

# **Rebuilding Consumers' Trust Towards Green Products Hindered by Greenwashing Practices: A Qualitative Study**

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## Abstract

Nowadays, greenwashing practices are gaining popularity due to the fact that companies tend more and more to use sustainability as a marketing tool. Thus, it is scientifically proven that the trust of environmentally aware consumers is negatively affected by these type of practices. This research investigates how trust of environmentally aware consumers, originating from three European countries, with different levels of income, can effectively be rebuilt post greenwashing. A qualitative methodology based on interviews has been chosen with the purpose of gathering in-depth insights into consumers' perspectives. The model of trust rebuilding created by Xie and Peng (2009) that divides the efforts of trust rebuilding among affective, informational and functional is used as a theoretical framework for this study. Based on the findings, the model is adapted to fit the specific context of rebuilding trust post greenwashing. The findings disclose that it is not an easy job for corporations to restore the trust levels of the consumers. Affective efforts such as apology messages are imperative to be made as a first step towards change. Furthermore, functional efforts such as building a concrete corrective plan of action, informational efforts such as being transparent in communication or having a third-party green certification and organisational efforts such as leadership changes are very important factors that reduces consumers' skepticism and help them to slowly rebuild their trust in eco-friendly companies. However, long-term commitment of the company to the change is also a very important aspect to maintain an increasing trend of the trust level. Also, financial compensation has a negative effect in this context because personal values of environmentally aware consumers dictate their actions and purchasing behaviour. Thus, considering the fact that this category of consumers are not driven by monetary gain, financial compensation is seen as way to buy their trust rather than restoring it. Based on the identified factors that have demonstrated their effectiveness in the context of greenwashing, actionable practices are recommended to companies that are aiming to recover the trust of the individuals and position themselves again as a credible sustainability actor that acts in the best interests of the environmentally aware consumers.

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## 1. Introduction

The first section aims to provide an overview about the relevant topics of this paper as well as the contributions of this research to the scientific knowledge base and to the society based on the research gap that has been discovered. Furthermore, the structure of the paper as well as a high level overview of the research methodology are presented.

### 1.1 Current situation and complication

Environmental issues that emerged in the last decade are leading to worldwide concerns about the degradation of the planet, becoming one of the main global challenges that we, as humans, continuously try to address. Research shows that the CO<sub>2</sub> emissions produced by harmful activities of humans, endanger the living organisms due to the fact that they reached unprecedented levels in at least the last million years (Loreto & Atzori, 2024). Also, it has been proven that the global mean temperatures would rise between 1.6°C and 6.9°C by the end of the current century (Betts et al., 2010). One of the harmful human activities with a high degree of negative environmental impact that is the main focus of this research is greenwashing. Greenwashing can be defined as “the act of misleading consumers regarding the environmental practices of a company (firm-level greenwashing) or the environmental benefits of a product or service (product-level greenwashing)” (Delmas & Burbano, 2011, p.66). Thus, in this global context, the concept of Corporate Social Responsibility (CSR) has emerged and its importance increased significantly. Even if this concept is framed through many dimensions and plenty of different perspectives, it can be simply defined as direct commitments that companies have to the well-being of stakeholders and society (Lee, 2024). The implications are broad, concerning the well-being of multiple types of stakeholders (e.g., employees, business partners, customers) but this research will adopt a customer-oriented perspective.

Furthermore, the way companies can adopt a sustainability-oriented direction can be explained by the concept of the triple bottom line. Triple bottom line “provides a framework for measuring the performance of the business and the success of the organization using three lines: economic, social, and environmental” (Alhaddi, 2015, p.6). Thus, this framework plays an important role in changing the profit-driven focus of businesses by taking societal and environmental aspects into consideration (and incorporating them in reporting).

This internal change of focus within the business goals is not perceived just as a responsibility but it has been proven that companies are gaining plenty of benefits (Carroll & Shabana, 2010). For instance, one framework that conceptualize the aforementioned benefits of companies is “the business case” of CSR which “refers to the arguments that provide rational justification for CSR initiatives from a primarily corporate economic/financial perspective. Business-case arguments contend that firms which engage in CSR activities will be rewarded by the market in economic and financial terms” (Carroll & Shabana, 2010, p.101). The business case of CSR can further be divided in two constructs: broad view and narrow view. The narrow view explains CSR activities performed by companies when they have a direct effect on companies’ financial status in a positive way (Carroll & Shabana, 2010). The broad view explains CSR activities when they also have an indirect effect on companies’ financial status in a positive way (Carroll & Shabana, 2010). The broad view has some advantages over the narrow view due to the fact it broadens the spectrum of benefits gained through CSR activities. For instance, it “enables the firm to enhance its competitive advantage and create win–win relationships with its stakeholders” (Carroll & Shabana, 2010, p.101). Thus, based on the framework which has been discussed in this paragraph, customer retention, customer loyalty and competitive advantage are important benefits that companies are currently chasing through involvement in CSR initiatives.

By adopting customer-oriented lenses, the environmental concern has risen among customers which tend more and more to buy green products that support CSR initiatives (Basha et al., 2015). Research shows that among different personal drivers of customers when deciding of buying a product, such as its quality or impact on health, the environmental concern is one of the primary ones (Kocer et al., 2023; Basha et al., 2015).

However, as the customer base of green and sustainable products is increasing along with direct and indirect financial benefits for companies, the practice of greenwashing within the corporate world is emerging more and more by misrepresenting their true environmental impact. The research of Delmas and Burbano (2011) provides insight into the drivers of greenwashing. For instance, the key driver of greenwashing among companies is tightly linked with the existing legal environment (Delmas & Burbano, 2011). Across countries and continents, the variety as well as the complexity of regulations lead to a high degree of uncertainty within the legal environment, fact that enhances greenwashing practices due to limited consequences (Delmas & Burbano, 2011). This behaviour is considered an emerging problem because the value of the environmentally friendly effort is diminished (Shahrin et al., 2017). Moreover, due to this type of behaviour, customers tend to lose their trust in eco-friendly products that support genuine CSR initiatives as well as their purchasing intentions being negatively influenced (Chen & Chang, 2013; Ioannou et al., 2022).

## 1.2 Research gap & research question

The focus of the existing literature around the topic of greenwashing is within a narrow spectrum. It mainly aims to measure how purchasing intentions of customers as well as trust are negatively influenced by different types of greenwashing practices. However, to the best of researcher's knowledge, the main limitation of existing studies is the overlook of the way consumers' trust in green products that are supporting genuine CSR initiatives can be rebuilt over time. This aspect is highly relevant in the current context of environmental degradation. The existing literature is analyzed more in depth in Section 2.1. Thus, the identified gap in the existing literature highlights the need for further research into factors that can help in rebuilding consumers' trust post greenwashing, an area that is currently underexplored. Based on this gap, the following research question has been developed:

RQ: What consumer-driven factors contribute to rebuilding trust in eco-friendly products after greenwashing has been perceived?

Based on the discovered consumer-driven factors, actions and future measures that responsible and environmentally friendly companies can take in order to rebuild the trust of the customers are recommended. For this purpose, a sub-question has been created:

SQ: How can companies act on the discovered consumer-driven factors to enhance trust rebuilding?

## 1.3 Scientific contributions

The novelty of this study brings a valuable addition to the existing knowledge base of research about the impact of greenwashing on consumers' trust. The existing contributions are analysing the way greenwashing practices affect purchasing intentions of customers. However, there is lack of scientific evidence about how trust can be restored in order to re-accelerate the environmental efforts of genuine CSR initiatives through eco-friendly products. Thus, the research adds a nuanced understanding of how broken trust can be restored from consumers' perspective. Furthermore, the

existing research is corporate-centric driven, and the existing approaches are lacking lenses of customers.

Also, this research aims to expand the application of trust related theoretical frameworks, by bridging a theoretical gap between consumer psychology and CSR, in a qualitative manner. This expansion plays an important role in order to create a holistic understanding of consumers' attitudes and reactions in the context of greenwashing.

