

The Influence of Greenwashing Perception and Transparency Disclosure on Consumer Trust in FMCG Products in Jakarta

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ABSTRACT

This study aims to analyze the effect of perceptions of greenwashing and transparency in information disclosure on consumer trust in Fast-Moving Consumer Goods (FMCG) products in Jakarta. Increasing environmental awareness among consumers has encouraged FMCG companies to adopt green marketing strategies; however, misleading environmental claims may reduce consumer confidence toward environmentally oriented products. This research employed a quantitative approach using a survey method involving 150 respondents in Jakarta who had purchased FMCG products with environmental claims. Data were collected using questionnaires measured with a Likert scale and analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS 3). The results indicate that perceptions of greenwashing have a negative and significant effect on consumer trust, while transparency in information disclosure has a positive and significant effect on consumer trust. The findings demonstrate that consumers tend to distrust companies perceived as exaggerating or manipulating environmental claims, whereas transparent and honest sustainability communication strengthens consumer confidence. The study concludes that FMCG companies should avoid deceptive green marketing practices and improve transparency in environmental information disclosure to maintain and enhance consumer trust. These findings provide theoretical contributions to green marketing literature and practical implications for companies seeking to strengthen sustainability-based competitive advantages in urban consumer markets.

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1. INTRODUCTION

Environmental sustainability has become a major concern influencing global business strategies and consumer behavior in recent years. Climate change, environmental degradation, excessive waste generation, and increasing carbon emissions have encouraged companies to integrate sustainability

principles into their operational and marketing activities [1]–[3]. In response to growing environmental awareness, many businesses have adopted green marketing strategies to position their products as environmentally friendly and socially responsible. This trend is particularly visible in the Fast-Moving Consumer Goods (FMCG)

sector, where companies increasingly use eco-labels, recyclable packaging, and sustainability-oriented advertising campaigns to attract environmentally conscious consumers [4], [5]. FMCG products are consumed regularly and have broad market penetration, making sustainability-related communication highly influential in shaping consumer perceptions and purchasing decisions [6], [7].

In Indonesia, especially in Jakarta, public awareness regarding environmental responsibility has continued to increase alongside rapid urbanization and digital information exposure. Urban consumers are becoming more selective in evaluating products and corporate practices, no longer focusing solely on price and quality but also considering ethical production, environmental impact, and transparency in corporate communication [8], [9]. Companies perceived as environmentally responsible often gain stronger consumer trust and customer loyalty. Consequently, FMCG companies increasingly integrate environmental narratives into branding and promotional activities to strengthen competitiveness and corporate reputation. The growing popularity of sustainability-oriented consumption has encouraged businesses to highlight environmental values as part of their market positioning strategies. [9], [10]

However, the increasing use of green marketing practices has also led to the emergence of greenwashing. Greenwashing refers to situations in which companies exaggerate, manipulate, or provide misleading information regarding the environmental benefits of their products or business activities. Many firms claim that their products are environmentally friendly despite lacking substantial evidence or genuine sustainable practices [11], [12]. Such misleading environmental claims may create skepticism among consumers and weaken confidence toward corporate sustainability commitments. In the FMCG sector, greenwashing commonly appears through vague eco-friendly labels, exaggerated advertising messages, selective sustainability

disclosure, or unsupported environmental claims. As environmental awareness grows, consumers become more critical in assessing whether companies genuinely implement sustainable practices or merely use environmental issues as promotional tools. [12], [13]

The issue of greenwashing has become increasingly important because consumers are now exposed to extensive sustainability-related information through digital media, advertisements, and social networking platforms. Information spreads rapidly, allowing consumers to compare environmental claims with actual corporate practices more easily. As a result, consumers have become more cautious when evaluating sustainability-oriented marketing messages. When consumers perceive that companies engage in greenwashing, negative reactions may emerge, including reduced trust, negative word-of-mouth, lower purchase intention, and declining brand loyalty. Consumer trust represents a crucial factor in maintaining long-term business sustainability because trust influences purchasing behavior, customer retention, and corporate reputation. Therefore, companies must ensure that environmental communication is credible, accurate, and supported by genuine sustainability initiatives.

