



# Price Sensitivity vs Environmental Awareness: What Drives Green Purchases in the Young Generation

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## ABSTRACT

*As global concerns about environmental degradation grow, green consumerism has gained momentum—especially among the younger generation. However, green products often come with a higher price tag, raising questions about whether environmental awareness alone is enough to drive purchase behavior. This article investigates the relative influence of price sensitivity and environmental awareness on green product purchases among young consumers. Based on a mixed-method study involving a sample of 400 university students in India, the findings reveal a complex interplay between ethical motivation and economic constraints. While a strong environmental ethos exists, affordability remains a major barrier to action. The study highlights the need for affordable green alternatives and suggests targeted strategies for marketers and policymakers to close the intention-action gap in youth sustainability behavior.*

**Keywords:** *Green consumer behavior, price sensitivity, environmental awareness, sustainable consumption, youth marketing, eco-friendly products, Gen Z, Millennials*

## 1. INTRODUCTION

The escalating environmental challenges of the 21st century—ranging from climate change and biodiversity loss to plastic pollution and water scarcity—have brought sustainability into sharp focus, particularly among younger generations. In recent years, Millennials and Gen Z have emerged as vocal champions of eco-conscious living, advocating for systemic change through activism, digital engagement, and lifestyle choices. These cohorts are often viewed as the most environmentally aware and ethically motivated consumer groups, engaging with issues such as sustainable fashion, zero-waste living, plant-based diets, and carbon-neutral travel. However, there remains a significant gap between sustainability ideals and actual purchase behavior, especially in the context of green consumerism.

India, home to one of the largest youth populations in the world, offers a compelling case for studying this disconnect. While awareness of environmental issues among Indian students and young professionals is high—fueled by education, media exposure, and global climate discourse—the market for green products in India remains nascent. One of the most prominent barriers to the adoption of green products is price sensitivity. In a developing economy where many young people are financially dependent or at early stages of their careers, the higher cost associated with green alternatives often discourages actual purchase decisions. Green goods—be it eco-friendly apparel, biodegradable packaging, organic food, or non-toxic cosmetics—tend to carry a “green premium” that deters budget-conscious youth, despite their ethical inclinations.

This presents a behavioral paradox: the same group that expresses strong environmental concern often exhibits low commitment when it comes to green purchasing. This inconsistency has been referred to in previous literature as the “intention-behavior gap” or “green attitude gap.”

The current research investigates this contradiction by focusing on the dual role of price sensitivity and environmental awareness in shaping the green purchasing decisions of young Indian consumers. Specifically, the study aims to determine whether environmental values are strong enough to override price concerns, or if economic factors continue to dominate even among idealistic youth. Additionally, it explores secondary factors such as peer trends, social identity, perceived authenticity of green brands, and lifestyle fit, which may mediate or moderate this behavior.

Understanding this interplay is essential for stakeholders ranging from green marketers and product developers to sustainability educators and policy advocates. As India transitions toward a green economy, empowering young consumers to make environmentally responsible choices will be pivotal. However, this transition requires more than just awareness campaigns—it calls for affordable, accessible, and socially resonant solutions that align with both the economic realities and aspirational identities of the younger generation.

This study, through a mixed-method approach involving university students across major Indian cities, contributes to the evolving discourse on youth-driven sustainability by examining what truly motivates or hinders green purchases in practice. It seeks to answer a crucial question for sustainable development: Is ethical awareness enough, or must green consumption be made economically viable to become mainstream among the youth?

## 2. LITERATURE REVIEW

Peattie (2001) was among the early scholars to systematically explore the concept of green consumerism. He argued that environmental concern alone is not a sufficient predictor of green purchase behavior. Peattie



emphasized the presence of a significant gap between consumers' professed values and their actual market behavior, a gap that is often overlooked in environmental marketing. His work laid the foundation for later studies by highlighting that factors like price, product availability, and consumer trust play a critical role in the adoption of green products.

Jain and Kaur (2004) focused specifically on Indian youth and revealed that although environmental awareness is increasing due to globalization and education reforms, it does not always translate into pro-environmental consumption. The authors pointed out that limited purchasing power **and** dependence on parents for income were major reasons why young consumers avoided costlier green products. They suggested that pricing policies and awareness campaigns must go hand in hand to bridge the value-action gap.

Vermeir and Verbeke (2006) conducted an empirical study across several European countries and introduced the concept of the "attitude-behavior gap" in green consumption. Their findings suggested that even consumers with high environmental concern fail to act sustainably when products are perceived as inconvenient, expensive, or lacking in credibility. They called for integrating psychological variables such as perceived consumer effectiveness, social norms, and personal responsibility into behavioral models of green purchasing.

