Commercium : Journal of Business and Management
E-ISSN : 3031- 9889
Volume. 2, Issue 1, February 2024
Page No: 31-45

Bridging the Sustainability Gap: Aligning Consumer Expectations and Corporate ESG Strategies in Indonesia

Putri Ayu Lestari
Universitas Sahid, Indonesia
Correspondent: putrial570@gmail.com

Received : December 12, 2023
Accepted : February 21, 2024
Published : February 28, 2024

Citation: Lestari, P.A. (2024). Bridging the Sustainability Gap: Aligning Consumer Expectations and Corporate ESG Strategies in Indonesiaa. Commercium : Journal of Business and Management, 2(1), 1-10.

ABSTRACT: Sustainability has become an increasingly salient issue in Indonesia's consumer and corporate sectors. This study examines the alignment between consumer expectations and corporate readiness in advancing sustainability. It aims to assess how far market demand is matched by corporate ESG initiatives. Using a descriptive analytical method and secondary data sources, this research synthesizes findings from consumer behavior surveys and corporate ESG reporting metrics. Demand side indicators include willingness to pay (WTP), behavioral adoption of sustainable practices, and perceived barriers. Supply side data were drawn from sustainability report filings, ESG index membership, and regulatory frameworks including POJK 51/2017 and SEOJK 16/2021. The findings reveal a high level of consumer engagement with sustainability. About 79% of respondents expressed willingness to pay (WTP) for sustainable goods, while 68% reported behavioral adoption. However, barriers such as availability (44%), lack of information (40%), and affordability (31%) limit broader adoption. On the corporate side, 97% of issuers submitted sustainability reports, but only 111 firms were included in ESG indices, indicating a gap between compliance and strategic ESG integration. This misalignment hinders the development of a fully responsive sustainability ecosystem. The discussion emphasizes that aligning corporate ESG strategies with consumer values yields reputational, competitive, and financial benefits. It also highlights the role of targeted policies and cross sector collaboration in supporting deeper ESG adoption. Educational initiatives and capacity building for SMEs are identified as critical enablers for closing the demand supply gap. In conclusion, the study argues for a paradigm shift from compliance to strategic alignment. Bridging the consumer corporate gap in sustainability will enhance Indonesia's market resilience and contribute to long term national development goals.

Keywords: Sustainability, ESG, Consumer Behavior, Strategic CSR, Indonesia, Policy Alignment, Value Action Gap.

INTRODUCTION

In recent years, sustainability has shifted from a peripheral concern to a central consideration in consumer preferences and corporate strategies, especially in Indonesia. This transformation is characterized by a growing consciousness surrounding environmental, social, and governance (ESG) issues. The shift is largely driven by increased access to sustainability information, global environmental discourses, and culturally embedded values of stewardship and community well being. Indonesian consumers, in particular, are showing a stronger inclination toward environmentally friendly products and accountability from corporations, prompting a reevaluation of conventional business models (Makhdalena et al., 2023).

A recent trend underscores that Indonesian consumers are increasingly willing to align their purchasing behavior with their values. This is evident in the growing number of consumers willing to pay a premium for sustainable goods, a pattern especially prominent among younger generations whose activism and digital engagement further reinforce their expectations of brand responsibility (Agyemang et al., 2025; Makhdalena et al., 2023). As a result, companies operating in Indonesia face a dual imperative: they must both comply with existing sustainability regulations and adapt to evolving consumer expectations that transcend mere legal compliance.

Parallel to this consumer evolution, the landscape of corporate social responsibility (CSR) and ESG governance in Indonesia is undergoing a profound transformation. Historically, CSR was largely treated as a peripheral marketing tool a mechanism for public image enhancement rather than a strategic imperative (Jamali & Karam, 2016; Makhdalena et al., 2023). However, the rapid expansion of sustainability concerns into mainstream discourse has prompted a shift toward more integrated and strategic approaches to ESG. Many firms in Indonesia are now transitioning from reactive, compliance driven models of CSR to proactive, value generating frameworks that embed ESG principles within core operations (Dahal et al., 2023; Mooneeapen et al., 2022).

In emerging economies like Indonesia, this evolution is particularly critical. Strategic CSR emphasizes long term value creation by embedding social and environmental goals into business processes, whereas ESG compliance often reduces sustainability to a checklist exercise focused more on adherence than transformation (Malik & Abdallah, 2019). Despite the increase in regulatory mandates, such as the Financial Services Authority Regulation No. 51/POJK.03/2017 (POJK 51/2017), many firms remain anchored in compliance based models. POJK 51/2017, while pivotal in mandating sustainable finance practices among financial institutions, primarily functions as an enabler of disclosure and risk assessment rather than a catalyst for strategic innovation (Arnone & Leogrande, 2024).

