

UNIVERSITY OF SARAJEVO  
SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO

MASTER'S THESIS

**MILLENNIALS' SUSTAINABLE CONSUMPTION IN BIH**

Sarajevo, November 2023

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U skladu sa članom 54. Pravila studiranja za I, II ciklus studija, integrisani, stručni i specijalistički studij na Univerzitetu u Sarajevu, daje se

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### **MILLENNIALS' SUSTAINABLE CONSUMPTION IN BIH**

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Sarajevo, 13.11.2023.

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## **ABSTRACT**

This paper provides theoretical aspect of sustainable consumption practices among different countries and across generations. It includes practices which are employed by both private citizens and companies, as well as regulation and influence of governments on such behavior. We have conducted our research, in a form of a questionnaire that was previously utilized in a similar research in India and hence has been already field tested in another context. A quantitative study in Bosnia and Herzegovina was conducted from June to September 2023. A total of 212 responses of millennials were collected. Our research, investigates millennials' sustainable consumption behavior with three constructs: environmental self-identity, social influence and psychological ownership toward environment. Results show that millennials have a strong values and opinions on sustainable consumption practices and environment preservation ranging from their practical contribution and application of sustainable consumption practices, influencing their friends and social media followers towards sustainability and disapproving opposite behavior, as well as shaping the next generations towards better and long-term environment protection and preservation.

## **SAŽETAK**

Ova teza se fokusira na održivu potrošnju generacije Y, tj. Milenijalaca, u Bosni i Hercegovini u rasponu od teorijskog okvira do podataka koji pokazuju mišljenja milenijalaca u vezi sa održivom potrošnjom koju smo prikazali kroz analizu provedene ankete. Svrha ovog završnog rada je prikazati stavove i prakse prema održivoj potrošnji među ovom generacijom u Bosni i Hercegovini. Također, upoređujemo ih sa praksama različitih starosnih grupa i različitih zemalja širom svijeta. Osim toga, izvještavamo o vladinim regulativama i utjecaju koji vlada ima na održivu potrošnju u različitim zemljama. Naš praktični doprinos je u istraživanju koje dovodi u pitanje neke od vrijednosti koje milenijalci imaju u pogledu prakse održive potrošnje i pokazalo je da, slično kao u ostatku svijeta, milenijalci u Bosni i Hercegovini ozbiljno shvataju održivu potrošnju i osjećaju da moraju shvatiti snažno djelovanje u oblikovanju tržišta prema ovim ciljevima.



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# 1. INTRODUCTION

Recently we can see that overall consumption has increased and is continuously increasing. This has a massive, short term effect on the environment when it comes to initial pollution and obvious problems such as waste management but it can also have a long term issues when it comes to degradation of such waste and further pollution of land, water and air. We can say that the biggest problem is in our attitude. Just because of the fact that we have access to many disposable items such as plastic cups or plastic bags it does not necessarily mean that we should use them and abuse them, which in turn creates an enormous problem for the environment. With this thesis we want to explore the different approaches to sustainable consumption that exist in other countries and to see what the situation in our country is, focusing on millennials as a population since younger people tend to be more proactive with regards to the environment. The reason behind choosing this population is that we can see that older generations are now retiring more and more and that younger are still not in the forefront of the consumption. Millennials include both the financial capabilities and freedom of choice, independence and the knowledge and care for the future days because of their strong spending power today, and their strong consciousness about the sustainable future (Price, 2018).

Before we dive into the main theoretical aspects of the topic, we need to define key terms. Sustainable consumption is the focus of attention and defining the term is quite different from various vantage points authors may have. We can define sustainable consumption as a practical approach to sustainable development which incorporates economy, society and the environment (Brinzan *et al.*, 2012). Additionally sustainable consumption can be viewed as departure point when dealing with sustainability issues (Black and Cherrier, 2010). The main idea behind sustainable consumption is making more from less (Peyer *et al.*, 2017) or simply consuming in a different manner and/or consuming less (Hobson, 2002).

Our population will be millennials and we have tried to research and to demonstrate the impact of millennials on the purchasing habits of society. All of us derive our motives from our personal experience, education and overall background. With that in mind, we can set apart different age groups and groups them additionally with the motives they share due to similarities, having in mind that there are differences but for the purposes of this discussion we will focus on more general characteristics and observation that connect same motives with different age groups. People that we class as Generation Y witnessed many different events where bad attitudes towards the environment resulted in natural disasters of mass proportion, they have much more easier access to large amount of information with the development of informational technologies, and they are growing their sustainable consumption etiquette in an environment where there is a strong discussion about nature and clean planet so they have more potential to be more proactive, e.g. they are much more closer to look for employment with a company that has a good corporate social responsibility status, and tackles environmental issues than other companies (McDougle, Greenspan and Handy,

2011). In similar way, older generations, that were not raised around the idea that clean and safe Earth is not the given, rather it has to be worked on extensively, have much harder time getting motivated to perform responsibly and find the justified reason for such behavior so we will not focus on them.

A study has shown that the main problems for environment arise from per-capita consumption in developed and industrialized countries and this has very complex characteristics which need to be influenced and corrected in order for us to have more awareness about our consumption and its influence toward the environment and the world (Tanner and Wölfing Kast, 2003). Some researchers have found that an important factor that influences values which drive a purchasing decision that goes in line with sustainable consumption is employment status and that consumers, especially millennials need to be in control when purchasing sustainable goods (Falke *et al.*, 2021).

Because of the fact that the main problem is in the personal consumption we need to target and to influence individual consumers in order to have positive effects for the environment, but every individual consumer has individual attitudes, beliefs and preferences and they demand different approaches for them to recognize and change their behavior when it comes to their consumption. This demands an approach which will include all the different aspects of our lives, all the different views on sustainable consumption and green policies because we need to change fast, or we will be in a position where change is moot. We need to influence consumers through carefully crafted marketing campaigns, to encourage and educate them about sustainable consumption.

In order to make sustainable consumption a common practice we need to target and change lifestyles adopted by individuals (Newman *et al.*, 2012). Additionally, due to the fact that time is a constraint, countries will need to enforce some rules of conduct when it comes to consumption because we as humans are not very fond of change. In order for those rules and laws to make a full effect, prior to passing them, marketing campaigns should soften and inform consumers about the imminent changes and the impact of not changing because if we were to only pass some laws and not deliver the information properly, it would fail. The study has shown that the main focus should be women because of their importance in the decision making processes when it comes to consumer behavior so that they can influence positive changes with respect to the sustainable consumption and also we need to broaden the green policy not only so that it means only organic produce, but we need to make sure that the policy entails all the aspects of the product and the manufacturing process such as packaging, origin, etc. (Tanner and Wölfing Kast, 2003). As we mentioned earlier, we need to aim at the most influential target audience, in this case women, in order for the change to occur quickly and that means that we need to focus on all the aspect which make consumers behave a certain way, from the perceived cost or benefits or the moral implications and peer reference and pressure (Steg and Vlek, 2009).

When we discuss appearances in the eyes of the consumer we can notice that a large portion of consumers do not recognize the distinction between locally grown and organically

produced products (Thøgersen, 2010). This can be written down to the fact that most consumers do not go into much detail regarding the everyday products, especially food items, when it comes to some advanced characteristics. They seek the basic utility, and in some cases additional characteristics of some special food items but to understand the impact of the food they consume on the environment we need to make sure that there is a strong and pointed discussion in many different areas and circles where sustainable consumption can be explained and more closely inspected as a positive change and a way forward. Research that was conducted in India, from which we will use the questionnaire for our purposes, has identified there is a direct relationship between the environmental self-identity and the intentions of a consumer to purchase a sustainable product (Mishra *et al.*, 2022).

In recent years, scientists have argued that there is a need for a shift from targeting and influencing the consumer to the approaching the citizen where not only there is a direct correlation between the product and the customer but there is a general connection of the product, company and the public as was the case in the public of the Europe Union when Unilever company tried to use genetically modified plants (Prothero *et al.*, 2011). We need to take a look at our actions, and we can see that there is a part of our habits where we are buying and consuming products for which there are substitutions that are sustainable, or in the extreme, products cannot be sustainable, but we do not actually need them, or want them. Those consumer habits are derived from years of inventing different ways to attract and retain customers through different products and also, we can see that even though we are not susceptible to change, if there is a strong marketing campaign with plenty of information, combined with government interventions and producers changed practices it is not impossible. If we take into account the current mind-set of the up and coming consumers, that is millennials, we can say that they can be a strong target group for the future because of their current influence and also the rise of that influence in the coming years as for example in the United States millennials are far more likely to like and promote a certain product or a company if they recognize their ability and progress toward corporate social responsibility and sustainable consumption and production such as recyclable packaging or using power from renewable sources (Butler, 2022).

Against the stated background, the purpose of this thesis is to determine different approaches to sustainable consumption, government approaches to sustainable consumption and consumer motivation throughout the world and comparing them to those in our country, focusing on millennials.

In order to address this purpose, the following research questions are posed:

- What are the most utilized practices of millennials in Bosnia and Herzegovina, with regards to sustainable consumption?
- Are domestic consumers more driven towards sustainable consumption by pragmatic or altruistic motives?

- Is government of Bosnia and Herzegovina (at entity level) promoting sustainable consumption with regulation and policies and what effect that has on consumers?
- What drives consumer's intention to buy a sustainable product?

Research hypotheses are:

H1: Environmental self-identity is positively related to psychological ownership of environment

H2: Social influence is positively related to psychological ownership of environment

Research objectives are as follows:

- Identify potential areas of improvement that can be accepted from other countries and implemented quickly within our country
- Assess the current state of the market in our country with regards to sustainable consumption from different areas (consumers, suppliers, government)
- Examine potential factors that influence consumers into sustainable consumption (domestic and foreign)

## **2. SUSTAINABLE CONSUMPTION IN THE WORLD**

Sustainability is defined as a way to meet the needs of the present without compromising the ability of future generations to meet their own needs (U.S. Environmental Protection Agency, 2022). The term consumption is defined as the action of using up a resource (Collins dictionary 2023). It means that consuming goods or services describes the process and amount of using them in a particular time period (Collins dictionary 2023.). If we merge the two terms into sustainable consumption, it can be understood as the usage of resources in a way that does not limit future generations in meeting their needs as well.

In recent years, the imperative of sustainable consumption has surged in significance on a global scale. Our world is confronting a spectrum of pressing environmental challenges, ranging from rampant pollution to the menacing specter of global warming. Against this backdrop, it is paramount that we, as inhabitants of this planet, make conscientious and judicious choices regarding what and how we consume the products that sustain our daily lives.

Sustainable consumption, at its core, represents a pivotal concept in today's society. It responds to the urgent need to strike a delicate equilibrium between the consumption patterns of humanity and the finite resources of our planet, all while grappling with a multitude of environmental issues. Its overarching goal is to harness the negative impact of consumption on the environment, society, and the economy, all while safeguarding the ability of current and future generations to meet their essential needs and aspirations.

Indeed, the essence of sustainable consumption lies in the acknowledgment that many of our contemporary consumption practices, particularly prevalent in developed countries, are veering perilously towards the unsustainable. These consumption patterns bear witness to the depletion of our precious natural resources, the rampant destruction of vital habitats, the ominous specter of climate change, and the pervasive pollution of our air, water, and soil. The interconnected and cascading effects of these unsustainable practices reverberate throughout our ecosystems, threatening the very foundation of life on Earth.

The call for sustainable consumption resounds as an imperative, compelling us to reassess our habits and choices in the quest for a more harmonious coexistence with the planet. It demands that we rethink our resource utilization, minimize waste, embrace renewable energy sources, and foster practices that restore rather than degrade our environment. As we navigate the complex terrain of sustainable consumption, we do so with the goal of preserving our planet for ourselves and the generations yet to come, crafting a future where responsible choices regarding consumption are integral to the global society as a whole.

United Nations Sustainable Development goal 12 aims at ensuring sustainable consumption and production patterns, and we can see, in Figure 1, some of the most important aspects on which it is focusing.

*Figure 1: UN SDG 12: Facts and priorities*



*Source: (Green Business Bureau, 2021)*

Sustainable consumption and production patterns, which are mentioned in the SDG 12, contain aspects shown in the Figure 2, and its basic principle is to ensure efficient use of resources, improve and motivate sustainable infrastructure and provide better quality of life.

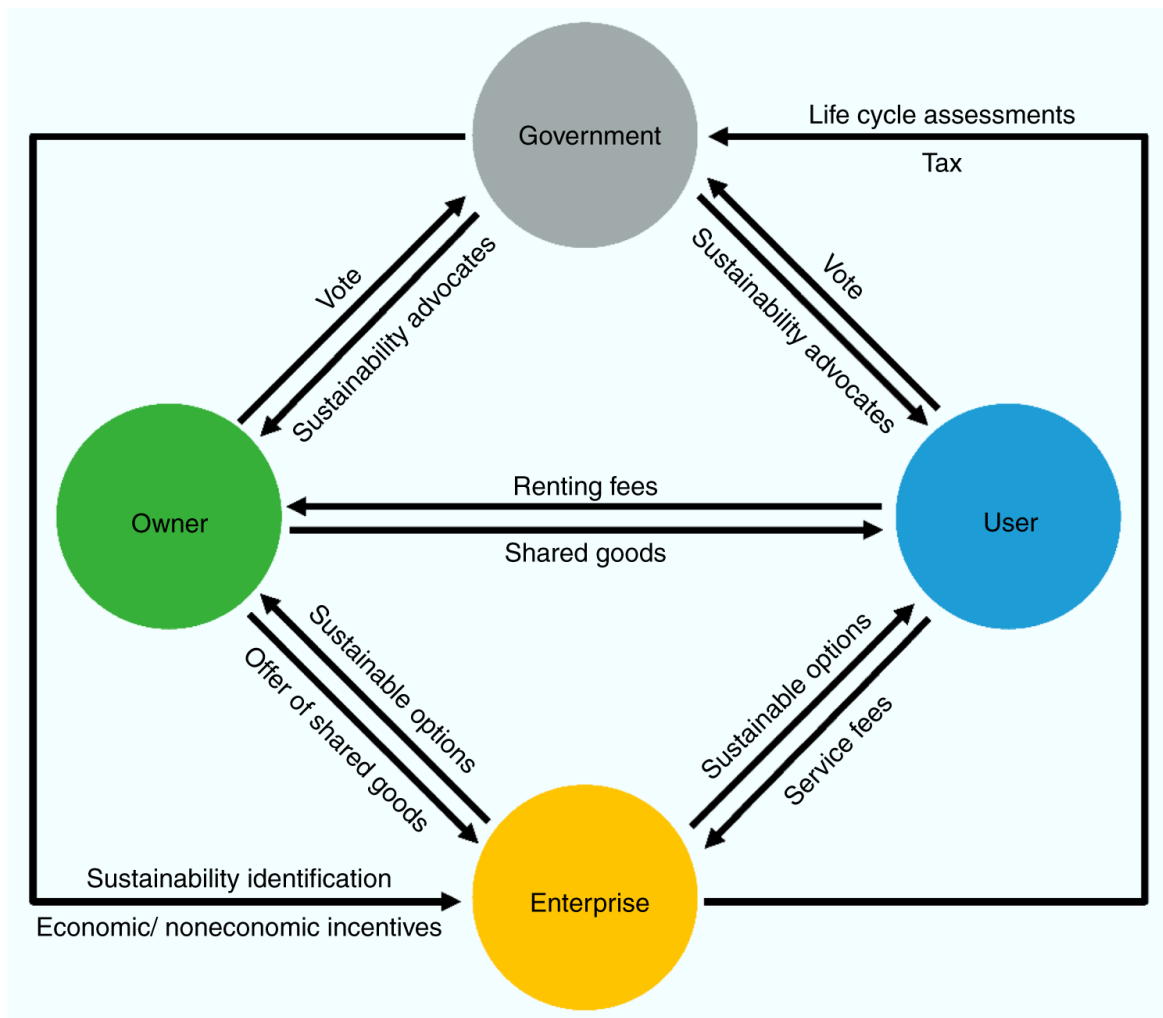
Figure 2: Key elements of sustainable consumption and production



Source: (Modak, 2017)

To address this, individuals, businesses, and governments are adopting practices that minimize environmental harm, such as reducing and recycling waste, conserving energy, and using renewable resources, which we will cover in the following parts of this paper. Some of the key aspects of sustainable consumption that appear in publications as well as in general public throughout the world today are circular economy and sharing economy. Circular economy, which promotes the idea of reducing, reusing, and recycling products and materials rather than the traditional linear "take-make-dispose" model, which helps extend the lifespan of products, reduce waste, and conserve resources (Circular economy: Definition, importance and benefits 2023). Sharing economy, which is best seen on platforms like Airbnb and Uber, promotes the efficient use of resources by sharing rather than owning which can reduce overall consumption by maximizing the utility of existing resources (Curtis and Lehner, 2019).

