thaler and Sunstein, 2009).

The individual Libertarian Paternalism is about methodically encouraging people to act in their own best interests. It might be considered when there is a possibility that people, even when they think carefully about it, may be wrong about what will increase their own well-being: A policy may benefit people by opposing their apparent wishes. Nonetheless, as previously indicated, libertarian paternalism promotes private rather than community interests. There is no debate on the libertarian paternalist project's aims insofar as enhancing individual interests also improves society.

The socially driven libertarian paternalism instead, aims to motivate people to do what is beneficial for society as a whole. However there is significant overlap between the two, making it difficult to discern between society and individual gains. Personal interests, for example, may include social benefits, because living in a decent society benefits everyone. On the contrary, what can be beneficial for the society might not be advantageous to the single person. The single individual, for example, has a predisposition to use more resources than is socially acceptable, meaning that future government interventions will imply tighter constraints than measures aimed at carrying out individuals' preferences.

Many policy difficulties expose the error of seeing communal interests just as a collection of individual interests. For example, the complexity of combining national, local and individual needs alongside the overall objectives of the worldwide society highlights the discrepancy between a high degree state's ambition and the real execution of policies on a practical ground. The fight for limited fiscal resources between sub-national and national governments highlights the conflict between countries' collective interests and smaller individual administrative divisions.

Within the context of urban policy, city re-design, based on the ideas of deregulation and private ownership, reveals a specific response to the difficulties of reconciling nationwide and personal needs which is, one more time, the impossibility to meet the needs of all parties. (Lawless, 1991). As a result, the government is regularly called upon to reconcile competing private and public interests. Based on psychological research, behavioural economists revealed a number of limitations that might test an individual's capacity while making a decision that best suits his or her own preferences, because people do not accurately analyse options owing to a lack of information, time, and cognitive ability (Kahneman, Knetsch, and Thaler, 1991). If the Government or a Brand wants to push individuals to have more ecological behaviour, it can use its Libertarian Paternalist approach to do so. For example, establishing a contrast is highly beneficial in this context, in fact it is sufficient to position the sustainable choice next to non-sustainable options to influence the consumer's perception of its worth. Companies may encourage customers to pick a more sustainable option by providing nonorganic, organic, and local organic variants of a product. To recap, there are an infinite amount of ways to convince someone to make more sustainable choices, and the key for this is mostly a creative thinking.

1.5. CRITIQUES

Yet we have discussed about some positive outcomes resulting from the use of nudges by the government or brands. Now we will address some of the criticisms levelled by various researchers

on the lack of moral remorse in the use of Nudging strategies. Author Mark D.White, in his book 'The Manipulation of choice' claimed that the nudges offered by libertarian paternalists require the absurd premise that politicians have special advantage over the needs of individuals because they are equipped with statistical data. Paternalism undermines individual freedom by preventing or distorting decision in favour of the paternalist's purpose (Mark D. White, 2013).

He claims that, whereas individual freedom may be misused in business as well as personal life, it becomes more dangerous when it is infringed by the state. To begin, he believes that individuals have become suspicious of seeking profits corporations that utilize psychological strategies to shape their preferences and conducts. Libertarian paternalists would want to encourage our ideas since we do not expect politicians to guide individuals in the proper direction by exploiting knowledge about our cognitive prejudices, notwithstanding the fact that state regulations and marketing activities are occasionally comparable to private-sector advertising tactics (Guala and Mittone, 2015).

The association between choice modification and the formation of individual qualities is one of White's most powerful points opposed to libertarian paternalism. Since nudges are designed to prevent individuals from behaving erroneously they will also prevent us from experiencing errors and gaining knowledge from mistakes. Governments can help us make sensible judgments, yet they can't dictate our behavior because qualities cannot originate from outside; they must develop as a consequence of each decision we undertake, including wrong ones.

To summarize, while some nudges are helpful, others may be misleading; however, the general objective of nudges is to build our choice architecture via approaches that take advantage of our unconscious prejudices to attempt to direct us in the "correct" direction without first employing our higher capacities, so we have an obligation to distinguish between helpful and misleading nudges.

Other critiques were made about the ethics of nudges. Robert Baldwin, a Canadian politician, published a book titled "*From Regulation to Behaviour Change: Giving Nudge the Third Degree*" in 2014. The author's critique purpose was to smother the enthusiasm that had surrounded the topic of nudging in the aftermath of Thaler and Sunstein's work, and he was particularly interested in discovering about the possibilities and limits of nudging as a replacement to conventional means of behavior control. Nudging involves theoretical and contentious concerns that need to be resolved in order to investigate the circumstances under which nudging may be utilized efficiently and safe. The distinction between three degrees of nudge is essential for a general comprehension of nudge problems.

Starting with the distinction between first, second, and third-level nudges, the author focuses on transparency, equity, and intrusiveness of the latter kind. The third-level nudges, having a higher effectiveness than the first two, are considered difficult to oppose and resist and, for this reason, the assiduous recourse to their use could arise ethical questions at night (R. Baldwin, 2014).

As a result, the author contrasts traditional government regulation to nudging in order to support his point. Whereas regulation usually occurs in a transparent manner, with different kinds of discussion, involvement, and description of the new legislation, it has been established that nudges operate more effectively by maintaining users uninformed. (Bruns et al., 2018; Kroese et al., 2018).

This happens because some individuals, who can be manipulated by the nudge while ignoring the true purpose of the offered decision. Given these limits, the author questions if it is ever conceivable to implement a governmental control which, through an influence of people decision-making process, is able to nudge individuals toward a predetermined outcome. (Hansen and Jespersen, 2013).

As can be seen from Baldwin's conclusions, the purpose of the book is not to advocate for a complete abandonment of nudging, but rather to increase awareness of the limitations and characteristics of the various levels of nudging, which can be aided by traditional forms of regulation in order to increase transparency (Bovens, 2009).
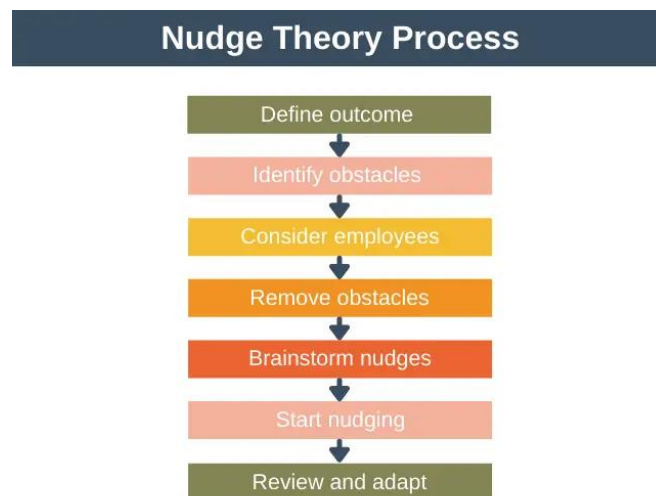
1.6. NUDGING TECHNIQUES APPLIED IN THE FASHION INDUSTRY

Discovering the rules of the secret art of persuasion has always been a victory card for many businesses. A large number of brands have recently begun to employ their skilled persuading talents to build marketing strategies which have the aim to create an ever increasing reliance and fidelity towards certain brand's items, that they do not actually need.

These businesses marketing strategies are incorporating behavioural change into their products, according to what the demand side asks. This is coming from the ability of the seller in transforming a person's desire to take a step toward sustainability into an object to purchase (Lev Virine and Michael Trumper, 2019).

Throughout the years, public awareness campaigns that play on our emotions and concerns have been successful in convincing us to stop smoking, drive only when sober, eat healthier food and many other actions. In each of these cases, the motivation is self-evident: change your conduct or risk death, illness or physical discomfort.

Several companies have developed over the years a system for designing and testing nudges.

Nudge Theory Process

Define outcome
↓
Identify obstacles
↓
Consider employees
↓
Remove obstacles
↓
Brainstorm nudges
↓
Start nudging
↓
Review and adapt

When designing a Nudge, a definition of the outcome is foremost necessary. It does not have to be a large project; little steps will lead to greater success. Examine whether there are any barriers or existing negative nudges hindering the firms' success. The third step recognises the importance of workers experiences. Their viewpoint can add substantial value to its development. After the elimination of any impediments found in step two can be done. Following, the fifth step deals with Brainstorming. It is the most creative part of the Nudge Process. It is necessary to find a collection of the best performing nudges, such as defaults, notifications, input, cultural standards, framing and many other. Then it should be found the most effective one for each specific circumstance. Subsequently, the nudges are put into execution, evaluated, and reviewed for efficiency. Finally, success should be measured compared to the planned goal, and where necessary adjustments should be made. (Lev Virine and Michael Trumper, 2019)

Up to these days several nudging strategies have been tested successfully. A few are described below:

- *Graphic warnings* (for example, large letters, bold characters, and vibrant colours, especially green, to catch people's attention on sustainability).
  Choosing the colour green, for example, is an important component of convincing customers that your products are actually sustainable. The colour Green is used by brands to build trust and display their commitment to the environment. Consumers usually have positive attitudes about green marketing, but their fashion purchases have little to do with sustainability, indicating an unstable psychological condition. Using balance theory, it is demonstrate how environmental priming might increase consumer preferences for green-branded fashion

items. The brain representation of the green logo effect is identified as substantial activations in the anterior cingulate cortex using fMRI. Prior exposure to environmental priming messages increased brain activation in the superior parietal lobule during green-related communication, reflecting relational reasoning processes and leading to an increase in preference for fashion products with a green logo. (Beneke et al., 2015; Garber et al., 2000).