In addition to avoiding greenwashing, transparency in information disclosure plays a critical role in building consumer trust. Transparency refers to the openness of companies in communicating accurate, relevant, and accessible information regarding environmental practices, sustainability programs, product ingredients, production processes, and environmental impacts [14], [15]. Transparent disclosure enables consumers to evaluate whether companies genuinely implement sustainable practices and reduces information asymmetry between businesses and consumers. Previous studies have shown that transparency positively influences corporate credibility and strengthens consumer trust because consumers tend to trust companies that provide honest and detailed sustainability information [16], [17]. In contrast, ambiguous

or incomplete information may increase skepticism and reduce perceptions of corporate integrity. Within the FMCG industry, transparency has become increasingly important because consumers directly interact with products in their daily lives and are highly sensitive to issues such as packaging waste, environmental pollution, and ethical sourcing practices.

Despite the growing importance of green marketing and transparency, research examining the relationship between perceptions of greenwashing, transparency in information disclosure, and consumer trust in the Indonesian FMCG sector remains limited. Most previous studies have focused on developed countries or industries such as tourism, fashion, and energy. Furthermore, studies examining greenwashing perceptions and transparency simultaneously in influencing consumer trust are still relatively scarce, particularly within the context of Jakarta as a highly urbanized and consumption-oriented market.

2. LITERATURE REVIEW

2.1 *Greenwashing*

Greenwashing refers to the practice of conveying misleading or exaggerated environmental claims to create an environmentally responsible image without implementing genuine sustainability practices. In the FMCG industry, companies frequently use labels such as “eco-friendly,” “green,” or “sustainable” to attract environmentally conscious consumers, although many of these claims are not supported by transparent evidence or measurable environmental impact assessments [11], [18]. Based on legitimacy theory and signaling theory, greenwashing can be interpreted as a strategy used by companies to maintain public legitimacy and influence consumer perceptions through

environmental communication. However, misleading sustainability information may create consumer skepticism, reduce corporate credibility, and weaken consumer trust [12], [13]. In urban markets such as Jakarta, where consumers are increasingly aware of environmental issues, perceptions of greenwashing may significantly influence evaluations of FMCG products and brands. Previous studies have also shown that perceived greenwashing negatively affects consumer attitudes, emotional attachment, purchase intention, and long-term trust because consumers tend to distrust companies that exaggerate environmental claims without verifiable evidence.

2.2 *Transparency in Information Disclosure*

Transparency in information disclosure refers to the openness and clarity of companies in communicating accurate, complete, and accessible information regarding environmental practices, sustainability initiatives, product ingredients, sourcing methods, and environmental impacts to consumers and other stakeholders. In the context of sustainability and green marketing, transparency has become increasingly important due to the rapid growth of digital communication and public access to information, where consumers actively evaluate and compare corporate environmental performance [19], [20]. Based on stakeholder theory, transparency represents corporate accountability and reflects ethical responsibility, honesty, and good corporate

governance. Transparency can be reflected through clear environmental communication, accurate product labeling, accessible sustainability reports, and the availability of evidence supporting environmental claims [21], [22]. In the FMCG industry, transparent disclosure regarding recyclable packaging, sustainable sourcing, and environmentally friendly production processes may strengthen consumer confidence because consumers often rely on labels and advertisements when making purchasing decisions. Previous studies have consistently shown that transparency positively influences consumer trust, brand image, and customer loyalty because consumers perceive openness as an indicator of reliability and corporate integrity [23], [24]. Conversely, lack of transparency may increase skepticism and vulnerability to accusations of greenwashing. Therefore, higher levels of transparency in information disclosure are expected to positively influence consumer trust in FMCG products.

2.3 Consumer Trust

Consumer trust is one of the most important factors influencing long-term relationships between consumers and companies because it reflects consumers' willingness to rely on a company, product, or brand based on perceptions of reliability, honesty, competence, and integrity. In marketing contexts, trust plays a crucial role in shaping customer satisfaction, loyalty, purchase intention, and positive word-of-mouth

