

# DO BUSINESS SUSTAINABILITY PROGRAMS INFLUENCE CUSTOMER PURCHASING DECISIONS?

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## ABSTRACT

Nowadays, people are becoming more aware of sustainability issues due to technology and urbanization. Many businesses have a way of building their brand image by organizing sustainability projects, especially brands in Thailand and Italy. But there is no data indicating that such programs can help drive consumer purchasing decisions. The purpose of this research was to examine whether a business's sustainability initiatives had an impact on consumer decision-making. This research employed a quantitative study using online questionnaires. There were 81 respondents in Thailand and Italy. The results show that businesses should adhere to environmentally responsible and sustainable programs which have a positive impact on their image. However, consumers in our sample had a moderate consensus that a company's sustainability initiatives influenced their purchasing decisions.

**Keywords:** Business, Purchasing decision, Sustainability.

## INTRODUCTION

Many businesses undertake sustainability initiatives, which are highlighted in news reports and business press releases. A good example is the Toyota Motor Corporation, which was the first major manufacturer of hybrid vehicles and contributes to lower air pollution and fuel consumption. Expanding the options available to consumers while also enhancing their reputation.

On the consumer side, buying products from businesses that implement sustainability initiatives may give them a sense of participation in environmental preservation. However, running sustainability programs may be a waste of money if they don't contribute to growing revenue, as other elements like price and credibility can affect a buying decision. Therefore, we conducted the survey to study the effect of sustainability projects on consumer purchasing decisions.

## LITERATURE REVIEW

Sustainability is widely discussed but viewed from many perspectives. Businesses may view sustainability as a strategic management perspective, while consumers may view it as an environmental issue [1]. Studying the relationship between business sustainability and consumer purchasing decisions requires understanding the definition of sustainability in business.

### ***Sustainability in Business***

The term sustainability in business is often used in two ways. The first aspect is used synonymous with product sustainability, which means the ability of a product to remain competitive [2]. Another, more prevalent, definition shares the concept with green business. TechTarget defines business sustainability as the management and coordination of environmental, social and financial needs, and concerns to ensure accountability, ethics and continued success. [3].

Our study started on the environmental aspect of business sustainability. If businesses meet consumer expectations, it may also contribute to product sustainability.

### ***Sustainability and Purchasing Decision***

The relationship between business sustainability and consumer purchasing decisions remains debated. A study [4] that surveyed consumers in the electric vehicle industry found that consumers are aware of the importance of sustainability. But that information doesn't make them willing to pay the higher price.

The survey of consumers in the food and clothing industry [5] found that while factors related to sustainability were considered in purchasing decisions, other factors played a more important role during the purchasing decision process, namely price, quality and convenience.

The consumer survey in a developing country, particularly among young people [6], reveals that they wanted to buy green products and organic food, and that they supported green marketing. However, an important factor like price still predominates.

### ***Evidence from Thailand and Italy***

Thailand and Italy have been partners for a long time. According to World Bank Organization [7], exports and imports between the two countries totaled over \$2.6 billion in both consumer and capital goods in 2020. Both have a sustainability perspective, making them a good target group.

A study of cosmetic buyers in Thailand [8] found that communicating sustainability had a significant impact on the brand loyalty for domestic brands. Nevertheless, ethical behavior of the producers had a non-significant impact on the brand loyalty for both domestic and international brands.

There was a study [9] that examined if the three pillar of sustainability (environmental, social, economic) could lead to a sustainable brand image among household durables consumers in Thailand. There were in-depth interviews with managers and consumers. The managers confirmed that accurate information about the company's sustainability actions is posted on the website. Consumers are quite aware of the three pillars of sustainability, but often do not consider them clearly when making purchasing decisions.

There is a study that surveyed wine consumers in Italy [10]. It found that consumers perceived wines to be sustainable means using less chemicals in the field, using energy from renewable sources and reducing the use of packaging materials. However, other factors such as quality and area of origin remain the main factors influencing consumers' purchasing decisions.

