Archives available at journals.mriindia.com

International Journal on Research and Development - A Management Review

ISSN: 2319 - 5479

Volume 15 Issue 01, 2026

From Ethical Consumption to Algorithmic Finance: A Comparative Qualitative Study of Human Judgment, AI Decision Support, and Sustainable Financial Behavior among Students

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Peer Review Information

Submission: 10 Feb 2026

Revision: 22 Feb 2026

Acceptance: 03 March 2026

Keywords

Ethical consumption; Digital consumer behavior; Student consumers; Identity formation; Grounded theory; Sustainability; E-commerce; Emotional decision-making

Abstract

The rapid expansion of digital marketplaces has transformed not only how students shop but also how they express values, identities, and moral orientations through consumption. While existing research predominantly conceptualizes ethical consumption as a rational, intention-driven behavior, it often overlooks the emotional, social, and identity-based processes underlying everyday purchase decisions—especially in platform-mediated environments. This qualitative study adopts a grounded theory approach to explore how university students construct meaning around ethical digital consumption in e-commerce contexts.

Data were collected through semi-structured interviews with 30 undergraduate students aged 18–23, selected using purposive and snowball sampling. Using open, axial, and selective coding procedures, the analysis revealed that ethical consumption among students is not a stable behavioral pattern but an evolving identity process shaped by emotional conflict, social validation, peer and influencer narratives, and platform trust.

Six dominant emotional orientations—guilt, pride, confusion, anger, indifference, and happiness—emerged as central to how students evaluated their purchases and moral self-concept. Based on these findings, the study proposes the Ethical Consumption Identity Formation Model, which explains how awareness, emotional appraisal, social interpretation, and trust interact to shape value-based digital consumption.

This study contributes to sustainability and consumer research by theorizing ethical consumption as a lived, identity-driven process rather than a purely rational choice. Practically, it offers insights for educators, e-commerce platforms, and policymakers seeking to design inclusive, transparent, and emotionally resonant sustainability interventions for young consumers.

To extend the grounded theory findings, this study incorporates a second qualitative dataset collected through short telephonic interviews (N = 27) examining AI-assisted financial decision-making among students. Comparative analysis indicates that while AI improves efficiency, fraud prevention, and financial awareness, participants continue to rely heavily on human judgment due to concerns regarding transparency, emotional disconnect, and accountability. Ethical discomfort, frequent human

	override behavior, and fragmented responsibility attribution emerged as central patterns. Together, the findings demonstrate that sustainable digital financial behavior is shaped not by automation alone but through hybrid human–AI decision processes, where emotional appraisal and trust act as key mediating mechanisms. This comparative perspective expands the Ethical Consumption Identity Formation Model by showing that similar identity-based negotiations govern both consumption and AI-mediated financial decisions.

Introduction

Digital marketplaces are now among the most influential consumption environments shaping how young adults evaluate products, social status, and personal values. Beyond enabling price comparison and rapid delivery, platform architectures actively curate what becomes visible and persuasive through recommendation systems, interface cues, and credibility signals. The *UNCTAD Digital Economy Report 2024* emphasizes that the rapidly expanding digital economy generates not only developmental opportunities but also mounting sustainability and governance pressures across extraction, production, energy use, and waste systems, underscoring that digital consumption is not environmentally immaterial (United Nations Conference on Trade and Development [UNCTAD], 2024).

Within this environment, ethical and sustainable consumption has become salient—yet contested. Contemporary scholarship increasingly argues that digital affordances shape moral reasoning, behavioral expressions, and ethical dilemmas in online consumption contexts, requiring frameworks that treat platforms as active mediators rather than passive channels. However, ethical consumption remains marked by a persistent intention–behavior gap, particularly in everyday, convenience-oriented shopping settings. Recent empirical work demonstrates that information quality and communication design significantly influence intention–behavior conversion and that "closer-to-reality" research designs outperform conventional online surveys in explaining ethical consumption behavior

For university students, this gap is especially meaningful because consumption occurs at the intersection of high platform exposure and active identity construction in digital social environments. Digital identity research conceptualizes identity as dynamically shaped by platform participation, proposing mechanisms such as selection, manipulation, evocation, and application to explain how online environments influence identity development (Soh et al., 2024). Systematic review evidence further indicates that social media use is associated with multiple identity-development dimensions, including identity exploration, commitment, self-concept clarity, and identity distress, suggesting that consumption-related self-presentation carries psychological consequences beyond surface-level performance (Avci et al., 2024). Complementing this, youth consumer research shows that young people actively construct consumer identities through social media, where peer evaluation and commercial narratives become embedded in identity work (Wilska et al., 2023).