communication [25], [26]. Consumer trust becomes particularly important in sustainability-related markets because consumers often cannot directly verify environmental claims and therefore depend on information provided through advertisements, labels, certifications, and corporate communication. As a result, trust functions as a mechanism that reduces uncertainty and perceived risk during purchasing decisions [27], [28]. Trust can be influenced by factors such as product quality, corporate reputation, ethical conduct, transparency, communication consistency, and perceived authenticity. In the FMCG industry, where competition among brands is intense and consumers are exposed to numerous environmental claims, trust becomes a key differentiating factor that influences long-term customer relationships [29], [30]. According to relationship marketing theory, trust develops when companies consistently fulfill consumer expectations and communicate honestly, while perceived deception or inconsistency may rapidly weaken consumer confidence. Previous studies have also shown that consumer trust is positively associated with transparency and negatively associated with perceptions of greenwashing because transparent communication strengthens perceptions of honesty and credibility, whereas misleading environmental claims increase skepticism and reduce confidence in corporate sustainability practices [9], [31]. In this study, consumer trust

refers to the level of consumer confidence in FMCG products and companies regarding the truthfulness of environmental claims and sustainability practices.

2.4 Hypothesis Development

2.4.1 The Effect of Greenwashing Perception on Consumer Trust

Greenwashing creates consumer skepticism because consumers perceive inconsistencies between environmental claims and actual corporate behavior, causing misleading sustainability communication to reduce perceptions of honesty, credibility, and corporate integrity [11], [18]. Previous studies have shown that greenwashing negatively affects consumer trust, brand attitude, and purchase intention because deceptive environmental claims are often interpreted as unethical business practices. In the FMCG sector, consumers have become increasingly critical toward environmental marketing activities due to growing environmental awareness and easier access to digital information that enables them to evaluate corporate sustainability claims more carefully [12], [13]. As a result, perceptions of greenwashing are expected to reduce consumer confidence in FMCG products and brands. Therefore, based on the theoretical and empirical discussion, the following hypothesis is proposed: H1: Perceptions of greenwashing negatively and significantly affect consumer trust in FMCG products in Jakarta.

2.4.2 The Effect of Transparency in Information Disclosure on Consumer Trust

Transparency in information disclosure enables consumers to evaluate corporate sustainability practices more accurately because companies that communicate environmental information openly, clearly, and honestly are more likely to be perceived as credible and trustworthy [25], [32]. Transparent disclosure reduces uncertainty and information asymmetry between companies and consumers, thereby strengthening consumer confidence and perceptions of corporate integrity. Previous studies have demonstrated that transparency positively influences corporate reputation, customer loyalty, and consumer trust, particularly in sustainability-oriented markets [9], [26]. In the FMCG industry, transparency regarding environmental practices, product ingredients, recyclable packaging, and sustainability initiatives may enhance perceptions of authenticity and ethical responsibility among consumers. Therefore, based on these arguments, the following hypothesis is proposed: H2: Transparency in information disclosure positively and significantly affects consumer trust in FMCG products in Jakarta.

3. METHODS

3.1 Research Approach

This study employed a quantitative research approach to examine the effect of perceptions of greenwashing and transparency in information disclosure on

consumer trust in FMCG products in Jakarta. The quantitative method was selected because it enables the objective measurement of relationships among variables through statistical analysis and supports hypothesis testing using numerical data. Data were collected using a survey method involving respondents who had experience purchasing FMCG products marketed with environmental or sustainability-related claims. Furthermore, this study used Structural Equation Modeling–Partial Least Squares (SEM-PLS) to simultaneously analyze the measurement model and the structural relationships among latent variables.

3.2 Research Location and Population

The research was conducted in Jakarta, which represents one of the largest urban consumer markets in Indonesia and has a high level of FMCG consumption. Jakarta was selected because consumers in metropolitan areas tend to have greater exposure to sustainability campaigns, environmental issues, and green marketing practices compared to consumers in smaller cities, making it highly relevant for examining perceptions of greenwashing and transparency in environmental communication. The population of this study consisted of consumers in Jakarta who had purchased FMCG products with environmental or eco-friendly claims, including products such as food and beverages, personal care items, household products, and packaged consumer goods marketed using sustainability-oriented branding strategies.

