

Green Marketing Impact on Gen Z & Millennial Buyers

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Abstract:

This paper examines the strategic impact of green marketing on the consumer behavior of Generation Z and Millennials, two demographic cohorts that represent a dominant force in the global marketplace. As Environmental, Social, and Governance (ESG) criteria become central to corporate strategy, understanding how sustainability influences brand perception and purchase decisions is critical for multinational corporations (MNCs). This research synthesizes current academic literature and industry analysis to define the green marketing paradigm, profile the nuanced attitudes of Gen Z and Millennial consumers, and quantify the relationship between green marketing, brand equity, and purchase intention. The analysis reveals that while both generations express a high willingness to pay for sustainable products, a significant "attitude-behavior gap" persists, driven by factors such as price sensitivity, skepticism, and a lack of accessible information. The paper investigates the corrosive effects of "greenwashing" on brand trust, which is identified as the most critical mediator between green marketing efforts and consumer loyalty. Through case studies of companies like Patagonia and Adidas, this research demonstrates that successful green marketing is not a superficial communications tactic but an authentic extension of a deeply embedded, operationally sound corporate sustainability strategy. The findings culminate in a strategic roadmap for MNCs, providing actionable recommendations to align purpose with profitability by authentically engaging these discerning consumer groups.

Keywords — Green Marketing, Consumer Behavior, Gen Z, Millennials, Sustainability, Brand Trust, ESG, Purchase Intention, Greenwashing

I. INTRODUCTION

The contemporary business landscape is being reshaped by the confluence of two powerful forces: the rise of Environmental, Social, and Governance (ESG) principles as a cornerstone of corporate value and the economic ascendancy of Generation Z (Gen Z) and Millennial consumers. For multinational corporations (MNCs) across sectors such as FMCG, retail, and technology, this convergence has elevated green marketing from a niche tactic to a strategic imperative. These digitally native, value-driven, and socially conscious generations now constitute the largest consumer base, and their purchasing decisions are increasingly guided by a brand's perceived commitment to sustainability.

Consequently, the ability to connect sustainability with tangible sales uplift has become a priority area for global business leaders.

This paper posits that effective green marketing is a fundamental component of modern brand strategy that directly influences brand equity, consumer loyalty, and profitability among these key demographics. It is no longer sufficient for companies to simply produce quality goods; they must also demonstrate a commitment to improving their operations in line with social and environmental criteria. This research provides a strategic analysis that connects established theories of consumer behavior with actionable insights for corporate practice. The central thesis is that authentic green

marketing, rooted in genuine operational change, serves as the critical bridge between a company's purpose and its profitability.

The following sections will deconstruct this dynamic. Section II will define the green marketing paradigm and its strategic levers. Section III will offer a detailed analysis of the consumer behavior of Gen Z and Millennials, including their willingness-to-pay for sustainable goods and the persistent "attitude-behavior gap." Section IV will examine the causal mechanisms linking green marketing to brand trust and purchase intention, while also exploring the destructive impact of inauthenticity and greenwashing. Section V will present case studies of exemplary green marketing strategies. Finally, Section VI will conclude with a strategic roadmap for MNCs seeking to effectively align their sustainability initiatives with the values of this new generation of buyers. The structure and formatting of this paper adhere to the guidelines provided by the International Journal of Scientific Research and Engineering Development.

II. THE GREEN MARKETING PARADIGM

A. Defining the Green Imperative in Modern Business

Green marketing is a holistic business strategy that involves the planning, development, and promotion of products or services that satisfy consumer needs for quality, performance, and price, while minimizing detrimental impact on the natural environment. This approach extends beyond mere advertising; it requires the integration of sustainability into the core of all business operations, from product design and supply chain management to packaging and corporate communications. As defined by the American Marketing Association, it is the marketing of products that are presumed to be environmentally safe.

