

Nudge Theory Misuse and Greenwashing in H&M's Garment Collecting Program for Circular Fashion

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Abstract

This paper critically examines H&M's Garment Collecting Program as a behavioural intervention framed under circular fashion and sustainability. The study investigates whether the scheme functions as an ethical application of nudge theory or operates as a pseudo-nudge and behavioural prod that reinforces fast fashion consumption under a green narrative. Using a qualitative descriptive case study, the research draws on desk-based analysis of H&M's official communications, sustainability reports, voucher terms, and relevant academic and analytical sources. Qualitative content analysis is applied to assess four key dimensions of the program's design and communication: transparency of information, structure and strength of incentives, temporal conditions shaping decision-making, and the moral framing of participation. The findings show that the program relies predominantly on Type 1 nudges that trigger automatic responses through immediate discounts, limited transparency regarding post-collection material flows, and simplified claims of circular impact. This configuration facilitates moral licensing and generates psychic cost, enabling consumers to feel ethically compensated while remaining embedded in high-volume consumption patterns. When combined with strong purchase-oriented incentives and constrained resistibility, the intervention aligns more closely with pseudo-nudging and behavioural prodding, and supports a diagnosis of greenwashing by design. The paper argues that ethically robust nudging in circular fashion requires transparent intent, easily resistible choice architectures, proportionate incentives, and verifiable environmental outcomes, and offers principles for redesigning garment collection schemes accordingly.

INTRODUCTION

Fashion provides a medium through which individuals express personality, taste, and underlying values (Andrews et al., 2022; Gurnani & Gupta, 2024; Nessim & Bardey, 2022). As Colette Olive argues in "Value, Virtue, and Vivienne Westwood: On the Philosophical Importance of Fashion," contemporary fashion is no longer merely a matter of aesthetics, but increasingly a site of moral expression, signalling the virtues and commitments of the wearer (Olive, 2023). This moral dimension extends beyond stylistic modesty or dress codes to encompass the conditions under which garments are produced, circulated, and disposed of, thereby linking clothing choices to environmental responsibility.

The fast fashion industry has become one of the most visible drivers of environmental degradation in the global apparel sector, relying on rapidly changing collections, low prices, and short product lifespans that structurally encourage overproduction and overconsumption (Lu et al., 2022). These dynamics generate intensive resource use, high volumes of textile waste, and substantial greenhouse gas emissions (Lu et al., 2022). In response to growing

public, regulatory, and academic scrutiny, major fashion brands increasingly adopt the language of sustainability and the circular economy to position themselves as part of the solution rather than as primary contributors to systemic environmental harm. In this context, corporate circular initiatives function simultaneously as technical interventions and as strategic instruments for constructing narratives of credibility, responsibility, and legitimacy.

Within this landscape, H&M has emerged as a prominent case, presenting itself as a frontrunner in sustainable transformation through a formalised sustainability governance structure that includes a dedicated Sustainability Department reporting to senior leadership (H&M Group, 2024). The establishment of a Green Investment Team mandated to support suppliers in financing low-emission technologies further signals the integration of decarbonisation priorities within H&M's supply chain management (H&M Group, 2024). At the business model level, H&M articulates a Circular Business Models framework organised around four pillars — Access, Use and Care, Repair, and Collect — presented as the operational backbone of its circularity agenda (H&M Group, 2024). The Circulator Guide complements this framework by outlining technical criteria intended to support circular design and material choices across product development (H&M Group, 2024).

Within this portfolio, the Garment Collecting Program is promoted as a flagship initiative enabling customers to return unwanted garments from any brand for sorting into reuse, recycling, or last-resort treatment (H&M Group, 2024). H&M reports that the scheme collected 17,100 tonnes of textiles in 2024, situating these figures alongside claims regarding the use of recycled and "more sustainable" materials, emission reductions against a 2019 baseline, and a high share of renewable electricity (H&M Group, 2024). Operationally, the program is implemented through in-store collection points linked to vouchers or discounts issued upon drop-off, thereby consistently coupling environmentally framed participation with renewed purchasing opportunities within H&M's retail ecosystem (H&M Group, 2024).

This configuration raises the central analytical focus of the present study. The combination of circular branding, quantified performance claims, and purchase-linked incentives calls for closer examination of how the Garment Collecting Program structures consumer choices and frames sustainability through behavioural design grounded in choice architecture (Thaler & Sunstein, 2008). Existing discussions on fast fashion and perceived greenwashing indicate that discrepancies between sustainability narratives and underlying mechanisms can undermine trust and obscure ongoing overconsumption.