3.3 Sample and Sampling Technique

This study used a non-probability sampling method with a purposive sampling technique because respondents were selected based on criteria relevant to the research objectives. The respondents were required to reside in Jakarta, be at least 17 years old, have purchased FMCG products with environmental or sustainability claims within the last six months, and be familiar with

environmental marketing or eco-friendly product labels. The total number of respondents in this study was 150 consumers. This sample size was considered adequate for SEM-PLS analysis because Partial Least Squares modeling is capable of effectively analyzing relatively small to medium sample sizes and fulfills the minimum sample requirements commonly recommended for models involving multiple latent variables and indicators.

3.4 Data Types and Sources

This study used primary data obtained directly from respondents through questionnaire distribution because primary data provide direct information regarding consumer perceptions, attitudes, and trust toward FMCG products associated with environmental claims. The questionnaire was distributed online using digital survey platforms to facilitate broader respondent participation across Jakarta, and respondents completed the questionnaire voluntarily after meeting the established research criteria. In addition to primary data, this study also used secondary data derived from journals, books, previous research articles, reports, and other academic references to support the theoretical foundation and the development of research hypotheses.

3.5 Data Collection Technique

Data collection in this study was conducted using a structured questionnaire consisting of statements related to perceptions of greenwashing, transparency in information disclosure, and consumer trust. Respondents were asked to indicate their level of agreement with each statement using a five-point Likert scale consisting of Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree. The use of the Likert scale enabled respondents to express their perceptions and attitudes quantitatively, thereby facilitating statistical analysis and hypothesis testing in the research model.

3.6 Operational Definition of Variables

This study involved two independent variables and one dependent variable. The first independent variable, perceptions of greenwashing (X1), refers to consumer perceptions that FMCG companies exaggerate, manipulate, or provide misleading environmental claims regarding their products or business practices, which were measured through indicators including misleading environmental claims, exaggeration of eco-friendly benefits, lack of supporting evidence, ambiguous sustainability communication, and inconsistency between claims and actual practices. The second independent variable, transparency in information disclosure (X2), refers to the openness and clarity of companies in communicating accurate and complete environmental information to consumers, measured through indicators such as clarity of environmental information, accessibility of sustainability information, completeness of product information, honesty in environmental communication, and availability of supporting evidence and certifications. Meanwhile, the dependent variable, consumer trust (Y), refers to the level of consumer confidence in FMCG products and companies regarding environmental claims and sustainability practices, measured through indicators including confidence in product credibility, belief in environmental claims, perception of corporate honesty, reliability of sustainability information, and confidence in company commitment toward sustainability.

3.7 Instrument Testing

Before conducting the main analysis, the research instrument was tested to ensure its validity and reliability. The validity test was conducted to determine whether the questionnaire indicators accurately measured the intended constructs, where convergent validity in SEM-PLS analysis was evaluated using loading factor values and Average Variance Extracted (AVE). Indicators were considered valid if they met the criteria of loading factor values greater than 0.70 and AVE values greater than 0.50, indicating that the indicators were capable of representing

the latent variables appropriately. Furthermore, reliability testing was conducted to assess the consistency and stability of the measurement instrument using Cronbach's Alpha and Composite Reliability (CR). Variables were considered reliable if Cronbach's Alpha and Composite Reliability values exceeded 0.70, indicating that the measurement instrument had satisfactory internal consistency and reliability.

3.8 Data Analysis Technique

This study used Structural Equation Modeling–Partial Least Squares (SEM-PLS 3) for data analysis because SEM-PLS is suitable for predictive and exploratory research models and is capable of simultaneously analyzing relationships among latent variables. The SEM-PLS analysis process consisted of two stages, namely outer model evaluation and inner model evaluation [33]. The outer model evaluation was conducted to assess the validity and reliability of the measurement indicators through convergent validity testing, discriminant validity testing, composite reliability testing, and Cronbach's Alpha testing to ensure that the indicators appropriately measured the latent constructs. Meanwhile, the inner model evaluation was conducted to analyze structural relationships among variables and test the research hypotheses using coefficient of determination (R^2), path coefficient analysis, bootstrapping procedures, and predictive relevance (Q^2). Hypothesis testing was conducted using t-statistics and p-values obtained from the bootstrapping process, where hypotheses were considered statistically significant if the t-statistic value exceeded 1.96 and the p-value was below 0.05.

