Ethical Consumption and Sustainability: Gen Z and Millennial Consumer Behavior in the Lab Grown vs. Natural Diamond Market

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In the past few decades, consumers have changed their behavior based on increasing awareness of sustainability, ethical sourcing, and corporate responsibility. These changes are especially evident among Millennials (1981-1996) and Gen Z (1997-2012) , who are more likely than previous generations to consider the environmental and social impacts of their purchase decisions (Kim, Lee, and Hur, 2012) . Behavioral economics has indicated that there are often tensions for consumers, who will experience heuristic "intention-behavior gap" between their ethical sourcing values and purchasing behavior (Hassan et al., 2016; Moraes et al., 2012). The intention-behavior gap raises important questions of how ethical concerns factor into high-value or symbolic purchases, as these typically incorporate some cultural and emotional meaning.

The engagement ring market seems to be an ideal setting to examine the intersection of symbolic luxury and ethical consumption. Compared to other diamond jewelry, engagement rings are imbued with significant cultural meanings of love, commitment, and social identity. The financial cost and emotional importance of the engagement ring significantly increase the potential of the goods for site of inquiry for the research of consumer valuations of sustainability over ethical and their symbolic value. Despite their importance, very little research has examined engagement rings in the context of ethical consumption which leaves a gap in both sustainability concerns and luxury consumption research.

As a result, this research investigates how Gen Z and Millennial consumers make purchasing decisions regarding lab-grown and natural diamonds in the engagement ring market based on their emotive connections to the meanings of engagement rings and symbolism of ethical consumerism. Behavioral economics, specified aspects of social supply chains, and

Environmental, Social, and Governance (ESG) disclosures will be examined in this research. This study is especially significant for industry and policies since jewelers must understand the ever-shifting consumer values, while policymakers and sustainability advocates need evidence to design effective ESG reporting standards. Therefore, the research questions are: How do ethical consumption and sustainability concerns among Gen Z and Millennials influence consumer behavior between lab-grown and natural diamonds? How do these trends impact the engagement ring industry?

Background and Significance

Behavior Economics

Behavioral Factors in Ethical Purchasing

Behavioral economics explains how consumers can occasionally exhibit behavior that is contradictory to their beliefs, especially with regard to ethical consumption. Studies indicate that consumers often find themselves in an internal conflict between their ethical intentions and their purchasing behavior, which can stem from social context and psychological rationalization (Moraes, Carrigan, & Szmigin, 2012). For instance, a buyer may be interested in avoiding natural diamonds because of their environmental or labor implications. However, buyers can mitigate their concerns or behavior by conjecturing those things to be less impactful or somewhat justifiable by tradition. This sort of misalignment of their ideas and their choices is called the attitude-behavior gap, which is the space between the ethical intent people lean towards and their actual actions. One reason that this gap exists lies in the idea of neutralization, which is a psychological coping mechanism that allows consumers to almost pretend not to think of or dismiss the ethical values of their behavior (Chatzidakis, Hibbert, & Smith, 2007).

In the diamond industry, the same thing may occur as a consumer may rationalize the purchase of a natural diamond as tradition or by viewing his or her one purchase as something that would not hurt in the grand scheme of environmental harm. Beyond this, ethical decisions become even more complex in luxury markets. As Cook and Carrigan (2017) explain, consumers face a “labeling dilemma” as they are trying to assess their own moral standpoint on high-end goods such as diamonds. The emotional and symbolic sway and value of something such as an engagement ring can overpower concerns on ethical sustainability or labor transparency, showing how these types of psychological factors explain why some ethically-focused buyers still decide on mined diamonds over lab-grown, especially common when purchasing under social pressures or for significant moments in life.

