

Green Marketing vs. Green Marketing Greenwashing: A Narrative Review

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Abstract

The food and beverage (F&B) industry in Indonesia has experienced rapid growth in recent years, yet it faces serious environmental sustainability challenges due to the waste and emissions it generates. Green marketing has emerged as an environmentally oriented marketing strategy to respond to consumer demand for eco-friendly products, whereas greenwashing represents a manipulative practice in which companies make misleading environmental claims for image purposes only. This study is a narrative review of literature published between 2021 and 2024 on green marketing versus greenwashing, with a focus on the Indonesian F&B industry. The review indicates that many Indonesian F&B firms have begun to adopt green marketing initiatives—such as the use of sustainable raw materials and recycled packaging—to build long-term competitive advantage. However, greenwashing is also increasingly prevalent, contributing to consumer skepticism and eroding trust in brands. Indonesian consumers are becoming more aware of environmental claims and demand greater transparency, with studies reporting that roughly one quarter of consumers distrust eco-friendly claims made by food brands. Prior research further shows that greenwashing practices negatively affect purchase intention and brand image by increasing skepticism and stimulating negative word of mouth, thereby strengthening calls for stricter regulation. To achieve long-term success, F&B companies must prioritize authentic green marketing and transparency over greenwashing; genuine commitment to sustainability can enhance consumer trust and competitiveness, whereas false green claims risk damaging reputation and customer relationships.

Keywords: Green Marketing; Greenwashing; Food and Beverage Industry; Consumer Trust; Environmental Sustainability.

1. Introduction

The food and beverage (F&B) sector is a key pillar of the Indonesian economy, experiencing significant annual growth. In 2022, this sector grew by approximately 4.90% and contributed 38.35% to GDP, making it one of the top five export-oriented sectors. The rapid growth of the F&B industry is projected to continue at ~7% in 2024 (Ministry of Industry, in Antara, 2024). However, this expansion has serious consequences for environmental sustainability. Production waste and food scraps contribute to methane and greenhouse gas emissions; it is estimated that the food industry contributes ~6% of global greenhouse gas emissions. Indonesia itself faces a significant food waste problem, with an average of 300 kg of food waste per capita per year, or ~27.8% of the world's total food waste. Furthermore, the use of single-use plastic packaging in this industry adds to the pollution burden. Indonesia was even recorded as the world's third-largest contributor of plastic waste in 2020 (67.8 million tons). This situation increases the urgency of implementing sustainable business practices in the F&B sector.



As environmental awareness increases, Indonesian consumers are starting to demand more environmentally friendly products and responsible companies. Green marketing exists as a marketing approach in which companies proactively integrate environmental sustainability principles into all their marketing activities—from product design and production processes to packaging and promotional strategies (Polonsky, 1994; Hendra, 2023). According to Polonsky, green marketing is the process of creating and marketing environmentally friendly products through the use of recyclable materials and specific promotional strategies that emphasize sustainability. This strategy is seen as part of corporate social responsibility (CSR) and can be a source of competitive advantage, as it adds value for environmentally conscious consumers (Polonsky & Rosenberger, 2001). Recent research also emphasizes that companies that successfully integrate sustainability principles into their business strategies tend to gain an advantage in an increasingly sustainability-oriented market. In other words, green marketing is not just a passing trend, but rather a long-term investment in building a positive image and the loyalty of environmentally conscious consumers.

On the other hand, the growing popularity of "green claims" has given rise to a negative practice called greenwashing. Greenwashing refers to companies' attempts to mislead consumers by claiming their products or operations are environmentally friendly when in reality they are not. According to Delmas and Burbano (2011), greenwashing is a practice in which companies deliberately provide false or exaggerated environmental information or claims in order to build a positive image. This tactic often involves highlighting only positive information about a company's sustainability efforts, while hiding its negative impacts (selective disclosure). For example, a company might advertise its products as "eco-friendly" or "100% recycled," when in fact, the recycled content is minimal. A study by Sasetyaningtyas (2019) found that not all plastic bottles claiming to be "made from 100% recycled" actually are; many bottles only use partially recycled materials due to waste collection constraints. Advertisements for bottled water companies, for example, often highlight bottle recycling programs rather than refilling efforts or reducing bottle production, thus misleading the public about the true impact. Greenwashing creates a false "green image" that may deceive consumers in the short term, but risks raising suspicion and damaging trust in the long term.

