Inflationary Pressure: Exploring the Impact of Inflation on Gen Z’s Sustainable Consumption
Bachelor in Business Administration

Title: Inflationary pressure: exploring the impact of inflation on Gen Z’s sustainable consumption

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Key terms: Sustainable consumption, Gen Z, Inflation

Abstract

**Background:** Consumers of Gen Z are facing a reality of high inflation. With their unique characteristics and strong attitudes towards sustainability and environmental concern, this thesis is examining how their sustainable consumption is affected by inflation.

**Purpose:** The purpose of this study is to examine the impact of inflation on the sustainable consumption of Generation z.

**Method:** A paradigm of interpretivism and abductive reasoning is used in the research and a multiple case study was conducted using semi-structured interviews.

**Conclusion:** Consumers of Gen Z are having a difficult time purchasing sustainable products because of inflation. Sustainable consumption has become difficult to maintain due to having less funds among Gen Z. As a result, Gen z consumers changed their consumption to less-costly and more sustainable alternative in order to adapt to the economic situation. Despite inflation, our research has shown Gen Z consumers are still dedicated to the issue of sustainability and environment.
Acknowledgement

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Erik Jahrl

Betiel Mebrahtom
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1. Introduction

This chapter provides a background to the research topic together with a problem discussion. Moreover, the purpose of the study is presented followed by the research question. Lastly, the delimitations are presented.

1.1 Background

Generation Z, often referred to as Gen Z, represents individuals born between 1995 and 2012 (Dimock, 2019). According to Li & Hasnah Hassan (2023), 25% of the world’s population belongs to Gen Z which makes it the largest cohort in the world. As these young adults are gradually entering the workforce, their spending power is increasing rapidly and their influence on the world around them will continue to grow (Ecocart, 2023). At present, Gen Z’s current contribution to total spending in the United States is only 5% but according to Ecocart (2023), this will increase to 17% by 2030 which will make them a truly powerful force in the global economy in the coming years.

Gen Z is characterized by its unique attributes, values, and behaviors that make them distinct from previous generations due to technological advancements, economic fluctuations, and heightened attention to environmental sustainability (Coughlin & Dorner, 2023). By being the first generation growing up with social media, unlimited access to internet and smartphones Gen Z is considered to be a truly digital and well informed generational cohort (Francis & Hoefel, 2018). Surveys have shown that Gen Z is highly concerned about climate change and global warming (Goodmakertales, 2023). These characteristics and attributes do have an impact on the consumption behavior of Gen Z. In terms of sustainability consciousness and social responsibility, Djafarova & Foots (2018) claim that members of Gen Z are the most interested in incorporating sustainability in their lifestyle and that they highly value green and sustainable goods. Additionally, surveys have shown that Gen Z is more willing to pay extra for sustainable products and that 75% of the participants claimed that sustainability played a large role in their purchasing decision making (EcoCart, 2023).

During the past few years, global and macro-economic events have led to the highest inflation seen in several decades (SCB, 2023) followed by a remarkable rate of increase in interest rates (Ekonomifakta, 2023). Generous monetary policies for many years, the Covid-19
pandemic that shook the global supply chain, and the energy crisis derived from Russia’s offensive war against Ukraine are the main ingredients in the cocktail that has led us to a high inflation environment (Carsten, 2022).

Inflation is referred to as a general increase in prices for goods and services, leading to a decline in purchasing power which has an effect on people’s cost of living (Investopedia, 2023). Inflation is often measured by using the Consumer Price Index (CPI) or the Whole Sale Price Index (WPI) (Investopedia, 2023).

Sustainable consumption is considered to be one of the most important factors to reach sustainable development on our planet which is crucial to reach the climate goals (Nguyen et al., 2019). With this in mind, Gen Z is the largest cohort in the world with a significant purchasing power and their consumption will have an impact on the environment which makes it highly relevant to examine their sustainable consumption behavior (Seyfi et al., 2023). In the light of inflation, this paper aims to focus on the consumers from the Gen Z and how their consumption of sustainable goods and services is changing when their budgets are shrinking due to inflation. As Sweden is going through a recession with increasing inflation, higher interest rate and a decreasing economic activity, consumers will have smaller budgets which should affect their decision-making while consuming goods. Gen Z is considered to be “the sustainable generation” and shows strong preferences when it comes to spending money on sustainable goods, but will they keep doing this during difficult economic times?

1.2 Problem discussion
Sustainable consumption has attracted a lot of scholarly interest over the years. For example, Kostadinova (2016) points out that most of the factors influencing pro-environmental behavior can be categorized into two categories: individual related and context-related/situational factors. The individual related factors refer to attitudes, values, and demographic characteristics and the context/situational factors include external forces such as availability of sustainable products and financial constraints. These two types of factors do not influence sustainable consumer decisions each on its own, but it is rather a complex mix where the factors are weighted differently (Manley et al., 2023).

However, studies have been made on Gen Z and their consumption behavior. Djafarova & Foots (2022) found that Gen Z consumers have a very strong awareness of ethical and
environmental issues in general and a strong awareness of their consumption footprint. Further, their research concludes that consumers in Gen Z are limited on consuming in an ethical way because of higher prices on ethical and sustainable goods. This is confirmed by the research of Manley et. al (2023), where several barriers to purchase sustainable clothing have been identified. In addition to price, lack of accessibility and lack of awareness of sustainable options were highlighted.

The literature review also portrays that strong attitudes and beliefs do not automatically lead to sustainable consumption and green purchase behavior, financial constraint and high prices are suggested to be strong barriers to sustainable consumption. In the field of sustainable and ethical consumption behavior, researchers refer to at attitude-behavior gap between a consumer’s intention and actual behavior (Carrington et al., 2014). In Carrington’s research (2014) there are four factors influencing the “misalignment of ethical intentions and actual behavior”. One of these factors is called “commitment and sacrifice” and refers, among other things, to sacrificing purchasing power due to higher costs.

The literature review reveals that many existing studies point out the pro-environmental and green attitudes and values of this cohort. On the other hand, the literature review also portrays that strong attitudes and beliefs do not automatically lead to sustainable consumption and green purchase behavior, financial constraint and high prices are suggested to be strong barriers to sustainable consumption. Since high inflation has not existed in the western world during the adult life of Gen Z, there are very few studies focusing on this subject and we believe that the connection of these topics is underexplored.

As inflation is currently striking hard on peoples’ economies, there is an excellent opportunity to examine how this situational factor (inflation) is affecting the sustainable consumption pattern of a group of consumers (Gen Z) with proven strong attitudes and beliefs about sustainable consumption. Therefore, this research will address interesting link between the combination of topics “sustainable consumption practices among Gen Z” and “inflation”. This thesis will focus on how the economic factors, such as inflation and financial constraints, are influencing the sustainable consumption for persons from Gen Z. Since previous research states that persons in Gen Z are strongly affected by individual factors this study will help us understand to what extent the situational factors are affecting the sustainable consumption patterns of Gen Z.
1.3 Purpose

The purpose of this thesis is to explore how inflation has shaped the consumption habits of Gen Z and its impact on their engagement with sustainable consumption practices. In the light of inflation, this paper aims to focus on the consumers from the Gen Z and how their consumption of sustainable goods and services is changing when their budgets are shrinking. By examining these factors, this research aims to shed light on the complex factors that shape Gen Z's choices and preferences in response to inflation. The research question that will guide us through this work will be:

*How do inflation influence Gen Z's consumption patterns, and to what extent does it shape their engagement in sustainable consumption practices?*

1.4 Delimitations

Generational cohorts are defined by birthyear but there are different definitions of where Gen Z starts and when it transits to next generation. In this study we have chosen to use the definition where Gen Z is between 1995-2012. In addition, to narrow it down further, only people who were 18 years or older participated in this study. The reason to this was that younger people usually still live with their parents and that they are not affected by inflation as much as older people are. Additionally, some generalization has been made in this research to define and highlight certain characteristics in the cohort of Gen Z. Of course, there are exceptions in this generations but to be able to do this study, that kind of consideration has not been considered.
2. Theoretical Background

This chapter provides the theoretical background of our research, which focuses on Gen Z, sustainable consumption, and inflation. After the presentation of the literature review, the theoretical lens of this research is presented.

2.1 Method for literature review

A large amount of literature was studied to do this thesis and fulfill its purpose. Since this study aims at examining a phenomenon that includes three different “keywords”, which is “Gen Z”, “sustainable consumption” and “inflation”, the information gathering started off by trying to combine these in different searches to get an overview of the topic. Articles were first evaluated by the title and abstract and if it suited the topic and aim of the research deeper analysis were made of the text. To limit the number of articles we filtered the search by using peer-reviewed articles and choosing a year range between 2015-2023. The databases that were used during the search for relevant articles were Google Scholar, Primo, Google, Emerald and Science Direct. In addition, a method called “snowballing” was used by examining the references of relevant articles (Wohlin et al., 2020). Furthermore, to obtain high quality of this research, peer-reviewed articles was used and literature from the JU library was collected to gather more information about the subject and look deeper into theories that could be applied for the research.

