THE INFLUENCE OF GREENWASHING ON GEN Z CONSUMERS' PURCHASING DECISIONS FOR FAST FASHION PRODUCTS IN HO CHI MINH CITY

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ABSTRACT:

This study investigated the influence of greenwashing on Gen Z consumers' purchasing decisions for fast fashion products in Ho Chi Minh City. The study's aim was to examine the relationship between greenwashing and green purchase intention, a topic largely unexplored in prior research. The findings revealed a direct, negative impact of greenwashing on green purchase intention. Conversely, green trust positively affects green purchase intention and green word-of-mouth. Furthermore, green trust and green word-of-mouth mediate the connection between greenwashing and green purchase intention

Keywords: Gen Z, fast fashion industry, Ho Chi Minh City.

1. Introduction

Sustainability has emerged as a prominent trend over the last decade, driven by significant shifts in climate patterns and population growth. This growth can be attributed, in part, to the rising concern among younger generations about the present and future condition of the planet. Based on Nguyen et al. (2021a) and Yang et al. (2020), the growing consciousness among consumers regarding environmental preservation has led to observable shifts in their consumption patterns and behaviors. Notably, younger consumers are actively seeking out brands and products that align with progressively sustainable values. In a survey conducted among Southeast Asian consumers in 2022, it was found that 75 percent of respondents residing in Vietnam expressed a willingness to make additional payment for fast fashion firms offering sustainable collections or product lines (Marketing Interactive, 2022).

As consumers tend to show their preference for sustainability, it is important for companies to develop and integrate green strategies into their products (Chang et al., 2021). By doing this, companies can promote their brand image as well as establish their reputation as environmentally conscientious entities (Nguyen et al., 2021b). Nevertheless, certain companies engage in the unethical practice of greenwashing, wherein they project an image of environmental friendliness while implementing only superficial alterations to their business operations (Elia, 2019). Corporations

in the fast fashion industry are among the companies with the largest environmental footprint, notorious for their detrimental impacts on the environment, excessive water resource usage, pollution, and often exploitation of cheap labor. Many famous fashion brands such as H&M, Zara, Uniqlo, Nike, etc. have been embroiled in environmental controversies and accused of attempting to evade responsibility through greenwashing (Igini, 2022). As a result, it is inevitable that greenwashing has negative impact on both consumers and businesses. Consequently, researchers should undertake a systematic and comprehensive examination of the effects of greenwashing on consumers' intentions to make environmentally friendly purchases.

Despite the extensive research conducted on greenwashing-related issues, the author's examination of the current literature indicates a scarcity of studies that concentrate on corporate greenwashing in developing nations across Asia, especially in Vietnam (Yang et al., 2020). Hence, the study "The impact of greenwashing on Generation Z's green purchase intention in the fast fashion industry in Ho Chi Minh City" aims to provide a thorough understanding of the relationship between greenwashing and green purchase intention, which has received little attention in previous research. Furthermore, this research acts as one of the pioneering studies to examine the generation's purchase intention. Finally, the research findings will provide practical insights into sustainability programs for marketers, companies, and governments.

2. Research methods

The author adopts two main methods including qualitative and quantitative approaches.

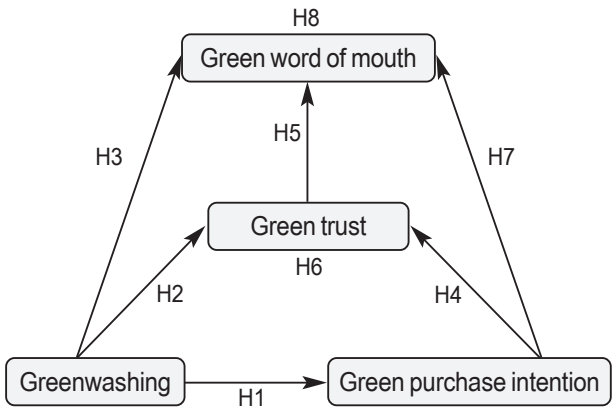
Qualitative method: The author collects, summarizes, and assesses previous studies to narrow down the particular variables. Secondary data was gathered from books, journals, the Internet, and other credible sources of information. The author develops a quantitative model by arranging the relevant foundational theories using publicly available data and examining the existing research environment. The study scale and questionnaire required multiple revisions before they could be concluded.

Quantitative method: Primary data has been collected by surveying Generation Z customers living in Ho Chi Minh City on an e-commerce platform utilizing online questionnaires sent via email or social media. Subsequently, the collected data was analyzed with SmartPLS 4.0 and SPSS 27 to test all hypotheses by using data analysis methods such as statistical description, Cronbach's Alpha Coefficient Analysis, Exploratory Factor Analysis, and Partial Least Squares - Structural Equation Modeling.

