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THINK GREEN, FEEL AUTHENTIC. AN EXPLORATORY STUDY ON GENERATION Z PERCEPTIONS

Keywords (max 3): green marketing; brand authenticity; management.

Abstract

Sustainability is very central for Generation Z, as the 40% of them would pay a premium price for a sustainable product (Deloitte Report, 2021). Green concerns have become ever more crucial, for decision makers, to obtain a competitive advantage or preserve it. Companies must deal with new public sensitivity, severe regulation, and growing stakeholder pressure motivated on protecting the environment. Brand authenticity matters, on the other side, as a fundamental element for creating a long-term relationship with brands (Pwc Report, 2020). Since scholars have claimed that brand authenticity has the capability to legitimize a brand within its context and amongst its consumers and GenZers are very sensitive to both sustainability and authenticity, the goal of this study is to investigate the relationship between green dimensions and brand authenticity and to understand the importance of green marketing and brand authenticity for actual and prospect generations of customers.

We carried out a data collection with an online survey (convenient sample, 354 respondents) and data analysis with a statistical approach, by using a Generalized Linear Model (GLM).

Purpose

In the last years, radical transformations due to Covid-19 pandemics, climate and environment emergencies, related transnational conferences, and meetings to reassess the world economic and social system, are emphasizing a genuine and authentic way of living and behaving. Sustainability becomes a key issue especially for Generation Z, that is shaping the future sustainable consumption model and according to Bank of America (2021), will be the "most disruptive generation ever", especially as will see their income surpass that of millennials by 2031. Sustainability is very central for this generation, as the 40% of them would pay a premium price for a sustainable product (Pwc Report, 2020). Moreover, as Deloitte Survey (2021) shows, *Genzers* take into account sustainability in many aspects of their lives such as choosing how many children to have (60% of them) or whether starting or deepening the relationship with a brand (28%).

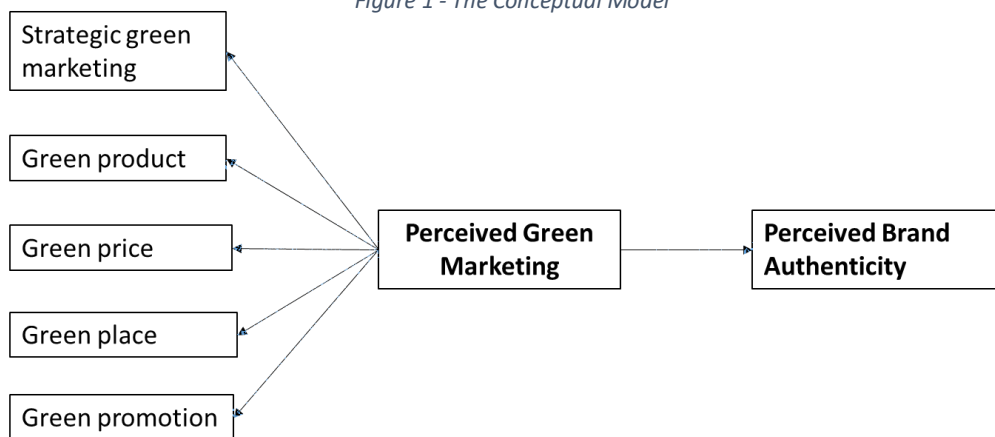
Green concerns have become ever more crucial, for decision makers, to obtain a competitive advantage and more, for leading companies as Amazon and Apple, to preserve it. Companies must deal with new public sensitivity, severe regulation, and growing stakeholder pressure motivated on protecting the environment and the ecosystem overall (Pattuglia and Amoroso, 2021; Leonidou et al. 2013; Hult 2011; Maignan and Ferrel 2004; Banerjee et al. 2003). We focused on green marketing and its indicators (green price, green product, green place, and green promotion) since it has been associated several times with brand-related constructs, in the recent past (Huang et al., 2021; Gkogkos and Skalkos, 2021; Simão and Lisboa, 2017; Chen et al., 2010). Several studies investigated the effects of green marketing and strategies on corporate performances and brand performances, showing off the effects on brand equity, brand value and brand trust (Huang Guo, 2021; Chin et al., 2019; Montoro-Rios et al., 2008). The consciousness of a connection between green marketing strategies (Papadas et al., 2017), green marketing mix (Leonidou et al., 2013) and branding strategies increased. Many studies introduced the concept of green brand equity and green branding and investigated the connections between these concepts (Li et al., 2018; Butt et al., 2017; Chen, 2010).

