



“Brand Traceability Information and Ethical News Valence: How Transparency Shapes Consumer Trust in Slow Fashion”

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Abstract

The global fashion industry causes significant social and environmental harm through environmental degradation, resource exploitation, and labor rights violations. While many brands promote sustainability, some use misleading practices that fuel skepticism. This has increased consumer demand for credible ethical information and transparency, especially in slow fashion, where ethics are central to value.

Drawing on previous academic literature, this dissertation examines the impact of ethical news disclosure on consumer brand valuations and assesses how traceability information influences these responses. Specifically, an experimental study examined how the valence of ethical information interacts with traceability information on consumers' perceived ethicality (CPE), greenwashing skepticism, purchase intentions, willingness to pay (WTP) and maximum willingness to pay (Max WTP). Moreover, the mediating role of trust in the relationship between ethical information disclosure and consumer valuations is also examined.

Findings reveal positive simple effects of ethical news valence on consumers' brand valuations, involving both psychological outcomes and economic outcomes. In contrast, traceability information exhibits a significant main effect only on consumers' economic valuations. No significant interaction effects between ethical news valence and traceability information were observed. Most importantly, trust emerges as the central psychological mechanism through which consumers respond to ethical information. Specifically, trust fully mediates the effect of ethical news on CPE, greenwashing skepticism, and WTP, and partially mediates the effect on purchase intentions.

This dissertation makes important theoretical and managerial contributions. It highlights the role of trust in processing ethical news and demonstrates that traceability information is insufficient to influence consumer decisions on its own.

Keywords: Slow Fashion, Brand Traceability Information, Type of Ethical News Disclosure, Consumer Valuations, Trust

Resumo

A indústria mundial da moda causa danos sociais e ecológicos significativos através da destruição ambiental, da exploração de recursos e da violação dos direitos laborais. Apesar de muitas marcas promoverem a sustentabilidade, algumas recorrem a práticas enganosas que geram ceticismo entre consumidores. Consequentemente, aumentou a procura por informação ética credível e por transparência, especialmente no contexto da slow fashion, onde valores éticos são centrais.

Com base na literatura académica existente, esta dissertação analisa o impacto da divulgação de mensagens éticas nas avaliações das marcas pelos consumidores e o papel da informação sobre rastreabilidade nessas respostas. Para tal, foi realizado um estudo experimental que examinou os efeitos da valência da informação ética na perceção de eticidade dos consumidores, no ceticismo em relação ao greenwashing, nas intenções de compra, na disposição a pagar e na disposição máxima a pagar, bem como o papel mediador da confiança.

Os resultados revelam efeitos positivos da valência das mensagens éticas nas avaliações da marca, tanto a nível psicológico como económico. Em contraste, a informação sobre rastreabilidade apresenta um efeito significativo apenas nas avaliações económicas, não tendo sido observados efeitos de interação significativos. A confiança emerge como o principal mecanismo psicológico, mediando totalmente os efeitos das mensagens éticas sobre o CPE, o ceticismo em relação ao greenwashing e a WTP, e parcialmente sobre as intenções de compra.

Esta dissertação apresenta contributos teóricos e de gestão ao evidenciar o papel central da confiança e ao demonstrar que a rastreabilidade, isoladamente, é insuficiente para influenciar as decisões dos consumidores.

Palavras Chave: Moda sustentável, Informações sobre a rastreabilidade da marca, Tipo de divulgação de notícias éticas, Avaliações dos consumidores, Confiança

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Disclaimer

AI algorithms (specifically ChatGPT and DeepL) were used for word compression and language correction.

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List of Abbreviations

CPE

Max WTP

WTP

Consumer Perceived Ethicality

Maximum Willingness to Pay

Willingness to Pay

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1 Introduction

1.1 Problem Definition and Relevance

With an estimated market value of USD 1.84 trillion by 2025, the global fashion industry is set to become one of the world's most influential economic sectors (UniformMarket, 2025). However, despite its economic importance, the industry faces persistent environmental and social challenges, including intensive resource consumption, pollution, opaque supply chains, and inadequate monitoring of labor conditions (Bonelli et al., 2024). These issues have raised public awareness, leading to the perception that many fashion brands are not acting responsibly or transparently enough.

As consumers have become more aware of the environmental and ethical impact of their purchasing behavior, the expectation of responsible behavior and transparent communication has grown considerably (Ray & Nayak, 2023). This shift has contributed to the rise of slow fashion, which focuses on longevity, quality, and ethical production practices, as an alternative to the dominant fast fashion models (Seock et al., 2024). However, even within the slow fashion movement, there is a challenge posed by the limited visibility of product routes and traceability along supply chains (Garcia et al., 2022). Consequently, consumers rely on external cues, particularly ethical and traceability information, to evaluate brand behavior, influencing both psychological judgements and economic responses (Peloza et al., 2013).

Previous research has shown that ethical news has a strong influence on consumer reactions, particularly in contexts focused on sustainability. Negative information often carries disproportionate weight due to negativity bias. In values-oriented areas such as slow fashion, however, positive ethical news can be highly effective in confirming prosocial expectations (Markovic et al., 2018). Nevertheless, consumers often remain skeptical, particularly when ethical claims cannot be verified. Repeated cases of greenwashing have reinforced this skepticism, increasing the demand for credible, verifiable and transparent communication (Nguyen et al., 2019).

In an attempt to bolster their credibility, companies have introduced various transparency tools (Cui et al., 2018). Among these, digital traceability systems, such as blockchain-based traceability, have gained significant attention. These systems provide structured information about the origin of products and the stages of the supply chain, and are often presented as

mechanisms that can improve perceived reliability (Sunny et al., 2020; Vázquez Meléndez et al., 2024). Traceability can influence how consumers interpret ethical news, either reinforcing or mitigating its impact. However, it remains unclear whether consumers actually process this technical information as intended (Rapezzi et al., 2024; Hina et al., 2025).

Research has shown that trust is a fundamental mechanism in consumers' processing of ethical news (Singh et al., 2012; Castaldo et al., 2009). More recently, research has demonstrated the importance of trust in sustainability-oriented contexts (Rastogi et al., 2025). Trust acts as a psychological gateway; when ethical or traceable information reinforces trust, consumers perceive the brand as more ethical and show stronger economic responses, while also becoming less skeptical.

Despite its importance, the role of trust as a mediating mechanism in slow fashion remains under-researched. This emphasizes the need to investigate how consumers interpret ethical and traceability information together, how this influences trust, and how trust links these cues to evaluations of a brand's ethics and transparency.

1.2 Objectives of the Study

This study aims to investigate how the valence of ethical news and traceability information influences consumers' psychological and economic valuations of slow fashion brands. More specifically, it seeks to establish how positive versus negative ethical news has an impact on key psychological and economic brand valuation outcomes, while testing for the moderating role of traceability information on that relationship. Additionally, the study examines how consumer trust mediates the relationship between ethical news valence and consumers' brand valuations, reflecting its role as a psychological mechanism through which consumers interpret ethical claims in the context of slow fashion.

1.3 Research Questions

Based on the issues outlined above, the following research questions guide this study:

The first research question examines how consumers respond to different types of ethical news disclosures about a slow-fashion brand.

RQ1: How does the valence of ethical news disclosure influence consumers' brand valuations in the context of slow fashion?

The second research question addresses the direct role of traceability information as a form of transparency information.

RQ2: Does the presence of traceability information have a direct effect on consumers' brand valuations?

The third research question examines whether transparency cues shape consumers' interpretation of positive and negative ethical news.

RQ3: Does traceability information moderate the effect of ethical news valence on consumers' brand valuations?

Finally, the fourth research question explores the role of consumer trust as a psychological mechanism in affecting how consumers process ethical news, whether negative or positive.

RQ4: Does consumer trust mediate the effect of ethical news disclosure on consumers' brand valuations?

1.4 Thesis Structure

Following the introduction, Chapter two reviews the academic literature that informs the study's theoretical framework. This includes research on slow fashion, ethical news, transparency, trust, and traceability. Chapter three presents the conceptual model and the hypotheses derived from this literature. Chapter four outlines the methodological approach and data collection procedures. Chapter five reports on the empirical results. Finally, chapter six discusses the study's conclusions and implications, acknowledges its limitations, and suggests areas for future research.

2 Literature Review

This chapter provides an overview of the academic literature that forms the theoretical basis of this study. It begins by outlining the sustainability challenges facing the fashion industry, before discussing the emergence of slow fashion as an alternative to prevailing fast fashion models. It then addresses the issues of ethical news and greenwashing, before examining transparency and traceability in fashion industry supply chains. Specifically, the chapter focuses on traceability information as a form of transparency information, and on blockchain-based traceability as a means of implementing brand traceability information in the experimental design of this study. Finally, it examines consumer trust and key brand evaluation outcomes central to the conceptual model: CPE, greenwashing skepticism,

purchase intentions, WTP, and Max WTP. Together, these factors represent consumers' psychological and economic evaluations of brands.

2.1 Sustainability in Fashion: From Fast Fashion to Slow Fashion

The fashion industry is often evaluated through the lens of the triple bottom line, which considers social, environmental, and economic performance to be interdependent aspects of sustainability (Henninger et al., 2016; Fletcher, 2010). Despite growing awareness and increased regulatory pressure, the fashion industry remains one of the most resource-intensive and environmentally damaging industries worldwide. Previous research has highlighted significant carbon emissions, high water consumption, microplastic pollution, and persistent social issues such as low wages and unsafe working conditions within global supply chains (Niinimäki et al., 2020; Joy et al., 2012).

These negative consequences are closely linked to the fast fashion model. Fast fashion is characterized by rapid trend cycles, frequent collection releases and low prices, resulting in short product life cycles (Bick et al., 2018). The focus on fast sales leads to overproduction, puts pressure on natural resources, and reduces opportunities for responsible supply chain management (Joy et al., 2012; Niinimäki et al., 2020).

In response to these concerns, slow fashion has emerged as a systemic alternative. Slow fashion emphasizes longevity, quality, repairability and timeless design, placing ethical working conditions and reduced environmental impact at the heart of its value proposition (Fletcher, 2010; Jung & Jin, 2014). Business models are typically characterized by smaller, well-considered collections; closer supplier relationships; and the use of environmentally friendly materials (Niinimäki, 2010). This approach aligns with the principles of sustainable consumption and the circular economy (Luukkonen et al., 2024).

However, although slow fashion embodies the ideal of responsible consumption, its market penetration remains limited. Higher production costs often result in higher prices, and many consumers doubt whether brands that claim to be sustainable actually fulfil the ethical standards they communicate, particularly when supply chains remain opaque (Štefko & Steffek, 2018; Jung & Jin, 2014). Consequently, information asymmetries and credibility concerns persist, emphasizing the importance of reliable ethical news and structured traceability in informing consumer decisions.

Overall, the existing literature suggests that the transition from fast to slow fashion depends on improved production practices and brands' ability to communicate ethical news that consumers perceive as credible and trustworthy (Thorisdottir & Johannsdottir, 2020; Wiederhold & Martinez, 2018). This is particularly important because slow fashion brands explicitly base their identity on moral principles (Ramoniené, 2023; Castagna et al., 2022). If such claims lack credibility, however, the distinctiveness of slow fashion is undermined, which highlights the importance of ethical news and the risks of greenwashing.

2.2 Ethical news, Greenwashing, and Consumer Skepticism

Ethical news can be defined as any form of communication conveying how a brand behaves in relation to moral norms, such as respect for human rights, environmental protection, and fair business practices (Creyer, 1997; Brunk, 2010a). Such information may originate from corporate communications, independent media reports, non-governmental organizations, or external certifiers. Consumers use this information to determine whether a brand is behaving responsibly and if its products align with their values (Brunk & Bluemelhuber, 2010).

Research consistently shows that the perceived value of ethical news influences consumer judgements. Negative ethical news, such as revelations about labor exploitation or environmental misconduct, can elicit strong reactions, reducing trust, purchase intentions and WTP (Huber et al., 2010; Joergens, 2006). This effect reflects the well-documented negativity bias in moral judgements. However, in value-oriented contexts such as slow fashion, positive ethical news can have an equally strong or stronger effect if it confirms prosocial expectations (Brunk, 2010b; Markovic et al., 2018). Therefore, the impact of ethical news depends not only on valence, but also on perceived credibility.

Research is increasingly focusing on greenwashing, which undermines the credibility of ethical news. Greenwashing involves making vague, exaggerated or misleading claims about sustainability in order to signal responsibility without taking substantive action (Aji & Sutikno, 2015; Gatti et al., 2019). In the fashion industry, such claims are often criticized for relying on ambiguous criteria or for highlighting individual sustainable items within an otherwise unsustainable product range.

Greenwashing significantly impacts consumer behavior. Repeated exposure to unverified claims fosters skepticism and erodes trust in brand communication (Musgrove et al., 2018; Nguyen et al., 2019). This skepticism contributes to the discrepancy between consumers' attitudes and behavior regarding sustainable consumption, as they are reluctant to act on

ethical claims they do not fully trust (White et al., 2019). High levels of skepticism can also impact sustainable consumption in general by reducing the WTP and engage with ethical news (Yan et al., 2012).

Consequently, consumers are increasingly turning to external, independent sources of ethical news, which they perceive as more objective than corporate communications (Brunk, 2010a; Darnall et al., 2018). Meanwhile, policymakers and industry initiatives are advocating greater transparency and traceability to reduce information asymmetries and limit misleading claims. These developments highlight the importance of traceability information as a potential transparency feature that can influence how consumers interpret ethical news, a topic explored in Section 2.3.

2.3 Traceability in Fashion Supply Chains

Traceability, defined as the ability to systematically track and document a product's history, use and location at every stage of the textile and clothing supply chain, from sourcing raw materials to the final point of sale (Agrawal, 2019). In the fashion industry, this typically involves disclosing information about suppliers, production conditions, material usage and environmental impact throughout the supply chain (Doorey, 2011; Fung, 2014; Schnackenberg & Tomlinson, 2016).

Fashion companies are expanding these transparency efforts in response to regulatory and societal pressures. These measures aim to reduce information asymmetries and provide consumers with data to help them evaluate ethical claims.

Within this literature stream, transparency has been conceptualized in various ways. In this context, traceability serves as a key mechanism through which transparency is created, as it enables the systematic disclosure of supply chain information at different levels (Garcia-Torres et al., 2022). Prior research distinguishes between product-level transparency, which concerns information about specific garments, materials, and production processes, and brand-level transparency, which refers to broader disclosures related to sourcing practices, social standards, and environmental policies (Henninger et al., 2016; Testa et al., 2020). Another distinction concerns specific issues, such as the origin of materials, labor conditions, and environmental impact. Studies show that consumers evaluate these dimensions differently: material information often signals product quality; labor transparency appeals to ethically motivated consumers; and environmental transparency is often evaluated using quantitative indicators (Testa et al., 2020; Henninger et al., 2016; Niinimäki et al., 2020).

Despite this progress, the practical impact of traceability information is mixed. Many consumers report feeling overwhelmed by complex or technical information, and therefore rely on simplified guidance, such as labelling or short narratives (Grunert et al., 2014). Others question the credibility of information controlled by brands, meaning transparency alone is not always enough to reduce skepticism caused by greenwashing (Schnackenberg & Tomlinson, 2016). These limitations have increased interest in structured, verifiable traceability systems that can provide transparent information in a more standardized and credible way.

2.4 Blockchain Based Traceability Information

Blockchain technology has become an important tool for ensuring traceability in complex supply chains involving multiple stakeholders. Although blockchain is not a standalone solution, it can provide a structured, tamper-proof way of recording traceability information. Essentially, it is a distributed digital ledger in which data entries are recorded in successive blocks and cryptographically linked. Once information has been validated and added, it is difficult to change, resulting in records that are hard to manipulate (Sunny et al., 2020). When applied to textile and apparel supply chains, blockchain systems can document selected stages of the product journey and present this information to consumers in a transparent and verifiable way (Agrawal et al., 2021; Vázquez Meléndez et al., 2024).

From a sustainability communication perspective, blockchain-based traceability is expected to reduce information asymmetries by providing data that appears more independent and less controllable by the focal brand. This perceived objectivity can strengthen trust when multiple stakeholders, such as certification bodies or suppliers, contribute information to the system (Rapezzi et al., 2024; Thanasi Boçe and Hoxha, 2025). Empirical studies show that consumers who understand blockchain technology may perceive it as a credible source of traceability information, leading to increased trust and more positive evaluations, such as a higher WTP (Sunny et al., 2020; Hina et al., 2025).