We address the management implications of "nudge" communication approaches' success in establishing the tone for long-term fashion marketing. Second, because consumers favour avoiding losses over achieving similar gains, marketers may assist frame choices by expressing what's at risk. Writing a message framed in loss performs better than its positive equivalent. This is because people with a loss-framed worldview prefer tangible solutions to problems:

Example of loss-framed message by H&M.

- *Perception Nudge* : It concentrates on the foundation opinions regarding organizational behaviour for a shift in knowledge that leads to a shift in behaviour. It focuses on how to express a certain message; stating the same thing in two different ways it is possible to have an entirely different impact and influence a customer's decision to buy or not buy that item. Fast-fashion Brand H&M states in its Sustainability Report the following sentence: 'Today, 57% of all materials sourced by H&M group are either recycled or sourced in a more sustainable way'. This is far way more assuring than saying 'Today, 43% of the material used to produce our clothes is coming from some polluted or unrecyclable source'(H&M, 2020).

- *Motivational Nudge*: It is required if you want people to be concerned about a change. One method is to use other people's behaviour to emphasize what is acceptable and desirable. When people see others doing something, they are more likely to do it themselves. The Brand 'Jade' put on a specific type of shoe that was trending the sentence '522 people

viewed this product in the last 24 hours,' and thanks to this nudge, they witnessed an increase in the selling of that item. This is because, if consumer acknowledge the fact that other people liked that item, he or she perceives it as safe bet. Individuals will be prodded in the correct way and make a speedier purchasing choice if they are reminded that the product they are looking for is in great demand by showcasing social evidence (Jade, 2019).
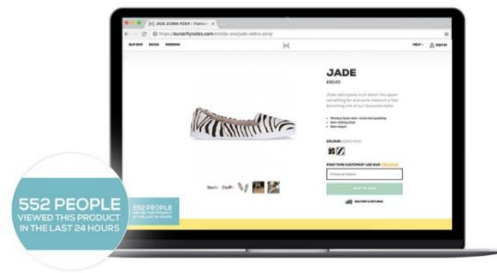
Brand 'Jade' , Online Shop

- *Ability and simplicity nudges*: The ability and simplicity are extremely effective to inform individuals that changes are simple. The easier it is, the more likely individuals are to adopt changes. ZARA, one of the world's leading fast-fashion companies, launched in-store recycling bins in its locations worldwide in 2016, allowing consumers to drop off unwanted garments in fashion "bins" in high-street shops. Zara's marketing strategy encourage customers to bring in their old clothing in change of a ticket to use the next time they purchase at the store (Zara, 2016).

- *Anchoring Nudge*: Anchoring occur whenever a person focuses excessively on a single source of evidence. When taking a choice, he or she views new information through the lens of the anchoring item rather than seeing it on its own terms. For example, at a luxurious shop, the first t-shirt you see costs $1,000. If the following t-shirt you observe in that boutique costs $100, you're likely to consider it inexpensive, despite the fact that you'd never spend that much money for a single t-shirt. In this scenario, the $1,000 price tag has anchored the client to it. (Furnham and Boo 2011)

- *Reminders* (for example, emails or push notification). In this category the nudge strategy gets the most creative and it represents the final decisive point that can push a customer into buying the clothes they desired.
Patagonia, a well-known outdoor clothing brand, uses an activism appeal nudge according to which the brand creates trust symbols that will nudge customers to make that final click. By

reminding customer that part of their purchase is donated to a just cause, they are automatically appealing customers' sense of activism and emotions by making them see that their purchase will make a difference to the world.

Chapter 2: The Greenwashing Strategy and its application in the Fashion Industry

2.1. GREENWASHING: A GENERAL DEFINITION

Greenwashing is the practice of making false or misleading declarations concerning a product's or behaviour's benefits for the environment. It may be an excuse for firms to maintain or extend their polluting and damaging behaviours, all while manipulating the system or benefitting from well-intentioned, environmentally conscious consumers. (Moisander, 2007).

The term 'Greenwashing' is composed by two elements: Green (ecological color sign) , and washing, which evokes the English verb to whitewash, and by extension "to hide". The frequent use of the term "Green" to inform customers about the product's natural ingredients that are present in a specific product creates a sense of attachment and interest towards that good. In our mind in fact it is related to internal stability and calmness (C.Warton , 2019) .In recent years, there has been a return to the term "Bio", often highlighted in the packaging of a product, suggesting that the company or brand adheres to an environmental policy (Bamberg, 2003, Kilbourne and Beckmann, 1998). Furthermore, these items typically have higher selling prices compared to the large industry products, as if they indicate to our subconscious that that product has a higher quality. Consumers at this point tend to buy the last one because they know that it is the right choice to do. (Bockman et al., 2009, Schmeltz, 2012).

The verb to whitewash, on the other hand, refers to the operation of cleaning a building surface with white liquid. The metaphorical use of the word first appeared in 1762, when it was used to allude to the verb "to cover up, provide an erroneous appearance of cleanness" to prevent people from knowing the truth regarding a specific problem.

So while the first pertains to the surroundings, the second refers to the practice of neglection and concealment.

But when it all started? Its adoption started with the American environmentalist Jay Westerveld, who first employed it in 1986 in reference to the choices made by hotel companies who utilized the adverse environmental effects of sanitizing towels and sheets to motivate customers to minimize their use of towels. In reality, this invitation was primarily motivated by financial factors. This strategy has only been growing in popularity since the 1990s, as consumer awareness of environmental problems has grown. (Diamantopoulos et al., 2003, Schwepker and Cornwell, 1991)

Therefore, we may describe "greenwashing" as the improper use of environmentally sustainable traits in order to earn public confidence (Lee, 2009).

Many businesses are starting to portray a sustainable image of themselves while continuing in the engagement in practices that generate more carbon emissions than they declare. Profit is the leading cause of why almost all large corporations are currently dealing with Greenwashing (Jones, P., Clarke-Hill, C., Comfort, D., & Hillier, 2008). It is estimated that around 85% of worldwide customers, when buying, value more the environment than they did only five years previously, and at least a third stated they are prepared to spend a greater amount of money for green items' (Global Sustainability Study, COP 2021).

This is especially true for an emerging class of green-conscious individuals like the Gen-Z.
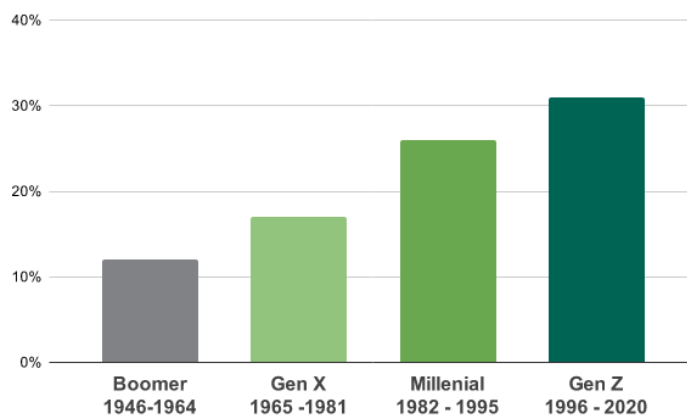
McKinsey (2020) The State of Fashion.

At this regard, Deloitte Global 2021 Millennial, estimates that Gen-Z perceives climate change as the single most pressing issue we have to address in the next future. It claims that the youngest are less inclined to pursue careers within companies they consider to be antithetical to their ideals, as well as less willing to support them as customers. Unfortunately, this point of view is often inconsistent. (McKinsey, 2020)

For example, when it comes to clothing, it appears that Gen Z customers do not fully grasp the concept of sustainability. Indeed, Gen-z is the fastest growing customer and clientele in the fast fashion sector, following their desire to be fashionable due to the social constraints suggested by

social media. However many of them are not aware of the impact those brands have on the environment (Ekström et al. 2012).

In this matter it can be said that they have been completely Greenwashed by this new Green language of communication. (Haytko, D. L. & Matulich, E., 2008)

Greenwashing often occurs through two forms of figurative communication (Suddaby and Greenwood, 2005)

- *Decoupling*, i.e. an appearance of replying to stakeholder demands without actual modifications in organizational procedures;
- *Attention deviation*, i.e. the adoption of a variety of procedures (self-certifications, selective disclosures, etc.) that typically emphasize indicators that show the advantageous effects of its operations in order avoid "exposing" the complex of the organization's outcomes that are insignificant when it comes to environmental responsibility.

The most common occurrences of Greenwashing Communication contains a few characteristic features: the use of misleading or ambiguous language, exaggeration of their goods' environmental benefits, or the production of false representations of their influence on the environment. (Delmas, M. A. & Burbano, V., 2011). Greenwashing exploits the use of terms such as eco-friendly, natural, bio or green without any certification or evidence; moreover, the information is so general in order to confuse clients. Vague labelling may also be used and, lastly, superficial environmental statements are published every year. Some businesses invest in green advertising communication in order to be viewed as environmentally friendly and socially active. (Haytko, D. L. & Matulich, E., 2008).

How sustainable is an organization in producing goods and services when we can't track or verify any information about the production cycle? How can we make an informed commercial decision if we don't know how the company reduces CO2 emissions during the manufacturing process, how much water is consumed and how the company transforms or dispose its industrial waste? The answer however is not easily achievable, at least to us.

2.2. GREENWASHING APPLICATION IN THE FASHION INDUSTRY

When we consider the complexity of the transition towards a sustainable future the fashion industry has to undertake, it appears to be easier for brands to invest in advertising campaign to save their public image rather than adapting business methods that reduce environmental impacts.

When addressing "sustainable fashion," there is a significant issue to overcome since it does not make sense in the current world: It's a contradiction in terms. According to the Cambridge Dictionary, the term "Sustainable" indicates "able to continue over an extended period of time," whereas "Fashion" denotes change over time. It is hard to find common ground among the two. As logical as it may appear, you simply cannot mass produce fashion or consume 'sustainably' in today's consumerist world. Many fashion sectors, particularly large fast-fashion corporations, present themselves as 'sustainable,' 'ethical,' 'green,' 'climate neutral,' and 'fair,' yet this is nothing more than blatant greenwashing. (Paço, A. M. F. & Reis, R., 2012).

