

GEN Z AND SUSTAINABLE CONSUMPTION: REIMAGINING LOCAL ECONOMIES IN THE DIGITAL ERA

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Abstract

This study examines the role of Generation Z (Gen Z) in promoting sustainable consumption and its implications for local economic support in the digital era. As digital natives, Gen Z is highly exposed to sustainability-related content through digital platforms, which may influence their consumption behavior. This research aims to analyze the effects of environmental concern and digital exposure on sustainable consumption and its impact on local economic support. A quantitative approach was employed using survey data collected from 160 university students. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings indicate that digital exposure has a strong and significant effect on sustainable consumption, whereas environmental concern has a weaker but significant effect. Furthermore, sustainable consumption significantly affects local economic support. These results suggest that Gen Z's sustainable behavior is more driven by digital stimuli than internal environmental values. This study contributes by highlighting the shift toward digitally driven consumption behavior and linking it to local economic sustainability.

Keywords: Gen Z, Sustainable Consumption, Digital Exposure, Local Economy, SEM-PLS

INTRODUCTION

Sustainable consumption has become a central issue in achieving sustainable development, particularly in the context of local economies. It reflects consumer behavior that considers environmental, social, and economic impacts, such as choosing products with lower carbon footprints, supporting fair trade, and prioritising local goods over imported ones. In recent years, the rapid development of digital technology has significantly transformed consumption patterns, especially among Generation Z (Gen Z), who are highly connected to digital platforms and social media ecosystems (Horrich et al., 2025; Sari et al., 2025; United Nations, 2025).

Gen Z represents a unique consumer group that is characterised by high digital engagement and exposure to social media. Digital platforms not only facilitate purchasing behavior but also shape attitudes and values towards sustainability through influencers, online communities, and algorithmic recommendations (Horrich et al., 2025)(Bhati & Garg, 2025). Previous studies suggest that digital exposure, including social media campaigns and online branding, significantly influences sustainable consumption behavior among Gen Z(Biondo et al., 2025).

However, despite increasing awareness of environmental issues, there remains a gap between environmental concern and actual sustainable behavior. Gen Z often demonstrates high environmental awareness but still engages in consumption patterns driven by trends, convenience, and digital influence(Sari et al., 2025).

At the same time, sustainable consumption has the potential to support local economies by encouraging consumers to purchase local and environmentally friendly products and community-based products. Buying local products can reduce transportation-related emissions, shorten supply chains, and provide economic benefits for all small products and local businesses, thereby enhancing local economic resilience (Agustina et al., 2024; Prayana & Utama, 2020). Yet, limited research has linked digital-driven sustainable consumption with local economic support, particularly in emerging economies.

Therefore, this study aims to examine how environmental concern and digital exposure influence sustainable consumption and its effect on local economic support among Generation Z.

The novelty of this study lies in several aspects. First, it demonstrates that digital exposure has a more dominant influence than environmental concern in shaping sustainable consumption among Generation Z. Second, it introduces a shift from value-driven to digitally driven consumption behavior. Third, it links sustainable consumption to local economic support, bridging micro and macro perspectives. Finally, it provides empirical evidence from an emerging economy context.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Sustainable consumption refers to consumer behavior that minimizes environmental impact while fulfilling needs. It involves reducing resource use, minimizing waste, and supporting environmentally friendly products. Recent studies highlight that Generation Z plays a crucial role in promoting sustainable consumption due to their higher awareness of environmental issues and digital engagement (Theocharis, 2025).

In addition, sustainable consumption is increasingly influenced by digital environments, where consumers are exposed to sustainability-related information that shapes their preferences and behavior (Hidayat et al., 2024).

Environmental concern refers to the level of awareness and responsibility individuals feel toward environmental issues. It has been widely recognized as a key predictor of sustainable behavior. Empirical studies show that environmental concern significantly influences sustainable consumption and green purchase intention among Gen Z (Dewi et al., 2025). However, previous research also indicates that there is often a gap between environmental concern and actual behavior, suggesting that awareness alone may not always lead to sustainable actions.

H1: Environmental concern positively affects sustainable consumption.

Digital exposure refers to the intensity of interaction with sustainability-related information through digital platforms such as social media and e-commerce. Studies show that digital platforms significantly influence Gen Z behavior and decision-making (Biondo et al., 2025).

H2: Digital exposure positively affects sustainable consumption.

Digital exposure refers to the extent to which individuals interact with sustainability-related information through digital platforms such as social media and online marketplaces. For Gen Z, digital platforms play a dominant role in shaping behavior, as they are constantly exposed to trends, influencers, and sustainability-related campaigns (Yustini & Prihastuti, 2024). Studies also show that digital exposure significantly enhances sustainable consumption behavior through increased awareness and social influence (Hidayat et al., 2024).

Sustainable consumption contributes not only to environmental protection but also to local economic development. By choosing local and sustainable products, consumers support small businesses and strengthen local economies. Research on sustainable consumption behavior among Gen Z can enhance economic resilience and support community-based economic systems (Kristia et al., 2026).