4. RESULTS AND DISCUSSION

4.1 Respondent Characteristics

This study involved 150 respondents who are consumers of FMCG products in Jakarta. The respondents were selected based on the criteria that they had purchased FMCG products with environmental or sustainability claims within the last six months. The demographic characteristics of respondents

include gender, age, education level, and frequency of purchasing environmentally oriented FMCG products.

Table 1. Respondent Characteristics

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	68	45.3
	Female	82	54.7
Age	17–25 Years	49	32.7
	26–35 Years	61	40.7
	36–45 Years	28	18.7
	>45 Years	12	8.0
Education	High School	35	23.3
	Diploma/Bachelor	94	62.7
	Master Degree	21	14.0
Purchase Frequency	1–2 Times/Month	46	30.7
	3–5 Times/Month	72	48.0
	>5 Times/Month	32	21.3

Based on Table 1, the majority of respondents in this study were female consumers, accounting for 54.7% of the total sample, while male respondents represented 45.3%. This indicates that women tend to be more actively involved in purchasing FMCG products and may demonstrate greater attention toward environmental and sustainability-related product information. In terms of age distribution, most respondents were between 26–35 years old (40.7%), followed by respondents aged 17–25 years (32.7%), suggesting that younger and productive-age consumers dominate the market segment for environmentally oriented FMCG products in Jakarta. Regarding education level, the majority of respondents held diploma or bachelor degrees (62.7%), indicating that most participants possessed

relatively adequate educational backgrounds to evaluate environmental claims and sustainability communication critically. Furthermore, the purchase frequency data show that most respondents purchased FMCG products with environmental claims approximately 3–5 times per month (48.0%), reflecting relatively frequent interaction with sustainability-oriented products and suggesting that respondents were sufficiently familiar with green marketing practices and environmental product communication.

4.2 Descriptive Analysis of Variables

Descriptive analysis was conducted to examine respondents' perceptions regarding greenwashing, transparency in information disclosure, and consumer trust.

Table 2. Descriptive Statistics of Variables

Variable	Min	Max	Mean	Standard Deviation
Greenwashing Perception	1.80	5.00	3.78	0.721
Transparency in Information Disclosure	2.00	5.00	4.02	0.663
Consumer Trust	2.10	5.00	3.91	0.684

Table 2 presents the descriptive statistics of the research variables, showing that transparency in information disclosure obtained the highest mean value of 4.02 with a standard deviation of 0.663, indicating that respondents generally perceived FMCG companies as relatively open and clear in communicating environmental information.

Consumer trust also demonstrated a relatively high mean score of 3.91 with a standard deviation of 0.684, suggesting that respondents still maintained a moderate to high level of confidence toward FMCG products with environmental claims. Meanwhile, perceptions of greenwashing showed a mean value of 3.78 and a standard

deviation of 0.721, indicating that respondents were also relatively aware of the possibility of misleading or exaggerated environmental claims made by companies. The relatively moderate standard deviation values across all variables suggest that respondents' answers were sufficiently consistent and did not demonstrate extreme variation, reflecting relatively stable perceptions regarding greenwashing, transparency, and consumer trust among FMCG consumers in Jakarta.

4.3 Measurement Model Evaluation (Outer Model)

The outer model evaluation was conducted to assess the validity and reliability of the measurement indicators.

4.3.1 Convergent Validity

Convergent validity was evaluated using loading factor values and Average Variance Extracted (AVE).

Table 3. Loading Factor Values

Variable	Indicator	Loading Factor
Greenwashing Perception	GW1	0.812
	GW2	0.845
	GW3	0.793
	GW4	0.821
	GW5	0.808
Transparency	TR1	0.864
	TR2	0.841
	TR3	0.876
	TR4	0.852
	TR5	0.818
Consumer Trust	CT1	0.873
	CT2	0.851
	CT3	0.839
	CT4	0.824
	CT5	0.862

Table 3 presents the loading factor values for all measurement indicators used in the study. The results show that all indicators achieved loading factor values above the recommended threshold of 0.70, indicating that each indicator has strong convergent validity and is capable of adequately representing its corresponding latent construct. For the greenwashing perception variable, loading factor values ranged from 0.793 to 0.845, demonstrating that the indicators consistently measured consumer perceptions regarding misleading environmental claims. The transparency

variable showed loading factor values between 0.818 and 0.876, indicating a strong relationship between the indicators and the construct of transparency in information disclosure. Meanwhile, the consumer trust variable demonstrated loading factor values ranging from 0.824 to 0.873, suggesting that all indicators effectively reflected respondents' confidence in FMCG products and companies. Overall, these results confirm that all indicators used in the measurement model were valid and suitable for further SEM-PLS analysis.

