

Impact of Greenwashing on Consumer Trust and Purchase Intentions: An Analytical Study

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Abstract

In the evolving marketplace, sustainability has become a key driver of consumer preference, promoting brands to adopt green marketing strategies. However, the prevalence of greenwashing- misleading environmental claims has raised concerns about its potential to damage consumer trust and purchasing behavior. This study examines the effect of perceived greenwashing on trust in eco-friendly brands and willingness to purchase products with environmental claims. Responses were obtained from 385 individuals and analysed using regression techniques to test two hypotheses. Results indicate that higher perceptions of greenwashing significantly reduce consumer trust and purchase intentions, confirming the detrimental impact of deceptive sustainability claims. The findings emphasise the necessity of authenticity, transparency, and verifiable environmental practices for maintaining brand credibility. The study enriches the body of knowledge on green marketing by offering empirical insights into the negative consequences and offering strategic guidance for organisations aiming to build trust and foster sustainable consumer behaviour.

Keywords: Consumer Trust, Greenwashing, Purchase Intention Sustainability

1.Introduction

Over the past decade, sustainability has evolved into one of the most influential themes in business practices and consumer behavior. Heightened awareness of environmental issues, such as climate change, pollution, and resource depletion, has encouraged both companies and consumers to think beyond financial motives. Today's consumers increasingly prefer products and brands that display authentic concern for the planet and society. As a result, many firms are including sustainability in their strategies, highlighting eco-friendly initiatives as part of their branding and communication efforts.

Against the backdrop of rising sustainability, the practice of greenwashing has emerged as a pressing concern in contemporary marketing. Greenwashing describes the situation in which organizations exaggerate or selectively present information about their environmental practices to project more sustainability than they genuinely have. Rather than implementing meaningful ecological improvements, some firms use promotional campaigns, misleading labels, or ambiguous terms to shape a green image in the minds of consumers. Although such tactics may give short-term marketing advantages, they often create a credibility gap that damages long-term relationships between brands and their stakeholders.

The impact of greenwashing is most evident in how consumers evaluate trust and purchase intentions. Trust is an important component of consumer-brand relationships and is an essential factor in guiding buying decisions. When consumers perceive a gap between environmental claims and actual practices, their trust in the brand declines. This erosion of trust often converts into lower purchase intentions, weakened loyalty, and negative word of mouth, which can collectively undermine a company's competitive position. Furthermore, the spread of greenwashing in the marketplace makes it difficult for genuinely sustainable firms to differentiate themselves, creating confusion and scepticism among consumers.

2. Review of Literature

In the past few years, we have seen a surge in research examining the impact of greenwashing on consumer trust and purchase intentions. Hossain et al. (2025) emphasized that deceptive environmental claims in the fashion industry diminish brand loyalty and reduce consumer trust, especially when companies fail to back their claims with evidence. Similarly, Nguyen et al. (2021) found that greenwashing damages consumers' green trust and weakens their willingness to recommend products to others. Tarabieh (2021) identified perceived risk and consumer confusion as critical mediators that reduce consumers' green purchase behavior in the face of misleading environmental claims.

Janz et al. (2022) demonstrated that even subtle greenwashing, such as vague eco-labelling or unverified slogans, negatively impacts brand credibility and purchase intention. Bladt et al. (2023) developed a typology distinguishing corporate-level from product-level greenwashing and showed that the former tends to provoke more substantial consumer backlash due to broader implications. Zhang and Ismail (2024) confirmed that greenwashing practices erode brand equity and trust, especially among environmentally conscious consumers who can detect inconsistencies in claims.

In a regional context, Ghassani et al. (2021) stated that while Indonesian consumers have less aware of greenwashing, the practice still reduces trust over time. However, green word of mouth plays a vital role in mitigating the impact. Trabieh (2021) also suggested that consumer confusion is a more potent mediator than scepticism in consumers' evaluations of green claims. Wong et al. (2023) propose using natural language processing to detect greenwashing across social media and sustainability reports, aiming to restore consumer confidence by exposing vague or false claims.

Ong et al. (2025) developed ESG performance measurement tools that help consumers assess the authenticity of corporate sustainability disclosures, thereby influencing their trust and intention to buy. Sachs et al.(2024) highlighted how skepticism, confusion, and perceived risk interact with even greenwashing and consumer purchase decisions. Zhang and Ismail (2024) further suggested that consumer literacy plays a moderating role, with more knowledgeable consumers being less likely to be influenced by greenwashing.