#### 1.4 Practical contributions

By investigating how trust can be restored post-greenwashing and building a consumer-oriented framework, companies can understand the positive influences of trust due to the factors that are discovered, and they can take action. Based on consumers' perspectives, companies will be able to align their actions with the needs of consumers. Thus, companies can develop effective strategies, tailored based on consumers' expectations.

Furthermore, by adopting a broader view of the practical implications, this research helps with re-accelerating the positive impact of genuine CSR initiatives which can reduce the pace of environmental harm that is currently emerging more and more.

Nevertheless, the factors that are discovered can also represent a solid baseline for policymakers and governments towards enforcement of new laws against greenwashing. The findings of this research as well as other relevant literature can fully conceptualize trust dynamics of consumers by creating a clear border between the negative and the positive influence of trust. In this process, the voice of customers is important to be listened to because they are one of the primarily stakeholders that are being negatively affected by greenwashing (Santos et al., 2023).

#### 1.5 Overview of the research design

In order to find an answer to the main research question as well as for the sub-question, this study employed a qualitative methodology. However, the baseline of the qualitative methodology has been established through a comprehensive literature review on the topic. The necessary data was collected through semi-structured interviews with 12 participants and it has been analyzed through content analysis. Moreover, based on the findings, an adapted trust rebuilding model that fits the greenwashing context has emerged and actions that companies can take in order to start rebuilding consumers' trust are recommended. A more elaborated description of the research design can be found in Section 3.

#### 1.6 Structure of the research

The structure of this research consists of five main sections, each of them being divided into further subsections. The first section creates a high level overview of the current environmental situation and explains the reasons why greenwashing practices of companies gain more and more popularity while emerging as a growing concern. Also, based on the identified research gap, the main research question as well as a sub-question are defined. Lastly, an overview of the research methodology is made, the scientific and practical contributions of this research are identified and further discussed.

Within the second section, a comprehensive literature review is conducted with the purpose of investigating the effect of greenwashing on consumers' trust, contextualizing the concept of trust and

nevertheless, identifying and selecting a suitable framework for the consumers' trust rebuilding process that is further applied in this research.

The third section explains the methodological design that has been chosen for this research, specifically how literature review has been performed as well as the qualitative approach based on semi-structured interviews.

After all the necessary data has been collected and analyzed, the results are extensively presented and discussed in the fourth section. Based on the findings, an adapted trust rebuilding model that fits the greenwashing context is proposed and recommendations to companies are made.

Lastly, the fifth section concludes the findings, recognizes the limitations and proposes directions for future research.

## 2 Theoretical framework

The second section creates a theoretical baseline for this research by analysing the existing literature about the way greenwashing affects consumer trust and purchasing intentions as well as finding a suitable model for conceptualization and rebuilding of customers' trust in a business context. The chosen model represents the key framework which is used for conducting this qualitative research.

### 2.1 Influence of greenwashing on consumer trust

Environmental concern has emerged more and more as a primary driver among consumers to choose organic and sustainable products made by environmentally conscious companies (Kocer et al., 2023; Basha et al., 2015). In a natural way, companies started to take advantage of this trend by green marketing. Green marketing can be defined as "the marketing of products that are presumed to be environmentally safe" (Mishra & Sharma, 2014, p.78). So, green marketing consists of multiple activities such as the modification of the product, modifications of the manufacturing process, modifications of packaging, as well as changes related to advertising (Mishra & Sharma, 2014). However, when the aforementioned activities are misleading and do not represent the pure reality of the products, green marketing transforms into greenwashing. Unfortunately, this type of misleading behaviour is adopted more and more by companies due to increasing customer demand, investment attraction, competitive advantages or even due to the legal breaches that still exist in regulations (Delmas & Burbano, 2011). Nevertheless, when aware of these practices, customers' behaviour is changing significantly. Ioannou et al. (2022) prove that "perceived greenwashing has negative implications for customer satisfaction and, by extension, for corporate performance. Consistent with recent anecdotal evidence, our findings reveal that when greenwashing is perceived by customers, they formulate negative judgments and perceptions of corporate hypocrisy, and as a result, they report lower levels of customer satisfaction for a company's products and services" (Ioannou et al., 2022, p.343). Chen and Chang (2012a) propose a comprehensive framework which proves that green trust is negatively influenced by greenwashing, mediated by green consumer confusion and green perceived risk (Chen & Chang, 2012a). This implies that the consumers' inability to precisely interpret the environmental-related attributes of products or services within the process of information processing (Turnbull et al., 2000) as well as the anticipation of negative environmental-related impacts due to purchasing decisions (Chen & Chang, 2012b) are associated in a positive way with greenwashing and they are together negatively affecting green trust (Chen & Chang, 2012a). Furthermore, Isac et al. (2024) also prove that as much as greenwashing is spreading, the customers' purchasing intentions towards green products are decreasing. Consumers are less inclined to make purchases from brands that are misleading them by false green marketing practices (Isac et al., 2024). Their research also

incorporates the confidence in green brands as a mediator variable. Thus, the greenwashing practices affect the green confidence of consumers which also leads to changing purchasing intentions (Isac et al., 2024). The aforementioned findings focus on the impact of greenwashing on trust but at an individual level. However, research shows that the effects are not isolated by each individual and further implications exist. Chen et al. (2013) are investigating the impact of greenwashing on the green word-of-mouth. Word-of-mouth can be defined as “the extent to which a customer informs friends, relatives and colleagues about an event that has created a certain level of satisfaction” (Söderlund, 1998, p.172). The addition of “green” does not change this definition but it makes it more specific about the level of satisfaction towards green products. Chen et al. (2013) prove that there is a negative relation between greenwashing and green word-of-mouth meaning that individuals are spreading their disappointment and feelings of distrust to their trusted ones. Due to this type of snowball effect, genuine CSR initiatives are slowed down more and more while the positive impact of environmental efforts is being reduced. An overview of the greenwashing related papers that have been analyzed can be observed in Table 1.

**Table 1:** Contents of greenwashing related papers

Author(s), Year	Defines greenwashing	Investigates the effect of greenwashing on consumers' trust	Investigates how to rebuild consumers' trust post-greenwashing	Consumers' perspectives
Delmas & Burbano, 2011	✓	✓	✗	✗
Ioannou et al., 2022	✓	✓	✗	✓
Chen & Chang, 2012a	✓	✓	✗	✓
Isac et al., 2024	✓	✓	✗	✓
Chen et al., 2013	✓	✓	✗	✓
This research	✓	✓	✓	✓

## 2.2 Trust conceptualization and rebuilding

Over the years, trust has been defined and conceptualized in plenty of different ways, across multiple disciplines, ranging from psychology or sociology to computer science (McKnight & Chervany, 2000; Alarcon et al., 2018; Lewicki et al., 2006; Lee & Turban, 2001). Different theoretical frameworks create a complex picture about the extent to which humans can lose, gain and retain trust.