2.2 Literature review

2.2.1 Generational theory and defining Gen Z

As this paper aims to focus on the generational cohort of Gen Z, it is crucial to understand what a generation is. According to Prayag et al. (2022 p.4), “a generation is a group of people differentiated by its birth years that normally range 20 to 25 years in length, that experience similar events that shape their common values, attitudes and behaviour”. Kupperschmidt (2000), underpins this by stating that each generation is influenced by critical factors such as “shifts in society-wide attitudes; changes in social, economic and public policy” and major global events. These shared experiences generate generational characteristics for each generation. Although, Kupperschmidt (2000) emphasizes that these characteristics are
generalizations and that there are individual differences within each generation. Furthermore, Seemiller & Grace (2019) define a generation as an “entire body of individuals born and living during the same time” and use the time span of 14-20 years. Moreover, Seemiller and Grace (2019) argue that every generational cohort is influenced by the generation that came before and that it is important to identify the previous generations. Seemiller and Grace (2019) define the five generations that are still alive as: G:I Generation (1901-1924), The Silent generation (1925-1945), Baby Boomers (1946-1965), Generation X (1966-1980), Generation Y or Millennials (1981-1995) and Gen Z (1995-2010). In this research, the Gen Z will be defined as people born between 1995-2010.

According to a systematic literature review made by Li & Hasnah Hassan (2023), consumption behavior among Gen Z is a relatively new field of research and before 2013, little research had been made on the topic. Since Gen Z was too young to be regarded as consumers before 2013 the lack of research on their consumption behavior is not unexpected. However, as Gen Z was gradually entering the adult life, a growing body of literature on the subject emerged slowly from 2014 and accelerated rapidly in 2017 (Li & Hasnah Hassan, 2023).

By looking into the existing literature on Gen Z, one can find several characteristics that define the members of the Gen Z. Djafarova & Foots (2022) point out the members of the Gen Z as technology dependent and highly aware of the latest news and global issues. By growing up online, with unlimited access to internet and their early encounter with social media platforms, their awareness of their personal brand online is high and their strive to make a good impression of people is strong (Djafarova & Foots, 2022). In addition, Fromm & Read (2015), highlight their unmatched ability of processing information. Since Gen Z has been exposed to an immense amount of information during their lifetime, their brains have adopted and can filter out what brings value and interest to them (Fromm & Read, 2015). Furthermore, due to several financial crashes and global recessions, Gen Z are savings minded and value financial security (Djafarova & Foots, 2022). This is also emphasized by Francis & Hoefel (2018) who claim that Gen Z shows high preferences for having a regular employment instead of freelance or part-time job. Furthermore, Francis & Hoefel (2018) describe the Gen Z as dialoguers since they want less confrontation and value the importance of dialogue.
Other characteristics of Gen Z that can be identified while exploring the literature are sincerity, honesty, respect for others, responsibility and willingness to make an effort to change negatives they are dissatisfied with (Dabija et al., 2020). Furthermore, Dabija et al., (2020) suggests that members of Gen Z are risk avert and analytical and that they “stick to the principles of sustainability in everything that they do”. They also believe that businesses should have a positive effect on the environment (Dabija et al., 2020).

2.2.2 Gen Z and consumption

By being born into the digital era and spending much of their time online, literature suggest that Gen Z consumers prefer to virtually engage and integrate with their favorite brands online (Priporas et al., 2017). And according to Liu (2022), consumer behavior of Gen Z is highly affected by peers and influencers. In addition, Zhang et al. (2022) argue that “pursuit of truth” is the core behavior for Gen Z consumers and that it has a large impact on their view on consumption and their relationship with brands. According to Zhang et al. (2022), Gen Z look upon consumption “as access rather than possession, as an expression of individual identity, and as a matter of ethical concern” which implies that ethical and sustainable consumption is highly important to Gen Z.

According to Seyfi et al. (2023), there is wide range of literature showing that Gen Z is highly aware of environmental and sustainable issues and that they are more frequently engaged in political consumerism which refers to expressing political and ethical beliefs through consumption decisions. According to a survey, 50% of the Gen Z shoppers were willing to pay extra for sustainable goods and 68% of the respondents said that they have bought eco-friendly products during the last year (Greenstein, 2019). In contrast to previous generations of consumers, Gen Z values authentic interactions with brands and products over material possessions (Francis & Hoefel, 2018). In terms of consumption choices, this group of consumers only align themselves with brands that reflect their beliefs and ethics (Fromm & Read, 2015). As stated above, Gen Z is savings minded, which has an direct impact on their consumption pattern since they expect more value to their money than previous generations (Fromm & Read, 2015). Additionally, in comparison to previous generations, Gen Z consistently more likely to support environmentally friendly brands and engage in environmentally friendly practices (Thomas, 2022). This is underpinned by a survey made by Price Waterhouse Cooper (PWC, 2020) where several key insights of Gen Z were found. A high willingness to buy sustainable goods along with strong tendency to pay a higher price for
sustainable goods were some of the key findings. In addition, members of the Gen Z think that a brand’s ethics and behavior when it comes to socio-political and environmental issues is essential in their purchasing decision-making.

Even if a lot of literature implies that members of Gen Z show strong preferences concerning sustainable consumptions there are also researches showing that these preferences do not lead to sustainable behavior. According to Parzonko et al. (2021), members of the Gen Z cohort did not show high pro-environmental behavior when financial outlays were required. In other words, financial constraint was an important barrier to sustainable consumption and pro-environmental actions. In a research by Gronhøj & Thogersen (2009), the correlation between how young people’s pro-environmental attitudes and behaviors were related to their parents’. Their findings suggest that young adults were less involved in pro-environmental behaviors than their parents due to “life-stage barriers”. However, as the young adults in this study were Millennials and not Gen Z, the results provide only an indication that members of Gen z are limited by their financial situation.

In summary, according to Gen Z definitions, individuals born between 1995 and 2012 are considered part of Gen Z. According to existing literature, the Gen Z generation is marked by technology dependence, global awareness, strong online branding, exceptional ability to process information, and a strong focus on financial stability. Additionally, sincerity, honesty, respect, responsibility, taking a proactive approach to addressing dissatisfaction, and maintaining sustainable practices were identified as traits. Eco-friendly products are more attractive to them, and they are willing to pay more to support ethical consumption. It appears that their pro-environmental behavior may be hindered by financial constraints despite their preferences. An important factor for Generation Z is authenticity in interactions with brands, as well as saving money and supporting environmentally friendly methods.
2.3 Theoretical lens: An inflation perspective on Gen Z sustainable consumption

The theoretical lens that this study was viewed through was derived from existing literature on sustainable consumption among the members of Gen Z. As inflation leads to increase in general prices and erodes the purchasing power, there is an interesting link between how sustainable consumption among Gen Z is affected by inflation. By integrating inflation theory into discussion on sustainable consumption behavior, this thesis has the potential to shed light on how sustainable consumption practices among Gen Z are affected by inflation.

2.3.1 Defining sustainable consumption behavior

Sustainable consumption and production (SCP) are widely researched fields and is regarded as crucial to reaching sustainable economic development. The environmental crisis that we are facing is deeply connected to our unsustainable consumption which makes the topic highly relevant (Yan et al., 2021). As defined by the Oslo Symposium in 1994, sustainable consumption and production is about “the use of services and related products, which respond to basic needs and bring a better quality of life while minimizing the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardize the needs of future generations”. According to Thøgersen (2023), sustainable consumption is a wide concept that covers a large number of issues and as one can tell from the definition, it includes the substitutions of goods and services that are harmful to the environment to more efficient and less harmful ones. Although, Thøgersen, (2023) underpins that this definition is widely criticised since it does not mention the total amount of consumption and its need to be reduced. In general, all consumption has an impact on the environment but it varies a lot. However, the consumption within; food, mobility and housing are generally regarded as the three consumption categories that contribute the most to the environmental problems (Thøgersen, 2023).