Figure 3: Sharing economy and cooperation



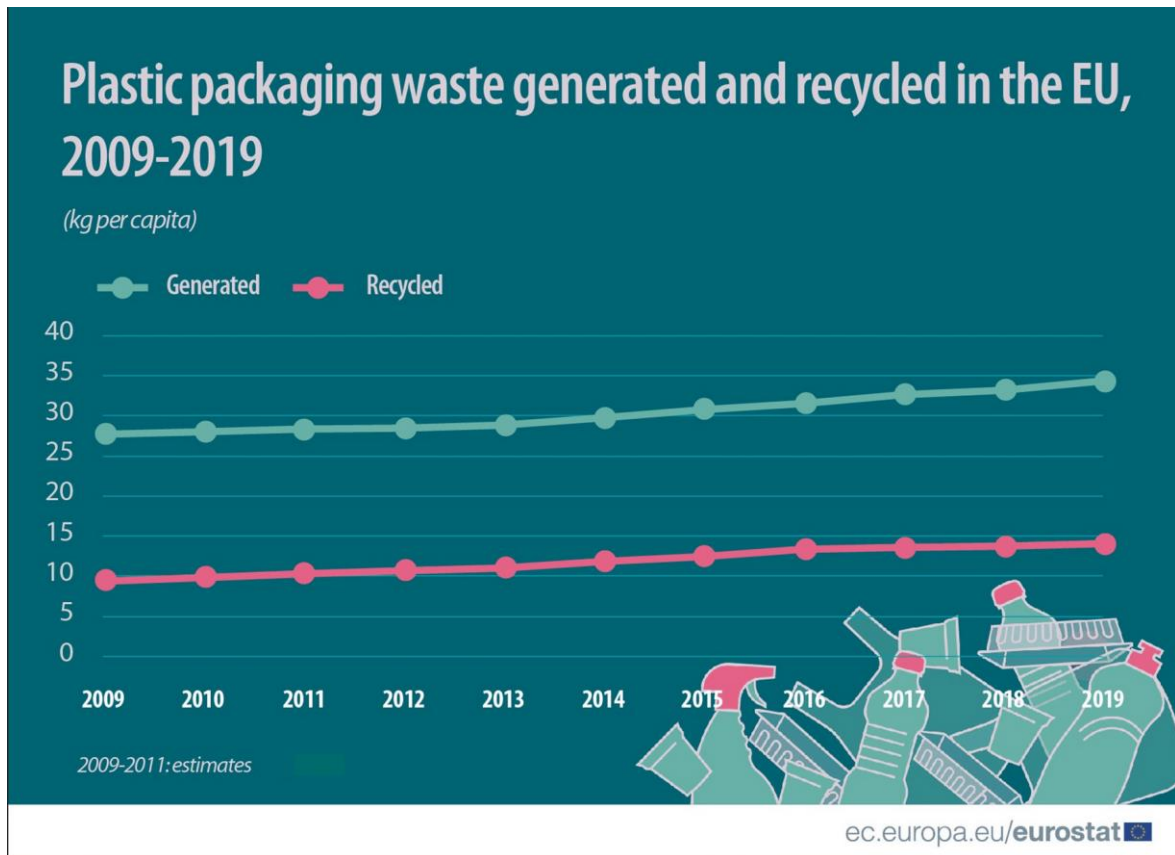
Source: (Mi and Coffman, 2019)

As we can see in the figure above, sharing economy can only have an effect if there is strong cooperation between public authorities (i.e. government bodies), businesses and consumers (Mi & Coffman, 2019). When consumers have an intention to utilize sustainable options as sharing economy offers, they need to be assured and motivated to act on their belief with governments advocating, promoting and investing in sustainable options, from taxes and other contributions that consumers and businesses pay, to enterprises offering sustainable solutions and information about their benefits.

In many publications, it is common to find following principles that are agreed to be one of the key ingredients in promoting and implementing sustainable consumption: Reduce, the first principle of sustainable consumption is to reduce consumption overall which involves buying only what is necessary and avoiding excess, leading to less waste and a smaller environmental footprint; Reuse, which entails reusing products and materials, which in turn helps extend their lifespan and reduce the need for new resources (e.g. repairing, refurbishing, and upcycling); and Recycle which encompasses recycling materials like paper, glass, plastic, and metal that reduces the burden on landfills and conserves resources

and furthermore, effective recycling programs are essential for sustainable waste management (Energy Management Services-Emirates, 2023).

Figure 4: Plastic packaging waste generated and recycled in the EU



Source: (Eurostat, 2021)

Sustainable consumption is a multifaceted concept that addresses the urgent need to reduce our impact on the planet. It involves changes at the individual, corporate, and governmental levels and requires a shift in mindset toward more responsible and environmentally friendly choices in our daily lives and also choosing products and services that minimize negative impacts on the environment, and by extension, on the society as well. This means opting for products that are made from environmentally friendly materials, reducing waste by buying products with minimal packaging or packaging that can be recycled, reducing energy consumption in homes and industries through embracing new energy-efficient technologies and renewable resources, and choosing to buy from companies that take strong action with regards to the sustainability. As we can see in the Figure 4, there is a rising trend in the increase of plastic waste recycling in the European Union, but if we take into account that more waste is also being generated and that this trend is also showing a rise, we can recognize that this is a very subtle change and it does not amount to much in protecting the environment and the future. By making small changes in our consumption habits, we can all contribute to a more sustainable future for our planet. Sustainable consumption is not a sole theoretical approach which is, in our country, seen as a new and emerging trend which will die down eventually and be replaced with something new and different, but it is quite possibly the



most important goal that we as a society need to enforce onto ourselves for the good of our local communities and the planet in general. Key points from this part should be that educating consumers, and in the end citizens on the impact of their consumption, and the step-by-step change and development of new and positive practices by the government and the production companies has to have an effect on this issue, but only if we are persistent.

In recent years, the world has undergone a profound transformation, primarily fueled by the relentless advancement of informational technologies and the widespread adoption of social media platforms and other instant information access tools. This digital revolution has ushered in a new era, together with novel challenges that have upended conventional approaches across various domains. Nowhere is this transformation more evident than in the realm of marketing, where the rules of engagement between businesses and consumers have been altered enormously.

One of the striking consequences of this digital age is the remarkable shift in the balance of power between companies and their customers. The landscape has fundamentally changed. Today's consumers possess an unprecedented wealth of information at their fingertips, gathered from diverse sources, empowering them to make informed decisions about products and services. Moreover, these consumers now wield the remarkable ability to not just passively receive information but actively engage with companies. They can voice their opinions, concerns, and preferences directly, instantaneously, and globally.

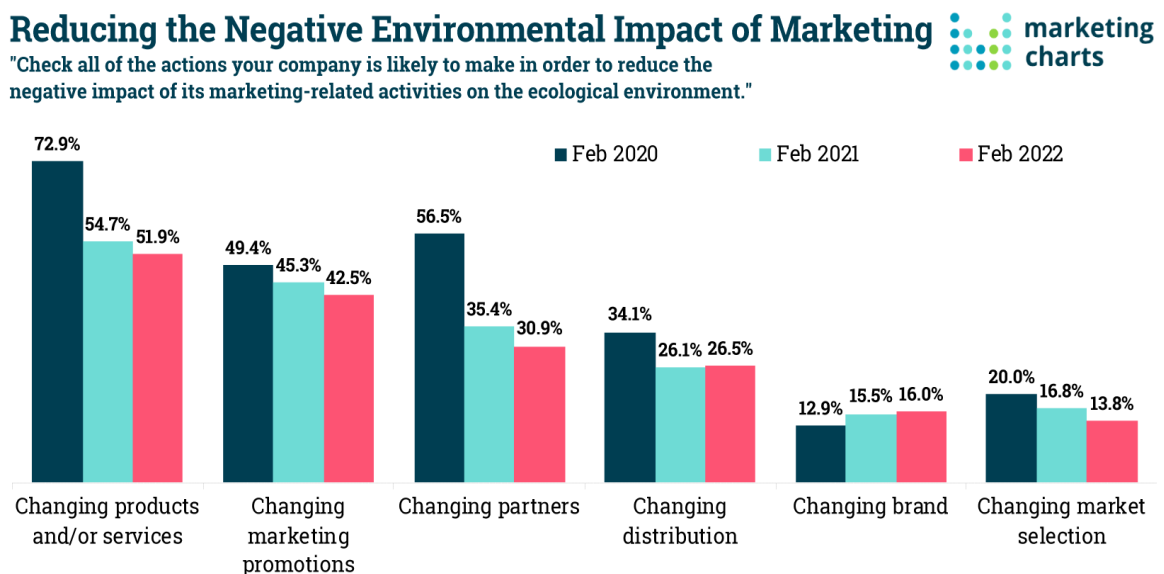
One crucial facet of this transformation lies in the feedback loop which represent decision making and choices that come from all the information one has been subjected to, which today is certainly a considerable amount (Wellmanns and Schmiemann, 2020). A customer's viewpoint on a product or a business practice can traverse the digital realm in a matter of seconds, potentially influencing the perceptions of countless others. This newfound ability for consumers to share their experiences, both positive and negative, has ushered in a powerful mechanism for shaping a company's reputation.

In essence, customers today have become assertive participants in shaping the market. This dynamic has prompted companies to pivot and adapt. Instead of seeing this shift as a challenge to be overcome, forward-thinking businesses are now embracing it as an opportunity. They recognize that by leveraging this consumer force, they can foster a greater degree of interaction, engagement, and ultimately mutual satisfaction. Companies are increasingly investing in strategies to encourage and facilitate this dialogue, aiming to create authentic and lasting connections with their clientele.

This evolution underscores the need for companies to be not just responsive but proactive in their approach, staying attuned to consumer sentiment and adapting to meet the ever-changing expectations of the digital age. The transformation, while posing challenges, also opens doors to innovation and collaboration, forging a new era where the voice of the customer becomes a driving force behind business success.

On the other hand companies are now more exposed than ever, with regards to their practices and approaches and they are also in need of evolution and adaptation to current market conditions in order to stay relevant for consumers that are concerned with environmental issues more and more every day. A survey, which we can see below, shows the willingness of companies to take action with regards to minimizing their marketing related activities that harm the environment (Moorman, 2022). We can observe that in the time since the pandemic there is a negative trend, which we can attribute to the general cost saving measures that most companies had to enforce due to lack of sales and business. This means that companies can invest in the future with regards to the environmental issues and sustainable consumption but that they seem to do it only for publicity and appearance, because as soon as markets are in crisis, first measure of cost saving tend to be issues in the preservation of the environment. Additionally we can see what measures they tend to make, and we can identify that the more likely measures that marketers take with regards to the reducing the negative impact of their business on environment are the ones that involve relatively cheap and quick changes, but changes that involve long term devotion, planning, resources and strategy are not utilized which leads us to conclude that environmental issues are not a strategic path for the companies involved with this survey.

Figure 5: Willingness to reduce the negative environmental impact of marketing



Source: (Lupis, 2022)

When we talk about the positive side of these up and coming practices we can recognize that there are two distinct groups of customers: one, the participants, where customers are directly involved in the process, and the second, observers, which has a quite bigger population size and where customers are not directly involved in the process but when they create attitude towards the brand as if they are more customer oriented which leads to some beneficial outcomes for the company such as positive word of mouth (Acar and Puntoni, 2016). Indeed, harnessing the unique characteristics of the modern age for sustainable consumption presents

its share of challenges and complexities. The rapidly evolving digital landscape, while filled with opportunities, also poses potential issues in terms of effectively promoting and implementing sustainable practices.

In this era of abundant choice, consumers face a paradox. On one hand, the abundance of options is a testament to the progress and diversity in the marketplace. However, this plethora of choices can be overwhelming. The challenge is in sifting through the multitude of products, services, and information to make informed decisions that align with sustainable values. The abundance of choice makes it increasingly difficult for consumers to evaluate, assess, and determine what exactly they need. It can lead to decision fatigue, where individuals are paralyzed by the sheer volume of options, and after multitude of decisions they can struggle to make choices that are in line with sustainability objectives (Berg, 2021).

This issue highlights the need for strategies and tools that can help consumers navigate this environment and make choices that are both environmentally and socially responsible. It also underscores the importance of businesses and organizations in guiding consumers toward sustainable alternatives, making these choices more accessible and transparent. In essence, the challenges of promoting sustainable consumption in the modern age are accompanied by the opportunities presented by digital connectivity and innovation. Effectively navigating this terrain involves recognizing the obstacles and working collaboratively to develop strategies that empower consumers to make choices that benefit not only themselves but also the planet and society at large.

In my opinion, it is much easier to be creative and effective in tight boundaries, because consumers can easily get distracted and overwhelmed with so many choices that they can make, and they can end up evaluating all the different choices and being distracted from the main utility that warranted the initial probe into the product which in turn is not empowering nor positive for either of the parties involved. This issue is substantially amplified in the case when the customer is not sure in his preferences and values and here companies need to create a guide for the potential customers but being aware of the fact that too much guidance can lead to customer feeling negatively influenced into making a decision so there is a real struggle to find the appropriate strategy in which customer empowerment can be harnessed and used to aid the companies goals as well as customer's needs (Broniarczyk and Griffin, 2014).

One of the most important ways to reduce our environmental impact is to consume less overall. This means making conscientious decisions about what we purchase and choosing products that are made sustainably and staying away from overconsumption and materialism which is proven to have an effect on sustainable consumption, especially in millennials and older generations (Dimitrova, Ilieva and Angelova, 2022). This can be done in many ways, from reducing food waste, using public transportation more, and conserving energy in our homes and workplaces, which has become increasingly popular since the Russian invasion in Ukraine.

As we contemplate the unique circumstances of Bosnia and Herzegovina as a developing nation, we find ourselves at an advantageous crossroads in our journey towards sustainable consumption. In this juncture, we possess the distinct benefit of being able to leverage the wealth of knowledge and experience gleaned from developed countries and nations around the world who have already traversed the intricate terrain of sustainability. This reservoir of collective wisdom and proven methodologies serves as a valuable compass, guiding us along a path that bypasses the arduous trial-and-error phase. Consequently, we can expedite our progress by embracing well-established solutions and techniques that have demonstrated their effectiveness in other contexts, while focusing our efforts on their implementation within our society. This juncture of our sustainable consumption journey is not merely an opportunity; it is a vantage point from which we can explore and adopt strategies that have been tried, tested, and refined elsewhere. By drawing upon the experiences of others, we can be more assured of the feasibility and impact of our endeavors. This informed approach is not just a time-saving mechanism; it's a pathway towards success, one that allows us to bypass pitfalls and errors that others have already navigated.

As we delve deeper into the subject at hand, we will embark on a comprehensive exploration of the diverse sustainability practices enacted in various countries across the globe. Through this extensive examination, we will not only scrutinize the objectives behind these initiatives but also assess their tangible effects and real-world impact on fostering sustainable consumption patterns.

In the pages that follow, we will take a closer look at these global examples of sustainability practices, dissecting the intricate web of policies, technologies, and behavioral changes that have been instituted to promote responsible and sustainable consumption. By illuminating the successes and challenges experienced by these nations, we aim to empower our own society with the knowledge and tools necessary to embark on a sustainable consumption journey that is informed, efficient, and in alignment with our nation's goals and aspirations.

## **2.1. Regulation across different countries**

When we talk about regulation and the relationship between government policies and their impact on the behavior of society and potential problems in acceptance and implementation we need to address certain key elements. Lawmakers are starting to recognize the urgent need for policy-intervention to achieve sustainable consumption goals which are listed in many international charters and conventions. It is difficult to implement policies and laws that lead to impactful consumption interventions and generally speaking, sustainable consumption can be achieved in three ways; to reduce consumption, to change consumption, and to improve consumption, so governments need innovative approaches and strategic thinking in order to address all of these areas that will lead to an impactful change and not end up as a hollow measure on some document (Mont, Lehner and Dalhammar, 2022).

Sustainable consumption regulations exhibit a remarkable diversity across countries, a reflection of the intricate interplay between their unique economic, social, and environmental contexts. In essence, these regulations are tailored to the specific needs and circumstances of each nation, emphasizing the necessity for a localized approach to the global challenge of sustainable consumption. These regulatory frameworks serve a multifaceted purpose, as they seek to motivate and guide citizens toward responsible consumption practices that not only reduce their environmental footprint but also encourage ethical production and foster a deeper awareness of sustainability.

At their core, these regulations are about striking a delicate balance, one that safeguards the well-being of both people and the environment over the long term. They aim to reconcile the growing demands of modern life with the finite nature of our planet's resources, offering a roadmap towards a future where sustainability is not a luxury but a necessity.

Furthermore, it's essential to acknowledge that the road to sustainability necessitates a careful examination of expenditures and investments in the realm of natural resource management. This multifaceted approach entails capitalizing on the potential for efficiency and sustainability within the exploitation of natural resources. It involves strategic investments in advanced equipment and treatment plants, with the aim of optimizing resource extraction and utilization, thereby reducing waste and minimizing the environmental impact.

Simultaneously, it demands a broader perspective on revenue generation and economic diversification. Recognizing the finite nature of certain natural resources, countries are increasingly compelled to explore alternative means of income that can help shift the focus away from overreliance on these scarce resources. This diversification strategy not only mitigates the potential risks associated with resource depletion but also offers the potential to foster economic growth in new and sustainable directions, ultimately contributing to the long-term prosperity of nations. Sustainable consumption regulations are intricate and multifaceted, adapting to the unique circumstances of each country while aiming to promote ethical consumption, foster environmental stewardship, and secure the welfare of both present and future generations. Embracing these regulations is not merely a necessity; it is a commitment to building a more sustainable and harmonious future, one that considers the intricate web of economic, social, and environmental factors at play in our world today.

Many countries that rely on exploitation and processing of natural resources as their primary vein of income tend to offset the depletion of natural resources by investing in education and building strong human capital which can in the long run discover new and improved ways of exploiting natural resources in a more sustainable way (Responsible consumption and production 2020).