For the food and beverage industry, the credibility of environmental claims is crucial. Consumers are increasingly skeptical of green labels on F&B products, given the numerous instances of discrepancies between promises and actual results. Surveys show that the majority of consumers now actively check manufacturers' sustainability promises, and approximately 24% of Indonesian consumers distrust environmental claims made by food/beverage brands. This skepticism stems from the widespread reporting and experiences of greenwashing, both domestically and internationally. Ikhsan's (2024) study observed that greenwashing is as prevalent in Indonesia as it is in other countries, leading consumers, especially millennials and Gen Z, to become more cautious and aware of false environmental claims. This phenomenon is starting to influence purchasing behavior: although interest in environmentally friendly products is increasing, actual purchasing levels are still relatively low because consumers are hindered by information confusion and a lack of confidence in company claims. As a result, only a small proportion of consumers consistently purchase green products.

Based on the above background, this study aims to explore two aspects of sustainable marketing practices in the Indonesian food and beverage industry: genuine green marketing versus misleading greenwashing. This narrative review focuses on the period 2021–2024, a period during which attention to green marketing issues and sustainability claims has

increased rapidly. This literature review aims to illustrate the extent of green marketing implementation in the Indonesian F&B sector, its benefits and challenges, and the impact of greenwashing practices on consumer perceptions and company performance. This study also explores the responses of regulators and stakeholders to the rise of greenwashing. The contribution of this review is to provide a comprehensive understanding of "green marketing vs. greenwashing" in the current Indonesian context, which can serve as a reference for academics, business practitioners, and policymakers in formulating effective and ethical sustainable marketing strategies.

2. Methods

The research approach used was a narrative review of accredited scientific literature from 2021–2024 relevant to the topic of green marketing and greenwashing, particularly in the Indonesian food and beverage industry. The narrative review was chosen to identify key themes, findings, and debates without the strict limitations of a systematic review. The literature search procedure was conducted through several academic databases and portals (Sinta, Google Scholar, ScienceDirect, etc.) with keywords in Indonesian and English, including: "green marketing," "greenwashing," "green marketing," "misleading green claims," "food and beverage," "Indonesia," and related combinations. Inclusion criteria included: (1) accredited journal articles (at least SINTA-2 or Scopus indexed) published between 2021 and 2024; (2) studies focusing on sustainable marketing, green consumer behavior, or greenwashing issues in the context of the food/beverage industry, particularly in Indonesia (however, some relevant international literature was also included as conceptual comparisons); (3) The types of articles include empirical research, case studies, and conceptual reviews as long as they are relevant to the topic. From the initial search, dozens of potential articles were collected. Next, a selection was carried out by reading the abstracts to assess relevance and quality. The selected articles were then read in full to extract key insights. Qualitative data from the various studies were analyzed descriptively and comparatively to find patterns of findings. Researchers organized the findings into discussion themes, for example: adoption of green marketing strategies in the F&B industry, the impact of green marketing on performance and perception, forms and impacts of greenwashing, and consumer and regulatory responses. The validity of the review was maintained by cross-referencing between sources and prioritizing primary sources (journal articles) as the main reference. All sources used were listed in the reference list using APA 7 citation format.