At the same time, the effectiveness of blockchain-based traceability remains uncertain. Many consumers are still unfamiliar with blockchain technology or find it too technical, which limits their ability to understand its purpose beyond a general association with innovation (Ma et al., 2025). Furthermore, blockchain still relies on the accuracy of the original data input, meaning secure storage does not guarantee the veracity of the underlying information. In contexts where greenwashing is a concern, consumers may therefore question whether

blockchain offers true transparency or merely introduces additional complexity without improving credibility (Tan & Salo, 2023).

Taken together, these considerations suggest that blockchain-based traceability should be understood as a particular form of traceability information, the impact of which depends on how consumers interpret it alongside other ethical news. Such information can enhance the impact of positive ethical news if it reinforces the impression of responsible behavior or reduce the negative impact of unfavorable news if it provides evidence of corrective action.

2.5 Consumer Trust in Sustainable Fashion

Trust is widely recognized as a central concept in decision-making research. In marketing and psychology, it is typically defined as one party's willingness to rely on another in a vulnerable situation, based on the expectation that the other party will act reliably, honestly, and favorably (Morgan & Hunt, 1994; Chaudhuri & Holbrook, 2001). Trust can reduce perceived risk and cognitive effort when consumers cannot verify product quality or the consequences of a decision before making a purchase. Rather than re-evaluating all available information, consumers often use trust as a heuristic that enables them to make confident decisions with limited information (Castaldo et al., 2009).

Research on decision-making shows that trust impacts how people process and prioritize information. When trust is high, consumers are more likely to accept claims as credible, interpret ambiguous information positively, and disregard negative information contradicting their beliefs (Kim et al., 2015). Conversely, when trust is low, the same information may be rejected or scrutinized more critically, potentially signaling opportunism (Kang & Hustvedt, 2014). Therefore, trust influences the overall evaluation of the brand as well as the strength and direction of the impact that certain information has on attitudes and behavioral intentions.

In the context of sustainable consumption, trust is particularly important as many of the relevant attributes are based on beliefs and cannot be verified, even after use. For example, consumers cannot directly observe labor conditions or environmental protection, so they must rely on their trust in brands, intermediaries, or institutional systems (Singh et al., 2012; Rastogi et al., 2025). Studies have shown that consumers generally trust independent media, non-governmental organizations, and third-party certifications more than brand-generated communication (Brunk, 2010a; Darnall et al., 2018).

In the fashion industry, trust has been identified as a key mechanism through which transparency initiatives are linked to consumer outcomes. Information about materials, production locations, and compliance with social standards can strengthen trust if it is considered truthful and comprehensive (Fletcher, 2010; Jung & Jin, 2014). However, revelations of hidden misconduct or cases of greenwashing can undermine trust and negatively impact brand relationships in the long term (Musgrove et al., 2018). Traceability information, including blockchain-based traceability, is often expected to enhance trust by providing information that appears more independent and verifiable.

Overall, trust acts as a positive evaluation of a brand, as well as a psychological mechanism that mediates how consumers interpret ethical and transparent information. When ethical news influences trust, it can affect CPE, greenwashing skepticism, purchase intentions, and WTP. Trust thus acts as a cognitive gateway through which consumers slowly understand ethical and traceability information, consistent with its proposed mediating role in the conceptual model (H4).

2.6 Consumer Brand Valuations in the Context of Slow Fashion

This study examines several key outcomes of brand evaluation that reflect how consumers respond to information about ethics and traceability. These include CPE, greenwashing skepticism, purchase intentions, WTP, and Max WTP. Together, these outcomes capture the psychological and economic evaluations at the heart of the conceptual model.

2.6.1 CPE

Consumer perception of a brand's ethics refers to the consumer's overall judgement of its moral behavior (Brunk & Blümelhuber, 2010). This impression is formed through marketing communications, personal experience, and independent media (Brunk, 2010a). Highly CPE promote positive attitudes and behavioral intentions, whereas lowly CPE reduce trust and the likelihood of purchase (Brunk, 2010b).

Research shows that ethical perceptions are sensitive to new information. Negative information can undermine CPE, whereas positive ethical news can be particularly influential in value-oriented categories, such as slow fashion, as it confirms prosocial expectations. The credibility of the source is crucial. External information is generally considered more reliable than claims made by the brand itself.

2.6.2 Greenwashing Skepticism

Greenwashing skepticism is defined as consumers' tendency to doubt the authenticity of ethical claims, particularly when they seem vague or self-serving (Aji & Sutikno, 2015; Gatti et al., 2019). Skepticism is particularly prevalent in the fashion industry due to repeated instances of misleading sustainability communication.

Skeptical consumers will only adjust their ratings or accept price premiums if they are presented with credible, verifiable evidence. Traceability and other independent sources can reduce skepticism if they significantly increase trust. However, if trust does not change, skepticism will remain a prevalent filter that influences the way consumers interpret both ethical and transparent information.

2.6.3 Purchase Intentions and WTP

Purchase intention reflects the probability that a consumer will buy a product, while WTP captures the Max WTP (Fishbein & Ajzen, 1975; Shogren et al., 1994). These results are important indicators of brand performance in sustainability-oriented markets.

Ethical perceptions and trust generally increase both purchase intentions and WTP, particularly when the ethical attributes have personal significance (Testa et al., 2020; Janssen & Hamm, 2012). Conversely, skepticism towards sustainability claims weakens these effects and contributes to the attitude-behavior gap (White et al., 2019). While certifications and credible traceability can enhance evaluations, negative ethical news can significantly reduce WTP, even among consumers who are initially supportive (Huber et al., 2010; Sunny et al., 2020).

This study's central thesis is that consumer trust mediates the influence of ethical and traceability information on these outcomes, which is consistent with the conceptual model.

2.7 Summary

The reviewed literature shows that the fashion industry continues to face significant social and environmental challenges, favoring the emergence of slow fashion as a more responsible alternative to fast fashion. However, persistent information asymmetries and greenwashing have undermined the credibility of sustainability communications, making consumers more skeptical.

In response, transparency and traceability initiatives supported by regulatory developments and digital product labelling aim to make supply chains more visible and verifiable. One such

approach is the use of traceability information, including blockchain-based systems. However, these systems will only be effective if consumers perceive the information as credible and meaningful rather than technical or difficult to interpret.

Trust is the central psychological mechanism through which consumers interpret ethical news and transparency claims on all topics. It shapes reactions to ethical news, influences CPE, affects greenwashing skepticism, and drives economic outcomes such as purchase intentions and WTP. Previous studies have shown that ethical news primarily impacts these outcomes when it alters trust, establishing trust as the gateway through which consumers evaluate sustainability claims.

Despite these findings, little research has investigated how ethical and traceability information influence brand evaluations over time. This study addresses this gap by examining how the valence of ethical news and traceability information influences consumer trust and subsequent evaluations. The next chapter presents the conceptual model and hypotheses derived from the literature, emphasizing the central role of trust in this study.

3 Conceptual Model and Hypotheses

Previous research has shown that, when evaluating brands in ethically sensitive areas such as slow fashion, consumers rely heavily on external information (Parguel and Benoît-Moreau, 2011). While negative ethical news often has a strong impact due to generalized negativity biases (Wojciszke et al., 1993), recent studies have shown that, in values-based areas such as sustainability, positive ethical news can be more effective in activating trust and confirming prosocial expectations (Markovic et al., 2018; Ferrell et al., 2019). As slow fashion brands position themselves explicitly through moral and responsible behavior (Domingos et al., 2022), positive ethical news can significantly improve consumer ratings, whereas unfavorable information do not necessarily reduce them to the same extent. More formally, the first hypothesis is suggested as follows:

H1: The type of ethical news disclosure about a slow-fashion brand will influence consumers' brand valuations, with positive ethical news exerting a stronger positive impact than negative ethical news has a negative effect, such that:

H1a: Positive (vs. negative) ethical news will lead to more favorable psychological evaluations, reflected in higher CPE and lower greenwashing skepticism.

H1b: Positive (vs. negative) ethical news will lead to more favorable economic valuations, reflected in higher purchase intentions, higher WTP, and a higher Max WTP.

Consumers evaluate ethical news based not only on its content, but also on its perceived credibility. Traceability information, including blockchain-based product records, is often interpreted as structured, independent, hard-to-manipulate cues of transparency that increase credibility and reduce reliance on heuristic judgements (Mladenovic et al., 2024). Previous studies have shown that such traceability systems can increase CPE, reduce skepticism and strengthen economic responses, such as WTP (Sunny et al., 2020; Hina et al., 2025). The second set of hypotheses is suggested as follows:

H2: The presence (vs. absence) of traceability information will positively influence consumers' brand valuations, such that:

H2a: Providing traceability information will lead to more favorable psychological evaluations, reflected in higher CPE and lower greenwashing skepticism toward the brand.

H2b: Providing traceability information will lead to more favorable economic evaluations, reflected in higher purchase intentions, higher WTP, and a higher Max WTP for the brand.

As traceability information increases perceived transparency and credibility, it can influence how consumers interpret ethical news. When traceability information is present, positive ethical news becomes more persuasive, while negative information is buffered or mitigated as consumers perceive the brand to be more open, verifiable, and accountable (Tan & Salo, 2023). Therefore, traceability information can strengthen or weaken the impact of ethical news. More formally, the third set of hypotheses is suggested as follows:

H3: Traceability information will moderate the effect of ethical news disclosure valence on brand valuations, such that its presence enhances the positive impact of favorable ethical news and lessens the negative impact of unfavorable ethical news, such that:

H3a: In the presence of traceability information, favorable (vs. unfavorable) ethical news will enhance psychological evaluations, reflected in higher (lower) CPE and lower (higher) greenwashing skepticism.

H3b: In the presence of traceability information, favorable (vs. unfavorable) ethical news will enhance economic valuations, reflected in higher purchase intentions, higher WTP, and a higher Max WTP.

Trust plays a central role in how consumers interpret ethical news. According to existing literature on this topic, trust acts as a psychological gateway; when consumers perceive ethical news as trustworthy, they are more likely to adjust their ethical perceptions, become less skeptical of unfavorable news, and engage in more positive purchasing behavior. However, as trust remains constant, evaluations and skepticism remain unchanged (Kim et al., 2015; Rastogi et al., 2025). Consequently, it is hypothesized that ethical news itself is the primary trigger for changes in trust, influencing brand evaluations (Singh et al., 2012). Based on this previous literature, the fourth hypothesis is proposed:

H4: Consumer trust will mediate the effect of ethical news disclosure on consumers' brand valuations.

The empirical study applies a 2 (Type of Ethical News Disclosure: negative vs. positive) x 2 (Traceability Information: absent vs. present) between-subjects experimental design. It investigates how the value of ethical news influences consumers' psychological (CPE and greenwashing skepticism) and economic (purchase intentions, WTP, and Max WTP) valuations.

Furthermore, it analyses the main effect of traceability information on these outcomes, as well as the interaction between the valence of ethical news and traceability information. Finally, consumer trust is included as a continuous mediator, reflecting its theoretical role as the psychological mechanism through which consumers interpret ethical news in the context of slow fashion (see Figure 1).

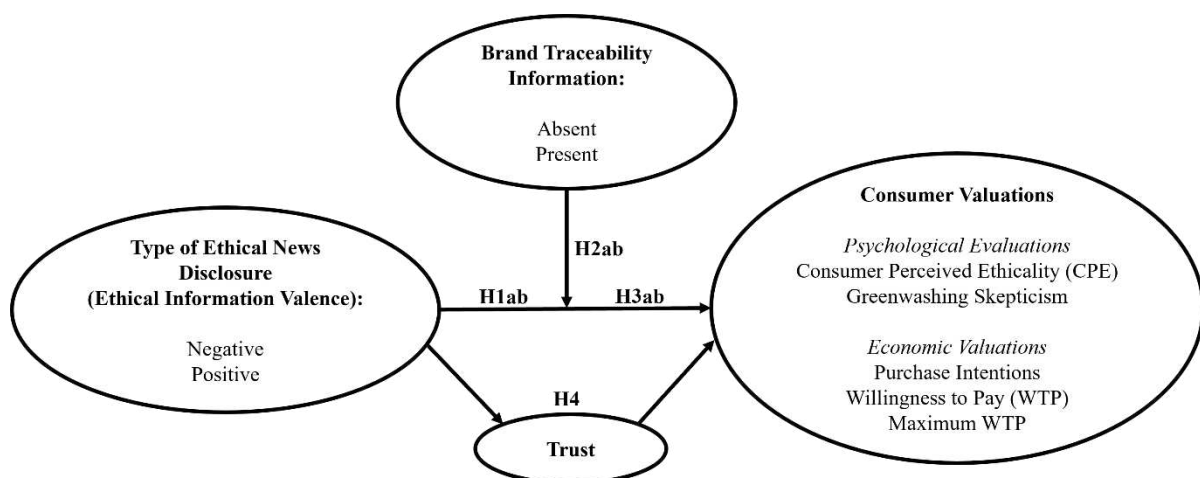


Figure 1 - Conceptual Model

4 Methodology and Data Collection

4.1 Research Method

Following a review of the theoretical foundations outlined in previous chapters, primary data was collected for the empirical analysis of this study's research questions. A quantitative experimental design consisting of a pilot study and a subsequent main study was used. An online survey was developed for both studies.

Data collection was conducted using the Qualtrics platform, which enabled randomization, controlled stimulus presentation, and automatic response validation. The data collected was exported to SPSS for statistical analysis.

The surveys were distributed via an anonymous link and shared on social media channels such as WhatsApp and Instagram. Online surveys provide efficient and cost-effective access to a large pool of respondents, allowing participants to complete the questionnaire at their own discretion, which can improve response quality (Evans & Mathur, 2005).

However, online data collection has limitations, such as the inability to ensure participants' full attention or clarify misunderstandings. To mitigate these issues, the questionnaire was designed to be clear and concise, containing only closed questions. A pilot study was conducted to ensure the comprehensibility of the ethical news, the effectiveness of the comprehensibility manipulation, and that the survey process was functioning correctly.

4.2 Sampling

In this study, a non-probability random sample was used, with participants recruited based on accessibility and willingness to participate (Malhotra, 1999).

Convenience sampling is frequently employed in exploratory and experimental research, as it facilitates efficient data collection while addressing practical considerations (Dörnyei, 2007; Etikan, 2016).

To ensure transparency and encourage honest participation, respondents were informed that their participation was voluntary and that their responses would be anonymous. They were also informed that the study involved a single experimental stimulus, which helped to manage their expectations prior to participation.

4.3 Research Instruments

As mentioned above, the empirical work comprised two consecutive research instruments: a pilot study and a main experiment.

4.3.1 Pilot Study

Before the main study began, a pilot study was conducted to ensure that the experimental manipulations and survey procedure worked as intended. A total of 32 participants took part in the pilot study. These individuals were all excluded from the subsequent main study to avoid a familiarization effect.

The pilot study aimed to ensure that respondents clearly understood the manipulation of the ethical news and traceability information, and the wording of all scale items. Descriptive analyses showed that participants had a high level of awareness of and familiarity with the ArmedAngels stimulus brand, confirming its suitability for the experiment.

To assess the manipulation of ethical news, the responses of participants to two manipulation check questions were analyzed: perceived responsibility towards environmental and social issues, and perceived sustainability performance. As shown in Table 1, the manipulation check questions revealed that perceptions of environmental and social responsibility were significantly lower in the negative news condition ($M_{\text{negative news}} = 2.12$, $SD = .86$) compared to the positive news condition ($M_{\text{positive news}} = 6.00$, $SD = 1.41$; $t(30) = -9.52$, $p < .001$). A similar pattern emerged for sustainability performance ratings: participants exposed to negative news provided lower sustainability ratings than those exposed to positive news condition ($M_{\text{negative news}} = 2.12$, $SD = .86$ vs. $M_{\text{positive news}} = 6.00$, $SD = 1.41$; $t(30) = -9.52$, $p < .001$). Both results indicate that respondents clearly differentiated between negative and positive ethical news, as intended.