In a systematic literature review, Sharma et al. (2023) identify factors affecting Green purchase intention (GPI) and Green purchase behavior (GPB). According to Sharma et al. (2023), the amount of literature examining the factors that affect green purchase behavior is vast and suggests that health concerns, green lifestyle, environment protection, social norms and beliefs are significant ones to determine sustainable purchases. Furthermore, Sharma et al. (2023) highlights that there is also a considerable number of studies that have identified the “green attitude-behavior gap” which refers to a gap between positive attitude for sustainable
purchases and the actual purchase behavior. This inconsistency is explained by several different reasons; for example lack of trust, limited knowledge, lack of awareness, higher price, quality perceptions and habits of past behavior (Sharma et al., 2023). This is also discussed by Thøgersen (2023), who states that there are a number of personal limitations that can be inhibitors to sustainable choices and behaviors. These personal limitations are described as: limited cognitive capacity, limited resources for volition and self-control, limited awareness of problems and knowledge about solutions, limited skills and task-specific knowledge and limited time and financial resources (Thøgersen, 2023). As stated in previous section, this study will focus on how limited financial resources have changed the sustainable consumption among individuals of Gen Z.

The higher price of sustainable products due to higher production costs is considered to be a significant barrier to sustainable consumption (Chaudhary & Bisai, 2018). According to Gleim et al. (2013), price is the key inhibitor for consumers to buy green products. Gleim et al. (2013) also shows that expertise plays a significant role in green purchasing decisions and that higher expertise and knowledge can overcome the other barriers. For example, if a consumer has high expertise, he/she understands why the price is higher for the green product and therefore will be more willing to buy it.

In conclusion, it can be stated that there are many factors affecting green consumer behavior and that pro environmental attitudes, values and beliefs do not always lead to sustainable consumption.

2.3.1 The impact of inflation on sustainable consumption

There is a significant number of empirical works exploring how macro-economic conditions impact consumer behavior (Abaidoo, 2016). According to Abaidoo (2016), several studies suggest that higher inflation expectations have direct “constraining or negative impact on consumer behavior in terms of expenditure made”. In other words, high inflation leads to lower consumptions in monetary terms. This is strengthened by Bachmann et al. (2015) findings stating that inflation expectations, as an isolated factor, significantly impacts households’ expenditures in a negative way. Although, the empirical findings of Abaidoo (2016) suggest that there is significant variability in impact of consumer behavior due to inflation expectations. For example, his findings suggest that increase in inflation has more
impact on the expenditures on goods than it has on expenditures on services. In a research made by Hoang Thi Phuong (2020), the purchasing behavior towards fast moving consumer goods (FMCG) during inflation times was examined. The findings showed that consumers cut down on unnecessary products during inflation and that they look for products with sales promotion. According to Hoang Thi Phuong (2020), 70% of the consumers had cut their spendings on FMCG due to the tough economic situation and the average cut down level was 16%. Notably, most of the consumers did not consume less goods but they did look for better saving.

In summarize, there are many existing studies examining sustainable consumption and inflation but as our literature review portrays, previous literature does not address the link between inflation and sustainable consumption among Gen Z consumers. This theoretical lens on how inflation has affected sustainable consumption among Gen Z during inflation will be used to analyze our empirical data and fill in the identified gap.
3. Methodology and method

This chapter introduces the readers to the methodology and methods used in this research. Firstly, research philosophy is discussed followed by research approach. Furthermore, the method used in this research is discussed including data collection and data analysis. Lastly, this chapter explains how research quality was obtained in this research.

3.1 Methodology

3.1.1 Research philosophy

Research paradigm is a philosophical framework that is used to conduct research and can be divided into two main paradigms: Positivism and Interpretivism (Collis & Hussey, 2021). According to Collis & Hussey (2021), a research paradigm “is based on people’s philosophies and their assumptions about the world and the nature of knowledge” (Collis & Hussey, 2021). These philosophical assumptions can be divided into ontological, epistemological, and methodological assumptions (Collis & Hussey, 2021). Ontological assumptions refer to the core assumptions that a researcher makes about the nature of reality, epistemological refers to how knowledge can be accepted as valid and methodological refers to the process of research (Collis & Hussey, 2021). Ontology is considered to be the very foundation of every research and according to Grix (2002), the epistemological and methodological assumptions should logically align with the ontological ones.

Interpretivism is underpinned by the assumptions that social reality is subjective and that knowledge comes from subjective evidence which aligns with our thesis (Collis & Hussey, 2021). Furthermore, Collis & Hussey (2021) state that interpretivism usually tends to use small samples, produce rich, subjective, and qualitative data which aligns well with this research where we held 11 in-depth interviews with individuals from Gen Z to understand their perspective. Guided by the philosophical paradigm of interpretivism, the goal was to obtain an interpretive understanding of a social phenomenon, which in this research is how inflation is affecting Gen Z’s sustainable consumption.
3.1.2 Research approach

Deductive, inductive, or abductive research approaches are available to researchers. Implementing one of these approaches can help researchers gain a better understanding of their research and the methods for conducting it more effectively (Mantere & Ketokivi, 2013). The deductive approach focuses on testing or assessing the theory, whereas the inductive and abductive approaches both seek to develop theory. However, induction approach typically attempts at generalizing findings from empirical data, whereas abduction's primary goal is to gain understanding of a phenomenon (Kovács & Spens, 2005).

As an exploratory research, this study will use an interpretive paradigm and qualitative research to examine our research on the impact of inflation on Gen Z’s sustainable consumption, as it will allow us to uncover and explore the cohort’s behavior through interview and provide richer data. The abductive approach was chosen in order to gain a better subjective understanding of what is gained from the data (Collis & Hussey, 2021). As part of this study, the subject's perception and understanding of the phenomenon under investigation is generalized by transferring observations from reality. Researchers can analyze qualitative data in a transparent manner using the abductive qualitative approach, and qualitative research can be replicated using it as well. Azungah (2018) claims that the ability to collect, analyze, and interpret the data influences the analysis and interpretation of the data.

3.2 Method

3.2.1 Data Collection

In order to collect primary data and to conduct a thematic analysis, researchers conducted qualitative interviews. The authors used an exploratory design method to address the research gap presented, as this topic is currently relevant (Collis & Hussey, 2021). To be able to follow a loose structure of questioning, the interview format was semi-structured, since the questions were prepared before. However, additional questions were asked to gain a deeper understanding of the 33 answers given by each of the participants (Saunders et al., 2019).

We conducted a mixture of face to face and online interviews with all the participants. A significant advantage of this type of interview is that it allows different types of people from different locations to participate. The interviews were conducted at Jönköping University in group rooms. Initially, the interviewers made conversation with the interviewees, whether they were physical or digital, about everyday things like weather and their study activities.
Data was collected through semi-structured interviews where the authors based the questions on predetermined themes in order to ensure that interviewees felt relaxed for the purpose of gaining as much information as possible. Throughout the interview, new questions could be asked in different orders (Saunders, et al., 2019). Each participant was informed about the purpose of the interview and that they would remain anonymous, and the authors of the thesis obtained consent from each participant that their content would be recorded and published. Interviews were planned in advance for all participants. Seven participants were female and four were male. It was estimated that the planned interviews would last an hour or less, but the actual time for all the interviews were between 33 minutes and 54 minutes. The first author conducted six interviews and the second one conducted five, with the interviewer asking the questions, keeping track of the answers.

3.2.2 Sampling strategy

Prior to conducting interviews, a deliberate participant selection strategy was devised to identify individuals closely aligned with the research question and objectives. The primary aim of this selection process was to strategically choose interviewees capable of providing nuanced and valuable insights into the effects of inflation on the sustainable consumption habits of Gen Z. Since we have chosen the definition of Gen Z born between 1995-2012, we did not search for people older than 28 years old. However, we decided to only search for individuals that were older than 18 years old because younger people were more likely to live with their parents and therefore would not be affected by inflation to the same extent.

Recognizing the vast landscape of available data, the study employed sampling methods to efficiently manage data collection, ensuring that a representative subset was selected from the broader population of Gen Z. In this research, a non-probability sampling methodology was adopted, emphasizing the intentional selection of participants based on predefined criteria rather than relying on randomization. According to (Easterby-Smith, 2018), non-probability sampling designs are united by the fact that it is impossible to “state the probability of any member of the population being sampled” (Easterby-Smith, 2018).

In this research, we chose to use a purposive and convenience sampling design. Convenience sampling refers to that the sample unit is easily accessible (Easterby-Smith, 2018). By reaching out to our personal network, several participants were found. It is important to highlight that the convenience sampling design can lead to a sample that is not representative
for the whole population (Easterby-Smith, 2018). As stated in previous sections, participants were also found by reaching out to people outside our network through various channels. However, participants found both within the personal network and outside were evaluated to meet the criterias. The decision to utilize non-probability sampling aligns with the research's nature and objectives. This approach allows for a purposeful selection of participants from Generation Z actively engaging in sustainable consumption practices.

