

Analysis of Consumer Perception of Sustainable Product Value: A Study on Millennials in Urban Areas

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ABSTRACT

Climate change, environmental degradation, and pressures on natural resources have led to a global awareness of the importance of sustainable consumption. The millennial generation, as the largest consumer group in urban areas, has excellent potential in directing market trends towards environmentally friendly products. This study aims to analyze millennial consumers' perception of the value of sustainable products and identify the factors that influence this perception. This study uses a descriptive qualitative approach with in-depth interview methods, participatory observation, and questionnaire dissemination. The study's results show that, although environmental awareness is high among millennials, purchasing decisions are still influenced by product quality and price. Sustainability labels, social narratives, and visual communication strategies have been proven to reinforce positive perceptions of products. The conclusion of this study states that manufacturers need to balance the sustainability, quality, and price of their products, as well as develop educational communication strategies to enhance the value of consumer perception of sustainable products. This study highlights the need for companies to adapt their marketing strategies by incorporating sustainability values that align with the preferences of millennials. Furthermore, product design must integrate both functional and emotional appeals to meet consumer expectations.

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1. INTRODUCTION

In recent decades, sustainability issues have become a significant concern in various sectors, including product consumption and production. Global environmental crises, such as climate change, pollution, and the degradation of natural resources, encourage consumers to be more aware of the ecological impact of the products they consume (Yang et al., 2023). According to a report from (Widodo et al., 2025) Around 63% of Indonesian consumers expressed their willingness to buy eco-friendly products even at higher prices. This shows an increase in consumer awareness of the importance of sustainability in daily consumption.

The millennial generation, born between 1981 and 1996, is a significant demographic group in the consumer market. (Helmi et al., 2021). They are known as a generation that is technologically literate, has extensive access to information, and tends to care about social and environmental issues. However, while awareness of the importance of sustainable products is increasing, a gap remains between actual purchase intent and behavior. Several factors, including price, quality, and the availability of information, influence sustainable product purchasing decisions among millennials.

Several previous studies have addressed consumer behavior toward sustainable products. (Hario Tirtosetianto et al., 2024) found that environmental awareness, social values, product quality, and product information have a significant influence on sustainable product purchasing decisions among millennials. However, the study focuses more on demographic aspects and has not explicitly identified the factors that affect the perception of sustainable product value among urban millennials.

Another study by (MA Ahmadi, 2024) Despite increased awareness of sustainability, many challenges remain in understanding the motivations and factors that influence millennial consumers' choices of sustainable products. These two studies show the need for further in-depth studies on millennial consumers' perceptions of the value of sustainable products, especially in urban contexts.

In the context of rapid urbanization, millennial consumers in urban areas are faced with a wide range of products offering diverse values and attributes. Understanding how they value sustainable products becomes vital to encourage more responsible consumption. (Firdaus & S Amin, 2024). This research has an urgency to fill the knowledge gap regarding the perception of sustainable product value among urban millennials. The novelty of this research lies in its specific focus on the millennial generation in urban environments and an analytical approach that combines psychological and social aspects in understanding consumer perceptions.

The purpose of this study is to analyze the perception of millennial consumers living in urban areas towards the value of sustainable products. This research provides benefits in several aspects. From the academic side, this research contributes to enriching the scientific literature in the field of consumer behavior, especially related to the perception of value for sustainable products in the millennial generation in urban areas. From a practical perspective, the results of this research can be utilized by manufacturers and marketers to develop targeted and effective strategies for attracting consumer interest in sustainable products. In addition, this research also provides benefits from the policy side, namely as a source of information that can be used by the government and related institutions in designing policies and educational programs that encourage environmentally friendly consumption.

The implications of this study include several important points. First, from a marketing strategy perspective, the findings of this research can be used by companies to design promotional approaches that emphasize sustainability values that match the preferences of the millennial generation. Second, in terms of product design, the results of this study provide input for producers in developing products that not only meet the environmentally friendly aspect, but are also emotionally and functionally relevant to target consumers. Third, from the aspect of public education, the results of this study encourage the need to increase consumer awareness through campaigns that focus on the importance of sustainable consumption to support greener and socially responsible development.