	Negative News		Positive News		<i>t-test</i>
	Mean	SD	Mean	SD	
Perceived Responsibility toward Environmental and Social Issues	2.12	0.86	6.00	1.41	-9.52***
Perceived Sustainability Performance	2.12	0.86	6.00	1.41	-9.52***

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 1 - Independent T-test of Type of Ethical News Disclosure (Manipulation Check Results Pilot Study)

To assess the feasibility of manipulating blockchain traceability information, responses to manipulation check questions relating to perceived traceability and transparency of production and sourcing practices were analyzed and compared across conditions. As shown in Table 2, participants in the traceability information condition reported higher perceived traceability than those in the condition where no information about blockchain traceability was provided ($M_{\text{traceability information present}} = 6.47$, $SD = .51$ vs. $M_{\text{traceability information absent}} = 1.40$, $SD = .51$), ($t(30) = -28.01$, $p < .001$). Similar results were observed for transparency perceptions: respondents rated the brand as more transparent when traceability information was present than when it was absent ($M_{\text{traceability information present}} = 6.35$, $SD = .70$ vs. $M_{\text{traceability information absent}} = 1.47$, $SD = .52$); ($t(30) = -22.17$, $p < .001$). These results demonstrate that the manipulation of traceability information successfully conveyed higher levels of transparency and supply-chain visibility, as intended.

	Absent		Present		<i>t-test</i>
	Mean	SD	Mean	SD	
Perceived Traceability Information	1.40	0.51	6.47	0.51	-28.01***
Transparency about Production Processes and Sourcing Practices	1.47	0.52	6.35	0.70	-22.17***

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 2 - Independent T-test of Brand Traceability Information (Manipulation Check Results Pilot Study)

Overall, the pilot study confirmed that the questionnaire was clear and that both manipulations were functioning correctly. As no major issues emerged, only minor refinements to the wording were implemented before launching the main study. Full documentation of the pilot study, including all tables and visuals, can be found in Appendix 1.

4.3.2 Main Study

The main study (see Appendix 2) was conducted using the finalized Qualtrics survey, which was distributed online via social media platforms, personal networks and email outreach. Participation was voluntary and anonymous. The data collection period ran from 21st to 28th November.

A total of 167 responses were collected, and all cases were considered for analysis as every participant completed the questionnaire in full. This contrasts with typical dropout patterns in online experiments (Reips, 2002). As there were no incomplete or invalid responses, no cases needed to be excluded during data cleansing.

Participants were randomly assigned to one of the four experimental conditions in a 2 x 2 between-subjects design. The target sample size for the main study was approximately 50 valid responses per condition, following methodological recommendations that highlight the importance of sufficiently large and balanced cell sizes for statistical power, internal validity, and the reliable estimation of interaction effects (Maxwell et al., 2017; Saunders et al., 2015). The final sample ($N = 167$), corresponding to about 40 participants per condition, provides adequate statistical power for the planned analyses and maintains strong internal validity due to the controlled experimental design and the manipulations' strength, confirmed in the pilot study.

This adjusted dataset was then used for all hypothesis testing, including analyses assessing the main effects of the type of ethical news (H1 and H2), the moderating effect of traceability information (H3), and the mediating role of consumer trust (H4).

4.4 Design and Procedure

The data were collected using an online questionnaire implemented via Qualtrics. The study examined the impact of the valence of ethical news (negative versus positive) and the presence of traceability information (absent versus present) on consumers' brand valuations. These valuations included CPE, greenwashing skepticism, purchase intentions, WTP, Max WTP, and consumer trust.

The main study employed a 2 (Type of Ethical News Disclosure: negative vs. positive) × 2 (Traceability information: absent vs. present) between-subjects design, with participants being randomly assigned to one of four conditions (see Table 3).

Manipulations	Traceability Signal		Type of Ethical News	
	Absent	Present	Positive	Negative
Manipulation 1	X			X
Manipulation 2	X		X	
Manipulation 3		X		X
Manipulation 4		X	X	

Table 3 - Manipulation Scenarios

In the first section, the study was introduced to participants, who were then introduced to the slow-fashion brand ArmedAngels. Before the manipulation, respondents were asked to indicate whether they were familiar with the brand, in order to ensure that their baseline perceptions were appropriate for the experiment.

In the second section, participants were presented with an Instagram post from CNN containing either positive or negative ethical news, with either missing or existing information about the brand's traceability. The ethical news manipulation included a positive information that highlighted responsible practices, or a negative information that reported ethical shortcomings. At the same time, the traceability information manipulation was presented visually within the same post. Depending on the condition to which they had been assigned, the post either included a detailed visualization of traceability in the supply chain or omitted any traceability information.

Each participant was therefore exposed to one of the four stimulus versions in full: negative information without traceability information, negative information with traceability information, positive information without traceability information, or positive information with traceability information. This enabled the main and interaction effects of information valence and traceability cues to be evaluated.

In the third section, participants rated the brand on all dependent variables after viewing the stimulus assigned to them. Since both manipulations were integrated into a single exposure, all dependent measures were collected once, immediately after the stimulus presentation. This ensured that the responses reflected the participants' immediate interpretation of the combined cues.

In the fourth and final section, participants provided demographic information, including their gender, age, country of residence, level of education, current occupation and monthly income. Upon completing the survey, participants were thanked for their participation.

The design of the study ensured that all respondents were consistently exposed to the manipulations while their perceptions were captured consistently and sequentially in a manner that was consistent with the study's hypotheses regarding information valence, traceability information and consumer judgement.

4.5 Stimuli Development

Four social media stimuli were created to operationalize the two experimental factors. These were designed to resemble today's short news communication and were attributed to CNN to ensure high ecological validity. All visual materials were developed to appear realistic, consistent and professionally produced.

The value of the ethical news was manipulated solely through the written content of the piece. The positive versions expressed appreciation for the brand's ethical practices, while the negative versions criticized the brand for its ethical shortcomings. Importantly, there were no differences between valence conditions for the visual elements.

The manipulation of traceability information was visually embedded. In the conditions with traceability, a visualization of supply chain traceability was added to the post, while in the conditions without traceability this element was omitted. Apart from this manipulation, all posts were identical in terms of layout, color scheme, typography, image composition and amount of text to avoid any distracting effect.

A visual overview of all four stimulus versions can be found in the Appendix 3. This illustrates the consistent structure across conditions and the elements specific to each manipulation in terms of ethical news valence and traceability information.

The stimuli were pre-tested in a pilot study to confirm that participants perceived the manipulations (ethical news valence and traceability information) correctly. The results of the pilot study indicated that the intended differences were recognized as expected and that the materials were suitable for use in the main experiment.

4.6 Variables Description

4.6.1 Manipulation Check

To ensure that the two experimental manipulations were interpreted as intended, the questionnaire contained four items designed to test them. After viewing their assigned stimulus, respondents rated their perception of the ethical news and traceability information cues embedded in the social media post. All items controlling for manipulation were rated on a 7-point Likert scale (1 = strongly disagree; 7 = strongly agree).

Two items assessed whether participants correctly rated the value of the ethical news as positive or negative:” The post gives the impression that the brand deals responsibly with environmental and social issues; The information in the information suggests that the brand's sustainability performance is positive.”

Additionally, two items assessed whether participants perceived the traceability information: “The brand featured in the post provides detailed information about the traceability of its supply chain; The brand appears to be transparent about its production processes and sourcing practices.”

These items served as manipulation checks to verify that both the ethical messaging and traceability manipulations were perceived as intended.

4.6.2 Independent Variable

Ethical news disclosure

Was manipulated, and the information provided was either positive or negative, thereby distinguishing the valence of the ethical content portrayed in the stimulus. Depending on the condition to which they were assigned, participants either saw information emphasizing ethical shortcomings or information praising responsible practices.

Moderator

Traceability information

Was also manipulated and varied according to the type of information provided: participants were either exposed to information about blockchain-based traceability and the product's journey or received no traceability-related information.

Both the independent and moderator variables were therefore experimentally manipulated by randomly assigning participants to one of four stimulus formats, each representing a unique combination of news valence and presence of traceability information.

4.6.3 Dependent Variables

All dependent variables were measured using multilevel scales adapted from the literature. Unless stated otherwise, items were rated on a 7-point Likert scale (1 = strongly disagree; 7 = strongly agree). A brief description of each construct can be found below; the complete scales can be found in Appendix 2.

CPE

The perceived ethical quality of the brand was measured using a scale developed by Brunk (2012). Participants were asked to rate statements such as 'ArmedAngels respects moral standards' and 'ArmedAngels avoids harmful behavior at all costs', which captured broader assessments of moral behavior, legality and responsible business conduct.

Greenwashing Skepticism

Skepticism towards sustainability claims was measured using items adapted from Kang and Hustvedt (2014). Statements such as 'Most of ArmedAngels sustainability claims appear to be potentially misleading' assessed the extent to which participants doubted the environmental credibility of the brand.

Purchase Intentions

The likelihood of consumers buying from the brand was assessed using the scale developed by Dodds, Monroe and Grewal (1991). Participants were asked to rate their intention to consider, select and purchase ArmedAngels products (e.g. 'I would consider buying ArmedAngels products').

WTP

WTP was measured using a three-item, attitude-based WTP scale according to Homburg, Kroschate, and Hoyer (2005), such as: 'I am willing to pay a higher price for ArmedAngels.' products').

Max WTP

Participants indicated the maximum amount in euros they would be willing to pay for an ArmedAngels denim item using a sliding scale (0–200 €), which enabled estimation of a behavioral price premium.

Through this manipulation, it was possible to analyze whether ethical news is interpreted by consumers differently depending on the influence of traceability cues, which is central to the hypotheses.

Mediator

Consumer Trust

Trust in the brand was assessed using items adapted from Chaudhuri and Holbrook (2001). Participants were asked to indicate their level of agreement with statements such as 'I trust ArmedAngels' and 'ArmedAngels is reliable', reflecting trust in the brand's honesty, reliability and ability to fulfil promises.

4.6.4 Variables Code

To facilitate data preparation and statistical analysis, all manipulated and computed variables were coded numerically in the dataset. The coding follows directly from the conceptual definitions described in Section 4.6.2.

Both the independent and moderator variables were coded as follows:

Type of Ethical News Disclosure

- 0 = Negative ethical news
- 1 = Positive ethical news

Brand Traceability Information

- 0 = Traceability absent

- 1 = Traceability present

All dependent variables (CPE, trust, greenwashing skepticism, purchase intentions, WTP and Max WTP) were calculated as mean indices of their respective multi-item scales, as described in section 4.6.3. The one-item slider for Max WTP remained in its original metric format (€0-200).

Table 4 provides an overview of the full variable coding structure applied in the dataset and used for the analyses reported in Chapter 5.

Independent Variables	Values
Brand Traceability Information	0 = Absent; 1 = Present
Type of Ethical News Disclosure	0 = Negative News ; 1 = Positive News

Table 4 - Independent Variables Re-coded

5 Analysis and Results

This chapter presents analyses of the data collected in the main study and reports the resulting empirical findings. Firstly, the sample is described in order to provide an overview of the demographic profile of the respondents. Next, an assessment of the internal consistency of all multilevel scales used in the experiment is provided. The manipulation checks are then examined to determine whether participants correctly perceived the two manipulated factors: the ethical valence of the information and the presence or absence of traceability information. Finally, the chapter addresses the hypothesis tests, including the main, moderation, and mediation effects proposed in the conceptual framework.

5.1 Sample Characteristics

At the end of the main survey, participants were asked a series of demographic questions in order to obtain a clear profile of the final sample (see Appendix 2). After screening the data and removing incomplete or invalid responses, the final sample consisted of 167 participants. In terms of gender distribution, 65.3% of the sample were female, 31.7% were male, 1.8% identified as non-binary/other and 1.2% preferred not to specify. In terms of age, most

participants were aged 25–34 (52.1%), followed by 18–24 (21.6%), 35–44 (14.4%) and 45–54 (7.2%). Only 4.8% of respondents were aged 55 or over.

Most participants were from Germany (83.8%), while the remaining 16.2% were from Austria, Portugal, the United States, Switzerland, Canada, Sweden, Mexico, Latvia, Ukraine, Australia, Ghana and the United Kingdom.

Regarding education level, 23.4% of respondents said they had completed high school; 40.7% had a bachelor's degree; 29.3% had a master's degree; and 5.4% had a doctorate or other professional degree. Only 1.2% indicated that their highest level of education was below high school level.

Regarding current employment status, 41.9% of participants were employed full-time, 27.5% were students, 18.6% were self-employed and 9.0% were either students or part-time employees. Meanwhile, 2.9% were unemployed or retired.

Finally, participants reported their annual household income. 16.2% reported an income of less than €10,000; 10.8%, between €10,000 and €19,999; 9.0%, between €20,000 and €29,999; and 7.8%, between €30,000 and €39,999. Additionally, 15.0% reported an annual income of over €100,000, while 11.4% chose not to disclose their income (see Appendix 4).

5.2 Scales Reliability

Although all the multi-item scales used in this study were taken from established literature, it was important to examine their internal consistency within the context of this experiment. To ensure the reliability of the psychological and economic constructs included in the conceptual model, factor analyses and reliability assessments were conducted for all dependent variables measured with three or more items. Variables measured with a single slider item (Max WTP) were excluded from these tests.

A principal component analysis with varimax rotation was performed for each construct. The analyses consistently revealed a unidimensional factor structure for all psychological and economic measures central to the study, including CPE, trust, greenwashing skepticism, purchase intentions, and WTP. All items loaded strongly on a single component, confirming the conceptual coherence of each scale. For CPE, item loadings ranged from .864 to .923; for trust, from .940 to .960; for greenwashing skepticism from .927 to .948; for purchase intentions, from .938 to .953; and for WTP, from .847 to .928. None of the scales exhibited problematic cross-loadings or items with insufficient factor loadings, indicating that item removal was not necessary (see Table 5).

DV's	Number of Items	Lowest Loading	Highest Loading	Factor Structure
CPE	5	.864	.923	1 factor
Trust	6	.940	.960	1 factor
Greenwashing Skepticism	3	.927	.948	1 factor
Purchase Intentions	3	.938	.953	1 factor
WTP	3	.847	.928	1 factor

Table 5 - Factor Analysis All DV's

Following the factor analysis, internal consistency was assessed using Cronbach's alpha. All constructs exhibited excellent reliability, clearly exceeding the recommended threshold of $\alpha = .70$. The values were as follows: CPE $\alpha = .931$, trust $\alpha = .978$, greenwashing skepticism $\alpha = .928$, purchase intentions $\alpha = .938$, and WTP $\alpha = .875$. According to DeVellis (1991), values in the range .80–.90 indicate very good reliability, and values above .90 indicate excellent internal consistency. All scales in this study therefore fulfil or exceed these criteria, as can be seen in Table 6.

DV's	Initial number of Items	Cronbach's Alpha	Alpha if Item Deleted	Items Deleted
CPE	5	.931	-	0
Trust	6	.978	-	0
Greenwashing Skepticism	3	.928	-	0
Purchase Intentions	3	.938	-	0
WTP	3	.875	-	0

Table 6 - Reliability Analysis All DV's (Cronbach's Alpha)

Reviewing the 'Alpha if Item Deleted' statistics confirmed that removing items would not improve the reliability of any of the constructs. Therefore, all items were retained in their original form.

Given the demonstrated unidimensionality and high reliability of all scales, composite variables were calculated by averaging the items for each construct. After, mean indices were created and used in all subsequent analyses. Overall, the results of the factor analyses and

reliability tests confirm that all the psychological and economic constructs measuring consumers valuations of the presented brand were measured with high internal consistency, providing a solid basis for the hypothesis tests in the following sections.

5.3 Manipulation Check Results

Independent-samples *t*-tests revealed significant mean differences for all manipulation check variables, indicating that the manipulations were effective and clearly discernible to the participants.

To test whether the manipulations were perceived as intended with respect to ethical news disclosure and blockchain traceability, independent-samples *t*-tests were conducted for all manipulation-check variables. The results confirmed that participants clearly differentiated between the experimental conditions for all four manipulation checks.

Ethical News Disclosure Manipulation

Participants exposed to negative ethical news rated the brand as significantly less responsible in relation to environmental and social issues ($M_{\text{negative news}} = 3.54$, $SD = 1.93$) compared to participants in the positive news condition ($M_{\text{positive news}} = 5.39$, $SD = 1.57$; $t(165) = -6.80$, $p < .001$). A similar pattern emerged for perceived sustainability performance: respondents in the negative news condition provided substantially lower evaluations than those in the positive news condition ($M_{\text{negative news}} = 3.33$, $SD = 2.01$) ($M_{\text{positive news}} = 5.62$, $SD = 1.44$; $t(165) = -8.50$, $p < .001$). These results demonstrate that the manipulation of the ethical news was successful as shown in Table 7.