A consumer study in Australia (Janz et al., 2022) revealed that more than 60% of respondents doubt corporate green claims, which directly correlates with reduced purchase intention. Vogue Business (2021) reported that although interest in sustainable consumption increased during the pandemic, actual green purchases declined due to distrust fuelled by greenwashing. (Reuters 2025) also documented how global litigation against companies accused of ESG exaggeration has highlighted reputational and legal risks.

Bladt et al. (2023) reiterated that corporate-level greenwashing elicits a stronger adverse reaction than product-level deception. Ghassani et al. (2021) found that in developing economies, where consumer awareness of sustainability is lower, greenwashing has a delayed but growing negative impact on trust. A global meta-analysis by Sachs et al. (2024) concluded that honest communication, third-party certifications, and transparency are critical to rebuilding trust after greenwashing incidents. Finally, Ong et al. (2025) noted that digital transparency tools are becoming essential in helping consumers differentiate genuine sustainability efforts from deceptive marketing.

So, while most international studies agree on the negative relationship between greenwashing and trust, empirical evidence from developing economies such as India remains scarce. Factors like consumer literacy, digital exposure, and cultural scepticism toward corporate claims may moderate these relationships. The current literature primarily focuses on developed markets, leaving a noticeable research gap in understanding how Indian consumers interpret and respond

to green marketing messages. The study aims to bridge that gap by analyzing the impact of perceived greenwashing on consumer trust and purchase intention in the Indian context.

Importance of the Study

As environmental concerns become increasingly prominent globally, a large segment of consumers prefers eco-friendly products and services. However, the problem becomes more prevalent in the trend of greenwashing, where organisations falsely claim environmental benefits, posing an increased threat to consumer trust and undermining genuine sustainability efforts. The current study is particularly relevant as it examines the psychological and behavioural consequences of greenwashing, focusing on its impact on consumer trust in environmentally responsible brands and subsequent purchase intentions.

Marketers, policymakers, and environmental advocates need to understand the importance of greenwashing, as misleading claims can erode brand credibility and hinder sustainable consumption patterns. The research aims to alert companies to the dangers of dishonest practices in green marketing while guiding adopting transparent, ethical communication strategies.

Objectives

- To evaluate the consumers' perception of greenwashing influence on their level of trust in environmentally positioned brands
- To examine the effect of perceived greenwashing on consumers' willingness to purchase products that carry eco-friendly labels or claims

Hypothesis

- H1: Consumers' perception of greenwashing has a significant negative impact on their trust in environmentally positioned brands
- H2: Perceived greenwashing significantly reduces consumers' willingness to purchase products with eco-friendly labels or claims

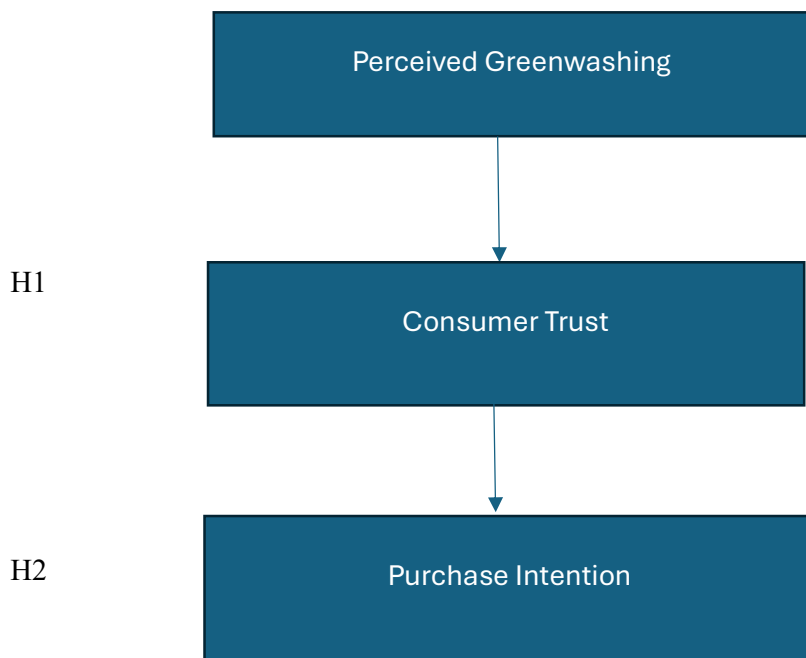
Theoretical Foundation

The study is based on Signalling Theory, which explains how organisations convey information to consumers in situations of uncertainty (Spence, 1973). In marketing, signals such as eco-labels, sustainability claims, or corporate social responsibility disclosures are intended to

convey authenticity and ethical matters. However, when these signals are misleading or exaggerated—a practice known as greenwashing—consumers perceive a disconnect between a company’s stated intentions and its actual behaviour.