Against this background, the study examines H&M's Garment Collecting Program as a behavioural and ethical artefact within fast fashion sustainability strategies. Conceptually, the analysis draws on nudge theory and its normative foundations to evaluate whether the intervention preserves freedom of choice while guiding behaviour (Thaler & Sunstein, 2008). The distinction between automatic and reflective forms of influence is used to assess which cognitive processes the program primarily activates (Hansen & Jespersen, 2013). The concepts of pseudo-nudge and behavioural prod provide criteria for determining when apparently soft interventions become substantially controlling (Saghai, 2013). Moral licensing theory informs the examination of how "good deeds" within the scheme may legitimise subsequent consumption (Simbrunner & Schlegelmilch, 2017). The notion of psychic cost supports the analysis of guilt, discomfort, and emotional burden experienced when a pro-environmental self-perception collides with continued fast fashion purchasing (Loewenstein & O'Donoghue,

2006). Concerns about greenwashing in fast fashion contextualise the risk that such behavioural configurations function less as transformative circularity and more as strategic sustainability signalling (Lu et al., 2022). By articulating these questions and evaluative criteria, the study aims to clarify the boundary between legitimate circular fashion initiatives and the strategic commodification of sustainability, and to provide a basis for critical assessment and potential redesign.

The purpose of this study is to examine H&M's Garment Collecting Program as a behavioural and ethical artefact within fast fashion sustainability strategies. The contribution of this research is both theoretical and practical: it extends the application of nudge ethics in corporate sustainability contexts and provides a critical framework for evaluating circular fashion initiatives. The objective is to clarify the boundary between legitimate circular fashion initiatives and the strategic commodification of sustainability, and to offer principles for redesigning garment collection schemes.

METHOD

This study employs a qualitative descriptive case study design to analyse how H&M's Garment Collecting Program is designed, communicated, and positioned as a sustainability initiative. This approach is appropriate for developing an in-depth understanding of practices, narratives, and ethical implications through systematic engagement with textual materials, rather than through numerical measurement alone (Ibrahim, 2018). Focusing on a single corporate programme enables a detailed examination of the relationship between incentive design, sustainability claims, and the choice architecture presented to consumers.

Data were collected through desk research using publicly accessible documents and online sources (Creswell & Poth, 2016). Four main types of sources were used in this study: H&M sustainability reports and official website content describing circularity efforts and the Garment Collecting Program; country-specific voucher terms and conditions and customer-facing information explaining discount values, usage rules, and time limits; academic literature on nudge theory, ethical nudging, pseudo-nudges, behavioural prods, moral licensing, psychic cost, and greenwashing, which provides the conceptual basis for the analysis; and news articles and analytical reports from credible organisations and media outlets discussing H&M's sustainability claims and garment collection practices. Source selection was guided by direct relevance to the programme's design and framing, publisher credibility, and recency.

Data were analysed using qualitative content analysis to explore how the design and communication of the Garment Collecting Program structure consumer choices and construct sustainability meanings (Miles, Huberman, & Saldaña, 2018). All materials were read thematically and examined in relation to established ethical nudge frameworks. The analysis focused on four key dimensions: the transparency and clarity of information about the programme and the destination of collected garments; the structure and appeal of voucher-based incentives; the presence of time pressure or urgency in voucher redemption that may influence decision-making; and the ways in which participation is framed as a moral or pro-environmental act. On the basis of these dimensions, the programme's features were interpreted along an analytical spectrum to assess whether they align with ethical nudging, resemble pseudo-nudges, or approach behavioural prods, and how such configurations may contribute to risks of greenwashing.

To support this process, the categories of analysis, indicators, data sources, and document types are summarised in Table 1, which serves as an organising device for linking specific programme elements to the evaluative dimensions applied.

Table 1. Content Analysis Matrix

Category of Analysis	Indicators	Data Sources	Type of Documents
Nudge theory and choice architecture	Definition of nudge, preservation of choice, non-coercion, limited incentives, role of choice architects	Thaler and Sunstein (2008); Parashar (2022)	Book, journal article
Type 1 and Type 2 nudges	Distinction between automatic and reflective processes; implications for ethical quality of behavioural steering	Hansen & Jespersen (2013); Lin et al. (2017); Felsen and Reiner (2015)	Journal articles
Pseudo-nudge and ethical criteria for nudging	Transparency, easy opt-out, proportional incentives, avoidance of hidden pressure, misuse of the “nudge” label	Barton and Grüne-Yanoff (2015); Hansen and Jespersen (2013); Bovens (2009)	Journal article, book chapter
Behavioural prod and substantial non-control	Criteria of substantial non-control; awareness of influence; resistibility; classification of substantially controlling interventions	Saghai (2013); Saghai (2023)	Journal article, book chapter
Moral licensing	Moral credit after “good” actions; justification of subsequent consumption; relevance for take-back schemes	Simbrunner and Schlegelmilch (2017)	Journal article
Psychic cost	Guilt, discomfort, or dissonance from value-behaviour gaps; evaluation of who bears psychological burdens	Loewenstein and O’Donoghue (2006); Bovens (2009)	Journal article, book chapter
Corporate sustainability governance and circular business models	Sustainability Department; Green Investment Team; Circular Business Models pillars; strategic positioning	H&M Group (2024) Annual and Sustainability Report; H&M Group (2024) Circulator Guide	Annual report, technical guide
Garment Collecting Program design and incentive mechanism	Take-back scheme features; voucher values; usage conditions; time limits; linkage between drop-off and repurchase	Annual and Sustainability Report; H&M online customer information and voucher terms	Corporate report, corporate online materials

