

THE EFFECT OF GREEN CORPORATE SOCIAL RESPONSIBILITY, GREEN INNOVATION, AND PRICE PERCEPTION ON PURCHASE DECISIONS

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Abstract:

Purpose:

This study examines the effects of Green Corporate Social Responsibility (CSR), green innovation, and price perception on consumers' purchase decisions at Fore Coffee Renon in Denpasar. The study was motivated by the outlet's inconsistent achievement of its sales targets in 2024.

Methodology:

Using a quantitative research design, the study surveyed 100 consumers selected through purposive sampling. Primary data were obtained through questionnaires and analysed using multiple linear regression, supported by validity, reliability, classical assumption, F-test, and t-test procedures. The results indicate that Green CSR, green innovation, and price perception exert positive and significant effects on purchase decisions, both simultaneously and individually.

Findings:

Green innovation was found to have the strongest influence. The findings suggest that a stronger commitment to sustainability.

Implication:

Meaningful environmentally oriented innovation, and fair price perceptions can improve consumer responses to Fore Coffee products.

INTRODUCTION

Among the growing number of coffee-shop brands in Indonesia, Fore Coffee has established itself as a business capable of adapting to changes in consumer behavior in the digital era. Its business orientation extends beyond selling coffee products to adopting a technology-based coffee-chain concept that integrates app-based digital services to make ordering more practical, faster, and more efficient. In response to consumption trends increasingly emphasizing sustainability, Fore Coffee has incorporated environmentally responsible business principles through Green Corporate Social Responsibility (Green CSR) and Green Innovation across its operations. Its Renon outlet in Denpasar benefits from a strategic location characterized by high population mobility, encompassing office districts, educational institutions, public services, and commercial facilities. Nevertheless, increasingly complex competition requires Fore Coffee to strengthen its value proposition, develop differentiation relevant to market needs, and enhance product appeal to sustain consumers' purchase decisions.

A purchase decision represents consumers' final choice after considering rational and emotional factors when selecting a product or service. Before making this decision, consumers recognize their needs, obtain information from various sources, compare available alternatives, and evaluate expected benefits. According to Kotler and Keller (2021), purchase decisions are an indicator of marketing success because they are directly related to a firm's ability to generate sales, retain customers, and maintain long-term business continuity. A high propensity to purchase suggests that the firm's strategy meets consumer expectations and strengthens its competitive position. Conversely, a declining propensity to purchase may reduce revenue, diminish customer numbers, and weaken competitiveness.

Price perception is among the factors expected to influence consumer purchase decisions. Consumers view price not merely as the amount paid to obtain a product but also as an indicator of the quality, benefits, and value they expect to receive. Purchase decisions are therefore often shaped by consumers' assessments of whether the price paid is commensurate with the benefits experienced after consumption. When customers perceive an

appropriate balance between cost and value, their likelihood of purchasing increases. Conversely, when prices appear inconsistent with perceived quality or benefits, customers may consider other brands offering better value.

In the competitive coffee-shop industry, pricing is a strategic determinant of market competitiveness. Fore Coffee generally operates within a middle- to upper-middle-price segment, targeting customers who prioritize product quality and the coffee-drinking experience. Nevertheless, this positioning creates divergent perceptions. Some customers regard its prices as consistent with the product quality, innovation, and service provided, whereas others consider them relatively high compared with competing brands. Such differences in perceived value are expected to affect purchasing behavior, making price perception a pertinent variable in this study.

Fore Coffee Renon's sales performance in 2024 indicates that its marketing activities did not consistently achieve established business targets. Fluctuating sales suggest that consumers' purchasing behavior changed over time and did not make a stable contribution to achieving the company's sales objectives. This situation indicates that market success depends not only on product quality but also on consumers' overall assessments of the value offered. If such fluctuations persist, Fore Coffee may face greater difficulty sustaining sales growth amid intensifying competition in the coffee-shop industry. A more comprehensive identification of the factors influencing consumer purchase decisions is therefore necessary.