3. Proposed research model and research hypotheses

Insights from 3 previous related studies are used in this research to refine the accuracy of predicting purchase intentions among Vietnamese consumers. Initially, the author incorporates green trust and green word of mouth as contextual factors within the Attitude - Behavior - Context theory. Subsequently, an integrated research model was developed by combining the extended Theory of Planned Behavior (TPB) with the inclusion of greenwashing and green purchase intention constructs.

Figure 1: The proposed model



Source: Conducted by the author, 2024

Proposed research hypotheses:

H1: Greenwashing has a negative impact on green purchase intention of Gen Z in the fast fashion industry.

H2: Greenwashing has a negative impact on green trust of Gen Z in the fast fashion industry.

H3: Greenwashing has a negative impact on green word of mouth of Gen Z in the fast fashion industry.

H4: Green trust has a positive impact on green purchase intention in the fast fashion industry.

H5: Green trust has a positive impact on green word of mouth in the fast fashion industry.

H6: Green trust plays a mediating role in the relationship between greenwashing and green purchase intention of Gen Z in the fast fashion industry.

H7: Green word of mouth has a positive impact on green purchase intention of Gen Z in the fast fashion industry.

H8: Green word of mouth plays a mediating role in the relationship between greenwashing and green purchase intention of Gen Z in the fast fashion industry.

4. Research results

4.1. Cronbach's alpha coefficient of reliability analysis

It is clear from Table 1 that Cronbach's Alpha coefficients of all variables in the study exceed the required level of 0.7, indicating the high reliability of the measurement scale.

Although green purchase intention has the highest value at 0.919, this coefficient is guaranteed not to cause strong homogeneity between items or questions in the scale since it is less than 0.95. Conversely, green trust illustrates the lowest Cronbach's Alpha coefficient at 0.847 but still surpasses the acceptable threshold of 0.7, ensuring the reliability of the scale.

In addition, the majority of measurement items surpassed the value of 0.3 for total correlation, indicating that no items are excluded from the scale.

Based on the aforementioned result, the author confirms that no variables are removed from the scale, and all observed variables were eligible for inclusion in exploratory factor analysis.

4.2. Exploratory Factor Analysis (EFA)

The KMO coefficient is 0.929 > 0.6 and suggesting that the model has a good degree of suitability. In terms of Barlett's Test, the significance value is 0.000, which meets the condition of being lower than 0.05. These results

Table 1. Cronbach's Alpha coefficient of reliability analysis result

Factor	Variable	Cronbach's Alpha	Total Correlation
Green washing	GW1	0.916	0.772
	GW2		0.810
	GW3		0.786
	GW4		0.791
	GW5		0.763
Green trust	GT1	0.847	0.647
	GT2		0.658
	GT3		0.659
	GT4		0.659
	GT5		0.653
Green word of mouht	GWOM1	0.854	0.738
	GWOM2		0.683
	GWOM3		0.685
	GWOM4		0.676
Green purchase intention	GPI1	0.919	0.814
	GPI2		0.814
	GPI3		0.810
	GPI4		0.816

Source: Calculated by SPSS 27, 2024

Table 2. EFA result

Evalution creteria	EFA results	Comparision
KMO coefficient	0.929	0.5 < 0.929 < 1
Sig. value of Bartlett's Test of Sphericity	0.000	0.000 < 0.05
Eigenvalue	1.192	1.192 > 1
Total variance extracted	71.963%	71.963% > 50%

Source: Calculated by SPSS 27, 2024

present the adequacy and statistical significance of the model, ensuring the appropriateness of the exploratory factor analysis.

Regarding eigenvalue, a value of 1.192 > 1 is observed for the fourth factor, and the total variance extracted stands at 71.963% > 50%, presenting that 4 factors extracted from the EFA analysis explain 71.963% of the variation among 18 observed variables involved in the analysis.

After extraction, EFA analysis retains 4 factors from the original 18 observed variables, each exhibiting a factor loading coefficient higher than 0.5.

4.3. Structural Equation Modeling (SEM)

Measurement model analysis: the study's resuls shows each observed variable exhibits an outloading exceeding 0.7, which presents a well-qualified scale of measurement.

Next, all factors's Cronbach's alpha meet the 0.6 criterion, ranging from 0.748 to 0.916. Moreover, besides Cronbach's Alpha, CR also serves as an adequate measure of a variable's reliability (Fornell & Larcker, 1981). The results show that the all factors's composite reliability satisfy the acceptable level of being greater than 0.7 (falling between 0.891 and 0.943), which signifies their satisfactory qualification.

In addition, all observed variables exhibits outer loadings higher than acceptable level of 0.7 and align with the appropriate component. Besides, it is worthnoting that each factor has an AVE exceeding 0.5, which fluctuates between 0.621 and 0.804. These findings demonstrate he convergence of all components as more than half of the variation in the associated indicators is accounted for.