Table 1 Interviews participants

<table>
<thead>
<tr>
<th>Interview</th>
<th>Age</th>
<th>Gender</th>
<th>Occupation</th>
<th>Duration</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>23</td>
<td>Female</td>
<td>Full time job</td>
<td>45 min</td>
<td>Live</td>
</tr>
<tr>
<td>2</td>
<td>25</td>
<td>Male</td>
<td>Full time job</td>
<td>35 min</td>
<td>Live</td>
</tr>
<tr>
<td>3</td>
<td>25</td>
<td>Male</td>
<td>Full time job</td>
<td>40 min</td>
<td>Live</td>
</tr>
<tr>
<td>4</td>
<td>26</td>
<td>Male</td>
<td>Full time job</td>
<td>32 min</td>
<td>Zoom</td>
</tr>
<tr>
<td>5</td>
<td>22</td>
<td>Female</td>
<td>Part time job</td>
<td>39 min</td>
<td>Zoom</td>
</tr>
<tr>
<td>6</td>
<td>23</td>
<td>Male</td>
<td>Full time job</td>
<td>42 min</td>
<td>Zoom</td>
</tr>
<tr>
<td>7</td>
<td>22</td>
<td>Female</td>
<td>Student/part time job</td>
<td>45 min</td>
<td>Live</td>
</tr>
<tr>
<td>8</td>
<td>22</td>
<td>Female</td>
<td>Student</td>
<td>54 min</td>
<td>Zoom</td>
</tr>
<tr>
<td>9</td>
<td>27</td>
<td>Female</td>
<td>Full time job</td>
<td>38 min</td>
<td>Zoom</td>
</tr>
<tr>
<td>10</td>
<td>25</td>
<td>Female</td>
<td>Full time job</td>
<td>34 min</td>
<td>Zoom</td>
</tr>
<tr>
<td>11</td>
<td>19</td>
<td>Female</td>
<td>Full time job</td>
<td>37 min</td>
<td>Zoom</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Total interview time</td>
<td>7 h 20 min</td>
<td></td>
</tr>
</tbody>
</table>

3.2.2 Data analysis

As qualitative data usually is collected in a specific context and a local setting during a specific period of time, the data needs some type of processing to be useful and understood (Miles et al., 2014). Miles, Huberman and Saldaña (2014) recommend researchers to do analysis and data collections simultaneously to be able to generate new strategies for collecting better data along the way. By evaluating our data collected by interviews from the start, considering the first interviews as “Pilots” we have been able to adjust and improve the data collection along the way. To be able to analyze the data, all interviews have been
transcribed in detail to capture as many aspects as possible from the participants’ answers. According to Miles et al. (2014) analysis of qualitative data are three parallel flows of activities: data condensation, data display and drawing conclusions. Data condensations is referred to as the “process selecting, focusing, simplifying, abstracting and /or transforming the data that appear in the full corpus of the written-up field notes, interview transcripts, document and other empirical materials” (Miles et al., 2014). Data display is the activity where data is organized into an accessible and compact form that allows readers to get a good overview of the data collected.

To condensate data and to find the most meaningful data, coding was used. According to Miles et al. (2014), codes are labels that are linked to big “data chunks” and can be descriptive or complex. The codes are initially used to recognize patterns (first cycle) that later can be categorized into categories and pattern codes (second cycle) (Miles et al., 2014). During this research, the codes was created during the data collection which is referred to as “Inductive coding” (Miles et al. 2014).

After data condensation, data display was done. The format of data display depends on what is trying to be understood (Miles et al. 2014). In this research we used a matrix for our data display because since it gives a good overview of the data and it allows detailed analyze of the data. The last stage of our data analysis was drawing conclusion and verification.
**Empirical findings** | **1:st order codes** | **Second order themes** | **Third level aggregate dimension**
---|---|---|---
“In general, I have reduced my consumption” | Gen Z has reduced their general consumption |  |  
“I only buy things that I really need now” | Gen Z is reassessing needs | Inflation changing consumption |  
“I am trying to only buy things that I really need now” | Gen Z trying to consume less energy |  |  
“I try to consume less electricity now” |  |  |  
“I have started to purchase vintage” | Re-using products is important | Inflation’s positive impact on sustainable consumption |  
“I use apps to reduce my consumption” | Changing consumption behavior |  |  
“I am more sustainable now than I was before” | Increased awareness of waste |  |  
“I am thinking more about food waste now” |  |  |  
“I know that I should not buy from SHEIN, but I do it anyway” | Buying clothes that are known for being unsustainable | Inflation’s negative impact on sustainable consumption |  
“I buy more fast fashion clothing now” |  |  |  
“I don’t buy fair-trade coffee anymore” | Eco-labelled and fair-trade is too expensive now |  |  
“I buy less eco-labelled products now” |  |  |  
“I am willing to pay extra for sustainable goods” |  |  |  
“I have participated in boycotts” | Using consumption to make a stand | Gen Z adapts their values to stay sustainable |  
“Sustainability is a lifestyle to me” | Sustainability is important to Gen Z |  |  
“I try to compensate my unsustainable consumption by recycling more” |  |  |  
“If I had more money, I would buy more sustainable goods” | Preferences for saving money |  |  
“I have increased my savings due to inflation” |  |  |  

*Figure 1. Visualization of empirical data*
3.3 Research Quality

To ensure the quality and trustworthiness of this study, the four criteria of Shenton (2004) have been used through the research. These four criteria are explained and in the following sections together with a description of how they were utilized in this study.

### 3.3.1 Credibility

According to Shenton (2004), the credibility of a qualitative research is one of the most important factors to ensure the trustworthiness of a study and it should ensure that the “findings are congruent to reality”. Striving for credibility should guarantee that data has been collected in a correct way and not being distorted in any way. Furthermore, Shenton (2004) lists several provisions that a researcher may consider ensuring the credibility of the research. By considering these provisions through our work with this research we find it probably to produce a trustworthy study.

Firstly, to align with Shenton's (2004) emphasis on congruence with reality, we adopted a rigorous data collection process. The semi-structured interviews were designed with great care, drawing on established literature and theories relevant to Generation Z and sustainable consumption. This ensured that our questions were not only theoretically grounded but also resonated with the lived experiences of our participants, contributing to the credibility of our findings.
In line with Shenton's (2004) provisions for credibility, steps were taken to establish a trusting and open rapport with the participants. Prior to the interviews, a clear explanation of the research objectives was provided, emphasizing the voluntary nature of participation and the confidentiality of their responses. This transparent communication aimed to build trust, encouraging participants to express their views genuinely.

Moreover, member checking was incorporated into the research design, allowing participants to review and verify the accuracy of our interpretation of their responses. This iterative process helped in refining our understanding of their perspectives and ensured that the findings resonated with the participants' actual experiences, enhancing the credibility of our study.

3.3.2 Transferability

The second criteria to ensure quality in the research is transferability which is the factor that decides if the findings in the research can be generalized. Since qualitative studies are deeply dependent on its context and its specific environments and individuals Shenton (2004) argues that transferability can be reached by providing a detailed description of the background data to clarify the context of the study. He also recommends a “detailed description of the phenomena in question to allow comparisons to be made” (Shenton, 2004). In this thesis, we have aimed to give a detailed and comprehensive description of the context of our study and to thoroughly describe the assumptions in it. By explaining how data was collected and analyzed and by justifying our choice of method we have increased the probability of enabling generalization of this research.

3.3.3 Dependability

According to Shenton (2004), dependability is reached by thoroughly describing all the processes within the study to enable future researchers to carry out the same research but not necessarily with the same result. Shenton (2004) argues that qualitative research should include the following three sections:

a) the research design and its implementation, describing what was planned and executed on a strategic level;
b) the operational detail of data gathering, addressing the minutiae of what was done in the field
c) reflective appraisal of the project, evaluating the effectiveness of the process of inquiry undertaken
By considering this through our research in addition to a well-organized and well-documented procedure we will increase the dependability of the thesis.

3.3.4 Confirmability

Confirmability refers to objectivity and neutrality of the researchers. Shenton (2004) emphasizes the importance of ensuring that the findings of the research are a result of the informants’ experiences and ideas and not the researchers. Shenton (2004) refers to Miles and Huberman who argues for that the most important criteria for confirmability is that the author “admits his or her own predispositions”. By admitting assumptions and beliefs and being as transparent as possible through the process, will decrease the risk of personal bias and personal motives distorting the result of the research. By asking open ended questions, avoiding leading questions, recording all the interviews, and transcribing them we have increased the credibility of our research.