Table 4. AVE Values

Variable	AVE
Greenwashing Perception	0.663
Transparency in Information Disclosure	0.724
Consumer Trust	0.719

Table 4 presents the Average Variance Extracted (AVE) values for each research variable. The results indicate that all constructs achieved AVE values above the recommended threshold of 0.50, confirming adequate convergent validity for the measurement model. The transparency in information disclosure variable obtained the highest AVE value of 0.724, indicating that the indicators used were highly effective in explaining the construct variance. Consumer trust also demonstrated a strong AVE value of 0.719, suggesting that the indicators consistently represented respondents' confidence toward FMCG products and

companies. Meanwhile, the greenwashing perception variable achieved an AVE value of 0.663, which also exceeded the minimum requirement and indicated that the construct was sufficiently explained by its indicators. Overall, these findings confirm that all latent variables in the study possess satisfactory convergent validity and are appropriate for further structural model analysis using SEM-PLS.

4.3.2 Reliability Test

Reliability testing was conducted using Cronbach's Alpha and Composite Reliability.

Table 5. Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability
Greenwashing Perception	0.873	0.907
Transparency in Information Disclosure	0.905	0.929
Consumer Trust	0.902	0.927

Table 5 presents the reliability test results using Cronbach's Alpha and Composite Reliability values for each research variable. The findings show that all variables achieved values above the recommended threshold of 0.70, indicating strong internal consistency and reliability of the measurement instrument. The transparency in information disclosure variable demonstrated the highest reliability with a Cronbach's Alpha value of 0.905 and Composite Reliability value of 0.929, indicating that the indicators consistently measured the transparency construct. Similarly, the consumer trust variable showed high reliability values of 0.902 for Cronbach's Alpha and 0.927 for Composite Reliability, reflecting strong consistency among its indicators. Meanwhile, the greenwashing perception variable also achieved satisfactory reliability with Cronbach's Alpha and Composite Reliability values of 0.873 and 0.907, respectively. Overall, these results confirm that all constructs used in this study were reliable and suitable for further analysis in the SEM-PLS structural model.

4.4 Structural Model Evaluation (Inner Model)

4.4.1 Coefficient of Determination (R^2)

The coefficient of determination (R^2) was used to measure the ability of the independent variables to explain the dependent variable in the structural model. The results show that the consumer trust variable obtained an R^2 value of 0.687, indicating that perceptions of greenwashing and transparency in information disclosure collectively explain 68.7% of the variance in consumer trust. This value suggests that the model has substantial explanatory power in predicting consumer trust toward FMCG products. Meanwhile, the remaining 31.3% of the variance is influenced by other variables outside the research model that were not examined in this study.

4.4.2 Hypothesis Testing

Hypothesis testing was conducted using the bootstrapping method in SEM-PLS 3.

Table 6. Hypothesis Testing Results

Hypothesis	Relationship	Path Coefficient	T-Statistic	P-Value	Result
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H1	Greenwashing → Consumer Trust	-0.418	5.762	0.000	Supported
H2	Transparency → Consumer Trust	0.529	7.114	0.000	Supported

Table 6 presents the results of hypothesis testing using SEM-PLS analysis. The findings show that perceptions of greenwashing have a negative and significant effect on consumer trust, as indicated by a path coefficient value of -0.418, a t-statistic of 5.762, and a p-value of 0.000. These results suggest that higher perceptions of misleading or exaggerated environmental claims tend to reduce consumer confidence in FMCG products and companies, thereby supporting H1. Meanwhile, transparency in information disclosure demonstrates a positive and significant effect on consumer trust, with a path coefficient value of 0.529, a t-statistic of 7.114, and a p-value of 0.000, indicating that greater openness and clarity in environmental communication increase consumer confidence toward FMCG products, thus supporting H2. Furthermore, the higher path coefficient value of transparency compared to greenwashing suggests that transparent sustainability communication plays a stronger role in strengthening consumer trust among FMCG consumers in Jakarta.