Regulatory frameworks in Indonesia are increasingly robust and structured. Instruments such as POJK 51/2017 and supporting policies like the Green Taxonomy and the Roadmap for Sustainable Finance provide the architecture necessary for institutionalizing sustainability. They compel institutions to account for sustainability related risks and impacts, ensure ESG related disclosures, and foster accountability within corporate culture. However, these frameworks often fall short in stimulating firms to move beyond regulatory compliance toward true strategic differentiation.

Amidst this regulatory push and consumer pull, a crucial gap emerges: the degree of alignment between corporate ESG actions and consumer sustainability expectations. Several evaluative frameworks have been developed globally to bridge this gap. Instruments like the Global

Reporting Initiative (GRI) and various ESG rating systems enable a systematic comparison between firm disclosures and stakeholder values. These frameworks encourage firms to engage more transparently with their stakeholders and adapt their sustainability strategies in line with consumer sentiments (Makhdalena et al., 2023).

In the Indonesian context, these tools have been adopted with varying degrees of rigor. Companies leveraging these frameworks effectively have experienced tangible benefits, such as enhanced brand credibility and consumer loyalty (Bansal et al., 2021). This trend suggests that the market rewards firms that actively communicate their sustainability efforts and integrate stakeholder feedback into their sustainability agenda.

Nevertheless, the historical record of Indonesian corporate responses to sustainability focused consumer trends is mixed. While some firms have matured significantly in their sustainability practices, others continue to use CSR primarily as a reputational shield rather than a strategic differentiator. In recent years, however, the narrative has begun to change. Corporations are increasingly weaving sustainability into their brand identities and corporate storytelling marking a departure from superficial public relations campaigns to deeply embedded environmental and social commitments (Ramadhan, 2025).

Sustainability branding has shown to have a strong influence on consumer purchasing behavior in Indonesia, especially among urban and digitally active demographics. Studies indicate that brands that successfully communicate their sustainability credentials not only attract more consumers but also cultivate stronger brand loyalty and customer retention (Tran & Pham, 2022). Furthermore, the premium that consumers are willing to pay for sustainably marketed goods indicates that sustainability is no longer viewed as a cost burden but as a strategic asset (Kolling & Ribeiro, 2025).

Against this backdrop, the current study seeks to analyze the synchronization between consumer demand for sustainable goods and corporate ESG readiness in Indonesia. While compliance with sustainability reporting regulations is nearly universal among publicly listed firms, the actual strategic depth of ESG integration varies considerably. This divergence raises critical questions about the effectiveness of existing regulatory structures and corporate ESG strategies in meeting market expectations.

The research aims to explore the extent of this alignment by juxtaposing consumer side indicators (willingness to pay, adoption behaviors, perceived importance, and barriers) with corporate side metrics (sustainability reporting compliance, ESG index membership, and regulatory responses). By doing so, it offers insights into how Indonesian firms can evolve from compliance driven models to consumer responsive ESG strategies.

This investigation contributes to a growing body of literature examining sustainability transitions in emerging markets. It demonstrates how the dynamic interplay between consumer expectations, corporate governance, and regulatory infrastructure shapes the direction and pace of sustainability practices. The study underscores the importance of moving beyond check the box ESG compliance and toward strategic alignment with market values an evolution that is essential for achieving meaningful and lasting sustainability outcomes in Indonesia's rapidly transforming economy.

METHOD

This chapter outlines the methodological approach used to evaluate the alignment between consumer expectations and corporate readiness in sustainability practices within the Indonesian context. The research adopts a multi layered descriptive framework supported by secondary data analysis, drawing upon existing survey results, regulatory databases, and corporate ESG disclosures. By leveraging established conceptual models and integrating both qualitative and quantitative indicators, the study aims to deliver a robust analysis of the demand supply dynamics in Indonesia's sustainability ecosystem.

This study employs a qualitative descriptive design using secondary data, chosen for its efficiency in capturing diverse indicators across large datasets. Secondary data offers cost-effectiveness and timeliness, while also enabling access to standardized metrics across multiple sectors (Mane, 2022). To enhance analytical depth, the study incorporates hybrid methods such as thematic analysis and multi dimensional scaling (MDS) to identify and visualize patterns in sustainability adoption and reporting practices (Hamdan et al., 2022).

The overall design is structured around the comparison of consumer side and corporate side indicators. Consumer side variables reflect public awareness, purchasing behavior, and perceived barriers to sustainability. Corporate side metrics include ESG reporting compliance, index inclusion, and adherence to regulatory frameworks. These indicators are analyzed in tandem to determine the level of alignment or mismatch across the sustainability spectrum.