	Negative News		Positive News		<i>t</i> -test
	Mean	SD	Mean	SD	
Perceived Responsibility toward Environmental and Social Issues	3.54	1.93	5.39	1.57	-6.80***
Perceived Sustainability Performance	3.33	2.01	5.62	1.44	-8.50***

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 7 - Independent T-test Type of Ethical News Disclosure (Manipulation Check Results Main Study)

Traceability Information Manipulation

The blockchain traceability manipulation also worked as expected. This is shown in Table 8. Participants in the 'blockchain absent' condition reported a significantly lower level of perceived traceability information ($M_{\text{traceability information absent}} = 2.77$, $SD = 1.72$) compared to participants in the blockchain-present condition ($M_{\text{traceability information present}} = 5.19$, $SD = 1.66$; $t(165) = -9.21$, $p < .001$). Perceived transparency of production and sourcing processes showed the same pattern: The traceability information in the absent condition received lower ratings than in the present condition. ($M_{\text{transparency information absent}} = 3.22$, $SD = 1.82$) ($M_{\text{transparency information present}} = 5.13$, $SD = 1.60$; $t(165) = -7.16$, $p < .001$).

	Absent		Present		<i>t-test</i>
	Mean	SD	Mean	SD	
Perceived Traceability Information	2.77	1.72	5.19	1.66	-9.21***
Transparency about Production Processes and Sourcing Practices	3.22	1.82	5.13	1.60	-7.16***

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 8 – Independent T-test of Brand Traceability Information (Manipulation Check Results Main Study)

All manipulation checks revealed large, highly significant mean differences, indicating that participants clearly perceived and discriminated the ethical and traceability information embedded in the experimental stimuli. Therefore, both manipulations can be considered successful and suitable for testing the subsequent hypotheses.

5.4 Main Results

5.4.1 The Effect of Ethical News Disclosure on Consumers' Brand Valuations

H1: The type of ethical news disclosure about a slow-fashion brand will influence consumers' brand valuations, with positive ethical news exerting a stronger positive impact than negative ethical news has a negative effect, such that:

H1a: Positive (vs. negative) ethical news will lead to more favorable psychological evaluations, reflected in higher CPE and lower greenwashing skepticism.

H1b: Positive (vs. negative) ethical news will lead to more favorable economic valuations, reflected in higher purchase intentions, higher WTP, and a higher Max WTP.

To test the first set of hypotheses, a one-way multivariate analysis of variance (MANOVA) was conducted to examine consumers' brand valuations under positive versus negative ethical news conditions.

The results revealed a significant main effect of ethical news valence across all psychological outcome measures. Participants who received positive ethical news rated the brand significantly more favorably across all indicators. Specifically, those who received positive ethical news reported significantly higher CPE ($M_{\text{positive news}} = 5.25$, $SD = 1.02$) than participants in the negative news condition ($M_{\text{negative news}} = 4.10$, $SD = 1.19$; $F(1,165) = 44.65$, $p < .001$), indicating that positive ethical news significantly improves perceptions of responsible and moral brand behavior. Additionally, greenwashing skepticism was significantly lower when participants viewed positive ethical news ($M_{\text{positive news}} = 3.45$, $SD = 1.63$) than when they viewed negative news ($M_{\text{negative news}} = 4.79$, $SD = 1.41$; $F(1,165) = 31.98$, $p < .001$), indicating that positive ethical news diminishes distrust in the credibility of the brand's sustainability claims. Taken together, these results strongly support H1a, indicating that psychological evaluations are significantly more positive when ethical news is positive rather than negative (see Tables 9 and 10).

Dependent Variable	Type of Ethical News Disclosure	Mean	Std. Deviation	N
CPE	Negative	4.10	1.19	82
	Positive	5.25	1.02	85
Greenwashing Skepticism	Negative	4.79	1.41	82
	Positive	3.45	1.63	85

Table 9 - Multivariate Descriptive Statistics (Type of Ethical News Disclosure - Psychological Evaluations)

Source	Dependent Variable	<i>F</i> test
Type of Ethical News Disclosure	CPE	44.65***
	Greenwashing Skepticism	31.98***

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 10 - Multivariate Tests of Between-Subjects Effects (Type of Ethical News Disclosure - Psychological Evaluations)

In addition to these psychological results, the valence of ethical news also had a strong impact on consumers' economic valuations. Purchase intentions were significantly higher in the positive condition ($M_{\text{positive news}} = 4.95$, $SD = 1.23$) compared to the negative condition ($M_{\text{negative news}} = 3.57$, $SD = 1.40$; $F(1,165) = 45.51$, $p < .001$), suggesting that positive ethical news increases consumers' willingness to consider and choose the brand. The WTP index was also significantly higher in the positive ethical news condition ($M_{\text{positive news}} = 4.46$, $SD = 1.36$) compared to the negative condition ($M_{\text{negative news}} = 3.37$, $SD = 1.48$; $F(1,165) = 24.61$, $p < .001$), indicating that positive ethical news increases consumers' perceived monetary value of the brand. This pattern was confirmed by measuring MaxWTP: Participants exposed to positive ethical news also reported a significantly higher maximum WTP ($M_{\text{positive news}} = 107.31$ €, $SD = 40.85$) than those exposed to negative news ($M_{\text{negative news}} = 87.10$ €, $SD = 42.61$; $F(1,165) = 9.98$, $p = .01$), indicating that positive ethical news leads to a substantial price premium that consumers are willing to pay. Taken together, the results strongly support H1b. They confirm that positive ethical news improves not only attitudinal judgements, but also CPE and WTP (see Table 11 and 12).

Dependent Variable	Type of Ethical News Disclosure	Mean	Std. Deviation	N
Purchase Intentions	Negative	3.57	1.40	82
	Positive	4.95	1.23	85
WTP	Negative	3.37	1.48	82
	Positive	4.46	1.36	85
Max WTP	Negative	87.10 €	42.61	82
	Positive	107.31 €	40.85	85

Table 11 - Multivariate Descriptive Statistics (Type of Ethical News Disclosure - Economic Valuations)

Source	Dependent Variable	F test
Type of Ethical News Disclosure	Purchase Intentions	45.51***
	WTP	24.61***
	Max WTP	9.98**

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 12 - Multivariate Tests of Between-Subjects Effects (Type of Ethical News Disclosure - Economic Valuations)

Overall, the MANOVA results provide clear and consistent support for hypotheses H1a and H1b. Positive ethical news leads to significantly more favorable psychological evaluations, as reflected in higher CPE and lower greenwashing skepticism. It also leads to more favorable economic evaluations, including stronger purchase intentions and a higher WTP. Notably, the magnitude of these effects indicates that positive ethical news has a greater impact on consumer evaluations than negative information. This asymmetry is consistent with theoretical perspectives on sustainability and slow fashion, which suggest that consumers reward brands for moral and prosocial behavior more than they penalize them for ethical shortcomings (Nickerson et al., 2022). Taken together, positive ethical news are highly influential, increasing consumers' moral, cognitive, and economic evaluations of the brand and emphasizing their central role in shaping these evaluations.

5.4.2 The Effect of Traceability information on Consumers' Brand Valuations

H2: The presence (vs. absence) of traceability information will positively influence consumers' brand valuations, such that:

H2a: Providing traceability information will lead to more favorable psychological evaluations, reflected in higher CPE and lower greenwashing skepticism toward the brand.

H2b: Providing traceability information will lead to more favorable economic evaluations, reflected in higher purchase intentions, higher WTP, and a higher Max WTP for the brand.

To test the second set of hypotheses, a one-way MANOVA was again conducted to examine the impact of traceability information on: CPE, greenwashing skepticism, purchase intentions, WTP index, and Max WTP. The MANOVA revealed a statistically significant multivariate effect of traceability (Pillai's Trace = .109, $F(5,161) = 3.93$, $p \leq .01$), indicating that traceability information influenced participants' overall evaluations.

Despite the significant overall effect, univariate tests revealed no significant differences in psychological ratings between conditions (see Tables 13 and 14). Neither CPE nor greenwashing skepticism had a significant effect (all $p_s > .30$). These results suggest that traceability information did not significantly influence consumers' moral or credibility judgements, thus not supporting H2a.

Dependent Variable	Brand Traceability Information	Mean	Std. Deviation	N
CPE	Absent	4.59	1.26	87
	Present	4.79	1.23	80
Greenwashing Skepticism	Absent	4.01	1.61	87
	Present	4.22	1.73	80

Table 13 - Multivariate Descriptive Statistics (Brand Traceability Information - Psychological Evaluations)

Source	Dependent Variable	<i>F</i> test
Brand Traceability Information	CPE	1.07
	Greenwashing Skepticism	0.66

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 14 - Multivariate Tests of Between-Subjects Effects (Brand Traceability Information - Psychological Evaluations)

When examining the economic valuations related to purchase intention, WTP and Max WTP, a different pattern of results emerged (see Tables 15 and 16). A significant main effect was observed for Max WTP: when traceability information was present compared to when it was absent, a significantly higher Max WTP was obtained ($M_{\text{traceability information present}} = 105.19 \text{ €}$, $SD = 43.76$ vs. $M_{\text{traceability information absent}} = 90.21 \text{ €}$, $SD = 40.86$), $F(1,165) = 5.23$, $p < .05$. For the WTP index, a marginally significant effect was observed, indicating a slightly higher WTP when traceability information was present, than when it was absent ($M_{\text{traceability information absent}} = 3.75$ vs. $M_{\text{traceability information present}} = 4.13$; $F(1,165) = 2.62$, $p = .1$). Yet, purchase intentions did not differ significantly between conditions. Participants exposed to traceability information reported similar purchase intentions ($M_{\text{traceability information present}} = 4.23$, $SD = 1.53$) compared to those in the absence condition ($M_{\text{traceability information absent}} = 4.32$, $SD = 1.45$; $F(1, 165) = 0.15$, $p = .70$). Taken together, these findings indicate that traceability information primarily enhances consumers' perceived monetary value of the product, while leaving broader purchase intentions unaffected. Thus, H2b is partially supported.

Dependent Variable	Brand Traceability Information	Mean	Std. Deviation	N
Purchase Intentions	Absent	4.32	1.45	87
	Present	4.23	1.53	80
WTP	Absent	3.75	1.46	87
	Present	4.13	1.56	80
Max WTP	Absent	90.21 €	40.86	87
	Present	105.19 €	43.76	80

Table 15 - Multivariate Descriptive Statistics (Brand Traceability Information - Economic Valuations)

Source	Dependent Variable	F test
Brand Traceability Information	Purchase Intentions	0.15
	WTP	2.62+
	Max WTP	5.23*

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 16 - Multivariate Tests of Between-Subjects Effects (Brand Traceability Information - Economic Valuations)

While blockchain-based traceability did not improve psychological evaluations it did have a positive influence on economic outcomes, particularly on WTP and Max WTP. It suggests that consumers primarily view traceability as a value-enhancing product feature or technological improvement that enhances economic value perception, rather than as a cue that strengthens moral evaluation or reduces skepticism.

5.4.3 The Moderating Role of Traceability information on Ethical News Effects

H3: Traceability information will moderate the effect of ethical news disclosure valence on brand valuations, such that its presence enhances the positive impact of favorable ethical news and lessens the negative impact of unfavorable ethical news, such that:

H3a: In the presence of traceability information, favorable (vs. unfavorable) ethical news will enhance psychological evaluations, reflected in higher (lower) CPE and lower (higher) greenwashing skepticism.

H3b: In the presence of traceability information, favorable (vs. unfavorable) ethical news will enhance economic valuations, reflected in higher purchase intentions, higher WTP, and a higher Max WTP.

To test the third set of hypotheses, a two-way MANOVA was conducted, using ethical news (negative versus positive) and traceability information (absent versus present) as between-subjects factors, to assess whether the effects of ethical news valence on all psychological and economic valuation outcomes are moderated by blockchain-based traceability. However, the multivariate results showed no significant interaction effect between ethical news valence and traceability information (Pillai's Trace = .009, $F = 0.295$, $p = .915$), suggesting that blockchain-based traceability did not moderate the effects of ethical news disclosure on psychological or economic evaluation outcomes. Concerning H3a, no significant ethical news x traceability information interaction effects were observed for all psychological outcomes, including CPE and greenwashing skepticism (all $p_s > .574$). When testing H3b, the same pattern emerged for economic valuations, namely, purchase intentions, WTP and Max WTP all showed non-significant ethical news x traceability information interaction effects (all $p_s > .64$). Taken together, these results demonstrate that the presence of blockchain-based traceability information did not significantly alter participants' responses to positive or negative ethical news, rejecting the third hypothesis.

Although the interaction effects were not statistically significant, the descriptive means showed a pattern that was directionally consistent across conditions. However, the magnitude of improvement was similar in both conditions, indicating that traceability did not significantly impact consumers' upper price expectations in response to ethical news, leading to the rejection of H3a and H3b.

Table 17 shows the descriptive means for all dependent variables across the four combinations of ethical news valence and traceability information.

Dependent Variable	Type of Ethical News Disclosure	Brand Traceability Information	Mean	Std. Deviation	<i>F test</i>
CPE	Negative	Absent	3.99	1.45	.263
		Present	4.21	.91	
	Positive	Absent	5.08	.82	
		Present	5.47	1.21	
Greenwashing Skepticism	Negative	Absent	4.74	1.57	.000
		Present	4.84	1.27	
	Positive	Absent	3.42	1.40	
		Present	3.51	1.91	
Purchase Intentions	Negative	Absent	3.50	1.50	.215
		Present	3.64	1.33	
	Positive	Absent	4.98	1.03	
		Present	4.92	1.47	
WTP	Negative	Absent	3.10	1.62	.031
		Present	3.62	1.30	
	Positive	Absent	4.27	1.08	
		Present	4.71	1.63	
Max WTP	Negative	Absent	79.03	42.17	.056
		Present	94.42	42.15	
	Positive	Absent	99.29	37.81	
		Present	117.70	42.78	

*Table 17 - Multivariate Estimated Marginal Means (Type of Ethical News Disclosure*Brand Traceability Information)*

These results also suggest that the influence of the ethical news is strong enough to stand alone, such that little additional variance can be explained by the traceability information. Ethical news produced large, consistent main effects across psychological and economic outcomes, which may have overshadowed possible interaction effects. In other words, consumers appear to base their evaluations primarily on the news' moral orientation of the news itself, and traceability information does not alter how this information is interpreted or weighted.

5.4.4 The Mediating Role of Consumer Trust in Ethical News Effects

H4: Consumer trust will mediate the effect of ethical news disclosure on consumers' brand valuations.

To test the proposed mechanism, PROCESS Model 4 (Hayes, 2018) was employed, using 5,000 bootstrap samples, to determine whether trust mediates the relationship between ethical news (negative versus positive) and consumers' valuations of the brand (see Figure 2). The following were assessed for mediation: CPE, greenwashing skepticism, purchase intentions, WTP and Max WTP.

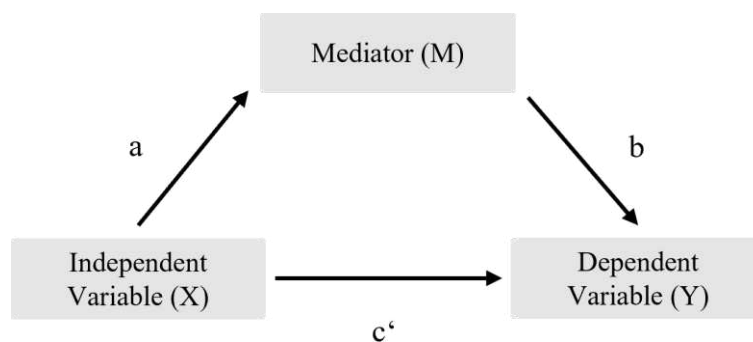


Figure 2 - PROCESS Model 4 (Hayes, 2018)

CPE

The impact of ethical news on trust was found to be significant and positive ($b = 1.45$, $SE = 0.20$, $p < .001$, 95% CI [1.05, 1.85]). In turn, trust had a strong and positive effect on consumer perceived ethicality ($b = 0.70$, $SE = 0.04$, $p < .001$, 95% CI [0.63, 0.78]). A positive and significant indirect effect of ethical news on CPE via trust was observed (indirect effect = 1.02, $BootSE = 0.18$, 95% CI [0.69, 1.38]). However, once trust was included in the model, the direct effect of ethical news on CPE was no longer significant ($b = 0.13$, $SE = 0.11$, $p = .25$, 95% CI [-0.09, 0.35]), indicating full mediation. These results suggest that ethical news influence perceived brand ethicality primarily through trust (see Table 18).