Today fast fashion is too easily accessible and low-cost.(R.Bick on Environmental Health, 2018). The term fast fashion refers to the short amount of time it takes for fashion designs from runway shows to be translated into similar styles but in less expensive fabrics and made accessible via shops. Low outsourcing fees and the accessibility of cheap labour in nations that are developing have boosted demand for fast fashion, since customers are prepared to buy more garments on a frequent basis because they are stylish and inexpensive (Cline, 2012).

Among many others, Fast-fashion Brand Zara is responsible for fostering a culture that pushes people to consume as clothes as possible, encouraging to keep manufacturing tonnes of garments on a daily basis that will most certainly end up in a landfill with an incredibly short lifetime (Environmental Protection Agency, 2019).

Zara prides itself on providing consumers with the "latest fashion trends" every 13 days (S. Romani, and C. Barbarossa. 2017). However, as it has been said several times, this is just not a sustainable approach . Such fast consumption is intrinsically destructive to both individuals and the environment (Shen et al. 2012). This industry produces garments that people have no real need for, but still purchase due to the boosting demand and the currently widespread sense of overwhelm in people, instilled by the nudging tactics, which is frequently only beneficial to the businesses and not to the client (Tokatli 2007) .

The worldwide fashion sector is responsible for over 10% worldwide greenhouse gas emissions, including significant emissions from both manufacturing and the supply chain (Conca 2015). In 2015, the fiber and textile business generated roughly 1.2 billion tons of greenhouse gasses, which exceeded the total environmental impact of international aircraft and marine transportation (Macarthur Foundation, 2017). The easiest way for preventing such high demand is to allow the fashion sector to start moving from rapidly changing trends into a slow fashion model, that concentrates on

long-lasting aesthetics and consistency throughout. Furthermore, a shift to environmentally friendly textiles as well as fibers should be implemented massively in order to mitigate the negative consequences of garment production. These more natural textiles constitute a component of the "green" fashion concept.

In order to prevent brands declaring facts that do not match with their real aim or achievements, corporate leaders are emphasizing Corporate Social Responsibility (CSR). CSR is described as "a voluntary concept in which firms combine environmental and social issues in their company's daily operations and interactions with their stakeholders" (Ormiston & Wong, 2013). Enterprises must be sustainable and environmentally conscious in order to integrate social and environmental issues into corporate operations.

2.3. GREENWASHING CAMPAIGNS REALIZED BY BRANDS

As consumers become more aware of the environmental impact of their purchases, the fashion industry has responded with a rise in "Green" products in their marketing strategies. Many brands conducted Greenwashing Campaigns to promote a more sustainable imagine of themselves (Newell et. al, 1998). What is more, these are easy to believe because all types of communications are governed by company-controlled information (sustainability reports, advertising messages, comments by senior executives, etc.). This implies that no one may oppose the company's intended statement.

2.3.a. The H&M CASE

The notorious Sweden fashion Brand H&M is one of the most successful brand of these days. In 2019 it decided to ride the Greenwashing wave launching the 'Green Conscious Campaign'. A 'Sustainable' collection made from organic cotton, organic linen, Tencel, and recycled polyester. 'The collection blends contemporary romantic designs, and every item in the assortment is manufactured from a sustainably-sourced material, such as 100% organic cotton, Tencel, or recycled polyester,' according to their official page. This is a statement of intent to take accountability and lead the move towards a more environmentally friendly fashion industry, from the floral-printed matched separates to the airy looks all in a color palette of earthy tones, blush pink, and white.' (H&M)

According to the H&M Sustainability Report, the company has a CanopyStyle-approved policy to prevent destruction of historical and critically endangered forests in portions of its supply chain. In

terms of their recycle bins, they are seen as a technique that guarantees that customers' textiles are repurposed rather than throw up in landfills. However they tell half-truth, since they are not completely transparent in their Advertising Campaigns about the negative impacts that they create to the environment. For example, H&M does not state that every t-shirt made from organic cotton takes 660 gallons of water, making it incredibly resource-intensive. (R. Smithers, 2019).

On the same year of the Conscious Collection Campaign launch, another event occurred. Due to a lying and non-transparent conduct H&M was condemned for Greenwashing. An inquiry has been launched by the Norwegian Consumer Authority, a self-governing entity, into alleged infringements of the company's deceptive advertising regulations.

H&M's "Conscious" line was investigated, which, although being labelled environmentally friendly by the brand, did not provide "precise information" on the true sustainability of the items. The Authority criticized H&M of providing too much vague information to the general public, using the "minimum 50% of its materials are recycled organic or Tencel" as one example.(H&M).

 "H&M isn't being transparent or sufficiently specific about how the clothing items in the Conscious collection are more environmentally friendly than the company's other products on the market," (Bente Verli, 2019; Consumer Authority Deputy Director). During the allegation, the Authority pointed to the CMA's Code of Ethics and Standards of Practice, claiming that H&M violated two codes of ethics.

The first is its general ethical value of transparency, and the second is its global marketing method of representation reliability. According to the concept of honesty, "marketing communications must not exclude essential information and must be unambiguous, understandable, and honest." Marketers shall not deliberately make a false or misleading representation to a customer or business." I believe H&M misleads customers into believing that it recycles the garments it gathers. In reality, virtually all of them wind up in landfills, with very few being recycled and not being monitored or identified. They don't say how much percent of the clothes collected in their recycling bins is reused or recycled. They make consumers believe that everything is being reused or recycled.

Despite the investigation, the 'Green Conscious' campaign was considered a success. According to the official H&M Annual Report, the H&M Group's global operating profit increased by 9% over the previous year's total revenue.

2.3.b. Adidas' Stan Smith commercial

The headline of the article reads, "Stan Smith Forever." "50% recycled, 50% iconic". (Adidas, 2021) But, in the opinion of the French Jury de Déontologie Publicitaire (JDP), Adidas' advertisement violated advertising laws and deceived customers. The advertisement fails to notify customers about the entire percentage of the shoe that is recycled and is deceptive in its use of the "End Plastic Waste" emblem. The JDP further pointed out that the phrase "50% recycled" gives customers the idea that 50% of the entire material utilized in the shoe is recycled, which is not the case. The jury stated that this type of allegation gives the impression that this percentage applies to the whole shoe. As a result, the customer is misled into believing that 50% of all Adidas shoes are manufactured from recycled materials. After investigating a consumer complaint in the spring, the Advertising Ethics Jury ("AEJ") determined that the commercial violated ARPP guidelines, which require that advertising assertions must be factual and presented in a way that does not mislead.

2.3.c. ASOS' circular line

The English clothing Brand Asos created a Greenwashing Campaign in occasion of the Summer 2022. For summer '22, we've gone full-on retro with 90s-style cuts and throwback prints in the season's key colours – plus, some serious innovation (Asos, 2022). They decided to style this new collection in a more sustainable way, through the creation of a circular sustainable design.

Circular Design is an essential part in the realization of a future Circular Economy. They have declared to have been working to create products made from safe and recycled or renewable materials and made to be used again, alluding at a slow model of fashion. First of all, they stated that brand's designers used a zero waste cutting technique. This technique reduces the amount of fabric offcuts left. While conventional pattern cutting generates about 15% offcut waste per garment, a zero waste process creates, in fact, zero waste. Moreover, they declared to be using some innovative, partly recycled materials that don't skimp on feel or strength. First up is Texloop™ RCOT™ – an alternative to standard cotton that's made from 50% pre-consumer recycled cotton and 50% organic cotton. However ASOS' Circular goods aren't as circular and eco-friendly as the business promises. Their garments are constructed of polyvinylchloride and polyurethane, two thermoplastic materials that are difficult to recycle and highly unfriendly to the environment. These "greener" clothing lines account for a miniscule part of the total manufacturing of these fast fashion businesses. "The collections frequently only offer a small sliver of completely available products for purchase." (K.Hardiman, 2022) .

ASOS, as many brands now days, call their collection 'green' because it contains 20% recycled materials(E. Brays, 2021). This is however completely misleading and wrongly guide the consumer who wants to make an ethical purchase.

*2.3.d.*The Zara Case

Zara, one of the leading fast fashion manufacturer, launched in 2021 a limited-edition range of "sustainable fashion" line of clothing. , it announced a collaboration with LanzaTech to produce an innovative clothing line composed of polyester partially derived from absorbed carbon emissions rather than using virgin fossil fuels. (Zara, 2021).

Zara declares in its Sustainability Report that LanzaTech's technology absorbs CO_2 from industrial, agricultural, or home waste operations. This CO_2 is then converted into ethanol by a fermentation process, to produce polyester thread. This polyester is composed of 20% MEG (Monoethylene Glycol) derived from recovered carbon emissions and 80% PTA (Purified Terephthalic Acid). This procedure contributes to the reduction of the usage of virgin fossil resources.

However rather than addressing the crisis of overconsumption of the fast fashion industry, by limiting how much they produce and encouraging clients to buy fewer items, Zara is simply using the guise of sustainability to protect the guilty conscience of their consumers. In practice this new line is misleading as they use only 20% of recycled CO_2 , while 80% of the item is made of virgin fossil resources.

This is a classic example of Perception Nudge. It means that stating the same thing in two different ways can have an entirely different impact and influence a customer's decision to buy or not buy that item. The stress of the communication is on the 20% on the recycled CO_2 and not on the other 80% coming from virgin fossil fuel sources. Moreover, the report does not specify if the percentage of 20% of recycled CO_2 includes also all the energy necessary to capture it and process it.