Greenwashing and sustainability framing in the GCP	Alignment between narrative and mechanism; use of circular claims to stabilise consumption; behavioural marketing under green claims	Thaler and Sunstein (2008); Barton and Grüne-Yanoff (2015); Saghai (2013); H&M Group (2024)	Book, journal articles, corporate report
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The credibility of the findings was enhanced through source triangulation, by systematically comparing H&M’s official representations with interpretations from academic literature and assessments from credible external sources (Creswell & Poth, 2016; Miles et al., 2018). Convergences and discrepancies across sources were used to refine interpretations and reduce dependence on any single perspective, thereby increasing the transparency and robustness of the analytical process.

RESULT AND DISCUSSION

H&M Garment Collecting Program between Environmental Commitment and Market Strategy

Hennes & Mauritz Group AB (H&M) is widely recognised as one of the leading global fast fashion retailers and, at the same time, as a brand that explicitly claims a commitment to sustainable and transparent fashion (Zellweger, 2017). Headquartered in Sweden, H&M operates in 28 countries with more than 4,801 stores worldwide, giving the company substantial influence over contemporary fashion production and consumption patterns (H&M Group, 2024). This dual position as both a major industry actor and a self-declared sustainability frontrunner makes H&M a critical case for examining how environmental responsibility is framed and operationalised within a fast fashion business model.

In response to growing criticism of the environmental impacts associated with fast fashion, H&M has constructed a formal sustainability governance architecture. A dedicated Sustainability Department, led by a Sustainability Director, reports directly to the CEO, CFO, and the Board of Directors at defined intervals, indicating that sustainability is embedded within core decision-making processes rather than treated solely as a reputational instrument. This structure is reinforced by the establishment of a Green Investment Team mandated to support suppliers in bridging financing gaps for energy transition and low-emission technologies, thereby presenting decarbonisation as an integrated supply chain priority (H&M Group, 2024).

At the business model level, H&M articulates a Circular Business Models (CBMs) framework as a structured effort to extend product lifetimes and reduce textile waste. The CBMs are organised around four pillars. The Access pillar includes resale and second-hand channels such as H&M Pre-loved, COS Resell, and Sellpy, which by 2024 operated in 26 markets and contributed an increasing, though still modest, share of group revenue. The Use & Care pillar encompasses initiatives aimed at educating consumers on clothing care to prolong product use. The Repair pillar introduces repair and alteration services in selected markets to maintain garment usability. The Collect pillar covers the collection of post-consumer textiles for sorting into streams of reuse, recycling, or, where necessary, last-resort treatment. These pillars are presented not merely as promotional themes but as experimental policy spaces that are piloted, monitored, and selectively scaled in line with market readiness (H&M Group,

2024). The Circulator Guide complements this framework by outlining technical criteria intended to support circular design and material choices across product development (H&M Group, 2024).

Within this circularity architecture, the Garment Collecting Program functions as the flagship and most visible intervention. Launched in 2013 as one of the first large-scale take-back schemes implemented by a global fashion retailer, it allows customers to return unwanted garments from any brand at H&M stores. According to H&M Group’s 2024 reporting, the program collected 17,100 tonnes of textiles in 2024, with 66% directed to reuse, 24% to recycling, and 10% to last-resort options such as energy recovery, and cumulatively more than 172,000 tonnes collected since inception (H&M Group, 2024). These figures are strategically mobilised to substantiate H&M’s narrative of measurable circular impact.

A defining feature of the program is its incentive mechanism, which systematically links the act of donation to renewed purchasing within H&M’s ecosystem. Customers receive a voucher upon drop-off, with parameters that vary by country but follow a consistent logic of “drop-off-to-discount”:

Table 2. Drop-off to discount by countries

Country	Voucher Type	Usage Conditions
India	15% off voucher	Per bag of clothing
UK	£5 + 20 membership points	Per bag of clothing
USA	15% off voucher	Per bag of clothing
Malaysia	15% off voucher	Per bag of clothing
South Africa	15% off voucher	Per bag of clothing

This configuration illustrates a stable pattern in which environmentally framed participation is rewarded through purchase-linked benefits, in some cases reinforced by short validity periods that may encourage rapid consumption decisions. The Garment Collecting Program thus operates not only as a collection infrastructure but also as a mechanism that channels participants back into H&M’s commercial environment.

