

The Moderating Effect of Product Positioning on the Relationship Between WOM Marketing and Green Purchase Behavior of Vegan Cosmetics in Vietnam



Quan Nguyen Van¹, Phuong Ha Nguyen²

¹Faculty of Business Administration, Academy of Policy and Development, Hanoi, Vietnam

²Ham Rong High School, Thanh Hoa, Vietnam

ABSTRACT: In the current volatile business context, although consumers are increasingly interested in environmentally friendly products, actual purchasing behavior is still unstable due to the impact of many different factors. In particular, word-of-mouth marketing (WOM) has been studied to lead to customer purchasing behavior. Associated with environmentally friendly products such as vegan cosmetics, businesses implement marketing through product positioning strategies to emphasize the position of quality and the message through that product to the minds of target customers. This study was conducted to explore the impact of WOM and the moderating role of product positioning in influencing the purchase behavior of vegan cosmetics in emerging markets like Vietnam. Through a survey of 402 consumers with survey data processed through PLS-SEM, the study found a positive impact of WOM on green purchase behavior and a positive moderating effect of product positioning in this relationship. From there, vegan cosmetics businesses should leverage WOM through influencers and customer reviews, while positioning their products in line with sustainable values. They should also target Gen Z and millennials through digital marketing and combine online and offline strategies to increase WOM effectiveness and drive market growth.

KEYWORDS: Green purchase behavior; product positioning; vegan cosmetics; word of mouth marketing.

I. INTRODUCTION

Environmental concerns and sustainability have increasingly become central topics in consumer behavior research (Chua et al., 2019; Quoquab et al., 2019). In response to growing environmental awareness, green purchase behavior (GPB) has emerged as a significant factor in promoting sustainable consumption (Joshi & Rahman, 2016). The cosmetics industry, which traditionally relies on chemical-based products, has witnessed a shift toward eco-friendly alternatives, such as vegan cosmetics. Vegan cosmetics, formulated without animal-derived ingredients and emphasizing cruelty-free and environmentally sustainable practices, have gained substantial attention in recent years (Lin et al., 2018). The global vegan cosmetics market was valued at USD 15.1 billion in 2021 and is projected to reach USD 24.8 billion by 2028, growing at a CAGR of 6.5% (Fortune Business Insights, 2022). Despite increasing consumer awareness, the actual purchase of green cosmetics, including vegan cosmetics, remains inconsistent (Boulstridge & Carrigan, 2000; Carrington et al., 2010). In Vietnam, although 65% of consumers express interest in eco-friendly beauty products, only 30% regularly purchase them (Vietnam Market Research Report, 2023). Therefore, understanding the factors that influence green purchase behavior in the vegan cosmetics sector is crucial for fostering sustainable consumption in Vietnam.

Previous research has examined various determinants of green purchase behavior, including environmental attitudes, personal norms, and perceived consumer effectiveness (Tanner & Kast, 2003; Vermeir & Verbeke, 2008). Studies have also explored the role of word-of-mouth (WOM) marketing in influencing consumer attitudes and purchase intentions (Jalilvand & Samiei, 2012; Shang et al., 2017). The rapid proliferation of social media has amplified the effects of electronic word-of-mouth (eWOM), allowing consumers to seek and share opinions about products before making purchasing decisions (Vahdati & Nejad, 2016). Given that 79% of Vietnamese consumers rely on online reviews before making a purchase (Statista, 2023), WOM marketing has the potential to significantly impact green purchase behavior (Wang, 2017). However, prior studies indicate that a positive attitude toward green products does not always translate into actual purchase behavior, suggesting the presence of moderating factors (Bruschi et al., 2015; Carrington et al., 2014).

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One such factor is product positioning, which refers to how a product is perceived in the minds of consumers relative to competitors (Saleki et al., 2019). Effective product positioning can shape consumer perceptions and increase confidence in green cosmetics, ultimately enhancing the impact of WOM marketing on green purchase behavior. Despite the increasing relevance of product positioning in green marketing, limited studies have investigated its moderating role in the relationship between WOM marketing and green purchase behavior. This gap in the literature highlights the need for further exploration of how strategic positioning influences consumer decision-making in the vegan cosmetics sector. Taking into consideration these gaps in the existing literature, the present study aims to examine the moderating effect of product positioning on the relationship between WOM marketing and green purchase behavior in the vegan cosmetics market in Vietnam. Specifically, it will analyze how different positioning strategies influence consumer responses to WOM marketing efforts and their subsequent purchasing decisions.