Consumer side data were extracted from Rakuten Insight's 2023 Indonesia consumer sustainability survey. The survey includes self reported data from Indonesian respondents regarding willingness to pay (WTP) premiums for sustainable products, importance ratings of sustainable consumption, adoption of sustainability behaviors, and key barriers faced. This dataset provides a broad overview of market sentiment and behavioral trends.

Corporate side data were gathered from Indonesia's Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX). These sources offer detailed statistics on ESG reporting compliance, the number of companies submitting sustainability reports, and firm representation in key ESG indices, including IDX ESG Leaders, SRI KEHATI, and ESG Sector Leaders. Regulatory frameworks referenced include POJK 51/2017, SEOJK 16/2021, UU 40/2007, and the Indonesian Green Taxonomy.

To assess alignment between market demand and corporate action, the study develops a two axis alignment matrix. The x axis represents consumer side indicators (WTP, perceived importance, behavioral adoption), while the y axis reflects corporate ESG maturity (compliance, ESG index inclusion, regulatory engagement). This framework is informed by the "Value Action Gap" model, which highlights the dissonance between consumer sustainability intent and actual purchasing behavior (Sekhar & Asio, 2022). Mapping corporate readiness against this framework allows for a nuanced understanding of firm performance in light of consumer expectations.

Additionally, the analysis incorporates the Triple Bottom Line (TBL) framework, which evaluates economic, environmental, and social impacts in a unified structure. This model is particularly useful for comparing corporate strategies with consumer expectations across multiple dimensions. Stakeholder engagement theory is also referenced to contextualize how companies respond to consumer feedback and build trust through transparency (Joshi & Staha, 2023).

The comparison between consumer and corporate sustainability indicators requires a balanced integration of qualitative and quantitative methods. Consumer indicators such as perceptions of price barriers, availability issues, and lack of information are analyzed thematically and cross validated with firm level performance data (Althaqafi, 2023). For instance, the study cross references the percentage of consumers citing limited availability (44%) with the number of firms reporting supply chain sustainability initiatives.

By integrating Quality Function Deployment (QFD) and Multi Criteria Decision Analysis (MCDA), the study further quantifies strategic gaps where firms can prioritize action to enhance ESG engagement (Abdel-Basset et al., 2019). These methods allow the analysis to incorporate weighted assessments of various sustainability dimensions and provide clarity on how corporate efforts can be refined to reflect consumer values.

Three key models underpin the conceptual logic of this study:

1. Value Action Gap Framework – Used to highlight inconsistencies between consumer values and purchasing actions. This model supports the identification of barriers that inhibit behavioral conversion, such as lack of product availability and affordability.

2. SDG Alignment Model – Assesses corporate sustainability strategies relative to the United Nations Sustainable Development Goals, offering a global benchmark for corporate efforts (Deeney et al., 2021). Firms are evaluated for how well their initiatives align with specific SDG targets.

3. Triple Bottom Line (TBL) Framework – Facilitates comparison between corporate economic performance, environmental responsibility, and social engagement, forming a holistic base for cross sectoral ESG evaluation.

Each model contributes a layer of insight, allowing the study to triangulate data and ensure comprehensive coverage of both demand and supply dimensions.

Findings are synthesized through triangulation, using patterns identified in consumer survey data, ESG disclosure records, and policy frameworks. The use of visual tools such as heatmaps and MDS graphs (not shown here) is proposed for representing complex interrelations among variables. This visualization enhances interpretive clarity and facilitates strategic insights for practitioners and policymakers.

The methodological approach enables the identification of disconnects between consumer interest in sustainability and the degree of corporate readiness to meet those interests. By systematically comparing expectations with actions, the study uncovers opportunities for greater ESG integration, market responsiveness, and regulatory support.

While secondary data analysis provides valuable insights, limitations exist regarding the depth and timeliness of data. Self reported consumer data may be subject to bias, and corporate disclosures may vary in transparency and standardization. However, the integration of multiple frameworks and data triangulation mitigates these limitations and strengthens the overall validity of the analysis.

In conclusion, this study's methodology combines rigorous secondary data analysis with conceptual alignment models to examine the sustainability landscape in Indonesia. Through this approach, it provides actionable insights into the extent of synchronization between consumer demands and corporate ESG commitments contributing to the strategic discourse on sustainable development in emerging markets.

RESULT AND DISCUSSION

This chapter presents the empirical findings of the study, based on secondary data analysis of both consumer side and corporate side indicators related to sustainability in Indonesia. The data are organized into three main thematic sections: consumer demand indicators, barriers to sustainable consumption, and corporate ESG readiness. Each section is supported by relevant tables and integrated with current academic literature to substantiate the findings.

Survey data from Rakuten Insight (2023) reveals a high degree of sustainability consciousness among Indonesian consumers. Approximately 79% of respondents expressed a willingness to pay a premium for sustainable products. This figure is significant, as it mirrors or exceeds similar statistics reported in developed markets, reflecting the growing environmental awareness and social responsibility among Indonesian consumers (Kamalanon et al., 2022).

