

## Stains That Can't be Washed: Empirically Evaluating Company's Harm Inflicted by Greenwashing and Social Washing

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### Abstract

*Companies face consequences if they attempt to build a positive image among consumers based on false impressions or misleading information – the so-called “washing” strategies. Firstly, this article aims to identify the influence of such strategies on consumers’ perception of a company; secondly, it seeks to compare the effects of green and social washing. We hypothesize that both greenwashing and social washing lead consumers to negatively evaluate a company on several dimensions (i.e., perceived brand quality, perceived financial performance, attitude toward the brand, and willingness to buy its products). To test our hypotheses, we conducted an experiment that presented 590 respondents with one of three situations that reflected the use of greenwashing, social washing, or neither. We found that both greenwashing and social washing correlated with negative evaluations of the offending company; however, greenwashing was more harmful for brand image than social washing.*

**Keywords:** greenwashing; social washing; brand attitude; perceived financial performance; willingness to buy

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## 1. Introduction

In recent years, consumers have gained greater awareness of ecological and social issues. In tandem, there has been a notable surge in the practices of ecological and social claims in CSR campaigns. A substantial part of them is recognized as greenwashing and social washing (Gatti,

Seele, & Rademacher, 2019; Kim & Lyon, 2015; F. Rizzi, N. Gusmerotti, & M. Frey, 2020) – not only among companies, but also public administrations, institutional bodies, research organizations, international organizations, and NGOs (Lyon & Montgomery, 2015). Greenwashing, a term coined in 1986 by the environmental activist Jay Westerveld (Aggarwal & Kadyan, 2014), has been defined as a gap between symbolic actions (Donia & Tetrault Sirsly, 2016; Walker & Wan, 2012) or communications (Lyon & Maxwell, 2011), on one side, and substantive actions on environmental issues, on the other. Greenwashing has also been defined as the difference between reputational intentions and factual sustainability performance (Ruiz-Blanco, Romero, & Fernandez-Feijoo, 2021; Steiner, Geissler, Schreder, & Zenk).

At its worst, greenwashing involves companies adopting false or deceptive behaviors in order to seem attentive to environmental issues (Aragón-Correa, Marcus, & Hurtado-Torres, 2016; Khalil & O'sullivan, 2017). However, greenwashing also encompasses selective (but not necessarily false) positive communication aimed at impressing and misleading stakeholders (Mahoney, Thorne, Cecil, & LaGore, 2013). Broadly speaking, greenwashing is the use of misleading and manipulative claims to craft a superficial commitment to sustainability, where companies invest resources in communicating products as "green" rather than making efforts to reduce their negative impact on the environment (Aggarwal & Kadyan, 2014).

Similarly, social washing is defined as the deceptive use of advertising strategies to promote the perception that products are socially responsible (F. Rizzi et al., 2020). More precisely, social washing refers to the treatment of human capital that is less responsible than what is publicly declared. The literature has coined other terms that convey a similar meaning – bluewashing, i.e., a smokescreen of public relations practices; (Berliner & Prakash, 2014; Rasche, 2009), rainbow-washing and SDG (Sustainable Development Goals) - washing, all of which reflect a symbolic, rather than substantive, commitment to social goals (Beyne, 2020; Heras-Saizarbitoria, Urbieto, & Boiral, 2021; Moratis & Melissen, 2019). Several authors have added that there needs to be a clear intention to mislead stakeholders in order to qualify as a “washing” strategy (Bowen & Aragon-Correa, 2014; Nyilasy, Gangadharbatla, & Paladino, 2012).

Unfortunately, the conceptual landscape around these strategies remains muddled because most research has not treated greenwashing and social washing as separate topics (Seele & Gatti, 2017). In some cases, the term greenwashing has encompassed an array of behavioral typologies – regarding not only the environment, but also social, institutional, and economic sustainability issues (Lyon & Maxwell, 2011). In other cases, the authors have adopted the concept of bluewashing to analyze both social and environmental issues (Berliner & Prakash, 2014).