In the modern world governments have many tools at their disposal to promote and ensure that their regulation is met with acceptance while not having to employ repressive measures. Such tools include nudges, where, in this case, government is influencing changes in people's

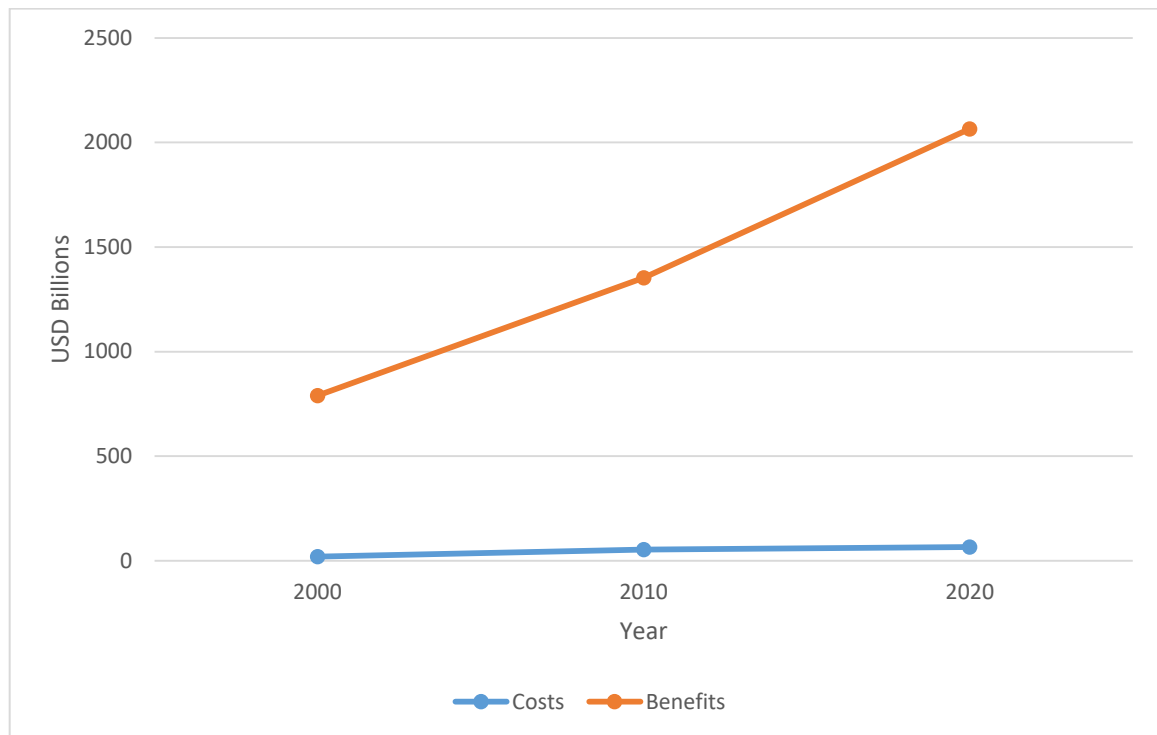
behavior in a predictable manner without limiting their choices within the choice architecture and without giving additional financial benefits (Thaler and Sunstein, 2022). Ensuring transparency in the decision making process and the reasoning for making specific decisions is vital to ensure that nudges are legitimate, and that government enforces and provides laws that are ethical even though they sacrifice a portion of effectiveness as one article suggests that implementing the criterion of “token transparency” introduced by Bovens (Bovens, 2010), where nudges should only be deemed ethically legitimate to the extent that they are devised in a way that it is possible, in principle, for everyone who is watchful to “unmask the manipulation” which would protect individuals who wish to resist the nudge and keep government in check (Santos Silva, 2022).

Another tool that the lawmakers have at their disposal is boosts, which unlike nudges, motivate individuals to overcome existing biases in order to make a warranted decision (Di Porto and Rangone, 2015). These tools are more cost effective than repressive measures, but the government needs to consider the moral predisposition of individuals before these tools are utilized, usually at considerable expense, as these can be effective only for individuals who are not immoral (Santos Silva, 2022).

We can see that many developed countries are promoting sustainable consumption and other pro-environmental policies, but are considering only their local (i.e., visible) footprint (e.g. moving the same factory from a city in Europe to Asia or South America where same, or in many cases worse practices, will be implemented and the planet which we all share will not benefit at all. Additionally, adopting and implementing new policies in the developed and developing countries often has a loud backlash from the both the consumers and the powerful economic interests for which the current situation is both lucrative and safe, so in general, policies that are implemented are those which do not do much, especially in the long term making the new regulation seem either easy to implement or very effective, but rarely both (Wahlen and Stroude, 2023).

Environmental regulations, while causing increased production expenses for businesses, typically constitute only a minor portion of a company's overall cost structure. Consequently, productivity often declines, prompting firms to consider relocating their new investments and production to regions with less stringent regulatory measures, which is the case for United States especially. Nevertheless, environmental regulations have yielded substantial advantages in terms of saved lives and reduced illnesses, particularly due to the mitigation of airborne particulate matter. The potential health improvements could be even more significant in developing nations, where pollution levels remain elevated. Thus, the societal benefits derived from environmental regulations seem to far outweigh the expenses associated with compliance as we can see in the figure below, and the key issue remains the enforcement of such regulation (Gray, 2015).

Figure 6: Benefits and costs of the Clean Air Act

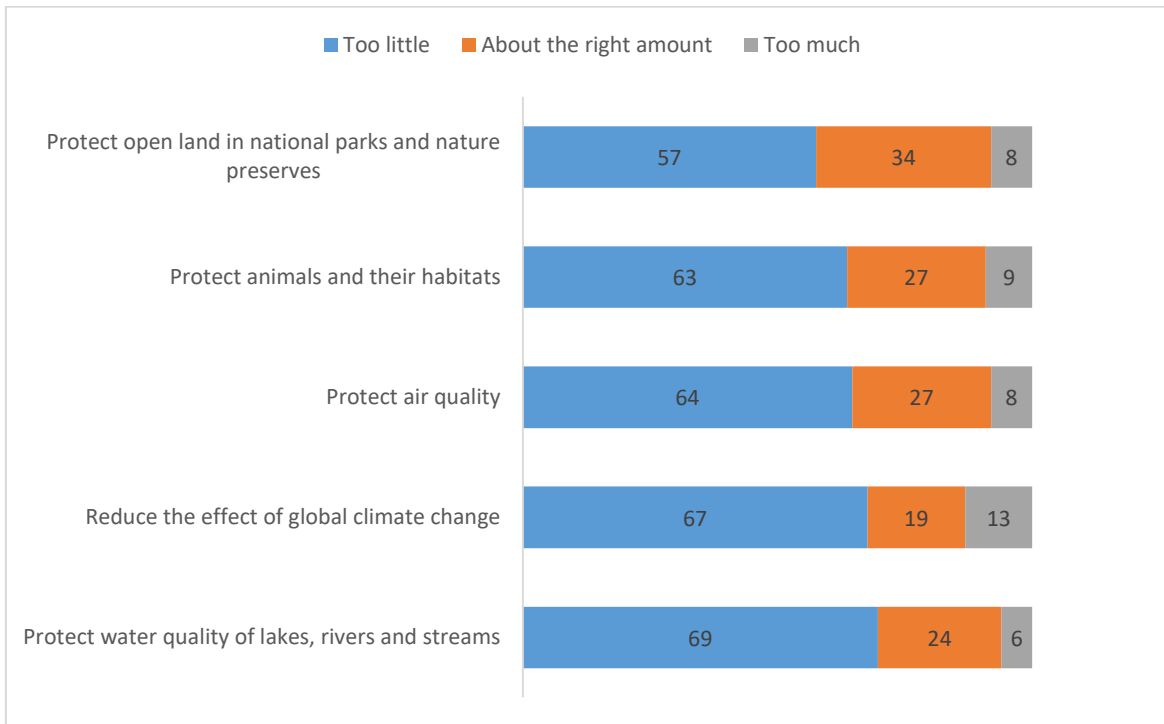


Source: (Environmental Protection Agency, 2011)

Moreover, it's worth to acknowledge the growing concern and critical feedback directed towards the United States government regarding its efforts, or perceived lack thereof, in fostering sustainable practices and safeguarding the environment. A considerable segment of the citizens has expressed reservations and discontent with the government's handling of these paramount issues. There is a sense that government tools and initiatives designed to address these concerns may not be as robust or effective as they should be. In essence, this dissatisfaction underscores the urgency of aligning governmental policies and actions with the increasingly pressing global need for sustainability and environmental stewardship. It highlights the vital role of the government in driving positive change and emphasizes the importance of addressing the concerns and expectations of its constituents to forge a more sustainable and ecologically responsible future.

We can see in the figure data from one survey on how the US adults feel about the government intervention when it comes to five specific areas of environmental protection and the results show that in general they do think that the government is doing too little (Funk, 2018).

Figure 7: % of US adults say that the government is doing\_\_\_\_\_ in each area



Source: (Funk, 2018)

On the other hand, if we take Europe as an example, we can see that the government influence through laws and policies in the market, with the sustainable consumption in mind, has a great effect, especially when it is backed by the supply side as is the case in Denmark (Thøgersen, 2010). In Denmark, government is influencing both the demand and the supply side ranking the country in the top three world countries in organic food production as opposed to some Mediterranean countries who are not so developed and sustainability and green policies are not one of their priorities (Daugbjerg and Sønderkov, 2011). This shows that we cannot wait and hope that individual actions by specific countries or individual consumers will make the environment safe for all of us rather, we have to make a strong front to attack this issue from multiple aspects and directions in order to influence the common public opinion and behavior towards the sustainable consumption, consequences of our actions and organic produce. In the context of Europe we have many different cultures and different countries that, even though geographically close, pose different mindset and approach to sustainable consumption, which is of interest to us. Even within the European Union, which represents a goal and a synonym for unity, we have differences between powerful countries such as Germany and France, more developed countries like Sweden and Denmark, and the Eastern block of countries like Bulgaria, Romania and Czech Republic. Germany has a robust system of recycling and waste separation, with laws mandating the separation of recyclables, compostable products, and residual waste and also has regulations encouraging energy-efficient building construction and the use of renewable energy sources (National Program on Sustainable Consumption: From Sustainable Lifestyles towards Social Change 2018). In Sweden, government encourages sustainable consumption through taxes



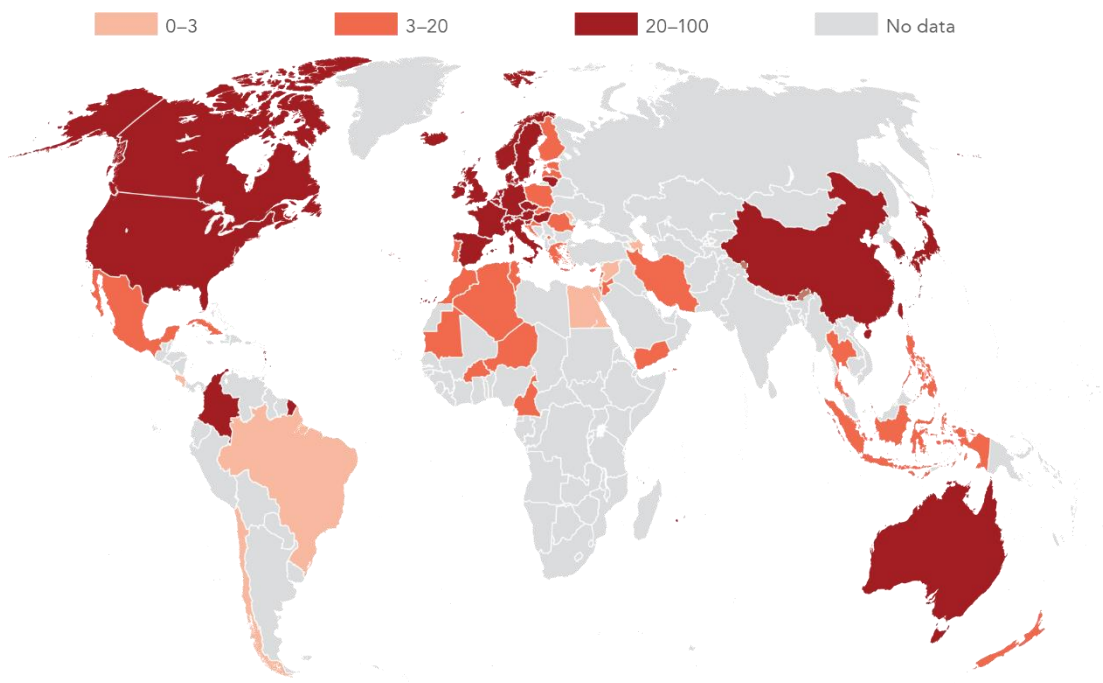
on products with high environmental impact, such as fossil fuels and disposable plastics (Strategy for sustainable consumption 2016). The EU has implemented various regulations and directives to promote sustainable consumption, which are passed down to member countries, including the Circular Economy Action Plan, Eco-Labeling and Eco-design directives, while it also enforces strict waste management regulations, encouraging recycling and the reduction of single-use plastics (Sustainable consumption and production: Fact sheets on the European Union: European Parliament 2023). This is all good in theory but, for example, in Bulgaria, a member of the EU, researchers have found that the public institutions, i.e. government and other lawmaking bodies, non-governmental organizations, retailers, and other stakeholders in the country still fail to fully utilize the promotion possibilities for the purpose of raising consumers awareness regarding various sustainable consumption behavior and, contrary to similar studies in more developed countries of the Europe, Bulgarian citizens are not significantly motivated by environmental influences on the intention for individual sustainable behavior, but that can be attributed to the cultural differences and the ratio of individualism and collectivism in this society (Dimitrova, Ilieva and Angelova, 2022). We can identify this situation within the EU throughout the world also, where we have countries that are at the forefront of the environmental protection and utilization of sustainable consumption practices, but in the general scheme it is not enough. Large countries, with massive industries, large number of citizens and vast territories are not so keen on reshaping and sacrificing their momentary gain for the safe and clean future. This can be a major issue, since we share the Earth together and just because one country is at the forefront of environmental safety, there are ten that do not care for it. Here we need to identify what can the rest of the world do to ensure implementation of positive practices across the world. In my opinion, there is no one solution, rather, consumers need to be strict as to which products and services they utilize, from which countries, to ensure they have knowledge of the production processes etc., companies that are environmentally conscious should stay away from the companies that do not care for the environment, and countries that are making positive headway with regards to sustainability should utilize their influence, financial and political, to motivate others towards sustainable consumption.

If we take some countries outside the Western world, we can see that Republic of Korea has set targets for reducing greenhouse gas emissions and has implemented various regulations to promote energy efficiency and renewable energy sources, especially focusing on businesses and their contribution to the sustainability. Some of the key policies include: The Green Standard for Energy and Environmental Design, which is a green building certification to rate the environmental performance of buildings in the country, throughout the lifecycle from the production of construction materials, design, construction, maintenance and management to demolition; Green Public Procurement, which represents a process whereby public organizations meet their needs for goods, services, works and utilities in a way that achieves value for money throughout the entire lifecycle in terms of generating benefits not only to the organization, but also to society and the economy, whilst reducing negative impacts on the environment; and The Green-Up initiative, which is a business assistance program to provide environmental management consultations with

SMEs aimed at enhancing competitiveness, reducing resource-related costs, and improving environmental performance (Policy Handbook for Sustainable Consumption and Production of Korea 2014).

Another important feature where countries can impact sustainable consumption and conservation of the environment is recycling. Firstly, we should eliminate all unnecessary waste in order to ease the burden on recycling plants and landfills but from the waste that is bound to be produced a lot can be utilized. In Figure 8 we have a map which shows the recycling rate of some countries in the world, where Singapore is the leading country in recycling, with the recycling rate of 60%. Data is lacking for many countries, especially lower income ones, where there is bound to be less effort involved with sustainable practices but we have data for the most developed countries.

*Figure 8: Municipal solid waste recycling rates (percent of total waste generated)*



*Source: (Waste Atlas, 2022)*

If we take a look at Japan, a country with a specific high-context culture, we can recognize much devotion and motivation that drives their sustainable consumption practices. In Japan, Mottainai principle is a philosophy that is in the core of every citizen, which essentially entails respecting resources and reducing waste and is found in many areas from restaurants including Tokyo's Uoharu purchasing imperfect fish from Toyosu market that would otherwise be thrown away to the car manufacturer Mazda pushing forward with new environmentally friendly engines and recycling plastic components of its cars (Muggeridge, 2022).

Acknowledging the dynamic landscape of sustainable consumption, it's crucial to emphasize that the effectiveness of such regulations can exhibit significant variance, and the challenges

associated with compliance and enforcement are by no means uniform across different nations. Sustainable consumption regulations are, after all, intricate frameworks aimed at balancing the often competing interests of economic development, social equity, and environmental protection. This complexity means that what works in one country may not yield the same results in another, making it imperative for us to carefully evaluate and adapt successful strategies to our own unique context.

Furthermore, the regulatory landscape is in a constant state of change, as environmental and social concerns continue to evolve and demand innovative solutions. Governments worldwide recognize the need for flexible and adaptive regulations, as they strive to address emerging issues and adapt to shifting priorities. However, the reality is that even the most well-intentioned governments often grapple with a significant regulatory lag. This lag, stemming from bureaucratic processes, the complexities of policy development, and stakeholder engagement, can inadvertently create a gap between the need for regulation and its actual implementation, leaving the consumers and businesses at their own will.

The presence of this regulatory lag is significant, as it creates room for less scrupulous practices to persist. In some cases, industries may exploit these gaps in regulations to circumvent environmental and social responsibilities for short-term economic gain. It's a challenge that policymakers and governments worldwide continually wrestle with – how to ensure that their regulations remain relevant and effective in the face of rapidly evolving societal and environmental pressures.