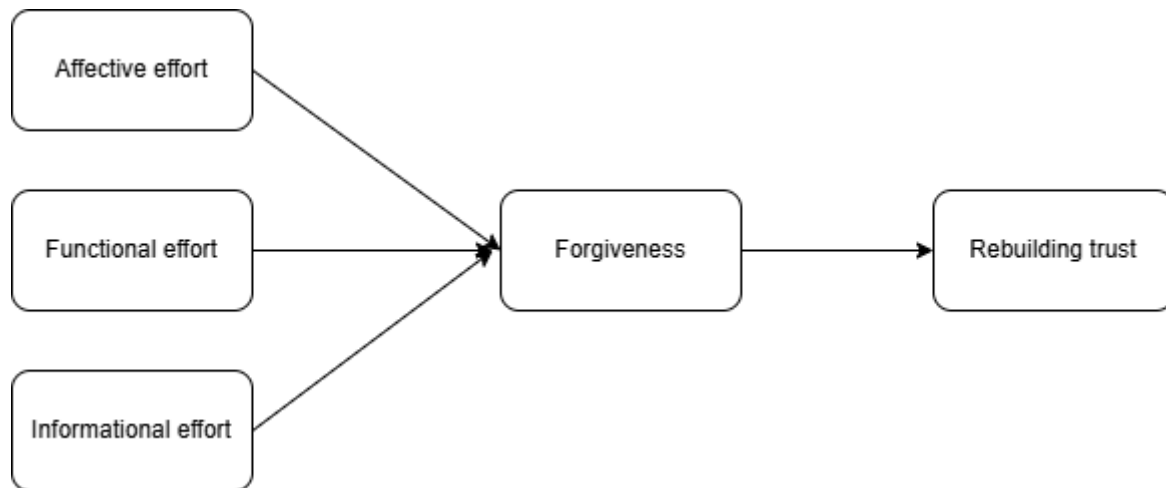
By narrowing down the spectrum of definitions to marketing-related literature, trust can be defined in the following ways. Firstly, this concept can be defined as “the willingness to rely on an exchange partner in whom one has confidence” (Moorman et al., 1992, p.315). Secondly, other scholars would argue that trust is represented by “the expectations held by the consumer that the service provider is dependable and can be relied on to deliver on its promises” (Sirdeshmukh et al., 2002, p.17). Both



definitions are relevant for this research to create a solid conceptualization of trust in this context. Moreover, consumers' trust is of highly importance for companies because "consumers are fundamental to organisational functioning and survival. Their loyalty, commitment, product acceptance and good long-term relationships with firms and brands are underpinned by their trust" (Bozic, 2017, p.538). The monetary exchange for specific products or services is the fundamental element for companies' survival on the market (Bozic, 2017). So, if consumers' trust is diminished, there are higher chances of loss of sales and corporate failure (Barney & Hansen, 1994). On the same note, an increased level of trust enhances competitive advantage (Barney & Hansen, 1994). As it can be observed in existing literature, it is of highly importance, as a company, to rebuild the trust of the consumers once it has been lost. Research shows that the trust rebuilding process begins with consumers' observations of preliminary steps that the companies are making towards the change, helping them to comprehend the organisational transformation (Bozic & Kuppelwieser, 2019). Following these observations, the trust rebuilding process becomes trustor-driven, which indicates the high importance of each individual's level of perceived harm that has been made by the company (Bozic & Kuppelwieser, 2019).

Furthermore, a key framework related to strategies that can be applied for trust rebuilding and enhancing consumers' forgiveness towards companies affected by negative publicity that guides the direction of this research is created by Xie and Peng (2009). Based on existing research, negative publicity "weakens consumers' satisfaction, purchase intention, and evaluation of the corporation as well as brand equity" (Xie & Peng, 2009, p.574). Commonalities between negative publicity and greenwashing are observed. Both concepts entail corporate actions that lead to a decrease consumers' trust (Xie & Peng, 2009; Chen & Chang, 2012a). Even if the underlying causes are slightly different (e.g service failure/poor company behaviour in case of negative publicity as well as misleading claims of companies about environmental impact in case of greenwashing), the effects are very similar. Customers become aware of a mismatch between promises that are being made and real companies' behaviour, having an impact on their purchasing intentions, loyalty, trust and the brand reputation of the company (Xie & Peng, 2009; Isac et al., 2024; Ioannou et al., 2022). Thus, it can be observed that the effects of negative publicity are the same as the effects of greenwashing which makes the model a suitable one to use in order to investigate how trust in green products can be rebuilt after greenwashing. However, the concepts of the model are adapted based on the interests of this research but not in ways that can alter the validity. The intermediate dimensions are discarded and the first-order dimensions (affective, functional and informational) are included because they represent key areas of interest for consumers to assess corporate efforts with the aim of rebuilding trust after greenwashing practices.

The chosen framework proves that "affective, functional and informational efforts contributed to rebuilding a corporate image of trustworthiness and earning forgiveness from consumers" (Xie & Peng, 2009, p.585). The relationships can be observed in Figure 1. Compared with other frameworks, this model involves consumers' trust rebuilding as the main construct which is investigated by means of other secondary dimensions, making it very suitable for this research based on the defined research question (Section 1.2). For instance, La and Choi (2011) focus on investigating customer loyalty by means of trust as a secondary dimension. Also, other existing frameworks have slightly different purposes such as internal rebuilding of employees' trust within companies (Pate et al., 2012; Kähkönen et al., 2021) as well as rebuilding trust within specific industries such as financial sector (McLaren-Hankin, 2019) or higher education institutions (Lewicka, 2022).



**Figure 1:** Trust rebuilding process by Xie and Peng (2009)

Affective recovery initiatives refers to public apologies of companies towards customers (Xie & Peng, 2009). By admitting the already-made mistakes as well as admitting the harm that was made with honesty, feelings of compassion can be provoked among consumers. Since negative feelings of betrayal and disappointment are evoked by greenwashing practices due to the false or misleading claims, this dimension is relevant to investigate the extent to which the apologies and emotional engagement matter in the context of trust rebuilding.

Functional effort can further be divided in two types of actions: financial compensation and company-specific actions to avoid repetitions of the damaging events (Xie & Peng, 2009). A common initiative among companies is to provide some financial compensation to customers with the purpose of product-related or trust-related issues mitigation as well as environmental damage that was produced (Xie & Peng, 2009). Furthermore, management should make sure that necessary actions are taken in order to prevent further similar negative events (Xie & Peng, 2009). This dimension is relevant because it helps to investigate the extent to which financial compensation and real changes of the sustainability-related practices have a positive impact on consumers' trust.

Informational effort refers to transparent communication and providing evidence (Xie & Peng, 2009). It is important to keep the customers up to date in a transparent manner during the process of crisis handling by providing trustworthy news supported by evidence (Xie & Peng, 2009). This last dimension is also crucial in the context of greenwashing because it is important to discover to which extent verifiable information as a proof of transparency has an impact on consumers' trust.

These company-centric constructs represent the dimensions which are used to discover effective actions from consumers' perspectives that can lead to forgiveness and rebuilding of trust through capturing personal expectations and perceptions about the effectiveness of affective, functional and informational efforts. In this way, by keeping a close link between the aforementioned dimensions and the qualitative study which is performed, factors that influence purchasing decisions of consumers in a positive way towards green products after the negative influence of greenwashing are found.

### 3 Research design

This section describes the chosen design for this research. This study is based on a qualitative approach which aims to acquire a thorough understanding of people's experiences (Fossey et al., 2002) with greenwashing and how their purchasing intentions and trust can be positively influenced again as well as a literature review with the purpose of establishing a solid theoretical foundation.

#### 3.1 Reviewing literature

A comprehensive search of literature has been executed on the following academic databases and libraries: Scopus, Google Scholar, IEEE Xplore, Web of Science, The Lens. Considering the fact that some of the aforementioned databases do not provide a structured way of searching by queries, a wide range of papers has been gathered. By obtaining a diverse set of results, relevant papers have been selected after a rigorous search. The other databases which allow for query searching returned less but topic-focused and relevant results which have been analysed and included in the literature review.

The following keywords have been used in the search: "Greenwashing", "Trust", "Purchasing", "Rebuild", "CSR", "Initiatives", "Consumers", "Behaviour", "Intentions". Two research streams have been built based on results. Within the first research stream, literature about the how greenwashing affects consumer purchasing intentions and behaviour has been included (Delmas & Burbano, 2011; Isac et al., 2024; Chen & Chang, 2012a; Chen & Chang, 2012b). This research stream is considered the baseline of this research since academic proof of the negative impact that greenwashing has on consumers' behaviour is found. Thus, the findings of this current research about how consumers' trust can be rebuilt are based on a demonstrated decreasing trend of trust and not on assumptions. Within the second research stream, multiple frameworks that conceptualize trust and scientifically prove how humans' trust can be rebuilt are identified (McKnight & Chervany, 2000; Sirdeshmukh et al., 2002; Xie & Peng, 2009). Furthermore, a suitable framework which scientifically proves the way consumers' trust can be rebuilt after a service failure has been chosen and serves as a guideline for discovering the way consumers' trust towards eco-friendly products can be restored after being negatively affected by greenwashing. Besides searching on the academic databases, the research streams have also been built based on backward snowballing. This technique implies finding additional papers within the references of the already identified relevant studies (Badampudi et al., 2015). In this way, the likelihood of missing relevant literature is reduced while the alignment with the research objectives is maintained. This division within the literature review has been expanded and analysed in-depth in Section 2.1 and Section 2.2.

