



THE GREEN ILLUSION: HOW GREENWASHING AFFECTS THE PREMIUM SEGMENT AND THE LOYALTY OF GENERATION ALPHA

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Abstract. This article examines the phenomenon of greenwashing in the context of the transformation of the premium consumer market segment under the influence of Generation Alpha (born after 2010). Using the framework of sustainable development theory (ESG) and behavioral economics, the cognitive and psychological patterns of eco-marketing perception by new consumers are analyzed. The paper deconstructs the hidden mechanisms of environmental messaging manipulation in the luxury and premium segments and assesses the long-term risks of losing brand loyalty. Based on empirical data for 2024–2026, the authors propose a model for verifying brands' environmental claims aimed at protecting consumer rights and preserving business reputations.

Keywords: greenwashing, premium segment, Generation Alpha, sustainable development, ESG transformation, brand loyalty, environmental marketing, conscious consumption.

1. Introduction

The modern global market is undergoing a profound ethical restructuring. Environmental responsibility and adherence to sustainability principles have transformed from optional reputational benefits into a fundamental regulatory and market requirement. This trend is particularly evident in the premium and luxury segments (Luxury & Premium Market), where high prices have traditionally been justified by exclusivity and quality, and today also by ethical production.

At the same time, Generation Alpha (children born after 2010) is entering the consumer arena, socializing in the context of the climate crisis, total digitalization, and the active integration of environmental agendas into educational and media institutions. Generation Alpha demonstrates an unprecedented level of eco-anxiety and a demand for radical brand transparency.

However, the desire of corporations to meet the expectations of a new audience without truly restructuring production chains has given rise to the



phenomenon of **greenwashing** – the practice of falsely or exaggeratedly positioning a product as environmentally friendly.

The relevance of this study lies in the fact that the premium segment, while declaring a commitment to sustainable development, risks facing a major trust crisis among Generation Alpha in a highly transparent digital environment. Analyzing the destructive impact of greenwashing on the loyalty of future key consumers allows for the development of preventative compliance strategies to preserve brands' reputational capital.

2. Methods and materials

The study's methodological framework is based on an interdisciplinary approach that integrates concepts from classical marketing management, Generation Theory, and the principles of ESG business assessment. The analysis of consumer psychological reactions is based on principles of behavioral economics and Leon Festinger's theory of cognitive dissonance.

The information basis for the work was:

1. Analytical reports from international research agencies (McKinsey, Bain & Company, Gartner) on the luxury and premium goods market for the period 2024–2026.

2. International regulations governing the fight against greenwashing (including the EU Green Claims Directive).

3. Results of qualitative sociological studies (focus groups and in-depth interviews) reflecting the patterns of perception of environmental advertising by children and teenagers of Generation Alpha.

3. Research results and discussion

3.1. The Anatomy of Greenwashing in the Premium Segment: From Aesthetics to Manipulation

In the premium segment, greenwashing is taking on sophisticated forms, moving away from simple "100% eco" labels to creating a complex visual and conceptual illusion of ethicality. The authors identified three dominant strategies of latent greenwashing in the luxury industry:

1. Visual Greening: The use of craft materials, natural textures (untreated wood, linen), and muted colors (earthy and green tones) in packaging and boutique interiors. These visual cues are subconsciously interpreted by consumers as a sign of eco-friendliness, even if the product itself is chemically produced from synthetic polymers.

2. False Relevance and the Lesser Evil Concept: The brand emphasizes one eco-friendly aspect (e.g., "packaging made from recycled ocean plastic"),



deliberately glossing over the carbon footprint of cross-border logistics, the toxicity of dyes, or unethical labor conditions in third-world factories.

3. Terminological Vacuum: The use of pseudoscientific or legally unsupported terms such as "natural," "conscious," "clean beauty," or "eco-friendly." In the absence of strict certification, these definitions serve solely the purposes of marketing positioning.

3.2. Psychological Profile of Generation Alpha: Digital Immunity and Radical Candor

Generation Alpha has unique characteristics that distinguish them from millennials (Gen Y) and zoomers (Gen Z):

- **Ultra-high media literacy:** As "digital natives," Alpha members are adapted to consuming vast amounts of information from early childhood. They instantly detect falsehoods and manipulative markers in advertising.

- **Fact-checking as a basic habit:** The use of AI assistants and search algorithms allows Generation Alpha teenagers to verify brand claims in real time. A scandal involving the exposure of greenwashing by a TikTok/Reels blogger instantly goes viral and reaches the entire audience.