In sustainable marketing, Green Corporate Social Responsibility (Green CSR) is regarded as a strategic approach to strengthening relationships between firms and consumers. Green CSR entails more than undertaking environmental conservation activities; it also requires demonstrating a genuine commitment to responsible and sustainable business practices. Such commitment may enhance corporate credibility, reinforce brand reputation, and foster consumer trust, thereby creating competitive advantages that rivals cannot easily imitate. Fore Coffee has implemented sustainability-oriented initiatives, including reducing single-use plastics, using more environmentally friendly equipment and packaging, and conducting environmental awareness campaigns.

Mixed findings regarding the effect of Green CSR on purchase decisions suggest that sustainability strategies do not produce universally consistent outcomes. Several studies show that Green CSR can encourage consumers to choose environmentally responsible companies (Chen & Hung, 2021; Nguyen et al., 2022; Suki, 2023). Conversely, Rahim et al. (2021) indicate that environmental initiatives are not invariably received positively. When consumers question the authenticity of a company's environmental commitment and perceive its actions as greenwashing, purchase decisions may be adversely affected. Accordingly, Green CSR effectiveness depends more on consumers' assessments of the credibility of sustainability initiatives than on the number of environmental activities undertaken. Its association with purchase decisions therefore requires further empirical examination across business settings, including Fore Coffee Renon.

Growing attention to sustainability also encourages companies to innovate while considering environmental impacts. This approach is reflected in Green Innovation, which combines economic value creation with environmental sustainability. From the Resource-Based View (RBV) perspective, the ability to develop such innovations constitutes a strategic capability that may generate a competitive advantage because competitors find it difficult to replicate. Fore Coffee has incorporated this concept through digitalized services, more environmentally friendly packaging, and operational improvements intended to enhance efficiency.

Prior studies also report inconsistent findings concerning the relationship between Green Innovation and purchase decisions. Li et al. (2022), Wang and Zhao (2023), and Amalia and Ramli (2024) indicate that sustainability-oriented innovation can enhance purchase decisions by creating additional value perceived by consumers. In contrast, Kim and Lee (2021) find that this influence may weaken when innovation is perceived solely as a cause of higher prices without proportionate benefits. These differences suggest that consumer responses depend not only on the presence of Green Innovation but also on perceived trade-offs between benefits and sacrifices.

Price perception remains another important consideration in purchasing decisions. Consumers evaluate prices according to the relationship between the cost incurred and the quality, benefits, and consumption experience received. The greater the perceived value relative to the price paid, the more likely consumers are to purchase. Conversely, if the price does not appear to reflect the benefits offered, customers may switch to alternatives regarded as providing greater value. Preliminary interviews with Fore Coffee Renon customers indicated that promotions and discounts remained important considerations in purchasing. This is consistent with

Konuk (2021), Tandibua and Nainggolan (2023), and Assyifa and Cyasmoro (2025), who reported a positive influence of price perception on purchase decisions. Hapsari (2022), however, reported a different result.

The diversity of empirical findings concerning Green CSR, Green Innovation, and price perception, together with Fore Coffee Renon's suboptimal sales performance, establishes the rationale for this study. Accordingly, this research seeks to provide empirical evidence of the effects of these three variables on consumer purchase decisions at Fore Coffee Renon, Bali.

H1: Green Corporate Social Responsibility (CSR), Green Innovation, and price perception simultaneously have a positive and significant effect on purchase decisions.

H2: Green Corporate Social Responsibility (CSR) has a positive and significant effect on purchase decisions.

H3: Green Innovation has a positive and significant effect on purchase decisions.

H4: Price Perception has a positive and significant effect on purchase decisions.

METHODS

Fore Coffee Renon, located at Jl. Cok Agung Tresna No. 37, Dangin Puri Klod, East Denpasar District, Denpasar City, was selected as the research site because it matched the study's objectives. The population size could not be determined precisely because not all population members had been identified. To establish an appropriate sample, the study employed the Hair (2021) formula and obtained 100 respondents. The collected data were analyzed using multiple linear regression to estimate relationships among the variables. Before analysis, validity and reliability tests were conducted to ensure that the research instruments met acceptable measurement standards and could generate reliable findings.