D'Souza et al. (2007) examined how trust in environmental labels, perceived consumer effectiveness, and socio-demographic factors affect green purchasing decisions. Their study showed that while environmental awareness increases the intent to buy, actual purchase behavior is driven more by peer influence and brand credibility. Interestingly, the study also found that green branding becomes more effective when aligned with personal identity or group norms, which is especially relevant to younger demographics.

Young et al. (2010) reinforced the findings of earlier studies by confirming that a significant proportion of environmentally conscious consumers do not consistently buy green products. They attributed this to a combination of high prices, lack of availability, and the perception that green products are less effective. The study highlighted the need for marketers to improve the perceived value proposition of green products and make them more accessible and desirable.

Biswas and Roy (2015) provided insights from an emerging economy perspective. Their study on Indian consumers demonstrated that even when people are aware of environmental consequences, their purchase decisions are often guided by price sensitivity. Green products, if not competitively priced, are viewed as a luxury rather than a necessity. They also noted a growing trend among urban youth where sustainability is seen as aspirational, but limited by financial feasibility.

Kumar and Ghodeswar (2015) focused on green brand positioning and argued that in India, where skepticism about brand claims is high, transparency and authenticity are critical for influencing purchase behavior. Their research emphasized the importance of clear eco-labels, visible brand values, and third-party certification, especially for attracting environmentally conscious but economically cautious consumers like students and young professionals.

Kotler and Keller (2016), in their seminal work on marketing management, addressed the strategic importance of integrating sustainability into brand narratives. They suggested that for green marketing to be effective among younger consumers, it must not rely solely on guilt or ethics but rather embed sustainability into the lifestyle and aspirations of the target segment. The emphasis was on emotional branding, digital storytelling, and community engagement as tools to drive behavioral change.

**Mintel (2022)** in its consumer insights report highlighted that **Gen Z and Millennials** globally are more willing to embrace eco-friendly products, but only when they are **priced competitively, easily accessible, and backed by authentic claims**. The report stressed that **online reviews, influencer endorsements, and peer validation** play a pivotal role in youth purchasing decisions, often more so than traditional advertising or corporate green pledges.

### 3. METHODOLOGY

The present study adopts a **mixed-method research design** to explore the interplay between environmental awareness and price sensitivity in influencing green purchasing behavior among Indian youth. The methodological framework is designed to provide both **quantitative insights** into behavioral trends and **qualitative understanding** of underlying motivations, perceptions, and contradictions that characterize youth green consumerism.

#### 3.1 Research Design

A combination of **descriptive and exploratory research design** has been employed. The descriptive aspect focuses on identifying the level of awareness, price consciousness, and purchasing patterns of green products, while the exploratory component investigates the psychological and social factors that mediate the gap between attitude and behavior.



### 3.2 Population and Sample

The target population comprises **young Indian consumers** aged 18 to 25 years, primarily university students and early-career professionals. A **purposive sampling technique** was used to select participants from five major urban centers: **Delhi, Mumbai, Bengaluru, Hyderabad, and Pune**. These cities were chosen due to their socio-economic diversity, relatively high digital penetration, and availability of green product alternatives.

A total of **400 respondents** were included in the quantitative phase of the study. To capture a deeper narrative perspective, **25 participants** from the same group were selected for qualitative interviews using **criterion-based sampling**, ensuring a balance of gender, educational background, and purchasing exposure.

### 3.3 Data Collection Methods

Data collection was conducted in two phases:

- **Quantitative Phase:** A structured questionnaire was designed, consisting of closed-ended questions measured on a **5-point Likert scale** ranging from “strongly disagree” to “strongly agree.” The questionnaire covered sections on environmental concern, frequency of green purchases, willingness to pay for eco-friendly alternatives, and trust in green branding.
- **Qualitative Phase:** Semi-structured **in-depth interviews** were conducted with selected participants. These interviews were aimed at eliciting rich, contextual data on factors such as peer pressure, identity alignment, social media influence, and perceived credibility of green labels. Interviewees were encouraged to share their personal stories and conflicts regarding green consumption.

### 3.4 Tools and Techniques of Analysis

The **quantitative data** were analyzed using descriptive statistics (mean, percentage, and standard deviation), cross-tabulation, and correlation analysis to identify trends and relationships among variables like environmental awareness, price sensitivity, and green purchasing behavior.