Outcome	Indirect Effects Path	Indirect Effect	Lower CI	Upper CI
1.	Type of Ethical News Disclosure → Trust	1.45***	1.05	1.85
2.	Trust → Consumer Perceived Ethicality	.70***	.63	.78
3.	Type of Ethical News Disclosure → Trust → Consumer Perceived Ethicality	1.02	.69	1.38
	Direct Effect Path	Indirect Effect	Lower CI	Upper CI
4.	Type of Ethical News Disclosure → Consumer Perceived Ethicality	.13	-.09	.35

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 18 - The mediating effect of trust between type of ethical news and CPE

Greenwashing Skepticism

The impact of ethical news on trust was again found to be significant and positive ($b = 1.45$, $SE = 0.20$, $p < .001$, 95% CI [1.05, 1.85]). Trust, in turn, had a strong negative effect on greenwashing skepticism ($b = -0.85$, $SE = 0.06$, $p < .001$, 95% CI [-0.98, -0.73]). A significant negative indirect effect of ethical news on skepticism via trust was observed (indirect effect = -1.24 , $BootSE = 0.22$, 95% CI [-1.69, -0.84]). When trust was included in the model, the direct effect of ethical news on greenwashing skepticism was not significant ($b = -0.10$, $SE = 0.19$, $p = .60$, 95% CI [-0.47, 0.27]), indicating full mediation. This suggests that ethical news reduce skepticism toward sustainability claims indirectly by increasing trust (see Table 19).

Outcome	Indirect Effects Path	Indirect Effect	Lower CI	Upper CI
1.	Type of Ethical News Disclosure → Trust	1.45***	1.05	1.85
2.	Trust → Greenwashing Skepticism	-.85***	-.98	-.73
3.	Type of Ethical News Disclosure → Trust → Greenwashing Skepticism	-1.24	-1.69	-.84
	Direct Effect Path	Indirect Effect	Lower CI	Upper CI
4.	Type of Ethical News Disclosure → Greenwashing Skepticism	-.10	-.47	.27

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 19 - The mediating effect of trust between type of ethical news and greenwashing skepticism

Purchase Intentions

Ethical news had a significant positive effect on trust ($b = 1.45$, $SE = 0.20$, $p < .001$, 95% CI [1.05, 1.85]). Trust, in turn, positively predicted purchase intentions ($b = 0.71$, $SE = 0.06$, $p < .001$, 95% CI [0.60, 0.82]). The indirect effect of ethical news on purchase intentions via trust was significant (indirect effect = 1.03, BootSE = 0.18, 95% CI [0.70, 1.40]). However, the direct effect of ethical news on purchase intentions remained significant after including trust ($b = 0.35$, $SE = 0.17$, $p = .04$, 95% CI [0.02, 0.68]), indicating partial mediation. This suggests that ethical news influence purchase intentions both indirectly through trust and directly (see Table 20).

Outcome	Indirect Effects Path	Indirect Effect	Lower CI	Upper CI
1.	Type of Ethical News Disclosure → Trust	1.45***	1.05	1.85
2.	Trust → Purchase Intentions	.71***	.60	.82
3.	Type of Ethical News Disclosure → Trust → Purchase Intentions	1.03	.70	1.40
	Direct Effect Path	Indirect Effect	Lower CI	Upper CI
4.	Type of Ethical News Disclosure → Purchase Intentions	.35	.02	.68

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 20 - The mediating effect of trust between type of ethical news and purchase intentions

WTP

The effect of ethical news on trust was again significant and positive ($b = 1.45$, $SE = 0.20$, $p < .001$, 95% CI [1.05, 1.85]). Trust exerted a strong positive influence on willingness to pay ($b = 0.71$, $SE = 0.06$, $p < .001$, 95% CI [0.58, 0.84]). A significant indirect effect of ethical news on WTP via trust was observed (indirect effect = 1.03, $BootSE = 0.20$, 95% CI [0.67, 1.44]). When trust was included in the model, the direct effect of ethical news on WTP was no longer significant ($b = 0.06$, $SE = 0.19$, $p = .76$, 95% CI [-0.32, 0.44]), indicating full mediation (see Table 21).

Outcome	Indirect Effects Path	Indirect Effect	Lower CI	Upper CI
1.	Type of Ethical News Disclosure → Trust	1.45***	1.05	1.85
2.	Trust → Willingness to Pay	.71***	.58	.84
3.	Type of Ethical News Disclosure → Trust → Willingness to Pay	1.03	.67	1.44
	Direct Effect Path	Indirect Effect	Lower CI	Upper CI
4.	Type of Ethical News Disclosure → Willingness to Pay	.06	-.32	.44

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 21 - The mediating effect of trust between type of ethical news and WTP

Max WTP

Ethical news significantly predicted trust ($b = 1.45$, $SE = 0.20$, $p < .001$, 95% CI [1.05, 1.85]). Trust had a strong positive effect on maximum willingness to pay ($b = 15.47$, $SE = 2.19$, $p < .001$, 95% CI [11.14, 19.80]). The indirect effect of ethical news on Max WTP via trust was substantial and statistically significant (indirect effect = 22.45, BootSE = 4.65, 95% CI [13.98, 32.09]). The direct effect of ethical news on Max WTP was not significant when trust was included ($b = -2.24$, $SE = 6.51$, $p = .73$, 95% CI [-15.09, 10.61]), indicating full mediation (see Table 22).

Outcome	Indirect Effects Path	Indirect Effect	Lower CI	Upper CI
1.	Type of Ethical News Disclosure → Trust	1.45***	1.05	1.85
2.	Trust → Max.Willingness to Pay	15.47***	11.14	19.80
3.	Type of Ethical News Disclosure → Trust → Max. Willingness to Pay	22.45	13.98	32.09
	Direct Effect Path	Indirect Effect	Lower CI	Upper CI
4.	Type of Ethical News Disclosure → Max. Willingness to Pay	-2.24	-15.09	10.61

Note: *** $p < .001$, ** $p < .01$, * $p < .05$, + $p \leq .1$

Table 22 - The mediating effect of trust between type of ethical news and Max WTP

Overall, the results indicate that trust mediates the relationship between ethical news disclosure and consumers' brand valuations. Full mediation was observed for CPE, greenwashing skepticism, WTP, Max WTP, and partial mediation was observed for Purchase intentions, validating hypothesis 4.

6. Discussion

This study provides insights into how ethical information and traceability cues influence consumer evaluations of slow-fashion brands. Regarding hypothesis 1, the results demonstrate that the valence of ethical news plays a central role in shaping consumer responses. Positive ethical news consistently led to more favorable psychological and economic brand evaluations, while negative ethical news resulted in uniformly lower evaluations across all outcome variables.

In relation to hypothesis 2, traceability information showed only limited effects on consumer evaluations. While traceability slightly increased WTP and Max WTP, it did not influence consumer perceived ethicality, greenwashing skepticism, or purchase intentions. These findings suggest that traceability information contributes marginally to economic value perceptions but does not substantially affect broader brand evaluations.

With respect to hypothesis 3, traceability information did not moderate the effects of ethical news disclosure. The impact of positive versus negative ethical news remained consistent regardless of whether traceability information was present or absent. Thus, ethical news alone appears to be sufficiently influential in shaping consumer judgments, and no interaction effects between ethical news and traceability information were observed.

Finally, supporting hypothesis 4, consumer trust was identified as a key psychological mechanism underlying the effects of ethical news. Overall, trust mediated the relationship between ethical news disclosure and most consumer valuation outcomes - on CPE, greenwashing skepticism, WTP, and Max WTP - while for purchase intentions it showed partial mediation, indicating that trust is a significant explanatory variable in consumer decisions involving ethical news brand disclosure.

7. Conclusions and Implications

This study investigated how consumers evaluate slow-fashion brands when exposed to ethical news of different valences, and whether the presence of traceability information alters these evaluations. Additionally, the study examined whether consumer trust functions as a key psychological mechanism through which ethical news influences both psychological and economic brand evaluations.

To answer the research questions, findings show that:

Regarding the first research question (RQ1), the findings demonstrate that the valence of ethical news disclosure has a strong and consistent influence on consumers' brand valuations in the context of slow fashion. Positive ethical news led to more favorable psychological evaluations, lower greenwashing skepticism, higher purchase intentions, and increased WTP and Max WTP. In contrast, negative ethical news systematically reduced evaluations across all outcome measures. These results indicate that consumers respond robustly to externally provided ethical news when forming judgments about slow-fashion brands.

With respect to the second research question (RQ2), the findings show that the presence of traceability information does not have a substantial direct effect on consumers' brand valuations. While traceability information slightly increased consumers' WTP and Max WTP, it did not significantly influence psychological evaluations such as CPE, greenwashing skepticism, or purchase intentions. Thus, traceability information alone appears insufficient to meaningfully shape overall brand evaluations.

Addressing the third research question (RQ3), the results indicate that traceability information does not moderate the effect of ethical news valence on consumers' brand valuations. The impact of positive versus negative ethical news remained stable regardless of whether traceability information was present or absent. This suggests that ethical news disclosures are sufficiently salient to shape consumer responses independently of additional transparency cues.

Finally, in relation to the fourth research question (RQ4), the study demonstrates that consumer trust plays a central mediating role in the relationship between ethical news disclosure and consumers' brand valuations. Ethical news valence exerted a strong influence on trust, which in turn predicted both psychological and economic evaluations. In most cases, trust fully mediated the effect of ethical news, indicating that consumers primarily translate ethical information into brand evaluations through changes in trust.

Taken together, the results highlight the pivotal role of consumer trust in the processing of ethical news within the slow-fashion context. While traceability information alone did not substantially influence consumer evaluations, ethical news disclosures had a pronounced impact by shaping trust. Trust emerged as the key psychological gateway through which ethical news is converted into perceptions of ethicality, skepticism judgments, and price-related responses. Overall, the findings suggest that in slow-fashion contexts, trust-building ethical communication is more influential than standalone traceability cues in shaping consumer brand evaluations.

7.1 Theoretical Implications

This study makes several theoretical contributions to the literature on ethical news processing, trust-building and transparency in sustainable fashion (Schnackenberg & Tomlinson, 2016). Three key contributions are made:

Firstly, this study makes a valuable contribution to existing literature on the processing of ethical news. It demonstrates that consumers respond strongly and asymmetrically to externally provided ethical news. Consistent with previous research on moral evaluations (Brunk, 2010a; Brunk & Bluemelhuber, 2010; Brunk & DeBoer, 2015), the results demonstrate that positive ethical news consistently enhance the perception of ethics, diminish greenwashing skepticism, boost purchase intentions and WTP. Conversely, negative information were found to consistently worsen these evaluations. These results confirm that external ethical news acts as a highly influential diagnostic cue. Furthermore, the findings extend ethical news processing theory by demonstrating that, in contexts where responsible behavior is anticipated, positive ethical disclosures can be as effective as, or even more effective than, negative ones (Markovic et al., 2018).

Secondly, this study makes a significant contribution to trust research by providing empirical evidence that trust is the primary psychological mechanism through which ethical news influences attitudes and economic responses. Building upon theoretical models which conceptualize trust as a cognitive heuristic for evaluating ethical claims (Chaudhuri & Holbrook, 2001; Castaldo et al., 2009; Singh et al., 2012), the findings demonstrate that trust completely mediates the impact of ethical news valence on CPE, greenwashing skepticism and WTP. Purchase intentions show only partial mediation, suggesting that ethical news may elicit an additional direct motivational response. By demonstrating mediation in both attitudinal and monetary outcomes, the study extends theoretical models that position trust as a central cognitive filter through which consumers interpret ethical news in the context of sustainable consumption.

Thirdly, the study challenges common assumptions in transparency and traceability literature by demonstrating that presenting traceability information does not directly influence consumer ratings or diminish the effectiveness of ethical news. While previous studies have suggested that traceability technologies, such as blockchain, can enhance credibility and sustainability ratings (Sunny et al., 2020; Vázquez Meléndez et al., 2024; Testa et al., 2020), the current findings indicate that traceability information, when presented in the tested format, neither enhances psychological outcomes nor shields consumers from negative ethical news. These results impose significant limitations on transparency theory and imply that the effectiveness of traceability may hinge on consumer knowledge, the interpretability of information, or stronger narrative embedding. Therefore, the study highlights ethical news

as the primary factor influencing consumer evaluations in the slow fashion sector, rather than technological traceability.

Taken together, these contributions enhance our understanding of how consumers interpret ethical news. They highlight the key role of trust in consumer valuations and add important nuances to the existing transparency and traceability frameworks within sustainable fashion research. Overall, this improves our understanding of how consumers evaluate ethical claims in the context of slow fashion by integrating ethical newsworthiness, traceability, and trust into a single explanatory model.

7.2 Managerial Implications

This study provides several strategic implications for companies operating in the slow fashion sector and for brands whose value proposition is based on ethical behavior and credible sustainability communication. The results reveal three key strategic insights, each of which can be translated into concrete measures:

The first conclusion concerns the central role of ethical news in shaping brand evaluations. The results demonstrate that external ethical news, whether positive or negative, exerts a significant and consistent influence on consumer perceptions and economic responses. This means that, for companies, ethical behavior cannot be controlled through internal communication or selective storytelling alone. Instead, they must recognize that ethical news from external sources acts as an uncontrollable yet highly influential touchpoint. Consequently, companies should invest in robust ethical governance structures, transparent reporting systems, and proactive stakeholder communication. This will ensure that positive developments are visible and credible while potential risks are identified and addressed early on, before they develop into negative news cycles. Therefore, ethical consistency is not only a moral objective but also a strategic prerequisite for protecting and improving economic outcomes.

A second conclusion can be drawn from the finding that traceability information, in the tested format, had no significant impact on consumer ratings. This result should be interpreted in light of the fact that traceability systems are still in relatively early stages of implementation across the fashion industry. While many brands are increasingly investing in technological transparency tools, these systems are often driven by regulatory compliance rather than by consumer-oriented communication strategies. In this context, upcoming regulations such as

the Ecodesign for Sustainable Products Regulation (ESPR) are pushing brands to provide more detailed product-level information, including data on materials, suppliers, and production processes. However, regulatory compliance does not necessarily translate into consumer relevance.

In practice, traceability information is already frequently available on brand websites, either embedded within product descriptions (e.g., material composition and supplier information) or, in some cases, through digital tokens or QR codes that allow consumers to track a product's journey. However, these formats are not yet standardized, widely understood, or actively used by consumers during purchase decisions. As a result, traceability information may currently be perceived as a technical or compliance-driven feature rather than as meaningful ethical information.

Therefore, companies should avoid treating traceability technologies as standalone reputation-enhancing tools. Instead, traceability initiatives should be embedded within broader transparency and communication strategies that clearly explain the relevance, credibility, and ethical implications of the disclosed information. Without such contextualization, even advanced traceability systems may fail to influence consumer perceptions or mitigate negative reactions.

8. Limitations and Future Research

This study provides valuable insights into how consumers evaluate slow fashion brands in terms of ethical news disclosure, trust-building, and traceability. However, there are some limitations to consider. These limitations do not affect the validity of the results, but rather highlight important areas for future research to build upon.

The first limitation relates to the sampling approach and the demographic composition of the dataset. While the study's non-probabilistic random sample allowed for effective experimental control, it also limited the generalizability of the results to broader populations (Ilieva et al., 2002). Future research would benefit from using probability-based or stratified sampling methods to investigate whether the effects of ethical news valence and trust are replicated across different age groups, income levels, cultural contexts and consumer segments with varying degrees of commitment to sustainability. Cross-cultural comparisons, in particular, represent a promising avenue, as previous work suggests that the interpretation of ethical cues and trust formation may be shaped by socio-cultural values (Hofstede, 2001;

Triandis, 2008). Such studies would help determine whether the dominance of ethical news valence and the mediating role of trust are universal or culturally determined.

A second limitation stems from the stimulus material and how traceability information was operationalized. The study used a single, static format for visualizing traceability information, which was embedded in a CNN-style news report. While this approach strengthens internal validity, it limits conclusions about traceability communication more broadly. Previous research suggests that the credibility of traceability cues may vary depending on the format, interactivity and degree of third-party verification (Testa et al., 2020; Sunny et al., 2020). Therefore, future studies should investigate whether alternative formats, such as interactive visualizations of the supply chain, QR code-based claims, narrative provenance claims, or external safety symbols, have a stronger effect on building trust and ethical evaluations than the format used in the present experiment.