Social Influences and Identity Signalling

Social networks and peer behavior also play an important role in the decisions of Gen Zs and Millennials that are relevant and important to the climate. Kim, Lee, and Hur (2012) illustrate how extending normative social influence, in part through digital platforms, can enhance eco-consumerism and change behavior to match what they perceive as socially acceptable. This is particularly important in the case of lab-grown diamonds, which are often marketed by influencer-made content on social media as more eco-friendly options, demonstrating added social value at the same time. Platforms such as TikTok, Instagram, and Pinterest all have many different kinds of influencers promoting lab-grown diamonds as sustainable, modern, and chic. At the same time, there may be influencers who promote ideologies of purchasing a natural diamond for its symbolic and traditional aspect that stands in our society (Vilkaite-Vaitone, 2024). In this way, purchasing a lab-grown diamond versus a natural diamond becomes not only a personal decision but also a public expression of identity and values. With generations becoming more digitized, Millennials and Gen Z are more likely to absorb information and content from online sources than from traditional advertising. As ethical branding becomes a powerhouse in social signaling, buying lab-grown diamonds can offer a dual benefit: aligning together personal ethics while still enhancing one's social image. These all add complexities to purchasing behavior while explaining the growing demand for ethically sourced products in the luxury industry.

Sustainability's Impact on Consumer Choice

The Rise of ESG in Consumer Behavior

Consumer evaluation is increasingly performed based on environmental, social, and governance (ESG) measures of sustainability and even moral worth. For example, ESG measures in the diamond industry consider mining performance, labor practices, and environmental impacts. Cervellon and Shammas (2013) indicate that values relating to ethical dimensions of consumption, such as sustainability, specifically in high-market luxury consumption, are becoming salient to consumers, especially when consumers identify with a group of consumers that believes in moral responsibilities. More specifically, ESG-related values significantly influence Millennials' and Gen Z consumers' value perceptions of products. Cervellon and Shammas (2013) note that for these upcoming generations, sustainability is no longer just an afterthought or a side quest; it is a core feature of brand trust and legitimacy. Products that meet the ESG standard not only gain consumer trust but also make their own brand stand out from others.

Efforts to standardize ESG transparency include systems such as the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI). SASB helps provide clear rules for each industry in reporting the most important environmental and social issues, such as their usage of resources, treatment of workers, and how they run their companies. In the mining and extractives sector, SASB gives targeted indicators (greenhouse gas emissions, water withdrawal, and rights of nearby indigenous communities) that are directly affected by natural diamond production (Sustainability Accounting Standards Board, 2018). These reports help reveal certain risks and tradeoffs that might be hidden under brand marketing. GRI also provides a global system that encourages companies to report on their environmental and social performance in a comparable and standardized way. The GRI Standards impose sector requirements for mining, holding companies accountable for providing their environmental management systems, biodiversity protection activities, and social impact strategies (Global Reporting Initiative, 2021).

However, many jurisdictions still do not mandate ESG reporting, leading to an inconsistent state of quality and robustness. Some diamond producers provide numerous disclosures with third-party verifications, while their peers rely on vague or selective narratives. For consumers hoping to compare lab-grown diamonds with natural diamonds through an ESG lens, variability and distortion are problematic. Consumers must maneuver through a hard-to-verify ethical marketplace with uneven distribution of valued information. Although SASB and GRI may not directly change customer choice, they help consumers and regulators progress toward a common sustainability language. They advocate for ethical consumption by improving visibility, especially in ethically complex industries like luxury goods and diamond production.

Ethical Consumption as a Luxury Filter

The historical ideologies between ethical consumption and luxury consumption as incompatible is being challenged. In some circumstances, sustainability can heighten a product's perceived value. Cervellon and Shammas (2013) indicate in their exploratory study that among both Western and Middle Eastern consumers, sustainable luxury is positively associated with emotional satisfaction and prestige. Thus, this dynamic, or group marketplace behavior, may help to explain why younger consumer segments, even ones today who hold value consciousness, have been willing to consider premium-priced, lab-grown diamonds to access an ethically-based product. Lab-grown diamonds are no longer dismissed as “synthetic” or “fake”, yet given a new name and embraced by value-driven consumers as authentic reflections of personal values. This trend also shows how the younger consumers are willing to pay more, not necessarily like the traditional luxury paying for the status, but they pay for what it represents. Ethical consumption is thus becoming a lens through which luxury goods are desired in a sustainable way.