H&M further consolidates its sustainability positioning through performance indicators reported for 2024, including the claim that 89% of materials are sourced from recycled or “more sustainable” inputs, with 29.5% from specific recycled content; reported reductions of 24% in Scope 3 emissions and 41% in Scope 1 and 2 emissions relative to a 2019 baseline; and 96% of electricity sourced from renewable energy, supported by ten Power Purchase Agreements (PPAs) with a combined capacity of 380 MW (H&M Group, 2024). Taken together, the governance structure, investment instruments, CBM portfolio, and quantitative achievements construct a coherent narrative of H&M as a responsible and progressive actor advancing circular fashion.

At the same time, the design of the Garment Collecting Program reveals an inherent tension. On one hand, it demonstrates real institutional capacity to collect textiles at scale and to integrate circular practices into a corporate system. On the other hand, its tight coupling with

discount incentives and loyalty-building mechanisms positions it as a strategic business instrument that may sustain, rather than disrupt, fast fashion consumption. The program occupies an ambiguous space between environmental commitment and market strategy, where circularity functions simultaneously as operational practice and brand asset. The subsequent sections interrogate this ambiguity through the lenses of nudge theory, pseudo-nudges, behavioural prods, moral licensing, and greenwashing to assess whether the program operates as an ethical choice architecture for circularity or as a calibrated form of behavioural and reputational management under a green narrative (Thaler & Sunstein, 2008).

Nudge Theory and H&M’s Position within Choice Architecture

To evaluate how H&M’s Garment Collecting Program functions as a behavioural intervention, this section outlines the core tenets of nudge theory, its ethical foundations, and the distinction between different types of nudges, before situating H&M’s practices within this framework.

Thaler and Sunstein (2008) conceptualise a nudge as a subtle modification of the choice architecture that steers individuals toward particular behaviours without removing options or significantly altering economic incentives. A measure can be considered a nudge only if all options remain available and accessible, participation is easy to decline, and influence operates through contextual design rather than coercion, sanctions, or substantial financial inducements (Thaler & Sunstein, 2008). The normative aim is to support individuals in making decisions that better align with their long-term interests while preserving full freedom of choice (Thaler & Sunstein, 2008).

They identify four key design elements that characterise effective and ethically defensible nudges: simplification, salience, feedback, and framing. Simplification reduces procedural and cognitive burdens, making the desired action easier to perform. Salience ensures that relevant information and options are visible and contextually prominent. Feedback provides symbolic or factual responses that acknowledge or clarify the consequences of an action. Framing shapes how choices are presented and interpreted, often through pro-social or pro-environmental narratives. When applied transparently, these elements enable non-intrusive influence that respects autonomy (Thaler & Sunstein, 2008).

In the context of H&M’s Circular Business Models, several of these elements are embedded in consumer-facing initiatives, particularly in the Garment Collecting Program, as presented in the company’s sustainability reporting and circularity framework (H&M Group, 2024). The relationship between nudge principles and H&M’s practices can be summarised as follows:

Table 3. Relationship between nudge principles and H&M practices

Nudge Principle	Relevant H&M Practices
Simplification	In-store drop boxes for used garments, simple return process, accessible garment care guidance.
Salience	In-store and digital sustainability campaigns, visible Pre-loved corners, “be sustainable” messaging.
Feedback	Immediate voucher as a symbolic acknowledgement of participation, signalling contribution.

Framing	Use of narratives such as “doing good for the planet” and positioning donation as a virtuous act.
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At this level, H&M’s interventions largely comply with the formal criteria of a nudge, in the sense that choices remain available, participation is voluntary, and behavioural steering is implemented through the structured presentation of options rather than overt compulsion (Thaler & Sunstein, 2008). The configuration can also be read through the lens of libertarian paternalism, which holds that nudges should support individuals’ welfare while preserving a realistic ability to opt out without structural guilt, pressure, or material disadvantage for non-participation (Barton & Grüne-Yanoff, 2015).

However, not all nudges operate through the same cognitive processes. Hansen and Jespersen (2013) distinguish between Type 1 nudges, which primarily engage automatic, intuitive responses, and Type 2 nudges, which activate slower, reflective reasoning, a differentiation that is central for assessing the ethical quality of behavioural interventions.

Table 4. Comparative Characteristics of Type 1 and Type 2 Nudges

Dimension	Type 1 Nudge (Automatic)	Type 2 Nudge (Reflective)
Awareness	Largely unconscious, low awareness	Conscious, explicitly recognised
Cognitive processing	Fast, intuitive, low cognitive effort	Slower, analytical, higher cognitive effort
Information level	Minimal, often implicit	Rich, explicit, designed to inform evaluation
Typical examples	Defaults, visual prominence, button placement, instant rewards	Energy labels, impact charts, carbon calculators, comparative feedback

When H&M’s Garment Collecting Program is assessed through this typology, its dominant features align more closely with Type 1 nudging. The intervention offers a highly simplified process and provides immediate rewards through vouchers that are directly linked to drop-off behaviour, reinforcing rapid, low-reflection responses (H&M Group, 2024). At the same time, limited transparency regarding the downstream treatment of collected garments and the constraints of textile recycling means that consumers are not systematically enabled to evaluate their participation within a fuller understanding of environmental trade-offs (Saghai, 2013). The program therefore leans more on habit, convenience, and reward than on informed, critical awareness (Lin et al., 2017).