Ethical consumption in platform-mediated contexts is further complicated by trust and authenticity challenges. Research on perceived greenwashing demonstrates that sustainability claims often generate skepticism and influence consumer judgments, particularly in product categories where "green" labels are widespread but difficult to verify (Suphasomboon & Vassanadumrongdee, 2022). More recent work on Generation Z highlights the central role of brand trust, digital engagement, and experiential dimensions in shaping sustainability-oriented purchase intentions among digitally native consumers (Theocharis & Tsekouropoulos, 2025). Collectively, these findings suggest that ethical consumption decisions are not governed solely by cognitive evaluation but are shaped by credibility interpretation, emotional appraisal, and identity-consistency concerns within highly mediated choice environments.

Interview evidence from the present study aligns strongly with this argument. Across the 30 university student respondents (18–23 years), participants consistently reported decision logics dominated by price, quality, reviews, urgency, and perceived usefulness, with ethical considerations appearing as intermittent and often secondary cues. Many participants explicitly stated that they "do not care" about ethical shopping or engage with it only when compatible with low cost and low effort, while others described ethical purchasing as aspirational but not feasible "every time" due to affordability constraints. This pattern reflects contemporary discussions emphasizing that ethical consumption frequently collapses under everyday platform constraints even when awareness exists

Crucially, student narratives indicate that ethical consumption should be theorized as an evolving identity process rather than a stable preference. Respondents reported emotional responses such as guilt, pride, confusion, anger, happiness, and indifference linked to the perceived moral meaning of their purchases. These emotional orientations function as moral feedback, shaping whether individuals experience themselves as consistent or inconsistent with personal values. This interpretation aligns with digital identity frameworks highlighting how platform environments evoke psychological responses and influence identity integration (Soh et al., 2024) and with evidence that youth identity construction and consumer styles are socially negotiated in online contexts (Wilska et al., 2023).

Accordingly, the present study addresses a gap in ethical consumption literature by moving beyond variable-centered rational-choice models and developing an experience-based explanation of ethical digital consumption among students. Using a grounded theory design, this paper generates a process model—grounded in student narratives—explaining how ethical consumption identity forms, fluctuates, and stabilizes across repeated e-commerce encounters. The study is guided by the following research questions:

1. How do university students define and interpret "ethical consumption" in everyday e-commerce contexts?
2. What emotional experiences accompany ethical and non-ethical online purchasing decisions?
3. How do platform cues (e.g., reviews, sustainability claims, perceived transparency) shape trust and decision-making?
4. How do peers and digital narratives contribute to the formation or weakening of ethical consumption identity?

By theorizing ethical digital consumption as an identity formation process shaped by platform mediation, emotional appraisal, and social validation, this study contributes to emerging digital sustainability frameworks and contemporary identity-in-digital-context scholarship (Soh et al., 2024), while offering practical insights for platform design, consumer education, and sustainability communication interventions targeting young consumers.

Extension to AI-Mediated Financial Decision Contexts

Beyond e-commerce consumption, students increasingly interact with Artificial Intelligence through financial technologies such as digital banking platforms, robo-investment systems, budgeting applications, automated credit assessments, and fraud detection tools. These systems introduce algorithmic recommendations into everyday financial decisions, reshaping how individuals evaluate risk, responsibility, and sustainability. While AI promises enhanced efficiency and objectivity, it also raises concerns related to opacity, emotional detachment, and accountability, particularly when automated outcomes conflict with personal circumstances.

Similar to ethical consumption in digital marketplaces, AI-mediated financial decision-making operates within platform environments that structure attention, credibility, and perceived legitimacy. Students therefore negotiate values not only in purchasing contexts but also in financial judgments involving savings, investments, and credit. Extending the ethical consumption identity framework into AI-enabled financial contexts enables comparative interpretation of how emotional appraisal, trust evaluation, and social meaning shape sustainable behavior across both consumption and financial domains.

Literature Review

The literature on ethical consumption spans multiple disciplinary perspectives, including consumer behavior, sustainability studies, digital platforms, identity research, and qualitative methodologies. This review synthesizes recent contributions and identifies conceptual gaps that justify a grounded theory approach integrating ethical digital consumption with AI-mediated financial decision-making.