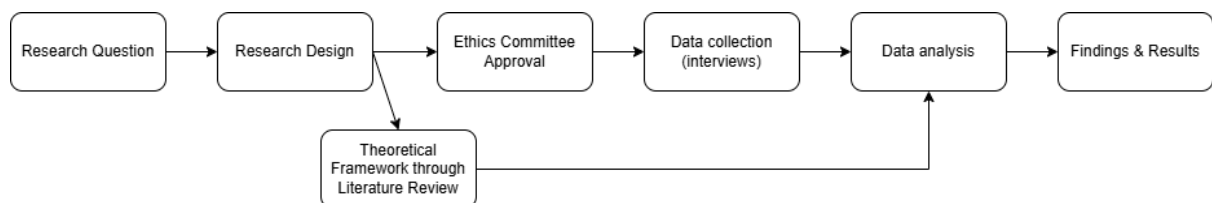
#### 3.2 Interviews and content analysis

The chosen qualitative design of this research is based on semi-structured interviews and content analysis. In contrast with structured interviews, which consist of a standard list of questions asked in a sequential way (Mueller & Segal, 2015), semi-structured interviews allow for more flexibility and consist of open-ended questions as well as an interview guide which serves as a guideline tool to explore main themes of interest (Busetto et al., 2020). Thus, even if structured interviews may provide a higher consistency, it is considered a too rigid approach for this research. Based on its characteristics, the chosen approach offers a higher degree of freedom for the researcher as well as for the interviewees to dive deep into their own feelings and express their thoughts in an insightful manner, providing rich data. The interview questions are created and guided by the identified framework of

consumers' trust rebuilding. Furthermore, the interviewees have the freedom to choose between online and physical interviews. If the former one is chosen, Microsoft Teams is used as a safe and secured platform.

Purposive sampling is used to select participants to this research. The main implication of purposive sampling is a "better matching of the sample to the aims and objectives of the research, thus improving the rigour of the study and trustworthiness of the data and results" (Campbell et al., 2020, p.653). The main inclusion criteria in this research consists of environmentally aware consumers who are making eco-friendly purchases and care about the impact of the purchases they are making on the environment. The following strategy for recruiting the participants is used. Firstly, students of sustainability related studies and study associations as well as active people on sustainability related groups and forums are contacted. Prior to scheduling the interviews, they are asked couple of questions in order to determine how environmentally aware they are and to what extent their purchasing behaviour aligns with the one desired by this research (e.g On a scale of 1 to 10, how environmentally aware do you consider yourself?; Are you seeking eco-friendly products while shopping?; Are you concerned about the potential environmental impact of the products you are buying?). Then, recruitment continues through snowball sampling. This sampling method involves recommendations for other potential participants who meet the criteria, received from accepted participants (Parker et al., 2019). Furthermore, the desired sample size is of 15 participants but interviews are conducted until theoretical saturation is achieved.

The gathered data is analysed using content analysis. This technique can be defined as "a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding" (Stemler, 2001, p.1). Thus, based on the definition, a codebook is created. The coding strategy is a priori, meaning that "the categories are established prior the analysis based upon some theory" (Stemler, 2001, p.1). In the case of this research, the codes are created based on the concepts included in the chosen framework for rebuilding of consumers' trust (Section 2.2) and then further applied to the data. In this way, the findings are based on a valid framework and help in answering the research question. Figure 2 illustrates an overview of the research process.



**Figure 2: Research Process**

The ethical standards of this research are ensured. The Ethical Committee of the University of Twente has approved the request containing the relevant details for this specific type of research, ensuring an ethical process with human participants.

## 4 Results and discussion

In this section, the results of the qualitative study are analysed and answers to the research questions are given. Interview questions (can be found in Appendix A) have been built based on the model of Xie and Peng (2009) which was specifically developed to investigate how consumers' trust can be

rebuilt after negative publicity of companies. This structure plays an important role in discovering which consumer driven factors can help to rebuild the trust of environmentally-aware consumers post greenwashing which in-fact constitutes the answer for the first research question. Based on the discovered factors, the model is adapted for this context, specifically for rebuilding consumers' trust post greenwashing. Also actionable practices that can be used by companies to rebuild the trust of their consumers are recommended. Thus, the latter part constitutes the answer of the sub-question.

#### 4.1 Sample overview

The population under investigation consists of environmentally-aware consumers. They can be defined as “consumers who purchases products and services perceived by him/her as having a positive (or less negative) impact on the environment or who uses his/her purchasing power in order to express concern for a certain social issue” (Ham et al., 2016, p.161). So, the socially responsible consumers are actively searching for eco-friendly products and are constantly aware of the green marketing claims that their preferred companies are making. Also, they tend to recognize greenwashing practices easier than ordinary consumers but also to take an active stance towards combating these negative corporate practices and promoting corporate social responsibility. However, more information about their current purchasing behaviour can be found in Section 4.2.

As explained in Section 3.2, purposive sampling was used to select participants who are usually buying sustainable products due to their strong motivation to help and save the environment. Their previous experiences with this type of products but also with the green (false) claims that the companies are making provide rich insights about how trust in sustainable companies can be rebuilt after greenwashing by different types of corporate efforts. However, in order to establish ways of rebuilding trust (answer to the first research question), the current influence of greenwashing on their purchasing behaviour is also analysed (Section 4.2).

To ensure the validity of the target population, an initial screening phase has been conducted. This initial screening phase helped to determine their suitability for taking part in this research. Based on their degree of environmental awareness and the desire to save the environment through sustainable consumption practices due to their personal beliefs, the potential participants got accepted to further participate in the interviews. From an initial sample of 25 individuals, 15 were determined to be suitable for the desired target group and therefore invited to the interviews. However, theoretical saturation has been achieved after 12 interviews.

**Table 2:** Population overview

Participants	Age	Gender	Country of Origin	Occupation
Interviewee A	23	F	The Netherlands	Student/Part-time job
Interviewee B	22	M	Moldavia	Student/Internship
Interviewee C	23	M	Romania	Student
Interviewee D	24	M	Romania	Full-time job
Interviewee E	21	F	Romania	Student/Part-time job
Interviewee F	25	F	The Netherlands	Student
Interviewee G	23	M	Romania	Student

Interviewee H	22	F	Romania	Student/Part-time job
Interviewee I	40	F	Romania	Full-time job
Interviewee J	23	M	The Netherlands	Student
Interviewee K	23	M	Romania	Full-time job
Interviewee L	23	M	Romania	Student/Part-time job

As it can be observed in Table 2, the gender distribution is quite balanced with 7 male and 5 female participants. This aspect is important for the validity of this study because existing research shows that the gender is influencing the relationship between environmental awareness and the intention to buy organic products, where women are more inclined to make organic purchases (Prado & De Moraes, 2020). Thus, having a balanced sample set in terms of genders reduces the likelihood of potential bias.

Furthermore, the age range of the participants lies between 21 and 40 years old, which gives the opportunity of gathering plenty of different perspectives. Even if all the interviewees match the required criteria of being environmentally aware consumers who are making eco-friendly purchases, other factors such as income also matter. Within this population, there is a balance between full-time students without a job, full-time students with part time jobs and full-time employees. Thus, different perspectives based on some external factors are gathered and beneficial for this study.