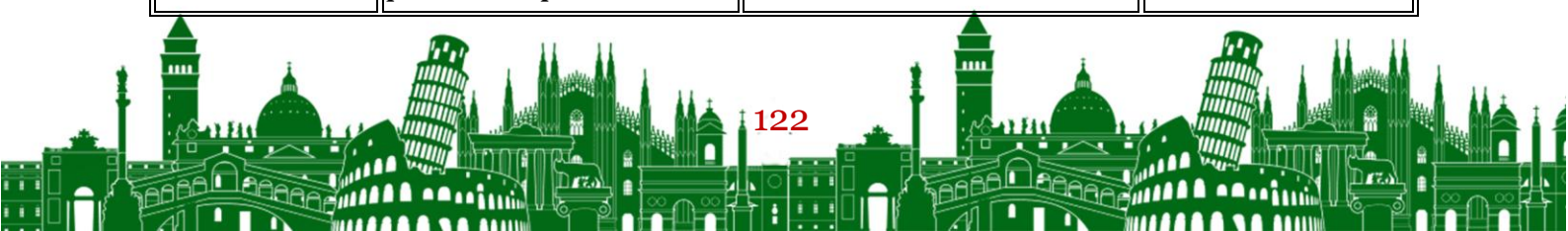
- **Eco-centric thinking:** For Generation Alpha, the environmental agenda is not a fashion trend, but a matter of survival and personal safety. They project the values of sustainable development onto their own selves, perceiving the purchase of a brand as a manifestation of their ethical views.

3.3. Dopamine Loyalty Destruction: The Cognitive Dissonance Model

When a premium brand, investing millions in cultivating an elitist eco-image, is caught greenwashing, Generation Alpha consumers experience acute cognitive dissonance. A model of this destructive impact is presented in Table 1.

Table 1. Dynamics of the transformation of the loyalty of Generation Alpha when faced with greenwashing

Interaction Stage	Interaction Consumer Expectations (Generation Alpha)	Stage of The Reality of Greenwashing (Premium Brand)	The final behavioral effect
1. Initial Contact	Demand for ethical status, willingness to pay a "green premium" for a premium product.	Use of pseudo-eco-certificates, manipulation of visual images of nature.	False trust is formed, a purchase is made.



<p>2. Disclosure (Fact Checking)</p>	<p>Identification of discrepancies between brand claims and actual facts through independent media/AI.</p>	<p>Public reputational crisis for the company, attempts at justification ("whitewashing").</p>	<p>A strong sense of deception, emotional attachment is destroyed.</p>
<p>3. Post-Crisis Stage</p>	<p>Total boycott of the brand, public condemnation in the digital space (Cancel Culture).</p>	<p>Irreversible loss of loyalty among the core future audience, decline in market capitalization.</p>	<p>Switching to competitors offering a verified ESG profile.</p>

In the premium segment, the cost of error multiplies exponentially. Luxury buyers pay not for the utilitarian function of an item, but for its intangible value (status, philosophy, a clear conscience). Greenwashing destroys this intangible component, turning an expensive purchase into a symbol of hypocrisy. For Generation Alpha, a brand caught in environmental deception is forever stripped of its "premium" status, becoming a toxic asset.

4. Conclusion and practical recommendations for business

Greenwashing poses a latent threat to the sustainability of the premium segment. Brands' attempts to exploit the "green illusion" to attract Generation Alpha are leading to a tectonic shift: the emergence of total cynicism and distrust among future consumers of any environmental initiatives from businesses.

To preserve their reputational capital and win the long-term loyalty of Generation Alpha, premium brands must shift from reactive eco-marketing to proactive ESG compliance:

1. Radical transparency through Blockchain (Digital Product Passports): The introduction of digital product passports, allowing consumers to track a product's entire journey using a QR code—from the extraction of raw materials (e.g., organic cotton or ethically sourced gold) to final assembly. This shifts trust from marketing promises to verifiable data.

2. Abandoning self-declarations in favor of rigorous auditing: Replacing in-house eco-claims with internationally recognized independent certificates (B Corp, OEKO-TEX, Cradle to Cradle, FSC). Having an independent, rigorous auditor eliminates accusations of greenwashing.

3. Radical Candor: Brands acknowledging their imperfections. For Generation Alpha a company's statement, "We're not perfect yet, our carbon





footprint has only been reduced by 15%, but we're working on it," is far more convincing and trustworthy than false claims of "100% carbon neutrality."

4. Engaging the audience in co-creation: Integrating game and educational mechanics into metaverse spaces and apps where Alpha representatives can personally participate in the brand's environmental programs (for example, tracking the planting of real trees or sponsoring clothing recycling), turning passive consumption into active participation.

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