The Diamond Industry: Origins and Sustainability Issues

The ethical stakes that diamond purchasing seems to extend beyond the individual consumer. Countries such as Botswana or the Democratic Republic of Congo rely heavily on diamond mining as a central economic activity. In Botswana, for example, diamond revenues have funded public education, infrastructure, and health services for decades (World Diamond Council, n.d.). As Motlogelwa and Leeuw (2023) argue, the rise of lab-grown diamonds poses a massive threat to the fiscal stability and balance of these countries. While lab-grown diamonds are celebrated for their reduction in environmental harm, they may destabilize the economy of many nations whose development is tied closely to natural diamond exports. This paradox complicates the idea that lab-grown diamonds are completely ethical. If increased lab-grown diamond consumption results in a reduced demand for mined diamonds, the long-term impact on employment and investments in mining-dependent countries could be catastrophic. Motlogelwa and Leeuw (2023) further explain the need for a global ethical framework, one that accounts for both environmental sustainability and the economic reality of developing nations.

In addition, the sustainability claims of lab-grown diamonds are not entirely reliable. The carbon footprint of a lab-grown diamond can change drastically depending on the energy source that was used. Facilities that are powered by fossil fuels may generate emission levels comparable to traditional mining operations (Cook & Carrigan, 2017). With no unified ESG standards or mandatory disclosures of environmental safety, consumers are left to try to navigate this complex ethical system themselves, with limited access to data or third-party verification (Global Reporting Initiative, 2021). As a result, the ethical claims about lab-grown diamonds are context-dependent. Even while they may align with Gen Z and Millennial values on the surface, they have deeper impacts that require deeper analysis and evaluation (Hassan, Shiu, & Shaw, 2016). The shift towards lab-grown diamonds portrays how luxury, sustainability, and global responsibility all intersect and challenges consumers to look beyond product labels and consider the mass effect of their choices on global economic systems (Chatzidakis, Hibbert, & Smith, 2007).

Literature Review

Retail Diamonds

In today's market, not every diamond purchase is created equal. Retail diamonds are offered in many forms whether as earrings, bracelets, pendants, and more, however, the purchase of an engagement ring remains both the most symbolically and financially important diamond purchase due to tradition and its meaning. Unlike fashion jewelry, which is mostly purchased for styling or social purposes, engagement rings signify a life milestone and are inherently linked to love, tradition, and social identity. Thus, engagement rings fulfill two functions: both luxury and life cultural symbols while still providing a unique lens to analyze the intersection of sustainability and ethical concerns with concerns of consumer behavior. Therefore, this literature review and study will focus specifically on engagement rings, especially since Millennials and Gen Z are more inclined to buy an engagement ring over any other diamond purchase. .

Engagement Rings

The engagement rings, throughout history and even now, have meanings that are bigger than just a retail luxury good. They have a unique overlap of cultural tradition and personal identity and find themselves in a place between objects that people wear to their current life status and public commitment. This symbolic imagery influences consumer behaviour outside of what is traditionally predicted through rational choice theory, which explains how individuals make choices by understanding the trade-off between weighing costs and benefits to acquire the maximum personal utility (Britannica, n.d.; Simply Psychology, 2025). Even when provided with information related to the environmental degradation of diamond mining or to the exploitation of labour conditions of workers, customers still choose mined stones because of the emotional and symbolic nature and direction it appears to have with their own family values or culture (Cervellon, 2013). Surveys constantly show how Gen Z and Millennial consumers express stronger environmental and social values than their previous generations (Kim, Lee, & Hur, 2012). They are more likely to try and find products that align with their ethical beliefs, favor the companies that have more transparent practices, and reward brands perceived as socially responsible. However, this ethical ideology and orientation is often moderated with aesthetic preferences, price sensitivity, and social identity.

The discussion on ethical consumption in regards to engagement rings is crucial, as consumers often engage in cognitive rationalizations that allow them to behave inconsistently with their own ethical perspectives in consumption without "tension" between the inconsistent ideologies (Chatzidakis et al., 2007). For example, a consumer may know and believe that lab-grown diamonds have important environmental benefits but still purchase a natural diamond because one purchase alone may not make a difference, or, that tradition is more important when purchasing items for life milestones. Cook and Carrigan (2017) refer to this as a "labeling dilemma" that is identifiable in consumer consumption practices, where consumers do not necessarily believe they are fully informed about the true sustainability and ethical values of products, especially in categories where more emotional and social values play a dominant role, such as luxury jewelry. As a result, engagement rings become a prime and complicated example of sustainability-focused consumption behavior, as consumers balance their own moral values to determine what is meaningful to them, and simultaneously combine strong prevailing social norms, traditional values, and substantial economic costs.