A third limitation is the exclusive focus on slow fashion brands and sustainability-oriented consumption contexts. As slow fashion is inherently associated with strong ethical expectations, ethical news may play a comparatively greater role than in industries where sustainability considerations are less prominent. Previous research suggests that the relevance of ethical cues varies by product category and level of moral commitment (Auger & Devinney, 2007; White et al., 2019). Therefore, future research could investigate whether the dominance of ethical news valence and the limited impact of traceability information also occurs in sectors such as mainstream fashion, fast fashion, food, cosmetics and consumer electronics, where ethical expectations may be lower or more ambiguous.

A further limitation concerns the psychological scope of the conceptual model. Although trust was identified as a key mediator, other psychological factors such as moral identity (Aquino & Reed, 2002), skepticism (Obermiller & Spangenberg, 1998), perceived authenticity (Napoli et al., 2014) and reactance (Brehm, 1966) could also influence how consumers process ethical news. Future research could incorporate these constructs in order to develop a more comprehensive theoretical framework explaining why some consumers are more resistant than others to negative ethical news or rely more heavily on traceability cues.

Finally, the study examined ratings immediately after exposure in a controlled, experimental survey setting. Although this design permits strong causal inferences, it does not capture

long-term behavioral effects, repeated exposure or the dynamics of trust erosion and recovery. Previous research has demonstrated that trust and ethical reputation recovery processes evolve over time, potentially depending on repeated communication or consistent ethical performance (Kim et al., 2004; Gillespie & Dietz, 2009). Therefore, longitudinal studies, field experiments, or designs involving repeated exposure to ethical news could provide valuable insights into how ethical perceptions develop, how trust can be rebuilt after unethical behavior, and whether traceability systems contribute to long-term loyalty when embedded in broader communication strategies.

Taken together, these limitations suggest several promising avenues for future research. Exploring these possibilities could improve our understanding of how consumers interpret ethical and transparency-related information, how trust develops and deteriorates over time, and the conditions under which traceability information can effectively strengthen ethical brand evaluations.

9. Appendices

Appendix 1: Survey Pilot Study

Block 1: Introduction

Welcome, and thank you for taking part in this study!

This study is part of my Master's thesis at the Católica Lisbon School of Business & Economics. I am conducting academic research on fashion e-commerce.

The survey contains a small number of short questions and takes approximately 5 minutes to complete.

Your participation is entirely voluntary and anonymous. No personal data will be collected, and all responses will be treated confidentially and used solely for academic research purposes. You may exit the survey at any time without any consequences.

If you have any questions about the study, you may contact me at s-hdeckert@ucp.pt.

By continuing, you confirm that you have read this information and agree to participate. Thank you for your time and insights!

Block 2: Confirmation and Consent

Q2 I confirm that I am 18 years or older, have read the information above, and agree to participate.

- I hereby confirm that I am 18 years of age or over

Q3 Next, you will see a social media post from "CNN" reporting on a new clothing line by a fashion brand. After viewing the post, you will be asked a few questions about your impressions and intentions as a potential buyer. Please read the information carefully. Your answers should reflect your personal opinion – there are no right or wrong responses.

Block 3: Manipulations (Randomized)

Familiarity

Q4, 6, 8, 10 On a scale from 1 (not familiar at all) to 7 (very much familiar), please rate your level of familiarity with the ArmedAngels brand.

	1 - Not familiar at all	2 - Slightly familiar	3 - Somewhat familiar	4 - Neutral/ Moderately familiar	5 - Fairly familiar	6 - Very familiar	7 - Very much familiar
How familiar are you with the ArmedAngels brand?	0	0	0	0	0	0	0

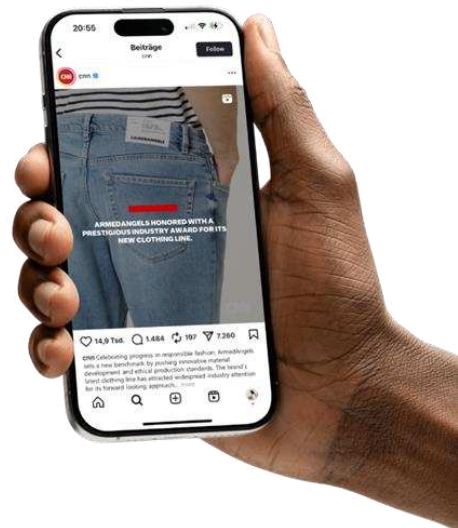
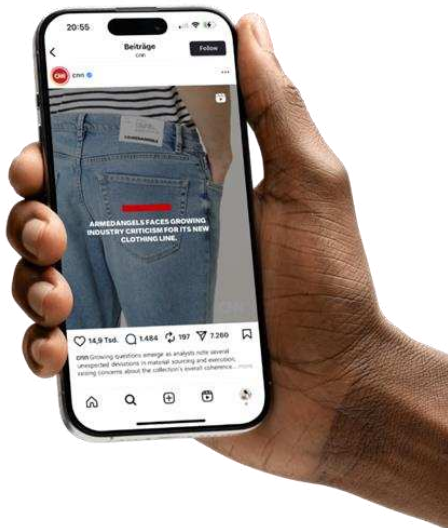
Brand Introduction

ArmedAngels is a fashion brand that aims to "transform the fashion industry by proving that style and sustainability can go hand in hand." The brand focuses on timeless design, high-quality organic and recycled materials, and fair working conditions throughout its supply chain, standing as a pioneer of transparent, eco-conscious, and socially responsible fashion.



1: Bad News, Without Traceability

2: Good News, Without Traceability



Manipulation Check

Q5, 7 Based on the social media post you have just seen, please indicate on a scale from 1 (strongly disagree) to 7 (strongly agree) how much you agree with the following statements.

	1 - Strongly disagree	2 - Disagree	3 - Somewhat Disagree	4 - Neutral	5 - Somewhat Agree	6 - Agree	7 - Strongly Agree
The brand presented in the post provides detailed information about the traceability of its supply chain.	0	0	0	0	0	0	0
The post gives the impression that the brand acts responsibly towards environmental and social issues.	0	0	0	0	0	0	0
The information in the post suggests that the brand's sustainability performance is positive.	0	0	0	0	0	0	0
The brand appears transparent about its production processes and sourcing practices.	0	0	0	0	0	0	0
The information provided in the post is clear and consistent with what I would expect from a sustainable brand.	0	0	0	0	0	0	0

3: Bad News, With Traceability

4: Good News, With Traceability



Explanation for Visualizations with Traceability (Scenario 3 and 4)

*Blockchain based traceability refers to the use of secure digital records that track each step of a product's journey through the supply chain, enabling verification of its origin and the conditions under which it was made.

Manipulation Check

Q9, 11 Based on the social media post you have just seen, please indicate on a scale from 1 (strongly disagree) to 7 (strongly agree) how much you agree with the following statements.

	1 - Strongly disagree	2 - Disagree	3 - Somewhat Disagree	4 - Neutral	5 - Somewhat Agree	6 - Agree	7 - Strongly Agree
The brand presented in the post provides detailed information about the traceability of its supply chain.	0	0	0	0	0	0	0
The post gives the impression that the brand acts responsibly towards environmental and social issues.	0	0	0	0	0	0	0
The information in the post suggests that the brand's sustainability performance is positive.	0	0	0	0	0	0	0
The brand appears transparent about its production processes and sourcing practices.	0	0	0	0	0	0	0
The information provided in the post is clear and consistent with what I would expect from a sustainable brand.	0	0	0	0	0	0	0

Block 4: Demographics

Q12 Introduction

Lastly, please answer some demographic data about yourself.

Q13 Gender

What is your gender?

- Female
- Male
- Non-binary / third gender
- Prefer not to say

Q14 Age

Please could you provide me with your age?

- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64
- 65 or above

Q15 Country

In which country do you currently reside?

Q16 Education

What is the highest level of education completed?

- Less than High School
- High School Graduate
- Bachelor's Degree
- Master's Degree
- Doctoral Degree
- Professional Degree

Q17 Occupation

What is your current occupation?

- Student
- Student-Worker
- Employed
- Self employed
- Unemployed
- Retired

Q18 Income

What is your household current annual income in Euros?

- Under €10,000
- €10,000 - €19,999
- €20,000 - €29,999
- €30,000 - €39,999
- €40,000 - €49,999
- €50,000 - €59,999
- €60,000 - €69,999

- €70,000 - €79,999
- €80,000 - €89,999
- €90,000 - €99,999
- Over €100,000
- Prefer not to say

End of Survey

Appendix 2: Survey Main Study

Block 1: Introduction

Welcome, and thank you for taking part in this study!

This study is part of my Master's thesis at the Católica Lisbon School of Business & Economics. I am conducting academic research on fashion e-commerce.

The survey contains a small number of short questions and takes approximately 5 minutes to complete.

Your participation is entirely voluntary and anonymous. No personal data will be collected, and all responses will be treated confidentially and used solely for academic research purposes. You may exit the survey at any time without any consequences.

If you have any questions about the study, you may contact me at s-hdeckert@ucp.pt.

By continuing, you confirm that you have read this information and agree to participate. Thank you for your time and insights!

Block 2: Confirmation and Consent

Q2 I confirm that I am 18 years or older, have read the information above, and agree to participate.

- I hereby confirm that I am 18 years of age or over

Q3 Next, you will see a social media post from "CNN" reporting on a new clothing line by a fashion brand. After viewing the post, you will be asked a few questions about your impressions and intentions as a potential buyer. Please read the information carefully. Your answers should reflect your personal opinion – there are no right or wrong responses.

Block 3: Manipulations (Randomized)

Familiarity

Q4, 6, 8, 10 On a scale from 1 (not familiar at all) to 7 (very much familiar), please rate your level of familiarity with the ArmedAngels brand.

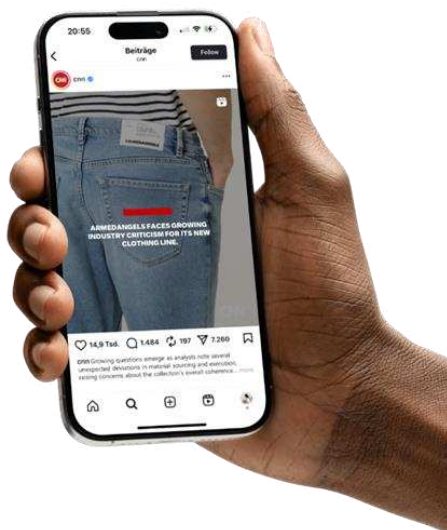
	1 - Not familiar at all	2 - Slightly familiar	3 - Somewhat familiar	4 - Neutral/ Moderately familiar	5 - Fairly familiar	6 - Very familiar	7 - Very much familiar
How familiar are you with the ArmedAngels brand?	○	○	○	○	○	○	○

Brand Introduction

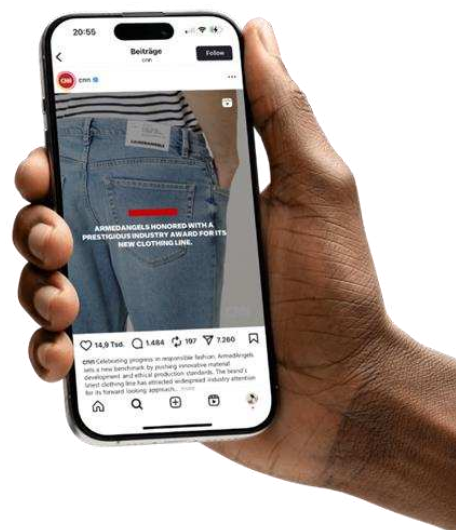
ArmedAngels is a fashion brand that aims to "transform the fashion industry by proving that style and sustainability can go hand in hand." The brand focuses on timeless design, high-quality organic and recycled materials, and fair working conditions throughout its supply chain, standing as a pioneer of transparent, eco-conscious, and socially responsible fashion.



1: Bad News, Without Traceability



2: Good News, Without Traceability



Manipulation Check

Q5, 7 Based on the social media post you have just seen, please indicate on a scale from 1 (strongly disagree) to 7 (strongly agree) how much you agree with the following statements.

	1 - Strongly disagree	2 - Disagree	3 - Somewhat Disagree	4 - Neutral	5 - Somewhat Agree	6 - Agree	7 - Strongly Agree
The brand presented in the post provides detailed information about the traceability of its supply chain.	0	0	0	0	0	0	0
The post gives the impression that the brand acts responsibly towards environmental and social issues.	0	0	0	0	0	0	0
The information in the post suggests that the brand's sustainability performance is positive.	0	0	0	0	0	0	0
The brand appears transparent about its production processes and sourcing practices.	0	0	0	0	0	0	0
The information provided in the post is clear and consistent with what I would expect from a sustainable brand.	0	0	0	0	0	0	0

3: Bad News, With Traceability

4: Good News, With Traceability



Explanation for Visualizations with Traceability (Scenario 3 and 4)

*Blockchain based traceability refers to the use of secure digital records that track each step of a product's journey through the supply chain, enabling verification of its origin and the conditions under which it was made.

Manipulation Check

Q9, 11 Based on the social media post you have just seen, please indicate on a scale from 1 (strongly disagree) to 7 (strongly agree) how much you agree with the following statements.

	1 - Strongly disagree	2 - Disagree	3 - Somewhat Disagree	4 - Neutral	5 - Somewhat Agree	6 - Agree	7 - Strongly Agree
The brand presented in the post provides detailed information about the traceability of its supply chain.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The post gives the impression that the brand acts responsibly towards environmental and social issues.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The information in the post suggests that the brand's sustainability performance is positive.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The brand appears transparent about its production processes and sourcing practices.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The information provided in the post is clear and consistent with what I would expect from a sustainable brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Block 4: DV's

CPE

On a scale from 1 (strongly disagree) to 7 (strongly agree), please rate your level of agreement with the following statements.

	1 - Strongly disagree	2 - Disagree	3 - Somewhat Disagree	4 - Neutral	5 - Somewhat Agree	6 - Agree	7 - Strongly Agree
ArmedAngels respects moral norms.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ArmedAngels always adheres to the law.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ArmedAngels avoids damaging behaviour at all cost.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ArmedAngels is a socially responsible brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ArmedAngels is a good brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Trust

On a scale from 1 (strongly disagree) to 7 (strongly agree), please indicate how much you agree with the following statements about the brand.

	1 - Strongly disagree	2 - Disagree	3 - Somewhat Disagree	4 - Neutral	5 - Somewhat Agree	6 - Agree	7 - Strongly Agree
I trust ArmedAngels.	0	0	0	0	0	0	0
ArmedAngels is reliable.	0	0	0	0	0	0	0
ArmedAngels is honest and truthful.	0	0	0	0	0	0	0
I feel confident about the claims made by ArmedAngels.	0	0	0	0	0	0	0
I believe that ArmedAngels keeps its promises.	0	0	0	0	0	0	0
ArmedAngels acts fairly toward its customers.	0	0	0	0	0	0	0

Transparency Expectations

On a scale from 1 (strongly disagree) to 7 (strongly agree), please rate your level of agreement with the following statements.

	1 - Strongly disagree	2 - Disagree	3 - Somewhat Disagree	4 - Neutral	5 - Somewhat Agree	6 - Agree	7 - Strongly Agree
I expect ArmedAngels to openly share how its clothing is produced.	0	0	0	0	0	0	0
I expect ArmedAngels to provide detailed information about its supply chain, including sourcing and production conditions.	0	0	0	0	0	0	0
I expect ArmedAngels to disclose verifiable information about the origin of its materials and manufacturing processes.	0	0	0	0	0	0	0
I expect ArmedAngels to use reliable and verifiable systems, such as blockchain-based traceability, to ensure transparent supply-chain information.	0	0	0	0	0	0	0

Greenwashing Skepticism

On a scale from 1 (strongly disagree) to 7 (strongly agree), please indicate how much you agree with the following statements about ArmedAngels and its sustainability claims.

	1 - Strongly disagree	2 - Disagree	3 - Somewhat Disagree	4 - Neutral	5 - Somewhat Agree	6 - Agree	7 - Strongly Agree
I am skeptical of the environmental claims made by ArmedAngels.	0	0	0	0	0	0	0
Most of ArmedAngels' sustainability claims seem potentially misleading.	0	0	0	0	0	0	0
ArmedAngels may overstate the environmental benefits of its products.	0	0	0	0	0	0	0

Purchase Intentions

On a scale from 1 (strongly disagree) to 7 (strongly agree), please indicate the extent to which you intend to purchase products from ArmedAngels.