As we explore global sustainable consumption practices, it's crucial to recognize both the successes and the shortcomings. By doing so, we can draw upon the valuable lessons learned by others, and also consider how to mitigate the regulatory lag and other obstacles in our own path towards fostering responsible and sustainable consumption practices within Bosnia and Herzegovina, which considering our political system, is a huge task and will take a lot of effort as well. This comprehensive understanding of the intricate regulations, their adaptations, and their real-world implications will enable us to craft policies and initiatives that are not only relevant but also resilient, meeting the multifaceted needs of our society.

## **2.2. Regulation in Bosnia and Herzegovina**

Bosnia and Herzegovina grapples with a multifaceted system of governance, characterized by a division of powers and responsibilities across various administrative levels. This complexity often poses a challenge for individuals and advocacy groups seeking to rally the government in support of more stringent and comprehensive sustainable consumption guidelines and regulations. The intricate web of governance structures can create confusion, as it's not always clear which part of the government holds the jurisdiction for implementing these essential sustainable consumption and environmental protection goals.

At the national level, there exist some fundamental laws that lay down the basic principles of sustainable consumption, environmental protection, and sustainability in a general sense. These national-level regulations serve as guiding beacons, setting the tone for the country's approach to sustainable practices. However, they often need to be complemented and augmented by more detailed laws and regulations at the regional and local government levels in order to ensure implementation in the field.

This decentralized approach recognizes that specific issues and challenges may vary widely across different regions and local communities within the country. As such, lower government levels are equipped with the authority to enact specific laws and regulations that address local problems and environmental concerns in a more targeted and contextually appropriate manner.

While this complex governance structure provides a degree of flexibility to address regional disparities and local challenges, it can also complicate the coordination of sustainable consumption efforts at the national level. The fragmentation of authority sometimes hampers the creation of a unified, comprehensive approach to sustainable consumption, potentially impeding the overall effectiveness of sustainability initiatives, and also creates a excuse for various levels of government why there is not more effort and regulation towards in this domain.

Despite these governance challenges, the commitment to sustainable consumption and environmental protection is steadily gaining momentum in Bosnia and Herzegovina. Advocates and policymakers are working towards fostering greater cohesion and synergy between various levels of government to streamline the process of implementing sustainability goals and to ensure a more harmonized and impactful approach.

We can recognize that the legal guideline is falling behind since years have passed since any major intervention for this topic in the domestic regulation and in recent years, many positive cases and breakthrough were caused by individual influence within governing bodies where they had discretionary right to make a certain decision. Additionally, many positive decisions with regards to sustainable consumption are passed with the motivation from the international community and the taken responsibilities with our integration with the European Union and other international bodies.

Sustainable consumption in Bosnia and Herzegovina is regulated by several laws and regulations from which the Law on Consumer Protection and the Law on Environmental Protection are among the key legal frameworks that aim to promote sustainable consumption practices in the country. The Law on Consumer Protection, which is a national law, mandates that businesses must provide clear and accurate information about their products and their environmental impact (Law on Consumer Protection in B&H 2015), while the Law on Environmental Protection, which is valid in the Federation of Bosnia and Herzegovina, sets standards for environmentally friendly products and services (Law on Environmental Protection in B&H 2021). Additionally, the country has adopted several international

agreements, such as the Paris Agreement and the United Nations Sustainable Development Goals, which provide guidelines for sustainable consumption and production, but the implementation of these obligation into the domestic laws, and further into the consumers and businesses mindsets, is still very slow and insufficient. These regulations and agreements aim to encourage consumers to make more environmentally conscious choices and businesses to adopt sustainable practices but without specific measures, benefits and fines, sustainable consumption practice is often left to the individual choice of each consumer.

Besides the regulation of sustainable consumption, additional challenges preventing its seamless implementation will be presented in the following part, such as climate change, resource depletion, and ecological degradation. Consumer behavior is directly linked to sustainable consumption practices and to degree of sustainability. Convenience, affordability, and immediate gratification is prioritized over sustainable choices. Research suggests that consumer behavior is often driven by short-term considerations, such as price and convenience, which can ultimately lead to environmental damage in the long run (Smith, 2019). Furthermore, a study highlights that a lack of awareness and education needed to fully encompass the environmental impact of consumption decisions contributes to the problem (Brown and Johnson, 2020). Thereby, in order to address this challenge, comprehensive education and awareness campaigns are needed that would inform consumers about the consequences their choices have on the environment as well as to motivate them to implement more sustainable practices. Another prominent challenge is that sustainable products and services are often more expensive and less accessible than their conventional counterparts. This gap in affordability can hinder lower-income individuals and communities from participating in sustainable consumption. This gap can lead to disparities in sustainable consumption across different socioeconomic groups (Green and White, 2018). To overcome this challenge, governments might need to implement affordability policies, including subsidies or tax incentives for sustainable products. Greenwashing is the deceptive marketing of products as more environmentally friendly than they truly are. A study has been conducted that highlighted the prevalence of greenwashing in the corporate world (Johnson, 2021). This deceptive practice creates confusion among consumers, making it difficult for them to make informed choices. Regulatory frameworks must be strengthened to eradicate greenwashing. This highlights the importance of having clear and stringent regulations, along with transparency in product labeling. These rigorous standards and independent certification bodies can help consumers trust that their choices align with their environmental values (Smith, 2019). Global supply chains are often intricate and opaque, making it difficult for consumers to trace the environmental impact of the products they purchase. The importance of supply chain transparency is very high as it poses a key factor in achieving sustainable consumption (Davis, 2017). Transparency is critical for informed decision-making and holding companies accountable for their environmental practices. Innovations in supply chain management and reporting systems can contribute to more transparency and enable consumers to make sustainable choices. Cultural and social norms significantly influence consumption patterns. Some societies still celebrate conspicuous consumption and

waste, while others encourage frugality and sustainability (Adams and Lee, 2019). Changing cultural values and norms to support sustainable consumption is a gradual and complex process. It necessitates the collaboration of various stakeholders, including media, educational institutions, and community leaders, to promote sustainable behavior and make it more socially acceptable. Technological advancements can both enable and hinder sustainable consumption. While innovative technologies can lead to more sustainable products and practices, they can also encourage increased consumption (Harris, 2020). The development of new gadgets, for instance, often contributes to electronic waste and resource depletion. Striking a balance between technological innovation and sustainable consumption requires conscious product design and consumer choices.

### **2.3. Sustainable Consumption in the Future**

In the United States sustainability will remain an important issue for the general society according to the majority, but some are skeptical as only 19% of consumers polled think that sustainability is a buzzword and will lose importance in the future and also caution is required when it comes to credibility considering one in four say that brands use sustainability claims to sell products at a higher markup (Jocelyn and Biagi, 2021). Sustainable consumption in the future is expected to undergo significant transformations in response to growing environmental challenges, technological advancements, shifting societal values, and evolving economic systems. One of the reasons for the change, especially important for us, is that new generations have more access to information and are more opinionated on the environment.

Technology will continue to play a crucial role in promoting sustainable consumption as has been the case in the recent years. Innovations and breakthroughs in areas such as renewable energy, smart grids, artificial intelligence, and the Internet of Things (IoT) will enable more efficient use of resources and better decision-making regarding consumption, (e.g. smart homes and buildings will optimize energy and water use automatically) (WU *et al.*, 2022). The adoption of circular economy principles will become more widespread as businesses will increasingly design products with durability and recyclability in mind, and consumers will have easier access to repair services and recycling facilities. This will reduce waste and promote resource conservation (Circular economy: Definition, importance and benefits 2023). The future landscape of commerce, driven by the relentless innovation and embracing of technology, is poised to witness an exponential growth in e-commerce and digital platforms. These platforms will not only serve as expansive marketplaces but also as invaluable sources of sustainable choices and information. In this evolving digital world, consumers will find themselves empowered with an abundance of knowledge about the environmental impact of the products they seek, thus fostering a conscientious shift in their buying habits.

The advent of online marketplaces, characterized by their versatility and ease of use, will foster a culture of resource sharing, renting, and reselling. This evolution in consumer

behavior will reduce the emphasis on ownership and conspicuous consumption. People will increasingly recognize the value of borrowing and sharing, thereby decreasing the demand for excessive material possessions. This shift not only aligns with sustainability principles by curbing the environmental impact of production but also engenders a more fiscally responsible and clutter-free lifestyle.

Electric vehicles are rapidly transitioning from novelty to mainstream. As battery technology continues to advance and charging infrastructure proliferates, electric vehicles will become an increasingly attractive and sustainable choice for personal mobility, since now the main problem with implementation of electric vehicles is the infrastructure and cost. This transition, coupled with a growing emphasis on renewable energy sources, will significantly diminish the carbon footprint associated with personal transportation. Public transportation systems will be subject to change and development with investments in infrastructure, accessibility, and reliability. Efficient and eco-friendly modes of mass transit will become more accessible, encouraging people to opt for greener alternatives over individual car ownership.

Furthermore, the transportation sector will witness the rise of alternative mobility solutions, including shared electric scooters, cars, and autonomous vehicles. These innovations not only offer convenience but also contribute to reduced emissions, less congestion, and enhanced urban planning. The synergy between ride-sharing, autonomous vehicles, and public transportation networks will revolutionize the way people move about their cities, promoting sustainability by reducing the number of vehicles on the road. The convergence of e-commerce, digital platforms, and sustainable consumption practices, alongside the transformation of the transportation sector towards cleaner and more efficient options, signals a promising shift towards a more eco-conscious and sustainable future.

The transition to renewable energy sources like solar and wind power will accelerate, making it easier for consumers to choose clean energy options for their homes and vehicles. However we do need to take into account the efficiency of renewable energy sources and to make a distinction between renewable and sustainable energy, where sustainable energy encompasses all aspects of the energy source, distribution and all other factors associated with the exploitation of a certain source and the renewable energy only refers to the basic principle of a resource that is being replenished over time (Wigley, 2023).

As the effects of climate change and environmental degradation become more obvious to everyday consumers, there will be greater urgency to adopt sustainable consumption practices and to slow down the negative impact of consumption on the environment. This may lead to more radical and long lasting changes in behavior and policy. Considering the fact that today there is a strong market in the ecommerce, with a good potential for growth, especially including both millennials and younger generations to whom online shopping is part of the culture, as they enjoy home delivery options, ease of comparing different products and companies and the access to a plethora of information about the products we need to address the sustainable consumption in this domain as well. According

to research approximately 60% of online shoppers in the United States have not returned a single package in the past year, and in addition, 60% say they would be willing to pay more for delivery if CO<sub>2</sub>-neutral shipping was guaranteed in return (Jocelyn and Biagi, 2021).

Now we will mention some of the more advanced methods that are being proposed and that have the same goal in mind and that is to reduce our carbon footprint and make Earth cleaner and sustainable for the future. We have seen some of the more straight forward approaches that tackle these issues but scientists have argued that there are alternative solutions, some that we are going to mention, and subsequently they can be of great importance in the future due to their potential size and impact and the ability of such solutions not to be dependent on every consumers individual behavior.

When it comes to sustainable production development and implementation in the future, from the supply side of the market, we can recognize that small and medium enterprises can have a leading role. Today, in many industries, SMEs are being pushed out of the market due to their inefficiency, but if they can embrace and lead on the sustainability agenda, they can find themselves in a unique position from which they can thrive. From one side, implementation of sustainable practices in production can lead to better resource utilization. This means that they can improve on their competitiveness and stay relevant in the market flooded with corporations. Additionally, sustainable practices can be a strong marketing tool to reach consumers who are getting more and more interested in this topic and bolster the brand image and appeal which can create a positive long term capital. But in this case also there is a need to cooperate with government as businesses look for new solutions to stay relevant, policy makers should step in, in order to proactively influence their decisions, by focusing on profitability and competitiveness which is derived from sustainable consumption and production practices (Onu and Mbohwa, 2019).

One example of such alternative measures that are being implemented are rangelands where such land can be managed in order to increase carbon soil and thus reduce our carbon dioxide emissions (Cook and Ma, 2014). The reason why this measure has so much potential and it is being highly regarded is the fact that there is so much soil throughout the world, the ease of such measure and also the possibility of land owners to be employed through government assistance for managing their rangelands. Land owners could be much more attracted to utilize their natural resources in order to provide them income and additionally help the environment, especially when it is coupled with the more straightforward techniques which we discussed earlier as farmers and land owners would be much more open to this idea after they have established green values and have been informed about sustainability. We can also utilize similar technique in our country, Bosnia and Herzegovina as we have a lot of unused land, low standard of living and huge possibility of funding from the international funds that tackle and promote green policies and pro-environmental behavior, which can serve both as a sustainable consumption tool and as a vehicle in the development of the country in general.

The landscape of sustainable consumption regulations is a rich tapestry of diversity, shaped by the complex interplay of economic, social, and environmental variables unique to each



nation. In this intricate mosaic of global governance, these regulations serve as the guiding compass for societies to navigate the ever-evolving challenges of responsible consumption. This nuanced framework encourages citizens to adopt conscientious consumption patterns that extend beyond personal choices, aiming to minimize environmental impact, stimulate ethical production, and spark a broader societal commitment to sustainability.

Indeed, sustainable consumption regulations are not merely a set of legal constraints but a comprehensive roadmap towards a more harmonious coexistence of humanity and our planet. They encapsulate a vision where prosperity is intertwined with environmental stewardship and ethical responsibility. At their heart, they encapsulate the wisdom of sustainable development, nurturing the well-being of both people and the environment over the long term.

In the complex ecosystem of resource management, countries must delve deeply into their expenditures and investments, particularly concerning natural resources. The pursuit of sustainability demands strategic investments in modern equipment and treatment facilities to harness the utmost efficiency in resource extraction and utilization. By curbing waste and minimizing environmental impact, these investments lay the foundation for a more sustainable future, where resource exploitation harmonizes with ecological preservation.

The journey towards sustainable consumption urges nations to adopt a forward-thinking perspective on economic diversification. With an acute awareness of the finite nature of certain natural resources, countries are increasingly motivated to explore alternative income streams. By diversifying their economic portfolios, they not only mitigate the vulnerabilities associated with overreliance on scarce resources but also pave the way for new avenues of sustainable growth. This deliberate shift from a resource-centric economy to a more diverse and sustainable one is not merely an economic strategy but a profound commitment to the long-term prosperity of nations.

Sustainable consumption regulations, as a reflection of adaptive governance, exemplify a holistic approach to addressing the unique needs and circumstances of individual nations while advancing a shared global objective of ethical consumption, environmental stewardship, and the enduring welfare of current and future generations. These regulations extend far beyond legal obligations; they signify a profound recognition of the intricate and interdependent tapestry of economic, social, and environmental forces that define our contemporary world. Sustainable consumption regulations serve as a framework that acknowledges the intricate dance between human progress and ecological preservation. By mandating sustainable practices, governments and organizations emphasize the fundamental importance of balancing prosperity with environmental responsibility. It represents an investment in a future where sustainability is not merely a choice but a compelling necessity. In this envisioned future, the delicate equilibrium between the advancement of human society and the preservation of our fragile planet is diligently upheld, ensuring that the benefits of progress are extended to all, present and future alike.

In adopting these regulations, nations recognize that the pursuit of unfettered economic growth, without due consideration for its ecological and social consequences, is unsustainable. This acknowledgment carries profound implications, emphasizing the need to transition towards sustainable production and consumption patterns. It challenges the status quo, promoting innovation, and fostering a harmonious coexistence between economic development and environmental conservation.

Also, these regulations underscore the collective responsibility we share for safeguarding our planet and the well-being of all its inhabitants. They transcend borders and unite nations in a common cause, recognizing that environmental challenges know no national boundaries. In embracing sustainable consumption, societies join together in the quest to mitigate climate change, reduce resource depletion, and combat environmental degradation.

As we navigate the complexities of the 21st century, sustainable consumption regulations stand as a testament to our adaptability and resilience. They demonstrate our capacity to confront the most pressing issues of our time and seek solutions that align with the long-term interests of humanity. Through these regulations, we chart a course towards a future where sustainable practices are not the exception but the rule, where responsible consumption is ingrained in our collective ethos, and where the well-being of the planet and its inhabitants remains at the forefront of our priorities.

Every change for the benefit of the environment demands funding and one of the most important ones, besides government and corporate donations, is funding and caring through consumer donations and similar actions. But we as marketers need to evaluate and understand consumer motives behind such donations in order for us to develop and further enhance these characteristics. One idea that is being utilized is connecting products, brands with specific charitable actions in order for the consumers to be aware of the connection between their purchasing pattern and the donation to a specific cause, especially when it comes to environmental issues (Strahilevitz, 1999).