Nevertheless, because the Greenwashing tactic is usually effective, the sales of the 2022 new collection increased 17%. (Zara Fashion Network, March 2023)

Overall, Greenwashing has shown to be incredibly effective for one simple reason: spending money on advertising is easier and less expensive than changing the production chain or dumping practices. Furthermore, the average customer is mostly indifferent about the environment: he makes no significant changes, but if given the choice between a green purchase and an unlabelled one, he

would almost likely choose the former (Rokka and Uusitalo, 2008). Finally, when there is a lack of innovation in the product or service given or in communication, it is simple to differentiate oneself from the competition by highlighting eco-sustainability as a distinctive feature: it must not be discussed openly, and no one will genuinely verify. (Moisander, 2007).

 Although some companies were about to be discover, most of them would defend themselves by claiming that little is always better than nothing. (Christopher, Lowson, and Peck 2004).

2.4. THE EXPLOITATION OF THIRD WORLD COUNTRIES BY THE FASHION INDUSTRY

Now days the most common fashion business strategy is to produce low-cost items in a short period of time (Barnes and Lea-Greenwood 2006). As a consequence, fashion corporations are relocating manufacturing to nations such as India, Bangladesh, and Pakistan, both to lower production costs and to comply with less severe labour and environmental regulations.

In Brazil, several factories that manufacture Zara garments impose to their employees a 12 working hours every day for 100 euros per month, without breaks or holidays. As a consequence, the Zara-branded garment that western people purchase at 29,99€, has been paid not more than 2 euro to the factory, the transportation, and the employee (Sarah Butler, 2015). Another allegation comes from Istanbul, where adolescents work 12 hours a day designing trousers pockets, laborers cut 70 pants pockets per minute, and 5 t-shirts are assembled in 1 minute. When we buy garments made under these conditions, we indirectly become part of the exploiters' class.

Those examples are not the exception but they represent the production routine behind every garment present in today's fashion Industry, with no distinction between brands. What is even worse is that, while exploiting the worker class of the third world countries, almost all of the clothing businesses are the same companies who financed activist movements, for example linked to the battle against racism known as "Black Lives Matter" (McKinsey, 2016).

After the death of George Floyd, multiple businesses utilized the tragic event to acquire followers on the internet and sell to them their products.

It's a scenario filled with hypocrisy and contradiction, as well as an indifference for the future. How can something be sold (while gaining from a shared purpose such as the battle against racism or the acknowledgment of LGBT rights) if its creation necessitated the abuse of another person's life? It fails to comply with logical reasoning.

2.4.a. The tragedy of the common

Why then, despite a general consciousness regarding the immense harm that this businesses does to the environment, we keep buying from these stores and keep tolerating the practice of Greenwashing silently ? We can find the roots of our passive behaviour in the concept of the tragedy of the commons.

The theory, introduced by Garret Hardin in the 1960s, applies to when it comes to the use of public resources. The idea simply asserts that people prioritize their personal self-interest over the interests of the community. This occurs largely because commons goods are not the personal possession of anybody. As a result, no one considers personally accountable for any resource, and nobody can be denied access (for example, inhaling fresh air). Furthermore, the negative consequences of private activities might not have a direct or instantaneous effect on the polluter and are rather dispersed all over the society.

This concept is commonly known as the 'free-rider', a phenomenon in which an individual disposes of a common good without contributing in any way, and as a result, the cost not paid by him becomes a burden to the costs of those who pay their share. (Hardin, G., 1968)

This approach helps to explain why consumers have remained silent for so long, despite the fact that the truth about Greenwashing and its terrible repercussions was there in front of their faces. The environment is a common good, and we all breathe the same air, yet no one does anything because they believe there will always be someone else willing to fight and change the present situation. However, nothing will change if this is the mindset of 8 billion people.

2.5. THE LONG-TERM RISKS OF PERPETUATING GREENWASHING

A system in which garments are manufactured and discarded on a daily basis is an unsustainable behaviour that the fashion industry has labelled as normal for many years now, and we are now beginning to see with our own eyes the devastating consequences of this behaviour (Taylor & Francis, 2015). Over the years, a great number of consumers became more aware of the harm caused by this industry and became more concerned of sustainability importance. Consumers, businesses, employees, and individuals who live near manufacturing sites are beginning to experience the results of years of negligence of the industry (Parguel et al., 2011)

And now, differently from before, they do not expect a brand to promote green advertising campaigns, but they expect firms to be transparent, accountable and sustainable, in the true sense of

the term (Hansen & Jespersen, 2013). In recent years, companies' unsustainable behaviour has begun to change.

In a Greenwashing System no one end up by benefitting in the long-run. (Baldassarre andCampo 2016). Consumers that attempt to be environmentally responsible, due to a lack of information and initiative, end up by purchasing clothes wasting their money on a brand that has mislead them. The business, due to a major control by stakeholders would risk to be sued and losing consumers loyalty (Berrone et al.2017).And workers in the factories of the third world countries would end up to be covered by landfills and be poisoned by an enormous amount of waste disposal (Wall and Large 2010).

At this regard, the global fashion industry accounts for 10% of the world's carbon emissions, with significant emissions through both production and its supply chain(Conca 2015). Furthermore, the textile dyeing is the world's second-largest polluter of water (UNESCO, 2009).

So what appears to be a financial gain in the short term will not be sustained in the long run, and there will be no long-term advantage. All brands are just trying to remain relevant by imitating what their immediate competitors are accomplishing, but this is hardly a plan of action and it is destined to fail. Greenwashing has reached pandemic proportions in recent decades, and now it has reached its peak. As a response, Green skepticism has risen. Shoppers would be skeptical of genuine green promises since it is difficult to distinguish the accountability of green marketing activities (Atkinsonand Kim, 2014).

2.5.a.The advent of Web 2.0

With the advent of Web 2.0, new social platforms have emerged (Isaías et al., 2009). Because of their intrinsic fast spreading nature, social media allow everyone to increasingly engage in novel ways of interactions and share information through the Internet. Customers' power to exercise their rights demanding openness and accountability from firms, has been significantly strengthened by the Internet (Reid & Gray, 2007).

Previously, certain forms of information were only available to people with access to exclusive sources; however, anybody can rapidly get brand information from a wide number of web sites, over which businesses are losing control(Richards, 2009).

 Because of the wide spread access to Internet, customers are shifting from being merely recipients of information to conscious consumer of the Fashion Industry. Through online platforms everyone

can now obtain detailed information about the fashion businesses, do a more conscious choice, and even to create "new information" through the submission of reviews, points of view, and feedback (Schaffert et al., 2005 quoted in Richards, 2009).

Unsurprisingly, social media has played an important role in certain firms' reputation causing them troubles by acting as boosters of bad comments given about specific good. It is extremely difficult to rehabilitate a brand's image and reputation at this point, which means that the damage inflicted may be considerably larger than the gain that the corporation sought to acquire.

2.5.b. Effects coming from loss of reputation

In the literature on brand leadership, trust is regarded as one of the most significant brand features (Aaker and Davis, 2000; Keller, 2000). As a result, a loss of credibility would have detrimental effects on the brand's profit and stakeholder reliability, resulting in a number of difficulties.

- o *Contractual risk*. It may arise as a result of a deterioration in supplier terms. The threat increases management costs due to a decline of the terms of the contract governing the supplier relationship (Ross & Lofthouse, 2005)

- o *Human capital risk*. It refers to the risk of remaining without any human capital as a result of the difficulties in finding and keeping high-performing employees in the workforce (Morrison and Wilhelm, 2003). Brands confront the danger of diminishing human assets: lower profitability as a consequence of poor performance from already existing vital staff members who cannot be kept and talents who cannot be recruited;

- o *Market risk*. It can occur when consumer trust is lost, which could end up in a diminished capacity to function on the stock market. Client risk could destabilize the economy by resulting in lower revenues due to market share erosion, loss of commitment, inability to implement premium pricing for their service, and so on (Fournier and Eckhardt,2019).

- o *Financial risk*. It is characterized by an inability of attracting creditors as well as obtaining money on the stock market, along with a rise in the cost of capital or a decline in the value of shares (Black, 2000);

- o *Other risks.* They may include the loss of commercial opportunities due to potential partners' mistrust. There is a risk of losing attractive opportunities for collaboration, such as collaborative creation, advertising, and communication, through corporate alliances and collaborations.

As one might assume, reputational risk may have a negative impact from a number of angles, resulting in lost income and/or higher corporate expenditures.

In the financial industry, It is particularly crucial for ESG(Environmental, Social and Governance) investors to identify organizations that have entirely established sustainability into their operations. Otherwise, there is a risk of funding projects and enterprises that are harmful to the environment or people.

2.6. THE 7 SINS OF GREENWASHING

The Canadian-based environmental marketing agency has developed a study to help customers detect greenwashing practices used by firms by employing the seven sins of greenwashing (TerraChoice, 2009; Dahl, 2010).

1.The sin of not having proof

Companies commit the sin of 'no proof' when they refuse to defend their sustainable claims by the presentation of papers in support of their green goods or services, or through any acceptable third-party certification or branding.

2.The sin of the hidden trade-off

Some corporations claim their product is environmentally friendly based on "a narrow set of attributes," only partially disclosing their operations and expertly redirecting attention away from the harmful aspects of the manufacturing processes.

3.Sin of adhering to false labels

Firms commit the sin of worshipping false labels when they market their products as green while obtaining bogus third-party clearance.

 4.The guilt of the lesser of two evils

Businesses use suffixes like organic, eco, or green to draw buyers away from the negative characteristics of a product or category. Organic cigarettes and eco-friendly pesticides are two instances of organizations that choose the lesser of two evils. When the good itself is a sin or the

environmental impact is unknown, the benefits of organic tobacco leaves in cigarettes are promoted to buyers as favorable.