1. Ethical Consumption and Sustainable Consumer Behavior

Ethical consumption refers to consumer choices guided by moral imperatives such as environmental protection, social justice, fair labor, and animal welfare (Harrison et al., 2005). Classical behavioral frameworks including the Theory of Planned Behavior (TPB) conceptualize ethical behavior as driven by attitudes, subjective norms, and perceived behavioral control (Ajzen, 1991). However, recent empirical studies demonstrate that TPB-based models struggle to predict ethical action in digitally mediated contexts characterized by time pressure, algorithmic persuasion, and price competition (Zhang et al., 2025). Similarly, Value–Belief–Norm Theory emphasizes personal moral norms but exhibits weak translation from values to actual purchase behavior in online environments (Stern & Dietz, 2023).

Emerging scholarship therefore advocates frameworks that incorporate platform mediation. Complementary evidence from large-

scale platform studies shows that algorithmic recommendation systems influence sustainability-oriented choices by prioritizing convenience and popularity over ethical attributes (UNCTAD, 2024; Fuentes, 2024).

Table 1: Theoretical Foundations of Ethical Consumption

Theory / Framework	Core Focus	Limitations in Digital Contexts
Theory of Planned Behavior (TPB)	Rational choice via attitudes, norms, control	Limited emotional and identity insight
Value–Belief–Norm (VBN)	Moral norms as drivers	Weak online intention–action translation
Digital Sustainable Consumption Framework (DSCF)	Platform mediators, motives, dilemmas	Emerging; requires qualitative grounding
Social Identity & Consumer Identity	Identity signaling through consumption	Underexplored in e-commerce

2. Emotional Dimensions in Ethical Consumption

While early ethical consumption research emphasized rational evaluation, recent studies foreground emotional mechanisms such as guilt, pride, regret, and cognitive dissonance in sustainability decisions. Emotions provide immediate evaluative feedback and significantly influence consumption intensity, satisfaction, and loyalty. Research on greenwashing demonstrates that perceived inauthenticity intensifies negative emotions, lowers trust, and exacerbates the intention–behavior gap (Singh & Lee, 2025).

Recent experimental evidence further shows that unverifiable green signals increase confusion and reduce consumer confidence in ethical claims, especially in digital retail environments (Zhang et al., 2025). These findings indicate that affective responses act as moral self-regulation mechanisms shaping both immediate decisions and longer-term identity alignment.

3. Digital Platforms as Moral Environments

E-commerce platforms operate as moral environments rather than neutral transaction spaces, structuring attention and ethical salience through interface design, labeling systems, and algorithmic visibility (UNCTAD, 2024). Platform features such as sustainability badges and eco-tags can increase awareness but also generate ambiguity when verification is unclear (Fuentes, 2024). Empirical platform-level analyses reveal that algorithmic ranking often favors engagement metrics over sustainability attributes, indirectly discouraging ethical choices (Zhang et al., 2025).

Digital trust therefore emerges as a critical mediator between perceived ethical cues and actual behavior. When trust erodes—through greenwashing or opaque claims—consumers disengage from sustainability considerations (Suphasomboon & Vassanadumrongdee, 2022).

4. Social Influence: Peers and Influencers

Peer influence and digital influencers play a central role in shaping ethical perceptions among university students. Peer reviews strongly affect perceived norms and desirability (Nguyen & Brown, 2025), while influencer authenticity predicts trust and sustainability-oriented purchase intention (O'Neill & Pérez, 2024). A recent systematic review confirms that influencer credibility is a decisive factor in promoting sustainable consumption, though outcomes vary depending on perceived transparency and commercial motivation (Munaro et al., 2024).

Conversely, sponsored or exaggerated influencer content increases skepticism, weakening ethical positioning and brand credibility (Taylor & Zhang, 2025).

5. Identity Formation and Consumption in Emerging Adulthood

Emerging adulthood is characterized by identity exploration and value crystallization (Arnett, 2000), with consumption serving as a symbolic medium for self-expression (Belk, 1988). Contemporary digital identity research emphasizes how platform participation, self-presentation, and social comparison shape identity development through psychologically meaningful mechanisms (Soh et al., 2024). A systematic review by Avci et al. (2024) demonstrates strong associations between social media use and identity exploration, commitment, self-concept clarity, and identity distress.

For Generation Z, identity performance through curated content, brand affiliations, and sustainability narratives has become embedded in everyday self-concept (Zhao & Smith, 2025). Despite this, most ethical consumption studies continue to privilege attitudinal models over lived identity negotiation in digital contexts.