Fundamentally, green marketing serves as the primary communication vehicle for a company's broader commitment to Corporate Social Responsibility (CSR) and ESG criteria. While ESG frameworks provide an internal compass for corporate conduct, green marketing makes these commitments tangible and relatable to external stakeholders, most notably consumers. The success

of this translation hinges on adherence to several key principles, foremost among them being transparency and authenticity. Businesses must be transparent about their environmental impact and the steps they are taking to mitigate it, as honesty builds the consumer trust that is foundational to a positive brand reputation. Educating consumers about the environmental benefits of products and the importance of sustainability is another critical component, fostering a loyal customer base that values and is willing to support eco-friendly initiatives.

B. The Strategic Levers of Green Marketing

To implement this strategy, organizations can utilize an adapted version of the traditional marketing mix, often referred to as the "Green Marketing Mix." This framework provides four distinct but interconnected levers for translating sustainability goals into market-ready actions.

1. *Green Product:* This is the most tangible manifestation of a company's environmental commitment. It involves a range of activities, including product modification to ensure recyclability, designing for energy efficiency, utilizing sustainable and ethically sourced raw materials, and adopting eco-friendly packaging to reduce waste and pollution. Products with credible eco-labels and certifications provide consumers with a clear signal of their environmental credentials.
2. *Green Price:* A significant challenge in green marketing is the common consumer perception that sustainable products are inherently more expensive. While implementing sustainable practices can involve additional overhead costs, the pricing strategy must address this perception directly. This can be achieved by justifying a price premium through superior quality, enhanced durability, or unique product features. Alternatively, companies can pursue innovation in production processes to achieve cost parity, making the sustainable choice the economically rational one as well.

3. *Green Place (Distribution)*: This lever focuses on minimizing the environmental footprint of a company's supply chain and distribution networks. Key initiatives include optimizing logistics to reduce carbon emissions, sourcing materials from local suppliers to support communities and reduce transportation distances, and ensuring that suppliers adhere to the company's own environmental standards.
4. *Green Promotion (Communication)*: This concerns how a company communicates its green attributes to the market. Effective green promotion is rooted in honesty and avoids exaggeration. It relies on clear, factual messaging and the use of recognized certifications to build credibility. This is the lever most vulnerable to accusations of greenwashing if the claims made are not substantiated by genuine actions across the other three areas of the mix. For green marketing to be successful, it cannot be an isolated departmental function; it must be the authentic expression of a company-wide strategic commitment to sustainability that permeates every operational facet, from research and development to final product delivery.

III. GENERATIONAL DYNAMICS IN SUSTAINABLE CONSUMPTION

A. The Eco-Conscious Cohorts: Profiling Gen Z and Millennial Consumers

Understanding the distinct characteristics of Gen Z and Millennials is crucial for crafting effective green marketing strategies. While often grouped together, their formative experiences have cultivated different worldviews and consumer behaviors.

Millennials (born 1981-1996) came of age during a period of economic expansion, followed by the global financial crisis of 2008. This cohort pioneered the expectation that brands should have a purpose beyond profit and are highly attuned to corporate social responsibility. Numbering over 80 million in the U.S. alone, they wield significant purchasing power and are known to use social media to engage with brands and hold them accountable for their

commitments. Their concern for environmental issues is well-documented, and they were among the first to demand sustainability from the brands they support.

Gen Z (born 1997-2012), described by McKinsey as "True Gen," is defined by a search for truth, pragmatism, and radical inclusivity. Having grown up amidst pervasive climate anxiety, digital saturation, and economic volatility, they are inherently more skeptical and demand absolute authenticity. For Gen Z, consumption is an expression of individual identity and a matter of ethical concern. They expect brands not merely to be sustainable but to be active participants in addressing systemic social and environmental challenges. This heightened skepticism means companies must demonstrate a genuine commitment to sustainability rather than relying on superficial marketing tactics.

B. Stated Intentions versus Economic Reality: Willingness-to-Pay for Sustainability

A consistent finding across numerous studies is the high stated willingness-to-pay (WTP) for sustainable products among both Gen Z and Millennials. Data from various sources indicate that a significant majority of these consumers report being prepared to pay a premium for goods and services from environmentally responsible companies. As synthesized in TABLE I, this sentiment has been a defining characteristic of these cohorts for years.