RESULTS AND DISCUSSION

Table 1. Validity Test Results for Each Indicator

Variable	Indicator or	Corrected Item–Total Correlation	Cronbach's Alpha	Assessment
Green Corporate Social Responsibility (CSR) (X1)	X1.1	0.779	0.831	Valid and reliable
	X1.2	0.854		Valid and reliable
	X1.3	0.733		Valid and reliable
	X1.4	0.711		Valid and reliable
	X1.5	0.779		Valid and reliable
Green Innovation (X2)	X2.1	0.713	0.696	Valid and reliable
	X2.2	0.661		Valid and reliable
	X2.3	0.715		Valid and reliable
	X2.4	0.737		Valid and reliable
	X2.5	0.555		Valid and reliable
Price Perception (X3)	X3.1	0.808	0.911	Valid and reliable
	X3.2	0.892		Valid and reliable
	X3.3	0.880		Valid and reliable
	X3.4	0.920		Valid and reliable
	X3.5	0.792		Valid and reliable
Purchase Decision (Y)	Y.1	0.891	0.939	Valid and reliable
	Y.2	0.867		Valid and reliable
	Y.3	0.887		Valid and reliable
	Y.4	0.911		Valid and reliable
	Y.5	0.926		Valid and reliable

Source: Primary data processed (2026)

Verification of the research instrument indicated that all measurement indicators adequately represented their respective constructs. Each item correlation exceeded the minimum validity threshold, suggesting that the questionnaire items accurately captured the intended concepts. The instrument therefore demonstrated satisfactory

measurement validity, and all indicators were considered suitable for analysis. Meeting the validity criteria further suggests that none of the measurement items deviated substantially from the theoretical meaning of its construct.

The reliability assessment confirmed that all constructs exhibited acceptable internal consistency. Cronbach's alpha values exceeded the prescribed minimum threshold, indicating that the instrument consistently measured respondents' perceptions. Accordingly, variation in the responses was more likely to reflect the characteristics of the constructs than random measurement error.

Classical Assumption Tests

Table 3 Multicollinearity Test

Model	Predictor	Tolerance	VIF
1	(Constant)		
1	Green Corporate Social Responsibility (CSR) (X1)	0.821	1.218
1	Green Innovation (X2)	0.789	1.267
1	Price Perception (X3)	0.810	1.234
Note	Dependent variable: Purchase Decision (Y)		

Source: Primary data processed (2026)

The assessment of relationships among the explanatory variables indicated an adequate degree of independence across predictors. The statistical indicators showed no excessive concentration of shared information arising from overly strong correlations between independent variables. Each explanatory variable therefore retained its distinct contribution to the model. The absence of problematic multicollinearity supports more reliable interpretation of the regression coefficients.

Multiple Linear Regression Analysis

Following the classical assumption tests, the next step was to test the research hypotheses using the regression results presented in the subsequent tables.

Table 4. Multiple Linear Regression Results

Model	Predictor	B	Std. Error	Beta	t	Sig.
1	(Constant)	-0.907	2.954		-0.307	0.759
1	Green Corporate Social Responsibility (CSR) (X1)	0.236	0.114	0.188	2.065	0.042
1	Green Innovation (X2)	0.551	0.144	0.357	3.836	0.000
1	Price Perception (X3)	0.261	0.112	0.214	2.335	0.022
Note	Dependent variable: Purchase Decision (Y)					

Source: Primary data processed (2026)

F-Test (Simultaneous Test)

Table 6. F-Test Results

Model	Source	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	586.421	3	195.474	16.772	0.000
1	Residual	1118.889	96	11.655		
1	Total	1705.310	99			
Note	Dependent variable: Purchase Decision (Y) Predictors: (Constant), Price Perception (X3), Green CSR (X1), Green Innovation (X2)					

Source: Primary data processed (2026)

The research hypotheses were evaluated using F-tests and t-tests. The F-test assessed the joint significance of the independent variables in explaining the dependent variable, whereas the t-test assessed the partial effect of

each predictor. Decisions were based on a 5% significance level ($\alpha = 0.05$), using either comparisons with critical test statistics or the corresponding p-values. Effects were considered statistically significant when $p < 0.05$; otherwise, the evidence was insufficient to conclude statistical significance. This procedure enabled objective interpretation of the relationships based on the statistical results.