5. The sin of false claims

It depicts false assertions made by environmental agencies.

6.Sin of irrelevance

Many environmental claims are 'not relevant' or 'unhelpful' to environmentally conscious clients. Some companies claim to be ecologically friendly by not using a certain harmful component in their products; nevertheless, the item may already be outlawed by the government.

7.The sin of ambiguity

Some businesses trick customers by using meaningless and unclear communications. Buyers see suggested items as green despite the fact that they may be harmful to the environment due to a lack of specific data and knowledge disparity.

As a result, firms who sell green products must know that ambiguous and confusing advertising is not an effective strategy for developing consumer trust and loyalty, and it may even impair their long-term profitability.(Spaulding,2009)

2.7.HOW TO MODERATE GREENWASHING
Two effective ways to moderate Greenwashing can be found in the Budging Approach and the EU Taxonomy.

2.7.a. The Budge approach

Despite the fact that Nudges have become a more popular tool for behavior modification, certain strategies are difficult to replicate, even when the same, previously effective strategy is used. One root of this problem is that people adapt some or all of the previously efficient existing nudges to any setting. Nonetheless, there is a better technique for behavioral change that might reduce the amount of power that corporations have over people. It's called the Budge method. A budge occurs when policymakers employ behavioral science evidence to determine where and how to regulate against unwanted entrepreneurial behavior.

It is a behavioral method used to support transparent regulation against the damages caused by the supply side, as opposed to influencing or pushing the demand component. The goal of developing a

program before attempting to modify a behavior is to understand the cognitive mechanism that causes that behavior, with a focus on the psychology of the target audience.

To summarize, the Budge policy focuses on avoiding profit-maximizing behavioural economic-informed unwelcome fraud on customers by private companies, by freely governing such behavior or requiring companies to implement behavioural economic-informed measures that are solely aimed at helping their customers.

2.7.b. The EU Taxonomy

The Taxonomy Regulation enables the Commission to issue delegated and enforcement measures outlining how authorized bodies and market actors have to comply with the directive's tasks (Taxonomy Regulation 2020/285). It charges the Commission with organizing a list of ecologically viable operations by specifying practical screening requirements for each environmental goal through designated actions. It might be critical in assisting the EU in developing environmentally friendly investments.

The Taxonomy of the European Union would provide adequate criteria for enterprises, investors, and regulators to determine whether their activities might be recognized as ecologically sustainable. According to it, the Commission must produce a genuine list of ecologically sustainable activities by defining technical screening criteria for each environmental purpose via delegated procedures. As a result, it should provide investors with security, shield private investors from greenwashing, assist firms in becoming more environmentally friendly as well as reducing market fragmentation. (Directive 2013/34/EU)

Consequently, a growing percentage of businesses will be required to provide their own report on sustainable activities and actual outcomes achieved through the non-financial statement of businesses, while investment trusts will be required to declare the extent to which their financial investments align with the Taxonomy, as outlined by the SFDR (Sustainable Finance Disclosure Regulation).

Chapter 3 : Green nudging: The instrument to overcome Greenwashing

3.1. GREEN NUDGES: A GENERAL DEFINITION

In the coming decades, one of the main challenges that the Fashion Industry will have to face will be "transforming green attitudes into green behaviour,"(Dr. Lory Baril, 2021) which means leading people from a greenwashed attitude to being able to make conscious and sustainable choices. The main issue lies on the fact that is it difficult to persuade individuals to make modifications to their behaviours, forcing them to take meaningful action rather than the default option. Specifically, for what concern the environment, it is difficult to push people to make environmentally friendly choices, because they may be to them more unpleasant, for example, higher in cost or requiring to follow a different path in their decision-making process. (Dolan, Hallsworth, Halpern, King & Vlaev, 2010)

To prevent the adverse impacts of the fashion sector, the industry must evolve. Ideally, there is a way to encourage positive conducts in people's mind. These small pushes able to change the behaviour of consumers are called Green nudges (Thaler and Sunstein, 2003, Sunstein and Thaler, 2003, Thaler and Sunstein, 2008, Sunstein, 2014a).

The term Green Nudge refers to the process of making individuals more conscious of their decisions, of the consequences of their actions and, foremost, to let them understand that everyone is fundamental to promote a change towards a more sustainable future. It has the potential to be a very fascinating opportunity: when used with traditional instruments, it may be successful to assist us to overcome the issue of the 'value-action gap'.(The Behaviouralist, 2020). The value-action gap is the different between what people want to accomplish and what they actually do. Finding ways to overcome this gap is of particular importance because it should increase the effectiveness of Green strategies, leading to a fundamental shift in behaviour towards the environment (Morra Imas and Rist 2009).

When it comes to the importance of human conduct, it has been argued that national legislation and large energy reforms might require years to impact solidified infrastructure and institutions systems , but changes in behaviour possess potential to be more fast and pervasive. Furthermore, individual conduct eventually motivates social change through the embracement of changes in lifestyles and

technology, as well as favourable towards environmental regulations (Lepenies and Malecka, 2015, Furedi, 2011). As a result, it may lead people's purchasing decisions into more sustainable options, allowing them to contribute to a more resilient future.

Green nudging may take many different forms A recent analysis of green nudging strategies classifies them into three main categories (Bailey, 2003) :

Nudges that appeal to people's perceptions of themselves

Nudges that draw attention to people's social conformity

Nudges which rebuilt the default option

Nudges that appeal to people's perception of themselves

The need to preserve a good self-image is an inherent attribute of human beings. People, on the whole, prefer to believe that they are good (Nair, 2016). Consumers are largely in agreement that environmental protection is a desirable thing. Consequently, several behavioural science techniques aim to emphasize this motive in order to encourage people to make more ecologically responsible decisions. One example of this type of green nudge involves activating people's social identity, which makes them aware of a certain aspect of their identity that could motivate them to pick an ecologically beneficial decision (Tanner and Wölfing Kast, 2003).

One example is the clothing brand Allbirds, which has begun to include on the garment's label, data concerning CO2 emissions created during the production process. This would activate people's social identities, eventually leading them to purchase the piece of clothing that harms the less.

Nudges that draw attention to people's social conformity

It has typically been in our best interests throughout human development to act like others do around us (Chakravarty & Fonseca, 2017). When it comes to our natural tendency to comply with standards, green nudges come in two varieties: descriptive (for example, 'most people do things this way') or injunctive (for example, 'we ought to do things in this way') (Cialdini, 1990).

Descriptive green nudges seek to drive more virtuous behaviours by explicitly expressing how others act ("9 out of 10 people throw their cigarettes in the appropriate bin"), whereas injunctive green nudges indicate how everyone should behave ("It is preferable that everyone throw his or her

cigarettes in the bin, in order to have a clean space"). Behavioural science can help people make more sustainable decisions by illustrating how and in what percentages others follow the desired behaviours. This might encourage people to match their values with those of others (Zimmermann et al., 2021).

Injunctive nudge focuses on a particularly significant cognitive bias, the default option: when given a variety of alternatives to select from, one is generally portrayed as the conventional one to follow. If we wish to vary from the usual option, we must take a voluntary step toward an alternative that we regularly forget, postpone, or lack the time to do, resulting in the conventional option being maintained throughout the years. An element that may help in the implementation of environmentally friendly methods is to make the "Green" option the default choice (Jachimowicz et al., 2019).

Conforming to environmental standards does not differ much; if we believe that environmental consciousness is usually beneficial, we will feel rewarded when we act in accordance with this purpose. However, when it comes to our daily lives, behaving in accordance to the environment can be very vague, so finding evidence of how other people behave in pro-environmental ways can be a powerful motivator (Farrow et al., 2017;Huber et al., 2020).

Finally, environmental norms can be triggered either descriptively, by reminding individuals that the majority of customers chose the ecologically best option, or injunctively, by insinuating or even directly expressing, that the environmental choice is the one people are expected to take.

Nudges which rebuilt the default option

We have arrived at one of the most powerful forms of green nudging: defaults. When we are required to come to a clear decision amongst a number of alternative possibilities, one of them is frequently designated as the default. In order to shift to another option an active procedure is needed. The choice of whether to sign up as an organ donor or not is an example of behavioral science. When you register, the state can either make you an organ donor by default and allow you to opt out, or it may make you a non-donor by default and allow you to opt in. However, research suggests that nations that make organ donor registration the default option while enabling abstainers to opt out have far greater percentage of donors than countries that do the opposite (Johnson and Goldstein, 2003, 2004).

This is attributable to a variety of cognitive biases. The first is the status quo bias (Daniel Kahneman, Jack L. Knetsch, and Richard H. Thaler, 1991).

Simply said, this is a preference for the existing situation. If we are currently an organ donor and must actively take efforts to become a non-donor, we are less likely to do so since it requires exerting effort to change the present situation. If we are currently non-donors and must actively take efforts to become donors, we are less likely to do so than to remain non-donors. This is also referred to as the requirement to overcome our own inertia.

Another is the authority bias, which describes our propensity to appreciate and persuade authoritative persons' viewpoints (Mongin & Cozic, 2018). In this instance, the government might be viewed as an authority over the person, and the default choice chosen by the government is frequently understood as an implicit support of that alternative. People may assume that the state encourages us to be (or not be) organ donors depending on whether this option is set as the default (Hagman et al., 2015)

Loss aversion is a third cognitive bias that contributes to the default operation (Kahneman & Tversky, 1979). This simply implies that we consider the discomfort of losing things to be higher than the satisfaction we experience when we obtain the identical items. Defaults may be implemented for the environment by making renewable energy agreements, for example, the default in a certain region or client base.

Green nudges have lately been offered as a possible strategy for motivating customers to act in an environmentally sustainable manner (Bockman et al., 2009, Schmeltz, 2012).

