

The Transparency Paradox: When Transparency Cues Helps or Backfires for Brands?

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ABSTRACT

Prior research indicates that transparency of Corporate Social Responsibility (CSR) claims increases consumers' positive reactions to the firm. However, this article suggests that this effect depends on the interplay between transparency cues (presence vs. absence) and brand strength (small vs. large). Our set of experimental studies examine the effect of information transparency and brand strength on consumers' purchasing intentions toward fashion products. Findings indicate a surprising effect of transparency cues: while its presence improves consumers' responses to CSR of small brands, it reduces consumers' outcomes towards large brands. Results also suggest that trust mediates the effects since transparency cues boost consumers' trust toward small (vs. large) brands. This research further suggests that greenwashing practices as a boundary condition of transparency effects, since CSR communication with an honest (vs. greenwashing) focus fosters the transparency effects. The findings have important implications for effective CSR strategies in the fashion industry.

Keywords: Brand Image, brand strength, CSR, transparency cues, purchasing intentions

1. Introduction

Clothing and fashion businesses are one of the world's biggest manufacturing and polluting industries (Oberlo, 2022), mostly due to over-consumption and the lack of a sustainable production (BBC, 2017; Forbes, 2021). Recently, consumers are becoming more concerned about the environmental consequences of their fashion choices (Phau et al., 2015; Kaewareelap et al., 2020; Sweetin et al., 2013; Omoloso et al., 2020), increasing companies' ethical behaviors (e.g., Jestratijevic, Rudd, and Uanhoro, 2020). Thus, fashion brands are engaging in more transparent CSR initiatives, such as Fair Trade (Eberhardt et al. 2020), the information transparency index (Williams, 2015), or sustainable initiatives (Parguel, Benoît-Moreau, and Larceneux, 2011).

Prior research has recognized the importance of transparency cues as tools to facilitate customer trust (Kim and Lee, 2018; Tang and Higgins, 2022), brand attitude (Kang and Hustvedt, 2014; Brandão et al., 2018), and competitive advantage (Khosroshahi, Rasti-Barzoki, and Hejazi, 2019). However, several recent examples show how CSR communications can backfire if they are not perceived as transparent or authentic (e.g., Ginder and Eun Byun, 2022), due to greenwashing (e.g., Chen, Bernard, and Rahman, 2019; Chen and Chang, 2013; De Jong, Harkink, and Barth 2018). To illustrate, recent surveys indicate that 60% of sustainable claims by European fashion companies are unsubstantiated and misleading consumers (Euronews, 2021; Fast company, 2019; The Independent, 2021). However, despite its practical and societal relevance, the literature remains silent on how the CSR transparency cues affect consumers' responses and whether its effects are beneficial for all kinds of brands.

The current research aims to address this theoretical gap and practical issue, by suggesting that consumers' responses to CSR transparency cues depend on brand strength (small vs. large). By drawing insights on the heuristic processing (Chaiken and Maheswaran, 1994; Filippi et al., 2017) and dual-processing theories (e.g., Bhattacharjee and Sanford, 2006; Shin and Hwang, 2017), we suggest that the consumers' reactions to transparency cues are shaped by brand strength

– i.e., prior CSR knowledge about large brands functions as a heuristic cue that reduces perceptions of trust, impacting consumers' behavioral intentions. We thus propose that transparency cues work as heuristic cues that might have a differential effect depending on whether people perceive that brands are small or large. That is, we propose that for small brands, it improves consumers' reactions, while for large brands, it does not translate into positive consumer reactions.

By doing so, this research makes several theoretical and managerial contributions. First, prior studies on CSR have mainly focused on large brands rather than smaller ones (e.g., Kim and Lee, 2018). Large brands are viewed as stronger in marketplace power (Yang and Aggarwal, 2019; Shuqair, Pinto, and Mattila, 2021) and are normally associated with a negative CSR reputation (Business Insider, 2019). Surprisingly, prior research did not examine consumers' responses to transparency cues by comparing small versus large brands. We demonstrate under which conditions the use of a transparency index or other CSR messages (i.e., sustainability points) can lead to a pro-environment purchase and behavior based on the brand strength. In particular, this work suggests that perceived brand strength for large (vs. small) reduces the power of sustainable transparency cues.

Second, we show that transparency cues and brand strength interaction effect is driven by our underlying process of trust. Although prior studies suggest that transparency of CSR communication increases trust (e.g., Torelli et al., 2012; Kollat, and Farache, 2017), it remains unclear whether consumer trust towards transparency claims is shaped by brand strength: small (vs. large). By drawing on dual-processing theories we show that brand strength (small vs. large) functions as a heuristic cue in increasing/decreasing trust towards the transparency of CSR cues. That is prior CSR knowledge of large brands will divert consumers' attention from the transparency information index, reducing trust. Conversely, for small brands, transparency claims will make the content of the information transparency heuristic relevant, increasing consumer trust.

Finally, from a managerial standpoint, this research highlights the importance of the fast-fashion shift towards transparency communication but also in firms' CSR actions and sustainable production. That is, when consumers' perceived brand image is not aligned with companies' transparent communication, it will backfire, due to perceived greenwashing. Thus, our results claim that fast-fashion brands that wish to shift toward more ethical and sustainable products need to match their transparency communication with a new brand image. That said, companies and policymakers could benefit from these research findings as our results highlight that, especially for well-known brands, a transparency plan needs to be carefully developed to increase congruency between brands' actions, products, and communication.

2.0 Theoretical Background

2.1 Information Transparency and Brand Strength

The concept of information transparency received attention from both academics and practitioners in the fashion industry, in particular, after worldwide scandals such as poor labor conditions, or sustainable materials (Bhaduri and Ha-Brookshire, 2015; Brandão et al., 2018; Kang and Hustvedt, 2014). Information transparency is defined as the “*increased flow of timely and reliable economic, social and political information which is accessible to all relevant stakeholders*” (Vishwanath and Kaufmann, 1999). Many consumers and activists started to put pressure on apparel brands to solve the main problem of “sweatshops”, factories where workers are employed at low wages under poor conditions (Micheletti and Stolle, 2007).

Transparency is a way of establishing positive relationships between consumers and corporations, under the communication of CSR efforts and information about the processes of the companies (Reynolds and Yuthas, 2008). Previous research suggests that the presence of transparent information improves consumers' evaluation of CSR messages (e.g., Jestratišević et al. 2020). Notably, it is viewed as an effective strategy for companies to increase consumers'

awareness of sustainable value (Lin et al., 2017), which in turn increases consumers' trust in the firm (Kitchin, 2003).