Our study concerns the Generation Z, very sensitive to both sustainability and authenticity (Pwc Report, 2020). Brand authenticity is another key issue for this generation, as shown in IBM research (2017) and academic studies (Pattuglia and Mingione, 2017; Morhart et al., 2015; Beverland et al., 2010; Grayson and Martinec, 2004). It also matters as a fundamental element for creating a long-term relationship with brands. Scholars have claimed that brand authenticity has the capability to legitimize a brand within its context and amongst its consumers. Furthermore, as many affirmed, brand authenticity leads to brand legitimization, with both consumers and its task environment (Rose and Wood, 2005; Beverland, 2005, 2006; Thompson et al., 2006; Beverland et al., 2010). Morhart et al. (2015) described perceived brand authenticity (PBA) as a four-dimensions constructs (symbolism, integrity, continuity, credibility) which leads to important behavioral outcomes, such as the emotional brand attachment and a positive word-of-mouth (Morhart et al., 2015). Our research investigates the relationship between green marketing, brand authenticity and their importance for actual and prospect buyer generation, particularly in the case of Apple and Amazon brands. The importance of the study is given because of the lack of studies on this relationship. Also, it seems to exist an interesting relationship between green marketing and perceived brand authenticity.

Methodology

We propose this conceptual model (see Fig. 1), tested with a quantitative approach. Apple and Amazon brands have been selected as case studies, for three main reasons: 1. Technology usage represents one of the main characteristics differentiating the Generation Z consumption behavior; 2. Amazon and Apple are the two most valuable brands in the world (Interbrand, 2021); 3. Both can be considered iconic brands thanks to their history, founders, symbolic value (Holt, 2004).

Figure 1 - The Conceptual Model



Data have been gathered throughout an online survey (Google survey), carried out in many Italian (EU) high-schools, in the span of time October 2021-April 2022. The data processing and analysis refers to a convenient sample of 354 responses. The survey is composed by two main parts: the first one is about personal and behavioral information, the second one regards the marketing constructs. The total number of questions, for each brand, is 38. The constructs of green product, green price, green place, and green communication were adapted from the scale by Leonidou et al. (2013), while the strategic green marketing was based on the scale by Papadas et al. (2017) and perceived brand authenticity were based on the scale by Morhart et al. (2015), five-point Likert in all cases. The analysis was carried out by generalized linear model (GLM). GLM allows some basic assumptions, such

as the normality hypothesis and the error's homoscedasticity. They have been detected as dependent variable each one of the Brand Authenticity constructs, whilst the independent variables are the synthetic indicators of green dimension.

Findings

The items analysis, done through the calculation of Cronbach's Alpha indices, shows off a high average level of reliability for both brands. The values range between 0.737 and 0.906 for Amazon (Table 1). This means that all the items chosen to measure the different constructs result effectively correlated and adequate, for the creation of the relevant indicators. Apple (Table 2) also shows off a high level of reliability for all constructs, except for price and heritage with the values of 0.579 and 0.681, respectively. Apropos, also in the previous analysis related to Amazon, those constructs presented the lowest level of reliability.

Table 2. Amazon's Reliability Analysis with Cronbach's Alpha

Constructs	Cronbach's Alpha
G_PRODUCT_AM	0.879
G_PRICE_AM	0.737
G_PLACEMENT_AM	0.906
G_COMMUNICATION_AM	0.881
G_MARKETING_AM	0.904
BA_HERITAGE_AM	0.769
BA_CREDIBILITY_AM	0.850
BA_INTEGRITY_AM	0.840
BA_SYMBOL_AM	0.898
BRAND_AUTHENTICITY_AM	0.769

Table 1. Apple's Reliability Analysis with Cronbach's Alpha

Constructs	Cronbach's Alpha
G_PRODUCT_AP	0.814
G_PRICE_AP	0.579
G_PLACEMENT_AP	0.892
G_COMMUNICATION_AP	0.885
G_MARKETING_AP	0.897
BA_HERITAGE_AP	0.681
BA_CREDIBILITY_AP	0.857
BA_INTEGRITY_AP	0.819
BA_SYMBOL_AP	0.874
BRAND_AUTHENTICITY_AP	0.755

Table 3. Significance values of the Covariates and Factors analyses (Apple)

Apple										
p-value	Product	Price	Placement	Communication	GMS	Gender	Family	Zone of origin	Population of origin	Education Level
Heritage	0,058	0,039			0,060		0,029		0,047	
Credibility	0,001	0,071			0,047	0,085			0,024	0,029
Integrity	0,001	0,019			0,038	0,002			0,057	
Symbolism	0,012	0,044		0,005		0,019			0,003	0,003
Brand Authenticity	0,001				0,064	0,006	0,067		0,007	0,053

In Apple only (Table 3), sociodemographic variables as household size and population in the city of origin are significant: smaller households showed higher perceptions of brand heritage and authenticity. Households living in medium-sized cities rated higher for almost all constructs, on average.