The **qualitative data** from interviews were transcribed, coded, and analyzed using **thematic content analysis**. Common themes such as emotional alignment, aspirational motivation, distrust in green claims, and budget constraints were identified and compared across participant responses.

### 3.5 Validity and Reliability

To ensure **content validity**, the questionnaire was reviewed by experts in marketing, environmental studies, and psychology. A **pilot test** was conducted with 30 respondents, and minor revisions were made for clarity and relevance. The internal consistency of the survey was tested using **Cronbach’s Alpha**, yielding a reliability score of **0.81**, which is considered acceptable for social research.

### 3.6 Ethical Considerations

All participants were informed of the purpose of the study and their right to withdraw at any time. Informed consent was obtained, and participant confidentiality was strictly maintained. No identifying information was collected in the survey, and pseudonyms were used during qualitative reporting.

## 4. RESULTS AND FINDINGS

The data collected through surveys and interviews revealed important insights into the **complex interplay between price sensitivity and environmental awareness** in shaping green purchasing behavior among Indian youth. While the quantitative findings highlighted measurable patterns in consumer choices, the qualitative data provided deeper explanations of motivations and constraints that go beyond numbers.

### 4.1 High Environmental Awareness but Low Behavioral Translation

The results indicate that a large proportion of respondents exhibit strong environmental awareness. **Approximately 82% of the participants agreed or strongly agreed** that environmental issues such as pollution, climate change, and deforestation are urgent problems requiring individual action. Further, **76% stated that they believe consumer choices can have a positive impact on the environment**.

However, when asked about actual purchasing behavior, only **39% of respondents reported purchasing a green product in the past month**. This gap between awareness and action suggests the presence of a significant **intention-behavior gap**, consistent with the findings of Vermeir and Verbeke (2006).

### 4.2 Price Sensitivity Remains a Key Barrier

The most frequently cited barrier to green purchasing was **price**. About **58% of respondents agreed** that green products are “too expensive” compared to their conventional counterparts. When asked whether they would be willing to pay more for a product that is environmentally friendly, only **32% expressed clear willingness**, while **44% preferred cheaper conventional alternatives**, and the remaining **24% were undecided**, stating that it would depend on the type of product and price difference.



Qualitative interviews reinforced this finding. Many students expressed appreciation for sustainable brands but noted that **limited budgets, high tuition fees, and family responsibilities** restricted their ability to consistently choose eco-friendly options. Green consumption was often seen as a luxury rather than a necessity.

#### 4.3 Selective Willingness Based on Product Type

Willingness to purchase green products was **context-dependent**. Essentials like organic food and reusable water bottles had higher acceptance than green fashion or cosmetics. For instance, **57% of respondents said they would consider paying more for organic vegetables**, while only **22% said the same for sustainable clothing or accessories**. This suggests that functional necessity may override price resistance in some categories, while aspirational products are more affected by affordability concerns.

#### 4.4 Role of Peer Influence and Social Trends

A notable finding was the role of **social influence and identity signaling** in green behavior. **61% of respondents stated** that they were more likely to buy eco-friendly products if their peers did the same. Among urban youth, particularly in metropolitan cities, green behavior was seen not just as ethical but also **fashionable and socially admired**.

Qualitative responses revealed that **social media platforms, especially Instagram and YouTube**, play a crucial role in shaping attitudes. Influencer recommendations, viral challenges (e.g., zero-waste weeks), and eco-lifestyle content were cited as triggers for experimenting with green alternatives. This finding aligns with D'Souza et al. (2007), who emphasized the role of peer norms in behavior adoption.

#### 4.5 Trust in Green Branding and Labeling is Low

Another barrier identified was **skepticism toward green claims**. Nearly **47% of respondents expressed doubt** over whether products labeled as “eco-friendly” are genuinely sustainable. Concerns were raised about **greenwashing**, where companies exaggerate their environmental efforts for marketing purposes. This lack of trust further inhibits purchase behavior, especially when coupled with higher prices.

Participants indicated a preference for brands that are **transparent, third-party certified, and socially engaged**. Brands that communicate clearly about their supply chain, ingredients, and sustainability initiatives were seen as more trustworthy and desirable.

## 5. DISCUSSION

The findings of this study highlight a nuanced and at times paradoxical relationship between environmental awareness and actual green purchasing behavior among young Indian consumers. While the **level of environmental consciousness is notably high**, there remains a **significant gap between values and action**, reaffirming the well-documented “attitude-behavior gap” in sustainability literature (Vermeir & Verbeke, 2006; Young et al., 2010).