However, this stated intention is increasingly colliding with economic reality. Recent analysis indicates that persistent inflation and a rising cost of living are forcing difficult trade-offs, particularly in advanced economies. A 2024 McKinsey report notes that for many young consumers, "value upstages values," with fewer Gen Zers in the U.S. and Europe ranking sustainability claims as an important purchasing factor compared to the previous year. This suggests that while the ideological commitment to sustainability remains strong, price sensitivity has become a more immediate and powerful driver of actual purchasing behavior in the current economic climate.

TABLE I COMPARATIVE ANALYSIS OF WILLINGNESS-TO-PAY (WTP) FOR

SUSTAINABLE PRODUCTS AMONG GEN Z & MILLENNIALS

SOURCE & YEAR	GENERATION	KEY STATISTIC	CONTEXTUAL NOTES & NUANCES
Deloitte 2024	Gen Z	64% willing to pay more	Data reflects current economic pressures; highlights continued but strained commitment.
	Millennial	63% willing to pay more	
Deloitte 2025 (Survey Data)	Gen Z	65% willing to pay more	Reinforces consistent high-level intent despite economic headwinds.
	Millennial	63% willing to pay more	
First Insight 2023	Gen Z	73% willing to pay more	Highlights Gen Z's strong value-driven approach to consumption.
Nielsen	Gen Z	73% willing to pay more	Based on a global survey on corporate social responsibility.
	Millennial	73% willing to pay more	Data from 2015, showing a significant jump from 50% in 2014, establishing the trend.

SOURCE & YEAR	GENERATION	KEY STATISTIC	CONTEXTUAL NOTES & NUANCES
McKinsey 2024	Gen Z	Fewer rank sustainability as important vs. 2023	Notes a decline in willingness to pay a premium due to economic trade-offs.

C. The Attitude-Behavior Gap: Deconstructing the Chasm Between Intention and Action

The discrepancy between consumers' pro-environmental attitudes and their actual purchasing actions is a well-documented phenomenon known as the "attitude-behavior gap". This gap represents a central challenge for green marketers, as high stated WTP does not automatically translate into sales. Several significant barriers contribute to this chasm. First, **price** remains the most formidable obstacle. The perception, and often the reality, that sustainable products are more expensive creates a direct conflict with the financial constraints faced by many young consumers, particularly in an inflationary environment. Second, a **lack of clear information and trust** creates consumer paralysis. Individuals often struggle to identify genuinely sustainable products amidst a sea of vague claims and are deeply cynical about corporate motives, fearing they will be misled by greenwashing. Third, **convenience and accessibility** play a crucial role; if sustainable options are not as readily available as conventional ones, consumers are less likely to go out of their way to purchase them. Finally, powerful **social and materialistic pressures**, especially for Gen Z, can override sustainable intentions. The desire to participate in fashion trends, fueled by social media, often leads to consumption patterns, such as fast fashion, that are fundamentally at odds with their stated environmental values. The very traits that define Gen Z—their pragmatism born from economic uncertainty and their skepticism born from digital saturation—are the same factors that amplify these barriers, creating a paradox where the generation with the strongest pro-sustainability

values is also one of the most difficult to consistently convert into green consumers.

IV. GREEN MARKETING'S INFLUENCE ON BRAND EQUITY AND PURCHASE INTENTION

A. Building Resonant Brands: The Role of Trust, Attitude, and Loyalty

The ultimate goal of green marketing is to positively influence consumer purchase intention. The mechanism through which this is achieved is not direct but is mediated by crucial brand equity components: brand attitude and brand trust. The process begins with the consumer's formation of **Green Perceived Value (GPV)**, which is their overall assessment of a product's net environmental benefits. When a company successfully communicates its authentic sustainability efforts, it cultivates a high GPV.