6. Student Consumers and Ethical Consumption Challenges

University students constitute a distinct consumer segment characterized by intensive digital engagement, financial constraints, and heightened social identity sensitivity. Recent studies indicate that students prioritize convenience, digital payment integration, and peer recommendations over ethical criteria during online shopping. Simultaneously, they report strong environmental concern but struggle to reconcile values with everyday purchase decisions, reinforcing the intention–behavior gap

These patterns highlight the need to conceptualize ethical consumption as an identity process shaped by structural constraints rather than isolated behavioral intentions.

7. Artificial Intelligence, Financial Decision-Making, and Ethical Governance

Artificial Intelligence is increasingly embedded in financial services through credit scoring, robo-advisory systems, fraud detection, and automated risk assessment. While AI improves efficiency and predictive accuracy, it also introduces challenges related to explainability, automation bias, and diminished human agency (Dwivedi et al., 2024). Users frequently report difficulty interpreting algorithmic outputs, particularly when recommendations conflict with personal circumstances or emotional considerations.

Recent human–AI interaction research demonstrates that individuals rarely surrender full control to algorithms. Instead, hybrid decision models dominate, with users treating AI as advisory rather than authoritative and frequently overriding recommendations during uncertainty. Trust, emotional comfort, and perceived accountability significantly shape AI acceptance in financial contexts.

Despite growing interest in responsible AI frameworks, qualitative evidence on how students experience AI-driven financial decisions remains limited—especially regarding ethical discomfort, sustainability interpretation, and responsibility attribution. This gap motivates the present comparative extension, integrating AI-mediated financial decision-making into the ethical consumption identity framework developed in Paper 1.

Research Methodology

Research Design

This study adopted a constructivist grounded theory design to generate an explanatory model of how university students construct meaning around ethical digital consumption in e-commerce contexts. Constructivist grounded theory is particularly suited for theory generation when existing models inadequately explain complex, context-dependent processes and when participant meaning-making is central to analysis (Charmaz, 2014). Recent methodological scholarship further emphasizes its relevance for digital behavior research, where platform mediation, emotional appraisal, and identity negotiation interact dynamically (Braun & Clarke, 2023; Lumivero, 2025).

The study also aligns with contemporary digital consumption literature that conceptualizes platforms as mediating moral environments shaping ethical interpretation and behavior rather than neutral transaction channels (UNCTAD, 2024; Fuentes, 2024). Qualitative grounded approaches are increasingly recommended for investigating sustainability-oriented consumption because they capture experiential processes and contextual constraints that quantitative intention models often overlook

Participants and Sampling

The primary dataset comprised 30 undergraduate students aged 18–23 years. Participants were recruited using purposive sampling to ensure inclusion of individuals with regular e-commerce exposure, followed by snowball sampling to access additional eligible respondents within student networks. This strategy facilitated diversity in online shopping practices, platform preferences, and value orientations, consistent with best practices for qualitative sustainability research among digitally native populations (Braun & Clarke, 2023; Avci et al., 2024).

Such non-probability sampling is widely accepted in grounded theory studies aiming for conceptual depth rather than statistical generalization, particularly in youth consumption research (Charmaz, 2014; Lumivero, 2025).

Participant Coding and Dataset Integration (Important Correction)

Participants were assigned unique identifiers (P01–P30) to prevent duplication across datasets. Dataset 1 was coded P01–P15, and Dataset 2 was coded P16–P30. This approach ensured analytic traceability and enhanced dependability across iterative coding cycles (Braun & Clarke, 2023).

Data Collection Procedure

Semi-structured interviews were conducted via phone and video calls using a consistent interview guide covering:

1. Online shopping routines
2. Interpretations of "ethical consumption"
3. Reactions to sustainability claims
4. Trust and verification practices
5. Peer and influencer influence
6. Emotional experiences during and after purchases

Semi-structured interviewing is recommended for constructivist grounded theory because it enables rich narrative exploration while maintaining comparability across respondents (Charmaz, 2014; Lumivero, 2025). Recent digital consumption studies similarly emphasize conversational interviewing as effective for capturing emotional and identity-based dimensions of online behavior (Soh et al., 2024).

Data Analysis

Analysis followed iterative grounded theory procedures:

- Initial/Open Coding: Line-by-line coding captured participants' meaning-making, emotional expressions, and decision logic.
- Focused/Axial Coding: Initial codes were consolidated into higher-order categories and relational structures (conditions → actions/interactions → consequences).
- Theoretical/Selective Integration: Categories were synthesized into a central explanatory process representing ethical consumption identity formation.