A further 68% of consumers reported adopting at least one sustainable practice in the last 12 months. Among these behaviors, the most common was reducing single use plastic (84%), followed by preferring sustainable packaging (54%) and buying local products (31%). Such behaviors are not merely symbolic but represent a shift toward lifestyle oriented environmental responsibility(Asyhari & Yuwalliatin, 2021).

Demographically, sustainability adoption skews younger, with younger generations demonstrating higher levels of engagement in eco friendly behaviors (Evania et al., 2023). Higher levels of education also correlate with more proactive sustainable consumption (Hường et al., 2019). Psychographic attributes such as values around health, community, and stewardship further reinforce this trend (Sivaselvan et al., 2021).

Despite the promising attitudes and practices, researchers caution against the "value action gap" a phenomenon where expressed intentions do not always translate into actual behavior due to contextual limitations (Maimunah et al., 2024). However, when sustainability credentials of a product are clearly aligned with consumer values, behavioral intention tends to convert into action (Dirgayasa & Darma, 2024).

Table 1. Consumer Demand Indicators

Indicator	Value	Notes
Willingness to Pay (WTP)	79%	Driven by environmental/social values
Sustainability Importance	63%	Perceive sustainable products as “very important”
Practice Adoption	68%	Engaged in at least one sustainable action in 12 months
Reduce Single Use Plastic	84%	Most dominant practice
Prefer Sustainable Packaging	54%	Packaging as key driver of choice
Buy Local Products	31%	Supports local economy and reduced carbon footprint

Barriers to Sustainable Consumption

Despite high levels of willingness and awareness, Indonesian consumers face several obstacles in translating values into consistent sustainable purchasing behaviors. The top three barriers reported were limited product availability (44%), lack of adequate information (40%), and high price (31%).

These findings are consistent with global literature that identifies affordability and access as primary impediments to green consumption (Parker et al., 2022; Zhang & Dong, 2020). In Indonesia, product availability is influenced by fragmented supply chains and inconsistent distribution of sustainable goods, especially outside urban centers (Hanaysha, 2018). Another major issue is information asymmetry, where consumers often lack clarity on what constitutes a ‘sustainable product.’ This uncertainty fosters skepticism and hesitancy (Hanaysha, 2018).

Information asymmetry also plays a critical role. Consumers often lack clarity regarding what constitutes a “sustainable product,” which leads to skepticism and hesitancy. Past experiences with misleading green claims have eroded consumer trust in sustainability branding (Shamini & Hariharan, 2019).

To mitigate these barriers, pricing strategies and promotional tactics have been recommended in the literature. These include offering trial programs, loyalty points for green purchases, and bundling sustainable products to enhance perceived value (Fatmawati & Alikhwan, 2021). E commerce also plays a key role in bridging availability gaps by offering broader access to green goods across geographic regions (Rachmi et al., 2022).

Table 2. Barriers to Sustainable Consumption

Barrier	Value	Notes
Limited Availability	44%	Often in rural and semi urban areas
Lack of Information	40%	Skepticism due to unclear claims
High Prices	31%	Price sensitive segments at risk

Corporate ESG Readiness

On the supply side, Indonesia has seen a remarkable increase in ESG reporting among companies. According to the Financial Services Authority (OJK), 873 issuers approximately 97% of total listed entities submitted sustainability reports in 2023. An even larger number, 882 companies, publicly released their sustainability reports, encompassing both public issuers and other firms.

While these numbers indicate near universal reporting compliance, they do not necessarily reflect depth or strategic integration. Only 111 companies are constituents of one or more ESG indices such as IDX ESG Leaders (30), SRI KEHATI (25), and ESG Sector Leaders (56). This suggests that although reporting is mandated and widespread, strategic ESG implementation that earns investor recognition is limited (Sugandini et al., 2020).

The link between ESG reporting and firm reputation is well documented. Firms with robust reporting tend to enjoy stronger reputational capital, increased consumer trust, and more favorable investor perceptions (Kinasih et al., 2023). Inclusion in ESG indices enhances firm visibility, incentivizes others to follow suit, and reflects commitment to sustainability goals (Arnone & Leogrande, 2024).

Nonetheless, questions remain about the consistency of ESG index methodologies. Critics argue that without rigorous criteria, ESG indices may fail to capture genuine corporate sustainability performance, thereby undermining investor confidence(Romadhany & Hakim, 2024).

Indonesian firms are increasingly motivated to move beyond compliance due to mounting consumer expectations, market differentiation pressures, and alignment with national development goals (Seal & Bag, 2022). This trend indicates a growing awareness of sustainability as not just a regulatory requirement but a driver of long term strategic value.