Current Trends

Lab Grown v. Natural Diamonds

The rise of lab-grown diamonds has already disrupted the longstanding traditional diamond supply as they offer a chemically same diamond alternative to mined stones. Market analyses and industry reports suggest lab-grown diamonds have gained retail market share within Millennials and Gen Z, primarily due to lower pricing options and marketing messages around sustainability and ethical sourcing of the products (Motlogelwa & Leeuw, 2023). Nonetheless, it is important to consider whether sustainability claims cannot fully be embraced. The carbon footprint that comes with lab-grown diamonds varies significantly based on the energy source utilized. In cases where fossil fuel energy sources are used in the production of the lab-grown diamonds, the carbon emissions produced can be comparable,or more than, the carbon emissions produced through some mining operations. Many consumers are aware of and trust that the lab-grown diamonds are “green” and more ethical without any awareness or understanding of the energy waste and environmental degradation that might be taking place (Cook & Carrigan, 2017). This concept has been further enhanced through the influencers and social media messaging that presents a lab-grown diamond with a presentation of an absence of mining without disclosing the carbon footprint still incurred as the result of fossil-fuel powered manufacturing facility (Vilkaite-Vaitone, 2024).

The persistence of the intention-behavior gap like mentioned above, (Hassan et al., 2016; Moraes et al., 2012) is specifically shown in the diamond industry as younger consumers may express a desire to avoid products linked to environmental harm or labor exploitation but real purchasing decisions often are a reflection of convenience to the consumer, habit, and the influences of social norms. Chatzidakis et al. (2007) describes how the act of "neutralization" strategies enable consumers to act contrary to their stated values without experiencing moral inconsistency. One significant factor that contributes to this gap is the notion of "information asymmetry". It appears that the average consumer places a great degree of reliance on marketing claims made by brands. Oftentimes, these claims have not been independently verified and fail to adequately inform the consumer about potential negatives they may face within the supply chain.

The social dimension of lab-grown diamonds adds additional complexity to the ethical environmental discussion, as Motlogelwa and Leeuw (2023) point out, many countries, including their social infrastructure preferences, public health programs, education, etc., rely on the revenues from diamond mining. A substantial shift in consumption to lab-grown diamonds could very much impact these countries as the economy and GDP would destabilize and disrupt national revenues. Therefore, the ethical concerns around lab-grown versus natural diamonds cannot be consolidated to whether lab-grown are more sustainable and therefore signify better ethical choices Many tradeoffs of lab grown diamonds (LGD) exist across environmental, social, and economic systems.

Vintage v. New

The interest in vintage or second hand engagement rings is becoming increasingly popular as another sustainable option though some decide this route as they are interested in older craftsmanship. From an environmental viewpoint, vintage engagement rings provide a sustainable option since there is no new mining, polishing, or cutting of materials required because they are already recycled, making them particularly appealing to consumers who want to minimize their carbon footprint while keeping a piece of emotional value and significance (Cervellon & Shammas, 2013). This appeal for vintage jewelry and clothing moves beyond just sustainability. As Segal (2000) points out, vintage jewelry “provides lasting enjoyment” because of its uniqueness, workmanship, and ability to establish a connection to another time. This vintage movement has been present in the jewelry market for a long time and jewelry pieces embody aesthetic and design eras, techniques, and cultural differences of various time periods that cannot adequately be manufactured by mass-produced rings made in the contemporary era (Segel, 2000). Collecting and maintaining pieces of history provides an emotional satisfaction as well as utility for the consumer.

Frameworks exist that can address these issues, such as the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI). Both of these frameworks aim to create uniform information for sustainability reporting. Specifically, SASB establishes industry-specific standards that focus on environmentally and socially sustainable actions that are financially material in terms of environmental, social, and governance issues, while GRI sets forth a best practice global framework for sustainability reporting. However, in many jurisdictions, ESG reporting is voluntary; therefore, ESG reporting, disclosures and claims vary in quality, scope, and comparability (SASB, 2018; GRI, 2021).