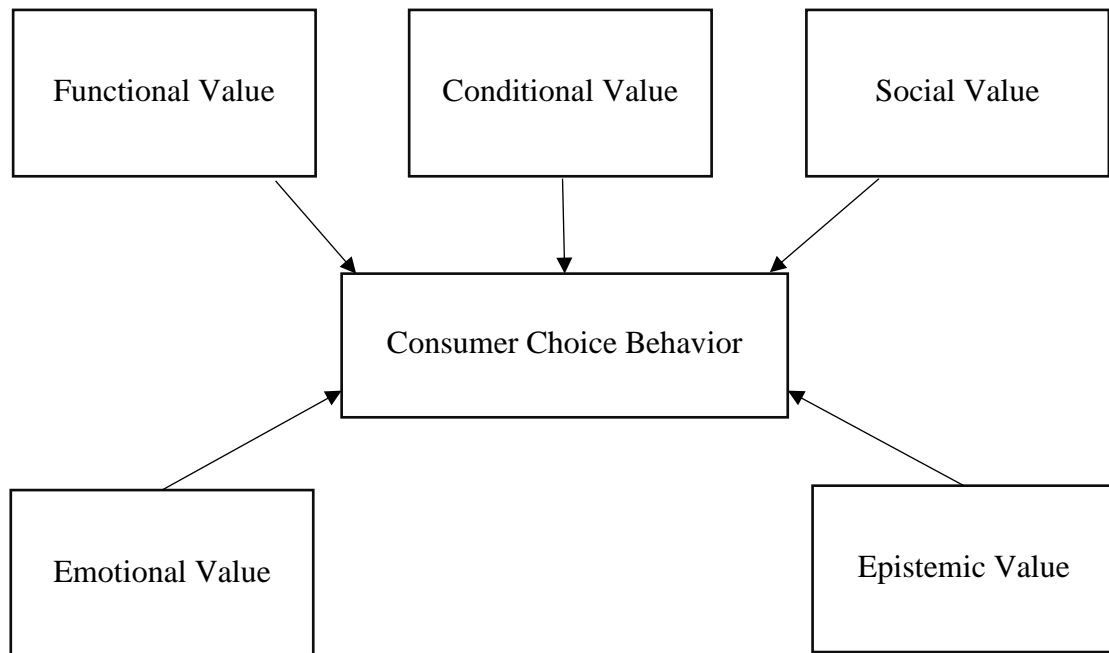
Another trait that every consumer watches is the peer reference and the society norms, and if there is a choice between donating and not donating, especially coupled with the negative implications of not donating which has a potential of bringing negative observations about the consumer, consumer is being motivated to donate which can be helpful in developing the donation campaigns (Savary, Goldsmith and Dhar, 2013). Obviously, there is more to donate than money, and some research has shown that utilizing consumers into donating their time to some goal, for example to clean a river, subsequently has an impact on their financial donation because of their firsthand experience of the issue which is more beneficial to the consumers emotional experience as well as the goal itself (Aaker and Liu, 2008). The actual time donation can also have a positive effect when there is a situation where the financial donations impact diminishes over time and donating more has little or no impact to the consumer's emotional satisfaction and in the end consumers' willingness to pay (Koschate-Fischer, Stefan and Hoyer, 2012).

In summary, the future of sustainable consumption will be characterized by increased technology integration, circular economy principles, and a shift toward cleaner and more efficient consumption patterns. It will require collaborative efforts across sectors, as well as a commitment from individuals and businesses to make choices that prioritize the well-being of the planet and future generations. Addressing sustainability challenges will also require international cooperation. Governments especially, but also businesses, and organizations will need to collaborate to set global standards and goals for sustainable production and consumption and to make sure that those policies are being implemented fully throughout the world.

### **3. SUSTAINABLE CONSUMPTION IN THE CONSUMER'S EYE**

In this part we will go over some of the aspects and characteristics that consumers have when it comes to sustainable consumption, how they feel about it and identify some areas where governments, companies and likeminded individuals can improve upon this goal. Every consumer decision has to be based on something and there is an evaluation of different parameters in order to make a decision about whether to buy or not to buy a certain item. That choice is influenced by five values as illustrated in Figure 9, and those are: (1) functional values, which is the most influential and important one where consumer is evaluating the product on the basis of utility that it will provide; (2) social values, where the choice is evaluated as on how it will be embraced or thought of in different social groups; (3) emotional values, as what kind of emotion will such choice trigger; (4) epistemic values, which are based on the ability of such choice to influence curiosity; and (5) conditional values, which are based on the alternatives and the specific buying situation (Sheth, Newman and Gross, 1991).

Figure 9: Values that influence consumer choice

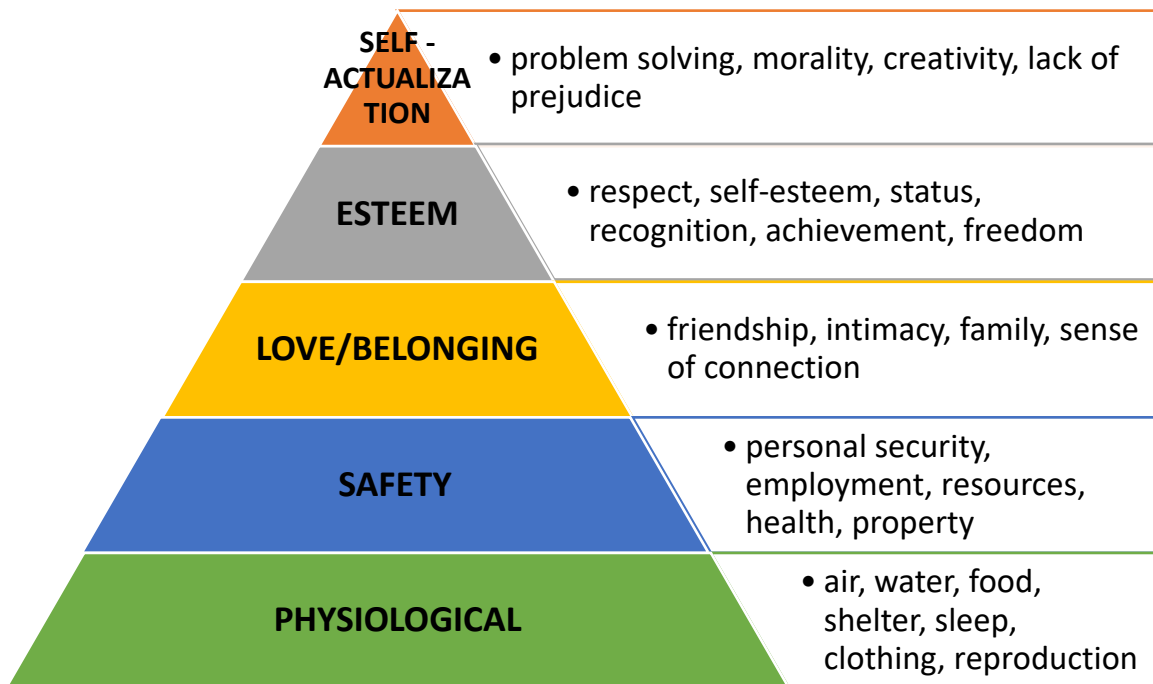


Source: (Sheth, Newman and Gross, 1991)

The combination of these values is what drives us and in the end makes us come to a decision about the purchase and if we want our green values and sustainable consumption practices to be accepted and much more spread out we need to attack and look at all these different values and make strategies to capture all or in some cases multiple of them as that is the more effective way for creating positive values towards sustainable consumption in a timely manner. Though it is hard to satisfy and influence all of these values at the same time, it is paramount to encourage all of them and to have every aspect covered even though consumers may make a decision based on only one or two. We should cover all because every purchasing decision is a trade-off and an evaluation of all the possibilities and we need to make sure that every choice has some sustainable component.

In Figure 10, we can see Maslow's hierarchy of needs that postulates the order in which humans satisfy and seek out different needs. Generally today, people look at sustainable products and orientation towards sustainable practices, not as a need but rather as a choice. If we take a look at the hierarchy we can say that sustainable consumption and behavior can be related to esteem level on a first sight. This is not so true, because in the long run, sustainable consumption leads to preservation of natural resources and the environment which directly involved in the primal, physiological needs of the humans. All those immersed in the sustainable consumption practices need to point out this fact as much as possible in order to showcase that sustainability is key in the preservation of the environment now and in the future, as well as the preservation of the human race as well.

Figure 10: Maslow's hierarchy of needs



Source: (Maslow, 1943)

### 3.1. Sustainable consumption across age groups

Sustainable consumption is undeniably a pivotal facet of our efforts to confront the set of environmental and social challenges that confront us today. However, it is essential to recognize that sustainable consumption is not a one-size-fits-all concept; rather, it varies considerably across different age groups, primarily due to disparities in lifestyle, values, and economic circumstances. Each of us, regardless of age, is influenced by a unique set of personal experiences, educational backgrounds, and overall life circumstances.

To better understand the intricate tapestry of sustainable consumption, it is useful to categorize different age groups and further explore the motives that bind them together due to shared similarities. It's worth noting that while these groupings provide valuable insights, there are always individual differences, and nuances within each age category. For the purpose of this discussion, however, we will focus on more overarching characteristics and observations that draw connections between shared motives and different age groups, pointing out their similarities and differences and their codependence.

Young people, that grew up, and are still growing, witnessed many different events where bad attitudes towards the environment resulted in natural disasters of mass proportion, they have much more easier access to large amount of information with the development of informational technologies, and they are growing up in an environment where there is a strong discussion about nature and clean planet so they have more potential to be more proactive, e.g. they are much more closer to look for employment with a company that has

a good corporate social responsibility status, and tackles environmental issues than other companies (McDougle, Greenspan and Handy, 2011). In similar way, older generations, that were not raised around the idea that clean and safe Earth is not the given, rather it has to be worked on extensively, have much harder time getting motivated to perform responsibly and find the justified reason for such behavior. Several papers and studies have indicated that age is negatively related to green behavior, so we can say that with every younger generation, i.e. Baby boomers, Gen X, Gen Y, Gen Z, etc., there is a step up towards sustainable and responsible consumption (Diamantopoulos *et al.*, 2003). Since this paper is focuses on millennials and their attitudes and practice within sustainable consumption, we will now demonstrate some of the key features of this specific group that is today very potent and can have a massive impact on sustainability and overall environment with its consumption habits. For example, even though generally they do not have a direct involvement in the purchasing decision, and by extension in sustainable consumption, children and young adults are important factor in the long term aspect of sustainable consumption, so educating them, promoting conscious consumer habits and empowering them to explore and enjoy the outdoors can build a set of positive values and habits towards the environment, especially if it is backed by their parents, i.e. millennials, practically (e.g. buying eco-friendly toys) (Kazmierczak-Piwko *et al.*, 2022).

Effective communication is a fundamental element that transcends age groups and various demographic categories. It serves as the linchpin for promoting sustainable consumption practices. Irrespective of one's age or background, the ability to convey the benefits of sustainability and eco-conscious choices plays a pivotal role in fostering change. When communication is well-crafted, it can bridge gaps and build connections among diverse groups of people who might have disparate values and priorities. Tailoring marketing messages is a strategy that can significantly enhance the adoption of sustainable consumption practices. It involves understanding the unique values and priorities of each demographic and crafting messages that resonate with these specific characteristics. For example, a marketing campaign targeted at young adults might emphasize the positive impact of sustainable choices on personal health, while a campaign aimed at families might focus on the long-term benefits for future generations. By customizing messages, marketers can effectively engage different segments of the population and encourage them to make more sustainable choices.

Moreover, accessibility and affordability are critical factors in driving behavior change within society. The availability and cost of sustainable options can greatly influence consumer decisions. It is largely within the purview of businesses and governments to ensure that eco-friendly products and services are readily accessible and reasonably priced. When these sustainable alternatives become more convenient and cost-effective, they become more attractive to a wider audience. However, consumers who hold strong environmental values often play an active role in advocating for change. They're willing to stand up for their beliefs and demand that affordable and accessible sustainable options be made available. This

consumer activism can further drive businesses and policymakers to prioritize sustainability in their offerings and regulations.

In essence, effective communication, tailored marketing, accessibility, and affordability are interconnected elements that collectively promote the adoption of sustainable consumption practices. By combining these strategies and harnessing the influence of environmentally conscious consumers, we can create a more sustainable and environmentally responsible society both in the short and especially in the long run.

### **3.2. Millennials' impact on sustainable consumption**

Millennials have made a profound impact on sustainable consumption through their persistent commitment to eco-conscious choices. This generation's heightened environmental awareness and social responsibility have sparked a transformative shift in consumer behavior. Millennials prioritize products and services that align with their values, pushing businesses to adopt more sustainable practices and ethical sourcing. Their emphasis on transparency and accountability has ushered in an era where companies are held responsible for their environmental and social impact. Furthermore, millennials' digital connectivity and activism amplify environmental causes, raising awareness and driving change. Their influence extends beyond their generation, inspiring older and younger demographics to embrace sustainable consumption practices which is truly the key characteristic in the long run, as new generations are being educated in line with sustainable consumption practices, those goals will be implemented more effectively in the future.

Millennials are generally highly educated, especially if we consider the developed world and this is only improving over time (Muralidharan, Rejón-Guardia and Xue, 2015). The percentage of people with a bachelor's or master's degree has never been higher than in the generation of the millennials (Muralidharan, Rejón-Guardia and Xue, 2015). We will also check if this is true for our sample in our research. Millennials of the western, developed world are the generation which has grown up in a world of changes, from digital technology and social media, to visible environmental problems (Fry, 2023). A global study showed that millennials' use of digital technology clearly exceeds aspects of fun, i.e. most millennials stated to be using these technologies for educational and research approaches (Deruy, 2013). Another important realization of the study is that they mostly have created a profile on social media (Deruy, 2013). In one research, a majority of 67 percent millennials are searching and purchasing on e-commerce websites, and 31 percent explore and search online before actually purchasing in a brick-and-mortar store (Kiehn and Weller Vojkovic, 2018). This means that marketers need to devote special attention in crafting an approach to this demographic due to the many different channels they utilize. If we acknowledge that millennials are environmentally conscious, the high use of new technologies as well as their constant internet presence, we can say that millennials are the well-informed generation (Sheahan, 2005).

### 3.2.1. Millennials guide the market

The concept of sustainability has evolved from a niche concern to a global imperative in recent years. Central to this transformation is the influence of millennials, a generation that has embraced sustainability as a core value and is actively guiding the market towards more environmentally friendly practices. In this part, we will explore how millennials are playing a crucial role in shaping the market of sustainability, focusing on their values, preferences, and behaviors that are driving businesses and governments to prioritize environmental and social responsibility in order to stay relevant for this generation. Millennials, often defined as the generation born between 1981 and 1996, have played a significant role in shaping the market for sustainable consumption. Millennials tend to be more environmentally conscious than previous generations. They are concerned about climate change, pollution, and other environmental issues, which drives their interest in sustainable products and practices. This is largely due to the fact that, growing up with the internet and social media, millennials had easy access to information about the environmental and social impacts of products and brands. This access allowed them to make informed choices and hold companies accountable for their practices. Millennials often prioritize values and purpose in their purchasing decisions. They are more likely to support brands that align with their values, including sustainability and social responsibility. Millennials' sustainable consumption habits can influence their parents and older generations as well as create a foundation in sustainable consumption for younger generations, leading to a broader shift toward sustainability in the market.

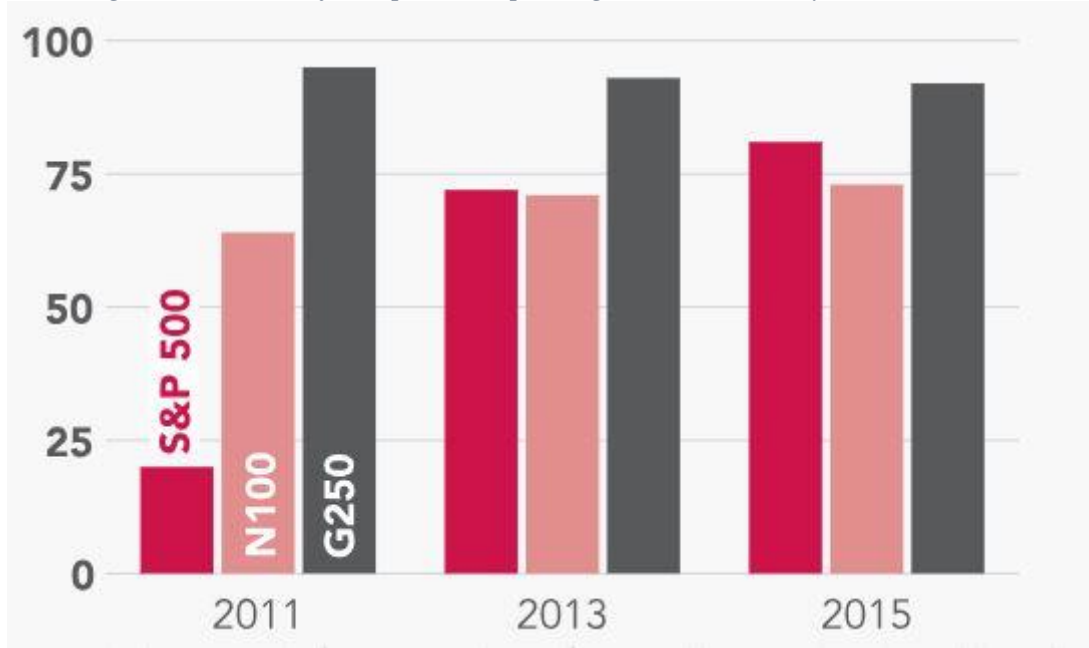
To understand millennials' approach to sustainable consumption and their impact on the market as a whole, it is crucial to recognize the values that motivate their decisions. Millennials have grown up in an era of rapid technological advancement, globalization, and increasing environmental awareness. Furthermore, they exhibit distinct characteristics that shape their sustainable consumption practices such as their care for environment, which entails their strong commitment towards reducing their ecological footprint, which comes from having witnessed climate change, deforestation, and plastic pollution during their lifetime and being acutely aware of the planet's fragility and scarcity of resources. Additionally we can say that they utilize a strong sense of responsibility to the community as well as the environment which applies in seeking out products and companies that have good CSR practices and value sustainability as well. If we take into account that millennials are using social media networks extensively, they have the power to quickly and effectively share information with their peers and the world, in our case about sustainable consumption, which can be a strong force in managing and influencing the market, both within the consumers, but more importantly, the suppliers, companies and governments. When we are discussing the ability of marketing, and the supply side of the market, to influence and change common practices we should mention CSR as a strong potential tool for mentioned goals. There is an obvious connection between corporate social responsibility and our agenda with regards to pro-environmental actions, sustainable consumption and green consumer values. Corporate social responsibility is a term that has been used in the past years, in order



to define a broad policy and actions of a certain company towards its stakeholders and the environment. With the shift of the general business concept that there is much more than just shareholders and their interest corporate social responsibility came into a new light, with companies nowadays trying to move forward with this concept and utilize all of its strengths to their advantage and market themselves as responsible companies that care about all of their stakeholders, from employees, buyers, and general environment as well. This concept is now growing into a new phase with the increase in the attention towards environmental protection, and sustainable consumption where consumers do not give a good CSR rating to companies who just to give back to the local community, or do some pro-bono work, but they are investing their time, money and expertise into developing new ideas, products and means that are more environmentally safe and have little or no negative effects to the environment.