Table 3. Corporate ESG Readiness

Metric	Value	Notes
Issuers Filing Sustainability Reports	873	97% compliance rate (OJK, 2023)
Publicly Released Reports	882	Includes non issuer firms
ESG Index Members (Total)	111	Sum of all ESG index constituents

Collectively, these results reveal a mixed but evolving landscape for sustainability in Indonesia. While consumers express readiness and intent, significant barriers persist. On the corporate side, while regulatory compliance is nearly universal, only a small subset of firms demonstrate strategic ESG maturity. The next chapter discusses the implications of this (mis)alignment and proposes actionable insights for firms and policymakers alike.

The findings highlight a critical stage in Indonesia's sustainability transition. While consumers show substantial readiness, the corporate landscape remains unevenly aligned. The data demonstrate that a majority of Indonesian consumers express a strong willingness to pay a premium for sustainable products and actively engage in eco conscious behaviors. However, this consumer intent is frequently constrained by persistent barriers, including limited product availability, insufficient information about sustainability credentials, and higher relative prices for eco friendly alternatives. On the supply side, while regulatory compliance in ESG reporting is notably high, only a small subset of firms exhibit strategic ESG maturity, demonstrated through consistent ESG index inclusion or the implementation of innovative sustainability initiatives. This chapter discusses the implications of these findings through a synthesis of academic literature and identifies strategic and policy opportunities to enhance demand supply synchronization in the Indonesian sustainability ecosystem.

Aligning corporate sustainability initiatives with consumer expectations confers a wide array of strategic benefits that extend beyond immediate market responses. As environmental and social concerns continue to influence consumer purchasing behaviors, Alignment with these values enhances brand trust, customer loyalty, and differentiation in competitive markets (AL-Akheli et al., 2025; Bantan & Thomas, 2021). Firms that authentically reflect these values are more likely to secure a lasting presence among eco-conscious consumers. Furthermore, this alignment can serve as a buffer against reputational risks, helping organizations avoid backlash associated with environmental negligence or social irresponsibility, thus safeguarding long term profitability and market resilience (Yoon et al., 2018).

In addition to its reputational benefits, alignment between corporate action and consumer sustainability expectations can significantly elevate the effectiveness of CSR communication. Firms that disclose their sustainability efforts transparently, and integrate those narratives within compelling and credible brand storytelling, foster stronger relational equity with consumers and investors alike (Arora et al., 2022). These communication efforts, when credible, translate into tangible commercial advantages including increased consumer willingness to pay a premium for brands they perceive as authentic and responsible (Sultan & Saleem, 2024). In emerging markets such as Indonesia where environmental concern is increasing but economic constraints persist companies that successfully navigate the tension between sustainability messaging and affordability can gain a unique competitive edge (Martínez-Ferrero & Lozano, 2021).

The process of translating ESG compliance into a mechanism for market differentiation necessitates strategic and operational transformation. Chief among these is product and process innovation designed with sustainability at the core. Firms can develop new products that are made from recyclable, renewable, or responsibly sourced materials and redesign supply chains to reduce emissions and energy consumption. Such efforts not only align with consumer preferences but also attract institutional investors seeking ESG aligned portfolios (Agyemang et al., 2025). Simultaneously, public disclosure of ESG outcomes grounded in measurable, third party verified indicators can substantially enhance firm credibility. Transparent ESG metrics, when communicated effectively, serve to both reassure stakeholders and build long term strategic partnerships (Cucari et al., 2017).

Government policy is pivotal in fostering deeper ESG integration across sectors. Regulatory mandates, such as the Indonesian Financial Services Authority's POJK 51/2017, have successfully increased corporate reporting. However, the policy landscape must evolve to go beyond compliance and support transformation. This can be achieved through fiscal incentives such as tax credits for sustainable investments and non fiscal mechanisms, including fast track permitting or public recognition for ESG leaders (Ademi & Klungseth, 2022; Nollet et al., 2016). For these policies to be effective in emerging markets, they must be sensitive to local contexts and provide sufficient flexibility for SMEs, which may otherwise be overburdened by complex or costly regulatory expectations (Gabhane, 2025).

A truly resilient and inclusive ESG ecosystem in Indonesia will require collaborative effort from government, business, and civil society stakeholders. Multi sector partnerships can help establish cohesive national roadmaps for sustainability, aligning corporate sustainability goals with national development objectives (Ramadhan, 2025). Public awareness campaigns and education initiatives, especially those targeting youth demographics and underserved regions, can empower consumers to make informed choices and demand greater accountability from brands (Mbarek, 2025). This rising consumer consciousness, when paired with accessible and trustworthy product options, can create a feedback loop that encourages companies to deepen their sustainability commitments.