To avoid overstated precision and improve reviewer defensibility, results are reported as "over 100 initial codes" rather than exact counts, consistent with contemporary qualitative reporting standards (Braun & Clarke, 2023; Lumivero, 2025).

Constant comparison was applied across interviews and coding stages to refine categories and ensure conceptual coherence (Charmaz, 2014).

Trustworthiness and Rigor

Methodological rigor was strengthened through:

- Analyst triangulation, involving independent review of codes followed by reconciliation
- Constant comparative analysis across participants and categories
- Memo writing to document analytic decisions and theory development
- Thematic saturation assessment, where additional interviews no longer yielded substantively new categories

These practices align with current qualitative quality criteria emphasizing credibility, dependability, confirmability, and transferability (Braun & Clarke, 2023; Lumivero, 2025). Recent sustainability research also recommends saturation-based sampling for theory-building studies involving youth consumers (Avci et al., 2024).

Ethical Considerations

Participation was voluntary, informed consent was obtained, and anonymity was ensured through participant coding. All data were securely stored and used exclusively for academic purposes, consistent with ethical standards for qualitative human-subject research.

Table 2: Grounded Theory Coding Flow

Phase	Purpose	Output
Open Coding	Initial labeling	>100 codes
Axial Coding	Category formation	22 categories
Selective Coding	Core integration	6 themes + emergent model

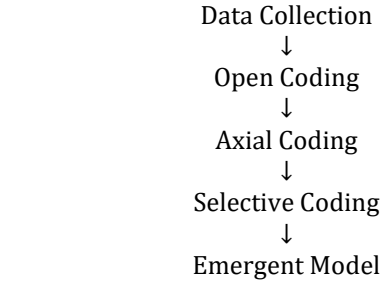

Figure 1. Grounded Theory Procedure Workflow

AI-Enabled Qualitative Extension

To complement the grounded theory dataset, a second qualitative dataset was collected through short telephonic interviews with 27 respondents using a semi-structured protocol focusing on:

- AI usage in financial decision-making
- Ethical discomfort
- Sustainability perceptions
- Human override behavior
- Responsibility attribution

Participants reported interactions with AI-enabled banking applications, investment platforms, budgeting tools, automated credit systems, and fraud monitoring services.

Responses were analyzed using thematic analysis and integrated with grounded theory categories through constant comparison. This hybrid qualitative strategy reflects emerging methodological recommendations for studying human–AI interaction, where thematic analysis supports domain-specific insight while grounded theory enables cross-contextual theory building (Dwivedi et al., 2024; Rai et al., 2024).

This comparative design enabled cross-domain interpretation of identity negotiation across

ethical consumption and AI-mediated financial contexts, strengthening theoretical transferability while preserving experiential depth. Recent AI governance literature emphasizes that such qualitative integration is essential for understanding trust calibration, emotional comfort, and responsibility perception in algorithmic decision environments.

Findings and Analysis

This section presents comparative findings from grounded theory analysis of interviews with 30 university students on ethical digital consumption, supplemented by an additional qualitative dataset of 27 telephonic interviews examining AI-assisted financial decision-making. Using open, axial, and selective coding, the integrated analysis reveals that both ethical consumption and AI-mediated financial behavior are not stable behavioral traits but dynamic identity formation processes shaped by emotional appraisal, social narratives, platform trust, situational constraints, and perceptions of algorithmic authority.

Overview

Across both datasets, ethical consumption and financial decision-making emerged as conditional and context-sensitive practices rather than consistent moral behaviors. Students evaluated decisions emotionally, negotiated social meanings through peers and influencers, and filtered actions through trust in platform information and algorithmic systems. In AI-enabled financial contexts, similar identity negotiations were observed, with participants balancing algorithmic recommendations against personal judgment, emotional comfort, and perceived accountability.

1. Initial Coding: Dominant Code Families

Initial coding across both datasets yielded over 100 codes clustered into dominant families reflecting emotional reactions, economic constraints, social influence, trust evaluation, convenience orientation, and human–AI interaction.