3. Results and Discussion

Implementation of Green Marketing in the Food and Beverage Industry

The review results indicate that some F&B industry players in Indonesia have begun implementing green marketing principles in their operations and marketing activities, although the level of adoption varies. Puspitasari et al. (2025) reported that F&B businesses in Bogor City demonstrated a strong commitment to environmental sustainability through the implementation of a comprehensive green marketing mix. The qualitative study found various concrete initiatives, including the use of environmentally friendly raw materials (e.g., local organic materials, certified organic), product design that takes ecological impact into account, replacing single-use plastic packaging with recyclable packaging, and promotions that emphasize environmental messages. More than 50% of F&B business managers surveyed admitted to using sustainable materials and implementing eco-friendly product designs in their businesses. In addition, many of them are starting to provide waste management options (such as packaging recycling programs) and participating in green community initiatives. This

finding is consistent with a global trend where companies that integrate sustainability into their marketing strategies gain a competitive advantage in the marketplace. Authentic green marketing can enhance a company's image and brand loyalty, especially among eco-conscious consumers. In other words, investment efforts in green business practices tend to pay off through increased customer trust and loyalty, as well as opening up export opportunities to international markets that require high sustainability standards.

Furthermore, several studies indicate that the main driving factors for implementing green marketing in F&B include increasing consumer demand for sustainable products, environmental regulatory pressure, and top management vision. Prihatiningtyas (2023) found that in Indonesia, consumer environmental awareness acts as a catalyst: consumers who are increasingly concerned about plastic waste and health issues tend to appreciate environmentally friendly brands, thus motivating businesses to improve (Utomo & Cahyani, 2022; Fitriani & Hidayat, 2023). Data shows that 63% of Indonesian consumers are concerned about deforestation and 62% about food waste, and ~40% of consumers are willing to pay more for eco-friendly products to contribute to the environment. This has encouraged many companies to compete to offer products with an eco-friendly concept to meet these preferences. For example, several packaged food manufacturers have begun using eco-labels (e.g., recycled logos, BPA-free) and improving their product composition (reducing harmful additives) to make them greener. In the beverage sub-sector, mineral water manufacturers have launched partially recycled bottles, cafes and restaurants have switched to paper straws, and fast food manufacturers have reduced their use of Styrofoam. The implementation of green marketing is also evident in product innovations, such as the emergence of plant-based protein alternatives and organic products aimed at environmentally conscious consumers. These steps align with recommendations from green marketing literature, which states that sustainable product innovation and effective communication can enhance brand image while educating consumers (Hariasih, 2024 in Lina et al., 2025).

However, implementing green marketing in the F&B industry is not without challenges. Some businesses face cost and infrastructure barriers. Producing environmentally friendly products often requires significant upfront investments (e.g., clean production technology, organic certification, recycling systems), which can be a burden, especially for MSMEs. Furthermore, Asrianto (2013) noted that stringent regulatory challenges and policy changes can make it difficult to consistently implement green marketing. Furthermore, there is the issue of consumer trust: some consumers are skeptical of unverified green claims, requiring companies to work extra hard to convince the public that their green initiatives are not just image-building. This doubt stems from the previous phenomenon of greenwashing. Therefore, many companies have begun complementing their green marketing strategies with third-party certification or independent environmental audits to validate their claims. Puspitasari et al. (2025) reported that F&B companies with environmental performance audits and green certification tend to be more successful in convincing consumers and committing to sustainable green marketing practices. By increasing transparency and accountability, companies can differentiate themselves from greenwashers and strengthen green brand trust in the eyes of customers.

Greenwashing: Impact on Consumers and Brands

Despite positive efforts to promote green marketing, the practice of greenwashing is still prevalent in the food and beverage industry, both directly and covertly. Greenwashing can involve the use of "green" slogans and labels without strong evidence, diversion (e.g., emphasizing one environmentally friendly aspect to mask other negative impacts), or

exaggerated claims about smaller initiatives. For example, some global soft drink brands actively promote packaging recycling programs or the use of plant-based materials in their plastic bottles, yet simultaneously continue to produce massive volumes of single-use plastic—a contradiction often criticized as greenwashing (Ikhsan, 2024). Similarly, “healthy” food producers may emphasize biodegradable packaging when their products still contain unsustainable materials. These practices mislead consumers: they assume the company is green, when in reality, its environmental impact remains significant or even worsens.