3.4 Ethical Considerations

To conduct a proper research, ethical considerations are fundamental through the entire research process. By following the principles of Bell & Bryman (2007), the interests of the participants have been protected and ensured that this study was conducted in an ethical way. By giving the participants the basic information about our research before the interviews and giving them the opportunity to do the interview online we tried to make the participants feel comfortable in the situation. Furthermore, we carefully explained to them how much we appreciated their partaking in this research and how much we valued their contribution. By showing our appreciation early on, a relaxed and comfortable environment was created which enabled the participants to speak more freely and honest. Before all the interviews we have informed about the GDPR laws which states that the participants have the right “to be forgotten”. This was communicated to the participants in writing before the interview started. We also emphasized that the participants would be anonymous, and that the information given would be confidential which enables a more honest and transparent conversation. We also informed the participants about their full right to not answer a particular question or to withdraw at any time. During the interviews we gave the participants a lot of time to answer and avoided to interrupt them. It was important to us to actively listen and show sincere interest in the participants’ thoughts to show them respect and ensuring that we did not judge them.
4. Empirical findings

This chapter presents the empirical findings of our study. The findings are displayed through quotations from the interviews that have been conducted. The data has been structured by three aggregate dimensions and several themes derived from our 1:st order codes.

The empirical findings emerged from eleven in-depth, semi-structured interviews, illustrating how inflation has influenced sustainable consumption among Gen Z. The participants are referred to as INT X, participant 1 is, for example, labeled as INT 1.

4.1 Changing economic reality

A changing economic reality refers to the high inflation environment that Gen Z are facing and how it influences them. In our study we identified that inflation has led to changes in consumption in general, how inflation has affected sustainable consumption in a positive way and also how it has reduced the consumption of sustainable goods.

4.1.1 Inflation and change in consumption.

It becomes evident that the participants are affected by inflation when it comes to consumption. When facing economic challenges, the interviewees have adjusted how they consume, notably reducing their purchases of green products. One participant describes this shift, saying, "The sustainable choices I used to make without much thought now need careful consideration. It's tough to feel like I have to give up on my values because of economic pressures" (INT3). Most of the participants discussed and highlighted the large increase in price of groceries which had made them change their consumption of certain goods for less sustainable ones or opting them out totally. "I opt out a lot of products, I haven’t bought butter in a year. Or cheese" (INT 7). This was underlined further by another participant who stated "The increase in prices really affected what I can buy at the grocery store. The organic foods that I liked suddenly became too expensive. I've had to make some tough choices and go for things that might not be as good in terms of sustainability, just to keep within my budget" (INT 1)
Many of the participants also highlighted that they have become better at planning their purchases, both when grocery-shopping and when buying other goods. They said that this has changed during the last years because they want to avoid buying unnecessary things they don’t need, “I do my grocery shopping weekly now to minimize small shopping, it’s more economical to plan the purchases” (INT10). This was underlined by another participant:” Sustainable consumption to me is thinking through purchases. No spontaneous purchases” (INT11).

It is also important to mention that many of the Gen Z consumers show that food is a product group that they do not want to compromise too much with. For sure, they do opt out eco-friendly and fair-trade brands due to higher prices, but they still want to buy groceries with relatively high quality and preferably food produced in Sweden. “I've tried to stick to it when it comes to food. It's a big interest and I think it's important to eat good food. On the other hand, I have become more active in finding promotions and special prices. I only buy Swedish meat and I'm not going to change that” (INT8).

Furthermore, technology emerged as a crucial factor, encouraging sustainable decision-making during inflation. This was portrayed by one of the interviewees: "Technology helps me stay informed about sustainable choices and prices in a rapidly changing economic" (INT1). This technological integration empowers individuals to make informed choices aligned with their sustainability values.

4.1.2 Inflation’s positive effect on sustainable consumption

Even in the face of inflation, Gen Z shows an ability to transform challenges into opportunities for positive sustainable behavior. As portrayed in previous sections, many participants expressed that their sustainable consumption has been affected in a negative way since sustainable goods are often more expensive than conventional goods. However, our findings show that consumers of Gen Z have adapted their purchasing and consumption patterns to align more with their values and beliefs. A good example of this is the increasing consumption of secondhand clothing and vintage clothing. Several participants highlighted that consumption of secondhand clothes has become trendier during the last year. If this is an effect of the rise in prices of clothes or not is hard to confirm. Although one participant stated
that she bought vintage mostly because of “the combination of high quality and low price” (INT7).

Another important finding was that Gen Z consumers have changed their perception of the value of things that they already own. Many of the participants expressed that they have dramatically reduced their waste, concerning both food and other goods. For example, many of the participants stated that they value food higher now which have led to a more economic approach to groceries that earlier had been seen as waste: “The positive thing is that I have become more concerned about what I have at home. I don’t throw away any leftovers. You can see more value on my food products” (INT7). This is a true positive effect derived by the tougher economic reality due to inflation. Reduction in food waste was mentioned by several participants: I think a lot about food waste at home nowadays, not much is thrown away. Even though the expiration date has passed, I smell and taste if they can still be used” (INT11).

In addition, this approach was also seen in the perception to clothing. Several participants revealed that they have become more engaged in clothes-swapping and selling clothes that they do not use anymore: “I make sustainable choices such as collecting clothes I no longer use when I clean out my closet and then donating them to those in need and for recycling” (INT9). It was highlighted that this was a good way to make some extra money and at the same time do good for the environment. These practices have become easier to engage with due to apps and platforms enabling people to sell and swap clothes, “Sellpy is a very good initiative. A platform to sell clothes you have used. They show how much CO2 you save” (INT8). The use of second-hand shopping apps shows adaptability to economic challenges and changing trends in motivating sustainable consumer behavior.

Additionally, our data makes it evident that inflation has influenced Gen Z to consume less energy. All participants expressed that they are actively trying to reduce their energy consumption since the energy prices have increased dramatically during the last year. As one participant expresses it: “You also try not to keep too many lights on in the apartment when electricity has become more expensive” (INT 10). Consuming less energy and being savings minded about electricity is a positive effect that inflation has had on sustainable consumption. This change in behavior was highlighted in several other interviews: “Thinking about heating and electricity in my home. Rather a bit colder at home than warm” (INT 11)
4.1.3 Inflation’s negative impact on sustainable consumption

Our data shows that Gen Z consumers are not able to consume as sustainable as they would like to. Many of the participants shared their thoughts about the everyday- struggle they must deal with when it comes to consumption aligning with their values. In other words, consumers of Gen Z face a tough challenge trying to live sustainably within the constraints of their budgets. One of the participants expressed it as "It's tough to feel like I have to give up on my values because of economic pressures" (INT3) showing that the trade-offs between sustainability and financial factors are deeply affecting Gen Z and is regarded as a major concern. Interviews showing that the participants were feeling bad over the choices they had to make due to financial constraints was recurrent: “It's not fun to have to give up on making choices that are good for the environment, but sometimes I must, because it's necessary to stick to my budget”(INT 1).

Furthermore, interviewees shared their firsthand struggles with being true to sustainable ideals. One participant, who used to opt for high-quality eco-friendly products like organic bananas, has had to make compromises due to rising prices, admitting, “I prefer to buy an organic banana but since the price have increased so much in the last year, it happens that choose the cheaper option that is not organic” (INT 10). This reflects the reality that economic constraints sometimes force choices that don't align with environmental goals. Another participant discussed that financial limitation is the most important inhibitor for her to engage in sustainable consumption: “Lack of money keeps me from buying sustainable goods” (INT11). This was underlined by another participant stating: “But a lot of it is an economic issue. I can no longer afford to buy organic products or choose paper over plastic” (INT7). Additionally, this clash between their values and the economic reality they are facing was clearly displayed by another participant:” But then of course, I choose not to buy a lot of Eco and Fairtrade products anymore. For example, I'm opting for cheaper coffee now. It doesn't feel great because I want to be sustainable” (INT8). The negative feeling that participants felt when they had to reduce their sustainable consumption was mentioned in many interviews, and on interviewee expressed it as: “It feels sad and a little unfair” (INT 10).
4.2 Personal values

4.2.1 Gen Z adapts their values to stay sustainable

Facing financial challenges, Generation Z are actively reshaping their values to align with sustainability. This commitment goes beyond day-to-day decisions, extending into long-term sustainable investments, as one participant explains: "The whole inflation situation has made me get creative with how I live. Now, it's all about finding things that are good for the environment but don't cost a lot" (INT 5) This shift reflects a generation navigating economic challenges with creativity, resourcefulness, and a steadfast commitment to sustainable living. This was strengthened by another participant who expressed that the economic reality they are currently facing might require adjustments in the demands they have on themselves: "In times when prices are going up, what I'd suggest to others is to be flexible and go with the flow. Being sustainable doesn't mean there's only one right way to do things. It's more about making smart decisions based on what's happening in your life. Even if things are tough, making small changes can add up and be part of the bigger story of making a future that's good for the planet" (INT2).