Despite all of these benefits, barriers still remain. Consumer acceptance of vintage rings still depends heavily on trusts in quality, origin claims, and utmost confidence in the seller's expertise. Unlike vintage fashion, which has gained much more traction due to its resale platforms, vintage engagement rings carry deeper and more symbolic meanings tied to them as they are associated with major life milestones. For some buyers, buying a second hand ring clashes with the "new beginning" symbolized in an engagement ring. However, Cook and Carrigan (2017) note that strategic framing and marketing can overcome these barriers. When retailers position things such as "heritage" or "heirloom", adding on romantic narratives to spike the consumer's interest, consumer acceptance often increases. Segal (2000) similarly sees that collectors often cherish the stories behind their vintage collection more often than the physical item themselves. Therefore, in order to market vintage rings successfully, providing a transparent and easy way for consumers to prove verification and satisfy rational evaluation while appealing to the emotional and symbolic elements that helps drive luxury purchases will ensure an increase in consumer acceptance (Segal, 2000).

The vintage versus new decision sits at an intersection of sustainability, identity signaling, as well as tradition. While new rings and the new market benefit from cultural norms equalling newness to "purity", the vintage market has an ever-growing opportunity to reframe second hand jewelry as a unique, environmentally responsible, and filled with history to appeal to younger generations.

Purpose of Proposed Research

The aim of this proposed study is to investigate how ethical consumption and sustainability concerns shape the purchasing behaviors of Gen Z and Millennial consumers in the engagement ring market, specifically with regard to the decision to purchase either natural diamonds or lab-grown diamonds. Although existing research has explored the topic of ethical consumption in more commonplace product categories, such as food, fashion and fair-trade goods (Chatzidakis, Hibbert, & Smith, 2007; Hassan, Shiu, & Shaw, 2016), relatively little empirical research has been conducted in luxury contexts that use cultural tradition and symbolic meaning as behavioral frameworks (Cervellon & Shammas, 2013). Engagement rings appear to be a unique category to study because they involve a high level of emotional significance at a price point that is also quite high. In the case of ethical purchases in everyday contexts, trade-offs can be calculated through cognitive processes of rational decision-making but actual purchases of engagement rings are accompanied by identity signaling, family and cultural obligations, and long-term symbolism that may mitigate or complicate sustainability concerns.

The literature also shows that young consumers are increasingly concerned with sustainability and corporate responsibility. Gen Z and Millennials, compared to previous generations, expect brands to share their ethical commitments, especially concerning environmental degradation and social justice (Kim, Lee, & Hur, 2012). However, intent-behaviour gap research (Hassan et al., 2016; Moraes, Carrigan, & Szmigin, 2012) has repeatedly demonstrated that ethical intentions are not always realized into purchasing behaviours. This gap may also be even more pronounced for luxury products like diamonds, where the symbolic meaning of newness or authenticity may outweigh sustainability value propositions. This study intends to further investigate how younger consumers navigate the tension between decisions about lab-grown diamonds (LGDs) and mined diamonds.

Additionally, the study will examine how clarity and credibility of ESG disclosures impact consumer trust in the diamond industry. Although the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) provide frameworks for sustainability disclosure, the disclosures are voluntary, and the quality of disclosures vary widely across companies and jurisdictions (SASB, 2018; GRI, 2021). With this, consumers are often left to grapple with what Cook and Carrigan (2017) identify as the “labeling dilemma”, or how to make sense of sustainability claims on product and company labels with limited or no verification. In the case of diamonds where companies are marketing LGDs and natural diamonds, either promoted as “ethical”, for sustainability reasons or heritage and community support, respectively, it will be important to identify if in fact any transparent ESG reporting directly assists consumers in their decision-making.

Research Design and Methods

Methodology

The proposed research is a qualitative study on how Gen Z and Millennials determine whether to choose lab grown or natural diamonds for their engagement rings. It will employ phenomonography, which is the study of experiences of a particular phenomenon, to analyze the responses given by the participants. In this case, the phenomenon is the process and decision making itself when confronted with ethical, cultural, and sustainable choices in diamond purchasing. By focusing on the diversity of consumer perspectives, phenomenography allows researchers to capture the many ways that individuals view trust, responsibility and their own values in diamond consumption. Alongside examining consumer views, the present study will begin to examine the contribution of ESG disclosures on trust. While frameworks such as SASB (2018) and GRI (2021) exist, sustainability reporting is largely voluntary and not even, resulting in what Cook and Carrigan (2017) deem “labeling dilemma”. This adds a layer when the study inquires about how participants understand ethical claims and whether those claims become part of their consumption decision-making process. The methodology will also include the broader trade-offs of ethical consumption, such as the continuous tension of using an environmentally sustainable good versus contributing to an economically dependent diamond mining industry in countries like Botswana (Motlogelwa & Leeuw, 2023). Including these considerations in interviews justifies linking consumer consumption choices to global sustainability issues.