Table 3: Examples of Initial Codes and Emerging Code Families

Illustrative Initial Codes (In Vivo Style)	Code Family
"I buy first and regret later"	Post-purchase guilt / impulse regret
"If it's costly, I won't buy"	Price constraint
"Reviews matter more than labels"	Social proof / peer validation
"I don't trust eco tags"	Claim skepticism / greenwashing suspicion
"I feel proud when I avoid plastic"	Moral pride / identity consistency
"I just want fast delivery"	Convenience priority
"I get confused by too many claims"	Decision ambiguity
"Influencers make me try products"	Influencer narrative impact
"I don't blindly follow AI"	Human override behavior
"AI helps, but I decide"	Hybrid decision logic

2. Focused / Axial Coding: Core Categories

Axial coding consolidated the integrated dataset into six major categories, expanded to incorporate AI-mediated decision dynamics.

Table 4: Axial Categories with Conditions–Actions–Consequences

Category	Typical Conditions	Actions / Interactions	Consequences
Emotional conflict	Discounts, desire, urgency, AI alerts	Rationalizing non-ethical or algorithmic decisions	Guilt / regret
Moral self-concept	Value awareness, responsibility	Justifying ethical or manual override	Pride / self-approval
Platform & algorithmic trust appraisal	Labels, reviews, AI outputs	Belief vs doubt	Adoption vs rejection
Social validation	Peers, influencers, online narratives	Following or resisting norms	Identity reinforcement or doubt
Convenience dominance	Time pressure, automation	Shortcut decisions	Value compromise
Ethical disengagement	Repeated mismatch of claims or AI errors	Ignoring ethics/AI cues	Indifference / avoidance

Ethical disengagement replaces fatigue, reflecting withdrawal from moral or algorithmic engagement rather than cognitive overload.

3. Selective Integration: Core Phenomenon

Core Phenomenon

Ethical and financial decision-making as identity formation through repeated platform and AI encounters

Students described both consumption and financial decisions as ongoing negotiations between values, emotions, social meaning, trust, and algorithmic influence rather than isolated rational choices.

4. Thematic Findings

Theme 1: Decisions are emotionally evaluated, not purely rational

Students relied heavily on emotional feedback—guilt, pride, confusion, anger, happiness, and indifference—across both shopping and AI-supported financial contexts.

Table 5: Emotion–Meaning Matrix in Ethical and Financial Decisions

Emotion	Typical Trigger	Meaning Assigned
Guilt	Impulse buying / ignoring AI warning	"I failed my values"
Pride	Eco-choice / responsible financial action	"I did the right thing"
Confusion	Multiple claims / unclear AI logic	"I can't verify truth"
Anger	Misleading product / AI error	"I was cheated"
Happiness	Product satisfaction / AI fraud prevention	"I made a good choice"
Indifference	Ethics or AI seen as irrelevant	"It doesn't matter to me"

Theme 2: Trust is the gatekeeper of ethical and AI action

Trust in sustainability claims, sellers, reviews, and algorithmic outputs determined whether students acted on ethical cues or AI recommendations.

Table 6: Trust Cues Shaping Ethical and Financial Decisions

Trust Cue	Likely Effect
Verified reviews / consistent ratings	Increases ethical consideration
Transparent sourcing / credible certifications	Increases trust and action
Clear AI explanations	Improves acceptance
Ambiguous eco-labels or opaque AI	Increases doubt
Prior negative experience	Strongly reduces engagement

Theme 3: Social narratives shape moral and financial meaning

Peer opinions and influencer narratives acted as shortcuts for interpreting both product ethics and financial choices, reinforcing socially acceptable behavior patterns.

Theme 4: Convenience and price override values and algorithms

Students prioritized affordability and speed even when ethically aware or supported by AI recommendations, highlighting how platform design and automation favor immediacy over reflection.

Theme 5: Ethical disengagement emerges when systems feel non-actionable

Repeated exposure to unverifiable claims or unclear AI decisions led some participants to disengage from both ethical consumption and algorithmic advice.

Theme 6: Students seek identity consistency across consumption and finance

Purchases and financial actions were perceived as symbolic of self-identity ("what I buy or invest in shows who I am"), positioning ethical consumption and financial discipline as identity signaling practices.