Formally, the intervention can still be described as a nudge, since it preserves the availability of options and operates through contextual structuring rather than explicit compulsion (Thaler & Sunstein, 2008). Substantively, however, its predominantly Type 1 configuration raises ethical concerns regarding the quality of autonomy it affords (Bovens, 2009). The emphasis on automatic responses and purchase-linked incentives risks distancing

the scheme from the normative commitments of libertarian paternalism and aligning it more closely with influence strategies that advance organisational interests while only superficially empowering consumers (Barton & Grüne-Yanoff, 2015).

This tension motivates the subsequent analysis of whether H&M's use of nudge-like mechanisms remains within the boundaries of ethical nudging or begins to approximate pseudo-nudging and more controlling behavioural strategies (Saghai, 2013).

Moral Licensing and Psychic Cost in the Psychological Effects of H&M's Garment Collecting Scheme

The psychological dynamics embedded in H&M's Garment Collecting Program are central to understanding how the initiative shifts from an apparently pro-environmental intervention toward a more subtle form of behavioural manipulation. The use of direct incentives — particularly the 15% discount vouchers — does more than stimulate participation; it links pro-environmental gestures to brand-embedded rewards in ways that shape how consumers interpret their own actions and any subsequent purchases (H&M Group, 2024). In practice, the scheme not only invites consumers to "do good" but also implicitly structures when they feel they have done enough, and under what conditions continued fast fashion consumption appears acceptable.

Moral licensing offers a critical lens for unpacking this mechanism. Moral licensing refers to the tendency of individuals to permit themselves ethically questionable or indulgent behaviour after performing an act they perceive as morally positive, effectively treating prior good deeds as moral credit (Simbrunner & Schlegelmilch, 2017). Within the Garment Collecting Program, handing in used clothing at H&M generates a sense of moral accomplishment: consumers perceive themselves as having contributed to an environmental solution and "done their part," and the discount voucher reinforces this perceived legitimacy to resume or even increase purchasing. Rather than encouraging sustained behavioural change toward reduced consumption, the intervention risks generating a rebound effect in which new purchases, symbolically justified by prior "good" actions, undermine the environmental benefits of textile collection.

Alongside this, the notion of psychic cost highlights how the program, despite its ethical framing, may intensify emotional burdens for environmentally concerned consumers. Psychic cost denotes the guilt, discomfort, or internal conflict that arises when behaviour is experienced as misaligned with personal values (Loewenstein & O'Donoghue, 2006). In the context of H&M, this tension emerges when individuals who identify with pro-environmental norms participate in a scheme framed as sustainable, yet remain tied to a company associated with accelerated trend cycles and overproduction. As awareness grows regarding the technical limits of textile recycling and the instrumental role of take-back schemes in marketing, consumers confront the dissonance between their environmental commitments and their continued engagement with fast fashion.

The Garment Collecting Program manages rather than resolves this contradiction. The act of donation offers short-term moral and emotional relief, the voucher channels consumers back into H&M's purchasing environment, and the surrounding narrative frames participation as meaningful action. Consumers, in effect, risk "paying twice": first through the material consequences of ongoing consumption, and second through the eventual recognition that their contribution has been partial and embedded within a commercial strategy rather than

representing a transformative shift in practice (Loewenstein & O'Donoghue, 2006). The scheme thus provides a mechanism by which consumers may feel temporarily absolved without opening a clear pathway toward structurally different choices.

The interaction between moral licensing and psychic cost produces a subtle but consequential shift: the intervention functions less as ethical guidance and more as emotional conditioning. The sequence "drop-off → voucher → repeat purchase" constructs a form of pseudo-autonomy in which consumers technically remain free to opt out, but the most psychologically and narratively coherent option is to remain within H&M's ecosystem — where their concern and guilt are pre-processed and their continued consumption is rewarded (Bovens, 2009). Alternatives such as buying less, extending garment use without repurchasing, or exiting fast fashion entirely are not foregrounded within the choice architecture.

Viewed through the lens of libertarian paternalism and ethical nudge theory, this configuration is problematic. An ethical nudge is expected to support individuals in aligning their behaviour with considered preferences by enhancing reflection and preserving substantive freedom of choice (Thaler & Sunstein, 2008). In the case of H&M's Garment Collecting Program, the interplay of direct incentives, moral licensing dynamics, and unaddressed psychic costs suggests that the scheme not only normalises ongoing fast fashion consumption beneath a "green" justificatory layer, but also approaches the boundary at which nudge-like interventions come to resemble pseudo-nudges that stabilise reputational and commercial interests rather than empower consumers (Saghai, 2013).