Moreover, the participants originate from The Netherlands, Romania and Moldavia. Different cultures (Eastern European versus Western European) are expected to produce multiple perspective based on personal beliefs. However, regardless of their cultural background (within Europe), it seems that environmentally-aware consumers share very similar values, have very similar personal goals related to the environment and share the same type of purchasing behaviour.

The chosen sample is pertinent for the goals of this qualitative research and it is not intended to represent the broad population. The main goal is to investigate how trust can be rebuilt among customers who share common environmental values. Lastly, the target population is defined more by behavioural traits based on personal beliefs and values related to a sustainable consumption and less by other demographical factors. However, as explained in this section, some demographical factors were taken into consideration with the purpose of gathering a wide range of perspectives.

#### 4.2 Current purchasing behaviour

The exploration of this construct provides initial insights about the purchasing behaviour of the environmentally-aware participants. All of the participants claimed that when they are making a purchase, their main interest is to buy an eco-friendly product which does not affect the environment in a negative manner. This aspect also confirms that the initial screening and selection of participants was done in a correct manner. However, for individuals who are full-time students, without any part-time job, the price also matters since their income is limited. Thus, they tend to think twice about the price-quality ratio. On top of this ratio, the environmental impact of the product is always present in their mind, before making a purchase, because they always aim to purchase products or make use of services that are in line with their pro-environmental traits. One aspect that was highlighted by interviewees C and F is that, even if the price is higher for a sustainable product compared with its non-sustainable alternative, as long as it is a fair price, their purchasing decision will not be changed (Interviewee C, 2025; Interviewee F, 2025). The situation changes already when the participants have at least a part-time job, so a stable source of income. In this case, the price becomes less important

while the environmental impact is the first factor in the decision making process. The same thought process is found among participants with a full-time job. So, it can be said that the higher the income, the less incentive to look at the price and the more motivation to purchase sustainable products. So, based on the interviews, all categories of environmentally-aware consumers always tend to buy products that meet their environmentally-related expectations if the cost is fair.

Furthermore, 10 out of 12 participants switched brands at least once because they found a better eco-friendly alternative. This indicates that environmentally-aware consumers have an active stance towards finding better products that better match their personal beliefs. They are open to make changes which would lead to less environmental harm. For instance, it has been found from interviewees A and C that they tend to be very cautious with the hair products they buy (Interviewee A, 2025; Interviewee C, 2025). These type of products related to the personal care are made out of dangerous chemicals for the environment (Piekutin et al., 2025). Currently, on the market, there are plenty of eco-friendly options available, made out of natural components (Szaban et al., 2025), which implies that the interviewees have plenty of options to choose among that meet their personal pro-environmental traits. As it can be observed in Table 1, interviewee C is a full-time student without a stable income. This aspect confirms the observations related to choosing a fair-priced sustainable product for this specific category of individuals. Another common example gathered from the interviews is related to packaging. It has been found from interviewees A, B and F that they tend to switch products based on their package (Interviewee A, 2025; Interviewee B, 2025; Interviewee F, 2025). Thus, if alternatives for a specific product exist, plastic packages are avoided more and more while sustainable packaging gains popularity (e.g. packages made out of biodegradable materials).

Moreover, for all of the participants, a bad environmental reputation of the company is negatively influencing their purchasing decision, especially if the company is involved public scandals. Most of the time, they tend to search for similar eco-friendly alternatives even if their trust is decreasing. Half of the participants even take into consideration to choose a similar but not eco-friendly product, which is cheaper but produced by honest companies which are not using sustainability claims as marketing tools. However, these considerations do not usually transform into actions because their personal values and beliefs for actively contributing to a healthier environment are very strong. But, it has been observed from the interviews that under specific circumstances, such as perceiving greenwashing more than one time for products they buy, their trust level towards eco-friendly companies is decreasing even more and it can definitely lead to choosing products that do not meet their personal values anymore.

The same negative change in purchasing behaviour is also observed when consumers find out that the products they buy are not as sustainable as the company is claiming. All of the interviewees would firstly search for a similar alternative but other alternatives are also taken into consideration if they are being misled multiple times. Also, it has been found from the interviews that participants would use word-of-mouth to spread their negative feelings and negative news for any company within the communities. Word-of-mouth is known as “one of the most influential channels of communication in the marketplace” (Allsop et al., 2007, p.398). Thus, within the ecosystem of environmentally-aware consumers, the negative news are spreading fast and there is a powerful incentive to achieve common grounds towards finding alternatives. As mentioned, if greenwashing is perceived multiple times, the purchasing behaviour of multiple individuals can be negatively influenced by the decreased level of trust, which further endangers the genuine eco-friendly initiatives of genuine sustainable companies. Thus, the efforts to save the environment become harder to be achieved.

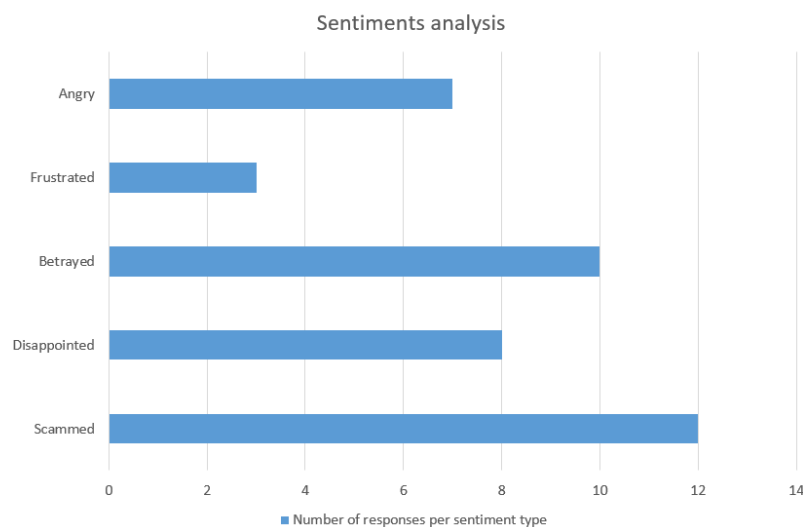
Lastly, 10 out of 12 participants would trust companies that make sustainability claims more than companies that do not claim that. Initially, the level of consumer trust towards these companies is

high, until negative corporate behaviour is proven. At this point, based on existing literature, a steep decline of trust is expected (Ioannou et al., 2022; Chen & Chang, 2012a), and all of the aforementioned changes of consumers' purchasing behaviour have a higher likelihood of occurrence.

Thus, the observed negative changes of consumer's purchasing behaviour and decline of trust are in line with the trends that have been discussed within the existing literature (which has been extensively explained in Section 2.1).

### 4.3 Affective efforts

In order to establish the effectiveness of affective efforts, an in-depth exploration of participants' feelings and sentiments when greenwashing is perceived has been made. As it can be observed in Figure 3, anger, frustration, betrayal, disappointment and scammed are the sentiments that were present in participants' answers. The illustration in Figure 3 displays the number of answers per sentiment type because multiple participants expressed more than one sentiment. All of the participants are feeling at least scammed when greenwashing is perceived. On top of feeling scammed, the other aforementioned sentiments constantly occur among consumers. All of them are negative in nature, showing a profound dissatisfaction due to the fact that this specific type of eco-friendly consumers are personally invested in the sustainable consumption. Thus, based on existing literature, negative sentiments negatively affect the purchasing behaviour of consumers (Jin et al., 2025).