A key to understanding greenwashing and social washing is the fact that stakeholders cannot always directly compare companies' substantial actions with their sustainability-linked communications, nor do they possess an externally established sustainability performance ratio to account for any discrepancies (Chatterji, Levine, & Toffel, 2009; Ruiz-Blanco et al., 2021). For this reason, the existence of green/social washing can reflect the gap in stakeholders' perceptions of the difference between sustainable behavior and what companies communicate about their sustainability policies (Palazzo & Scherer, 2006). In this point of view, “greenwashing cannot be understood without its perception in the eye of the beholder” (Seele & Gatti, 2017). On that basis, there is a need for clearer analyses on green/social washing from consumers' perspective.

Of course, there are several overlaps between the two concepts. They both involve an effort to cultivate an unearned image and can have negative repercussions if discovered. Indeed, numerous studies have analyzed these strategies' implications and consequences on the

reputation of companies (Wang, Hsieh, & Sarkis, 2018), on products (Lin, Lobo, & Leckie, 2017; Monteiro, Guerreiro, & Loureiro, 2019), on brands (MacKenzie & Lutz, 1989), on financial performance (Fombrun, Gardberg, & Sever, 2000; Schons & Steinmeier, 2016), and on public trust (Lyon & Montgomery, 2015). That said, there are still nuances to the concepts that deserve being analyzed separately. A better understanding of their different qualities could help managers develop better strategies.

Against that background, this study aims to compare greenwashing and social washing as two separate practices. Specifically, we consider their influence on consumers' perceptions of a company's financial performance and product quality, as well as their own brand attitude and willingness to buy its products in response to such practices.

The paper proceeds as follows: The second section outlines the study's driving conceptual framework. The third section presents the method and results. The subsequent sections discuss the results and derive the conclusions. Finally, we end with an assessment of the study's limitations, implications and future research directions.

## **2. Research Question and Hypotheses Development**

All organizations that engage in washing mislead their audience, mainly for improving their image. This happens because some managers are aware of consumers' increasing sensitivity to environmental and social issues, but they are not willing to orient their business models. In other words, they want the positive appraisals of green-oriented customers without the effort of really going green – a practice that should be regarded as cheating. Although people generally see cheating as wrong and cheaters as breaking the rules (Bouville, 2010), there is a lot of complexity in ethically evaluating this kind of behavior. Scholars have spent years deeply discussing the moral dilemma associated with lying and cheating, especially in the fields of education and science (Bloodgood, Turnley, & Mudrack, 2009; Bouville, 2010; Moeck, 2002; Roig & Caso, 2005), interpersonal relationships (Knopp et al., 2017; Williams & Hickle, 2011), and business activity (Eabrasu, 2020). These discussions have led to the general conclusion that perceiving this kind of dishonesty can be challenging – and that sometimes, cheating is even accepted and justified (Eabrasu, 2020). However, in many other cases – especially involving relationships – cheating is described as a sufficient cause to end a relationship and even seek revenge (Williams & Hickle, 2011).

The current study aims to determine whether companies incur harm by cheating in the form of either greenwashing or social washing (as similar but distinct practices). These techniques should be regarded as potentially very harmful for all stakeholders: for both customers (who may unwittingly choose products that actually lack the desired attributes) and investors (who may feel deceived if funding a company which uses misleading techniques). Indeed, there is considerable risk in deceiving customers, who may respond by severing their relationship with the company or even taking revenge (e.g., by actively supporting a boycott). If their dubious practices come to light, companies may face further backlash in the form of activist attacks (Lyon & Maxwell, 2011). That said, greenwashing and social washing importantly represent different degrees of broken promises: the former is addressed to all consumers because it concerns the whole environment; the latter mostly impacts company staff members who are generally unknown to customers, although employees can inflict broader damage by revealing the company's dishonest intentions. Therefore, we formulated the following research question:

*RQ: Which of two intentionally misleading techniques – greenwashing or social washing – has a more negative impact on a company’s reputation?*

In order to answer this question, we gathered data on the effect of both greenwashing and social washing on a company’s perceived brand quality and financial performance, as well as consumers’ brand attitude and willingness to buy said company’s products.