From Pseudo-Nudge to Behavioural Prod in H&M's Garment Collecting Program

This section examines the position of H&M's Garment Collecting Program within the ethical spectrum of behavioural influence. It argues that practices initially presented as pro-environmental nudges progressively exhibit the characteristics of a pseudo-nudge and, in their operational configuration, approach the more controlling category of behavioural prod (Saghai, 2013).

Hansen and Jespersen (2013) define a pseudo-nudge as an intervention that mimics the formal features of a nudge but fails to uphold the core principles of transparency, autonomy, and pro-self orientation. When this lens is applied to H&M's Garment Collecting Program, several consistent indicators emerge. First, the intervention relies predominantly on automatic, Type 1 processes: vouchers are issued immediately after drop-off, encouraging fast, low-reflection decisions (H&M Group, 2024). Second, transparency is limited; consumers are not provided with clear and accessible information at the point of decision regarding the proportion of garments that are reused, recycled, or incinerated, nor the constraints of textile recycling more broadly (Saghai, 2013). Third, the incentive structure is pro-beneficiary rather than pro-self, as the 15% discount and similar rewards are explicitly tied to renewed purchases within H&M's ecosystem (Barton & Grüne-Yanoff, 2015). Fourth, the mechanism activates moral licensing, enabling consumers to feel they have compensated for their environmental impact and thereby legitimising continued or increased consumption (Simbrunner & Schlegelmilch, 2017). Fifth, short voucher validity periods in several markets introduce time pressure, narrowing the opportunity for deliberation and weakening the ease of resistance (Barton & Grüne-Yanoff, 2015).

From the perspective of nudge ethics, these features are problematic (Bovens, 2009). Barton and Grüne-Yanoff (2015) emphasise that legitimate nudges should not rely on strong

financial inducements, artificial urgency, or emotional pressure that renders non-compliance psychologically costly. In H&M's case, the combination of salient rewards, compressed decision windows, positive environmental framing, and incomplete contextual information undermines the principles of libertarian paternalism. At this juncture, the Garment Collecting Program is more accurately described as a pseudo-nudge: it appears gentle and green, yet substantively prioritises corporate interests and erodes the quality of autonomous choice (Hansen & Jespersen, 2013).

However, Saghai's (2013) framework indicates that the intervention does not merely fall short of ethical nudging, but in several dimensions shifts toward behavioural prod. Saghai distinguishes ethical nudges from manipulative interventions through the criterion of substantial non-control, which requires both the preservation of the choice set and easy resistibility. Individuals should be able to recognise that influence is being exerted (attention-bringing) and to reject it without facing significant material, cognitive, or emotional burdens (inhibitory capacity). Where the technical availability of alternatives is combined with practical or psychological difficulty in refusing the intended behaviour, the intervention moves into substantially controlling territory (Saghai, 2013).

Assessed against this standard, core elements of H&M's scheme align with behavioural prod. The 15% discount constitutes a non-trivial incentive in the context of low-priced fast fashion (Parashar, 2022). Instant issuance and short redemption windows generate urgency that favours immediate consumption over reflection (Barton & Grüne-Yanoff, 2015). The environmental framing and "second life" narrative confer moral approval on participation while obscuring structural limitations and the program's role in stimulating repeat purchases (H&M Group, 2024). Moral licensing and psychic cost further entangle consumers, as declining to use the voucher or exiting H&M can feel economically irrational or morally inconsistent (Loewenstein & O'Donoghue, 2006). Formally, consumers remain free not to redeem the voucher or not to shop; substantively, however, the architecture renders refusal less attractive, less salient, and less comfortable. The position of H&M's intervention within Saghai's taxonomy of behavioural influence can be summarised as follows:

Table 5. Positioning H&M's intervention in Saghai's behavioural influence taxonomy

Type of Influence	Degree of Control	Brief Definition	Position of H&M's Garment Collecting Program
Choice elimination	Fully controlling	Removes the possibility of performing φ from the choice set.	Not applied; H&M does not formally remove options.
Compulsion	Fully controlling	Uses physical force to make the agent perform φ .	Not present.
Coercion	Fully controlling	Uses threats to worsen outcomes if φ is refused.	Not explicitly present.
Behavioural prod	Substantially controlling	Makes φ more likely by triggering shallow cognitive processes while formally preserving	Instant discounts, short validity, green framing, and psychological pressure move the scheme towards this category.

		options, but making refusal difficult in practice.	
Disincentive	Subst. controlling / non-cont.	Raises the cost of not performing ϕ .	Not central to the design.
Incentive	Subst. controlling / non-cont.	Increases the likelihood of ϕ via economic or non-economic benefits.	Voucher mechanism is a key driver of repeat purchases.
Nudge	Substantially non-controlling	Increases likelihood of ϕ via subtle choice architecture while preserving transparency and easy resistibility.	Present in simplification and salience, but weakened by time pressure and incentive strength.
Rational persuasion	Fully non-controlling	Relies on explicit reasons and informed agreement.	Barely present at the consumer decision point.