3.2. TYPOLOGIES OF GREEN NUDGES

Despite the fact that many individuals appreciate pursuing an ecologically conscious lifestyle that seeks to reduce emissions and exploiting resources, altering habits to attain a specific goal may appear excessively demanding and difficult in everyday life (Wood, Quinn & Kashy, 2002).

This is due to the fact that we typically prioritize our current needs above long-term aims, and our choices are frequently impacted by the setting in which we live, a context of choice that does not always suggest the best long-term answers as traditional options. Luckily, there are a variety of ways that, via the use of green nudges, may assist us in becoming more sustainable with less effort.

Some methods follow:

Green Design

Option placement refers to modifications in the way a choice architecture is structured to make environmentally friendly choices more obvious (for example, presenting organic items at eye level in the store). Similarly, feature salience aims to make environmentally friendly alternatives more

visible by stressing certain components of the decision architecture; Visual illusions use common visual perception tactics. The 'Ambient Orb' product, for example, offers consumers with immediate feedback on the amount of energy they consume, becoming red at excessive levels of utilization (Michalek et al., 2015, p. 5).

Ecological Priming

Individuals are primed with instructional messaging or visual stimuli related to environmental subjects in this green nudge strategy. The primed information is stored in memory that is associative and influences conduct in a predictable way as time passes. In an experimental situation, those primed with a pro-environmental message, for example, were significantly more willing to buy package-free food (Tate, Stewart & Daly, 2014, p. 230). Another common example is environmental messages posted on restroom stall doors or above urinals with the purpose of minimizing paper towel usage after hand washing. Priming works on a subconscious level, but it is not the same as subliminal communication, which uses hidden signals that are not visible or obvious to affect an individual's actions. A priming signal can impact unconscious processes, but it must be present in the chosen environment (Dolan et al., 2010).

Green Defaults

Opt-in/out defaults are nudges that exploit the status quo bias by making the desired sustainable alternative or green option the default. Physical defaults include modifying the physical qualities of the preferred design, which then establishes a new standard by imposing limits or constraints on other possibilities without totally eliminating them. A typical application is the decreasing the dimensions of plates in restaurants to minimize wasted food (Kallbekken & Saelen, 2013; Wansink, 2004).

Eco-labelling

Eco-labelling can be seen in point-of-purchase messages such as product effectiveness indications or certified organic identifiers. Because it impacts the customer at the time of purchase, the label is more than just a source of information; it is also a component of the decision architecture. Eco-labelling can also be represented in terms of advantages and disadvantages, such as the amount of money saved by switching to a more energy-efficient product. Eco-labelling also operates through the establishment of implicit cultural standards, which lead individuals to crave a sense of belonging to an ecologically conscious society (Schubert, 2016).

In 1992, the European Union developed the Ecolabel, which indicates the actual quality of the environment (Regulation 880/1992). It is a label that indicates that the offered commodities or services satisfy certain environmental standards. The purpose is to promote the circular economy as a business model, as well as ethical production and the development of more durable and recyclable items. (Dolan et al., 2010).

The Ecolabel is nowadays governed by EC Regulation 66/2010, which is implemented in 28 European countries. This label is a conscious choice chosen by the manufacturer, who combines optimum efficiency and eco-compatibility standards for the completed goods. Nonetheless, in order to be validated for the Ecolabel, the product or service in question must fulfil specified conditions indicating that each phase of its lifetime has a minimal impact on the environment.

The Life-Cycle Assessment (LCA) approach is used to evaluate a product's sustainability, enabling researchers to measure a product's ecological impact. This analysis employs the so-called womb to grave approach, which focuses on each stage of the manufacturing process (Ölander & Thøgersen, 2014).

When a product uses the Ecolabel, it ensures less harm to the planet, as well as limitations on the use of chemical substances that are harmful to people and the environment; it guarantees item of high quality and effectiveness in an organic and eco-sustainable meaning as well as certification provided by an outside organization, that assesses whether or not the product in question adheres to the prerequisites required for obtaining the label; and finally it provides evaluation of its compliance with the criteria set by laws that represent stringent enforcement of environmental laws (Lyon and Montgomery 2015)

Eco-labels for green fashion are a powerful tool in corporate control: when used effectively, they may lay the framework for a profitable advertising and marketing strategy. In truth, they separate an environmentally friendly product from the vast majority of things commonly accessible on the market. (Schubert, 2016).

It should be emphasized that the client cannot verify a product's ecological properties. In reality, a considerable proportion of issues stem from production processes that are not obvious until after an item has been purchased and used. As a result, it is critical to emphasize the commitment made to create an eco-sustainable product through the labelling system. Fortunately, the non-profit organization Lab2030 suggests utilizing a "traffic light" system to make customers more aware of

the environmental impact of their monthly purchases. The label should provide information about the components utilized as well as the carbon footprint (European Commission, 2012).

This would be a unique notion that might lead to concrete changes, starting with customers. The idea is to set off a chain reaction that will result in brands relaunching "downwards" by improving manufacturing processes in an ecologically sustainable way.

As of March 2021, 1,892 permits for 78,071 new EU market products had been granted. A significant increase in local interest in the development and implementation of environmentally friendly services. Simultaneously, consumer scepticism regarding the veracity of eco-labels is growing. In actuality, environmental goals are increasingly being used for promotional interests.

Active Choice

Nudges that employ active choice or prompted choice construct scenarios without providing a default setting on purpose. This activation nudge forces the nudgee to pick between several options. Some researchers argue that constructing an active choice nudge is a less controversial therefore more ethically permissible option than the green defaults nudge's exclusive opt-out option (Gigerenzer, 2015).

Green Social Norms

Social norm nudges are classified into two types: descriptive and injunctive (Cialdini et al., 1990). Descriptive social norms describe what is often completed, i.e., data characterizing the behavioural pattern. If everyone agrees, it appears to be the best alternative to take.

What is ethically appropriate in societies is an injunctive normative. Green social norms have been proven through research to reduce trash (Cialdini, 1990), persuade guests at hotels to keep utilizing their sheets and towels (Cialdini, 2005). Most social norms nudges rely on people' innate tendency to succumb to society tension: "If everyone is complying with it, it has to be the right thing to accomplish" (Cialdini et al., 1990, p. 1015).

3.3 CORPORATE SOCIAL RESPONSIBILITY (CSR) AND CREATING SHARED VALUE (CSV)

Aside from nudging approaches addressed directly to consumers, there is an additional method to persuade people to change their conduct, that is a constraint that businesses have to comply with, which is called Corporate social responsibility (CSR). It is an initiative based on the idea that a

company should have a beneficial influence on the community in which it works. It is a self-regulation paradigm that allows a company to be morally accountable for itself, its stakeholders, and its consumers (Moore's, 2003).

It grew into a tool for businesses to demonstrate accountability, which enhanced their public image and provided them with a marginal competitive edge.

3.2.a. The 4 Categories of Corporate Social Responsibility

There are four major categories of corporate social responsibility. A corporation may choose to participate in any of these independently, and a firm's lack of engagement in one area does not exclude it from being socially responsible (Mintzberg, 1983).

Environmental Responsibility

Environmental responsibility is an aspect of corporate social responsibility that is rooted in the protection of the earth. By using the best practices and supporting related projects, a company may ensure that its natural assets are in better shape than before its operations (Bragdon &Marlin, 1972; Spicer, 1978; McGuire et al,1988). Companies commonly encourage environmental responsibility by: limiting pollutants, chemicals, natural resource use, and pollution in their manufacturing activities as well as gathering goods and assets by promoting reuse procedures among customers. Compensate for negative consequences by replenishing natural resources or contributing to charity, which may help balance the impact of the business. A corporation that deforests trees, for example, may guarantee to replace an equal or greater amount.

Ethical Responsibility

Ethical Responsibility, which is founded on ethical and unbiased behaviour, is an essential component of corporate social responsibility. Companies typically develop their own codes of conduct, but external influences or client requirements might have an impact on moral principles. Moreover, equal treatment for all consumers, regardless of age, race, lifestyle, or gender identity is essential. And finally care for all employees, including those with higher-than-mandated benefits and incomes. This entails offering equal employment chances to all people, regardless of their personal qualities (Schwartz and Carroll, 2003)

Philanthropic Responsibility

Philanthropic duty is a pillar of corporate social responsibility that examines how a firm behaves and influences the society. In its most basic form, it refers to how a company uses its assets to help better the environment. This entails if a company donates its revenues to causes or organizations

that it supports; and If a company only does business with third-party vendors or suppliers that share the company's philanthropic beliefs (John Wiley & Sons, 2006). Finally, when a company supports employee charity through paid time off (Brammer& Millington, 2003).

Financial Responsibility

Financial accountability is the core of CSR, connecting the three previously stated areas. A company can set goals to become more environmentally conscious, ethical, and generous, but these goals must be financially supported by program expenses, financing, or market research (Porter, 2003). This entails investing in research and development for new items that support sustainable development, attracting a diverse range of skills to ensure an inclusive workforce and maintaining clear and accurate financial records, including third-party audits (John Wiley & Sons, 2006).

3.3.b. CSV

Businesses must establish shared values if they want to have a greater impact on customers. 'Creating Shared Value' is a business strategy by which companies may address social issues related to its entire supply chain, through the balancing of financial, environmental, and ethical objectives, and still generate monetary income (Menghwar and Daood, 2021).

The core idea of creating shared value implies that the competitiveness of a firm and the well-being of the community surrounding it are inextricably linked. People in favour claim that understanding and profiting on these cultural and financial ties has the potential to trigger the following era of worldwide development and transform capitalism (Brand and Wissen 2017; Luks, 2019). This entails CEOs acting properly in order for businesses to have a beneficial influence on the community, whether through environmental or other actions, while still providing a financial advantage.