Due to the fact that consumers are looking for companies that are proactive about the environment and they are looking for new and innovative ways that the goal of sustainability can be achieved companies have a very open hands for the research and development of new products that they are putting onto the market and as well as potential to use their influence to empower smaller companies and general public into doing something similar on their respective levels. Today we can see that many companies around the world, especially larger ones, are realizing the strategic potential in connecting the green values and policies and integrating them into their corporate social responsibility apparatus which can help such companies make improvements to their public image and be more proactive (Alam and Islam, 2021). With consumers seeking out companies with good CSR practices and sustainable measures, companies have invested more into making sure that they are acceptable partner for such consumers. We can see below the increase, over the last few years, in reporting of sustainability measures within the S&P 500 list, N100 – which is the list of 100 largest companies in 45 countries, and G250 which is 250 largest companies according to Fortune Global.

Figure 11: Share of companies reporting on sustainability measures in %



Source: (Responsible consumption and production 2020)

We are seeing everyday more and more social media influencers and activists that tackle environmental challenges (e.g. Greta Thunberg), which brings issues concerning the environment and sustainability to the everyday consumers' attention. Millennials are discerning shoppers who actively seek out products and brands that align with their values and they support companies with a commitment to sustainable sourcing, fair labor practices, and reduced environmental impact (Manley, Seock and Shin, 2023). The concept of thrift shopping and buying secondhand items has gained immense popularity among millennials which helps the sustainable consumption goals as it reduces the demand for new production and extends the lifecycle of existing products (Sharma and Debolina, 2022). Minimalism is a lifestyle embraced by many millennials, characterized by owning fewer possessions and focusing on items that spark joy and have lasting value, which not only reduces consumerism but also minimizes waste (Weinswig, 2016). A comparative study between Canada and Türkiye has shown that millennials are pioneers in adopting the sharing economy, using platforms like Uber, Airbnb, and co-working spaces to share resources rather than owning them outright which aligns with sustainability goals by optimizing the use of existing resources, reducing the need for excessive production, and cutting down on waste (Güçlü, Erdil, Kitapçı and Altındağ, 2023). According to the study, the only difference between consumers in these culturally different countries is that consumers in Türkiye have more altruism influences compared to their Canadian counterparts (Güçlü *et al.*, 2023). If we take into consideration the fact that transportation is the second largest contributor to greenhouse gas emissions (Thomson, 2022), we can appreciate the fact that millennials' attitude towards sharing economy, public transportation and other similar, more sustainable modes of transport is in line with sustainable consumption and environment preservation.

While millennials' dedication to sustainable consumption is admirable, they can face certain challenges and barriers in their pursuit of a more sustainable lifestyle that may steer them off the sustainable consumption and potentially cause negative attitudes towards the future. It is quite often that consumers find sustainable, and eco-friendly products much more costly than non-sustainable offers which can deter consumers in making a purchasing decision, especially if we take into the account that the millennials are currently forming families, purchasing homes, raising young children, and every cent that can be saved is quite the bonus. Also, we can recognize that in a substantial part of the world access to sustainable products is just limited, no matter the cost, especially if we take into account the fact that places like Africa, Middle East and India comprise a significant portion of the world's population, sustainability can become and remain a trend and a concern for the developed world. Even if consumers possess financial resources to buy sustainable goods, their decision and their consideration is always being influenced from many different sides, from peers that pressure into conformism to, in some cases very aggressively, companies who utilize greenwashing, which stands for using deceptive marketing tactics to portray products or services more sustainable than they factually are (Yildirim, 2023) and also flooding the market with contradictory information which can leave average consumer indecisive.

Millennials' commitment to sustainable consumption has far-reaching implications for society, the economy, and to utilize their reach and potential impact we need to understand channels in which they can help raise awareness and motivate others towards sustainable consumption. The demand for sustainable products and ethical business practices, in our case driven by millennials, is compelling companies to reevaluate their supply chains and adopt more sustainable processes in order to stay relevant in current market conditions. This shift has the potential to reshape industries and foster sustainable innovation, making it a policy rather than just a survival technique. Millennials' engagement in digital activism and advocacy, like we have said earlier, is pressuring governments to implement policies that support sustainability, similar like companies are doing it to stay in business, governments are doing it to stay in governance. As nowadays, millennials are becoming the dominant consumer group, their values are influencing the behavior of both younger and older generations. Millennials' preferences for eco-friendly and sustainable products are driving innovation in sustainable technologies and materials and also in finding ways to a cleaner energy, leading to the development of more environmentally friendly alternatives.

To sum up millennials are at the forefront of a global shift towards sustainable consumption. Their values, influenced by environmental awareness, social responsibility, and digital connectivity, are driving significant changes in consumer behavior and the business landscape. While challenges persist, millennials' dedication to responsible and sustainable choices is influencing industries, governments, and society at large. While millennials have a significant impact on sustainable consumption, it's important to note that their influence is not limited to their generation. Their preferences and behaviors are often adopted by older and younger generations, making sustainable consumption a more mainstream and enduring trend. This generational shift toward sustainability is pushing businesses and industries to

prioritize environmental and social responsibility, ultimately benefiting the planet and future generations.

### 3.2.2. Common practices towards sustainability

In this section, we embark on an exploration of key consumption practices embraced by different generations, aiming to identify common threads that unite these diverse demographics. One fundamental observation that emerges is the shift in human values and priorities, and how this shift underscores the primary driver of change is functionality. The trajectory of change in sustainable consumption behaviors, green consumer values, and the adoption of alternative solutions pivots on the recalibration of our mindsets. It is about redefining our values and acknowledging that many of these changes require not just a mental shift but also a financial investment. This transformative process necessitates a reevaluation of our choices, extending from our beliefs and attitudes to the fiscal expenses we are willing to bear in support of sustainable consumption practices.

However, it is crucial to recognize a challenging dynamic that has unfolded in recent years. Acting proactively and responsibly towards the environment often comes at a higher cost than opting for traditional alternatives. This financial discrepancy has led to a certain level of consumer resistance, as many feel that the financial burden falls disproportionately on them, while the immediate and tangible impact of their increased spending is not always visible. In such instances, this disconnect can hinder individuals from embracing sustainable consumption practices, as they question the practicality of their choices.

Furthermore, a common scenario arises in various contexts where a majority of a certain group adheres to conventional consumption norms, while a small minority opts for sustainable choices. Over time, this minority may feel burdened by their choices, as if they bear the responsibility for a broader collective issue. This sentiment can spark introspection, leading them to question their motives and values, sometimes to the point of reevaluating their commitment to sustainable consumption which is something we want to avoid.

This landscape invites us to tackle with the complex interplay of values, costs, and societal perspectives that influence the adoption of sustainable consumption practices. It underscores the necessity of addressing these challenges through a combination of financial incentives, awareness campaigns, and supportive communities to help individuals overcome the obstacles and embrace sustainable choices that benefit both themselves and the environment.

All of these barriers are possible to manage and marketing is essential in explaining them and bringing the general discussion and the general public opinion more towards these goals through some of the principles discussed in this paper. When marketers reach their audience and explain all the different information and convey them in a systematic manner that is acceptable to the listener than we shall see the real change and understanding, and by extension increase in the people acting responsibly. There are many cases where people do

verbally approve of these values but in practice they are not so good and this is the part where also marketing can have an impact in promoting the behavior and the need for persistence because if we want to succeed we need to practice these green consumer values and pro-environmental behavior until such behavior is our second nature as we have already implied in parts of this paper (Kollmuss and Agyeman, 2002).

Sustainable consumption practices vary across generations, reflecting evolving norms and environmental awareness. Baby boomers tend to emphasize reducing waste through practices like recycling, reusing, and repairing but they are also more likely to be persuaded by sustainability claims (Satinover Nichols *et al.*, 2023). Generation X, sandwiched between boomers and millennials, leans towards responsible purchasing, favoring products with eco-friendly certifications and supporting ethical brands, but the extent to which they utilize sustainable practices is much smaller than Gen Z, which can be attributed towards the fact that environmental protection and sustainability didn't get much attention in the public eye nor in the media in the time they were growing up (Brand *et al.*, 2022). Millennials, driven by digital connectivity, engage in online activism, advocating for sustainable causes and promoting conscious consumerism. They also give high importance to being in control when making a purchasing decision, which can be a good marketing goal for companies (Falke *et al.*, 2021). Gen Z, the youngest generation, prioritizes minimalism, thrift shopping, and sharing economy platforms, valuing experiences over material possessions and are willing to spend more money to buy sustainable products (Gomes *et al.*, 2023). While each generation approaches sustainable consumption differently, they collectively contribute to a growing global movement towards a more environmentally conscious and responsible future.

Millennials, born between the early 1980s and the mid-1990s, have embraced sustainable consumption practices in various ways. They are often characterized by their heightened environmental consciousness and digital connectivity, which shape their approach to sustainable living. Many millennials prioritize ethical and eco-friendly products, actively seeking out brands that align with their values, such as those with Fair Trade or organic certifications (Jocelyn and Biagi, 2021). They are also keen on reducing waste, often opting for reusable items like water bottles, coffee cups, and shopping bags. Moreover, millennials have played a significant role in promoting the sharing economy, using services like car-sharing and home-sharing platforms to reduce resource consumption (Weinswig, 2016). Their ever growing online presence has emerged as a potent force in the realm of sustainability and environmental consciousness. Digital connectivity, coupled with their passionate advocacy for environmental causes, has paved the way for a new era of engagement, activism, and awareness campaigns. Millennials are harnessing the power of the internet and social media to amplify their voices, champion sustainable practices, and play a pivotal role in holding companies accountable for their environmental impact.

One of the remarkable aspects of this phenomenon is the significant influence millennials wield in shaping consumer behaviors and corporate policies. Their commitment to

sustainable consumption extends far beyond personal choices; it serves as a catalyst for broader change. By advocating for eco-conscious practices, millennials are not only raising awareness but also pushing for systemic shifts in the way businesses operate.

These digital activists are helping drive positive change by pushing sustainability to the forefront of the business agenda. Companies, aware of the impact millennials hold as a consumer base and their expectations for corporate social responsibility, are increasingly adopting environmentally friendly practices. This shift encompasses everything from eco-conscious product design to supply chain management, demonstrating how this generation's values are resonating in boardrooms and shaping corporate strategies. This transformative influence is not merely a trend but a fundamental shift towards a more sustainable and responsible future, with millennials at the forefront of this global movement.

## **4. RESEARCH**

### **4.1. Methodology**

After the theoretical review that we have covered in previous sections and compilation of data from secondary sources, we have conducted our survey, as proposed in the research objectives and framework, in order to obtain primary data on which we can base our own conclusions when it comes to the behavior and attitude of Generation Y in our country. Within the proposed research, research population are millennials living in Bosnia and Herzegovina, i.e. people born between 1981 and 1996. Since modern technologies allow online surveys to be shared efficiently and also in the spirit of better representation our sample should be over 200 respondents, after dropping respondents with incomplete answers. The survey was only available online and it was anonymous.

The survey consists of two parts and included in the part one are demographic questions. In the part two we have three sets of questions which correspond to our constructs, for Environmental self-identity we have three questions and Social influence and Psychological ownership toward environment constructs each have five questions. For the purpose of research we used a questionnaire which has been previously used and is field tested in similar research in India. The questionnaire, part two, has a Likert scale measurement (1 – "strongly disagree" to 7 – "strongly agree") and includes questions about the sustainable consumption within our research sample.

Environmental self-identity construct, includes first three questions in the second part of the survey. It aims at identifying consumers' approaches and feelings that come from their behavior in line with sustainable consumption and pro-environmental protection. Social influence, which includes the next five questions is structured around the idea of sharing and influencing of consumers within their social circles. It tries to determine whether consumers share their opinions and sustainable consumption practices with their peers, and to what extent. Based on the responses in the survey, we can see that only the first question shows

strong positive attitude where consumers motivate each other towards sustainable consumption but other questions that tackle more practical approaches are not well embraced by our sample. Third construct, Psychological ownership toward the environment, includes last five questions and focuses on the approach that consumers have towards the environment with regards to ownership and the deepness of the connection that consumers have with the nature and environment.

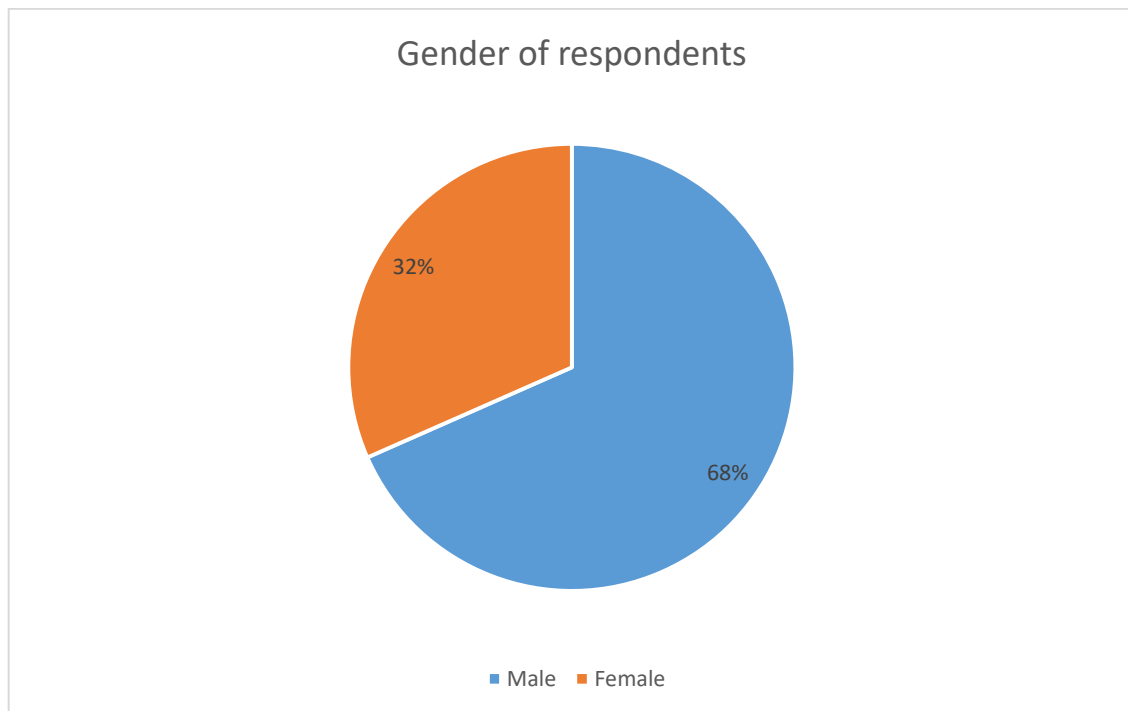
Also, we have proposed two research hypotheses, which we have tested with this survey. These hypotheses are as follows:

H1: Environmental self-identity is positively related to psychological ownership of environment

H2: Social influence is positively related to psychological ownership of environment

Our survey was conducted in the period from June to September 2023, and we got 327 responses. Since our research is focused on millennials, we have taken into account only respondents which are between the ages 27 and 42. This leads us to 212 respondents who are millennials and from which we will derive our findings and conclusions. Within our group we have 68% or 145 of male and 32% or 67 of female respondents so we can say it is not a completely balanced sample when it comes to gender, but it should not pose a problem since it not skewed to one side in particular either.