A recent industry trend is disclosing and publishing environmental and human rights policies publicly (Williams, 2015). The Index uses a developed methodology to benchmark brands' public disclosure relying on key five key areas: policy and commitment; governance; traceability; know, show & fix, and spotlight issues (Fashion Revolution, 2020).

In this article, we focus on the transparency index of fast fashion brands. Fast fashion is a business model, where companies use low prices, and many new collections respond quickly to fashion trends (Byun and Sternquist, 2008). Prior research on information transparency has focused on important outcomes such as trust, and purchase intention (Kang and Hustvedt, 2014; Brandão et al., 2018), gender differences in brand schema (Bhaduri and Ha-Brookshire, 2015), source of message and attitude towards the message (Bhaduri and Ha-Brookshire, 2017), the type of information disclosed among luxury and mass-market fashion brands (Jestratišević et al., 2020) among others. Prior research on fast fashion has touched a quite number of areas including sustainability concerns (McNeill and Moore, 2015; Niinimäki et al., 2020), willingness to pay (Tey, Brindal and Dibba, 2018), and sustainability and CSR efforts of fast fashion brands (Dach and Allmendinger, 2014; Bly et al., 2015; Shen, 2014). However, the literature is scant on the interplay between brand strength on information transparency cues. Notably, the literature provides limited insights on how brand strength affects consumers' response to information transparency. In this article, we suggest that brand strength: small vs. large affects consumers' responses to transparency cues.

The distinction between small and larger brands has always existed (Baumann-Pauly et al., 2013; Yang and Aggarwal, 2019). This distinction implies that business size or brand strength has an impact on consumer reactions. The distinctive effects of brand strength or size have been discussed in various literature, such as the hospitality (e.g., Barros & Mascarenhas, 2005; Hajibaba

& Dolnicar, 2017; Chaves, Gomes, & Pedron, 2012), service providers (Yang and Aggarwal, 2019), and sharing economy (Costello and Reczek, 2020), in addition to CSR (Udayasankar, 2008), among others. Thus far, prior studies provide conflicting findings on the relationship between the firm or the brand strength and consumers' expectations or reactions to CSR. While some studies show that consumers do not expect smaller brands to be socially responsible as compared to large brands (e.g., Ettinger, Grabner-Kräuter, and Terlutter, 2018). However, Baumann-Paully et al. (2013) found through qualitative research that smaller firms are not necessarily less advanced than larger firms, as such, they can manage in engage with CSR initiatives.

Against these mixed findings, this article argues that customer responses to transparency cues are shaped by brand strength (small vs. large). In particular, we expect that when small brands provide transparent information will trigger positive reactions compared to large brands. The heuristic information processing provides a robust theoretical perspective to explain customers' responses to the information transparency index (e.g., Chaiken and Maheswaran, 1994). This theoretical ground helps in understanding how consumers respond to the transparency information index based on their prior knowledge of the brand, we expect that prior CSR knowledge can change consumers' heuristic processing and evaluation of the information index. Elaboration is a process that enables individuals to encode and store information for later retrieval (Craik and Lockhart, 1972). ELM was developed to provide an organized framework to address issues related to advertising effectiveness (Pasadeos, Phelps, and Edison, 2008; Scholten, 1996), personalized website (Bhattacharjee and Sanford, 2006), trust (Kim and Benbasat, 2009) among others. ELM has dual routes, a high elaboration central route where individuals evaluate information through critical thought based on an issue relevant information or via the peripheral route, and a low elaboration route, where individuals are less engaged in the evaluation process but tend to form evaluations by relying on peripheral cues (e.g., Petty and Cacioppo, 1986).

Prior research suggests that consumers often rely on various cues to judge CSR initiatives. The heuristic processing information theory suggests that processing information often involves relying on cues that signal the quality, or validity of information (Wirth et al., 2007). This effect is known as output interferences, which implies that when a subset of previously encountered items is offered as a cue to aid subsequent recall, the retrieval of the remaining items decreases (Chaiken, 1980).

In our context, the influence of brand strength might result in the modification of prior beliefs and heuristic processing about CSR. In this context, we posit that the brand strength works as a heuristic cue that might increase consumers' elaboration of transparency cues depending on dual processing. Put simply, we propose that consumers can use certifications as a source of information to infer a company's level of transparency or sustainability (Lynch and Srull 1982). However, we posit that the effect of transparency is a salient aspect of evaluating brands. Consequently, consumers should make inferences about transparency cues in the context of the small brands, since the strong brands are associated with negative CSR (Torelli et al., 2012; 2020). Therefore, it is unlikely that the use of an Index of information transparency will make an impact on strengthening consumers' beliefs of transparency or increase their purchase intentions for large brands. These previous associations can happen because consumers evaluate the brand in the context of prior knowledge (Torelli et al., 2012), therefore, they will evaluate the CSR message with this pre-concept in mind.

This article argues that the way consumers respond to the information transparency index is shaped by the degree of their elaboration with the brand strength. We thus propose that consumers' evaluation of transparency cues is shaped by brand strength. Following this rationale, we hypothesize that the presence of a transparency index will increase consumers' favorable reactions towards small brands, but not for large brands. More formally, we propose that:

H1. *CSR transparency cues (presence vs absence) will increase purchase intentions for small (vs. big) brands.*

2.2 The Mediating Effect of Consumer Trust

Consistent with our theorizing, we further suggest that firms' information transparency affects consumers' trust. Notably, CSR messages aim to increase consumer trust (Balmer et al., 2007; Fukukawa et al., 2007). However, prior research provides mixed findings on the effect of CSR messages on consumers' trust (Parguel et al., 2011), while some studies show a positive impact of CSR transparency (Khosroshahi et al., 2021), other studies demonstrate a negative impact (e.g., Ginder and Byun, 2022), and backfire in some cases (Yoon, Gürhan-Canli, and Schwarz, 2006).

Today, several companies make sustainable cues to promote and differentiate their products (Chen et al., 2019). However, such practice might be viewed as “greenwashing” aiming to mislead consumers regarding the environmental benefits of products or environmental practices of a company (Parguel et al., 2011), or by focusing solely on the salient aspect of CSR: sustainable materials, and neglecting the unnoticeable aspects e.g., “poor employee’s conditions” (e.g., Wu et al., 2020).