2. METHOD

This study uses a descriptive qualitative approach to gain an in-depth understanding of millennial consumers' perception of the value of sustainable products in urban areas. Qualitative research designs were chosen because they were able to explore meaning, subjective experiences, and consumer motivations that cannot be quantitatively measured. This research focuses on describing phenomena based on the narratives, experiences, and opinions of the research subjects through flexible yet systematic exploratory techniques. (WM Lim, 2025).

The research was conducted in three major cities in Indonesia: Jakarta, Bandung, and Surabaya. These cities exhibit urban characteristics, including a high proportion of millennials and access to sustainable products and services. The subjects in this study are individuals who belong to the millennial generation (born between 1981 and 1996), reside in urban areas, and have experience purchasing or considering sustainable products. The number of informants was determined purposively, taking into account the diversity of socioeconomic backgrounds and consumption behaviors. A total of 15 to 20 informants were interviewed until data saturation was achieved.

The primary instrument in this study is the researcher himself (a human instrument), which plays a role in regulating the course of interviews, observations, and data analysis processes. In addition, semi-structured interview guidelines (interview guides) developed based on consumer value theory and literature related to sustainable products are used. The interview guidelines include open-ended questions that allow the informant to express their views freely and in-depth.

Data collection is carried out through three main techniques:

1. In-Depth Interview

Interviews were conducted face-to-face or online (via Zoom/Google Meet), with a duration of about 30–60 minutes per informant. The interview was recorded (with permission) and transcribed for further analysis.

2. Participatory Observation

The observation was conducted to examine the behavior of millennial consumers when interacting with sustainable products, both in physical stores, creative markets, and e-commerce platforms. Observation includes aspects of expression, reaction, and preferences shown by the subject.

3. Documentation Studies

Documentation, such as consumer reviews on social media, blogs, or e-commerce platforms, is studied to complement the perception data obtained from interviews. This document serves as supporting secondary data.

3. RESULTS AND DISCUSSION

This study involved 20 respondents from three major cities in Indonesia, namely Jakarta (7 respondents), Bandung (6 respondents), and Surabaya (7 respondents). Respondents are individuals from the millennial generation, specifically those between 25 and 40 years old. Most respondents fell within the 25–34-year age range (70%), while the remainder were in the 35–40-year age range. Based on gender, the composition of respondents was fairly balanced, with almost equal proportions of males and females in each city.

This demographic data shows that the millennial group, the object of the study, has a varied background and reflects the typical characteristics of urban individuals who have

access to information and interact with various types of products, including sustainable ones. This is a strong basis in exploring their perception of the value of these products.

In-depth interviews with 15 respondents yielded some key findings that demonstrate how millennials perceive sustainable products in their daily lives.

Most of the informants showed high awareness of the importance of environmental issues. They associate sustainability with environmentally friendly products, minimal plastic packaging, and production processes that do not harm the environment. An informant from Jakarta said:

"I usually choose products that say they don't use animal testing or use recycled packaging, because I feel that's more responsible."

Nevertheless, many respondents also emphasized that sustainability value is not yet a significant factor in purchasing decisions. Factors such as quality and price are still a priority. The informant from Bandung said:

"If the quality is poor or the price is expensive, I think twice even though it's a sustainable product."

Other findings suggest that the perception of value for sustainable products increases when a social or cultural narrative is attached to the product, such as supporting local artisans or specific communities.

