MSW MANAGEMENT -Multidisciplinary, Scientific Work and Management Journal
ISSN: 1053-7899
Vol. 36 Issue 2, 2026, Pages 198-199

Gen Z and the Green Uplift: Attitudes Toward Sustainable FMCG Packaging Costs.

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Abstract. This paper examines Generation Z's attitudes toward sustainable packaging in fast-moving consumer goods (FMCG), focusing on willingness to pay a price premium for packaging with credible environmental benefits. Packaging increasingly functions as both a product-protection system and a sustainability signal at the point of purchase. The study applies an integrative evidence synthesis approach, consolidating findings from recent large-scale consumer packaging surveys and selected peer-reviewed studies. Across sources, Gen Z consistently prioritizes recyclability and material circularity and often assigns higher perceived sustainability to paper-based formats and glass than to plastic formats. At the same time, premium acceptance is conditional: willingness to pay is strongest when sustainability claims are specific and verifiable, when end-of-life guidance is clear, and when packaging performance (food safety, shelf life, and convenience) is not compromised. The synthesis indicates that sustainable packaging works as a value proposition for Gen Z when it reduces uncertainty and aligns with local recycling infrastructure. Implications are presented for FMCG brands on packaging design, claim substantiation, and pricing strategy, and for policymakers on improving recycling systems and governing environmental claims.

Keywords: Generation Z; sustainable packaging; willingness to pay.

Introduction

Generation Z (born approximately 1997–2012) has emerged as a pivotal cohort in sustainability-oriented consumption. In FMCG markets, packaging is often the first tangible cue encountered by shoppers; it communicates product information, quality, and environmental positioning while protecting the product through distribution and use. Sustainable packaging is typically framed through recyclability and circular end-of-life pathways, recycled content, renewable feedstocks, and material reduction, with growing interest in reuse and refill models. These themes have elevated packaging from a purely functional component to a strategic lever shaping brand preference and purchase intent.

Sustainable packaging decisions occur under uncertainty because sustainability claims are not standardized across markets and recycling systems vary significantly in collection, sorting, and processing capacity. Consumers therefore rely on heuristics such as material type, the clarity of recycling/disposal guidance, and perceived credibility of claims. Evidence indicates that consumers are willing to pay for packaging alternatives that they perceive as sustainable and are not willing to pay when sustainability is unclear or contested (Herrmann et al., 2022). This paper consolidates evidence on Gen Z's packaging priorities and premium tolerance and outlines actionable implications for FMCG brands and packaging system stakeholders.

Significance of the Study

Gen Z's influence extends beyond its direct spending by shaping household decisions and longer-term brand loyalty. Packaging redesign is a high-frequency managerial choice with implications for costs, supply-chain risk, regulatory compliance, and brand positioning. A consolidated understanding of Gen Z's priorities supports better alignment between sustainability investments and consumer value perception. The study also informs policymakers and packaging-system actors by clarifying how infrastructure quality and claim governance influence whether pro-environmental preferences translate into effective market outcomes.

Objectives

The study addresses four objectives: (i) identify the packaging attributes Gen Z values most when considering sustainable packaging premiums; (ii) evaluate preferred materials (paper, glass, metal, plastics) in terms of perceived sustainability; (iii) synthesize reported willingness-to-pay patterns and trade-offs with functional performance; and (iv) recommend strategies for FMCG brands targeting Gen Z eco-preferences.

Research Questions

Which attributes, including recyclability, claim credibility, and design aesthetics, most strongly influence Gen Z's willingness to pay for sustainable packaging? Which materials are perceived as most sustainable, and what beliefs underlie these perceptions? How do recycling systems and policy contexts shape premium tolerance? What trade-offs exist between sustainability goals and functional requirements such as food safety, shelf life, and convenience?

Review of Related Literature

Research on sustainable packaging emphasizes that consumer valuation is driven by perceived environmental performance and by the clarity and credibility of information. In a mixed-method study combining a discrete choice experiment and qualitative analysis, Herrmann et al. (2022) find positive willingness to pay for packaging perceived as sustainable and limited willingness to pay when sustainability is uncertain. This highlights the suppressing role of ambiguity and the importance of reducing information asymmetry for consumers.

Material perception is a recurring driver of sustainability beliefs. McKinsey & Company's European consumer survey reports that glass and paper-based packaging are widely perceived as the most sustainable materials across the surveyed countries, although rankings for other materials vary by national context (McKinsey & Company, 2025b). Such findings reflect common consumer heuristics that favor materials associated with established recycling narratives and "naturalness," even when life-cycle comparisons depend on specific product and system conditions.