	1 - Strongly disagree	2 - Disagree	3 - Somewhat Disagree	4 - Neutral	5 - Somewhat Agree	6 - Agree	7 - Strongly Agree
I would consider buying products from ArmedAngels.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would purchase an ArmedAngels product the next time I need this type of clothing.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The likelihood that I would purchase from ArmedAngels is high.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

WTP

On a scale from 1 (strongly disagree) to 7 (strongly agree), please indicate how much you agree with the following statements about paying for products from ArmedAngels.

	1 - Strongly disagree	2 - Disagree	3 - Somewhat Disagree	4 - Neutral	5 - Somewhat Agree	6 - Agree	7 - Strongly Agree
I am willing to pay a higher price for ArmedAngels products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would pay more for ArmedAngels compared to other fashion brands.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am willing to pay a premium for ArmedAngels due to its blockchain-based traceability.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Max WTP

What is the maximum price you would be willing to pay for an ArmedAngels denim item? (in Euros)

	0	20	40	60	80	100	120	140	160	180	200
Please indicate the maximum price you would be willing to pay for a denim item from ArmedAngels.											

Block 5: Demographics

Q12 Introduction

Lastly, please answer some demographic data about yourself.

Q13 Gender

What is your gender?

- Female
- Male
- Non-binary / third gender
- Prefer not to say

Q14 Age

Please could you provide me with your age?

- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64
- 65 or above

Q15 Country

In which country do you currently reside?

Q16 Education

What is the highest level of education completed?

- Less than High School
- High School Graduate
- Bachelor's Degree
- Master's Degree
- Doctoral Degree
- Professional Degree

Q17 Occupation

What is your current occupation?

- Student
- Student-Worker
- Employed
- Self employed
- Unemployed
- Retired

Q18 Income

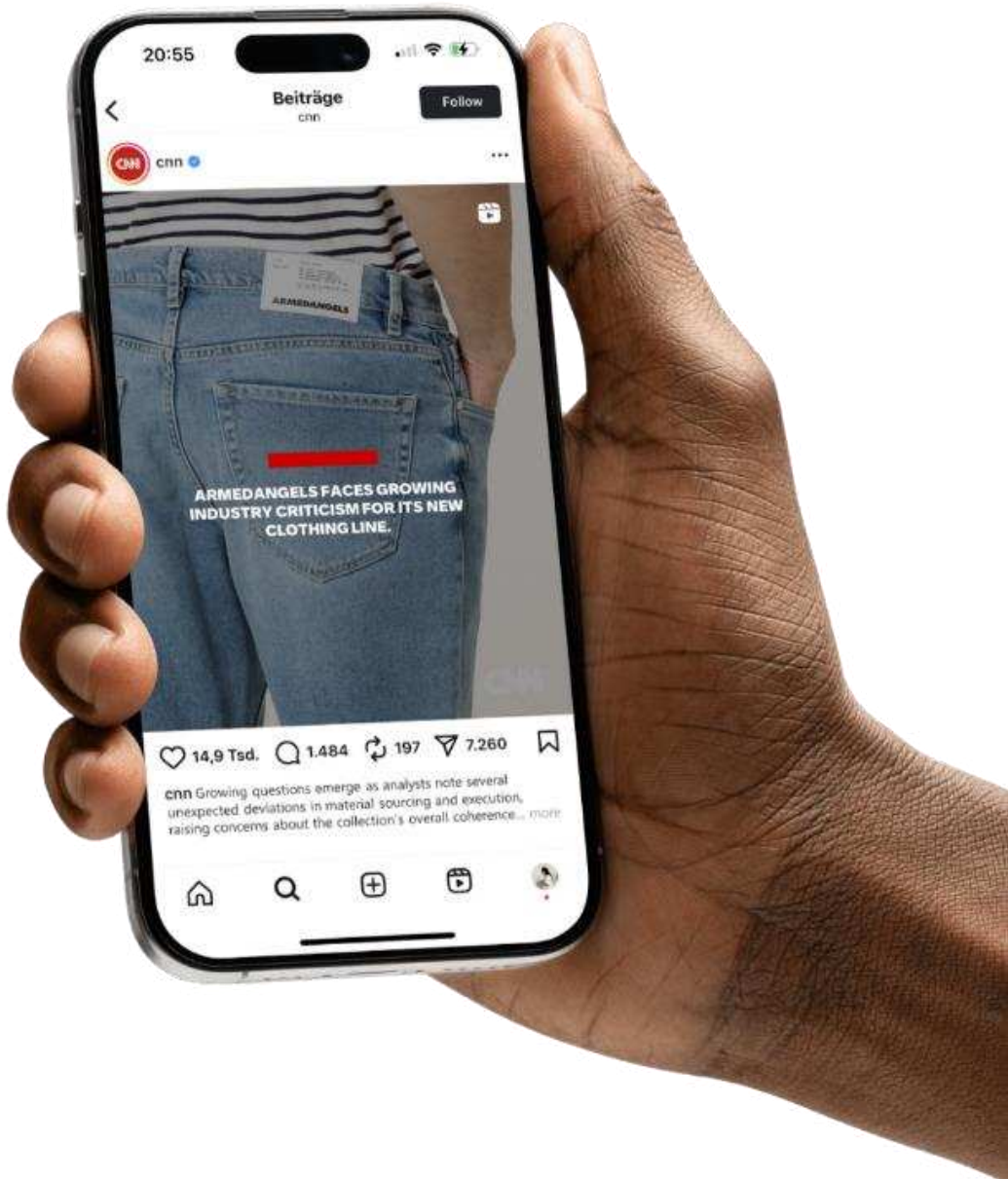
What is your household current annual income in Euros?

- Under €10,000
- €10,000 - €19,999
- €20,000 - €29,999
- €30,000 - €39,999
- €40,000 - €49,999
- €50,000 - €59,999
- €60,000 - €69,999
- €70,000 - €79,999
- €80,000 - €89,999
- €90,000 - €99,999
- Over €100,000
- Prefer not to say