Although prior research found that the transparency of CSR information directly affects consumer reactions i.e., trust (Kang & Hustvedt, 2014; Torelli et al., 2012; Bögel, 2015; Kollat, and Farache, 2017), and has shown that it can improve company performance (Michelon, Boesso, and Kumar, 2013) But little is known whether the interplay between brand strength and transparency affects trust.

By relying on ELM, we further suggest that brand strength (small vs. large) functions as a heuristic cue in increasing/decreasing trust towards the transparency of CSR cues. ELM models posit that an individual’s motivation to elaborate the message can be impacted by a variety of

factors, depending on whether the message has personal relevance or not (Kitchen et al., 2014; Petty & Cacioppo, 1983). The peripheral route requires lower cognitive efforts in processing the messages. Thus, for large brands, individuals are more likely to use the peripheral route "low elaboration", knowledge of the brand, or prior CSR knowledge works as a heuristic cue to reduce the evaluation of the transparency cues, leading to lower trust perceptions. Put simply, when there is prior CSR knowledge it will deviate consumers' attention from the transparency information index, reducing trust. On the contrary, individuals take a central route of "higher cognitive effort" when there is limited to no prior knowledge of the brand (small/large brand). Thus, high elaboration" (Haugtvedt & Petty, 1989). This implies that an unknown brand name or limited CSR knowledge of the small brand will make the content of the information index "transparency" heuristic relevant, in such cases, we assume that it would increase trust. Prior research shows that with exposure to different ads, participants with a high level of involvement or knowledge were more skeptical about the content and the message of the ads than those with a low level of involvement (Petty et al., 1983). Following this rationale, we propose that the type of CSR message will influence consumers' trust. Put simply, the presence of an Index of information transparency can be detrimental to the brand and its CSR messages based on prior knowledge of CSR. More formally:

H2. Trust mediates the effects of CSR transparency and brand strength on purchase intentions.

3.0 Overview of the Studies

To test our propositions, we conducted two experimental studies. Study 1 tests the interplay between information transparency (present vs. absent) and brand strength (small vs. large) on consumers' responses (e.g., purchase intention and brand image). Study 2 extends our findings by examining different types of CSR messages (points vs. index). Furthermore, Study 2 identifies

greenwashing perceptions as a boundary condition. Consistent with our theorizing, greenwashing decreases consumers' trust for large but not for small brands.

3.1 Study 1

Design and Participants

Study 1's goal is to test whether information transparency affects purchase intentions (H1) and brand image. The study design was a 2 (brand: H&M vs control) x 2 (information transparency: with Index vs without Index) between-subjects design. Two hundred and twenty-eight fast fashion consumers were recruited via Amazon Mechanical Turk (MTurk) platform in exchange for financial payment (41% women; $M_{\text{age}} = 35.8$; $SD = 11$).

Procedure and Measures

We manipulated information transparency presence (vs. absence) by using a banner of the Information Transparency Index. In particular, information transparency was manipulated on two levels: presence (vs. absent). Furthermore, to manipulate brand strength large (vs. small), we created a fictitious brand, Yoli, with the same layout and color as the one analyzed. For large brands we used H&M.

Four versions of an experimental product webpage for H&M and a fictitious brand called Yoli were developed. The text, image, and design are identical in every case, only the brand logo changed. A similar manipulation was applied by Green and Pelozo, (2014) and Pinto et al., (2019).

First, participants were instructed to read a scenario "*Now you will see some examples of information available about product background on the website of a brand. Please read carefully all the information*". We randomly assigned participants to one of four conditions: H&M with the presence or absence of high information and Yoli with the presence or absence of information transparency.

Participants read “*Imagine that you went to the H&M (Yoli) website store. This is a regular fast fashion that sells cheaply manufactured clothing. You have found a basic sweatshirt that you liked. Take your time analyzing this webpage, the next questions will be focused on that*”. On the next page, participants were randomly assigned to one of our four experimental conditions: Large brand “H&M” with information index ($N=54$), a large brand without Index ($N=62$), a small brand with information index ($N=54$) and small brand with no information index ($N=58$). See appendix B. Then, participants responded to our key measures.

Purchase intentions were measured on a nine-point Likert scale using 5 items 1 "extremely unlikely" to 9 "extremely likely" ($\alpha = .93$) adapted from Berens et al., (2005) and Maxham and Netemeyer, (2003), brand image ($\alpha = .54$) was measured using 4 items adapted from Erdem and Swait, (2004) and Hustvedt and Kang, (2013). All the analysis used 95% confidence intervals and 5,000 bootstrapping, unless stated otherwise.

Results

A 2x2 ANOVA with brand strength: (H&M vs Yoli) x 2 (CSR message: with presence vs absent) Index on purchase intention, brand image, and perceived information transparency on purchasing intention. Results show that there is no significant effect of brand type large vs. small on purchasing intentions ($F(2,224) = .701, p = .403, \eta^2 = .003$), and a non-significant effect of information transparency on purchasing intentions ($F(2,224) = .287, p = .593, \eta^2 = .001$), but there was a significant interaction between information transparency and brand type on purchase intentions ($F(2, 224) = 6.851, p < 0.09, \eta^2 = .030$). A pairwise comparison indicate that information transparency has a strong effects on purchasing intentions for small brand ($M_{\text{Info}} = 6.50; SD=1.67; M_{\text{no-info}} = 5.75; SD=1.82$) compared to large brands ($M_{\text{info}} = 6.08; SD=1.80 M_{\text{no-info}} = 6.57 SD=1.80$).