In Vietnam, the cosmetics industry is experiencing rapid growth, with increasing consumer interest in ethical and sustainable products (Zion Market Research, 2018). The Vietnamese beauty market was valued at USD 2.3 billion in 2022 and is expected to grow at a CAGR of 7.1% until 2027 (Vietnam Beauty Market Report, 2023). However, the country also faces challenges such as the prevalence of counterfeit and chemically harmful cosmetics (Abdullah, 2018). The Ministry of Health Vietnam reported that 15% of cosmetics sold in the market contain harmful chemicals, raising concerns about consumer safety and driving demand for cleaner, safer alternatives. While studies have examined green consumer behavior in general (Adomah-Afari et al., 2019; Rawwas et al., 2019), there remains a research gap in exploring the interplay between WOM marketing, product positioning, and green purchase behavior in the context of vegan cosmetics. Addressing this gap is critical for businesses aiming to establish stronger consumer trust and market positioning for their sustainable products. Empirical evidence further supports the significance of this investigation. According to a study by Jaini et al., (2020), 73% of global consumers are willing to change their consumption habits to reduce environmental impact, yet only 35% of Vietnamese consumers report consistent green purchasing behavior. This discrepancy underscores the need to explore external influences, such as product positioning, that can bridge the gap between positive attitudes and actual green purchasing actions. Furthermore, a recent survey conducted by Ogiemwonyi (2021) found that 68% of Vietnamese consumers rely on peer recommendations and online reviews when making beauty and skincare purchases, reinforcing the critical role of WOM marketing in this sector. By addressing these research gaps and leveraging empirical data, this study contributes to the existing literature on green marketing and consumer behavior while providing practical insights for cosmetics brands seeking to enhance their sustainability initiatives. In addition to the introduction part, the study includes conceptual framework and hypothesis development, methodology, research findings with discussion, and finally proposed implications and conclusions.

II. CONCEPTUAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

WOM Marketing

Word-of-mouth (WOM) marketing is a crucial driver of consumer behavior, particularly in the context of green products like vegan cosmetics. WOM marketing involves the exchange of consumer opinions and recommendations, either through direct interactions or digital platforms, and is often perceived as more credible than traditional advertising (Jalilvand & Samiei, 2012). In the beauty industry, electronic WOM (eWOM) has amplified this influence, with consumers relying on online reviews, influencer endorsements, and social media discussions to guide purchasing decisions (Vahdati & Nejad, 2016). Given the ethical and environmental considerations associated with vegan cosmetics, WOM marketing plays a key role in shaping consumer perceptions and encouraging sustainable consumption (Shang et al., 2017).

However, the effectiveness of WOM marketing in driving green purchase behavior is not uniform, as other factors may moderate its impact (Carrington et al., 2014). One such factor is product positioning, which influences how consumers perceive a brand in relation to competitors. Strong positioning such as emphasizing eco-friendliness, product efficacy, or ethical sourcing can reinforce WOM marketing effects by enhancing consumer trust and reducing perceived risk (Saleki et al., 2019). Despite existing research on WOM marketing and green consumer behavior, limited studies have explored the moderating role of product positioning in this relationship, particularly in Vietnam's emerging vegan cosmetics market. This study aims to address this gap by examining how product positioning shapes the impact of WOM marketing on green purchase behavior, providing insights for brands seeking to strengthen consumer trust and encourage sustainable purchasing decisions.

Green Purchase Behavior

Green purchase behavior (GPB) refers to consumers' decisions to buy products that minimize environmental harm and promote sustainability (Joshi & Rahman, 2016). It is driven by factors such as environmental concern, ethical awareness, perceived

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consumer effectiveness, and social influences (Tanner & Kast, 2003; Vermeir & Verbeke, 2008). In the context of vegan cosmetics, GPB not only reflects environmental consciousness but also ethical considerations, such as cruelty-free practices, plant-based ingredients, and sustainable production methods (Lin et al., 2018). However, while consumer awareness of green products has increased, actual purchase behavior remains inconsistent due to perceived high prices, doubts about product efficacy, and limited accessibility (Boulstridge & Carrigan, 2000; Carrington et al., 2010).

Social and psychological factors also play a crucial role in influencing GPB. Consumers often rely on external validation, such as peer recommendations and product reviews, to guide their purchasing decisions (Wang, 2017). While positive attitudes toward green products can drive purchase intentions, studies indicate a gap between intention and actual behavior, suggesting that additional factors moderate this relationship (Bruschi et al., 2015; Carrington et al., 2014). In emerging markets like Vietnam, where the green cosmetics industry is still developing, understanding the key drivers of GPB is essential for promoting sustainable consumption.