The theory states that credible signals enhance consumer trust, while deceptive signals weaken it. Therefore, when consumers detect potential greenwashing, their trust in the brand decreases, thereby lowering purchase intentions. So, the theoretical foundation supports the proposed hypotheses that perceived greenwashing negatively influences consumer trust (H1) and, in turn, reduces the willingness to purchase eco-labelled products.

Figure 2.1: Conceptual Framework



The conceptual framework (Figure 1) illustrates the hypothesised relationships among the primary constructs of the current study- perceived Greenwashing, Consumer Trust, and Purchase Intention. The model is based on the Signalling Theory, which explains how environmental claims act as signals of brand authenticity. When consumers perceive these signals as deceptive or exaggerated (greenwashing), their trust in the brand diminishes (H1), which subsequently lowers their intention to purchase eco-friendly products(H2).

3. Research Methodology

The study adopts a quantitative, cross-sectional research design to examine the influence of greenwashing perception on consumer trust and purchase intentions. By collecting and analysing numerical data, the research aims to test specific hypotheses and establish statistical relationships among variables. The design is appropriate for identifying patterns and drawing inferences from a defined population at a single point in time.

Population and Sampling Technique

The target population comprises individual consumers who are exposed to green marketing messages and environmentally positioned brands. A sample size of 385 respondents was chosen, which is adequate for regression analysis and ensures statistical reliability.

The data were collected through a purposive sampling technique, as the research required participants with awareness or experience of eco-friendly branding or environmental product claims. The online survey was disseminated through social media platforms, email, and messaging applications to reach a diverse but relevant audience.

Instrument Design and Measurement

The study used a structured questionnaire to measure the primary constructs- perceived greenwashing, Consumer Trust, and Purchase Intention. Each construct was operationalised using a few items adapted from validated scales in prior research (Nguyen, Lobo, & Greenalnd, 2021; Zang & Ismail, 2024; Hossain, Lee, Rahman, 2025). The adoption ensured that the measurement items were contextually relevant while maintaining theoretical validity. A few changes were made to align with the Indian context and the research's scope.

Respondent Demographics

A total of 385 respondents have given their valuable responses across different age groups and educational backgrounds. The same included both male and female respondents who are well aware of the environmentally positioned brands. Table 1 summarises the demographic characteristics of the respondents, including gender, age, education level, and environmental awareness.

Table 3.1: Demographic Details of Respondents

Demographics Questions	Details	Frequency (Number)	Percentage (%)
Gender	Male	185	48
	Female	200	52
Age Group	18-25 years	112	29
	26-35 years	158	41
	36-45 years	73	19
	46 years and above	42	11
Education Level	Below Undergraduate	120	32
	Undergraduate	125	32
	Postgraduate	120	31
	Doctorate	20	5
Level of Environmental Awareness	Low	72	20
	Moderate	203	53
	High	110	27

As shown in Table 1, the sample was relatively balanced in terms of gender with a moderate proportion of female respondents. A higher proportion of respondents were between 25 and 35 years of age, reflecting a young, educated, and environmentally conscious consumer segment. More than half of the respondents reported moderate awareness of environmental issues, indicating a growing sensitivity toward sustainability and eco-friendly marketing claims among urban consumers.

Data analysis & Report

Table 3.2: Reliability and Validity Analysis

Before testing the hypotheses, the researcher has checked the reliability and validity of the measurement scales to ensure data consistency and accuracy. Here is the table showing the results.

Construct	Cronbach Alpha	Composite Reliability	Average Variance Extracted
Perceived Greenwashing	0.916	0.93	0.66
Consumer Trust	0.890	0.91	0.64

Purchase Intention	0.921	0.94	0.68
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In Table 2 above, all constructs demonstrate satisfactory reliability and convergent validity. Cronbach's alpha and composite reliability values exceed the thresholds of 0.70 and 0.80, respectively, indicating strong internal consistency. The AVE values exceed the 0.50 threshold, indicating adequate convergent validity (Fornell & Larcker, 1981). Therefore, the measurement model is statistically sound for further analysis.