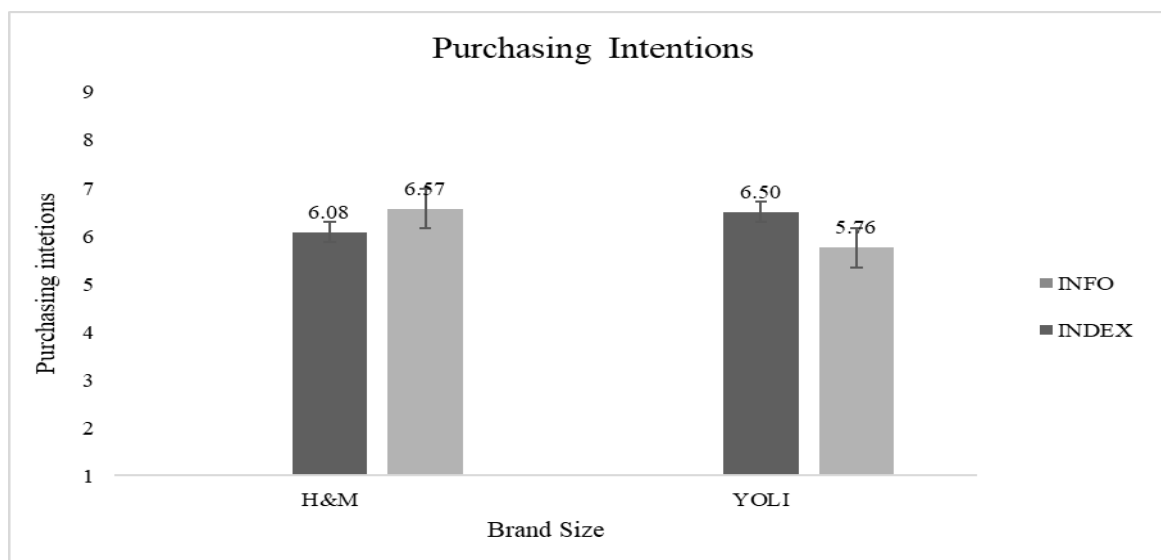


Figure 2 – Study 1: Means for Purchase intention in response to scenarios.

Discussion

Findings from this study suggest that the presence of an Index did not influence purchase intention and consumer evaluation for large brands (H&M) but influenced purchasing intentions for small brands. In particular, the Information transparency index did not influence large brands (e.g., H&M) but only less known brands. This implies that the transparency index does not help in improving the image of large brands.

3.2 Study 2.

Study 2 provides further evidence for our main prediction that brand size affects responses to CSR claims on "consumer trust", to examine another type of CSR cue (a program of points vs. CSR certificates), and it identifies a boundary condition of greenwashing. Consistent with our theorizing, we predict that greenwashing will decrease consumer trust for the large (vs. small) brands with transparent (vs. control) CSR cues. We further suggest that the relationship between the CSR message and trust is shaped by the brand type. Greenwashing is associated with two firm behaviors: poor CSR performance and positive communication on this performance (Delmas and Burbano, 2011; Wu, Zhang, K., and Xie, 2020). Prior CSR studies suggest a negative relationship

between greenwashing and consumers' reactions such as trust (e.g., Chen, Bernard, and Rahman, 2019; Chen and Chang, 2013), affecting consumers' attitudes or purchase intentions (De Jong, Harkink, and Barth 2018). However, it remains unclear how brand size affects reactions to greenwashing. Organizations that have good environmental performance and reinforce positive CSR communication are called *vocal green* organizations (Delmas and Burbano, 2011), but in reality, this does not enhance the firms' environmental reputation, as the performance might not be good or bad (De Jong et al., 2018). Since consumers associate large fashion brands with negative CSR reputations, we posit that consumers with prior CSR knowledge will not trust the information about the certification and will perceive it as greenwashing.

Participants and Design

Three hundred and four American fast-fashion consumers were recruited via MTurk in exchange for nominal payment (35.9% women; M_{age} 35.4; $SD = 11.00$).

The study employs 2 brand strengths (large: H&M vs small: Yoli) x 3 (CSR information: with Index vs sustainability points vs control) x 2 firms' greenwashing strategies: (greenwashing vs. none). CSR transparency was manipulated on three levels, banner information certificate (vs. banner with information about points¹ vs. absent).

Procedure and Measures

Similar to study 1, Six versions of an experimental product webpage for H&M and a small brand were developed. Similar to study 1, participants were randomly assigned to one of the six experimental conditions

Participants read: Now you will see some examples of information available about product background on the website of a brand. Please read carefully all the information". After

¹ the points that consumers will receive when purchasing from the sustainable line and control, keeping constant other information about the product.

the manipulation, participants visualized a website product page with information about the product background. Then responded to our key measures.

Trust ($\alpha = .83$) was measured using 3 items on a nine-point Likert scale (1= Strongly disagree to 9= Strongly agree) adapted from Moon et al., (2013) and Lee et al., (2020).

Greenwashing ($\alpha = .92$) was measured using 3 items on a nine-point Likert scale (1= Strongly disagree to 9= Strongly agree) adapted from Laufer, (2003).

Results

Results of ANOVA 2 (brand: H&M vs Yoli) x 3 (CSR Message: with sustainability points vs control) on consumers trust shows a non-significant main effect of brand type on trust ($F(2, 298) = .342$, $p = .559$, $\eta^2 = .001$), and a non-significant main effect of sustainability points on trust ($F(2, 298) = .010$, $p = .992$, $\eta^2 = .000$). More importantly, there was a significant two-way interaction between brand type and sustainability points on trust ($F(2, 298) = 5.348$; $p < .021$, $\eta^2 = .018$). In particular, the findings reveal that sustainability points have a stronger impact effects on small brand ($M_{\text{points}} = 7.40$, $SD=1.31$; $M_{\text{control}} = 7.00$, $SD=1.51$). Conversely, sustainability points have a reversed impact on on large brands ($M_{\text{points}} = 6.92$; $M_{\text{control}} = 7.29$).