Findings from the Millennial Consumer Questionnaire

To strengthen the interview results, questionnaires were distributed to 20 millennial consumers in three research cities. The questionnaire assessed five aspects on a scale of 1 (strongly disagree) to 5 (strongly agree). The average results can be seen in the following table:

Table 1. Average Millennial Consumer Questionnaire

Assessment Aspects	Average Score
Environmental Awareness	4.2
Social Value of Products	4.0
Product Quality	4.3
Product Pricing	3.8
Access Product Information	4.1

The highest score was found in *product quality* (4.3), indicating that although respondents had high environmental awareness, the quality aspect remained a key indicator in decision-making. The price score (3.8) suggests that the price of sustainable products is still considered relatively high, which may deter repeat purchases. Access to product information is considered quite good (4.1), indicating the importance of transparency and education carried out by manufacturers.

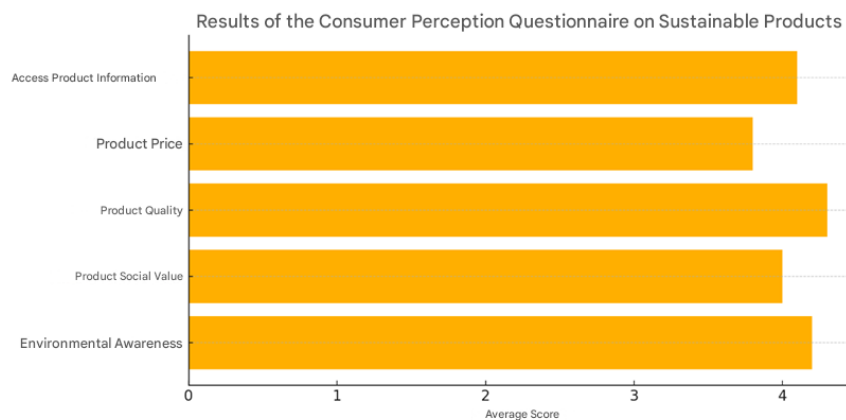
Field Observation Results

Observations were conducted in various locations, including eco-friendly retail stores, creative product markets, and online stores accessed through e-commerce platforms. Three aspects were observed: product display, consumer reaction, and communication strategy.

The results of observations show that stores that display product sustainability information visually and concisely (e.g., labels with "eco", "support local", or "100% recycled") tend to attract consumer attention for more extended periods. Consumers also appear to be more active in reading labels if the product includes stories or social narratives that support environmental or empowerment movements.

However, in some conventional stores, sustainable products are often placed in separate sections that are difficult to access or lack special markers. This reinforces the finding that visual and educational communication is key in influencing consumer perception.

Visualization and Interpretation of Findings



Graph 1. Number of Millennial Respondents per City

This graph shows the distribution of respondents in the three study cities. The evenly distributed composition enables a comprehensive description of consumer perception patterns in large urban areas of Indonesia.

From this graph, it can be seen that the quality and environmental awareness aspects receive the highest scores, indicating that sustainable products have a great chance of being accepted by consumers if they are packaged with high quality and a strong environmental narrative.

This research shows that millennials in big cities have a high level of awareness of sustainability issues; however, in practice, they still prioritize product quality and price as the main factors in their purchasing decisions. Social narratives that incorporate local community involvement and label sustainability have proven to be highly influential in shaping a positive perception of sustainable products. Additionally, visual and educational communication strategies, both in physical stores and on digital platforms, play a crucial role in enhancing the perception of product value. However, the price of sustainable products, which is still relatively high, is one of the main obstacles; therefore, manufacturers need to consider price adjustment strategies to reach the purchasing power of urban millennials more optimally.

Interview Data and Interpretation of Results

In-depth interviews with 15 millennial informants in three major cities revealed that the perception of sustainable products is greatly influenced by the level of environmental awareness, social values, and personal experience in using the product. The majority of informants stated that they felt a moral responsibility to choose products that did not harm the environment. This indicates the presence of moral consumption consciousness, which

refers to the ethical awareness that influences consumption decisions. (Shaw & Shiu, 2003).

However, the interviews also reveal consumer ambivalence. On the one hand, they appreciate the values of sustainability; on the other hand, they indicate that price and quality remain top priorities. One of the respondents from Bandung said, "*I care about the environment, but still look for good ones and the price is reasonable.*" This statement indicates that sustainability is not yet a core value, but rather a peripheral one.