In general, people do not trust cheaters. By extension, numerous studies have shown that greenwashing lowers customers’ trust while increasing their skepticism toward a company and its offerings (Aji & Sutikno, 2015; S. S. Braga Junior, Merlo, Freire, Da Silva, & Quevedo-Silva, 2016; Lyon & Montgomery, 2015; Nguyen, Yang, Nguyen, Johnson, & Cao, 2019). It is apparent that greenwashing badly influences green brand credibility and equity, as well as green brand associations, for both high and low-involvement purchase (Akturan, 2018). Greenwashing also negatively influences consumers’ beliefs and attitude, buying intentions (Rejikumar, 2016), and actual behavior toward green products (S. Braga Junior, Martínez, Correa, Moura-Leite, & Da Silva, 2019).

By worsening consumers’ perception of a brand and lowering their purchase intention, greenwashing may significantly reduce sales revenues and encourage consumer boycotts (Delacote, 2006). Previous studies have produced mixed results on how boycotts influence a company’s financial performance, particularly on stock price returns. Some studies have shown that boycotts (or announced boycotts) generated negative stock prices returns, but other research has demonstrated the opposite (King, 2008). The proven relationship between consumer boycotts and their results reflected in financial performance of a company prompted us to apply an investor perspective and check whether greenwashing potentially threatening in boycotts is related to perceived financial performance of a company.

*As stated above, a core distinction between greenwashing and social washing is the expectation gap they represent: for the former, between declared and actual environmental initiatives; for the latter, between declared and actual human capital treatment. Here, we want to focus on human capital, given the known influence of employee behavior on customer satisfaction (Alhelalat, Habiballah, & Twaiissi, 2017). Scholars have proven that a company’s socio-political involvement and prosocial corporate practice may galvanize higher brand involvement in the form of customers’ brand activism (Vredenburg, Kapitan, Spry, & Kemper, 2020). However, we are not aware of any research on how social washing affects consumers’ perceptions of a company’s brand and perceived financial performance, as well as their willingness to buy products delivered by said company.*

Thus, we formulated four hypotheses related to the type of ‘washing’:

*H1: Type of washing affects perceived brand quality.*

*H2: Type of washing affects brand attitude.*

*H3: Type of washing affects consumers’ willingness to buy products from a company using this technique.*

*H4: Type of washing affects the perceived financial performance of a company.*

### 3. Method

#### *Study design*

To test our hypotheses, we conducted an online experiment using the MTurk platform. For this purpose, we designed a website page for a fictional American company: Astute Apparel Inc., a producer and retailer of premium-brand clothing. First, participants were shown the website and asked to familiarize themselves with it. For the sake of greater experimental control, participants saw the page in its print-screen format rather than browsed it natively on the Internet. This allowed us to control the exposure time and prevent them from verifying the authenticity of the company and its site. Afterward, participants were randomly assigned to one of three experimental groups, two of which displayed a particular article consisting of two parts: the first related to the new "Aware" collection and emphasized either the environmental friendliness of production (Greenwashing experimental group) or the company's declared attitude toward employees (Social washing experimental group). In the second part of the article, participants were informed that the company declarations were a facade (Table 1). Third version text (Control experimental group) consists only of one part of the text, which was the same as the first part of the text in both greenwashing and social washing version – highlighting only positive aspects of Astute Apparel Inc. activity, without any suggestion concerning misleading communication of a company (Truth version). Appendix 1 features the print-screen format of Astute Apparel Inc. website and all three full texts.