Tabel 3.3: Regression Test

Variable	Coefficient (β)	Standard Error	t-value	p-value	95% Confidence Interval
Intercept	2.793	0.205	13.61	<0.001	[2.390, 3.197]
Greenwashing Perception	-0.301	0.061	-4.90	<0.001	[-0.421, -0.180]

Regression Test Interpretation

Model Summary: $R^2=0.06$, Adjusted $R^2=0.058$, $F(1,383)=24.01$, $p<0.001$. which explains approximately 6% of the variance in Consumer Trust, indicating that perceived greenwashing significantly reduces trust in environmentally positioned brands.

The analysis reveals that perceived greenwashing has a statistically significant adverse impact on consumer trust ($\beta= -0.301$, $t = -4.9$, $p<0.001$). The 95% confidence interval for the coefficient [-0.421, -0.180] does not include zero, confirming the robustness of the relationship. This indicates that as consumers perceive higher levels of greenwashing, their trust in environmentally positioned brands declines. Specifically, a one-unit increase in perceived greenwashing is associated with a 0.301-unit decrease in trust, holding other factors constant. The findings provide strong empirical support for H1, affirming that deceptive or exaggerated environmental claims erode brand credibility.

Tabel 3.4: Regression Test

Variable	Coefficient (β)	Standard Error	t-value	p-value	95% Confidence Interval
Intercept	0.115	0.026	4.46	<0.001	[0.064, 0.165]
Greenwashing Perception	0.272	0.009	-30.12	<0.001	[-0.285, -0.254]

Regression Test Interpretation

Model Summary: $R^2=0.70$, Adjusted $R^2=0.699$, $F(1,383)=907.20$, $p<0.001$.

The model illustrates approximately 70% of the variance in Purchase Intention, indicating that perceived greenwashing has a significant adverse effect on consumers' willingness to purchase eco-friendly products.

The analysis indicates a statistically significant negative relationship between perceived greenwashing and willingness to purchase ($\beta = -0.272$, $t = -30.12$, $p < 0.001$). The 95% confidence interval $[-0.285, -0.254]$ lies entirely in the negative range, confirming the robustness of the effect. This result suggests that as consumers' perception of greenwashing increases, their willingness to purchase eco-labelled products decreases. Specifically, a one-unit increase in perceived greenwashing is associated with a 0.272-unit reduction in desire to buy, holding other variables constant. These findings provide strong empirical support for H_2 , aligning with the theoretical expectation that deceptive environmental claims undermine purchase intentions.

Discussion

The study finds that perceived greenwashing significantly reduces consumer trust and purchase intention, supporting the important assumption of Signaling Theory that misleading information. sustainability claims act as weak or deceptive signals that reduce brand credibility. These findings are consistent with earlier studies (Nguyen et al., 2021; Tarabieh, 2021; Zhang & Ismail, 2024) that highlight how deceptive environmental communication erodes consumer confidence and decreases the willingness to buy. By extending this relationship to the Indian

context, the study adds to the limited body of evidence from other economies, where varying levels of eco-literacy and awareness affect consumer perceptions differently from those in developed nations. The result stresses that when consumers suspect dishonesty in environmental claims, their trust in the brand declines sharply, leading to lower purchase intentions.

Future Research Direction

The study's findings are robust, yet it is limited to three key constructs —perceived greenwashing, consumer trust, and purchase intention — within a single cultural context. Future researchers can concentrate on enriching the current conceptual framework by adding a few mediating and moderating variables, such as perceived risk and environmental involvement. Future researchers can also employ qualitative or longitudinal approaches, which could provide deeper insight into evolving consumer attitudes toward green marketing.

Conclusion

The current research examined how consumers' perceptions of greenwashing influence their trust in eco-friendly brands and their intention to purchase products marketed with environmental claims. The results provide strong evidence that perceived greenwashing adversely affects both outcomes. When consumers believe that a brand's sustainability claims are misleading, their trust diminishes, and their willingness to buy such products declines.

The study underscores the necessity of honesty and transparency in environmental marketing practices. Authentic green marketing can strengthen brand reputation, but exaggerated or deceptive claims can erode consumer confidence and harm long-term brand equity. The findings make it clear that companies positioning themselves as sustainable must ensure their environmental messages are accurate, consistent, and backed by verifiable actions. As environmentally conscious consumer behaviour continues to grow, steering clear of greenwashing is not only a matter of corporate ethics but also a crucial strategy for maintaining customer trust and encouraging positive purchasing behaviour.

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