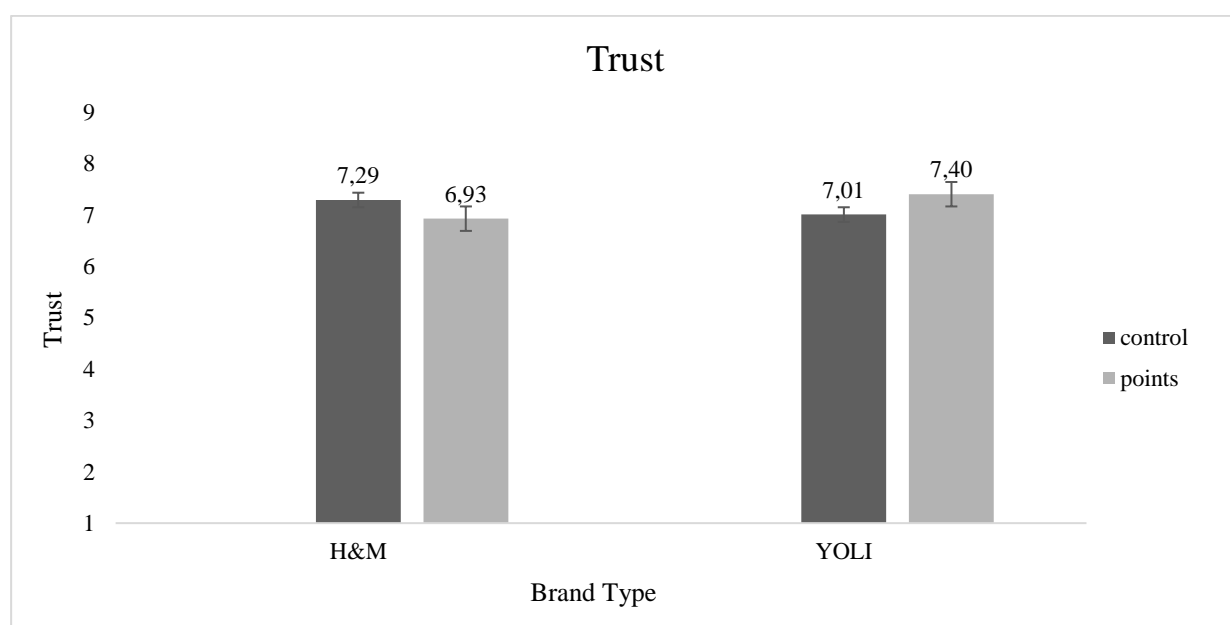


Figure 2. Trust and Sustainability points

Moderated Mediation of Trust

We examined whether the moderating effect of brand type and information transparency on purchasing intentions is mediated by trust, using the PROCESS mediation macro (Model 8 in Hayes, 2017). First, we found a significant indirect effect of company size (small= 1; large = 0) and transparency claims (presence= 2; absent = 1) on purchasing intentions ($b = .86$, $SE = .32$, $t = 2.64$, $p < .01$), indicating the mediation of trust. The direct effect ($b = -.32$, $SE = .14$, $t = 3.19$, 95% CI = [-.61, -.34]) was also significant, indicating a mediation of trust.

More importantly to our moderated mediation model, the conditional direct effects were significant with the present of transparency claims ($b = .67$; $SE = .23$; 95% CI = [.11, 1.02]) but not under the absence of transparency claims ($.30$; $SE = .23$; 95% CI = [-.76, .15]). In addition, the conditional indirect effects were significant under small brands ($.38$; $SE = .17$; 95% CI = [.02, .73]), but not for large brands ($-.20$; $SE = .13$; 95% CI = [-.48, .07]). This suggests that trust only mediates the effects for small (vs. large) brands. Finally, as predicted, the index of moderated mediation was also significant ($.58$; $SE = .22$; 95% CI = [.13, 1.03]), providing further support for our moderated mediation hypothesis.

Greenwashing as a boundary condition. To test whether participants considered the transparency of information as greenwashing. We measured greenwashing on a three items scale “this brand misleads with words in its environmental features”, “this brand has a green claim that is vague or seemingly unprovable”, and “this brand leaves out or masks important information, making the green claim sound better than it is” (Chen and Chang 2013), using a median-split procedure, we created two variables: greenwashing (vs. none). Those who considered it greenwashing were above average ($M = 5.97$) and those below average were those who did not perceive it as greenwashing.

Two Way ANOVA was conducted to examine whether consumers perceive transparency of information as an act of greenwashing. In particular, ANOVA of perceived greenwashing: high (vs. low) x 2 brand strength: small vs. large x 3 information transparency claims: control vs. points vs. index on consumers' trust. First, we found a significant effect of CSR claim on trust ($F(5, 292) = 5.191, p < .000, \eta^2 = .082$), and a significant effect of perceived greenwashing on trust ($F(2, 292) = 39.668, p < .000, \eta^2 = .120$). As expected, there was a significant interaction effect between the CSR claims and perceived greenwashing ($F(5, 292) = 3.91; p < .002$). A pairwise comparison shows that participants with high (vs. low) perceived greenwashing, and perceived transparency claims as greenwashing attempts, regardless of the size of the brand or the type of CSR claim. See Appendix A for a mean scores comparison.

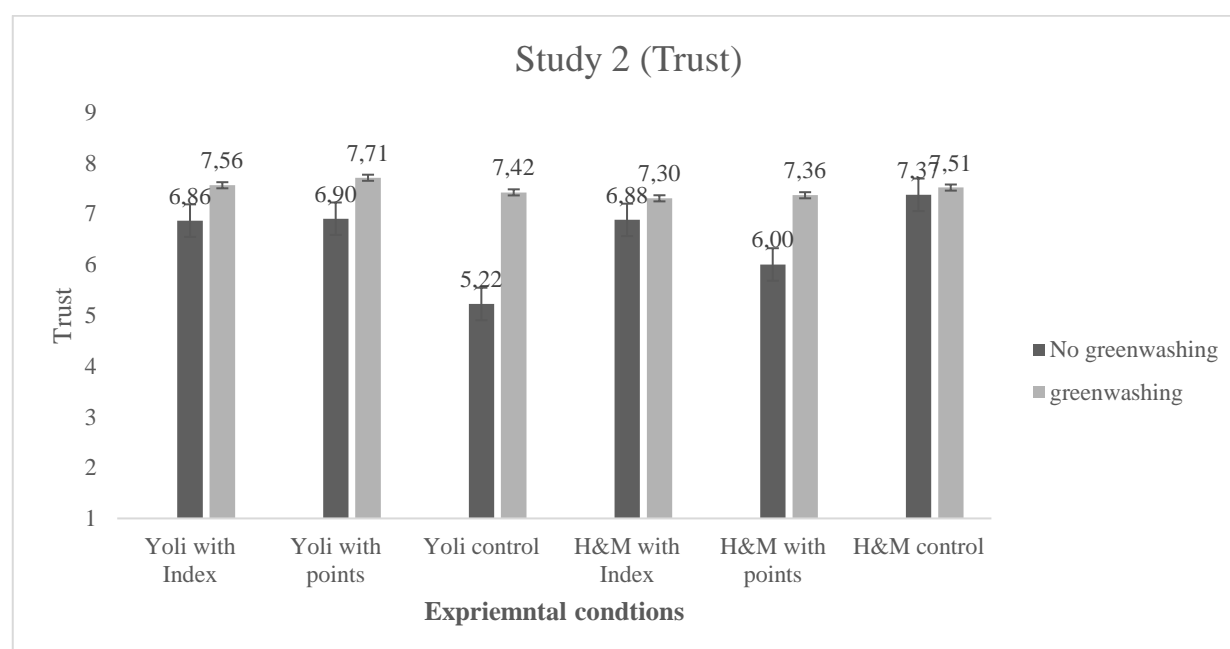


Figure 3. Trust and greenwashing

Discussion

Study 2 extends the previous findings in important ways. First, it replicates the findings of Study 1 by testing another important CSR type “sustainability points”. This indicates that the

presence of sustainability points did not have a positive impact on consumer trust toward large (vs. small) brands. Study 2 also extends the relationship of different types of CSR messages with the analysis of a message with points to be used by the consumer. We find that consumers in the H&M with points condition had lower trust than those in the H&M with Index or control conditions.