To summarize, these are two effective business tactics that have a positive impact on the environment and promote trust among consumers.

3.3. SLOW FASHION

Slow fashion is a way of producing garments that takes into account all aspects of the supply chain. It aims to be respectful to people, wildlife, and nature (Kate Fletcher, 2007). It also requires

investing additional time to the creation procedure in order to ensure that every item of clothing is of excellent quality. Slow fashion supporters look for eco-friendly textiles like linen and cotton, as well as classic shapes that endure fashion cycles. Slow fashion also encourages the upcycling of old clothing into new ones.

It has never been more important to rethink the fashion industry by means of increased creativity and new technology that promote environmentally friendly procedures. (Cohen 2011; Jackson 2009). In this matter, the fashion industry's current operations may be altered in order to get a more sustainable fashion field through a combination of the following strategies: "narrowing", "slowering" and "closing" (J. Jensen, 2018).

"Narrowing" entails the adoption of organic materials and eco-friendly technologies. The objective is to achieve more demand-driven production and less consumption of carbon dioxide, electricity, and water. The term "slowing" is related with the concept of slow fashion. It encourages long-lasting, durable clothes while attempting to limit total consumption. The word "closing" refers to the procedure of terminating the cycle by creating a continuing circuit.

Slow fashion manufacturing, as opposed to the current direction of the fashion industry, which means inexpensive clothes that are quickly fabricated, focuses on creating a piece of clothing that lasts by utilizing excellent material components, progressive styles (i.e. not extremely "trendy"), and solid construction (Crewe and Davenp ort 1992).

Slow fashion entails purchasing fewer clothing of higher quality for customers. A slow fashion mentality is all about making smart choices, such as purchasing well-made goods that are intended to last, fit an ethical way of life, and provide a long-lasting and practical clothing (Sudbury and Böltner, 2011).

3.4.a. Green Nudging Strategies in a Slow fashion Model
Slow fashion brands have decided, in order to green nudge consumer into buying their garments, to use several types of promotion :

Patagonia

'Patagonia', an outdoor gear fashion firm, set the path for a future in which slow fashion is synonymous with profit, with the goal of supporting an environmentally friendly production system. It recommended shoppers to buy once and wisely rather than buying multiple goods at lesser prices and resulting in bad quality. As a result, between 2008 and 2014, Patagonia's sales

more than doubled. This new information alters the game's regulations. It proves that slow fashion is a viable long-term alternative for businesses, customers, and the environment. Of course, Patagonia is not the only company that has adopted a slow fashion philosophy.

In recent years, many slow fashion businesses have grown all over the world. Here are some examples of slow fashion brands:

Cingomma

Every year, 380.000 tons of pneumatics are destroyed, and this is only in Italy. Cingomma therefore has chosen to recycle this material by bicycle wheels, and vehicle tire pneumatics, subjecting it to advanced cleaning treatments and transforming it into highly desirable garments. Cingomma creates eco-friendly and cruelty-free accessories for men and women. To promote sales, the business decided to include a statement on the main page that reads, "If you join our Club VIP, you will receive an automatic 10% discount on all of our merchandise." (Cingomma, 2022).

Linen is not perfect

This conscious design label which produces linen clothing. Linen is a preferred material in the slow fashion field due to its lower environmental effect, increased adaptability (thermo-regulating, so it works in both cold and hot environments), and natural beauty. The company started to display datasrelated to CO2 emissions generated throughout the manufacturing process on the garment's label. This would stimulate people's social identities, potentially inspiring consumers to make a conscious purchase .

Oneoff

One of the most frequently stated impediments to slow fashion is cost. Oneoff is bridging the hole in addition to minimizing pre-consumer waste from fashion.

This brand's aim is to offer surplus goods at up to 60% discount. This not simply enables the company reduce waste material, but it also encourages shoppers to purchase goods from the business by providing a selection of products at more affordable prices.

OhSevenDays

OhSevenDays is a green slow fashion firm which crafts beautiful things from unwanted rubbish. Previously sourcing abandoned materials via intermediaries, the company's logo now obtains approved ecological and recycled materials from the milling machines allowing for greater transparency. The waste-free outcasts line includes defective products at affordable prices.

The global green fashion business is set to expand at an unprecedented rate. While the market was worth roughly $6.35 billion in 2019, it is predicted to grow to $8.25 billion in 2023 and $15.2 billion in 2030. (Retail Institute Italy research). This rise in demand can be attributed to the increasing attention being given by individuals to the planet's health.

In conclusion, as natural capital diminishes and population expands, we can't keep going down this path of irresponsible consuming. Hopefully, encouraging the fashion industry to take an ethical approach that focuses on a sustainable future.

CONCLUSIONS

During this thesis, I dealt with both productive and persuasive processes that characterize the fashion industry.

My thesis revolved around the idea that consumers can be swayed rather easily when attractive strategies are implemented as part of a product's marketing campaign.

The phenomena which reflect this idea are Greenwashing and The Nudge Theory. They represent key persuasive phenomena and are the centre of this Thesis' discussion regarding individuals' decisions. Both tactics are presented in the context of the fashion industry, by showcasing effective instances where they had a real impact in the consumer's economic choice of some products and not others.

Fashion, potentially more than any other sector of culture or commerce, is inevitably related to time. This is because at its core, it cares about creativity, which is unpredictable and ever-changing. Thus, it revolves around the present, and is characterized by rapidly evolving trends and designs. This lends itself extremely well to a consumeristic society, fuelling that model which is now known as Fast Fashion.

Fast Fashion ties in rapid manufacturing, distribution, and promotion. It has grown throughout the last decade due its capacity to capture the newest and coolest trends, enabled by those rapid manufacturing processes.

Another idea that is explored in the thesis is the so called "fashion paradox" connected to the notion of sustainability: this term refers to the conflict between the terms 'Sustainable' and 'Fashion'. In fact, while the term "Sustainable" means that something can be preserved for a long time, "Fashion", as described above, deals with a continuous variation and change through time. It is difficult to identify any convergence between the two.

Nowadays the fashion industry is driven by constantly changing fashion trends; brands are producing a greater quantity of clothes at a quicker rate and at lower costs, outsourcing

manufactured goods to the poorest countries where basic human rights are ignored and soil and water degradation are widespread. The fashion industry is seeing rapid economic growth, thanks in part to the two marketing strategies of Greenwashing and Nudge Theory, that have been used by brands to influence, stimulate, and manipulate consumer preferences. It is, therefore, critical that the consumer understand what happens behind the Nudge and Greenwashing phenomena in order to make informed decisions.

Greenwashing can take many forms and aspects that give rise to ambiguous and incorrect facts. This feature makes it challenging for customers to recognize the manifestations of the phenomena. It is difficult to spot greenwashing even for customers who are deemed specialists and have extensive knowledge on greenwashing and the industry. Therefore, for regular customers who possess a limited understanding of the phenomenon, is significantly more problematic to recognize it.

The Nudge Theory focuses on manipulating consumer preferences by directing them toward a "status quo," or increasing the subject's willingness to make decisions. It consists in presenting the individual with satisfaction from his or her current situation, even though a different choice would have been more advantageous. This means that "nudging" consists in the customer not actively or consciously valuing all the alternatives available to him or her.
This fundamental aspect of nudge theory explains why people favour the default option.

From the description of these phenomena, it becomes apparent how they foster passiveness in a customer's behaviour. So, how can someone get out of this loop, in the fashion system?
The goal of this analysis has been to shed light about the topic, but also to try and educate consumers on making informed decisions. Because their choices will shape the markets. Furthermore, In times of rising temperatures, scarce water, deforestation, and runaway resource extraction, developing planned and rational decisions ensures that consumers can contribute significantly to environmental protection. In particular, in the fashion industry, consumer consciousness can be achieved through the purchase of certified environmentally friendly products.

'Reduce-Reuse-Recycle' is not only a slogan; it is also an effective strategy for convincing people to buy green products. As a result, in this increasingly Green Industry more brands have been created promoting sustainable economics . This resulted in legislative changes giving incentives

to businesses showing a more sustainable behaviour, with the aim to redirect fashion businesses and buyers out of the fast fashion model and towards a more sustainable advertising, production and distribution practices: A Slow Fashion Model. Brands who embrace slow fashion should serve as a model for a future global fashion field.

The future of fashion is circular, based on an eco-friendly textile economy in which clothes are not only designed to last longer but are also reintroduced in the manufacturing process so that there are no shortages. 'The circular economy is more expensive for those who create, but it is a price that must be paid' (L. Callisoni, 2020).

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SUMMARY IN ITALIAN

La tesi discute la teoria del 'Nudging' e il fenomeno del 'Greenwashing' (Ecologismo di facciata) applicati all'Industria della Moda. Entrambe sono strategie utilizzate dai grandi marchi per influenzare i consumatori al momento dell'acquisto, con lo scopo di lucrare sulla fiducia dei clienti.

Il primo capitolo descrive la teoria del Nudging e il suo impatto nel mondo della comunicazione pubblicitaria. Questa teoria venne elaborata per primi da R.Thaler e C. Sunstein nel 2008 e inseguito diffusa tramite il libro '*Nudges: Improving Decisions about Health, Wealth, and Happiness*'. La teoria del Nudging presuppone che la mente umana, non essendo perfettamente razionale, è influenzabile. Questa caratteristica può essere utilizzata per indirizzare le scelte dei consumatori. Questo poiché, secondo la teoria, le decisioni di questi ultimi vengono sempre prese in un contesto. I fattori e i contesti esterni possono avere un impatto significativo nell'influenzare il processo decisionale di un individuo e sulle sue scelte successive, spingendo le persone a prendere direzioni insolite senza che se ne rendano conto.