**Figure 3: Sentiments analysis**

Furthermore, it has been investigated how the aforementioned negative sentiments can be changed in a positive way and also how trust of environmentally-aware consumer be rebuilt after greenwashing has been perceived by affective efforts of companies. In this case, affective efforts of companies are related to expressing genuine regret for their actions through an apology message (Xie & Peng, 2009). 11 out of 12 respondents do not consider that an apology message is enough to restore the corporate credibility and restore their own trust. However, it is an important and visible first step in the right direction. For instance, interviewee B stated that "...an apology message would not do much, but it is an initial step which can be taken to publicly express their regret. Personally, due to the fact that my



life and beliefs are guided by strong principles, just hearing some words would not have any impact on me” (Interviewee B, 2025). Thus, based on the gathered responses, even if an apology message is not effective as a standalone method, it is considered an imperative and mandatory first step to be taken. Moreover, the preferred contents of an apology message in consumers’ perspectives have also been discovered. 10 out of 12 interviewees would like to hear the acknowledgment of wrong behaviour. Based on the answers, admitting the mistakes and telling the truth are key components to be transmitted through an apology message. At the same time, 11 out of 12 interviewees admit that the message should be transmitted emphatically towards them in order to re-initiate a personal connection, on an emotional level. This type of connection is very important for the individuals since their purchasing behaviour is influenced by their strong personal values and beliefs (Interviewee A, 2025; Interviewee B, 2025; Interviewee C, 2025; Interviewee D, 2025; Interviewee F, 2025; Interviewee G, 2025; Interviewee H, 2025; Interviewee I, 2025; Interviewee J, 2025; Interviewee K, 2025; Interviewee L, 2025). Furthermore, half of the responses mention that it is preferred that the apology message is transmitted personally by a high executive (e.g one of the directors from the board of the company) and not by the marketing department. In this way, the personal relationship between the consumer and the company is more likely to be re-established.

Thus, the affective effort is an important initial factor towards rebuilding consumers’ trust which is not very effective in isolation, as a standalone method.

#### 4.4 Functional efforts

As explained in Section 2.2, functional effort is divided in two elements: financial compensation and a clear plan of action established by the management of the company that mislead the consumers.

Upon examining the first element within this construct, the results show that 11 out of 12 participants do not consider financial compensation as an effective factor that positively influence their trust post greenwashing. Participants see financial compensation as a tool to buy back their trust and not to regain their trust. This does not work for individuals’ whose purchasing behaviour is strongly influenced by personal values and not by the financial aspect. Interesting to observe is that financial compensation also does not have a positive influence on full-time students without a stable income, due to the strength of their personal values. Thus, monetary gain in this context is against their beliefs. Furthermore, participants see financial compensation as an “easy way out” for big corporations that might not even feel any financial impact by giving this type of compensation to consumers. However, individuals would rather prefer to see those money invested internally to achieve the desired behaviour of being sustainable as a company, either by switching the problematic product (in case of product-related greenwashing) or adapting the problematic processes (in case of process-related greenwashing). Also, based on the interviews, another financially related way that is more likely to rebuild their trust than financial compensation is related to donations. Individuals would also rather see those money donated to NGOs that are fighting for a well-known environmentally related cause. In this way, the company has a direct financial contribution to the reparation of the environmental damage that they are accountable for (Interviewee A, 2025; Interviewee E, 2025; Interviewee G, 2025).

Furthermore, upon examining the second element within this construct, the results show that all of the participants consider clear managerial actions that prevent further environmental damages and avoid other greenwashing scandals as a factor that helps to rebuilding consumers’ trust. Based on all answers, a well-developed plan of action, with clear steps for improvement is perceived as positive corporate behaviour towards change, which positively influences the purchasing behaviour again

based on trust rebuilding. In this way, individuals would tend to give up on the alternatives they found in the meantime and choose again the services of the company. By going more in-depth into what exactly a plan of action for this purpose should contain, multiple elements have been found through their answers. Firstly, the plan of action should be quantitative, with clearly defined goals for improvement. Consumers would like to see clear numbers and how the goals can be accomplished based on the current situation. Thus, the utilisation of SMART goals is desired. By establishing “specific, measurable, attainable, relevant and time-bound goals” (Robins, 2014, p.1), the plan of action has a solid baseline and every metric is quantifiable. The investments should be made based on the defined criteria until the goals are achieved. Furthermore, participants prefer that these internally defined goals should also be in line with the European Sustainable Development Goals (Interviewee G, 2025; Interviewee F, 2025; Interviewee J, 2025). In this way, the company builds an extra layer of assurance and validity for their customers that the new plan has taken the sustainability into consideration. Secondly, the internal policies should be changed (Interviewee C, 2025; Interviewee E, 2025, Interviewee K, 2025). In their opinion, if these are not changed, it is very hard to change the internal processes and way of working without new internal rules. Moreover, all of the participants consider that it is very important for them to see long-term commitment to the plan and to the change. Existing literature shows that “once trust is lost, it may take a long time to rebuild it to its former state” (Thomas, 2001, p.380). Thus, if long-term commitment is not demonstrated, the initially taken measures of the company to improve are likely to seem useless in the eyes of consumers. Trust is rebuilt in time and each taken step in the transformation matters. At this stage, it is way easier to definitely lose again the trust of the consumers than to bring it back to a point where individuals are confidently buying the products or using the services (Interviewee D, 2025; Interviewee L, 2025).

Thus, functional efforts (excluding financial compensation from this construct) are relevant in the context of rebuilding the trust of environmentally-aware consumers post greenwashing. However, the demonstrated long-term commitment to the change is very important.

#### 4.5 Informational efforts

As explained in Section 2.2, informational efforts are characterized by transparency in communication and provision of evidence for the desired improvements. For this specific context, based on existing literature, third-party green certifications are considered evidence for the desired green corporate improvements (Delmas & Grant, 2010). 11 out of 12 participants consider that transparent communication from the company would help them to regain their trust post greenwashing. Thus, as a company that mislead the consumers, it is of high importance to become fully transparent about the current negative practices and fully transparent about how these negative practices will be addressed starting with this point in time. However, it was mentioned by multiple participants that a well-established plan of action (discussed in Section 4.4) is also necessary in order to transparently show the way the improvements are made. Considering the fact that the company has mislead the consumers before, the information they are communicating in a transparent manner can be false again if they do not provide quantifiable measures and clear steps. However, transparent communication as a general concept is seen by the participants as one of the main to be taken in the long-term change. Trust is slowly regained by communicating the truth, no matter if the transmitted information is negative or positive. Also, it was highlighted that transparency in communication gives consumers the opportunity to proof check the claims made by companies through other external and reliable sources (Interviewee A, 2025; Interviewee B, 2025; Interviewee F, 2025). Thus, their own research process of gathering the needed information to rebuild their trust is enhanced. Furthermore, transparency in communication is also related to transparency in annual reports and financial

statements (Interviewee B, 2025, Interviewee G, 2025, Interviewee E, 2025, Interviewee K, 2025, Interviewee L, 2025). This element helps the consumers to transparently observe how the promised investments are made and the changes are materialized. Thus, based on research, by providing detailed and transparent annual reports, consumers' doubt is reduced due to increased credibility (Bachmann & Ingenhoff, 2016).

Furthermore, evidence is also a very important factor within this construct. In this specific case, evidence refers to having a third-party certification that proves the sustainable corporate behaviour or meeting a certain sustainability-related standard (Delmas & Grant, 2010). Here, the opinions are mixed. The respondents originating from Eastern Europe (Romania and Moldavia) would positively react when observing that a specific product or the company itself holds any type of green certification, awarded by a third-party. Based on this certification, their trust level would increase again post greenwashing. However, the respondents originating from Western Europe (the Netherlands) would positively react just if the certification is given by a regulatory body (e.g. EU) and not by an ordinary third-party. The reasoning behind this aspect is related to the fact that an independent third-party, which is still a private business, might have material relationships with the company itself, leading to a biased and unfair outcome (Liu et al., 2024). The process of getting the green certification might be influenced by the business relations between both parties (Liu et al., 2024). Thus, their level of trust would increase again if the company in question proves that they meet a European standard. Currently, the EU is continuously working towards enhancing the CSR related legislation (Hummel & Jobst, 2024). Few examples include: Corporate Sustainability Reporting Directive, Taxonomy Regulation, Sustainable Finance Disclosure Regulation (Hummel & Jobst, 2024). These directives mandate transparent reporting and sustainable behaviour, but there is still a lack of a well-defined standard (Salerno, 2025). By defining standards for different areas of production and operations, companies would have clear guidelines and criteria to be met. Overall, based on the interviews, a third party verification would help to rebuild the trust of all respondents, regardless of what party granted it.