Analyzing the three different types of CSR claims: points, and control separately there was a difference in trust only in the control condition, where participants exhibited more favorable reactions towards large brands under the control condition. This implies that sustainability cues by large brands do not have a positive impact on consumers' reactions (Trust).

4.0 General Discussion

Information transparency is key to the fashion industry to achieve significant changes in their corporate responsibility and sustainable practices (Lock and Seele, 2016). CSR cues are used frequently by marketers as a tool to engage customers, improve company image and increase purchasing intentions (Feder and Weißenberger, 2021; Kuzey et al., 2021; Omoloso et al., 2020; Wei et al., 2018) but little is known about how the brand strength affects consumers' reactions to CSR transparency.

4.1 Theoretical contribution

The present research extends prior work on consumers' responses to large brands (Khosroshahi et al., 2019; Yang and Aggarwal, 2019) to show that brand strength has a detrimental impact on consumers' reactions to CSR transparency cues. By doing so, this research contributes to this area by providing additional knowledge regarding when and how transparency can backfire.

The present research sheds light on the role of transparency and CSR messages in influencing consumers' pro-environmental purchases. The findings demonstrate that CSR messages, in the form of transparency index or sustainability points, increase brand image, purchase intention, and trust for a small fast-fashion brand but not for large fashion brands. Our

findings thus provide an additional theoretical explanation for the literature on information transparency within the fashion industry (Bhaduri and Copeland, 2020; Bhaduri and Ha-Brookshire, 2015; Brandão et al., 2018; Chang and Jai, 2015).

Additionally, we show that transparency does not always will lead to positive responses. By drawing on ELM theory, we reveal that when that consumers' responses to CSR cues are shaped by the brand strength when a large brand makes CSR cues, consumers use – deviating consumers' attention from the transparency information index, which in turn reduces consumers' trust. Whereas, for small brands, individuals take a central route when there is limited to no prior knowledge of the brand (small/weak brand). Thus, high elaboration (Haugtvedt & Petty, 1989) implies that an unknown brand name or limited CSR knowledge of the small brand will make the content of the information transparency heuristic relevant, in such cases, thus influencing consumers' trust.

Past research shows that information transparency has a positive effect on consumers and brand image (Bhaduri and Copeland, 2020; Bhaduri and Ha-Brookshire, 2017; Bhaduri and Ha-Brookshire, 2011; Brandão et al., 2018; Kang and Hustvedt, 2014). However, none of them used an Index as a form of certification of this transparency, neither evaluate the level of perceived greenwashing. Thus, our results extend prior studies by demonstrating when and how transparency on CSR messages can backfire. Previous associations with a real brand can harm CSR messages and diminish brand image. That is, consumer awareness regarding fast fashion is increasing so any CSR or transparency message that a well-known fast-fashion brand does needs to be congruent with their actions. We reinforce this in Study 2 by showing that greenwashing is a sensitive perception when a fast-fashion company enters into a CSR campaign. This is in line with previous research (Luchs et al., 2010; Sen and Battacharya, 2001, Torelli et al., 2012), where the real brand is affected by the incongruence between the CSR message and its image. That said, this research extends previous research by proposing that for consumers of fast-fashion brands, information

transparency is not a factor that influences purchase intention or improves the brand image. It can be seen as greenwashing and consumers can be suspicious about the information disclosed.

4.2 Practical Implications

The current research offers important practical implications for the shift in fast fashion business models, offering insights to companies and policymakers. The fashion industry is increasing its actions regarding information transparency and CSR messages. However, the use of sweatshops and not sustainable materials has gained media attention, and consumers are increasing awareness. With previous scandals in the fashion industry, this research support company in their way to sustainability and ethical changes by reporting how and in which type of brand CSR transparency can backfire. That is, our results unveil the importance of shifting the current fast-fashion business models to increase congruence between the area and the CSR message.

A critical objective for firms who seek to achieve trust in the fashion industry is being congruent with the company's actions and avoiding greenwashing perceptions. Thus, we also claim that a transparency message needs to be carefully followed with a communication plan to present their true transparency actions and changes. Our results make an alert that if people perceived the brand image as not being aligned with the CSR transparency communication, it will backfire. That said, companies and policymakers could benefit from these research findings as our results highlight that, especially for well-known brands, a transparency plan needs to be carefully developed to increase congruency between brand's actions, products, and communication. Thus, fast-fashion companies that wish to change toward more ethical and sustainable products need to match their transparency communication with a new brand image.

4.3 Limitations and Future Research

While the study showed some contributions, it has some limitations and offers avenues for future research. This research study focused on only one small (vs. large) brand, but it remains unclear how brand powers affect responses to CSR.

Furthermore, we mainly focused on the information transparency index, future research could explore how firm size affects consumer expectations and evaluations of other CSR initiatives such as philanthropic responsibility, or economic responsibilities (e.g., Pino et al., 2016).

We mainly focused on consumers' trust as an underlying process, future research could examine other important underlying processes such as prior CSR beliefs, or authenticity of the CSR claims. Additionally, one of the key limitations in Study 2, is that we did not manipulate greenwashing, although using the median split procedure facilitates understanding of the results (Iacobucci et al., 2016), however, future research could use a wide variety of methods to test greenwashing. Finally, this research was limited to two types of CSR messages. Future research could examine the relationship between information transparency and fast-fashion brands in different channels such as social media.