Ultimately, the square root of the AVE and the HTMT ratio's results show that the square root of the AVE for each factor in an indentical row or column is greater than the correlation coefficient of the others, which implies an adequate discriminant validity for all factors. It is also noticeable that the HTMT ratio among all factors is determined with the highest value recorded as 0.726, which is less than 0.9. This result confirms the discriminant validity among any two variables.

Structural model analysis: The results show that the R-square value for GPI is 0.506, which means that 3 variables including greenwashing, green trust and green word of mouth collectively explain 50.6% of the variance in the intention to make green purchase towards green products from fast fashion brands. At the same time, the R-squared coefficient for GT and GWOM is determined to be 0.261 and 0.406, respectively, implying that greenwashing makes up 26.1% of the variance in green trust while greenwashing and green trust constitute 40.6% of the variance in green word of mouth. Additionally, an R-squared value ranging from 0.33 to 0.67 illustrates a moderate degree of variance interpreted by the endogenous latent variable and a well-qualified structural model (Chin, 1998). Therefore, given that green purchase intention and green word of mouth has R-square value falling among the range, their exogenous components reflect a

greater percentage of the variation in the endogenous constructs than the error terms. Meanwhile, the R-square value for green trust is conversely lower than 0.33. This result reflects a lower level of explanation with 73.9% of variance attributed to systematic errors or unspecified issues within the research framework.

Prior undertaking bootstrapping, the author calculates VIF and discovers that the VIF for each factor stands at below 3, indicating an absence of multicollinearity among the independent variables. The result shows that:

Hypothesis 1: greenwashing exhibits β = -0.452 (< 0), t-value = 5.649 (> 1.96) and p-value = 0.000 (< 0.05), demonstrating a negative relationship between greenwashing and green purchase intentions among Gen Z in the fast fashion industry. Hence, H1 is supportedMoreover, an f-square value of 0.234 suggests that greenwashing imposes a moderate impact on intention to purchase green products from fast fashion brands.

Hypothesis 2: With a β value of -0.51 (< 0), t-value = 9.406 (> 1.96) and p-value of 0.000 (< 0), greenwashing proves to have an adverse effect on green trust, and thus, supporting H2. Particularly, when all other variables remain unchanged, a one-unit rise in greenwashing correlates with a 0.51 fall in green trust of Gen Z consumer in fast fashion brands. It is noticeable that the effect of greenwashing on green trust seems to be high due to an f-value of 0.352 > 0.35.

Hypothesis 3: the findings for greenwashing with a β value of -0.498 (< 0), a t-value of 6.427 (> 1.96) and a p-value of 0.000 (< 0.05). As all values suppass predetermined thresholds for statistical significance, H3 is supported. The β coefficient of -0.498 indicates that as greenwashing goes up by one unit, green word of mouth goes down by 0.498, keeping other variables constant. Furthermore, the f-value of 0.308 reflects a moderate effect of greenwashing on the dependent variable.

Hypothesis 4: green trust demonstrates β value = 0.123 (> 0), t-value = 2.551 (> 1.96) and p-value = 0.011 (< 0.05), showing a statistical significance. Therefore, H4 is accepted. The β value of 0.123 explains that a one-unit enhancement in green trust will leads to a 0.123 unit enhancement in green purchase intention. However, the f-value just stands at 0.021, which is above 0.02 but below 0.15. This value suggests a low impact of the independent variable on the dependent variable.

Hypothesis 5: Regarding H5, green trust shows a β value of 0.218 (>0), a t-value of 2.331(> 1.96) and a p-value of 0.02 (<0.05), which is statistically significant. Therefore, green trust positively correlates with green word of mouth among Gen Z consumers. Particularly, holding other variable constant, when green trust grows by one unit, green word of mouth will go up by 0.218 unit. Nevertheless, the effect of green trust on green word of mouth is quite low, explained by an f-value of 0.059 which lies in the range between 0.02 and 0.15.

Hypothesis 6: with the β value of -0.063 (<0), t-value of 2.282 (>1.96) and p-value of 0.023 (<0.05), the finding indicates that green trust acts as an mediator between greenwashing and intention to make green purchases. Therefore, H6 is proven.

Hypothesis 7: In terms of relationship between green word of mouth and green purchase intention, the outcome illustrates β = 0.25 (>0), t-value = 3.972 (>1.96) and p-value = 0.000 (<0.05), which is statistically significant. This result proves hypothesis 7 and emphasizes that green word of mouth positively influence green purchase intention. In spite of that, the f-value exhibits 0.075 (0.02 < 0.075 <0.15), highlighting a minor effect of GWOM on GPI.

Hypothesis 8: the findings with β value of -0.124 (< 0), t-value of 3.252 (> 1.96) and p-value of 0.001 (< 0.05) suggest the mediating effect of green word of mouth on the association between

greenwashing and green purchase intention in the fast fashion industry. Based on that, H8 is supported.