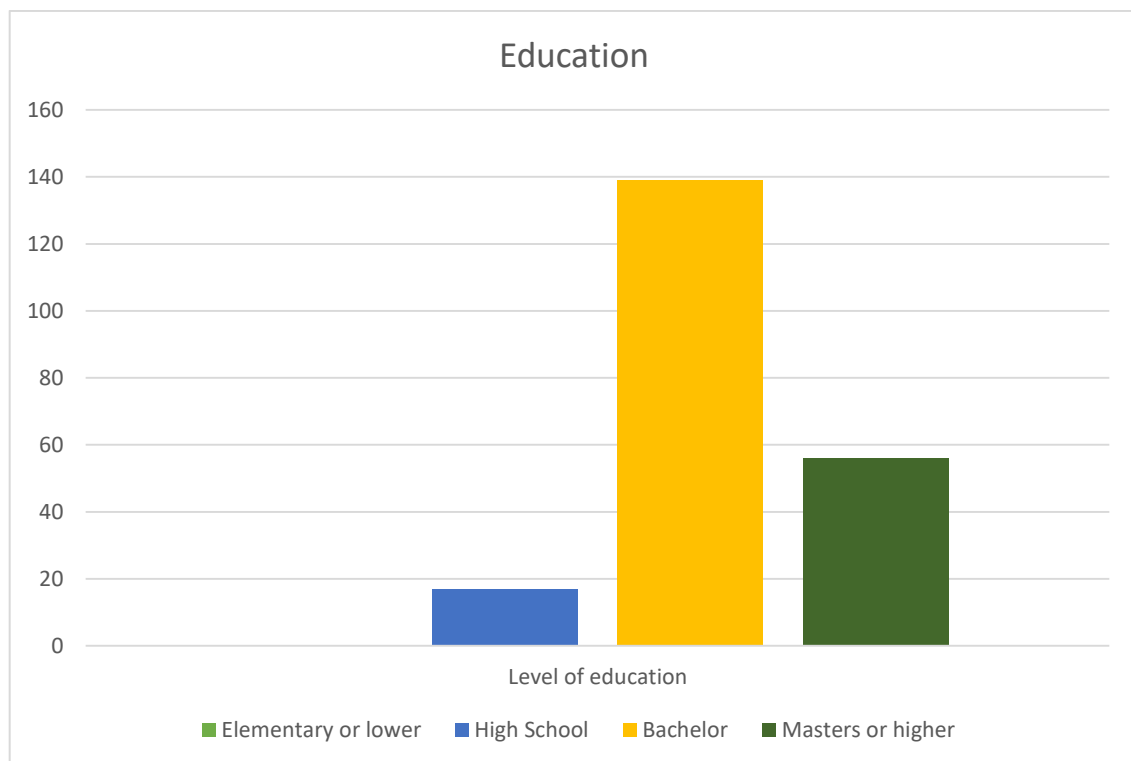
*Figure 12: Gender of respondents*



*Source: (Pindžo, 2023)*

Within our sample we do not have respondents who do not have a high school diploma at least, and the distribution of their education levels are provided below. We can account that to the fact that today there is a high demand for an educated work force so higher degrees of formal education were in demand in past years. This is also a strong indicator for our analysis since highly educated consumers, tend to understand more about the long term effects and the impact of our actions on the environment, which is not true for people who are not educated. In our sample we have 85% of people who are employed, and the rest are unemployed, with 2% of respondents not looking for a job at present time. Additionally, our sample generally has above average monthly income so we can take that into consideration in interpreting results as they potentially have more available resources to spend on sustainable goods. If we go back to the Maslow's hierarchy of needs we can recognize this fact, where people with lower income spend the whole amount of it on basic needs, whereas people with higher income can allocate more funds to the sustainable products and practices both directly buying such products, and also investing and contributing their resources to the awareness campaigns and education of consumers on the environmental issues and the solutions that are present. Coupled with the fact that we have both an educated and a sample with good income, we have best conditions to obtain significant results of their sustainable consumption practices because they know and can understand issues that exist and also have the means to change and influence change in others.

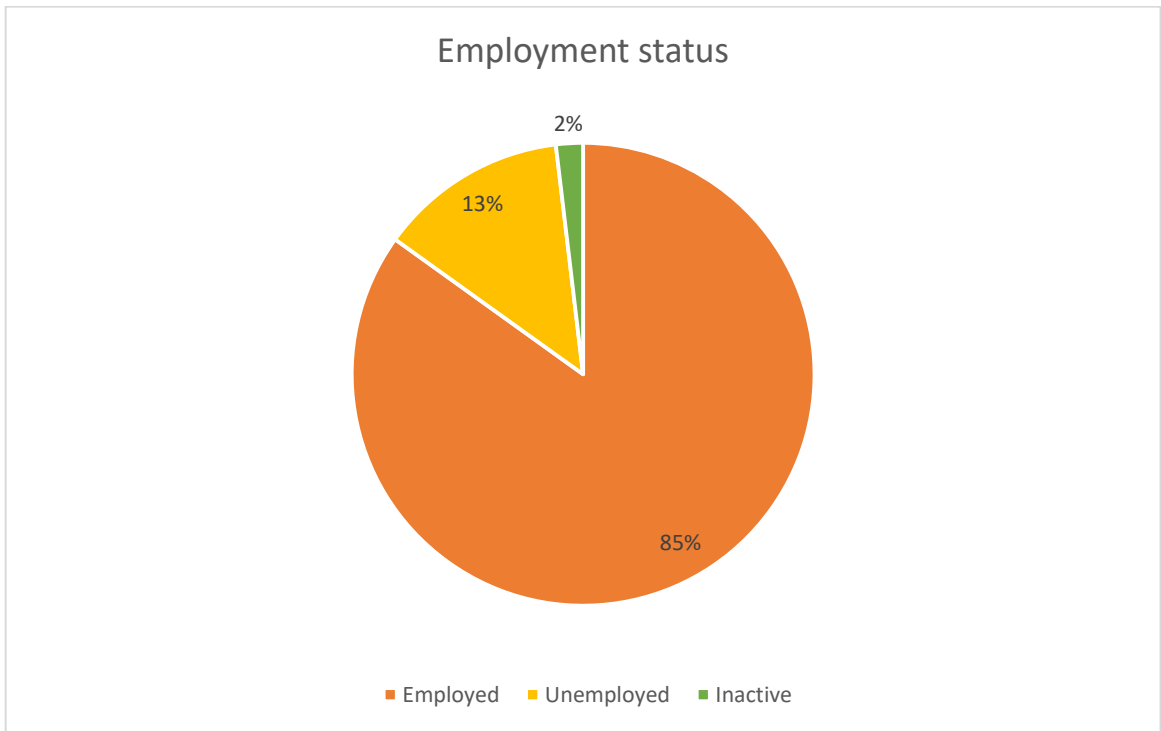
*Figure 13: Education levels*



*Source: (Pindžo, 2023)*

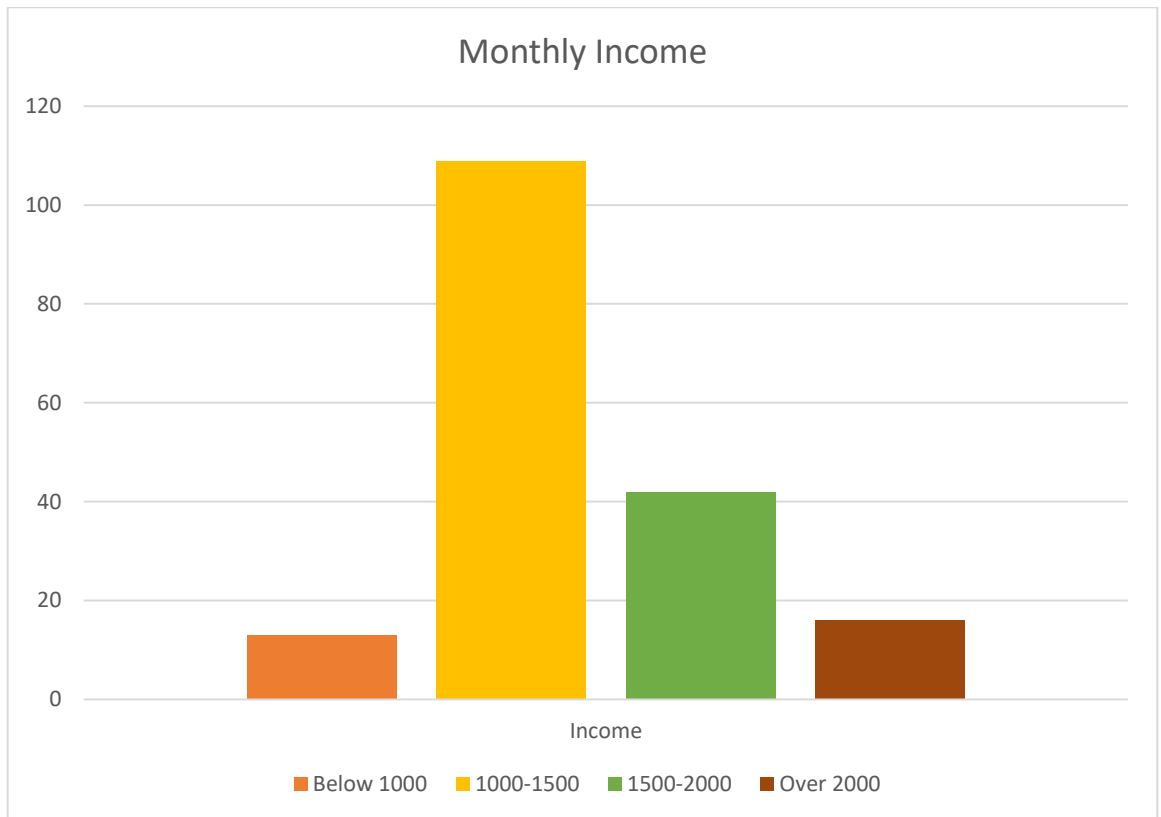


Figure 14: Employment status of respondents



Source: (Pindžo, 2023)

Figure 15: Monthly income of sample

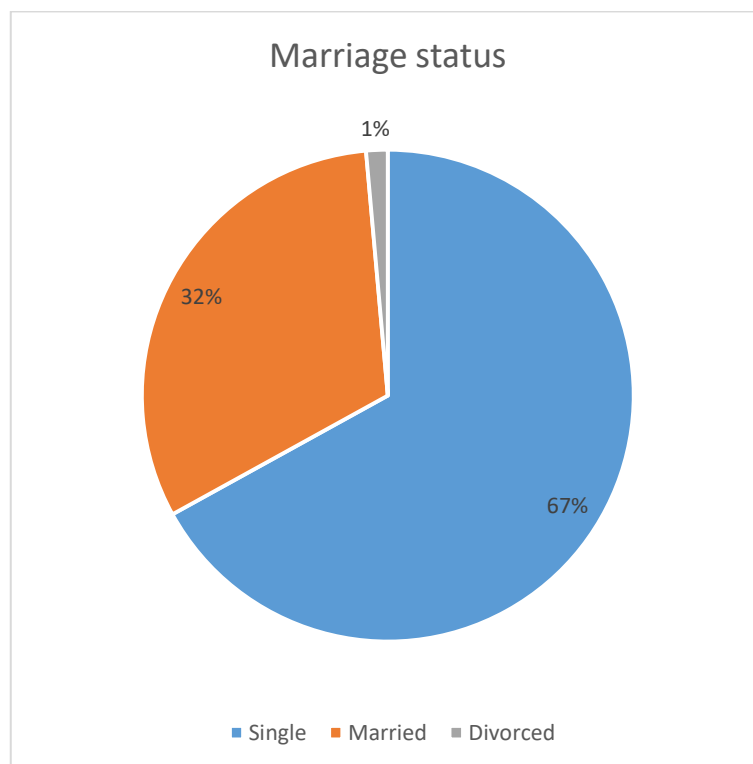


Source: (Pindžo, 2023)

An intriguing insight emerges from our survey data, revealing that a significant proportion of our respondents, precisely 67%, are classified as "single," meaning they are not currently married. In addition, a mere 8% of our respondents fall into the category of individuals who have children. This data lends itself to a profound understanding, primarily influenced by the composition of our sample, which appears to skew towards the younger millennial demographic. As many of these respondents have not yet embarked on the journey of marriage and parenthood, it's logical to attribute the lower percentage of individuals with children to their life stage.

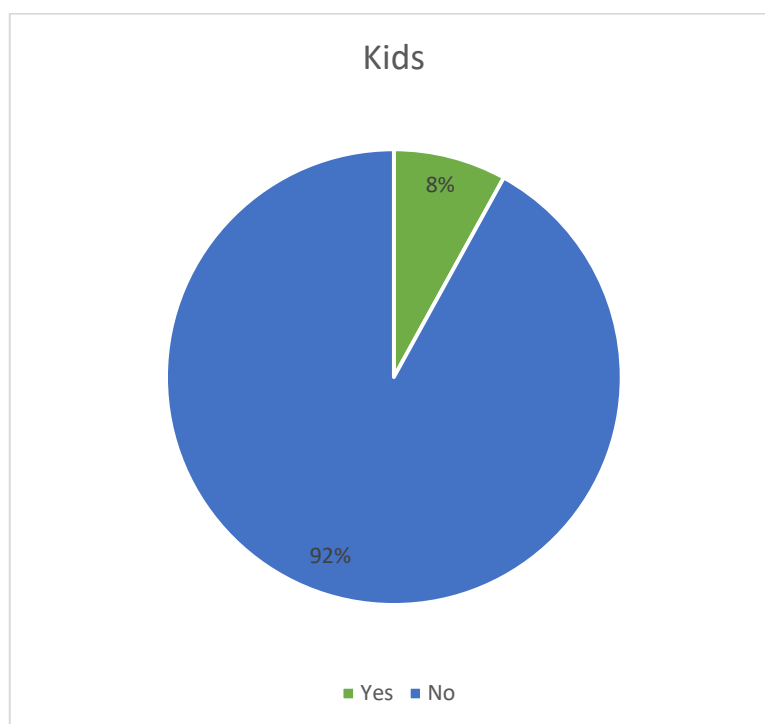
This observation sparks an interesting dimension in the context of sustainable consumption practices. It underscores the potential influence of life stage and family structure on consumption patterns and sustainability behaviors. Indeed, parenthood can often be a transformative milestone in one's life, prompting a shift in priorities towards a concern for the well-being and future of their children. This transition can result in a heightened level of motivation for parents to adopt more sustainable consumption practices, as they may feel a greater responsibility for not just their own well-being but also for the legacy they leave for their offspring.

*Figure 16: Marriage status*



*Source: (Pindžo, 2023)*

Figure 17: Offspring status

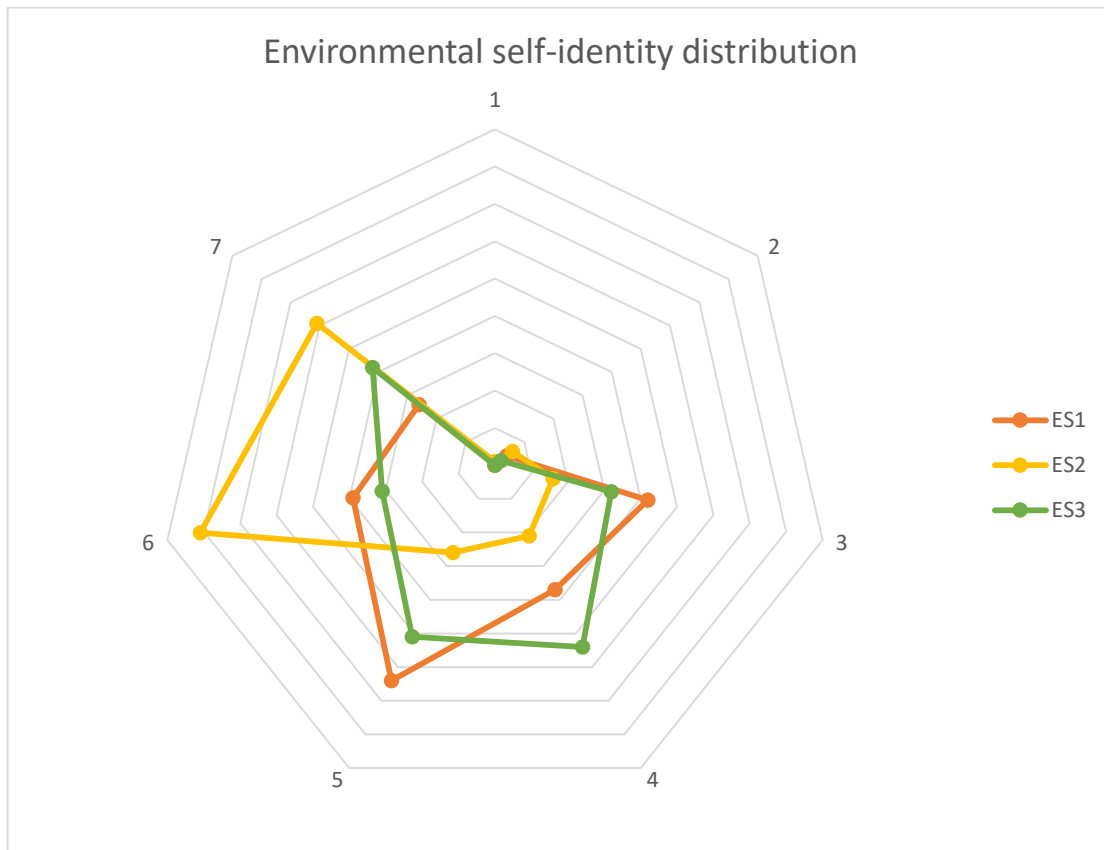


Source: (Pindžo, 2023)

## 4.2. Results and discussion

In the following part we will lay out the findings of Part 2 of our survey, which can be found in the Appendix 1. Environmental self-identity construct, built up three questions on a Likert scale, from which we can see results in the Figure 18, has shown that millennials within our sample are very much proud of being green and also that supporting environmental protection makes them feel meaningful. Supporting environmental protection makes me feel that I'm an environmentally-responsible person, which is ES1, has an average response frequencies for all choices, with slight leaning towards the "strongly agree" choice with more than 60% of responses that are score 5 and higher. I feel proud of being a green person is the second statement, ES2, and it has a more focused score towards the positive relationship with the sustainable consumption where more than 66% of the responses are agree (6) and strongly agree (7). ES3, which stands for: I feel proud of being a green person, has a similar distribution as ES1. ES2 shows the strongest positive values and we can recognize that this statement has been embraced by our sample.