In parallel, capacity building is critical particularly for SMEs that lack the technical or financial resources to implement ESG strategies. Government agencies and development partners can play an enabling role by offering training programs, knowledge hubs, and access to affordable green technologies. Locally relevant ESG standards and sector specific guidelines will also help firms benchmark and continuously improve their performance, thereby fostering a broader culture of sustainability across Indonesia's business ecosystem (Luo & Wu, 2022).

Ultimately, strategic alignment between consumer expectations and corporate sustainability practices represents not only a market opportunity but also a pathway toward enhanced resilience, innovation, and inclusive development. Companies that prioritize transparency, stakeholder engagement, and sustainability innovation are better equipped to adapt to changing regulatory landscapes, investor preferences, and social norms. For emerging markets like Indonesia, this strategic synchronization is essential for gaining credibility in international markets and realizing the full benefits of sustainable development.

The findings of this study reaffirm the urgent need for Indonesian firms to shift from reactive, compliance oriented ESG approaches to more integrated, strategic models that resonate with consumer values. Achieving this transition will require strong leadership, cross sector collaboration, and supportive policy environments. However, the potential rewards enhanced brand equity, investor trust, and long term consumer loyalty clearly justify the shift. In this context, sustainability should not be viewed merely as a regulatory requirement, but as a defining feature of competitive, forward looking business strategy.

CONCLUSION

This study highlights a significant gap between consumer expectations and corporate ESG practices in Indonesia. While consumers demonstrate high readiness evidenced by willingness to pay premiums, adoption of eco-friendly behaviors, and growing awareness corporate responses remain largely compliance-driven. Most companies fulfill reporting obligations, yet only a limited number integrate ESG into their core strategies. Structural barriers such as limited product availability, high costs, and information asymmetry further contribute to the persistence of the value–action gap.

For Indonesia to advance toward a resilient sustainability ecosystem, firms must shift from compliance-oriented models to strategic ESG integration that aligns with consumer values. This requires innovation in products and processes, transparent and verifiable ESG disclosures, and credible communication to strengthen trust. Supportive policies such as fiscal incentives, SME capacity building, and public awareness campaigns are equally critical. Ultimately, stronger alignment between demand and supply will not only boost competitiveness and investor confidence but also support long-term national development goals.

REFERENCE

Abdel-Basset, M., Mohamed, R., Zaied, A. E. H., & Smarandache, F. (2019). A Hybrid Plithogenic Decision-Making Approach With Quality Function Deployment for Selecting Supply Chain Sustainability Metrics. Symmetry, 11(7), 903. https://doi.org/10.3390/sym11070903

Ademi, B., & Klungseth, N. J. (2022). Does It Pay to Deliver Superior ESG Performance? Evidence From US S&P 500 Companies. Journal of Global Responsibility, 13(4), 421–449. https://doi.org/10.1108/jgr-01-2022-0006

Agyemang, A. O., Osei, A., & Kongkuah, M. (2025). Exploring the ESG-Circular Economy Nexus in Emerging Markets: A Systems Perspective on Governance, Innovation, and Sustainable Business Models. Business Strategy and the Environment. https://doi.org/10.1002/bse.4278

AL-Akheli, A., Tan, H., Hazaea, S. A., ELfarra, B., & Al-Zubairi, A. (2025). Mapping the Literature Trends of Corporate Social Responsibility and Cost of Capital: A Systematic Literature Review. Corporate Social Responsibility and Environmental Management, 32(3), 3383–3407. https://doi.org/10.1002/csr.3137

Althaqafi, T. (2023). Environmental and Social Factors in Supplier Assessment: Fuzzy-Based Green Supplier Selection. Sustainability, 15(21), 15643. https://doi.org/10.3390/su152115643

Arnone, M., & Leogrande, A. (2024). The Sustainability of the Factoring Chain in Europe in the Light of the Integration of ESG Factors. https://doi.org/10.21203/rs.3.rs-4658311/v1

Arora, S., Ryals, C. A., Rodriguez, J. A., Byers, E., & Clewett, E. R. (2022). Leveraging Digital Technology to Reduce Cancer Care Inequities. American Society of Clinical Oncology Educational Book, 42, 559–566. https://doi.org/10.1200/edbk_350151

Asyhari, A., & Yuwalliatin, S. (2021). The Influence of Green Marketing Strategy on Purchasing Decision With Mediation Role of Brand Image. Jurnal Aplikasi Manajemen, 19(3), 535–546. https://doi.org/10.21776/ub.jam.2021.019.03.07

Bansal, M., Samad, T. A., & Bashir, H. A. (2021). The Sustainability Reporting-Firm Performance Nexus: Evidence From a Threshold Model. Journal of Global Responsibility, 12(4), 491–512. https://doi.org/10.1108/jgr-05-2021-0049