Discussion

The results of this study indicate that perceptions of greenwashing negatively and significantly affect consumer trust in FMCG products in Jakarta. These findings suggest that consumers who perceive environmental claims as misleading, exaggerated, or unsupported tend to demonstrate lower levels of trust toward FMCG companies and their products. The findings support previous studies indicating that deceptive green marketing practices can damage corporate credibility and weaken consumer confidence [4], [5], [7]. Consumers in Jakarta appear to be increasingly critical regarding sustainability-related communication because access to digital information and social media enables them to compare marketing claims with actual corporate practices more easily. Consequently, consumers tend to develop skepticism when environmental messages

appear inconsistent, ambiguous, or lack clear supporting evidence.

The findings are also consistent with signaling theory, which explains that companies use environmental communication as signals to influence public perceptions regarding sustainability commitment. However, when consumers perceive these signals as misleading or manipulative, the signals lose credibility and instead generate distrust. In the FMCG industry, greenwashing becomes highly sensitive because consumers purchase these products frequently and interact directly with packaging, labels, and advertisements. Respondents in this study demonstrated relatively high awareness regarding sustainability issues, making them more capable of identifying inconsistencies between environmental claims and actual product practices. These findings indicate that companies cannot rely solely on symbolic environmental branding strategies without implementing genuine sustainability initiatives and measurable environmental actions [11]–[13].

In contrast, the results show that transparency in information disclosure positively and significantly affects consumer trust in FMCG products. Greater openness and clarity in communicating environmental practices, sustainability initiatives, and product-related information were found to increase consumer confidence toward FMCG companies. These findings align with stakeholder theory, which emphasizes that companies have responsibilities to provide honest, accessible, and accountable information to consumers and other stakeholders. Transparency reduces uncertainty and information asymmetry, enabling consumers to evaluate environmental claims more objectively. Consumers tend to trust companies that openly disclose sustainability-related information because transparency signals honesty, ethical business conduct, and corporate accountability. Conversely,

companies that provide incomplete or unclear environmental information are more likely to generate suspicion and skepticism among consumers.

The positive influence of transparency on consumer trust highlights the growing importance of responsible corporate communication in competitive FMCG markets. Urban consumers increasingly evaluate products not only based on price and quality but also on corporate ethics, environmental responsibility, and sustainability accountability. Environmental issues such as recyclable packaging, sustainable sourcing, and waste reduction have become central concerns among consumers, particularly in metropolitan areas such as Jakarta. Therefore, companies that provide clear sustainability reports, accurate product labels, and verifiable environmental information are more likely to strengthen long-term consumer trust and improve their competitive advantage. Overall, the findings demonstrate that consumer trust in environmentally oriented FMCG products is strongly influenced by the credibility of corporate environmental communication, where transparent disclosure strengthens trust while perceptions of greenwashing weaken consumer confidence.

5. CONCLUSION

This study examined the effect of perceptions of greenwashing and transparency in information disclosure on consumer trust in FMCG products in Jakarta using a quantitative approach and SEM-PLS analysis. The findings reveal that perceptions of greenwashing negatively and significantly

affect consumer trust, indicating that consumers who perceive misleading or exaggerated environmental claims tend to demonstrate lower confidence toward FMCG products and companies. These results suggest that deceptive green marketing practices can damage corporate credibility and weaken long-term consumer relationships. In contrast, transparency in information disclosure was found to positively and significantly influence consumer trust, indicating that companies providing clear, honest, and accessible environmental information are more likely to strengthen consumer confidence and perceptions of corporate credibility. Overall, the study demonstrates that consumer trust in environmentally oriented FMCG products is strongly influenced by the credibility of corporate environmental communication, where consumers increasingly expect companies to demonstrate genuine environmental responsibility rather than symbolic sustainability branding strategies. Therefore, FMCG companies should prioritize authentic sustainability practices supported by transparent information disclosure to maintain trust and competitiveness in the market. The findings also contribute to the literature on green marketing, sustainability communication, and consumer behavior, particularly within the FMCG sector in emerging markets, while providing practical insights for companies and policymakers regarding the importance of ethical environmental communication and accountable sustainability practices in strengthening consumer trust and supporting sustainable business development.

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