t-Test (Partial Test)

Table 7. t-Test Results

Model	Predictor	B	Std. Error	Beta	t	Sig.
1	(Constant)	-0.907	2.954		-0.307	0.759
1	Green Corporate Social Responsibility (CSR) (X1)	0.236	0.114	0.188	2.065	0.042
1	Green Innovation (X2)	0.551	0.144	0.357	3.836	0.000
1	Price Perception (X3)	0.261	0.112	0.214	2.335	0.022
Note	Dependent variable: Purchase Decision (Y)					

Source: Primary data processed (2026)

DISCUSSION

Green Corporate Social Responsibility (CSR), Green Innovation, and price perception jointly explained a significant proportion of variation in Fore Coffee purchase decisions, as indicated by an F-statistic of 16.772 and a significance value of 0.000. This finding suggests that consumer purchasing behavior is shaped by multidimensional evaluations rather than a single attribute. Environmental responsibility helps establish credibility and a positive reputation, while green innovation creates differentiated value that enhances market competitiveness. Moreover, perceptions of prices as appropriate for product quality and benefits strengthen consumers' assessments of value. Together, these dimensions create a stronger value proposition and increase the likelihood of choosing Fore Coffee. This empirical evidence supports the arguments advanced by Chen and Hung (2021), Nguyen et al. (2022), and Li et al. (2022).

The Green CSR regression coefficient was 0.236, with a significance value of 0.042, below the 0.05 threshold. This finding indicates that a stronger commitment to social responsibility and environmental preservation can improve consumer perceptions. From the standpoint of Stakeholder Theory, corporate success depends not only on economic performance but also on maintaining credible and sustainable relationships with stakeholders. When environmental commitments are regarded as genuine and consistent, corporate trust increases, encouraging consumers to choose Fore Coffee products. This interpretation is consistent with Fatma and Rahman (2021), Suki (2023), and Chen and Hung (2021).

The partial analysis yielded a regression coefficient of 0.551 with a significance value of 0.000 for Green Innovation, making it the strongest predictor among the variables examined. This result suggests that environmentally oriented product development, operational improvements, and technology adoption enhance consumers' perceptions of the company's offerings. In the Resource-Based View (RBV), valuable, difficult-to-imitate, and sustainable innovation provides a competitive advantage that strengthens market position. Accordingly, stronger implementation of Green Innovation is associated with a greater likelihood of purchase. These findings are consistent with Li et al. (2022), Wang and Zhao (2023), and Amalia and Ramli (2024).

Price perception had a regression coefficient of 0.261. This result suggests that purchase decisions increase when consumers consider prices consistent with the quality, benefits, and experience provided. Under Perceived Value Theory, consumers are more inclined to buy when perceived benefits outweigh sacrifices. Fair and proportionate pricing therefore plays an important role in encouraging purchase decisions. This finding accords with Konuk (2021), Hapsari (2022), and Tandibua and Nainggolan (2023).

CONCLUSION

The empirical analysis confirms that Fore Coffee consumers' purchase decisions result from the interaction of several factors rather than being determined by a single variable. Green CSR, Green Innovation, and favorable price perceptions were found to contribute positively to purchase decisions, both jointly and individually. Among the three predictors, Green Innovation made the largest contribution, suggesting that the company's ability to deliver sustainability-oriented innovation is particularly important in consumers' decision-making processes.

Corporate commitment to environmentally responsible business practices and prices perceived as reflecting product benefits and quality also reinforce consumers' confidence in choosing Fore Coffee. Overall, value creation through sustainability strategies, innovation, and appropriate pricing constitutes an important foundation for encouraging purchase decisions.

RECOMMENDATIONS

The findings indicate that increasing purchase decisions requires more than product superiority; it also calls for a business strategy that creates sustainable consumer value. Fore Coffee should therefore incorporate Green CSR, Green Innovation, and pricing aligned with product quality and benefits into its long-term strategy to improve competitiveness and maintain consumer loyalty. For future scholarship, additional determinants such as brand image, product quality, service quality, and promotions should be examined. Researchers should also test the model among different consumer groups, geographic areas, and business sectors to deepen understanding and improve the generalizability of the findings.

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