Some informants showed interest in products that elevate local or social narratives, such as supporting local artisans, community products, or recycled materials from household waste. This aligns with the concept of *perceived social value*. (Sweeney & Soutar, 2001), where consumers provide more value when products are associated with meaningful social goals.

Discussion of Questionnaire Results

Questionnaire data from 20 millennial respondents showed that the highest scores were obtained in terms of product quality (4.3) and environmental awareness (4.2), while the lowest score was found in the price aspect (3.8). This suggests that while consumers recognize the importance of sustainability, they also expect high-quality and affordable products.

A high score on *access to product information* (4.1) indicates that millennials respond well to product transparency, for example, through labels, certifications, or accompanying narratives. The assessment of the *social value* of the product is also relatively high (4.0), which confirms that the social dimension is an integral part of the value perception formed by urban consumers.

Overall, the results of the questionnaire reinforce the findings from the interviews, which suggest that millennials' consumption decisions regarding sustainable products are multidimensional, influenced by utilitarian aspects (quality and price), emotional factors (social narrative), and ethical values (environmental awareness).

Analysis of Observation Results

Observations conducted in three types of locations—eco-retail, creative markets, and e-commerce—show the significant role of *visual and contextual communication*. Products that come with sustainability labels or stories attract more attention and exploration time from consumers. Consumers tend to spend more time reading labels such as "from recycled materials", "supporting local MSMEs", or "no chemicals".

On the other hand, in conventional stores that do not provide sustainability information, respondents appear to be quicker to make decisions based on price and brand, without considering sustainability values. These findings are in line with *cue utilization* theory (Olson & Jacoby, 1972), which states that consumers use external cues (such as labels, logos, or packaging) in judging a product.

Thus, it can be concluded that the visual presentation of information and the design of sustainable product communication are essential keys in shaping positive consumer perceptions in the field.

Comparison with Previous Research

The results of this study are consistent with the study of (Aptianti et al., 2023) This indicates that factors such as environmental awareness, social value, and product quality significantly influence sustainable product purchasing decisions. This study also expands on these findings by highlighting the role of visual communication strategies and social narratives in reinforcing perceptions of value.

Another study by Damayanti, (2024) Also states that although the younger generation has concerns about environmental issues, they tend to make decisions based on personal benefits that can be directly felt, such as price and quality. This study confirms that sustainability has not yet become a *mainstream behavior*, but only a part of *aspirational behavior* that has not been consistently realized in consumption practices.

The novelty of this research lies in its focus on Indonesia's urban millennial generation, which has been previously little explored in depth, especially in the context of domestic markets and local consumption culture.

This study has several limitations that need to be noted. First, the relatively small number of respondents (20 people) limits the generalization of the research results to the entire population of the millennial generation in Indonesia. Follow-up studies on a broader scale, employing a quantitative or mixed-methods approach, can provide more comprehensive results.

Second, the research location was limited to three major cities, so it did not include consumer behavior in suburban or rural areas that may have different characteristics in understanding the value of sustainable products.

Third, this study focuses on perception and has not measured the behavioral gap, namely the extent to which consumers' positive perception of sustainable products translates into concrete actions such as regular purchases, loyalty, or brand advocacy.

CONCLUSION

This study highlights that urban millennials have a strong awareness of sustainable product consumption, though product quality and price remain the primary factors in their purchasing decisions. The research reveals that millennials assign value not only to functional product benefits but also to social values, such as support for local communities and environmental preservation. Additionally, visual communication strategies, such as sustainability labels and social narratives, significantly enhance consumer perceptions of sustainable products. While sustainability has not yet become the central factor in their consumption behavior, it is growing in importance as access to information and education increases. Manufacturers and marketers should focus on integrating sustainability with quality and competitive pricing, while using effective communication strategies to reinforce the perceived value of sustainable products.

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