4.4. Result discussion

This study investigated how greenwashing influences Gen Z consumers' green purchasing intention toward green products from fashion brands in Ho Chi Minh City with the consideration of the mediating role of GT and GWOM in this connection. Corporeality:

4.4.1. Greenwashing

The research findings demonstrate that greenwashing has a moderately negative impact on green purchasing intention, which is consistent to prior research (Tarabieh, 2021; Setiawan & Yosephani, 2022). Notably, when compared to green trust and green word of mouth, greenwashing had the greatest impact. Furthermore, it is worth noting that consumers who are aware of a company's use of greenwashing practices may be less willing to establish a long-term relationship with the organization, possibly leading to reduced purchase intentions (Natasya et al., 2023). Fast fashion firms that adopt misleading marketing techniques might confuse customers about the authenticity of the company's eco-friendly promises, perhaps leading consumers to regard such claims as a marketing ploy.

Besides, greenwashing can aslo negatively affect green trust with a relatively high impact. Like the association between GW and GPI, greenwashing also deleteriously affects green word of mouth with a moderate impact. It is consistent with findings of Chen et al. (2014) and Zhang et al. (2018). The perception of greenwashing significantly may negatively influence green word-of-mouth because negative experiences tend to stick in consumers' memories for a longer period of time Chen et al. (2014). And, they might warn others about the greenwashing or products, which can do harm to the company's reputation.

4.4.2. Green trust

Research results suggest that green trust has a favorable impact on Gen Z consumers' green purchase intentions in the fast fashion industry. Despite the minimal influence, it is critical to assess the effect of green trust on green purchasing intention. This study supports prior research that emphasizes the significance of green trust in promoting sustainable consumer behavior (Tarabieh, 2021). It is worth noting that ethical signals linked with inefficient items might have a significant influence on customer attitudes and behavior towards green purchasing (Bezençon et al., 2020).

In terms of the relationship between green trust and green word of mouth, the results show that green trust is positively correlated with green word of mouth among Generation Z consumers, but the effect is relatively small. This can be explained by the fact that green trust may instill trust in customers, encouraging them to endorse and promote positive word of mouth about ecologically friendly products.

According to the findings, green trust also acts as a mediator between greenwashing and intention to make green purchases among Gen Z in fast fashion industry. When a consumer perceives greenwashing among fast fashion brands, they are less likely to trust in the brands by raising doubts about the genuineness of corporate environmental claims. Confidence in a brand decrease as consumers become skeptical of its environmental claims, thus they are unwilling to make green purchases (Kahraman & Kazançolu, 2019).

4.4.3. Green word of mouth

Like prior studies, the study demonstrated a positive relationship between green word of mouth and green purchase intention for fast fashion products among Vietnamese Gen Z consumers. This finding is similar to previous research, as: Ahmed & Zhang, (2020) or Natasya et al., (2023). It is apparent that green word of

mouth has a positive impact on green purchase intentions since it may offer consumers valuable and trustworthy information, enabling them to make informed decisions about their green purchases.

Additionally, the study results also demonstrate the mediating effect of green word of mouth on the connection between greenwashing and green purchase intention. When a company is proven to be using greenwashing, the news spreads through bad word of mouth, eroding the company's image. Furthermore, customers may be prudent to establish long-term relationships with businesses and may discourage others from purchasing the company's green products (Natasya et al., 2023). Furthermore, such green word of mouth as oral communications or word-of-mouth evaluations, can be useful resources in influencing a consumer's purchasing decisions.

5. Conclusions

Overall, the study investigated how greenwashing affected Gen Z consumers' green purchase intentions in the fast fashion industry in Ho Chi Minh City, as well as the mediating impacts of green trust and green word of mouth.

Regarding the impact of greenwashing, the findings concluded that greenwashing has a negative and direct influence on green purchase intention. This is also corroborated by prior studies such as Lu et al. (2022), Guerreiro & Pacheco (2021), and Natasya et al. (2023). Furthermore, it is noticeable that greenwashing can also adversely affect both green trust and green word of mouth among Gen Z customers in the fast fashion industry. This result underscores the importance of being open and authentic in sustainable practices to build consumer trust and positive word-of-mouth.

Besides, the study also found a positive impact of green trust on green purchase intention and green word of mouth. This result emphasizes the importance of establishing trust by implementing genuinely sustainable initiatives aimed at promoting the spread of positive green word of mouth and green consumption behavior among consumers. Moreover, it is important that green trust and green word of mouth mediate the correlation between greenwashing and green purchase intention, highlighting the complex interaction between corporate integrity, communication among consumers, and consumption behaviors in the fast fashion sector ■

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Received date: July 10, 2024
Reviewed date: August 5, 2024
Accepted date: August 10, 2024