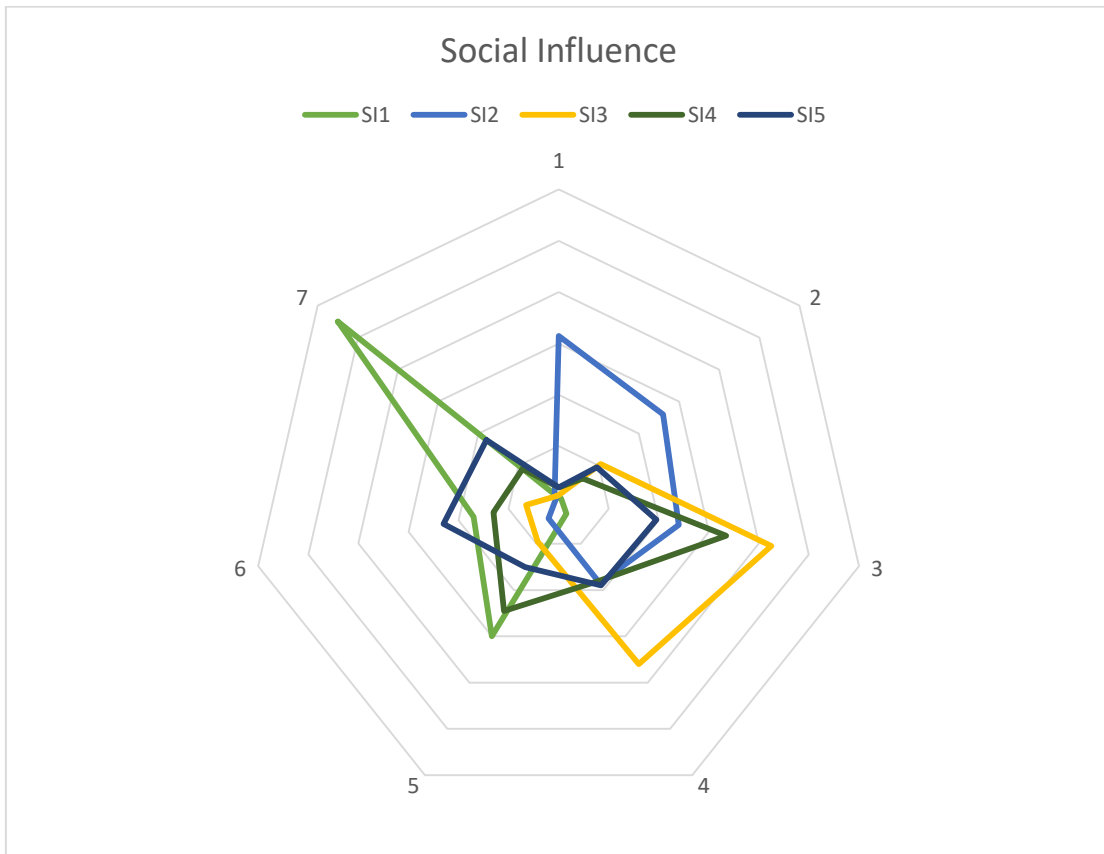
Figure 18: Construct 1: Environmental self-identity (1 - strongly disagree - 7 - strongly agree)



Source: (Pindžo, 2023)

If we take the second construct, Social influence, we can observe that the majority of our sample has a positive social environment with regards to sustainable consumption as we can see in Figure 19. SI2, which is questioning shopping for sustainable products as a group shows that this practice is not so utilized within our sample. We can see that millennials within our sample lack more practical approach when it comes to group activities and social circles, but they do share information and experiences, and also recommend products which are sustainable to their friends. This can be attributed to the fact that in our society, environmental issues are not a strong topic within social circles, consumers do not allow for discussion and for influence of others nor do they try to share their beliefs with regards to the sustainable consumption practices, even though they feel and behave in such manner.

Figure 19: Construct 2: Social Influence (1 - strongly disagree - 7 - strongly agree)

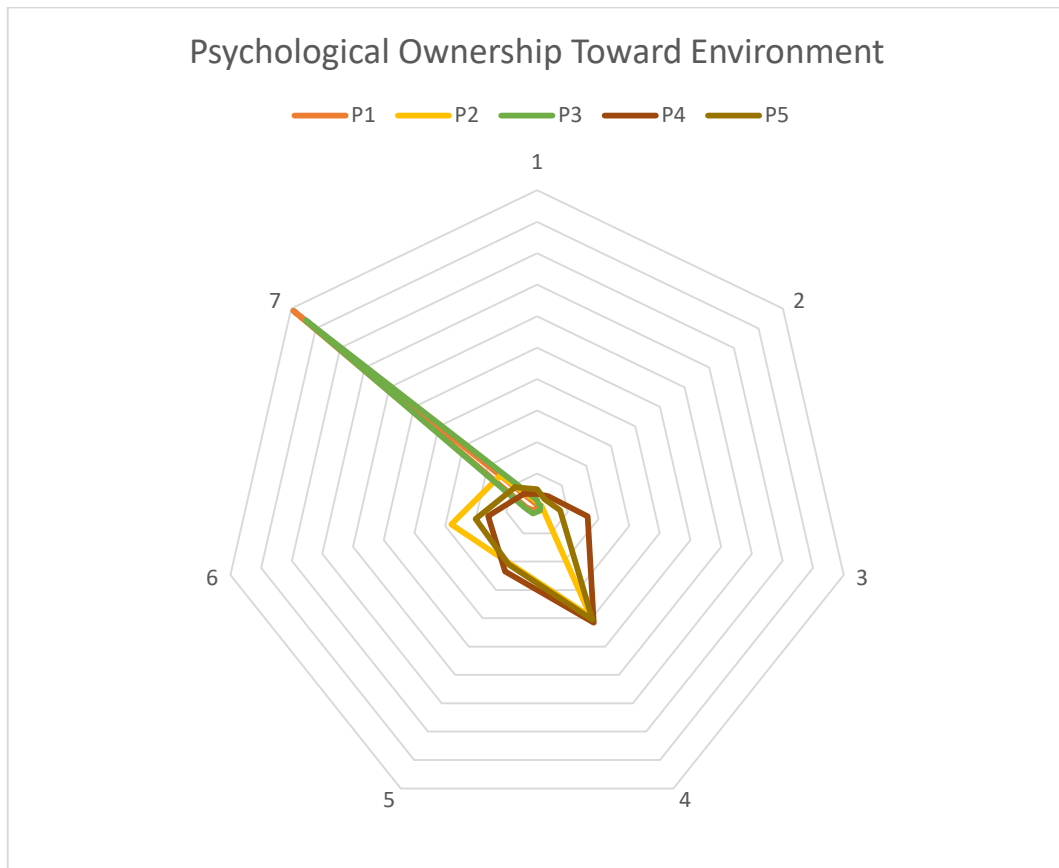


Source: (Pindžo, 2023)

Looking into the data from the third group of questions within our survey, as visually represented in Figure 20, a conspicuous trend emerges. It becomes evident that the notion of ownership of the environment strikes a significant chord within our sample. This observation is exemplified by the notable prevalence of strong agreement responses, particularly within the questions P1 and P3.

This pronounced alignment with the concept of environmental ownership and responsibility holds a mirror to the values and perspectives held by our respondents. It signifies that, for a substantial portion of our sample, the environment is not merely a distant and abstract entity but a tangible and cherished part of their lives. This connection with the environment evokes a sense of responsibility and accountability, thus encouraging individuals to express their strong agreement with statements related to environmental ownership. However, it's worth noting the relationship between individuals and their environment appears to be primarily grounded in the concepts of stewardship and responsibility rather than a deep and emotional connection.

Figure 20: Construct 3: Psychological Ownership toward Environment (1 - strongly disagree - 7 - strongly agree)



Source: (Pindžo, 2023)

In order to fully implement our research design we need to analyze the data and test out necessary statistics in order to demonstrate our sample and our data is valid. In the following segments we will demonstrate some of the statistics that we procured and analyzed with this survey, in order to substantiate our claims and to test our hypotheses. Firstly we have done the reliability analysis of our latent variables, i.e. constructs, to see whether they are valid and whether our questions are still grouped as theoretically assumed, and to check that they behave in a similar trends. In Table 1 below we have provided results of the Cronbach's alpha test which we used for reliability analysis of our latent variables.

Table 1: Cronbach's Alpha values

Construct	Cronbach's Alpha
Environmental self-identity	0.9690
Social Influence	0.9671

Psychological ownership toward environment	0.7640
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*Source: Author of master's thesis*

We can see that Environmental self-identity and Social influence constructs have high Cronbach's Alpha values and are still reliable factors for our further analysis. Psychological ownership toward environment has a slightly smaller Cronbach's Alpha value but it is still relevant and we can proceed with such conditions. Correlation matrix of our construct variables can be found below in Table 2. We can see that Environmental self-identity and Psychological ownership toward environment have very low correlation score and we can attribute that to the fact that while the respondents do see themselves as part of the environmental issues, both problems and solutions, and are proud to be green, they do not necessarily see the environment as their direct ownership, and this is something that needs to be investigated further in order to obtain significant results.

*Table 2: Correlation matrix*

	<b>Environmental self-identity</b>	<b>Social Influence</b>	<b>Psychological ownership toward environment</b>
<b>Environmental self-identity</b>	<b>1</b>		
<b>Social Influence</b>	<b>0.034</b>	<b>1</b>	
<b>Psychological ownership toward environment</b>	<b>0.053</b>	<b>0.791</b>	<b>1</b>

*Source: Author of master's thesis*

In Appendices 2 and 3 we have provided data of variance analysis and coefficients of determination respectively. In the following part, based on the regression analysis, which can be found in Appendix 4, we will elaborate on the results and findings from our survey. Based on the data we can see that our Hypothesis 1 which states that Environmental self-identity is positively related to psychological ownership toward environment is not confirmed as we have no statistical significance ( $p=0.528$ ). Hypothesis 2 which states that social influence is positively related to Psychological ownership toward environment is confirmed as we have statistical significance ( $p=0.000$ ).

Table 3: Research results

Independent variables	Coeff. (Std. Error)	Hypothesis	Hypothesis test
Environmental self-identity	.016 <sup>NS</sup> (.025)	H1	Not confirmed
Social Influence	.503 <sup>**</sup> (.027)	H2	Confirmed
R - squared	0.626		
F test	174.662 <sup>**</sup>		

\*Psychological ownership of the environment is the dependent variable; \*\* p<0.001; <sup>NS</sup> - Not significant

*Source: Author of master's thesis*

We can conclude that there is a strong presence of positive values towards sustainable consumption in the millennial's generation of Bosnia and Herzegovina especially in connection between social influence and psychological ownership toward environment. The data we have compiled provides us with a fascinating point of entry into the realm of sustainable consumption motivations. While our current sample may skew towards a demographic with fewer family responsibilities, it is essential to recognize that as these individuals progress through life stages, their motivations and behaviors may evolve. Understanding these shifts is pivotal in tailoring sustainable consumption campaigns and strategies to resonate with individuals across various life stages, ensuring that our efforts continue to effectively engage and empower consumers on their journey towards responsible consumption. Since our research has focused on a small sample and one generation, our results need to be accounted for those facts and we will make some suggestions for possible further research in the conclusion segment.

## 5. CONCLUSION

Throughout this paper we have demonstrated some of the theoretical points and aspects of sustainable consumption, particularly within the millennial's generation. We have shown the main aspects and differences in government regulation across countries as well as the impact which regulation that motivates sustainable consumption can have on consumers and companies, both in the short and long term.

We have conducted a survey, contained in our sample of 212 millennials in Bosnia and Herzegovina, which has identified some of their motives, values and beliefs through three constructs which question some of the aspects of sustainable consumption and have been



previously field-tested in India: Environmental self-identity, social influence and Psychological ownership toward the environment. Our research has shown strong presence and acknowledgment for all three constructs, which we can elaborate as strong opinion towards the questioned points, which can be found in the Appendix of this paper.

Our research has focused on one particular generation and has explored specific domain of their behavior and practices towards sustainable consumption. Further research is warranted for recognizing patterns in other age groups and also comparing practices between them. Furthermore, more detailed research can be conducted within this generation (e.g. qualitative research) in order to obtain a clearer and broader picture of their values and motives with regards to sustainable consumption, and also the impact of different socio-economic factors to their behavior. Also, our research was conducted only in Bosnia and Herzegovina so it would be beneficial to obtain results from various countries, to identify differences or commonalities between nations with regards to sustainability practices.

Additionally we have identified millennials as the driving force of change towards sustainability. What also distinguishes millennials is their inherent proclivity for pro-environmental behavior. This generation not only values sustainability but actively seeks out products and services that align with sustainable consumption practices. This behavior is driven by their desire to make ethical choices and have a positive impact on the planet both for their sake and for the future as well.

Furthermore, millennials have harnessed the power of social influence to amplify their message of sustainability. They eagerly share their eco-conscious ideas, beliefs, and experiences with their friends and family, especially in the developed countries, as this is not the case for Bosnia and Herzegovina which we have demonstrated with the Social Influence construct. This dissemination of sustainable practices goes beyond personal interactions, as millennials also utilize various social media platforms to advocate for environmental causes, and this is somewhat true for our country as well and not only for the developed countries, so we can expect that this trend as well as the practical sharing between friends and family will come to be strong in our country in the future. Whether it's through Instagram posts, YouTube channels, or TikTok challenges, millennials use these online avenues to express their commitment to sustainability. Consequently, the sustainability movement has found a significant place in their daily lives, as it's seamlessly integrated into their social interactions and digital presence.

This generation's influence isn't limited to individual actions; they are also pushing companies and industries to adopt more sustainable practices. As a result, businesses are adapting to meet the growing demand for eco-friendly products and services. The ripple effect created by millennials advocating for sustainability has the potential to reshape markets, industries, and even government policies as the world collectively addresses the pressing issue of environmental conservation. This paradigm shift is indicative of the enduring impact millennials are making in steering society towards a more sustainable future.

With this paper we have contributed to the identification and compilation of theoretical aspects, from different cultures, countries and approaches, that impact millennials generation and their behavior towards sustainable consumption, and also, from a managerial standpoint, we have identified key aspects of millennials' behavior with regards to sustainable consumption, government regulation and impact on the development of sustainable consumption as well as some of the motives and beliefs that millennials show within this concept which is substantiated with our survey. As can be seen in the research part, we have high correlation between constructs 2 and 3 which we can recognize as a limitation of this paper. Furthermore, our survey design utilized probability sampling, and coupled with the number of responses (i.e. 212), we can say that we have a strong representation of the millennials population in our country. Survey included closed ended questions and for further analysis of this concept one could employ less structured type of research, which is more flexible in order to obtain a clearer picture.

This paper has shown an overview on millennials' sustainable consumption, from various aspects, and the potential of their influence on the future, both on consumers and decision makers. We can conclude that millennials have a strong impact on shaping the sustainable consumption practices of the future generations as well as practical impact and opinion for the present and their influence on the environment.

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## **APPENDICES**





## **Appendix 1. Survey Questions**

### **Part 1: Demographic questions**

#### 1. Gender

- a) Male
- b) Female

#### 2. What is your age?

- a) 18-25
- b) 26-40
- c) 41-50
- d) more than 50

#### 3. What is the level of your education?

- a) elementary or lower
- b) high school
- c) bachelor
- d) masters or higher

#### 4. What is your employment status?

- a) employed
- b) unemployed (don't work but looking for work)
- c) inactive (not looking)

#### 5. What is the level of your monthly income, if you are employed?

- a) below 1000
- b) 1000 -1500
- c) 1500-2000
- d) more than 2000

6. Marriage status

- a) Single
- b) Married
- c) Divorced

7. Kids

- a) No
- b) Yes

## **Part 2**

**Rate your answers from 1 – "strongly disagree" to 7 – "strongly agree".**

### *Construct 1: Environmental self-identity*

ESI1: Supporting environmental protection makes me feel that I'm an environmentally-responsible person.

ESI2: I feel proud of being a green person.

ESI3: Supporting environmental protection makes me feel meaningful.

### *Construct 2: Social Influence*

SI1: My friends recommend sustainable consumption to me.

SI2: My friends go shopping for sustainable products with me.

SI3: My friends often share their experiences and knowledge about sustainable products with me.

SI4: I learn about environmental issues from my friends.

SI5: My friends discuss environmental issues with me.

### *Construct 3: Psychological ownership toward environment*

PO1: Although I do not legally own this environment, I feel like this is "my" environment.

PO 2: I feel a very high degree of personal ownership of this environment.

PO 3: I feel like this environment belongs to me.

PO 4: I feel a strong sense of closeness with this environment.

PO 5: This environment incorporates a part of myself.

## Appendix 2. Variance analysis

	<b>Sum of Squares</b>	<b>dF</b>	<b>Mean Square</b>	<b>F</b>	<b>Significance</b>
<b>Model</b>	82.348	2	41.174	174.662	0.0000
<b>Residual</b>	49.268	209	.236		
<b>Total</b>	131.616	211			

Environmental self-identity and Social Influence are the independent variables and Psychological ownership toward environment is the dependent variable.

## Appendix 3. Coefficients of Determination

	<b>R – squared</b>	<b>Adjusted R – squared</b>	<b>Standard Error of Estimate</b>
Model	0.626	0.622	.48552

Environmental self-identity and Social influence are the independent variables and Psychological ownership toward environment is the dependent variable.

## Appendix 4. Regression Analysis

<b>Psychological ownership toward environment</b>	<b>Unstandardized Coeff.</b>	<b>Std. Error</b>	<b>t</b>	<b>P&gt; t </b>	<b>Standardized Coeff.</b>
<b>Environmental self-identity</b>	.016	.025	.632	0.528	.027
<b>Social Influence</b>	.503	.027	18.648	0.000	.790
<b>_cons</b>	4.016	.173	23.229	0.000	

Psychological ownership toward environment – dependent variable, Environmental self-identity and Social Influence – independent variables