Note: ϕ denotes the desired action, for example purchasing new clothing after participating in the scheme.

This mapping illustrates that the Garment Collecting Program operates beyond a “slightly flawed” nudge (Saghai, 2013). It constructs a systematic pattern of influence in which choice is preserved in formal terms but constrained through incentive magnitude, temporal pressure, normative framing, and emotional leverage (Barton & Grüne-Yanoff, 2015). The most convenient, rewarding, and narratively validated path is to remain within H&M’s consumption cycle under the impression of acting sustainably (H&M Group, 2024). Such a configuration fails to meet the standard of substantial non-control (Saghai, 2013) and weakens the ethical foundations of libertarian paternalism (Thaler & Sunstein, 2008), reinforcing the conclusion that H&M’s intervention increasingly resembles a behavioural prod concealed beneath sustainability rhetoric rather than a genuinely empowering circular initiative (Saghai, 2013).

Greenwashing by Design: H&M’s Garment Collecting Program as Behavioural Marketing

This section positions the findings on pseudo-nudging and behavioral prod within the broader debate on greenwashing in corporate sustainability communication (Barton & Grüne-Yanoff, 2015). Greenwashing is understood here as a situation in which environmental narratives, symbols, and claims create an impression of responsibility and transformation, while the underlying mechanisms do not substantively challenge harmful patterns of production and consumption (Parashar, 2022). It is not defined by the absence of any positive action, but by the misalignment between what is promised and how the intervention is designed and implemented in practice (Bovens, 2009).

In the case of H&M, references to giving clothes a second life, encouraging conscious fashion, and inviting consumers to close the loop construct an image of meaningful circularity (H&M Group, 2024). On the surface, the Garment Collecting Program appears aligned with this narrative by providing accessible take-back points and reported collection volumes (H&M Group, 2024). However, the program’s operational design reveals a configuration that relies

on pseudo-nudges and exhibits features associated with behavioral prod (Saghai, 2013). The provision of a 15 percent discount and similar benefits functions not only as a symbolic expression of appreciation, but as a concrete trigger that directs consumers back into purchase decisions within the same brand ecosystem (Thaler & Sunstein, 2008). Short voucher validity periods, the positive moral framing of participation, limited clarity at the decision point regarding reuse, recycling, and final treatment flows, and the psychological mechanisms of moral licensing and psychic cost collectively shape behaviour in ways that primarily support repeat consumption (Loewenstein & O'Donoghue, 2006).

When an initiative is publicly framed as a sustainability nudge but relies on strong incentives, compressed decision time, incomplete information, and emotionally charged green narratives, a clear ethical inconsistency emerges (Barton & Grüne-Yanoff, 2015). The program does not primarily invite critical reflection or motivate reductions in overall consumption (Hansen & Jespersen, 2013). Instead, it enables consumers to feel that they have contributed to environmental solutions while continuing to participate in fast fashion purchasing patterns (Simbrunner & Schlegelmilch, 2017). In this configuration, sustainability is transformed into reassurance, and participation in the program becomes a mechanism that stabilises rather than disrupts H&M's commercial model (Saghai, 2013).

Viewed through Saghai's taxonomy of behavioural influence, this architecture moves beyond substantially non-controlling nudges (Saghai, 2013). The choice set remains technically open, yet the most convenient, economically attractive, and morally endorsed outcome is to remain within H&M's consumption loop. The structural prominence of incentives, the subtle pressures embedded in time-limited rewards, and the absence of robust informational transparency indicate a form of behavioural control that is more consistent with behavioral prod (Saghai, 2013). On this basis, the Garment Collecting Program exemplifies greenwashing by design (Parashar, 2022). Circular and ethical language is used to frame an intervention that does not fundamentally confront overproduction or overconsumption, but instead converts the desire to act sustainably into a source of brand loyalty and continued sales (Bovens, 2009). While H&M's broader sustainability structures and investments may contain substantive elements (H&M Group, 2024), the specific behavioural configuration directed at consumers reveals a significant gap between narrative and practice, and supports the conclusion that the scheme operates as behavioural marketing under a green disguise.

Redesigning H&M's Nudge Toward Ethical Sustainability

The preceding analysis shows that the design of H&M's Garment Collecting Program has drifted from ethically acceptable nudging toward pseudo-nudge practices and, in several respects, behavioral prod (Saghai, 2013). In this context, critique alone is insufficient. A credible response requires a set of corrective principles that realign the intervention with the foundations of libertarian paternalism and substantial non-control, while reducing the risk of greenwashing by design (Thaler & Sunstein, 2008).