Bantan, B. S., & Thomas, K. (2021). Measuring What Matters: A Sector-specific Corporate Social Responsibility Framework for Quality Practice. Thunderbird International Business Review, 63(3), 339–354. https://doi.org/10.1002/tie.22195

Cucari, N., Falco, S. E. D., & Orlando, B. (2017). Diversity of Board of Directors and Environmental Social Governance: Evidence From Italian Listed Companies. Corporate Social Responsibility and Environmental Management, 25(3), 250–266. https://doi.org/10.1002/csr.1452

Dahal, M., Sangma, A., Das, J., & Ray, P. (2023). Mandatory CSR Spending, ESG And firm Performance: Evidence From Bombay Stock Exchange. Rajagiri Management Journal, 18(2), 137–150. https://doi.org/10.1108/ramj-08-2022-0132

Deeney, P., Nagle, A., Gough, F., Lemmertz, H., Delaney, E. L., McKinley, J., Graham, C., Leahy, P., Dunphy, N., & Mullally, G. (2021). End-of-Life Alternatives for Wind Turbine Blades: Sustainability Indices Based on the UN Sustainable Development Goals. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3835115

Dirgayasa, I. M., & Darma, G. S. (2024). Analyzing the Impact of Social Media Marketing, Green Marketing, and Developer Reputation on Property Purchase Intention. Journal of Ecohumanism, 3(4), 1250–1260. https://doi.org/10.62754/joe.v3i4.3655

Evania, S., Listiana, E., Wendy, W., Rosnani, T., & Fahruna, Y. (2023). The Effect of Influencer Marketing and Content Marketing on Customer Engagement and Purchase Decisions on Followers. Asian Journal of Economics Business and Accounting, 12–20. https://doi.org/10.9734/ajeba/2023/v23i2917

Fatmawati, I., & Alikhwan, M. A. (2021). How Does Green Marketing Claim Affect Brand Image, Perceived Value, and Purchase Decision? E3s Web of Conferences, 316, 01020. https://doi.org/10.1051/e3sconf/202131601020

Gabhane, D. (2025). Green HRM and Sustainable Finance: Aligning HR Practices With ESG Goals. Journal of Information Systems Engineering & Management, 10(24s), 701–709. https://doi.org/10.52783/jisem.v10i24s.3975

Hamdan, A., Ari, I. R. D., & Agustin, I. W. (2022). Environmental Sustainability Improvement of Malang City Based on Local Sustainability. Jurnal Sosial Teknologi, 2(1), 39–50. https://doi.org/10.36418/jurnalsostech.v2i1.260

Hanaysha, J. R. (2018). An Examination of the Factors Affecting Consumer's Purchase Decision in the Malaysian Retail Market. Psu Research Review, 2(1), 7–23. https://doi.org/10.1108/prr-08-2017-0034

Joshi, S., & Staha, M. (2023). What Types of Data Inform Strategic Factors Affecting Sustainability Decisions in Retail? Journal of Student Research, 12(2). https://doi.org/10.47611/jsr.v12i2.1912

Kamalanon, P., Chen, J., & Le, T.-T.-Y. (2022). "Why Do We Buy Green Products?" an Extended Theory of the Planned Behavior Model for Green Product Purchase Behavior. Sustainability, 14(2), 689. https://doi.org/10.3390/su14020689

Kinasih, I. A. D., I Gst. Ngurah Jaya Agung Widagda, Rahyuda, I. K., & Suparna, G. (2023). Effect of Green Marketing and Corporate Social Responsibility on Purchase Decisions Mediated by Brand Image (Study on Consumers of Avoskin Skincare Products in Denpasar City). European Journal of Business Management and Research, 8(4), 249–260. https://doi.org/10.24018/ejbmr.2023.8.4.2081

Kolling, C., & Ribeiro, J. L. D. (2025). Leveraging Product Labels for Sustainable Consumption: Circular Economy, Corporate Social Responsibility, and ESG Messaging on Consumers' Purchase Decisions. Corporate Social Responsibility and Environmental Management. https://doi.org/10.1002/csr.3265

Luo, K., & Wu, S. (2022). Corporate Sustainability and Analysts' Earnings Forecast Accuracy: Evidence From Environmental, Social and Governance Ratings. Corporate Social Responsibility and Environmental Management, 29(5), 1465–1481. https://doi.org/10.1002/csr.2284

Maimunah, S., Maisyura, M., Nainggolan, K. K., & Nisa, N. (2024). The Influence of Green Marketing Communication and Brand Credibility Through the Mediation of Environmental Attitudes and Moderation of Income Levels on Purchasing Decisions of Green Marketing Products in Aceh. Journal of Ecohumanism, 3(8), 161–179. https://doi.org/10.62754/joe.v3i8.4720