**Table 1. Study Manipulation**

	<b>Critical note</b>
<b>Greenwashing version</b>	<i>However, it didn't take long for the truth about the "Aware" collection to reach the light of day. The company was criticized by the media for greenwashing its products as well as covering up its harmful impact on the environment. Soon after, the customers started searching for other unethical practices. The first one that was found focused on Astute's Ohio sewing factory and its construction errors which were the main cause of air and water pollution in the region. The netizens also shared photos of the "Aware" collection clothing tags that debunked most claims regarding the fabrics used. Clothes that were supposed to be made of recycled, eco-friendly materials, in reality consisted mostly of just regular cotton and polyester with recycled fabrics constituting only about 10% of the composition. The only advertised attribute of Aware line of products that turned out to be true was that all the clothes were vegan, which is not hard to achieve for a clothing company and is slowly becoming a standard in the industry.</i>
<b>Social Washing version</b>	<i>It didn't take long for the truth about the "Aware" practices to reach the light of day. First the company was criticized only for health care plan, which let them avoid the expense of adequate insurance that covers not only preventative care options such as check-ups but also hospitalization and surgical operations. Quite soon posts pointing out false claims used by Astute Apparel and their unethical practices appeared on the internet. These posts were mainly highlighting employment policy problems; one group was focused on conflicts with a trade union member. The other one regarded Astute's Ohio factory, where the level of wages is much lower than the average in the fashion sector.</i>

### Measures

After being exposed to the website and story content, participants responded to several statements anchored on 1-5 scales (1=strongly disagree, 5=strongly agree). We specifically measured four dependent variables that captured respondents' general attitude toward the company: Perceived Brand Quality, using three items based on Monteiro et al. (2019); Brand Attitude, using the scale proposed by MacKenzie and Lutz (1989); Perceived Financial Performance, using the items adopted by Fombrun et al. (2000); the Willingness to Buy, using the scales from Konuk (2019). Table 2 presents the statements that refer to our fictitious company.

**Table 2. Variables and statements used in an online questionnaire**

Latent Variable	Items	Source
Perceived Brand Quality (BQ)	Astute Apparel brand appears to be of high quality.	(Monteiro et al., 2019)
	Astute Apparel brand is of high quality.	
	The likely quality of Astute Apparel brand is high.	
Brand Attitude (BA)	My impression of Astute Apparel brand is good.	(MacKenzie & Lutz, 1989)
	My impression of Astute Apparel brand is pleasant.	
	My impression of Astute Apparel brand is favorable.	
Willingness to Buy products (WB)	I consider buying Astute Apparel product/s.	(Konuk, 2019)
	I will purchase Astute Apparel product/s.	
	There is a strong likelihood that I will buy Astute Apparel product/s.	
Perceived Financial Performance (FP)	The company looks like a low risk investment.	(Fombrun et al., 2000)
	Astute Apparel tends to outperform its competitors.	
	Astute Apparel looks like a company with strong prospects for future growth.	

### Participants

We conducted our study on the Amazon Mechanical Turk (MTurk, hereafter) platform, which allows registered users to perform tasks (such as participating in studies) for a small remuneration. However, being aware of the possible credibility of the data obtained in this way, we undertook a multi-stage procedure to increase the reliability of the answers. First, we limited participation to United States residents in order to limit cross-cultural and linguistic confounds. Second, we only accepted respondents with at least a 95% task-completion rate. Third, we eliminated any so-called "speed runners", i.e., people whose response time (measured in seconds) to questions was lower than 50% of average the time obtained in the pre-tests. We applied a similar criterion for the webpage and articles: If participants spent less than 15 seconds, we assumed they could not have sufficient familiarity with the text and were only giving answers based on the visual elements of the website. Additionally, we inserted two

questions that served as attention checks (e.g., Please tick “I strongly disagree with this question”). Respondents who failed these checks were eliminated. In the last step, we removed any people who gave unlikely answers to open-ended questions (e.g., the given age – 666 years). Ultimately, we entered the complete answers of 590 respondents into the core analysis: 212 for *Social washing*, 169 for *Greenwashing*, and 209 for *Truth*. The  $\chi^2$  analysis ( $\chi^2(2)=5.86$ , ns) showed that the groups are statistically equal despite their differences in number. The group differed in terms of age, gender, income, education, political affiliation, and size of city. Table 3 presents the detailed data.