Il concetto espresso sopra prende il nome di 'Architettura della scelta', che ha lo scopo di presentare le scelte ai consumatori in fatto di acquisti. Ad esempio, quando un individuo si trova di fronte a una scelta, il numero di opzioni presentate, il modo in cui vengono spiegate o la presenza di "opzioni predefinite " possono alterare la sua elaborazione del pensiero in modo che sia diversa dalla scelta che farebbe in assenza di queste influenze esterne. Queste strategie influenzano i processi decisionali delle persone perché operano in modo inconsapevole piuttosto che su base razionale.

L'importanza della scelta dell'architettura si basa quindi sulla modifica dell' ambiente mentale dell' individuo al momento dell'acquisto e sull'attivazione dei suoi processi cognitivi automatici a favore del risultato desiderato dal venditore.

Dunque appare chiaro come quelle che vengono presentate al consumatore come scelte, siano in realtà opzioni che beneficiano maggiormente il marchio. È importante notare come le tattiche che vengono usate per raggiungere questo risultato si basano su metodologie cognitive non rigorose, sfruttando meccanismi psicologici per condizionare le capacità decisionali degli individui.

Successivamente il capitolo tratta l'argomento del Paternalismo Libertario. Secondo la definizione data dagli autori, questo concetto serve a giustificare, da parte di aziende o governi, l'influenza che operano sui processi decisionali delle persone.

Il paternalismo libertario è dunque, da un lato, mero paternalismo, in quanto cerca di influenzare le scelte dei consumatori; dall'altro è invece considerato libertario in quanto garantisce che, durante un acquisto, le persone siano libere di operare una scelta. In questa allocuzione troviamo tutta l'ambiguità della strategia del Nudging, in quanto i due termini sono antitetici tra loro.

Il primo capitolo si conclude presentando esempi concreti di strategie di Nudging messe in campo dai vari marchi nel mondo della Moda.

Ad esempio, alcuni Nudge vengono definiti Motivazionali in quanto incoraggiano le persone a comprare un determinato capo, promuovendolo perché scelto già da altri clienti. Un altro esempio sono i Nudge Percettivi, che si focalizzano su come scrivere un determinato messaggio pubblicitario. Presentato da due diverse angolature, uno stesso messaggio può risultare più o meno positivo rispetto a ciò che è veramente. Questa semplice spinta può portare il cliente a fare la decisione finale di comprare il capo in questione.

Il secondo capitolo tratta il fenomeno del Greenwashing, conosciuto anche come ecologismo di facciata.

Per Greenwashing si intende una tecnica di comunicazione o di marketing con cui aziende, istituzioni e organizzazioni presentano le proprie attività come sostenibili dal punto di vista ambientale, pubblicizzando gli effetti positivi delle proprie iniziative o cercando di nascondere l'impatto ambientale negativo dell'azienda nel suo complesso. Nel settore della moda, i marchi che decidono di fare Greenwashing basano la propria strategia di comunicazione sulla costruzione di un'immagine di sé ingannevolmente positiva sotto il profilo dell' impatto ambientale**.**

La comunicazione dei soggetti che utilizzano Greenwashing tipicamente presenta le seguenti caratteristiche: mancanza di informazioni o dati accurati a sostegno di ciò che viene affermato; informazioni o dati non riconosciuti da organismi autorevoli vengono dichiarati certificati; vengono evidenziate singole caratteristiche di ciò che viene comunicato; le informazioni sono così generalizzate da confondere i consumatori; possono essere utilizzate etichette false o contraffatte; vengono fatte affermazioni ambientali che non riflettono la realtà.

Successivamente, vengono analizzate 4 campagne di Greenwashing da parte di marchi noti, tra cui H&M e Zara. Tutte presentano le stesse caratteristiche, nozioni vaghe e difficilmente verificabili. Inoltre a causa dell'incomprensione e l'incoscienza dei clienti, le aziende sono state in grado di generare un profitto significativo impiegando una comunicazione persuasiva come loro unica strategia. L'incertezza dei clienti è causata dai messaggi vaghi delle aziende e dalla mancanza di trasparenza sulle caratteristiche ecologiche di un prodotto.

Viene quindi descritto il comportamento reale dei marchi a partire dai dati sull'inquinamento e sullo sfruttamento che hanno portato all'impiego del Greenwashing in primo luogo. Il capitolo infatti tratta dei paesi in via di sviluppo, dove si trova la maggior parte delle fabbriche di produzione dei grandi marchi. Si tratta di luoghi in cui i diritti umani non vengono rispettati e non sono presenti leggi per la tutela dei diritti sul lavoro.

Negli ultimi anni, i consumatori sono diventati sempre più sensibili al tema della difesa dell' ambiente, richiedendo alle aziende un impegno maggiore su temi di trasparenza e sostenibilità.

In questo processo è stato fondamentale il contributo degli stakeholder nel gettare luce su ciò che si cela dietro l'industria della moda.

Il secondo capitolo prosegue con l'analisi dei rischi di lungo periodo per quei marchi che dovessero continuare ad adottare pratiche di Greenwashing. Tra questi, uno dei più frequenti è la perdita della fiducia dei consumatori, che può comportare altri rischi quali quello di mercato, che consiste in una riduzione della capacità di funzionare sul mercato azionario, e il rischio finanziario, caratterizzato da un'incapacità di attrarre creditori.

La conclusione del secondo capitolo riguarda due strumenti volti a limitare il Greenwashing: Il 'Budging Approach' e l' 'EU Taxonomy'.

Il 'Budging Approach' è un approccio che consiste nella comunicazione ai fini di rivelare le reali pratiche dei marchi per aumentare la trasparenza. Il "badge approach" è quindi un metodo efficace per il cambiamento dei comportamenti che può ridurre il potere che un'azienda ha sulle persone e portare i consumatori a fare la scelta più informata piuttosto che quella più conveniente.

L' 'EU Taxonomy' (la Tassonomia dell'Unione Europea) viene utilizzata dall'Europa per sviluppare investimenti sostenibili e fornire al pubblico un elenco di attività ambientali finanziariamente realizzabili. Usufruisce dunque di legislazioni Europee per minimizzare al massimo azioni di Greenwashing al fine di far si che i marchi riducano al minimo la frammentazione del mercato, aiutino a trasferire denaro dove è più necessario e siano più rispettosi dell'ambiente.

Il terzo e ultimo capitolo tratta di una possibile soluzione per porre fine al fenomeno del Greenwashing e limitare gli episodi di Nudging volti al beneficio esclusivo del venditore.

Questa soluzione consiste nell'aumentare la consapevolezza dell'acquirente, facilitando il passaggio a una moda più rispettosa dell'ambiente, duratura e basata su capi di abbigliamento di qualità superiore.

Con la crescente presenza di brand slow fashion e con una maggiore etica sostenibile, il mondo della moda sta virando verso una concezione diversa e più lenta rispetto a quella presente oggi.

Il terzo capitolo prosegue presentando la sfida principale nei prossimi decenni: trasformare gli atteggiamenti verdi in comportamenti verdi. Infatti adottare uno stile di vita più sostenibile cambiando le proprie abitudini per raggiungere un obiettivo percepito come vago, lontano nel tempo, può apparire troppo faticoso e complesso.

La soluzione presentata dal capitolo è quella dei 'Green Nudges', spinte gentili per incoraggiare comportamenti sostenibili, rendendo le persone più propense a scegliere un comportamento o un prodotto benefico per l'ambiente.

Mentre i Nudge sono principalmente implementati dai marchi nel contesto del Fast Fashion, i Green Nudge favoriscono un modello di Slow Fashion dove le aziende possono guidare la domanda dei consumatori, accelerare la loro strategia di sostenibilità e costruire mercati sostenibili che sacrifichino parte dei loro profitti per il bene degli individui, della società e del pianeta.

Inoltre grazie alla sempre maggiore pressione da parte di stakeholders (qualsiasi individuo, gruppo di persone o organizzazione che nutra un qualche tipo di interesse verso un progetto o verso gli obiettivi di business che un'azienda persegue e il modo in cui lo fa), i marchi hanno introdotto nel loro Report dei vincoli da rispettare, che prendono il nome di 'Responsabilità sociale d'impresa' (CSR). Questa iniziativa è basata sull'idea che un'azienda debba avere un'influenza benefica sulla comunità in cui opera. Si tratta di un paradigma di autoregolamentazione che consente a un'azienda di essere moralmente responsabile per se stessa, i suoi stakeholder(individui, gruppi o

organizzazioni che hanno un interesse personale negli obiettivi aziendali perseguiti da un progetto o da un'impresa e nel modo in cui vengono perseguiti) e i suoi consumatori.

Un altro strumento che ha fatto la sua comparsa nei Report delle aziende negli ultimi anni è la 'Creazione di valore condiviso' (CSV), che consiste in una strategia aziendale che può essere usata dai marchi per risolvere le richieste e le difficoltà sociali. L'idea centrale della creazione di valore condiviso implica che la competitività di un'impresa e il benessere della comunità che la circonda siano indissolubilmente legati.

Il terzo capitolo si conclude con l'introduzione al concetto di Slow Fashion. Acquistare Slow Fashion significa acquistare meno capi ma di qualità migliore. Un atteggiamento slow fashion consiste nel fare buone scelte, come scegliere prodotti ben fatti che sono stati progettati per durare, adattarsi a uno stile di vita etico e garantire un capo duraturo e funzionale.

Il terzo capitolo si conclude presentando esempi di marchi Slow Fashion. Ad esempio, il marchio Slow Fashion 'OneOff' ha come strategia di marketing quella di vendere tutte le merci in eccesso con uno sconto fino al 60%. Questo non solo consente all'azienda di ridurre il materiale di scarto, ma incoraggia anche gli acquirenti ad acquistare beni dall'azienda fornendo una selezione di prodotti a prezzi più convenienti.