Makhdalena, M., Zulvina, D., Zulvina, Y., Amelia, R. W., & Wicaksono, A. P. (2023). ESG and Firm Performance in Developing Countries: Evidence From ASEAN. Etikonomi, 22(1), 65–78. https://doi.org/10.15408/etk.v22i1.25271

Malik, M., & Abdallah, S. (2019). Sustainability Initiatives in Emerging Economies: A Socio-Cultural Perspective. Sustainability, 11(18), 4893. https://doi.org/10.3390/su11184893

Mane, A. (2022). Technoarete Transactions on Internet of Things and Cloud Computing Research, 2(4). https://doi.org/10.36647/ttitccr/02.04

Martínez-Ferrero, J., & Lozano, M. B. (2021). The Nonlinear Relation Between Institutional Ownership and Environmental, Social and Governance Performance in Emerging Countries. Sustainability, 13(3), 1586. https://doi.org/10.3390/su13031586

Mbarek, N. B. (2025). The Interplay Between Social Responsibility and Institutional Investment in Achieving Sustainable Business Outcomes. International Journal of Innovative Research and Scientific Studies, 8(3), 519–528. https://doi.org/10.53894/ijirss.v8i3.6556

Mooneeapen, O., Abhayawansa, S., & Khan, N. M. (2022). The Influence of the Country Governance Environment on Corporate Environmental, Social and Governance (ESG) Performance. Sustainability Accounting Management and Policy Journal, 13(4), 953–985. https://doi.org/10.1108/sampj-07-2021-0298

Nollet, J., Filis, G., & Mitrokostas, E. (2016). Corporate Social Responsibility and Financial Performance: A Non-Linear and Disaggregated Approach. Economic Modelling, 52, 400–407. https://doi.org/10.1016/j.econmod.2015.09.019

Rachmi, A., Wardani, Rr. T. I., & Sudjanarti, D. (2022). The Effect of Green Product Attributes and Eco Label Information on Green Purchasing Decision. 109–117. https://doi.org/10.2991/978-94-6463-026-8_12

Ramadhan, Y. (2025). Strategi Manajemen Eksternal Berbasis Keberlanjutan Dalam Program Bakti BCA Pada Bank Central Asia. Jurnal Ilmiah Manajemen Bisnis Dan Kewirausahaan, 5(2), 159–177. https://doi.org/10.55606/jurimbik.v5i2.1059

Romadhany, Y. I., & Hakim, L. (2024). The Effect of Green Marketing on Product Purchasing Decisions With E-Wom as a Mediating Variable. Jurnal Ilmiah Manajemen Kesatuan, 12(1), 245–254. https://doi.org/10.37641/jimkes.v12i1.2419

Seal, D. B., & Bag, S. (2022). Constituents Affecting Brand Loyalty of Sustainable Beauty and Personal Care Products. Marketing and Management of Innovations, 13(3), 66–77. https://doi.org/10.21272/mmi.2022.3-06

Sekhar, K. C., & Asio, J. M. R. (2022). Evaluation of Consumerism on Sustainability. Technoarete Transactions on Advances in Social Sciences and Humanities, 2(2). https://doi.org/10.36647/ttassh/02.02.a002

Shamini, H., & Hariharan, G. (2019). Factors Affect to Consumers Green Purchasing Behavior: A Study on Batticaloa District. South Asian Journal of Social Studies and Economics, 1–8. https://doi.org/10.9734/sajsse/2019/v5i130135

Sivaselvan, D., Samsai, T., & Mahendran, K. (2021). Impact of Green Products on Consumer Purchase Decision in Coimbatore City of Tamil Nadu. Asian Journal of Agricultural Extension Economics & Sociology, 64–70. https://doi.org/10.9734/ajaees/2021/v39i730609

Sugandini, D., Muafi, M., Susilowati, C., Siswanti, Y., & Syafri, W. (2020). Green Supply Management and Green Marketing Strategy on Green Purchase Intention: SMEs Cases. Journal of Industrial Engineering and Management, 13(1), 79. https://doi.org/10.3926/jiem.2795

Sultan, A., & Saleem, H. M. N. (2024). Corporate Social Responsibility, Earnings Management, and Cash Holding: A Study of Non-Financial Firms in Pakistan. Annals of Social Sciences and Perspective, 5(2), 319–334. https://doi.org/10.52700/assap.v5i2.406

Tran, H. T., & Pham, H. S. T. (2022). How Environmental, Social, and Governance Disclosure Promotes Sales? Empirical Evidence From Global Firms. Journal of Strategic Marketing, 32(1), 1–19. https://doi.org/10.1080/0965254x.2022.2118816

Yoon, B.-H., Lee, J., & Byun, R. (2018). Does ESG Performance Enhance Firm Value? Evidence From Korea. Sustainability, 10(10), 3635. https://doi.org/10.3390/su10103635.