**Table 3. Participants characteristics**

Variable	Option	Frequency	Percent
Age	18-24	34	5.763
	25-35	270	45.763
	36-50	209	35.424
	50<	77	13.051
Gender	Female	277	46.949
	Male	312	52.881
	Prefer not to say	1	0.169
Education	Bachelor's Degree	364	61.695
	High School	93	15.763
	Master's Degree	124	21.017
	Ph.D. or higher	6	1.017
	Some High School	3	0.508
City size	Big City (500,000-1.2M)	140	23.729
	Large City (More than 1.2M)	87	14.746
	Rural Area (Less than 2,000)	78	13.220
	Small City (200,000-500,000)	155	26.271
	Small Town (Less than 200,000)	130	22.034
Political Affiliation	Centrist	111	18.814
	Slightly Conservative	124	21.017
	Slightly Liberal	162	27.458
	Very Conservative	81	13.729
	Very Liberal	112	18.983
	Total	590	100.000
Annual Household Income	\$100,000 - \$200,000	70	11.864
	\$25,000 - \$50,000	182	30.847
	\$50,000 - \$100,000	250	42.373
	Less than \$25,000	75	12.712
	More than \$200,000	13	2.203
	Total	590	100.000

## 4. Results

First, we evaluated the convergent and discriminant validity of individual items, as well as the composite reliability of the variables. A confirmatory factor analysis (Table 4) indicates that the individual items' factor loadings achieved values above 0.782, and thereby exceeded the recommended 0.6 threshold (Chin, Gopal, & Salisbury, 1997). Next, we measured scale reliability by applying Cronbach's  $\alpha$ : The values ranged from 0.86 to 0.95, representing good to very good consistency, as recommended by Hair et al. (2014). To measure convergent and discriminant validity, we used standardized factor loadings along with two parameters:

Composite Reliability (CR) and Average Variance Extracted (AVE). The AVE values were between 0.67-0.83, which is above the acceptable limit of 0.5 as recommended by Hair, Black, Babin, and Anderson (2014). The CR values also exceeded the acceptable limit of 0.6 (ranging from 0.86 to 0.95), which confirms the internal consistency of multiple indicators (Bagozzi & Yi, 2011).

**Table 4. Confirmatory factor analysis**

Construct	Item	Loading	P value	Cronbach's $\alpha$	CR	AVE
Perceived Financial Performance (FP)	FP1	0.782	***	0.86	0.86	0.67
	FP2	0.789	***			
	FP3	0.874	***			
Perceived Brand Quality (BQ)	BQ1	0.869	***	0.91	0.91	0.78
	BQ2	0.876	***			
	BQ3	0.898	***			
Brand Attitude (BA)	BA1	0.935	***	0.94	0.94	0.83
	BA2	0.892	***			
	BA3	0.909	***			
Willingness to buy products (WB)	WB1	0.922	***	0.95	0.95	0.85
	WB2	0.917	***			
	WB3	0.934	***			