The impact of greenwashing on consumers tends to be detrimental to consumer trust and attitudes toward brands. Recent literature shows that when consumers become aware of greenwashing, they tend to experience increased skepticism and negative perceptions. Promalessy & Handriana (2024) in a quantitative study in Indonesia found that consumer perceptions of greenwashing significantly increased green skepticism (skepticism toward green claims) and encouraged negative word-of-mouth (WOM) about the brand. This means that consumers who feel deceived will be more vocal in expressing their distrust to others, thus damaging the brand's reputation more broadly. Furthermore, the study shows that skepticism acts as a mediator that exacerbates the effect of greenwashing on negative WOM. This is consistent with global findings by Szabo & Webster (2021) and Tarabieh (2021), who reported that perceived greenwashing (greenwashing perceived by consumers) reduces consumer purchase intentions and willingness to transact with the company. When green claims don't match reality, consumers feel misled and lose trust, resulting in a decrease in interest in purchasing the product or other products from that company. Even for consumers who care deeply about the environment, once a brand is labeled greenwashing, the effect can trigger boycotts or a shift in support to alternative brands perceived as more honest.

Interestingly, the impact of greenwashing varies depending on consumer and product characteristics. Valendia & Purwanegara (2022) studied Gen Z in Indonesia in the context of repurchasing eco-friendly bottled water. The results were somewhat surprising: perceptions of greenwashing did not directly significantly impact Gen Z's intention to repurchase the product as long as the product quality was maintained. This younger generation tends to view product quality (e.g., taste and water purity) as a key factor, and may be more tolerant of exaggerated green claims as long as the product meets quality expectations. However, the same study also noted that perceptions of greenwashing have a significant indirect effect through decreased perceptions of quality and environmental awareness. This means that when greenwashing makes consumers doubt a product's quality or lowers their assessment of a company's environmental concerns, it ultimately negatively impacts purchase intentions. These findings indicate that consumer trust and perceived quality are key. Companies may be able to retain customers temporarily by relying on product quality, but if distrust caused by greenwashing continues to grow, long-term loyalty remains at risk. Furthermore, an educated Gen Z may eventually switch to brands perceived as truly sustainable once alternatives become available.

From a company's perspective, greenwashing can provide false short-term gains but can be detrimental in the long run. Initially, companies may enjoy positive sentiment or increased sales due to their green campaigns, but when the claims are revealed to be hollow, the reputational damage is difficult to repair. Trust is a crucial element in building long-term brand equity. Chen et al. (2014) have shown that the more consumers are aware that a company is greenwashing, the less likely they are to purchase that company's products. In fact, research by Zhang et al. (2018) also found that the impression of greenwashing had a negative effect on customers' tendency to purchase the product. [4] In other words, greenwashing weakens brand trust and purchase intention, which in turn leads to decreased sales

performance and brand value. Conversely, genuine green marketing practices for example, through successfully obtaining official environmental certifications, transparent sustainability reports, and honest communication can increase consumer green trust, thus encouraging loyalty and even positive word-of-mouth.

Responses and Regulations Regarding Greenwashing

The widespread phenomenon of greenwashing in the F&B industry has drawn the attention of regulators and stakeholders in Indonesia. While there are currently no specific regulations explicitly governing green claims in marketing, the push for them is growing. Indonesia does have Consumer Protection Law No. 8/1999, which prohibits misleading advertising, but there are no specific technical guidelines regarding the limits of environmental claims in product advertising. Due to the lack of detailed regulations, greenwashing practices often escape sanctions and are considered "normal" by some business actors. Researchers and consumer advocates have called for stricter regulations to curb greenwashing. Ikhsan (2024) reports that several researchers in Indonesia are urging the immediate creation of specific regulations/guidelines regarding environmentally friendly claims on products and advertisements, to prevent companies from overselling their green commitments. This step is considered crucial to protect consumers from misleading information and to create a level playing field for companies that have truly invested in sustainability.

Several developed countries already have regulations regarding green advertising (for example, the FTC's Green Guides in the US, or the European Union's rules on unfair commercial practices that include environmental claims). Indonesia can learn from these experiences in formulating policies. The government and relevant authorities could consider issuing national guidelines on valid environmental claims, including standards for the use of eco-friendly labels, mandatory scientific evidence for each claim, and sanctions for violators. In addition to regulations, the role of industry associations and independent certification bodies is also crucial. The implementation of a credible national eco-labeling scheme can help filter out fraudulent green claims. For example, products that are truly environmentally friendly could be specifically labeled (certified), making it easier for consumers to distinguish them from mere marketing jargon.