Within the European Union, the EU Ecolabel is displayed showing products and services that are environmentally friendly. A survey of the Italian consumers [11] shows that the EU Ecolabel has a positive effect on product choice.

## METHODOLOGY

This study involved a quantitative survey of Thai and Italian consumers. The data were collected in October 2022 using an online questionnaire via Microsoft Forms. The questionnaire consists of two parts as follows:

Part 1 has three questions asking about personal information of the respondents: Gender, age, and occupation.

Part 2 consists of rating scale questions asking about their opinion and behavior on businesses' sustainability programs. The participants specify their level of agreement to several aspects. The rating is divided into 5 levels; Strongly agree, Agree, Neutral, Disagree, Strongly disagree. The data will be summarized by the average value of each aspect.

## RESULTS

This survey study collected data from 81 people (Thai and Italian). Most of the respondents are male (51%), aged between 20-30 (48%), and currently a student (44%). The participant distribution is shown in Table 1.

**Table 1**  
**Participant distribution**

<b>Aspect</b>	<b>n</b>	<b>%</b>
<b>Gender</b>		
Male	41	51
Female	37	46
Prefer not to say	3	4
<b>Age</b>		
Below 20	3	4
20-30	39	48
31-40	8	10
41-50	27	33
51-60	3	4
Above 60	1	1
<b>Occupation</b>		
Full-time employed	27	33
Part-time employed	7	9
Self-employed	34	42
Student	10	12
Other		

The participants reported that sustainability programs have a positive impact on the image of the business (4.54/5.00). They believe that business should practice environmental

responsibility (4.53/5.00). Based on the results, consumers tend to support business that have sustainability programs (4.42/5.00). However, consumers in our sample had moderate agreement on the aspect that purchasing goods based on the company's sustainability practice is a good decision. The results are illustrated in Table 2.

**Table 2**  
**Consumer perspective on business sustainability**

Aspect	Average
Sustainability programs have a positive impact on the image of the business.	4.54
Business should practice environmental responsibility.	4.53
As a customer, I support business that have sustainability programs.	4.42
If there are similar product or service options, I will buy from a company that have sustainability programs.	4.32
When buying from companies with sustainability programs, I feel like that I have contributed to the environmental protection as well.	4.26
Choosing a product or service based on the company's sustainability program is a reasonable decision.	4.21

## CONCLUSION AND DISCUSSION

This study investigated 81 customers in Thailand and Italy to specify their level of agreement to business sustainability programs aspect using an online questionnaire. Most of the participants were student (20-30 years old).

The participants reported that sustainability programs have a positive impact on the image of the business. Also, they believe that business should practice environmental responsibility. However, consumers in our sample had moderate agreement on the aspect that the company's sustainability program affects their purchasing decisions.

Our findings are consistent with [9] stating that sustainability programs are recognized as tools for enhancing the company's image. However, when it comes to consumers' purchasing decisions, they prioritize other factors like price and quality [5].

Based on our findings, we recommend that companies set aside their sustainability budget only to be able to make their practices public. Consumers making purchase decisions based on a company's sustainability programs may not be enough to make the investment worthwhile.

According to [7], Thailand has an advantage in food exports while Italy focuses on machinery. Both types of products are linked to sustainability in business in different ways. Food products are directly related to the use of agricultural land, including the use of chemicals and pesticides, as presented in [10]. Machinery products are directly related to emissions into the environment, as presented in [4]. Future research could focus on different environmental impacts.

Some communities in Italy established a Solidarity Purchasing Group (SPG) [12] that puts people and the environment ahead of price. They choose products and manufacturers that are respectful of the environment and community. They emphasize choosing local products to reduce the environmental impact of transportation, supporting reusable or eco-friendly products, as well as rejecting manufacturers that violate human rights. The SPGs are therefore another interesting group to analyze the relationship in the same way presented in this study.

Improving the sustainability performance of a business, especially in the manufacturing sector, requires both internal and external integration [13]. As part of a brand's sustainability practices, it is considered all the way from the source to the consumer. A company may not only focus solely on profits, but good sustainability practices will help foster a sustainable economy [14].

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