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APPENDIXES

Appendix A: ANOVA Tables

Purchasing intentions				
Brand Size		Mean	Std. Deviation	N
H&M (Large)	INDEX	6.08	1.76	54
	CONTROL	6.57	1.80	62
	Total	6.34	1.79	116
YOLI (Small)	INDEX	6.50	1.67	54
	CONTROL	5.75	1.82	58
	Total	6.11	1.78	112
Total	INDEX	6.29	1.72	108
	CONTROL	6.17	1.85	120
	Total	6.23	1.79	228

Tests of Between-Subjects Effects						
Dependent Variable: Purchasing intentions						
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	25.223 ^a	3	8.408	2.677	.048	.035
Intercept	8813.860	1	8813.860	2806.364	.000	.926
BRAND	2.203	1	2.203	.701	.403	.003
Information	.901	1	.901	.287	.593	.001
Brand * information	21.518	1	21.518	6.851	.009	.030
Error	703.510	224	3.141			
Total	9582.560	228				
Corrected Total	728.733	227				

a. R Squared = .035 (Adjusted R Squared = .022)

ANOVA Outputs Study 2 (Trust)

Descriptive Statistics				
Dependent Variable: Trust				
BRAND	CONDITIO N	Mean	Std. Deviation	N
H&M	INDEX	7.20	1.38	50
	POINTS	6.92	1.19	50
	CONTROL	7.37	1.17	51
	Total	7.17	1.25	151
YOLI	INDEX	7.25	1.27	50
	POINTS	7.40	1.31	53
	CONTROL	6.76	1.70	50
	Total	7.14	1.45	153
Total	INDEX	7.23	1.32	100
	POINTS	7.17	1.27	103
	CONTROL	7.06	1.48	101
	Total	7.15	1.36	304

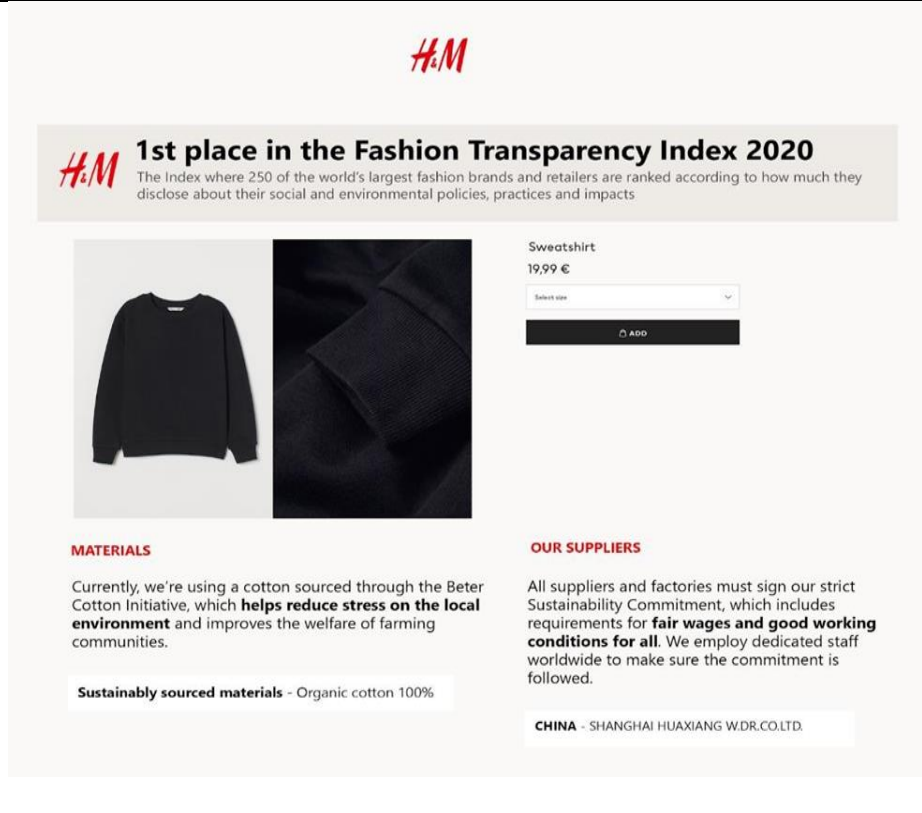
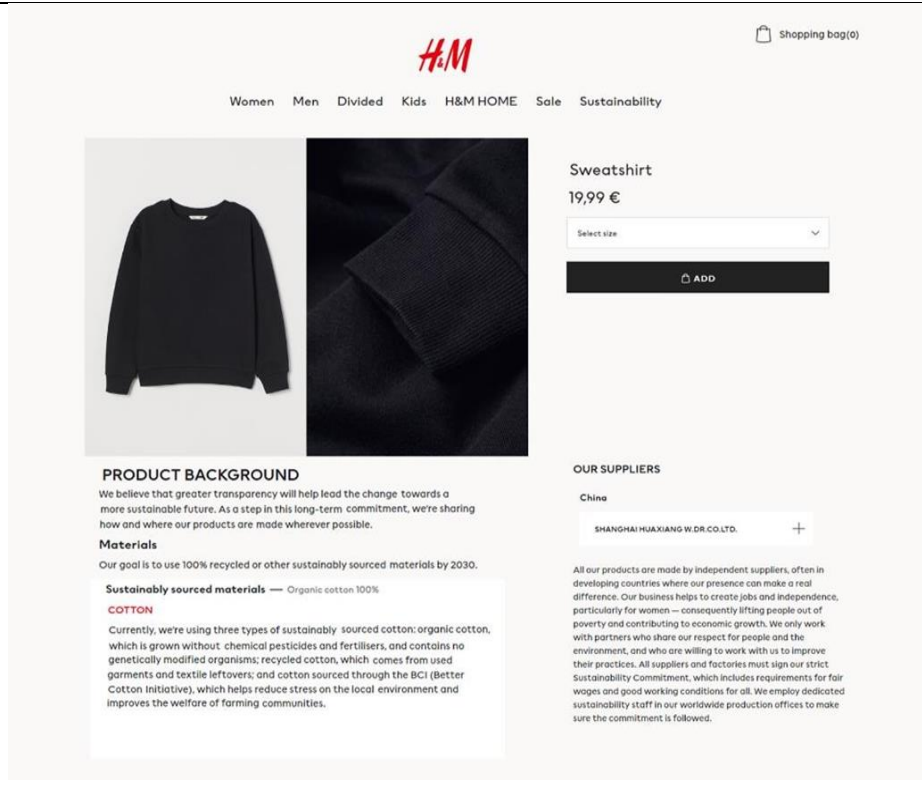
Tests of Between-Subjects Effects						
Dependent Variable: Trust						
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	16.685 ^a	5	3.337	1.828	.107	.030
Intercept	15549.805	1	15549.805	8518.838	.000	.966
Brand	.068	1	.068	.037	.847	.000
Information transparency	1.366	2	.683	.374	.688	.003
Brand * Information transparency	15.298	2	7.649	4.190	.016	.027
Error	543.952	298	1.825			
Total	16131.444	304				
Corrected Total	560.637	303				

a. R Squared = .030 (Adjusted R Squared = .013)