Thus, informational efforts are relevant in the context of rebuilding the trust of environmentally - aware consumers post greenwashing.

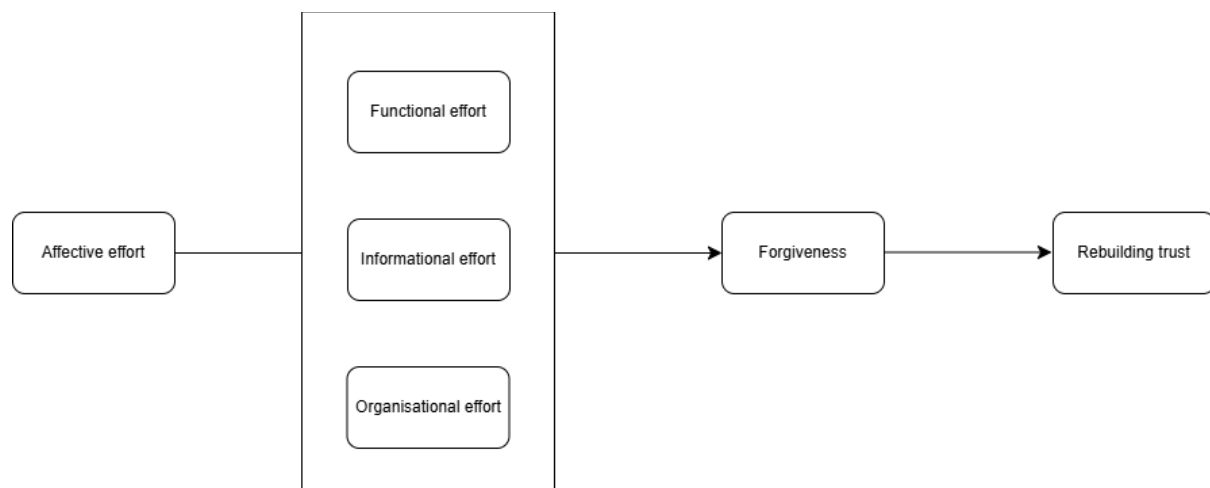
#### 4.6 Organisational efforts

Organisational efforts emerged as an additional factor compared to the ones retrieved from the model of by Xie and Peng (2009) that have already been discussed in the context of consumers' trust rebuilding post greenwashing. Environmentally-aware consumers have plenty of expectations related to organisational change after being misled. One specific and impactful approach within this construct is the replacement of top management (Interviewee B, 2025, Interviewee D, 2025, Interviewee H, 2025). In this way, in consumers' perspectives, the company acknowledges the negative impact that greenwashing had on their consumers and take accountability for their actions to ensure long-term change. The stakeholder theory emphasizes that any business should take into account the interests of any stakeholder who affects or is affected by the corporate actions, and not just the monetary interests of shareholders (Mahajan et al., 2023). Based on this theory, the top management of the company should take the interests of the environmentally-aware consumers into account, but this is not always the case due to agency problem (Armour et al., 2017). This type of problem is likely to happen whenever one party has a contractual relationship with another party and performance is promised (Armour et al., 2017). In a corporate setting, the separation of ownership and control (e.g. board of directors who are responsible to protect stakeholders' interest versus top management who

is in charge with controlling the company) implies that the top management is inclined to make risky decisions because they do not usually bear the consequences (Fama & Jensen, 1983). Due to this, conflict of interest between board and management can arise, and therefore the agency problem. Top management acted in their own interest, the monitoring of the board was not very efficient and the end results was a very negative greenwashing scandal. Thus, considering the fact that the corporate downfall and the decline in consumers' trust was due to misleading sustainable claims, participants consider that the board of directors should act upon their interests and definitely replace the executives who failed to control the business in an ethical way. The replacement of executives is an organisational effort and change as well as a symbolic action which indicates the desire to positively change. Based on the interviews, the replacement of top management would help in rebuilding consumers' trust post greenwashing.

#### 4.7 Proposed model in the context of greenwashing

As explained in Section 2.2, the model for rebuilding consumers' trust after negative publicity (Figure 1) created by Xie & Peng, 2009 was used as a baseline for investigating how consumers' trust can be rebuilt post greenwashing. Based on the discovered factors within this qualitative research, adjustments have been made and the following model is proposed to suit this specific context. It can be observed in Figure 4.



**Figure 4:** Proposed model - greenwashing

The affective efforts are imperative to be made as a first step towards the change. Compared with the model of Xie & Peng, 2009, affective efforts are not placed anymore on the same level with the other efforts. This is due to the fact that the affective efforts are not sufficient in consumers' eyes to forgive the company for being misled. Thus, it is considered a starting point in the model and a first measure that needs to be taken by a company after a greenwashing scandal in order to start the process of consumers' trust rebuilding. Then, as a second step towards change, functional, information or organisational efforts can be made (in parallel) leading to the same positive effect. The construct of organisational effort is an important addition to the baseline theoretical framework, in the context of greenwashing, because the environmentally-aware consumers do not have a passive attitude when being misled by corporations that claim to support their values but act in the opposite manner. So, consumers would expect to see changes among top management since they were primarily responsible for the negative corporate behaviour. Furthermore, based on the insights gathered from the interviews, financial compensation is completely removed from the corresponding construct

(functional efforts) since it does not add any value in this context. When the trust of consumers is decreased due to negative publicity, financial compensation is a valid method within the process of trust rebuilding (Xie & Peng, 2009). In this context, as explained in Section 4.2, the personal values of environmentally-aware consumers are more important than monetary gain. In addition, within the context of greenwashing, financial compensation even has a negative effect on the target group since it is seen as a way to buy the trust, which is contrary to their own personal values. Lastly, the aforementioned factors further lead to forgiveness and trust rebuilding.

Thus, the adapted trust repair model is of high added value in the CSR area of interest. Initially, as explained in Section 2.2, the effects of greenwashing are very similar with the effects of negative publicity due to multiple commonalities. Both concepts lead to a decrease of consumers' trust over time. However, as extensively explained in Section 4, the psychological process of rebuilding the trust is different due to different underlying causes of greenwashing compared with negative publicity as well as different personal drivers when making a purchase. Therefore, the trust repair model of Xie & Peng, 2009 represented a valid baseline for this study but it has been proven that it is not suitable for this context.

#### 4.8 Recommendations for companies

As it has been explained previously, the trust of environmentally-aware consumers is negatively affected by greenwashing practices of companies and it is very hard to be rebuilt, over a long period of time. Based on the findings of this research, companies must take a multi-dimensional approach and demonstrate long-term commitment in order to be able to rebuild consumers' trust and positively influence their purchasing behaviour again. This section aims to describe what kind of actions the companies should take in order to achieve the desired result and also to give an answer to the sub-question (Section 1.2).

Firstly, the company should take accountability for their negative practices and start the trust rebuilding process by giving a public apology message. This message should clearly acknowledge the wrong behaviour, express remorse and also understanding about how the actions of the company undermined the strong personal values of their consumers. Lastly, the message should be transmitted in an empathically way.

Secondly, the company should create a comprehensive plan of action with the purpose of demonstrating the commitment to correcting the causes of greenwashing, over a long-term period. The trust should be rebuilt gradually through consistent actions. Based on each individual situation, this plan of action should include ways of transforming the misleading claims into reality. This can include refactoring of products or processes. Furthermore, creating SMART goals as well as taking into consideration the European Sustainable Development Goals strengthens the plan of action and enhances its validity by adding some verifiable metrics. Moreover, in order to be able to start addressing the causes of greenwashing by implementing the plan of action, the internal policies and workflows should be adapted.