Willingness to pay also depends on environmental awareness and supporting information. Mahmoud et al. (2022) show that willingness to pay for green products predicts purchase decisions, and that environmental awareness is a key mechanism linking green cues to consumer choice. This suggests that sustainable packaging strategies perform best when paired with clear explanations of what makes packaging sustainable and how consumers can dispose of it correctly.

Large-scale industry surveys consistently show higher stated willingness to pay for sustainable packaging among younger cohorts. McKinsey & Company's global packaging survey indicates that younger consumers tend to have the highest stated willingness to pay more for sustainable packaging, alongside significant variation across geographies (McKinsey & Company, 2025a). Shorr Packaging (2025) reports that nearly half of Gen Z respondents express willingness to spend more for eco-friendly packaging. Trivium Packaging's Buying Green survey reports very high stated willingness among 18–24-year-olds and identifies unclear labeling as a common purchase barrier (Trivium Packaging, 2023a).

The literature also highlights increasing scrutiny of environmental claims and the risk of greenwashing. When sustainability is communicated using vague, unverifiable language, skepticism rises and brand trust declines. For Gen Z, which frequently expects transparency and evidence, claim credibility can operate as a gatekeeper for premium acceptance. Therefore, standardized labeling and stronger governance of environmental claims are important for both consumer protection and the effectiveness of sustainable packaging initiatives.

Conceptual Framework and Propositions

Gen Z's willingness to pay for sustainable packaging is conceptualized as a conditional premium shaped by perceived environmental performance (especially recyclability and circularity), credibility of sustainability claims, and design aesthetics, moderated by enabling context (recycling infrastructure and policy) and constrained by functional performance (food safety, shelf life, and convenience). Sustainability value increases when consumers perceive that packaging can be successfully recycled or reused in their local system and when claims reduce uncertainty rather than add ambiguity.

P1: Gen Z shows higher willingness to pay for packaging perceived as widely recyclable (paper-based, glass, and metal) than for conventional plastic formats, all else equal.

P2: Claim credibility and design aesthetics jointly strengthen willingness to pay a premium for sustainable packaging by reducing uncertainty and increasing perceived value.

P3: Stronger recycling infrastructure and clearer end-of-life pathways are associated with higher premium tolerance and stronger preference for recyclable materials.

Methodology

An integrative evidence synthesis approach is used. Recent industry surveys and peer-reviewed studies are included if they report outcomes relevant to Gen Z (or a close age proxy) and address at least one of the following: material preference, recyclability priorities, sustainability claim trust, or willingness to pay for sustainable packaging. Evidence is extracted into a common framework capturing (i) key attributes associated with premium acceptance, (ii) perceived material sustainability, (iii) reported premium indicators, and (iv) contextual moderators such as geography and recycling infrastructure. Findings are presented as convergent patterns across sources rather than as a single-point estimate. In line with integrative review practice, sources were screened for relevance to FMCG packaging, explicit reporting on

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Gen Z (or a clearly defined 18–24/18–27 age proxy), and inclusion of at least one outcome (material preference, recyclability/disposal guidance, claim trust, or stated willingness to pay). Industry surveys were retained only when they reported sample scope and age segmentation; peer-reviewed studies were prioritized for explanatory mechanisms and boundary conditions.

Results and Interpretation

Across sources, stated willingness to pay for sustainable packaging is substantial, with Gen Z frequently above older cohorts. McKinsey & Company (2025a) reports that younger consumers tend to show the highest stated willingness to pay more for sustainable packaging, alongside significant variation across countries. Trivium Packaging (2023a) reports that 90% of 18–24-year-old respondents express willingness to pay more for sustainable packaging and also notes that unclear labeling is a leading barrier to purchase even among willing consumers.

Material perceptions converge on the salience of paper and glass. In Europe, consumers widely perceive glass and paper-based packaging as the most sustainable materials (McKinsey & Company, 2025b). This pattern aligns with academic evidence showing that perceived sustainability is the decisive driver of willingness to pay and that uncertainty suppresses valuation (Herrmann et al., 2022).

Premium acceptance is conditional rather than unlimited. Evidence from both academic and industry sources indicates that premium tolerance strengthens when sustainability is credible and disposal steps are clear, but declines sharply when packaging performance is compromised. In FMCG categories, product protection and convenience remain non-negotiable thresholds, implying that sustainable packaging is evaluated as part of total product value rather than as an isolated ethical attribute.