Participants

The participants will be 20 individuals aged 25-35 years old as they are the primary age group for purchasing an engagement ring. The sample will be split evenly, with 10 males and 10 females in order to provide balance in perspectives in the data. The age group chosen represents the audience most likely to be engaged or preparing for some form of marriage, and correlates to the research question (Cervellon & Shammas, 2013). Participants will all be sampled at engagement ring retailer stores and invited to participate in an interview regarding engagement rings and the diamond industry. All participation will remain anonymous and be treated according to the APA Guidelines for Ethical Conduct of Behavioral Projects Involving Human Participants by High School Students (American Psychological Association, 2022). Inclusion criteria will require that participants are within the appropriate age range and are willing to provide informed consent prior to completing the survey.

Procedure and Materials

This study will include a short survey and semi-structured interviews in order to better understand actual consumer perceptions of lab-grown vs. natural diamonds, and the role of moral reasoning in their final decision. To achieve this, materials that will be used will include a short Google Form survey to obtain demographic and background information such as age, relationship status, knowledge of diamonds of the diamond types, familiarity with ESG claims as well as a semi-structured interview guide that can lead into more questions as the interview continues. Participants will be also given a small token of appreciation such as a gift card for their participation. Participants will be recruited at jewelry stores physically or online via direct messaging. If participants are willing to be part of the study, they will be provided with the information on the study and a preliminary survey to complete before the interview.

Interviews

The interview itself will take 30–45 minutes to complete either in person or video call. Questions will probe their decision making process, human moral stance, and perceived trustworthiness of sustainability claims. With permission from the participant, interviews will be recorded and transcribed word-for-word. All identifying information will be removed from the final report to protect anonymity. Participants will be referred to as pseudonyms in the final report. Everyone will be asked the same set of questions, which are listed below.

1. What factors are most important to you when deciding between a lab-grown and a natural diamond?
2. How do tradition, symbolism, or family expectations from your own experiences influence your choice?
3. What do you think about terms like conflict-free, eco-friendly, or ethically sourced?

4. Are you familiar with the ESG criteria? If so, would more detailed ESG disclosures increase your trust in a company's diamonds? Why or why not? If not, would learning about the ESG criteria influence your trust in a company's diamonds? Why or why not?
5. Have sustainability labels or claims ever confused or made you skeptical? How does that affect your choices?
6. What is your current knowledge of ethical diamond mining that occurs in various countries?
7. How would you balance the environmental benefits of lab-grown diamonds against economic impacts on mining communities?
8. How do practical concerns like price or resale value weigh against ethical considerations?
9. When buying an engagement ring, which matters more: the story behind the diamond or the product itself?

Data Analysis

After finishing the interviews, responses will be transcribed and analyzed. Based on the responses, the study will look for emerging themes and create corresponding categories based on those themes. Responses will be sorted into those categories. These categories will help show the distinct ways participants arrive at their decisions when choosing an engagement ring and how their prior knowledge and research influenced their decision. More recurring themes will be evaluated as more influential since it signifies a commonality among the majority of the participants. Quotes from each response will be placed into their corresponding category to determine which particular themes emerge more prominently.

Preliminary Suppositions and Implications

Goals and Outcomes

The study has a number of objectives. From a very direct point of view, this study is all about trying to understand the interaction between behavioral economics and purchases of engagement rings, specifically the ways that each intention–behavior gap, identity signaling and social influence methods can impact purchase decisions (Hassan, Shiu, & Shaw, 2016; Moraes, Carrigan, & Szmigin, 2012). Engagement rings are not routine purchases; they are products that elicit high emotion, are usually high-cost, and carry a high degree of symbolic meaning, making them a unique case to test behavioral economic theories. Using the data from the interviews, this will help shed light on these psychological and social influences as well as ethical issues people have while making their choice. These relationships could be further applied to other luxury related markets.