Furthermore, many of the participants expressed that they would identify themselves as savings minded. Having a buffer was something that many thought was important and several of the participants claimed that they were very careful not to risk spending more money than they had.

Many participants stated that they had changed their perception of the determinant factors in their purchase decisions. Many of the interviewees expressed that the most important factor is price. "For me right now, it's price. Before, when I worked, it was the brand that was most important" (INT7). Notably, this participant had become a student this year and compared her situation to her previous one when she was working fulltime. Similarly, one participant underlined the importance of price and durability over branding in clothing choices, stating, "Price and durability are the most important things for me when I buy clothes. I don't usually think about branding" (INT11). Although, other participants expressed that their most important factors had changed due to rises in price. Many of the participants still tried to buy products with higher quality because they thought that sustainability aligns with high quality products. To be able to do that, many of the participants had become more active to look for price offerings: “I've become more active in finding promotions and special deals” (INT 8).
One interviewee shared her thoughts on how she thought that the inflation had impacted Gen Z consumers in their purchasing decisions: “I really think inflation has affected my generation. Even if you are in favor of sustainability, it has become so expensive that you fall for the lower prices” (INT8).

4.2.2 Social influence on sustainable choices

Our findings show that consumer of Gen Z is highly influenced by social media when it comes to purchasing sustainable goods. Several participants expressed that they are positively influenced by certain influencers that advocate sustainable consumption. One participant stated: “When it comes to deciding what to buy, online reviews and social media play a huge role for me. These influences really shape my choices, especially when I'm looking for products that are good for the environment” (INT3). This implies that social media helps consumers of Gen Z to find, compare and buy sustainable goods. Social medias importance was emphasized by another participant: “I think it is the most important factor in my purchase behavior. I think it influences me subconsciously” (INT7). Through social media, one participant also highlighted that it gives a feeling of being part of something bigger and that it helps to motivate sustainable consumption: “Seeing other people adopting eco-friendly lifestyles on social media motivates me to do the same. It's like being part of a community that values making ethical choices for the greater good” (INT1). Additionally, several interviewees revealed that social media has led to several boycotts of different brands that do not live up to the standards of social or environmental responsibility. The company SHEIN was mentioned in several interviews, which is a Fast fashion company selling clothes at low cost. When the company’s social and environmental were highlighted in social medias, many consumers boycotted this company: “Now you can't say that you buy from there because then you'll be called an environmental destroyer” (INT7). This displays that social media can be a powerful instrument for Gen Z to influence the businesses to act in a more sustainable way.

Additionally, several interviewees also shed light on the negative influence that social media has because it leads to overconsumption which is, according to some participants, a big problem for Gen Z. One participant stated that even if Gen Z consumers buy sustainable goods, they are still consuming too much in general: “Social media leads to overconsumption” (INT8). Other participants also discussed how social media probably shows a false picture of how sustainable people are.
4.3 Social aspirations

Social aspirations refer to Gen Z’s strive and will to be sustainable in their way of living. In our study, we identified that Gen Z wants to be a part of a sustainable development and that they have high demands on themselves, but also on businesses and governments to enable sustainable consumption.

4.3.1 Gen Z takes responsibility for sustainable development

Our empirical data makes it clear that Gen Z are still very committed to sustainable consumption despite the economic challenges facing them. Many of the participants express that Gen Z has a big responsibility to lead the way in sustainability: "I believe that my generation holds a big responsibility to take the lead in making our world more sustainable. We should develop habits that go hand in hand with a greener future. Personally, this involves supporting local businesses and picking products that don't harm the environment much. It's not just about what I need right now; it's about making choices that have a positive impact beyond just me." (INT 3). This shows that individuals of Gen Z see themselves as part of something bigger and that their choices can make a difference in the long run. This was also emphasized by another participant stating: "Sustainable consumption is also about active choices that each person has to make based on their situation, whether it's clothes, make-up or something else. It's important because we only have a planet and climate change is becoming more and more evident and our planet’s resources are not infinite" (INT 9). The concern of the environment was evident among many of the consumers. Some of the interviewees also expressed that they felt fear for the future: “It feels like our generation is becoming more and more afraid of the future” (INT 7).

4.3.2 Gen Z has high demands on businesses and governments

Although, our findings also shows that many of the participants also feel that the responsibility is not only theirs and that they feel that more should be done by companies, but above all, by policymakers and governments. One participant expressed: “We have environmental goals, but we are not achieving anything. Stricter requirements should be introduced for the sale of certain products” (INT8). This implies that individuals of Gen Z have higher demands on governments and policymakers, and they are showing a desire for more regulations, both by prohibiting products that are harmful to the environment, but also by facilitating green products. One participant expressed it as: "when prices go up,
governments should reward doing things that help the planet. Giving tax breaks to businesses that are good for the environment could be a beginning” (INT 4). This was underlined by another interviewee who emphasized the importance of changing consumption during tough economic times and also stating that better options should be offered by governments: “Changing how we spend money is super important when prices go up. The government and businesses should give us eco-friendly stuff that doesn't cost too much. The idea is to make it easy for everyone to live in a way that's good for the Earth” (INT3). Governmental support and policy implications, are seen as potential solutions, emphasizing the importance of encouraging businesses to offer eco-friendly products at competitive prices. This recognition highlights the role businesses and governments play in shaping sustainable consumption patterns.
5. Analysis

In this chapter, the empirical findings will be discussed and analyzed in the light of the existing literature and our theoretical framework.

5.1 Adaption to a changing economic reality

Our study has clearly shown that Gen Z grapples with financial challenges. The rising prices have not passed unnoticed, and it has forced Gen Z consumers to make major changes in how they consume in general but especially how they consume in terms of sustainable goods. This behavioral change was made clear by the majority of the participants, who gave us an insight into how their view on sustainable consumption has changed. Our empirical findings showed that most of the participants have had to de-prioritize a lot of sustainable goods and services over the past year. The heightened costs have compelled many to scale back on purchasing eco-friendly products, a trend in line with existing literature indicating that higher prices pose a barrier to sustainable consumption (Parzonko et al., 2021). Empirical works by Abaidoo (2016) and Bachmann et al. (2015) suggest that higher inflation expectations negatively affect consumer behavior. This aligns with our findings, where participants compromised on sustainable choices due to inflation-induced financial challenges.

Our study also shows the internal conflict that exists within individuals from Gen Z and how it has become more difficult to act sustainably in recent years. Rising prices, especially for essential goods, led Gen Z participants to reassess their consumption choices. This highlights the tangible impact of economic realities on Gen Z's sustainable consumption patterns, showcasing the delicate balance between ethical aspirations and financial limitations. At the same time, our studies showed that there is a strong resilience in Gen Z individuals that has led to several positive changes regarding their sustainable consumption. Despite financial strain, they actively strive to reduce consumption, showing a genuine effort to align their actions with sustainability goals, even amid economic challenges. For instance, Gen Z’s consumption of clothes has shifted to focus on more second-hand and vintage. According to the participants, this was a great example of how they can stick to their principles during tough economic times. Vintage shopping is good for the environment, it's unique, and it has a low price. This is a good example of how Gen Z consumers are adjusting their consumption align with their values.
Our findings show an ambiguous picture of how inflation has affected Gen Z sustainable consumption. On one hand, the participants have had to compromise their values around sustainability by ceasing to buy certain sustainable alternatives. On the other hand, our empirical findings show that they have largely adapted to continue doing good for the planet. It can be said that their attitudes towards sustainability and their values have remained the same during this time, but that consumption has changed. Hence, it can be discussed if the attitude-behavior-gap towards sustainable consumption has increased or decreased. In existing literature, the phenomena of a green attitude-behavior gap is discussed which implies that strong attitudes and values towards green and sustainable consumption does not necessarily lead to sustainable actions (Sharma et al. 2023). The argument for saying that the gap has decreased is that inflation has caused individuals in Gen Z to increase their sustainable consumption in some cases, for example through second hand, reduced food waste and reduced energy consumption in their homes. Additionally, inflation has forced many in Gen Z to reduce their overall consumption. They can't afford to buy as many products anymore and one can argue that reduced consumption is the same thing as sustainable consumption. Although, our findings, on the other hand, showed that the consumption of eco-products and other sustainable products that have a higher price than conventional alternatives has decreased. Since individuals of Gen Z still has their strong values on sustainable goods, it can be argued that the gap has widened.

In essence, Gen Z is not just talking about sustainability; they are navigating economic uncertainties with strong commitment to their environmental values. This nuanced perspective sheds light on the complexity of both Gen Z's mindset, inflation, and sustainable consumption, where ideals meet the practicalities dictated by economic realities.