Next, we performed a series of ANOVAs in the 3x1 model to evaluate the main effect of the measured variables. All analyses showed a statistically significant difference between the three conditions. ANOVA<sub>BQ</sub>:  $F(2, 587)=30.32, P<0.001, \eta^2=0.94$ ; ANOVA<sub>BA</sub>:  $F(2, 587)=37.76, P<0.001, \eta^2=0.114$ ; ANOVA<sub>WB</sub>:  $F(2, 587)=23.53, P<0.001, \eta^2=0.074$ ; ANOVA<sub>FP</sub>:  $F(2, 587)=34.45, P<0.001, \eta^2=0.10$ . Given these results, we conducted a post-hoc analysis to identify individual relationships between variants for particular variables. Both articles (both treatment conditions) had a negative impact on respondents' assessments in relation to the control version, BQ<sub>GREWASH</sub>  $t(376)=7.69, p_{turkey}<0.001, d=0.78$ ; BQ<sub>SOCWASH</sub>  $t(419)=2.56, p_{turkey}=0.029, d=0.29$ , which respectively confirms H1. Furthermore, we observed a statistically significant difference at  $p < 0.05$  between GREWASH ( $m=3.35, SD=1.26$ ) and SOCWASH ( $m=3.89, SD=0.94$ ),  $t(379)=5.27, p_{turkey}<0.001$ . Social and Greenwashing also negatively impacted BA, BA<sub>GREWASH</sub>  $t(419)=8.29, p_{turkey}<0.001, d=0.91$ ; BA<sub>SOCWASH</sub>  $t(419)=5.01, p_{turkey}<0.001, d=0.56$ , which aligns with H2. In this case, the difference between GREWASH ( $m=3.1, SD=1.7$ ) and SOCWASH ( $m=3.57, SD=1.2$ ) also proved to be statistically significant  $t(379)=3.92, p_{turkey}<0.001, d=0.35$ . Meanwhile, we uncovered statistically significant differences in respondents' assessment of willingness to buy (WB) between all variants. Compared to the control version ( $m=3.935, SD=0.96$ ), both the GREWASH version ( $m=3.08, SD=1.51, t(376)=6.69, p_{turkey}<0.001, d=0.711$ ) and SOCWASH ( $m=3.38, SD=1.33, t(419)=4.50, p_{turkey}<0.001, d=0.481, t(376)=6.69, p_{turkey}<0.001, d=0.711$ ) negatively influenced the WB; the difference between GREWASH and SOCWASH was significant at the level of  $t(379)=2.46, p_{turkey}=0.038, d=0.23$  what confirmed H3. The final post-hoc analysis concerned



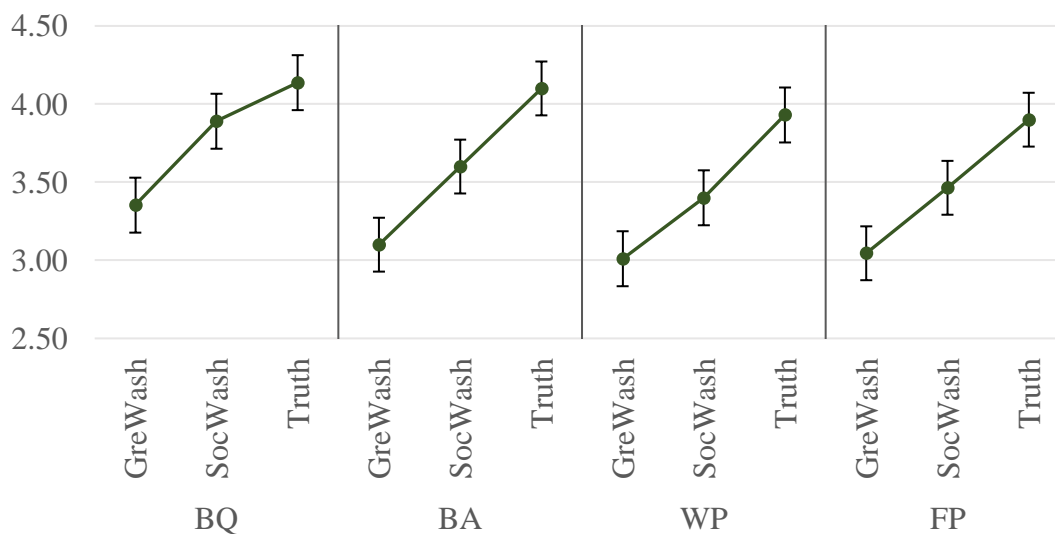
the company's perceived financial situation. As before, the presented situation affected both conditions,  $FP_{GREWASH} t(419)=8.03$ ,  $p_{turkey}<0.001$ ,  $d=0.84$ ;  $FP_{SOCWASH} t(419)=4.38$ ,  $p_{turkey}<0.001$ ,  $d=0.48$ , in support of H4. The conditions also demonstrated a significant difference in impact strength: the GREWASH version turned out to have a more negative effect on FP than SOCWASH  $t(379)=3.92$ ,  $p_{turkey} p<0.001$ ,  $d=0.36$ . Table 5 summarizes the results of hypotheses testing and Graph 1 presents the mean values for individual variables across all conditions.