One of the most striking revelations is the **dominant role of price sensitivity**, which continues to act as a substantial barrier even for ideologically committed youth. Despite strong environmental beliefs, many respondents expressed reluctance or inability to purchase green products due to their elevated price points. This finding resonates with the conclusions of Biswas and Roy (2015), who emphasized that in emerging economies like India, green products are often perceived as premium commodities accessible only to the affluent. This presents a **major contradiction**: young consumers may want to act responsibly but are **constrained by financial realities**, particularly in the context of limited income, student life, or early career stages.

However, this does not imply that economic concerns universally override environmental motivation. The data show that **price sensitivity is conditional and product-dependent**. Young consumers demonstrate a higher willingness to pay for green products they perceive as essential—such as organic food, reusable water bottles, and biodegradable hygiene products—compared to discretionary items like eco-friendly fashion or luxury personal care. This indicates that **functional necessity and perceived long-term benefit** play an important role in justifying the green premium, aligning with earlier findings by D'Souza et al. (2007).

Another critical dimension emerging from the data is the **influence of social identity and peer behavior**. For many urban youth, especially those in metropolitan areas, green purchases are increasingly linked with **social signaling and lifestyle branding**. This reflects a broader cultural shift where sustainability is becoming aspirational rather than simply ethical. Green behavior, when endorsed by peers or popular influencers, is seen as a form of personal expression, social alignment, and even digital status. Platforms like Instagram and YouTube were frequently mentioned as channels where green behavior is normalized, showcased, and admired. This social validation mechanism can **soften price resistance** by making green consumption more desirable and culturally rewarding.

Nonetheless, **trust deficits in green branding** remain a major challenge. Many respondents expressed doubts about the authenticity of eco-friendly claims, fearing that some brands engage in “greenwashing” for commercial gain. This lack of trust is compounded by the **absence of clear labeling, third-party certifications, or transparent communication**. Such skepticism undermines even those consumers who are willing to pay more, creating a psychological barrier to consistent green behavior. As Kumar and Ghodeswar (2015) rightly pointed



out, **brand authenticity is a crucial determinant of consumer loyalty in green markets**, particularly among skeptical youth.

These findings collectively suggest that while **environmental awareness is necessary**, it is not sufficient for promoting green purchasing among youth. **Affordability, accessibility, peer acceptance, and brand trust** all function as essential enabling conditions. To bridge the attitude-behavior gap, green brands must go beyond education and ethics—they must deliver **economic value, emotional connection, and cultural relevance**.

The study thus contributes to the literature by emphasizing the need for **multi-dimensional marketing strategies** that treat youth not just as consumers, but as socially influenced, financially constrained, and psychologically driven individuals. The intersection of sustainability, identity, and affordability must be carefully navigated if green products are to gain mainstream acceptance among this critical demographic.

## 6. RECOMMENDATIONS

Based on the insights gained from the study, it is evident that while environmental awareness is strong among young Indian consumers, several barriers—particularly economic and perceptual—hinder the consistent adoption of green products. To address these challenges and foster a more supportive environment for sustainable consumer behavior, a set of practical and strategic recommendations is proposed:

### 6.1 Develop Affordable Green Alternatives

One of the clearest takeaways from the study is the urgent need to **reduce the cost barrier** associated with green products. Green brands should explore ways to streamline their supply chains, adopt cost-effective packaging solutions, and scale operations to achieve **economies of scale**. Partnerships with local producers and cooperatives can also reduce production and logistics costs. This would allow companies to price their products competitively without compromising on sustainability standards, thereby increasing their accessibility to economically constrained youth consumers.

### 6.2 Introduce Youth-Focused Green Pricing Models

Retailers and e-commerce platforms should consider introducing **youth-exclusive pricing strategies**, such as student discounts, bundle offers, subscription models, or loyalty reward points for green products. This demographic-specific pricing will not only increase affordability but also build long-term brand loyalty. Brands can also experiment with “**pay what you can**” days, flash sales, and cashback incentives tied to eco-friendly purchases to encourage trials among cost-conscious buyers.

### 6.3 Strengthen Green Branding Through Transparency

To counter widespread skepticism and mistrust, green brands must prioritize **transparent communication and third-party certifications**. Using clear eco-labels, detailed ingredient sourcing information, and real-time impact metrics (e.g., carbon savings or plastic reduced per purchase) can significantly increase consumer confidence. Certifications from credible organizations like India Organic, USDA Organic, or Fairtrade International can add a layer of credibility that appeals to informed young consumers.