In summary, this study reveals that Generation Z struggles with inflation. This has led to a shift in consumption patterns. Despite internal conflicts and difficulties in acting sustainably, Gen Z demonstrates adaptability, making positive changes in sustainable consumption, such as opting for second-hand and vintage clothing. The impact of inflation on sustainable consumption presents an uncertain picture, with some compromises but an overall adaptation to continue environmentally friendly practices. The study introduces the concept of an attitude-behavior gap, questioning whether Gen Z's sustainability attitudes align with their actions amid economic uncertainties. Ultimately, Gen Z is actively navigating economic
uncertainties with a strong commitment to environmental values, showcasing the intricate interplay between ideals and realities dictated by economic realities.

5.1.2 Sustainable preferences

Our study sheds light on the personal values of Gen Z and how these interact with sustainable consumption in a high inflationary environment. Our interviews reveal a variety of values that are common to Gen Z. Our study also shows that Gen Z has changed what they value most when they consume goods and services. Several participants said that they have gone from valuing brands the highest to now claiming that price and long durability are more important. Several participants expressed that price was the most important thing nowadays. Our study also showed that Gen Z consumers are frugal and that they think it's important that their finances fit within their budget. This is in line with the findings of Francis & Hoefel (2018), who claims that Gen Z is savings minded and prioritizes financial stability. However, it is in some contrast to Dajiba's study which said that sustainability "permeates everything they do". However, it showed that Gen Z still values sustainability and environmental issues highly.

Our findings also reveal that social influencers and social media have a major impact on Gen Z in general but also on their buying behavior. Several of the participants said that social media has the biggest impact on their purchasing decisions. Others highlighted that family, friends and their social context had the largest impact on them. That social media has a big impact on Gen Z's values and decisions was expected, but one aspect that has been highlighted among the participants themselves is the negative impact that social media has. That social media leads to overconsumption of goods was an opinion shared by several participants. This sheds light on the fact that Gen Z's life, which is largely spent online and on social media (Djafarova & Foots 2022), has a built-in problem because social media is largely based on selling marketing products. Gen Z consumers are highly affected by this, which seems to lead to the consumption of goods that they don't really need. Therefore, it can be argued that it does not matter so much how much eco-labeled, or fairtrade-product Gen Z consumes when the main problem is that it is consumed too much in general. Therefore, it can be argued that inflation has contributed to a resistance against the overconsumption that, according to the participants, exists. Reduced consumption of unnecessary products is also in line with Hoang Thi Phuong's (2020) findings that suggest that consumers cut down on consumption that is viewed as unnecessary. The fact that they can no longer afford to consume as much in a high inflation environment contributes to Gen Z becoming more
sustainable. Whether this is unique to Gen Z or not is difficult to answer, but since Gen Z is still young and generally doesn't have as much money as the older generations, it could mean that inflation has contributed to more sustainability due to lower consumption in this generational cohort than others.

In summary our study explores how the values of Gen Z interact with sustainable consumption amid high inflation. Gen Z has shifted priorities, valuing price and durability over brands. Despite conflicting views on sustainability, our findings show that Gen Z remains committed to environmental concerns. Social influencers and social media strongly influence Gen Z's buying behavior, with participants noting both positive and negative impacts. Notably, the study suggests that inflation has led to resistance against overconsumption, aligning with Gen Z's financial constraints and contributing to a more sustainable approach in their consumption habits.

5.1.3 Sustainable commitment and expectations

Our study underscores the shared values that propel Gen Z's collective sustainability goals. Participants voiced a belief in their generation's responsibility to lead in creating a more sustainable world, with aspirations extending beyond individual needs. Gen Z's collective goals involve choosing products that do not harm the environment and actively engaging in sustainable practices. Many of the participants in our study showed that they shared a concern for the future regarding the climate and the environment. They also showed an insight into the fact that they have a big part in this, but also that society has the greatest responsibility. This includes policymakers, companies, and governments. It became clear that many participants placed high demands on these and it was mentioned several times that there should be more legal requirements for sustainability, but also that the common climate goals can be achieved more easily if there were more and better incentives for companies to offer sustainable goods and services. This could take the form of subsidies and tax breaks.

To claim that Gen Z felt hopeless is an exaggeration, but we can state that several of the participants felt that it will be incredibly tough to reach the common climate goal. However, the interviewees said that they were willing to make sacrifices for the climate. Our empirical data supports these claims to some extent, while also showing that Gen Z doesn't always "walk the talk". Our study showed that this goal was clear among the participants but that it was difficult for many to live up to. While several participants clearly showed that they felt
compelled to exclude certain products or brands, others showed that, despite the knowledge of the negative consequences, they continued to buy from, for example, fast-fashion companies. Therefore, it is debatable how far this responsibility extends for Gen Z.

Existing literature shows that Gen Z is a globally aware and well-informed cohort (Djafarova & Foots, 2022). This is in line with our findings that show that Gen Z is well aware of the environmental problems that the world is facing, but also that they know very well what affects the environment in both negative and positive ways. The literature also shows that Gen Z places high demands on companies and brands, which is also in line with our studies (Fromm & Read, 2015).

By looking at our findings and existing literature, it can be concluded that Gen Z is a generational cohort that sees itself as part of something bigger, a society that should strive even more to become more sustainable. The demands are high on both themselves and society, and to a large extent, they contribute as much as they can. By staying informed and up to date, they have a clear picture of what is required to achieve the climate goals. On the other hand, it is debatable how willingly they actually are to sacrifice in order to achieve sustainable development. In some cases, they have changed their consumption habits from durable goods to non-durable goods due to inflation. The majority of the participants had full-time jobs and their finances were relatively solid. Opting out sustainable goods due to rising costs indicates that sustainability is not as prioritized as one can expect. When they place such high demands on their surroundings, you might expect them to show greater resilience themselves. At the same time, the cost increases are extensive, which shows that it is all about compromise. The demands they place on themselves are high and it's understandable that this puts a lot of pressure on Gen Z and that it's a big burden on them.

Our study emphasizes Generation Z's shared commitment to sustainability, with participants expressing a responsibility to lead in creating a more environmentally conscious world. While acknowledging concerns about the environment, participants also stress the shared responsibility of policymakers, companies, and governments. High expectations for legal requirements for sustainability are highlighted. Despite a willingness to make sacrifices for the climate, the study reveals a gap between intention and action, with some participants struggling to align their consumption habits with sustainability goals. The findings suggest that economic pressures and rising costs can impact Gen Z's ability to fully prioritize sustainability, revealing a complicated interplay between personal and societal expectations.
6. Conclusion

In this chapter our research question is answered. Furthermore, theoretical implications and practical implications are discussed. Lastly, the limitations are discussed to add additional transparency to the work together with suggestions for future research.

6.1 Answer to research question

The purpose of this thesis was to examine how inflation has influenced the sustainable consumption pattern among Gen Z and how it has affected their engagement in sustainable consumption. The research question was:

*How do inflation influence Gen Z's consumption patterns, and to what extent does it shape their engagement in sustainable consumption practices?*

Our findings show that inflation has had a large impact on how consumers of Gen Z engage in sustainable consumption and on their consumption in general. Due to their shrinking budgets the consumption of sustainable products has been more difficult to pursue. However, this study shows that Gen Z consumers have adapted to the economic situation by shifting their consumption to less-costly alternatives that, at the same time, are better for the environment. Additionally, our research shows that Gen Z consumers are still motivated and engaged in sustainability and environmental issues which confirms what existing literature has stated about their strong attitudes and beliefs towards sustainability. As stated earlier, there are many factors that interact when it comes to sustainable consumption, but this research shows that inflation is an influencing factor that has a major impact on Gen Z’s sustainable consumption.

6.2 Theoretical implications

As this thesis delved into how Gen Z’s sustainable consumption has been affected by inflation, our study has contributed to both generational theory and sustainable consumption theory. As sustainable consumption behavior among Gen Z I a relatively under-explored topic this study adds new insights to the body Gen Z-consumption behavior (Li & Hasnah Hassan, 2023). Existing literature has mostly focused on Gen Z characteristics and their attitudes towards ethical and sustainable consumption (Dabija et al., 2020; Djafarova & Foots, 2022; Manley et al., 2023). As Gen Z is becoming the largest cohort in the world with an immense purchasing power, this topic is important and highly relevant (Li & Hasnah Hassan, 2023). Our study contributes with novel insights to the existing literature by adding inflation to the
concept of Gen Z and sustainable consumption. It expands the understanding of how economic factors are influencing Gen Z’ sustainable consumption and contributes with novel insight to generational theory and sustainable consumption theory. Our findings show that inflation has a large impact on sustainable consumption and that financial constraints and higher prices are important inhibitors for green consumption which is in line with prior literature (Gleim et al., 2013).