**Table 5. Summary of hypotheses testing results**

Hypothesis	Variable	F-value	P value	$\eta^2$	Conclusion
H1	BQ	30.32	<0.001	0.94	Supported
H2	BA	37.76	<0.001	0.114	Supported
H3	WB	23.53	<0.001	0.074	Supported
H4	FP	34.45	<0.001	0.1	Supported

Note: Perceived Brand Quality (BQ), Brand Attitude (BA), Willingness to Buy Products (WB), Perceived Financial Performance (FP)

**Graph 1. Manipulation outcome**



## 5. Discussion

In this paper, we dissected the impact of greenwashing and social washing on consumers' perception of a company in four domains: perceived brand quality, perceived financial performance, attitude toward the brand, and willingness to buy its products. We hypothesized that both greenwashing and social washing would negatively affect these reputational aspects. To verify the hypotheses, we conducted an online experiment that compared respondents' reactions to a company engaging in either greenwashing, social washing, or fair operation (the

three conditions). In this way, we confirmed that greenwashing and social washing negatively influence consumers' view of a company.

By considering greenwashing and social washing as distinct constructs, we can reasonably conclude that both have a negative impact on a company's reputation. Our results align with research showing that consumers do not trust the performance information of companies that have been found to engage in greenwashing and social washing (Francesco Rizzi, Natalia Gusmerotti, & Marco Frey, 2020). As a consequence, companies risk damaging their brand image or potential customer base by knowingly deceiving customers about their social and environmental activities.

That said, we want to emphasize our finding that greenwashing (concerning environment goals) had a greater negative impact on consumer evaluations than social washing (concerning employees' treatment). In other words, consumers' perceptions were less influenced by a gap between companies' declared (better) and actual (worse) treatment of employees than they were by the same gap in environmental initiatives. There are several potential reasons for this difference. One is simply that we focused on shopping, which is not an altruistic activity (Harris, Roby, & Dibb, 2016). Consumers do not necessarily concern themselves with how a company treats its workers when buying clothes, even if the company is intentionally misleading on this topic. However, buyers may be more sensitive to greenwashing because they perceive environmental issues as more personally relevant (particularly those issues related to product quality). However, it could also be that consumers' lower sensitivity to social washing arises not from a lack of altruism, but from a belief that they lack power over the company's social priorities. After all, consumers cannot generally affect the working conditions in garment sewing factories. However, individual consumers may feel that they can take actions to protect the environment, which could extend to their feelings about the environmental impact of clothing production (Byrd & Su, 2021).

The social context may provide another basis for our finding. The public discourse on consumption places much more emphasis on environmental issues than on proper working conditions. Today, the 'right' consumption manifests in reducing the use of natural resources, buying environmentally friendly products (Biswas & Roy, 2015), being aware of how consumption impacts the environment (Martinez, Castaneda, Marte, & Roxas, 2015) and caring for the needs of future generations (Leary, Vann, Mittelstaedt, Murphy, & Sherry, 2014). As a result, consumers are likely to be more sensitive to environmental issues and more aware of eco-friendly apparel brands than socially responsible apparel brands (Byrd & Su, 2021). Consequently, companies' deceptions about the environment may activate a deeper emotional response than deceptions about employees' working conditions.

Additionally, due to pro-environmental trends, consumers may be more sensitive to the risk of purchasing products that negatively impact the environment despite manufacturer claims (Chen & Chang, 2013). It is assumed that greenwashing strongly influences the sense of risk, which then negatively affects factors such as purchase intention (Mitchell, 1999). Consumers may not be conditioned to perceive the same risk from purchasing products made by companies that have engaged in social washing.