First, the nature of the intervention must be classified accurately. The discount vouchers and related benefits are primarily economic mechanisms that serve commercial objectives. They are more appropriately understood as marketing incentives rather than sustainability nudges (Barton & Grüne-Yanoff, 2015). As long as the program is framed as a gentle environmental intervention while relying on strong purchase incentives, limited transparency regarding post-collection processing, and reinforcement of brand loyalty, the narrative remains

misleading and contributes to greenwashing risk. Reclassification would require H&M to subject the program to the ethical and regulatory standards that apply to marketing practices, including clear disclosure of commercial intent, verifiable environmental claims, and, where necessary, temporary suspension or adjustment of the scheme until data on reuse, recycling, and last-resort treatment can be communicated in a transparent and substantiated manner (Saghai, 2013).

Second, the choice architecture should be redesigned to promote reflection and resistibility, rather than automatic, time-pressured responses (Felsen & Reiner, 2015). Ethical nudging presupposes that individuals are aware of the intervention, have sufficient information, and can decline participation without penalty or psychological pressure (Thaler & Sunstein, 2008). In the context of the Garment Collecting Program, this implies providing concise but clear information at the drop-off point on the limits of textile recycling and the actual distribution between reuse, recycling, and final treatment; transforming automatic voucher issuance into a conscious option that consumers can accept, decline, or redirect toward environmental or social initiatives; and introducing a temporal delay before vouchers become usable to reduce impulse-driven purchases (Hansen & Jespersen, 2013). Such measures create space for deliberation and help restore substantial non-control by making it realistically possible to resist the behavioural influence embedded in the scheme (Saghai, 2013).

Third, the psychological burden and fairness of impact distribution require systematic attention (Bovens, 2009). The current configuration risks generating moral licensing effects and psychic cost, particularly among environmentally concerned consumers who later recognise the tension between fast fashion expansion and the campaign’s green framing (Loewenstein & O’Donoghue, 2006). It is ethically problematic if emotional costs, confusion, or guilt are borne by individuals, while economic benefits accrue primarily to the company (Bovens, 2009). H&M should therefore assess how participants experience the program, including feelings of trust, regret, or perceived manipulation (Parashar, 2022). If psychological strain or unintended overconsumption is detected, the program should reduce reliance on monetary discounts and explore alternative forms of recognition that align more closely with genuine sustainability aims, such as participation acknowledgements, access to aggregated impact reporting, or pathways for involvement in community-based environmental initiatives (Thaler & Sunstein, 2008). These directions can be summarised as follows:

Table 6. Ethical redesign directions for H&M’s Garment Collecting Program

Ethical Challenge	Proposed Redesign	Expected Outcome
Inaccurate framing and risk of greenwashing	Reclassify the scheme as a marketing incentive, enhance transparency, adjust public claims	Reduced mislabeling, improved accountability, lower risk of sustainability claims misleading
Incentive-driven impulsivity and time pressure	Delay voucher usability, make rewards optional, provide clear information at the decision point	Increased reflection, easier resistibility, alignment with substantial non-control
Moral licensing and psychic cost for consumers	Conduct psychological impact reviews, limit dependence on	Lower emotional burden, fairer distribution of benefits and costs, strengthened public trust

Through such redesign, the Garment Collecting Program could move away from concealed behavioural marketing and toward an ethically robust application of nudging. The emphasis would shift from exploiting guilt and pro-environmental intentions to supporting informed agency, conscious choice, and measurable reductions in material throughput.

CONCLUSION

This study examined H&M's Garment Collecting Program through the lenses of nudge theory, behavioural ethics, and circular fashion, finding that its design diverges from the core principles of ethical nudging. Although presented as an accessible means for consumers to support circularity, the program relies primarily on Type 1 mechanisms that trigger automatic responses through immediate discounts, simplified sustainability narratives, and limited transparency regarding post-collection material flows. These features weaken key requirements of libertarian paternalism, including informed choice, consumer awareness, and substantial non-control.

The findings indicate that the program does not primarily guide consumers toward reduced consumption, but instead channels them back into the fast fashion cycle. Moral licensing creates a sense of fulfilled responsibility that can legitimise further purchases, while psychic cost and subtle guilt dynamics constrain authentic autonomy. In combination with symbolic environmental messaging that is not fully matched by structural change, this configuration aligns with the characteristics of a pseudo-nudge and behavioural prod, and is consistent with a sophisticated form of greenwashing.

In response, this paper advances three key implications. First, interventions that depend on purchase-oriented incentives and opaque impact claims should be recognised and governed as marketing strategies, rather than framed as neutral behavioural guidance. Second, choice architectures in circular initiatives should be redesigned to foster reflection, transparency, and easy resistibility — including clearer communication on outcomes and non-mandatory, non-urgent rewards. Third, independent oversight of behavioural interventions in corporate sustainability is needed to prevent the strategic misuse of nudging concepts.

Nudges can support ethical circular fashion only when they respect autonomy, disclose intent, and correlate with measurable environmental benefits. Without these safeguards, behavioural tools risk prioritising commercial gain over meaningful sustainability.

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