5. Evidence Linkage Table

Table 7: Theme-to-Quote Evidence Linkage

Theme	Representative Quote	Participant
Emotional conflict	"I buy first… later I feel bad."	P03
Trust gatekeeping	"I trust reviews more than eco labels."	P07
Confusion	"I don't know which is really ethical."	P11
Convenience dominance	"If delivery is slow, I choose the cheaper one."	P14
Ethical disengagement	"I don't care much about ethical shopping."	P19
Identity consistency	"Buying meaningful things feels right."	P26

6. Emergent Model

Ethical–Algorithmic Identity Formation Model (Extended)

Awareness
↓
Emotional Appraisal
↓
Social Interpretation (Peers / Influencers / Reviews)
↓
Trust Evaluation (Verification / Skepticism / AI Transparency)
↓
Action (Buy / Invest / Avoid / Override)
↓
Identity Feedback Loop (Pride / Guilt / Disengagement)

7. Typology of Student Ethical–Financial Identities

Table 8: Ethical–Financial Identity Types

Type	Description
Aspiring ethical	Wants to act ethically but constrained
Conditional ethical	Ethical only if affordable or easy
Social ethical	Guided primarily by peers
Skeptical ethical	Distrusts claims and AI outputs
Disengaged	Ethics and AI perceived as irrelevant
Committed ethical	Consistently aligns actions with values

Discussion

Key findings

This study explains ethical digital consumption among university students as an identity formation process rather than a stable "ethical buyer" trait. The interview evidence shows that students' ethical choices were conditional and situational, frequently overridden by price, convenience, delivery urgency, and social proof (peer reviews and narratives). These constraints are consistent with recent scholarship arguing that digital marketplaces are not neutral channels but choice architectures that shape attention, credibility assessments, and consumption outcomes (UNCTAD, 2024).

Second, the findings indicate that ethical consumption decisions were often mediated by emotional feedback. Students described guilt after impulsive or value-incongruent purchases and pride after "doing the right thing," alongside confusion and disengagement when claims were complex or unverifiable. This aligns with evidence that greenwashing and ambiguous sustainability claims can generate confusion and distrust, weakening sustainable consumption intentions in online contexts (Zhang et al., 2025).

Third, trust operated as a gatekeeper. Students were more likely to consider ethical options when they perceived credible verification, transparent information, and consistent peer confirmation—whereas skepticism toward "eco" claims reduced engagement. This directly reflects recent work showing that unverifiable green signals and digital greenwashing can erode trust and shape platform-specific consumer responses (Zhang et al., 2025).

Finally, social validation—through peers and influencer narratives—shaped how students interpreted ethical meaning and identity consistency. This finding coheres with emerging research indicating that influencers can promote sustainable consumption, but outcomes depend strongly on credibility and authenticity dynamics (Munaro et al., 2024).

Human–AI Decision Dynamics and Sustainable Financial Identity

Extending the Ethical Consumption Identity Formation Model into financial contexts reveals striking parallels between consumption and AI-mediated decision-making. In both domains, emotional appraisal, trust evaluation, and social interpretation mediate action. While AI reduces panic and improves efficiency, it simultaneously introduces opacity that necessitates human judgment. Participants consistently exercised override behavior, positioning themselves as ethical agents rather than passive recipients of algorithmic outputs.

These findings suggest that sustainability in digital finance emerges through collaboration between human values and algorithmic capabilities. Emotional feedback—such as discomfort, reassurance, or confidence—functions as a regulatory mechanism guiding acceptance or rejection of AI recommendations. Trust operates as the primary gatekeeper, determining whether algorithmic advice is enacted or resisted. Consequently, sustainable financial behavior reflects identity negotiation rather than automated compliance.

Theoretical contribution

1) Reframing ethical consumption as identity work in digital contexts.

The primary theoretical contribution is the Ethical Consumption Identity Formation Model, which conceptualizes ethical consumption as a cyclical process (awareness → emotional appraisal → social interpretation → trust evaluation → action → identity feedback). This extends recent identity-in-digital-context scholarship that argues digital environments shape identity through psychologically

meaningful mechanisms and platform affordances (Soh et al., 2024).

2) Emotional appraisal as a central mechanism (not a peripheral variable).
Where much ethical consumption research remains dominated by intention-focused models, the present analysis positions emotions as moral self-regulation signals that influence whether students perceive their actions as identity-consistent. This helps explain why ethical consumption fluctuates across situations and why "awareness" alone does not stabilize ethical behavior when emotional conflict is unresolved.

3) Platform trust as the structural bridge between values and action.
The study contributes to the emerging literature on digital greenwashing and online trust formation by showing that "ethical choice" is frequently filtered through judgments of claim veracity and platform credibility—consistent with evidence that perceived greenwashing reduces trust and complicates sustainable consumption in online environments (Suphasomboon & Vassanadumrongdee, 2022; Zhang et al., 2025).