Thirdly, the company should maintain a transparent communication with their consumers and truthfully update them on the progress that's being made. A transparent and continuous communication keeps the individuals engaged in the change process and it also helps them to further verify the claims in external sources, since their trust has already been undermined. Furthermore, it is desired to obtain a green certification for the products/processes from an independent third-party. Moreover, the more official the party is (e.g. EU), the higher the trust of the consumers. So, it is

recommended not to choose the first private party in charge with awarding these type of green certification, but to try obtaining one awarded by a well-recognized institution.

Furthermore, internal organisation changes are also required to be made. The problematic decision-making body within the company needs to be replaced with new people, whose interests are aligned with the interests of the other stakeholders. Also, the monitoring of the board needs to be enhanced.

Lastly, monetary donations to NGOs that are actively fighting for environmental causes can be made. In this way, companies compensate financially to address the environmental issues they contributed to, which is a positive action in consumers' perspectives.

## 5. Conclusion

This section summarizes the finding of this study, discusses the limitations and proposes further areas of improvement in future research on this topic.

### 5.1 Summary

Greenwashing practices are gaining more and more popularity among companies that are increasingly claiming environmentally responsible behaviour or products while these statements are (partially) false. Due to these practices, the trust of environmentally-aware consumers is negatively impacted and it is very difficult to be rebuilt. By using a qualitative methodology as well as the trust rebuilding model of Xie and Peng (2009), this research discovered plenty of factors from environmentally-aware consumers' perspectives that would help them to rebuild their trust post-greenwashing.

By conducting interviews with environmentally-aware consumers, it has been discovered that trust rebuilding is a long process which requires companies to take and maintain an active stance towards improvement. Consumers are positively influenced by affective efforts due to the fact that public apologies offer them a sense of rightness and reduce the negative emotions. However, this is not enough but a very important first step in the right direction. Furthermore, functional, informational and organisational efforts are very important for gradually rebuilding trust through a well-defined plan of action, transparency in communication, green certifications as well as internal changes, over a long-term period. Thus, trust rebuilding post-greenwashing cannot be easily achieved through isolated actions. A mixture of emotional engagement with clear and transparent measures is required. Companies should not treat sustainability as a marketing tool anymore, but rather as an integrated core value which is aligned with the core values of their consumers. In this way, the desired changes can be materialized and trust can be rebuilt based on the positive future environmental impact of the company under discussion. From a research perspective, this study is a valuable addition to the existing knowledge base of sustainability related literature. Considering the fact that most of the existing literature focuses on how greenwashing negatively affects consumers' trust, an in-depth exploration of ways to rebuild consumers' trust post greenwashing has an important role in filling the identified research gap. Based on the findings, the combination of affective efforts with informational, functional and organisational efforts of companies contribute to rebuilding the trust of environmentally-aware consumers post-greenwashing. Companies should create a strategy that includes the aforementioned practices in order to enhance the trust rebuilding process. It is recommended to start with a public apology message, followed by a transparent and detailed action plan, with clear metrics for measuring the improvement process. Also, it is recommended to obtain a



green certification from trusted party, preferably an official institution, and nevertheless, to replace the decision-making body that enabled greenwashing.

## 5.2 Limitations

Even if this study provides a valuable addition to the existing body of knowledge, by investigating how trust of environmentally aware consumers can be rebuilt post-greenwashing, some limitations are recognized.

Firstly, a qualitative methodology has been employed. The sample was relatively small but attentively selected to represent the desired target group. This approach was suitable for this case due to the need of gathering rich and in-depth data from environmentally aware consumers. In this way, an in-depth understanding of their beliefs and opinions is achieved. However, this approach may limit the generalizability of the results. The participants to this study are mainly representatives of three nations (one Western European country and two Eastern European countries). Thus, their opinions and beliefs are representative for Europeans, who usually have access to similar types of products made by brands that are operating on a continental scale. Also, they share a European mindset, so they might not be the most representative for the wider population of environmentally aware consumers due to cultural differences as well as differences in the market offering.

Secondly, the focus of this study is solely on consumers' perspectives. Companies' or sustainability specialists' points of view are not taken into consideration. Thus, the study does not capture potential practical boundaries that may be encountered by companies when trying to recover after a greenwashing scandal.

Thirdly, the way the participants have been selected may be prone to social desirability bias. This type of bias is characterized by respondents answering in an untruthful way, with the main purpose of providing answers that are expected to be heard by the other party (Krumpal, 2013). Thus, in this context, the potential participants who were identifying themselves as environmentally aware may have exaggerated their sustainability related beliefs with the purpose of being aligned with the perceived sustainability related norms.

Lastly, this study is based on consumers' perspectives at a specific point in time. However, the process of trust rebuilding is ongoing. Thus, longitudinal research would be more suitable for investigating how trust is being rebuilt and how effective the companies' efforts are over a longer period of time.

## 5.3 Future research

As explained previously, this study addresses a gap in the existing sustainability related literature, specifically environmentally aware consumer-driven factors that positively influence their trust levels after greenwashing practices of companies. However, further research on the topic is needed to enhance the generalizability of the results across different contexts.

Firstly, a larger sample group is desired in future research. This implies gathering participants with more diverse cultural backgrounds. For instance, participants from Asia or United States can have a significantly different thought processes and sustainability related opinions and beliefs, compared with participants from Europe. In depth insights should be gathered through a similar qualitative methodology as well as statistical significance should be achieved through a quantitative

methodology. By taking these aspects into consideration in further research, the generalizability would be enhanced.

Secondly, as explained in Section 5.2, a qualitative longitudinal study over a longer period of time would be more suitable for investigating how trust can be rebuilt over time. Since this psychological process is not static, future research should investigate how effective are the corporate efforts in the context of rebuilding the trust over a period of months/years.

Thirdly, representatives of companies (preferably top management executives) should be included in future research. By gathering insights into companies' perspectives, a complete understanding of possible practical boundaries is achieved, as well as understanding about the applicability of the discovered theoretical driven methods in a real life setting.

Lastly, the effectiveness of the discovered trust-rebuilding consumer-driven factors should be compared across industries. By narrowing down the scope to specific industries (e.g. fashion, automotive, food, service providers), sector specific factors of rebuilding trust are discovered. In this way, the efforts of the companies can be specifically tailored for the industry they are operating in.



## Appendix

### A: Interview questions

#### **Demographics**

What is your age?

How do you identify yourself?

What is your country of birth?

Are you currently working, studying or both?

#### **Environmentally awareness/Current purchasing behaviour**

What are the main reasons that motivate your choice of a product when making a purchase? Why?

Have you ever switched to another product because you discovered a more eco-friendly alternative?

Does a company's environmental reputation influence your purchasing decision? How?

How would your purchasing behaviour change if you find out that the products you buy are not as sustainable as the company is claiming?

Would you trust companies claiming (in advertisements, reports etc.) that they are eco-friendly more than companies that don't state/claim that?

#### **Questions based on the theoretical framework**

##### **Affective efforts**

What are your feelings when you perceive that the environmentally-friendly companies which are producing the products you buy are involved in greenwashing?

How would these feelings and your attitude change if the company is expressing genuine regret towards their actions?

What elements would influence your feelings in an apology message of a company?

How would your purchasing behaviour be influenced after a company engaged greenwashing is expressing genuine regret for what they have done?

##### **Functional efforts**

How would financial compensation from the company as a strategy to excuse their practices influence your purchasing behaviour? Why?

How would your purchasing behaviour be influenced if the company takes action and addresses environmental issues which led to greenwashing? Why?

What type of actions would you expect the management of a company to take after it has been exposed to greenwashing?

How important is the demonstration of long-term commitment to sustainability of the company post greenwashing to you?

### **Informational efforts**

How would your purchasing behaviour be influenced if the company would provide detailed and transparent information about their sustainability efforts post greenwashing? Why?

Does having a third-party verification to support the sustainability claims of the company influence your purchasing behaviour? Why?

### **Extra questions:**

Which one of the methods discussed would be the most effective for you to regain trust in the eco-friendly companies? Which one would be the least effective? Why?

Which other methods than the ones discussed would help you regain trust in eco-friendly companies? Why?

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