Research demonstrates a clear causal chain: a high GPV, generated through credible green products and transparent marketing, significantly and positively influences both **Brand Attitude** (the consumer's overall favorable or unfavorable evaluation of the brand) and **Brand Trust** (the consumer's willingness to rely on the brand's claims and integrity). These two psychological constructs are the direct antecedents of

Purchase Intention. Consumers are more likely to buy from brands they trust and feel positively about. Therefore, green marketing's primary function is to build this foundation of trust and positive sentiment. Over time, this process fosters deep

Brand Loyalty, as Gen Z and Millennials consistently seek to align their spending with brands that reflect and validate their personal values.

B. The Peril of Inauthenticity: Greenwashing and its Corrosive Consequences

While authentic green marketing builds brand equity, its deceptive counterpart, greenwashing, destroys it. Greenwashing is the practice of misleading consumers regarding a company's environmental practices or the environmental benefits of a product or service. This can manifest through vague and unsubstantiated claims (e.g., "eco-friendly"), emphasizing a minor positive

attribute to obscure a larger negative impact, or fabricating environmental credentials entirely.

The impact of greenwashing is particularly corrosive to brand trust. For discerning and skeptical consumers like Gen Z, discovering that a brand's green claims are false is perceived not just as misleading advertising but as a profound betrayal of their values. This breach of trust creates a cycle of disillusionment and cynicism that is difficult to repair. The consequences on purchase intention are direct and severe. Studies confirm that perceived greenwashing has a significant adverse effect on consumers' intent to purchase. The mechanism is clear: greenwashing erodes brand trust, and this collapse in trust directly leads to a decline in purchase intention. This negative effect is amplified among consumers with higher levels of environmental knowledge, a characteristic that increasingly defines the younger cohorts. In this context, brand trust is not merely a "nice-to-have" asset; it is the fragile, indispensable bridge between a company's sustainability investments and its financial returns. Any action that compromises this trust will ultimately negate the business case for green marketing.

V. STRATEGIC IMPLEMENTATION: CASE STUDIES IN GREEN MARKETING EXCELLENCE

Analysis of companies that have successfully navigated the complexities of green marketing reveals a common thread: their marketing is not a superficial layer of communication but an authentic extension of a core business philosophy rooted in sustainability.

A. Patagonia: The Archetype of Activism and Authenticity

Patagonia stands as the archetype of a brand whose marketing is inseparable from its mission. The company's commitment to environmental stewardship is evident in its operational choices, from using recycled materials and organic cotton in its products to its corporate structure as a benefit corporation and its unprecedented 2022 decision to donate the entire company to a trust dedicated to fighting climate change.

Its most iconic campaign, the 2011 "Don't Buy This Jacket" advertisement, was a masterclass in anti-consumerist marketing. By explicitly asking consumers to reconsider their purchases and reduce consumption, Patagonia demonstrated an unparalleled level of authenticity that resonated deeply with its target audience. This counterintuitive message, rather than hurting sales, reinforced the brand's integrity and paradoxically drove significant revenue growth. Programs like "Worn Wear," which encourages customers to repair, trade in, and buy used gear, further operationalize this philosophy. It is a tangible, circular business model that builds community and reinforces the brand's core values, turning customers into loyal advocates.

B. Adidas: Mobilizing a Generation Through Purpose and Participation

Adidas's long-standing partnership with the environmental organization Parley for the Oceans provides a powerful example of purpose-driven, participatory marketing. Their joint "Run for the Oceans" campaign successfully mobilized a global community around a tangible mission: ending marine plastic pollution.

The campaign's success was built on several key factors. First, it addressed a clear and compelling environmental issue that young consumers understand and care about. Second, it linked the cause directly to product innovation by creating highly desirable footwear and apparel from intercepted and upcycled ocean plastic, turning a waste stream into a value stream. Third, and most critically, it transformed a solitary activity—running—into a form of collective activism. By enabling participants to log kilometers through an app to raise funds for ocean cleanup and education programs, Adidas built a global movement, fostering a deep emotional connection that transcended a simple transactional relationship. This approach is highly effective for Gen Z and Millennials, who crave community, purpose, and the opportunity to participate in meaningful change.