Table 4. Significance

Amazon										
p-value	Product	Price	Placement	Communication	GMS	Gender	Family	Zone of origin	Population of origin	Education Level
Heritage			0,051			0,005				
Credibility	0,001					0,046				0,028
Integrity	0,018		0,095							0,011
Symbolism		0,001	0,031	0,046						0,003
Brand Authenticity		0,035	0,018			0,045				0,01

Tables 3 and 4 summarized the significance values of the covariates and factors analyses, distinctly: dark green < 0.01, green < 0.05, light green < 0.1. High lightened in red, are shown the non-significant variables, whilst in white there are the variables that were significant but failed either the Bonferroni and or Tukey HSD test. Brand authenticity shows a positive correlation with smaller households, those living in medium-sized cities, and the female gender. Increased perception of brand authenticity is strongly associated with increased supply of an environmentally sustainable product. Different dependency models were estimated, where the dependent variable is represented by each of the authenticity constructs, and the independent variables by the synthetic indicators measuring the green dimension. The alpha level of significance for the independent variables was set at 0.1.

Notice as the significative correlations between the constructs of the green dimensions and brand authenticity indicators, are not the same for the two brands. Indeed, it is evident that a relationship exists between these correlations and the core business of the company. Amazon: the offering shows an environmentally sustainable product and an environmentally oriented distribution. (Table 5); Apple: the offering shows an environmentally friendly product, the importance of a pricing policy and a sustainability-oriented marketing strategy (Table 6).

Table 5. GLM Factors (Amazon)

GLM - Factors - Amazon					
p-value	Green Product	Green Price	Green Placement	Green Communication	GMS
Heritage			0,051		
Credibility	0,001				
Integrity	0,018		0,095		
Symbolism		0,001	0,031	0,046	

Table 6. GLM Factors (Apple)

GLM - Factors - Apple					
p-value	Green Product	Green Price	Green Placement	Green Communication	GMS
Heritage	0,058	0,039			0,060
Credibility	0,001	0,071			0,047
Integrity	0,001	0,019			0,038
Symbolism	0,012	0,044		0,005	

Regarding brand authenticity taken individually - derived from the four constructs of integrity, heritage, symbols, and credibility - it is possible to show a moderate correlation with respect to all five green constructs for both Amazon (Table 7) and Apple (Table 8).

Table 7. Correlations between Brand Authenticity and all the green constructs in Amazon (AM)

Constructs	BRAND AUTHENTICITY_AM
G_PRODUCT_AM	0.516
G_PRICE_AM	0.536
G_PLACEMENT_AM	0.573
G_COMMUNICATION_AM	0.538
G_MARKETING_AM	0.538

Table 8. Correlations between Brand Authenticity and all the green constructs in Amazon (AM)

Constructs	BRAND AUTHENTICITY_AP
G_PRODUCT_AP	0,527
G_PRICE_AP	0,471
G_PLACEMENT_AP	0,478
G_COMMUNICATION_AP	0,486
G_MARKETING_AP	0,519

Finally, the Adjusted R-Square. The models never exceeded the 40% threshold for both Amazon and Apple. This means that the perceived environmental commitment of these brands to Generation Z is certainly an influential dimension, but not the only one considered.

Theoretical and Practical Implications

On the theoretical side, this study offers good basis for building a theoretical framework that investigates green dimensions of marketing and their impact on the GenZ brand authenticity perception and the main marketing factors that influence it. Even if, as it has been demonstrated, young customers are not able to recognize, from the level in which the companies price their products or services and the heritage owned by the brands, the respect of a deep green orientation and marketing reached by the companies.

On the practical side, we are convinced that this study can help companies in reviewing their approach on green marketing strategy and find a better way to transmit it to new generations. For example, offering an environmentally sustainable product and environmentally oriented distribution appear to be significant for Amazon. Meanwhile, for Apple, on the other hand, in addition to offering an environmentally friendly product, pricing policy and an eco-sustainability-based marketing strategy seem much more focal. It is nevertheless important for managers to continue to observe and study new generations more deeply in terms of opinions on environmental, societal, and economical instances. Managers should use marketing

intelligence instruments and online tools and measure the success of their marketing and brand campaigns also on green KPIs.

Originality/Value

To the best of the authors' knowledge, this is the first study that explores the relations between green marketing orientation and mix and the perceived brand authenticity on Generation Z in Italy and outside the country. The findings expand the literature on this subject and contributes to analyze the effects of green marketing on consumers' attitudes toward brands and their expectations and general perceptions about firms' actions and declarations. The research provides a tool for the brand marketing strategies assessment regarding sustainability, especially if looking for improvements on its perceived authenticity.

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