Trust			
Brand and CSR Claim	Perceived Greenwashing	Mean	Std. Deviation
Yoli with Index	No greenwashing	6.86	1.55
	greenwashing	7.55	0.92

	Total	7.25	1.27
Yoli with points	No greenwashing	6.90	1.56
	greenwashing	7.70	1.04
	Total	7.40	1.31
Yoli control	No greenwashing	5.22	2.14
	greenwashing	7.41	0.88
	Total	6.76	1.70
H&M with Index	No greenwashing	6.87	1.58
	greenwashing	7.30	1.35
	Total	7.14	1.44
H&M with points	No greenwashing	6.00	1.10
	greenwashing	7.36	0.97
	Total	6.92	1.19
H&M control	No greenwashing	7.37	1.28
	greenwashing	7.51	0.83
	Total	7.44	1.08
Total	No greenwashing	6.65	1.65
	greenwashing	7.47	1.01
	Total	7.15	1.36


Appendix B-Experimental conditions in the Studies

<p>Large brand and transparenc y index</p>	 <p>H&M</p> <p>H&M 1st place in the Fashion Transparency Index 2020 The Index where 250 of the world's largest fashion brands and retailers are ranked according to how much they disclose about their social and environmental policies, practices and impacts</p> <p>Sweatshirt 19,99 €</p> <p>Select size</p> <p>ADD</p> <p>MATERIALS</p> <p>Currently, we're using a cotton sourced through the Better Cotton Initiative, which helps reduce stress on the local environment and improves the welfare of farming communities.</p> <p>Sustainably sourced materials - Organic cotton 100%</p> <p>OUR SUPPLIERS</p> <p>All suppliers and factories must sign our strict Sustainability Commitment, which includes requirements for fair wages and good working conditions for all. We employ dedicated staff worldwide to make sure the commitment is followed.</p> <p>CHINA - SHANGHAI HUAXIANG W.DR.CO.LTD.</p>
<p>Large brand/no transparenc y index</p>	 <p>H&M</p> <p>Shopping bag(0)</p> <p>Women Men Divided Kids H&M HOME Sale Sustainability</p> <p>Sweatshirt 19,99 €</p> <p>Select size</p> <p>ADD</p> <p>PRODUCT BACKGROUND</p> <p>We believe that greater transparency will help lead the change towards a more sustainable future. As a step in this long-term commitment, we're sharing how and where our products are made wherever possible.</p> <p>Materials</p> <p>Our goal is to use 100% recycled or other sustainably sourced materials by 2030.</p> <p>Sustainably sourced materials — Organic cotton 100%</p> <p>COTTON</p> <p>Currently, we're using three types of sustainably sourced cotton: organic cotton, which is grown without chemical pesticides and fertilisers, and contains no genetically modified organisms; recycled cotton, which comes from used garments and textile leftovers; and cotton sourced through the BCI (Better Cotton Initiative), which helps reduce stress on the local environment and improves the welfare of farming communities.</p> <p>OUR SUPPLIERS</p> <p>China</p> <p>SHANGHAI HUAXIANG W.DR.CO.LTD. +</p> <p>All our products are made by independent suppliers, often in developing countries where our presence can make a real difference. Our business helps to create jobs and independence, particularly for women – consequently lifting people out of poverty and contributing to economic growth. We only work with partners who share our respect for people and the environment, and who are willing to work with us to improve their practices. All suppliers and factories must sign our strict Sustainability Commitment, which includes requirements for fair wages and good working conditions for all. We employ dedicated sustainability staff in our worldwide production offices to make sure the commitment is followed.</p>

Small brand/
transparenc
y index

YOLI

YOLI 1st place in the Fashion Transparency Index 2020
The Index where 250 of the world's largest fashion brands and retailers are ranked according to how much they disclose about their social and environmental policies, practices and impacts



MATERIALS

Currently, we're using a cotton sourced through the Better Cotton Initiative, which **helps reduce stress on the local environment** and improves the welfare of farming communities.

Sustainably sourced materials - Organic cotton 100%

Sweatshirt
19,99 €

Select size

ADD

OUR SUPPLIERS

All suppliers and factories must sign our strict Sustainability Commitment, which includes requirements for **fair wages and good working conditions for all**. We employ dedicated staff worldwide to make sure the commitment is followed.


CHINA - SHANGHAI HUAXIANG W.DR.CO.LTD.

Small brand/
no
transparenc
y index

YOLI

Shopping bag(0)

Women Men Kids Sale Sustainability



PRODUCT BACKGROUND

We believe that greater transparency will help lead the change towards a more sustainable future. As a step in this long-term commitment, we're sharing how and where our products are made wherever possible.

Materials

Our goal is to use 100% recycled or other sustainably sourced materials by 2030.

Sustainably sourced materials — Organic cotton 100%

COTTON

Currently, we're using three types of sustainably sourced cotton: organic cotton, which is grown without chemical pesticides and fertilisers, and contains no genetically modified organisms; recycled cotton, which comes from used garments and textile leftovers; and cotton sourced through the BCI (Better Cotton Initiative), which helps reduce stress on the local environment and improves the welfare of farming communities.

Sweatshirt
19,99 €

Select size

ADD

OUR SUPPLIERS

China

SHANGHAI HUAXIANG W.DR.CO.LTD. +

All our products are made by independent suppliers, often in developing countries where our presence can make a real difference. Our business helps to create jobs and independence, particularly for women — consequently lifting people out of poverty and contributing to economic growth. We only work with partners who share our respect for people and the environment, and who are willing to work with us to improve their practices. All suppliers and factories must sign our strict Sustainability Commitment, which includes requirements for fair wages and good working conditions for all. We employ dedicated sustainability staff in our worldwide production offices to make sure the commitment is followed.