C. IKEA and Others: Integrating Sustainability into the Core Business Model

Other brands have also found success by embedding sustainability deep within their business models.

IKEA is pursuing an ambitious goal to become a circular and climate-positive business by 2030. This is demonstrated through its increasing use of renewable and recycled materials, its investment in renewable energy, and its services that help customers give IKEA furniture a second life through buy-back and resale programs. This signals a long-term, systemic commitment rather than a temporary campaign.

Similarly, brands like **Lush Cosmetics** and **The Body Shop** have built their brand identities around ethical principles that appeal strongly to younger consumers. Their focus on cruelty-free testing, ethically sourced natural ingredients, and innovative packaging solutions—such as minimal or "naked" products and in-store refill stations—makes sustainability a core, tangible part of the customer experience. These cases illustrate a foundational principle: the most effective green marketing focuses on "doing" over simply "saying," inviting consumers to be part of a mission, not just to buy a product.

VI. CONCLUSIONS AND STRATEGIC RECOMMENDATIONS FOR MNCs

The evidence synthesized in this paper leads to a clear conclusion: for MNCs aiming to capture the loyalty and spending power of Gen Z and Millennial consumers, green marketing is no longer an optional endeavor but a strategic necessity. These generations are defined by their high expectations for corporate ethics and sustainability. However, their pro-environmental attitudes are tempered by economic pragmatism and a deep-seated skepticism toward corporate claims, resulting in a significant "attitude-behavior gap." The central challenge and opportunity for businesses lies in bridging this gap. The analysis demonstrates that brand trust is the single most critical asset in this effort—an asset that is painstakingly built through authentic, transparent actions and instantly destroyed by the deceptive practice of greenwashing.

Based on these findings, the following strategic roadmap is recommended for MNCs seeking to align purpose with profitability:

1. **Embed, Don't Embellish:** Sustainability must be integrated into the core of the corporate strategy, influencing product

innovation, supply chain management, and operational conduct. Marketing should serve to communicate these realities, not to create a green facade. Authenticity must be earned operationally before it can be communicated credibly.

2. **Embrace Radical Transparency:** To combat the inherent skepticism of Gen Z and Millennials, companies must provide clear, specific, and verifiable evidence of their sustainability claims. This includes utilizing credible third-party certifications (e.g., Fair Trade, B Corp), providing detailed product lifecycle information, and being honest about both progress and ongoing challenges. Precision and honesty are the most effective antidotes to accusations of greenwashing.
3. **Market the Mission, Not Just the Product:** The most resonant campaigns are those that invite consumers to participate in a larger purpose. Frame consumption as an act of support for a shared value or cause, as demonstrated by Adidas's "Run for the Oceans." This builds an emotional connection and a community around the brand that transcends the product itself.
4. **Bridge the Attitude-Behavior Gap:** Actively develop strategies to make the sustainable choice the easier and more logical choice for the consumer. Justify price premiums by emphasizing superior quality, durability, and long-term value, following the Patagonia model. Introduce circular economy options such as repair, resale, and refill programs to offer more accessible price points and reduce waste. Ensure that clear, concise sustainability information is readily available at the point of sale to facilitate informed decisions.
5. **Communicate on Their Terms:** Engage Gen Z and Millennials on the digital platforms where they build communities and seek information, such as TikTok, Reddit, and YouTube, rather than relying solely on traditional advertising. Leverage authentic, long-term partnerships with trusted

influencers and encourage user-generated content to build grassroots credibility and foster a genuine dialogue.

In conclusion, aligning purpose with profitability in the modern marketplace requires a fundamental shift from viewing sustainability as a cost center to recognizing it as a driver of long-term value. By authentically embedding sustainability into their core operations and mastering the art of transparent, mission-driven green marketing, companies can build the deep, trust-based relationships necessary to win the loyalty of the most influential consumer generations and secure a durable competitive advantage.

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