Looking at the results more closely, we want to highlight that these practices most negatively affected the willingness to buy the company's products (H3). The participants expressed that they were unlikely to buy products from a company that misrepresented its environmental and social performance (the mean responses on this metric were 3.08 for greenwashing and 3.38 for social washing). It is also noteworthy that, even though the difference between them was statistically significant, both techniques exerted a similar and very negative impact. From this, we conclude that these practices have the strongest effect on consumers' purchase decisions.

In other words, consumers may be more inclined to punish a cheating company simply by denying it a sale.

On the other hand, greenwashing and social washing had the least impact on perceived brand quality (the mean for responses was 3.35 and 3.89, respectively). However, the gap in impact was also the highest in this case (0.54). It seems that respondents' opinions on greenwashing activities may directly relate to the quality of products offered, such as when companies use less ecological fabrics than they claim. Consumers may also feel disappointment that the company's offered product lacks the promised attributes. Regarding social washing, one could argue that employees who are treated inappropriately may perform their work badly, which could also lower the product quality. There are flaws with this reasoning, of course. First, a company may maintain high internal quality requirements, regardless of how it treats its employees. Second, the relationship between product quality and employee treatment may not be obvious to consumers. These factors may help explain the lower impact of social washing on the perception of brand quality.

## **6. Conclusions**

This study contributes to the literature by considering social washing and greenwashing as two separate concepts. Prior studies on how consumers evaluate the fairness of a company's activities have generally lumped environmental and social concerns together: for instance, as sustainable or ethical consumption (De Pelsmacker, Driesen, & Rayp, 2005) or customers' perceived corporate social responsibility (Jeon, Lee, & Jeong, 2020). However, there is value in disentangling these related, but distinct concepts. In fact, the reason we focused on a garment company is because apparel production features both environmental problems (e.g., pollution and energy use) and social issues (e.g., poor working conditions, long working hours, child labor, and exploitation). Furthermore, the apparel industry is typically at the forefront of social and environmental issues (Byrd & Su, 2021); as such, issues of unfairness should be most salient in this context and likely to have a significant impact on consumer behavior.

Notably, both greenwashing and social washing negatively affected company perceptions across several dimensions. This finding aligns with the general assumption that customers will punish companies that engage in unacceptable behavior ((Malheiro, Jalali, & Farhangmehr, 2010). In a sense, our findings represent the flip side of many studies that highlight a positive relationship between the perception that a company is ecologically and socially responsible and more favorable brand attitudes or preferences (He & Li, 2011; Jeon et al., 2020; Liu, Wong, Shi, Chu, & Brock, 2014). However, it is worth emphasizing that greenwashing had a more negative impact than social washing on all variables considered. This disparity was smallest for the willingness to buy and highest for perceived brand quality. Based on the results, we presume that greenwashing currently has a more direct negative effect on a company's image than social washing.

Our results may have value to government agencies and NGOs that strive to educate consumers about environmental and social issues. Given the success in heightening consumers' sensitivity to environmental problems, similar efforts could be applied to social concerns so that consumers apply such considerations more rigorously to their purchases. Organizations may have a harder time engaging in social washing if consumers are more aware of the technique and more attentive to topics such as worker treatment.

On that note, our findings send a clear message to companies: Deceptive actions can prove very harmful to a firm's reputation, undermining perceptions of its brand quality and undercutting consumers' willingness to purchase its products. Obviously, companies stand to gain more in the long-term by basing their customer relationships on honesty and transparency.

### Study limitations and future research directions

Although the current study delivered valuable insights regarding greenwashing and social washing, it does feature some limitations. First, our sample was not evenly distributed among age groups: People between 25 and 35 delivered almost 46% of the answers. Consumers in generation Y and Z may be more sensitive to environmental issues than their older cohorts. The sample was also biased in terms of political affiliation: more than 46% of the respondents declared themselves as liberal (free market supporters), which could influence the sensitivity to social problems. It is widely known that supporters of this option are less interested in human capital problems, like labor unions or wages level. Therefore, future studies on greenwashing and social washing could incorporate environmental concern and empathy level as potential moderators. Also some other respondents' attributes, like nationality and cultural background), could be taken into consideration in the future research.

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