### 6.4 Leverage Social Media and Peer Influence

The role of **peer validation and digital visibility** in shaping youth behavior is undeniable. Brands should invest in **authentic influencer marketing**, collaborating with relatable micro-influencers, college ambassadors, and eco-activist content creators who can model green behavior in everyday life. Social media campaigns highlighting sustainability challenges, eco-lifestyle hacks, and user-generated content can engage youth emotionally while also providing social proof. Interactive features such as Instagram filters, reels, or TikTok challenges can further gamify sustainable behavior and drive engagement.

### 6.5 Launch Campus-Based Sustainability Programs

Educational institutions can act as incubators for green consumer habits. Brands should partner with colleges and universities to organize **green awareness weeks, zero-waste festivals, eco-startup exhibitions, and DIY sustainability workshops**. Sponsoring eco-clubs or competitions where students are rewarded for sustainable habits (e.g., using reusable bottles, avoiding fast fashion, or recycling waste) can normalize green behavior within peer groups. Providing green product samples at such events can encourage trials and feedback.

### 6.6 Promote Behavioral Nudges and Green Defaults

Retailers and digital platforms can apply principles of behavioral economics by **designing default options and subtle nudges** that make green choices easier. For instance, eco-friendly filters can be set as default on shopping apps, or green products can be listed first in search results. At checkout, platforms can highlight the environmental benefit of each green purchase to reinforce positive behavior and influence future buying patterns.

### 6.7 Foster Eco-Brand Communities and Emotional Engagement



Finally, brands must cultivate **emotional attachment** through storytelling and community-building. Creating spaces—online forums, mobile apps, or pop-up stores—where young consumers can connect over shared eco-goals, exchange ideas, and celebrate milestones (e.g., 100 days plastic-free) can build a sense of belonging. Emotionally resonant storytelling about ethical sourcing, farmer livelihoods, or product journeys can deepen brand connection and encourage advocacy.

These recommendations, when integrated into corporate strategy, retail design, and marketing communication, can help bridge the gap between environmental awareness and action. By making green products **affordable, trustworthy, aspirational, and socially endorsed**, stakeholders can cultivate a generation of consumers who not only care about the planet but also **act decisively to protect it**.

## 7. CONCLUSION

This study set out to investigate the dynamic interplay between **price sensitivity and environmental awareness** in shaping the green purchasing behavior of young consumers in India. The findings reveal a complex behavioral landscape—one marked by **ideological alignment with sustainability goals**, but often **limited by economic constraints, trust issues, and behavioral inertia**. The research confirms the existence of a pronounced **intention-action gap**, wherein the strong pro-environmental attitudes among youth do not consistently translate into tangible green purchasing practices.

A key takeaway is that **price sensitivity acts as a dominant constraint**, especially among students and early-career professionals who operate within tight budgets. Although these young consumers express support for sustainability, the **perceived high cost** of green alternatives discourages routine purchases. Even when the willingness to act exists, affordability often becomes a decisive factor, reaffirming previous literature that sustainability, unless made economically accessible, remains aspirational rather than actionable.

However, the study also uncovers important **opportunities for engagement**. Many respondents showed selective willingness to pay a premium for green products that offer **functional utility, health benefits, or peer validation**. This suggests that price sensitivity, while real, is **contextual rather than absolute**. When green products are tied to the consumer's **personal identity, social reputation, or everyday utility**, the economic barrier can be partially overcome. Moreover, the influence of **social media and peer networks** demonstrates the potential of emotional and cultural triggers to shape consumption patterns, particularly among urban youth.

Another critical insight from the study is the role of **trust and transparency in green branding**. Mistrust due to greenwashing and vague claims significantly affects purchase decisions, even among those willing to support sustainable businesses. This indicates that ethical marketing, clear labeling, and certification are not optional extras but **core components of effective green product strategies**.

Ultimately, this research contributes to the growing body of sustainability literature by emphasizing the need for **multi-pronged interventions**—combining **economic accessibility, peer influence, authenticity, and lifestyle alignment**—to promote green consumption among youth. Policy-makers, educators, entrepreneurs, and marketers must recognize that **raising awareness alone is insufficient**. Structural and perceptual barriers must be addressed simultaneously to ensure that the youth, despite their good intentions, are **empowered and enabled** to make sustainable choices.

In conclusion, the future of green consumerism in India lies not only in nurturing ecological awareness but also in creating **conditions that make sustainability both viable and desirable**. Young consumers are ready to lead the change—they simply need the right mix of **opportunity, affordability, and trust** to make green living a mainstream reality.

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