Additionally, this study strengthens and adds insights to generational theory where existing literature has underlined the unique characteristics of Gen Z (Djafarova & Foots, 2022).

6.3 Practical Implications

As the cohort of Gen Z is to become the largest group of consumers with a massive purchasing power it is important to understand how they are affected by macro-economic events such as high inflation. Since sustainability and green consumption is considered to be crucial for the future of our planet, our study contributes to the understanding of how this cohort reacts to inflation in terms of sustainable consumption. Our study can help businesses to gain a better understanding of the large consumer group of Gen Z that can help them to reach out to them in a more effective way. This can help businesses to change and optimize their offers to become more successful.

Additionally, our study offers practical implication for policymakers who can use the insights of this study to enable and encourage sustainable consumption. By understanding how Gen Z reacts to the economic reality they are facing, policymakers can use the insight from this study to develop and improve regulations that encourage sustainable consumption. Understanding Gen Z's collective goals for sustainability, shaped by their unique characteristics, provides crucial insights into how this generation navigates through economic challenges, including inflation.

6.4 Limitations

To maintain the transparency of this study, there are limitations of this study that will be highlighted and discussed in this section.
Since a qualitative study is often concentrated on a small population and a specific context, the applicability and generalizability of the conclusions are difficult to transfer to other situations and populations (Shenton, 2004). However, Shenton (2004) also states that there are contrasting views on this, implying that even if the sample is small and the case is unique, it is a part of a larger group and therefore the transferability of the result cannot be dismissed. Additionally, Shenton (2004) emphasizes that transferability can be achieved by providing a detailed description of the background data to clarify the context of the study. This study has provided detailed information about the participants, such as age, gender, occupation, and location, which can aid in understanding the context of the research. This information allows for comparisons to be made with other Generation Z individuals who share similar characteristics, thereby enhancing the transferability of the findings.

Additionally, the study's use of a purposeful sampling strategy for data collection, considering individuals who possess valuable insights into the research topic, contributes to the generalizability of the findings.

However, it is important to acknowledge the limitations of generalizability in qualitative research. Since Gen Z is an enormously large group of individuals, scattered all over the world with fundamentally different perspectives and economic conditions, we do not believe that the results of this research can be generalised for all the individuals of Gen Z. Our study was conducted in Jönköping and the participants were all living in Jönköping at the time the interviews was conducted which limited the sample geographically. Cultural and social differences among the individuals of Gen Z have not been taken into consideration which could also affect the ability to generalize the conclusion of this research. Another limitation of the research is that we decided to exclude individuals younger than 18 years old. The reason for this is explained in section 1.4 but it should be highlighted that this furthermore reduces the generalizability since individuals of Gen Z younger than 18 years old represent a quite large part of the Gen Z population. However, with this in mind we do believe that the result of this research contributes to the understanding of how individuals of Gen Z are impacted by high inflation and how their sustainable consumption is affected. The findings of the study may not apply to all Generation Z individuals, especially those who do not actively engage in sustainable consumption practices or do not face similar economic challenges. Therefore, while the study's findings can be generalized to Generation Z individuals with similar
characteristics, caution should be exercised in applying the findings to the entire Generation Z population.

In conclusion, the study's findings can be generalized to some extent to Gen Z individuals who are actively engaged in sustainable consumption practices and are facing economic challenges such as inflation. The detailed description of the participants' characteristics, integration of secondary data, and purposeful sampling strategy support the generalizability of the findings to this specific group within the Generation Z population.

Another limitation of this research is that we did not conduct the interviews together. This may affect the interpretation of the answers given but to reduce the risk of biases and misinterpretations, we have carefully read each other’s transcriptions and listened to the recordings if anything was unclear.

Another potential limitation is that the question asked in this research regard personal matters which could affect the answers given by the participants. Answering questions concerning private economy, attitudes and actual behavior could be considered as bothering to the interviewees and could potentially lead to more “polished” answers that do not reflect the truth entirely. Although, by creating a comfortable situation and being transparent to our participants we do believe that they gave us truthful and open-hearted information.

6.5 Future research

As sustainable consumption is widely researched and a highly relevant topic, future research should focus even more on how the large and growing cohort of Gen Z consumers engage in that. Future research could take aim at examining how other factors and phenomena are influencing sustainable consumption or consumption in general. This research was conducted by using a qualitative research method which leaves an interesting opportunity to examine the topic with a quantitative method. Using quantitative method would increase the research’s generalization and give interesting insight in how macro-economic factors, such as inflation, affect and influence sustainable consumption among Gen Z consumers. Furthermore, future research could take aim at comparing different generations to explore the differences in how consumers from different cohorts react to macro-economic events. Additionally, future research could take gender and cultural differences into account and broaden the geographical
area from where the participants live.
7. Reference list


PWC. (2020). *Gen Z is talking. Are you listening?* [https://www.pwc.de/de/handel-und-konsumguter/gen-z-is-talking-are-you-listening.pdf](https://www.pwc.de/de/handel-und-konsumguter/gen-z-is-talking-are-you-listening.pdf)


Appendix A Interview guide

Exploring the Impact of Inflation on Generation Z's Sustainable Consumption Practices

Introduction:

- Welcome and thank you for participating in this interview.
- Explain the purpose of the interview: To understand how inflation has affected Generation Z's engagement in sustainable consumption practices.
- Emphasize the confidentiality of their responses.

Background Information:

1. Please provide your age, gender, and any other demographic information you are comfortable sharing.

2. How would you describe your current financial situation?

3. Are you currently employed or studying? If so, please briefly describe.

4. How has your financial situation changed in recent years?

Inflation and Consumption Patterns:

1. Are you aware of the concept of inflation? If so, how would you define it?

2. How closely do you follow news and updates related to economic trends and inflation rates?

3. Have you noticed any changes in the prices of goods and services you regularly consume in the past year?

4. How has inflation affected your daily spending habits or choices?

5. Are there specific products or services that you've had to cut back on due to rising prices?
Sustainable Consumption Practices:

1. Are you familiar with the concept of sustainable consumption?

2. What does sustainability mean to you?

3. Have you actively engaged in any sustainable consumption practices or made environmentally conscious choices in your daily life?

4. Can you provide examples of sustainable choices you've made, such as using reusable items or reducing waste?

5. What obstacles or challenges do you face when engaging in sustainable consumption practices?

6. Are there factors that discourage you from being more sustainable in your consumption choices?

7. Has the impact of inflation influenced your willingness to engage in sustainable consumption practices?

8. Have you noticed any changes in the affordability of sustainable products or services due to inflation?

Future Outlook:

1. Do you think the impact of inflation will have a lasting effect on your consumption habits, or do you expect to return to previous patterns once inflation stabilizes?

2. Do you believe that sustainability will become a more significant consideration in your future consumption choices? Why or why not?

3. What actions do you think governments and businesses should take to support sustainable consumption practices in times of inflation?

4. What advice or recommendations would you give to others regarding managing consumption patterns in the face of inflation and promoting sustainability?
Closing Remarks:

1. Is there anything else you would like to add regarding the topic of inflation, or sustainable consumption practices?

Thank participant for their time and input, emphasizing the value of their perspective in contributing to the understanding of these important issues.
Appendix B

Consent form

Introduction:
Hello, Thank you for agreeing to participate in this interview. Before we begin, I want to inform you about the purpose of this interview and ensure that you understand your rights as a participant.

Purpose:
We are conducting this interview to examine the impact of inflation among Generation Z. Your insights and experiences are valuable and will contribute to our understanding.

Voluntary Participation:
Your participation in this interview is entirely voluntary. You have the right to refuse to answer any questions or withdraw from the interview at any time, without any consequences.

Confidentiality:
All information shared during this interview will be kept confidential. Your identity will be kept confidential, and any information shared will be anonymized and presented in aggregate form.

Benefits and Risks:
While there may not be direct benefits to you, your participation will contribute valuable information to help us analyze our research question on “How does inflation influence Gen Z's consumption patterns, and to what extent does it shape their engagement in sustainable consumption practices?”. There are minimal risks associated with this interview, and every effort will be made to ensure your comfort during the process.

Clarification and Questions:
Do you have any questions about the interview process, the purpose, or your rights as a participant? I am here to provide any additional information or clarification you may need.

Consent:
By continuing with this interview, you are indicating your voluntary agreement to participate. If at any point you decide to withdraw or if you have any concerns, please feel free to let me know. Your well-being and comfort are our top priorities.

Participant's verbal confirmation