The consolidated evidence is summarized in Table 1, highlighting the attributes that most consistently shape Gen Z's premium acceptance and the corresponding managerial implications.

Table 1. Synthesis of sustainable packaging attributes and implications for Gen Z

Packaging attribute	Evidence pattern for Gen Z	Why it matters	Managerial implication
Recyclability and disposal clarity	High salience; unclear labeling commonly reported as a barrier	Reduces uncertainty and supports perceived consumer effectiveness	Design for local recyclability and provide simple, specific disposal guidance in plain language.
Material cues (paper and glass)	Frequently perceived as most sustainable across survey evidence	Operates as a sustainability heuristic at the point of choice	Select materials that match product requirements; avoid compromising barrier properties; communicate trade-offs where relevant.
Claim credibility	Skepticism increases when claims are vague or unverifiable	Trust mediates premium acceptance and repeat purchase	Use specific, substantiated claims and credible certification where appropriate; avoid broad unqualified claims.
Design aesthetics and perceived quality	Amplifies trial and perceived value when paired with credible sustainability cues	Supports premium positioning in FMCG categories	Use clean, legible design aligned with quality cues; avoid relying on color alone as a sustainability signal.
Functional performance	Premium tolerance falls if shelf life, safety, or convenience deteriorates	Sets boundary conditions for acceptance	Validate performance before scaling material changes; prioritize product protection and usability.

Discussion

The synthesis indicates that Gen Z's valuation of sustainable packaging is best interpreted as a conditional premium. Recyclability and end-of-life clarity function as primary value drivers, while material cues—especially paper and glass—operate as strong perceived-sustainability signals. However, these signals require credibility: uncertainty and skepticism reduce willingness to pay, consistent with evidence that consumers resist paying when sustainability is unclear (Herrmann et al., 2022).

Regional context appears important because recycling infrastructure shapes both real outcomes and perceived effectiveness. Where collection and sorting systems are stronger and consumer guidance is consistent, perceived recyclability can align more closely with actual recycling pathways, stabilizing premium acceptance. Where systems are weaker, consumers may doubt that packaging will be recycled and may view sustainability claims as marketing, suppressing premium tolerance even among environmentally motivated buyers.

Claim credibility acts as a gatekeeper. Consumers may accept premiums when claims are specific and consistent with visible packaging cues, but may penalize brands when claims are vague. This suggests that sustainable packaging strategy requires not only material and design changes but also disciplined claim governance and consumer communication.

Implications for FMCG Brands

Three action areas emerge. First, packaging should be designed for recyclability in the markets served and accompanied by clear disposal steps. Trivium Packaging (2023a) highlights unclear labeling as a major barrier to purchase, indicating that better on-pack guidance can unlock willingness to pay. Second, claim substantiation should be treated as a core brand capability: specific, verifiable claims build trust and reduce greenwashing risk. Third, sustainability should be integrated with design quality. Aesthetics supports premium positioning by improving clarity and perceived quality, but it works as an amplifier rather than a substitute for credible sustainability performance.

Pricing strategy benefits from linking premiums to tangible consumer value. Premiums are more defensible when packaging changes also improve usability (e.g., resealability, weight reduction without fragility) and when environmental benefits are credible within the local system. Portfolio experimentation—introducing sustainable packaging variants in selected SKUs and tracking consumer response—supports learning and reduces the operational risk of large-scale rollouts.

Policy and System Implications

Packaging sustainability depends on system performance as much as on material selection. Investments in collection and sorting capacity, standardized recycling labels, and policy frameworks such as extended producer responsibility improve real recyclability and strengthen consumer confidence that sustainable choices have impact. Clear governance of environmental claims reduces misinformation and supports comparability across brands, improving consumer decision quality and market integrity.

Limitations

The synthesis relies on self-reported preferences and stated willingness to pay, which can diverge from observed purchase behavior. Definitions of sustainable packaging vary across studies and surveys, and market contexts differ in infrastructure and regulation, limiting direct comparability across sources. Evidence gaps remain regarding product-category differences, income heterogeneity within Gen Z, and behavioral validation using observed sales or field experiments.

Conclusion

The consolidated evidence indicates that Gen Z values sustainable packaging primarily through recyclability, perceived material circularity, and credible, specific claims. Paper-based formats and glass frequently receive high perceived-sustainability scores, while skepticism toward vague messaging constrains premium acceptance. FMCG brands can strengthen competitiveness and environmental outcomes by designing for local recyclability, substantiating sustainability claims, integrating sustainability with high-quality design, and protecting core packaging functionality.

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