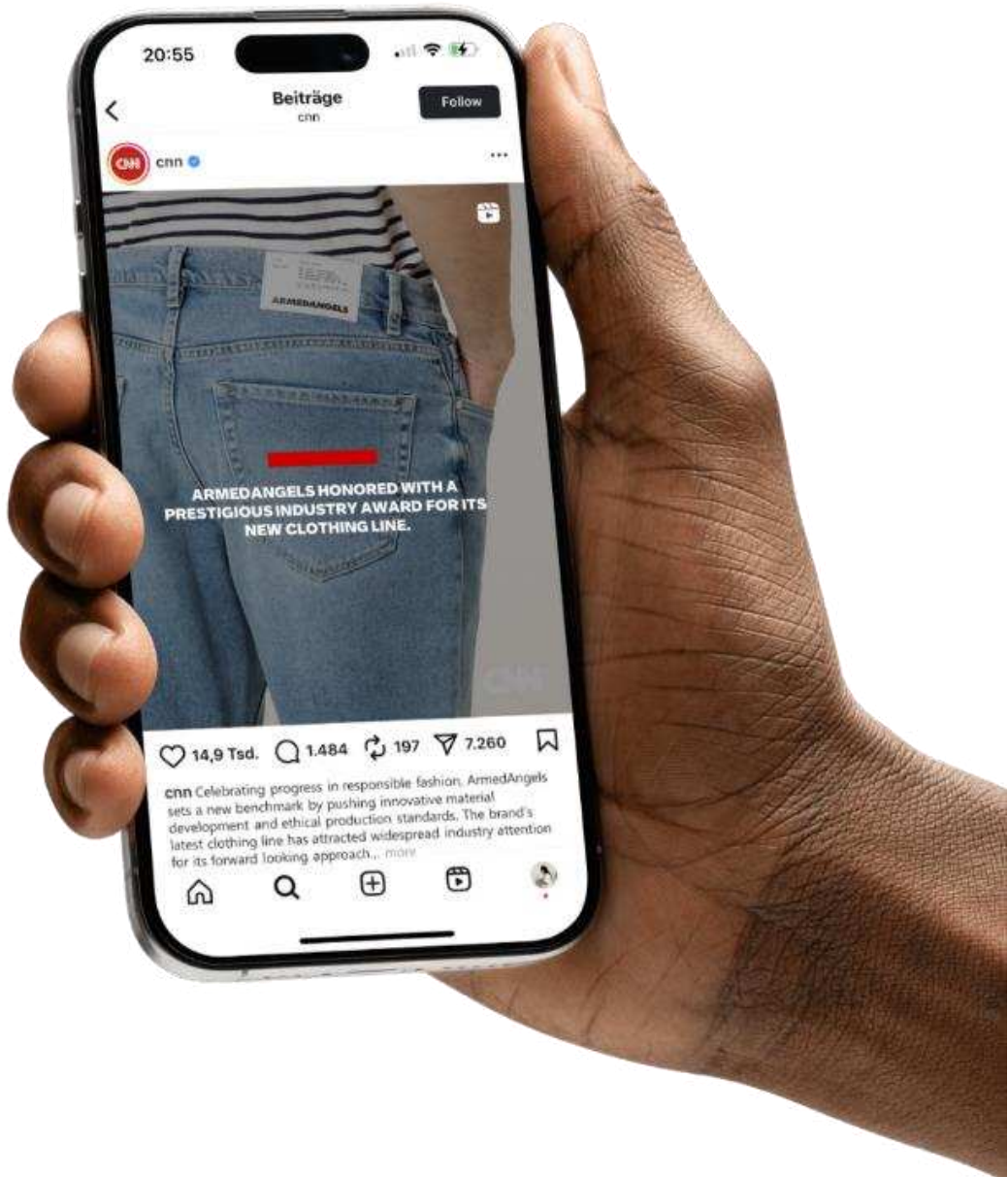
End of Survey

Appendix 3: Stimuli

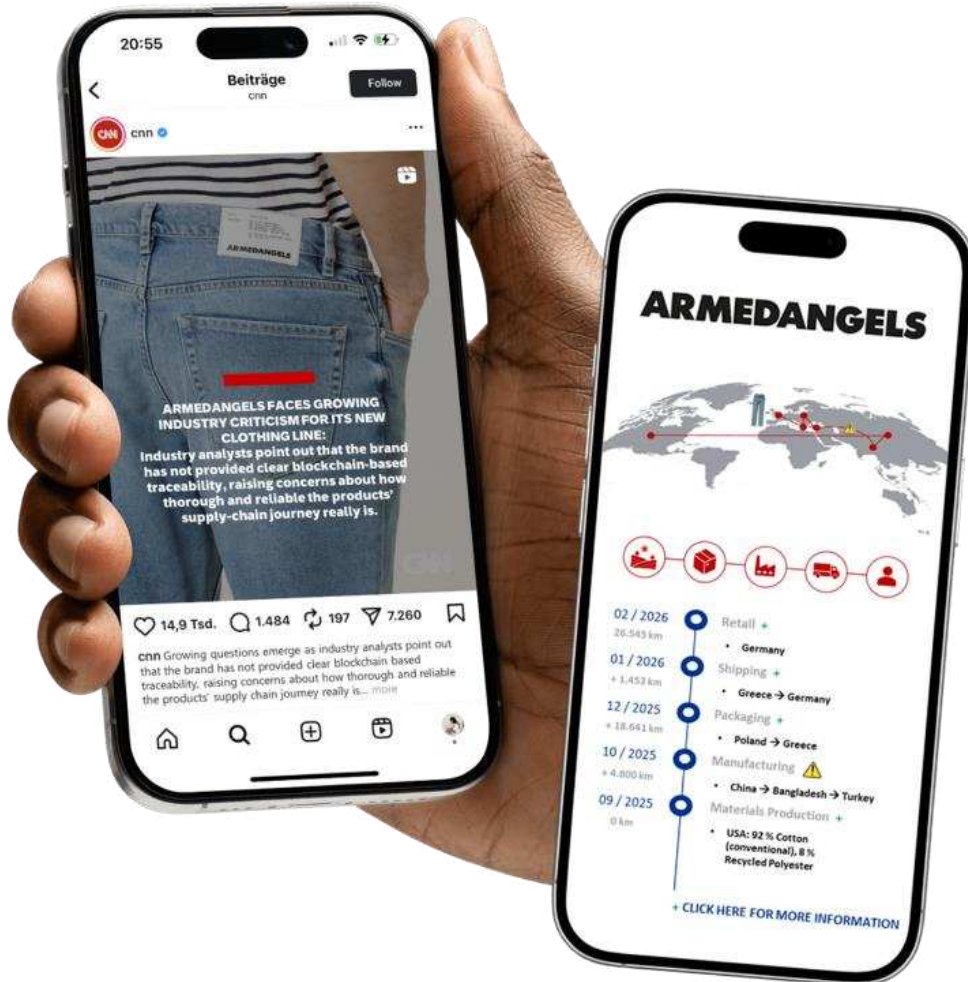
1: Bad News, Without Traceability



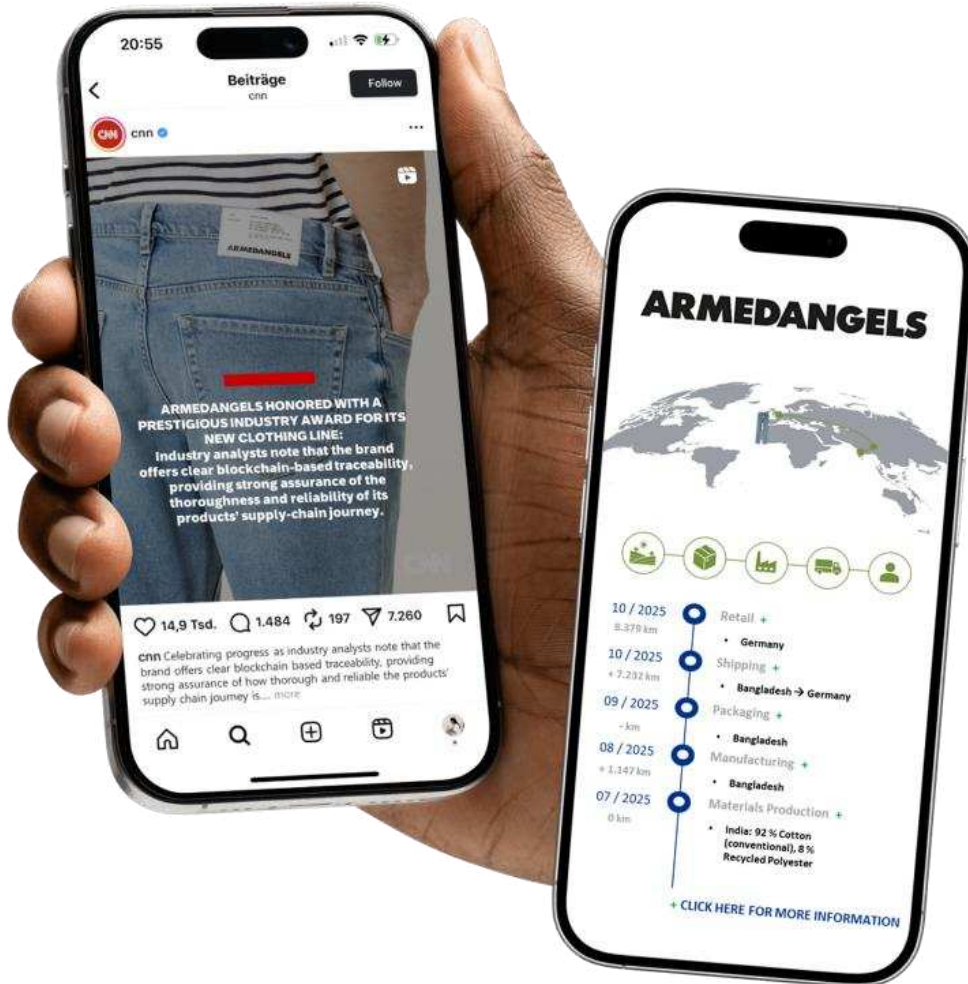
2: Good News, Without Traceability



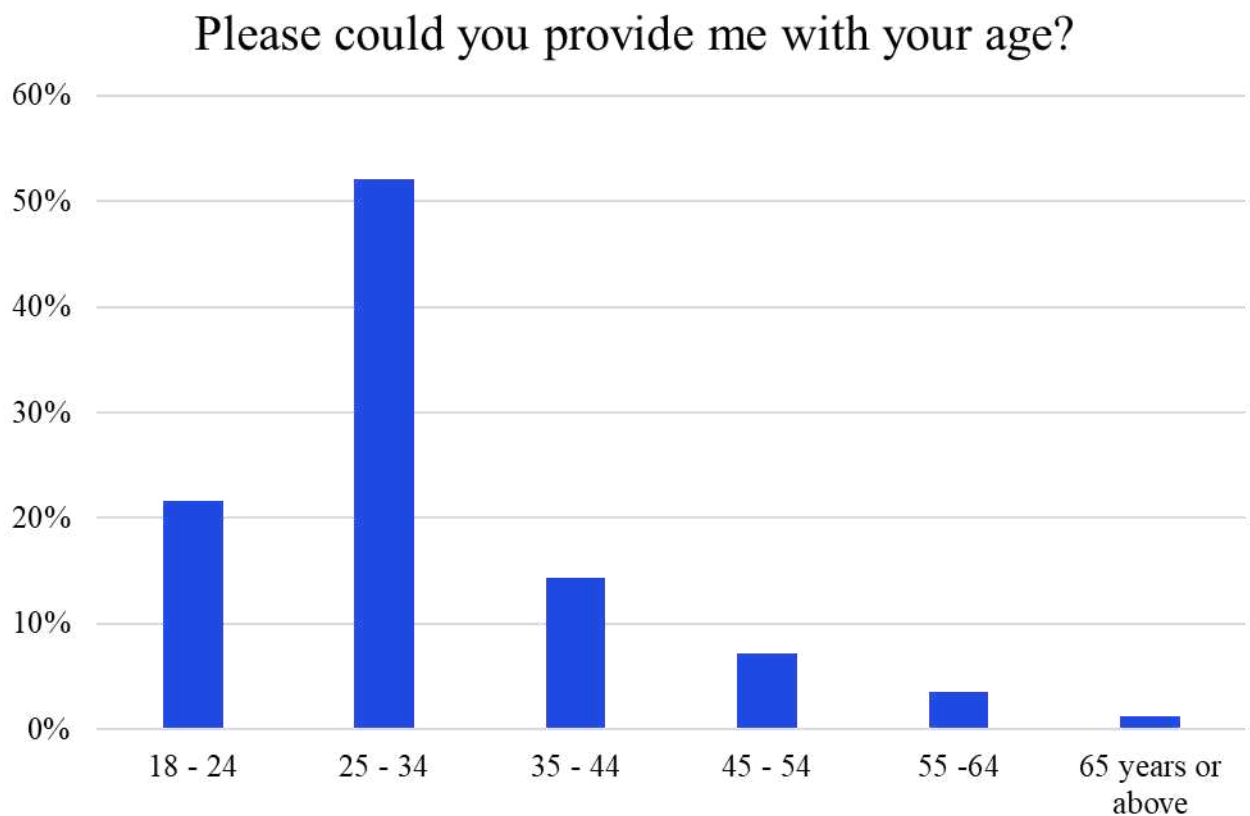
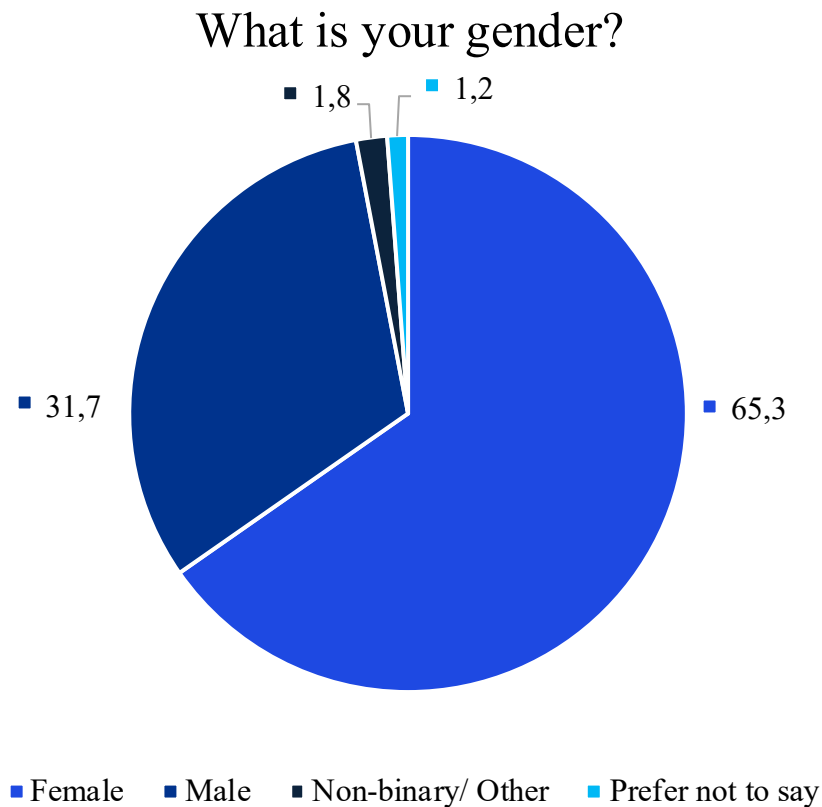
3: Bad News, With Traceability



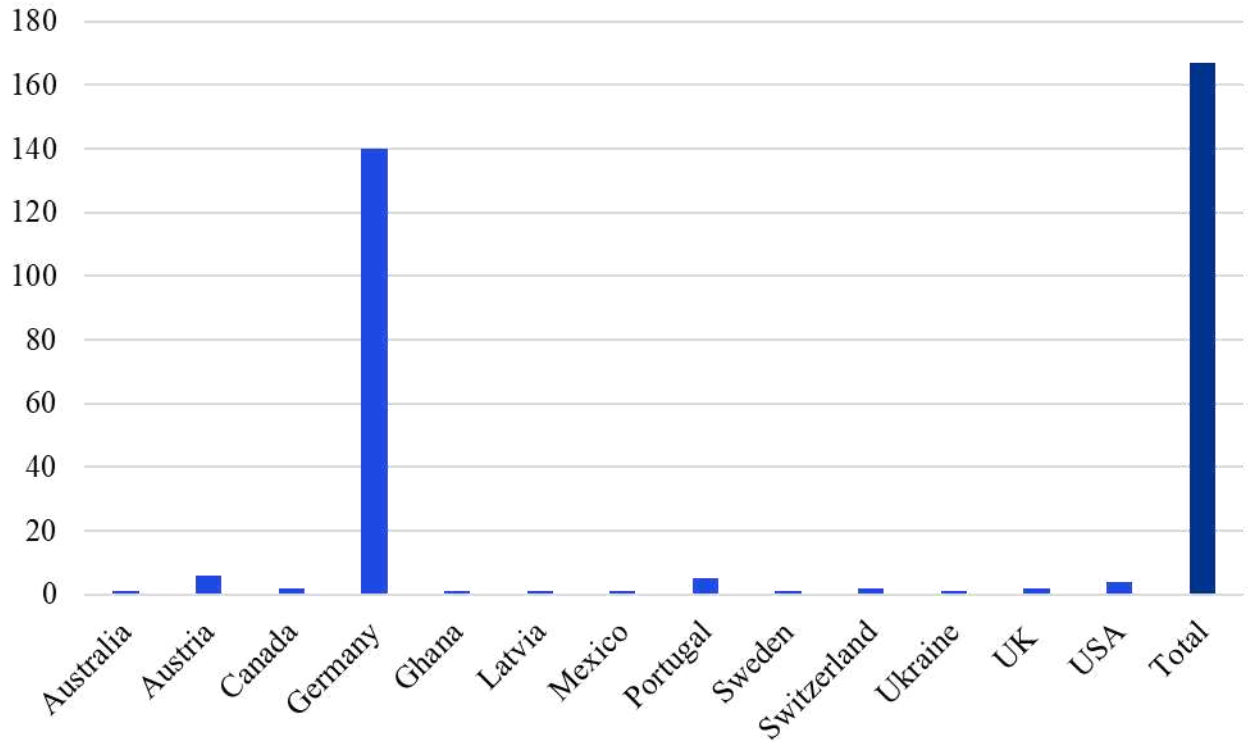
4: Good News, With Traceability



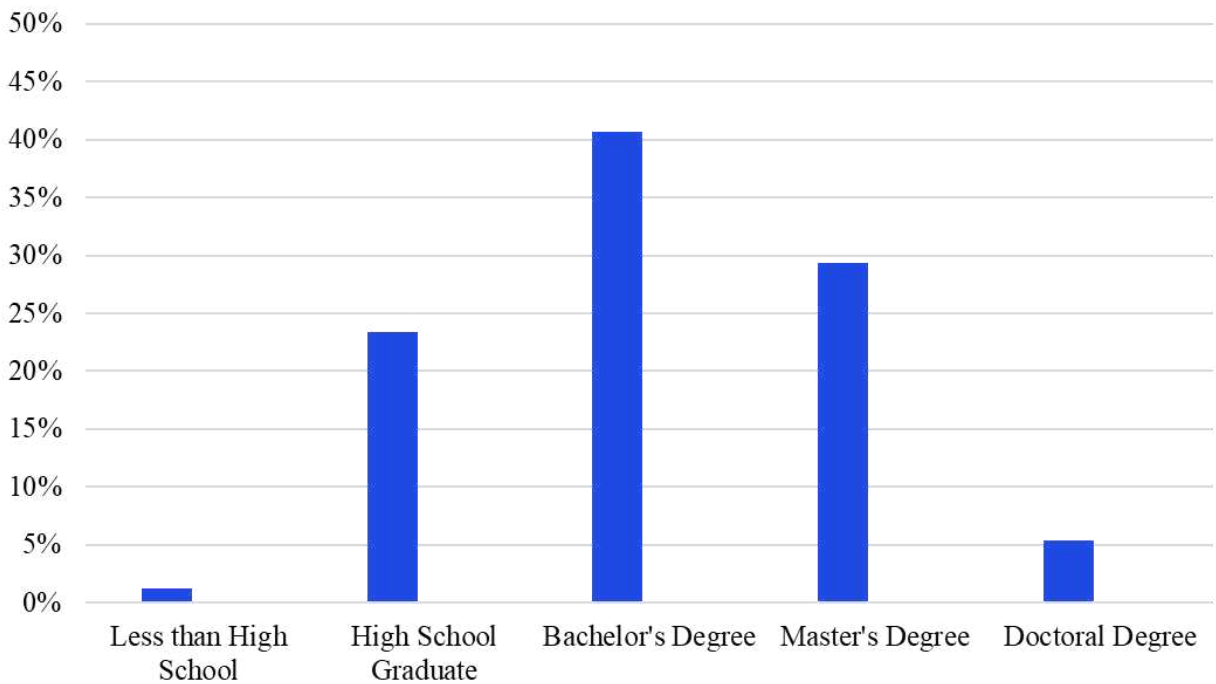
Appendix 4: Sample Characteristics



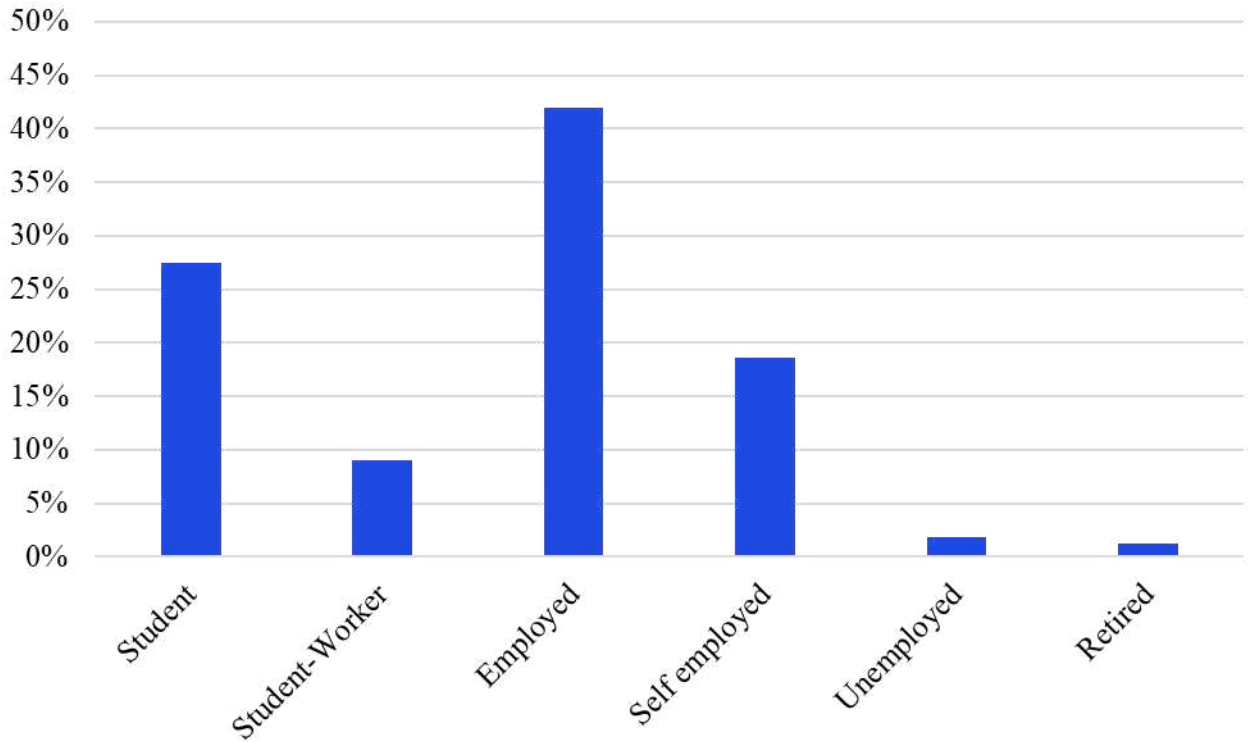
In which country do you currently reside?



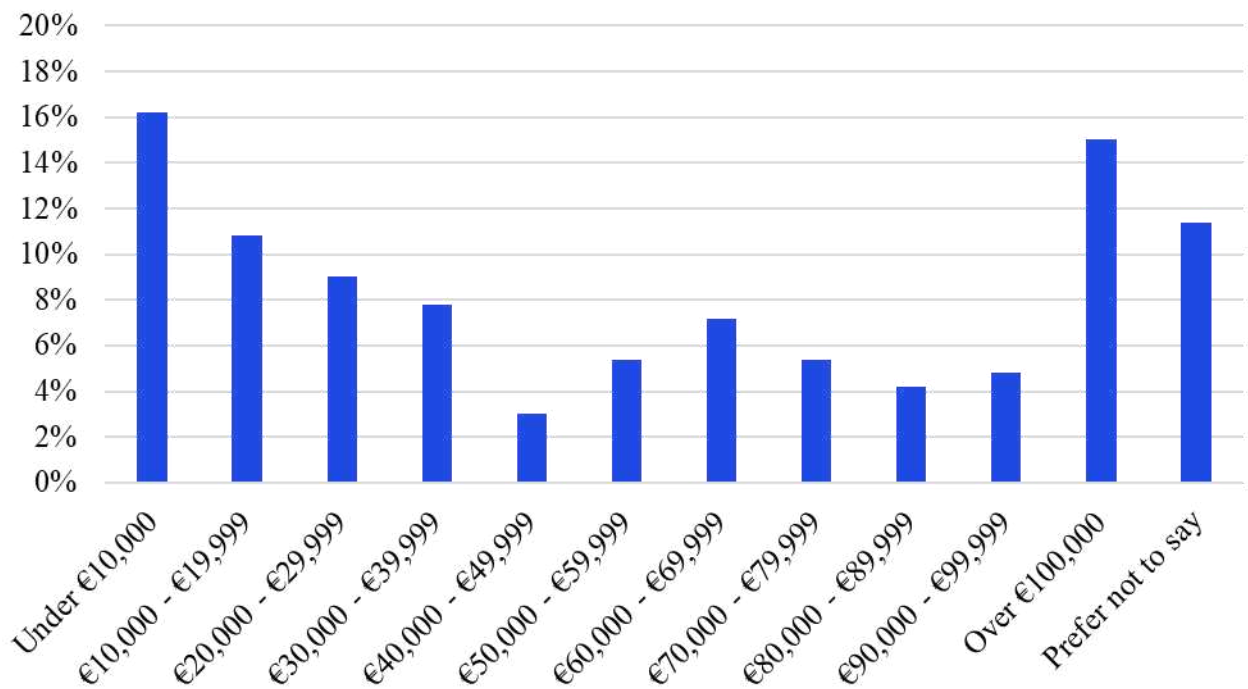
What is the highest level of education completed?



What is your current occupation?



What is your household current annual income in Euros?



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