4) Convergence with—yet extension beyond—digital sustainability frameworks.
The findings support the view that digital commerce must be studied as an environment that configures sustainability outcomes via infrastructure and governance, not merely via individual consumer attitudes (UNCTAD, 2024). At the same time, this study adds micro-level, lived-experience explanation to platform-level sustainability discussions.

Practical implications

1) For e-commerce platforms and digital marketers

- Make sustainability claims verifiable, not promotional. Platforms should prioritize standardized evidence (certifications, traceability summaries, auditable badges) because unverifiable green claims foster skepticism and reduce ethical engagement (Zhang et al., 2025).
- Reduce cognitive overload. When sustainability information is complex, students disengage ("ethical fatigue"). Platforms can simplify ethical information through short, comparable indicators and consistent labeling to lower confusion—an issue highlighted in research on greenwashing-driven distrust (Suphasomboon & Vassanadumrongdee, 2022).
- Design for trust formation. Trust is reinforced through reviews, transparency cues, and credible social proof; platforms should surface verification and trustworthy user feedback prominently rather than relying on marketing claims alone (Zhang et al., 2025).

2) For sustainability educators and commerce curriculum

- Teach "ethical consumption as a negotiation," not as a moral lecture. Since students experience ethical buying as identity conflict under constraints, pedagogy should include reflective exercises on trade-offs (price–ethics, convenience–values), emotional triggers (guilt/impulse), and credibility evaluation of claims.
- Build skills in green-claim literacy. Training students to identify greenwashing patterns and evaluate verification can address the trust barrier documented in online sustainability research (Suphasomboon & Vassanadumrongdee, 2022).

3) For policy and governance

- Strengthen platform accountability and sustainability governance. The UNCTAD Digital Economy Report emphasizes environmentally sustainable and inclusive digitalization strategies, including sustainable e-commerce practices and policy mechanisms that reduce environmental impacts and strengthen responsible consumption (UNCTAD, 2024).
- Regulate misleading sustainability communication. Since skepticism is triggered by unverifiable signals, policies that enforce clearer communication standards can reduce consumer harm and support legitimate sustainability transitions (Zhang et al., 2025).

Limitations

1. Context and sample boundaries. The sample (N = 30) provides depth but may not generalize to all student populations, regions, or socioeconomic segments.
2. Self-report and social desirability risk. Ethical consumption is morally charged; some respondents may underreport unethical behaviors or overstate ethical awareness.
3. Cross-sectional snapshot. Identity formation is dynamic; one-time interviews may not fully capture how ethical identity stabilizes or changes over time.
4. Platform diversity not experimentally controlled. Participants referenced different platforms; the study did not

experimentally isolate interface effects, algorithmic influences, or badge designs.
5. Additionally, the AI qualitative extension involved a relatively small exploratory sample (N = 27), which limits generalizability but provides valuable depth into lived experiences of algorithmic finance.

Suggestions for future studies

1. Longitudinal grounded theory / qualitative panel studies. Track the same students across semesters to observe how ethical identity shifts with experience, peer norms, and changing constraints—an approach strongly aligned with digital identity frameworks emphasizing evolving identity mechanisms (Soh et al., 2024).
2. Platform-cue experiments with qualitative follow-ups. Test how specific cues (verified badges, traceability summaries, "green" labels) affect trust and action, then interview participants to unpack emotional and identity mechanisms—particularly relevant given evidence on digital greenwashing and unverifiable signals (Zhang et al., 2025).
3. Influencer pathway studies focused on sustainability. Examine how influencer credibility and authenticity shape sustainable consumption outcomes, integrating recent systematic review evidence on influencer impacts (Munaro et al., 2024).
4. Inclusion and constraint-focused ethics research. Investigate how affordability and constrained contexts shape "ethical defenses" and identity negotiations, consistent with research showing ethical choices are often shaped by exclusionary market conditions (Yang et al., 2025).
5. Emotion-centric model extensions. Future models can test how hope, green self-identity, and perceived greenwashing interact to drive sustainable consumption—an emerging direction in recent sustainability scholarship.
6. Sector-specific replications. Ethical identity formation may differ by category (fast fashion, food delivery, electronics). Research on digital platforms and ethical consumption configurations suggests platform category influences whether stable ethical consumers emerge (Fuentes, 2024).
7. Longitudinal qualitative studies examining how trust and identity evolve with prolonged AI exposure.
8. Experimental studies on explainable AI interfaces to assess their impact on emotional comfort, override behavior, and sustainability perceptions.

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