A second outcome relates to the topic of financial literacy and decision making in relation to other high-cost symbolic purchases. For many young adults, an engagement ring represents their first major financial purchase. If the study demonstrates that choices are influenced by sustainability or ESG disclosures, this may speak to the importance of embedding an ethical awareness into financial literacy objectives. If it is possible to connect the notions of symbolic consumption with mindful spending, then this could allow consumers to make better financial decisions while also being more aware in regard to social issues, and sustainability.

Potentially, the research has the ability to assist in addressing underlying social, economic, and environmental challenges. On a social level, the research may elucidate how consumers might reduce cognitive dissonance associated with luxury consumption by managing their conviction and behavior that align more closely with personal values. The findings could also have benefits for individuals, organizations, and communities. Consumers will become more aware of how their decisions to select lab-grown or mined diamonds will impact not only the environment but also the communities that depend on mining (Motlogelwa & Leeuw, 2023). Retailers will also acquire a better understanding of consumer psychology and then use this understanding to market diamonds with greater authenticity and transparency. At a general societal level, groups that advocate for sustainable business practices will be able to use the findings as advocacy tools of strengthening accountability standards within the diamond and luxury goods markets.

Limitations and Future Research

While this research has the possibility to yield an understanding of the relationship among ethical consumption, sustainability, and purchasing an engagement ring, there are limitations. The first limitation that can be identified is related to the engagement ring in focus. Although engagement rings are the most economically and symbolically meaningful diamond purchase, they are only one part of a wider diamond and luxury jewelry industry. Other diamond products, such as earrings, bracelets, necklaces, and watches are understood differently and have different meanings according to how much symbolic attachment they carry. Other diamond products may also be purchased with less emotional salience and heightened price sensitivity, so sustainability may have less of an effect on those consumer decisions. As such, this study's results cannot be generalized to the diamond industry as a whole.

Another limitation is the participant scope. This study will survey 20 participants, comparable in equal gender representation, aged 25–35, living in the United States. As such, this participant population is significant because it is covering the largest group of potential consumers of engagement rings to be purchasing engagement rings. This sample excludes potential younger Gen Z buyers (aged 18–24) and older potential buyers (aged over 40). As such, both groups of buyers may have different attitudes regarding diamonds and ethical consumption. Future research could involve broadening the age range of the participants to include both younger, Gen Z (18-24) buyers, as well as older buyers to better understand generational differences, and long-term market trends.

The sample size and qualitative nature of the study also limits whether the findings can be generalized. Future studies could include a more broad quantitative survey that could better represent the entire target population. Furthermore, a narrow focus on participants from the U.S. audience may overlook important cross-cultural differences in diamond consumption. For example, in some international markets the prestige of natural diamonds may outweigh sustainability issues, while in other markets, sustainability values supersede prestige concerns (Cervellon & Shammas, 2013). A continuation study could involve several hundreds of participants across multiple countries to examine cultural differences in perceived trade-offs of tradition and sustainability in relation to cost. This could begin to give indications about possible responses in the global market to the emergence of lab-grown diamonds.

Conclusion

The diamond industry exemplifies the intersection of luxurious consumption, moral obligation, and global sustainability. As Gen Z and Millennials are thinking about marriage, purchasing a diamond engagement ring becomes an important ethical and sustainable purchase. This study's focus is the impact of behavioral economics and how ethical and sustainable consumerism shape Gen Zs and Millennials' decisions when making an engagement ring purchase. More than any other previous generation, Gen Z and Millennials care more about the ethical and sustainability implications of their purchases. As such, the study aims to explore this particular phenomenon and understand it under the context of engagement rings.

By pursuing phenomenographic research, the hope is to understand how current trends in ethics and sustainability in the diamond ring industry influence Millennials and Gen Z in their purchases. All of these ideas could impact the future of the diamond industry, with increased transparency, ethical sourcing, and sustainability being core principles. By assessing how Gen Z and Millennials incorporate these considerations into a market that has been traditionally driven by luxury purchases of a few items, this study underscores the ongoing transformation of consumer values shaping consumer purchasing behaviour. While these insights help unpack the factors that motivate engagement ring purchases, they also provide important considerations for marketers and jewelers that aim to align the industry with consumers' growing demands for responsible consumption. Overall, the choices that the younger generations make may be responsible for the transition to more conscious and sustainable luxury markets, with broader implications for culture and economy beyond just the purchase of a ring.

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