From a consumer perspective, increased literacy and awareness also represent a form of "natural regulation." Increasingly savvy consumers are more critical of advertising, seeking comparative information, and demanding transparency. According to one survey, 80% of consumers now actively check manufacturers' sustainability promises before purchasing, and nearly half feel that F&B manufacturers still need to do more for the environment. These findings suggest that consumers can drive change with their preferences: companies will be encouraged to stop simply greenwashing if they realize that consumers are less easily deceived and instead value honesty. Ultimately, transparency and accountability are key. As Ikhsan (2024) notes, transparency in sustainability communications is critical to addressing consumer confusion and distrust. Companies that are transparent about their environmental efforts and limitations tend to receive a more positive response than those that conceal data. By providing regular sustainability reports, acknowledging areas for improvement, and engaging third-party monitoring, companies can rebuild trust even if it has been damaged by greenwashing.

Overall, this review underscores the importance of multi-stakeholder collaboration: companies need to implement ethical green marketing, consumers need to continuously raise critical awareness, and the government, along with relevant institutions, need to develop

regulations that protect the public from greenwashing practices. Voluntary initiatives such as anti-greenwashing campaigns by environmental NGOs or online platforms where consumers can report false green claims can also serve as social oversight. With this kind of collective pressure, it is hoped that a transparent and responsible business climate can be established for marketing environmentally friendly products in Indonesia.

4. Conclusion

This 2021–2024 narrative review highlights the dynamics between green marketing and greenwashing in the Indonesian food and beverage industry. On the one hand, there is a positive trend, with more F&B companies adopting authentic green marketing strategies as part of their social responsibility and efforts to meet consumer demand for sustainable products. These initiatives include developing environmentally friendly products, using more environmentally friendly raw materials and packaging, and marketing communications that emphasize sustainability commitments. Consistent implementation of green marketing has been proven to provide added value, enhance brand image, build consumer loyalty, and even create long-term competitive advantage. On the other hand, the practice of greenwashing remains a serious challenge. Many companies both local and multinational—are tempted to take shortcuts by polishing their green image with claims that are not entirely true. Literature findings indicate that greenwashing has detrimental impacts, including raising skepticism, damaging consumer trust, and reducing purchase intentions. Once consumers feel cheated, the negative word of mouth can spread widely and tarnish the brand's image.

For F&B industry players, a key lesson from this review is that honesty and transparency in sustainability practices are non-negotiable. Green marketing strategies that are truly supported by concrete actions (e.g., energy efficiency, waste reduction, sustainable raw materials) will be more appreciated by consumers and contribute to long-term business resilience. Conversely, greenwashing may provide short-term benefits but risks permanently eroding public trust. In the context of increasingly discerning and environmentally conscious Indonesian consumers, companies are required to credibly substantiate their green claims, for example, through third-party certification or publication of measurable environmental performance. Stakeholder partnerships are also crucial: synergy between businesses, government, and the public is needed to foster an honest marketing environment. The government is expected to immediately consider specific regulations/guidelines related to green claims to prevent misleading practices.], while consumer education must continue to be encouraged so that people are able to sort information and are not easily influenced by greenwashing.

Future research directions could focus on further measuring the effectiveness of green marketing in improving business performance in the F&B sector, as well as exploring methods for quantitatively measuring the level of greenwashing in the market. Furthermore, a cross-country study of environmental advertising regulations and standards would be useful as input for Indonesia. Ultimately, the transition to sustainable business practices requires collective commitment. Green marketing and greenwashing are like two opposite ends of the spectrum – choosing an authentic green marketing path will build trust and sustainable profitability, while falling prey to greenwashing will only create suspicion and long-term risks. The Indonesian food and beverage industry has a significant opportunity for sustainable growth by embracing genuine green marketing, for the benefit of businesses, consumers, and the environment.

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