However, the causal relationship between sustainable consumption and local economic support remain underexplored, especially in emerging economies where digital platforms increasingly mediate access to local product (Mindawati & Nugroho, 2025).

H3: Sustainable consumption positively affects local economic support.

RESEARCH METHODS

This study employs a quantitative approach using a cross-sectional survey design. The population consists of Generation Z individuals aged 18–25. The sample includes 160 university students, selected using purposive sampling.

Data were collected through an online questionnaire using a Likert scale (1–5). Variables of this research are Environmental Concern (X1), Digital Exposure (X2), Sustainable Consumption (M), and Local Economic Support (Y). Data were analyzed using SEM-PLS (Smart-PLS), including outer model and inner model evaluation.

RESULTS AND DISCUSSION

The measurement model evaluation shows that all indicators meet convergent validity criteria, with loading factors above 0.70, indicating good reliability. The structural model results show: R^2 (Sustainable Consumption) = 0.638, R^2 (Local Economic Support) = 0.145. Hypothesis testing results: (1) H1: Environmental concern affects sustainable consumption ($\beta = 0.149$; $t = 2.231$) (2) H2: Digital exposure affects sustainable consumption ($\beta = 0.689$; $t = 11.851$), H3: Sustainable consumption affects local economic support ($\beta = 0.381$; $t = 5.641$). All relationships are statistically significant.

The findings reveal that digital exposure has a significantly stronger influence on sustainable consumption compared to environmental concern. This suggests that Gen Z behavior is more influenced by external digital stimuli than internal environmental awareness.

This result aligns with previous studies highlighting the role of social media and digital engagement in shaping sustainable behavior. It also confirms that Gen Z consumption behavior is increasingly driven by digital ecosystems and social influence.

Interestingly, environmental concern shows a weaker effect, indicating that awareness alone is insufficient to drive behavioral change. This supports the argument that there is often a gap between environmental attitudes and actual behavior.

Furthermore, sustainable consumption significantly influences local economic support, suggesting that promoting green consumption can contribute to strengthening local economies.

The measurement model indicates that all indicators are valid and reliable, with loading factors above 0.70. The structural model results are presented in Tables 1 and 2

CONCLUSION

This study concludes that digital exposure plays a dominant role in shaping sustainable consumption among Gen Z. Sustainable consumption positively contributes to local economic support.

The findings imply that digital platforms should be leveraged to promote sustainable behaviour. Future research should explore additional variables influencing local economic support.

Table 1. Path Coefficient

Relationship	Coefficient			
	EC	DE	SC	LES
Environmental Concern (X1)				0,149
Digital Exposure (X2)				0,689
Sustainable Consumption (M)				
Local Economic Support (Y)			0,381	

Relationship	Coefficient			
	EC	DE	SC	LES

Source: Processed data using SmartPLS (2026)

Table 2. R Square Values

Table Head	R Square	
	R Square	R Square Adjusted
Sustainable Consumption	0,638	0,633
Local Economic Support	0,145	0,140

Source: Processed data using SmartPLS (2026)

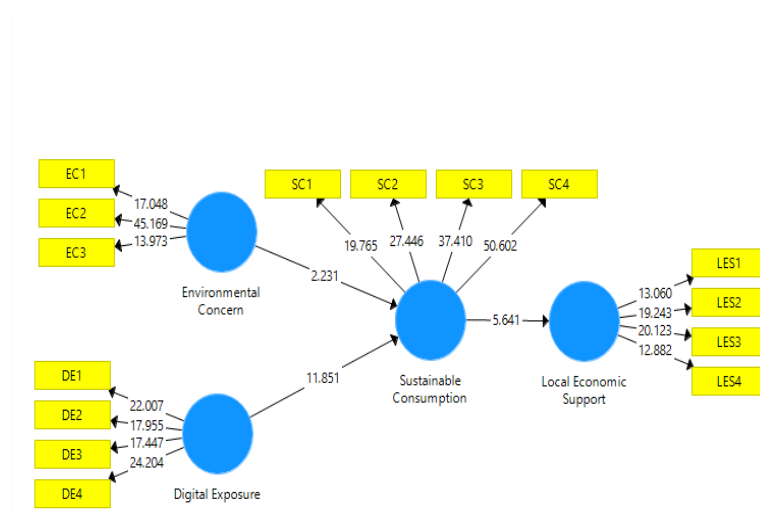


Figure 1. Bootstrapping Results of SEM-PLS Analysis

The results indicate that all hypotheses are statistically significant. Digital exposure has the strongest effect on sustainable consumption, followed by environmental concern. Sustainable consumption also significantly influences local economic support.

These findings indicate that Gen Z behaviour is more influenced by digital exposure than internal environmental values. This challenges the assumption that environmental awareness alone drives sustainable behaviour.

Furthermore, sustainable consumption contributes to local economic support, suggesting that promoting green consumption can strengthen local economies by creating jobs, increasing demand for local products, and fostering community resilience.

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