Product Positioning

Product positioning plays a crucial role in shaping consumer perceptions and guiding purchase decisions, particularly in the context of sustainable and ethical products such as vegan cosmetics. Product positioning refers to how a brand or product is strategically placed in consumers' minds relative to competitors, often emphasizing attributes such as quality, ethical sourcing, environmental sustainability, and social responsibility (Gwin & Gwin, 2003). Effective product positioning not only differentiates a product but also strengthens consumer trust and brand loyalty, which are essential for green consumerism (Singh et al., 2014). In the vegan cosmetics industry, positioning strategies commonly highlight cruelty-free practices, natural ingredients, and eco-friendly packaging to appeal to environmentally conscious consumers (Mohd Suki, 2016). Previous studies have explored positioning in various forms, including value-based positioning (Saleki et al., 2019), brand credibility (Fuchs & Diamantopoulos, 2012), and ethical branding (Ahmad, 2015). However, the extent to which product positioning interacts with external influences, such as word-of-mouth (WOM) marketing, remains underexplored, particularly in Vietnam's growing vegan cosmetics market.

As a moderating factor, product positioning can influence the effectiveness of WOM marketing in driving green purchase behavior. WOM marketing, especially electronic word-of-mouth (eWOM), has become a dominant force in consumer decision-making, with social media and online reviews shaping perceptions of product credibility and value (Jalilvand & Samiei, 2012). However, while WOM marketing can enhance consumer awareness and interest, its actual impact on purchase decisions is often contingent upon how the product is positioned. A strong, well-defined positioning strategy that emphasizes trustworthiness, sustainability, and efficacy can amplify the persuasive power of WOM marketing, making consumers more likely to act on recommendations (Wang, 2017). Conversely, weak or ambiguous positioning may diminish the credibility of WOM marketing, leading to skepticism or uncertainty in consumer decision-making (Carrington et al., 2014). In the context of vegan cosmetics in Vietnam, where consumer awareness of green products is growing but purchasing behavior remains inconsistent, understanding the moderating role of product positioning is essential. Brands that effectively communicate their environmental commitment and product authenticity through strategic positioning are more likely to convert WOM-driven interest into actual purchases. Despite the increasing relevance of this interaction, limited research has examined how product positioning moderates the relationship between WOM marketing and green purchase behavior. The findings in this study will provide valuable insights for marketers looking to optimize their brand positioning strategies to foster sustainable consumption and market expansion in Vietnam.

Vegan Cosmetics in Vietnam

Vegan cosmetics, which are formulated without animal-derived ingredients and produced using cruelty-free and environmentally sustainable practices, have gained significant traction worldwide (Lin et al., 2018). As consumer awareness of ethical and sustainable beauty products grows, the demand for vegan cosmetics has expanded, particularly among younger, environmentally conscious consumers (Shang et al., 2017). These products appeal to individuals who prioritize personal health, ethical consumption, and sustainability, making them a key segment in the green cosmetics industry. However, despite the increasing interest, the market for vegan cosmetics faces challenges related to consumer skepticism, limited product availability, and higher price points compared to conventional alternatives (Boulstridge & Carrigan, 2000; Carrington et al., 2010).

In Vietnam, the beauty and personal care industry is experiencing rapid growth, driven by rising disposable income, urbanization, and a shift toward premium and natural products (Zion Market Research, 2018). The awareness of sustainable and ethical consumption is also increasing, leading to a growing but still niche market for vegan cosmetics. However, consumer trust remains a critical barrier, as the market is flooded with misleading "greenwashed" products that claim sustainability without clear verification (Jaini et al., 2020). Given that Vietnamese consumers rely heavily on peer recommendations, influencer

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endorsements, and online reviews in their purchasing decisions (Ogiemwonyi, 2021), word-of-mouth (WOM) marketing plays a vital role in shaping perceptions and driving adoption. Despite the potential for market growth, there is a limited understanding of how consumers in Vietnam perceive and respond to vegan cosmetics, particularly in relation to external influences like WOM marketing and strategic product positioning. The interaction between these factors is crucial, as effective positioning can enhance consumer confidence in vegan cosmetics, reinforcing the credibility of WOM marketing and ultimately driving green purchase behavior.

Hypothesis Development

In today's market, where consumers are becoming more environmentally conscious, their purchasing decisions are increasingly influenced by external sources of information. One of the most impactful factors shaping consumer behavior is word-of-mouth (WOM) marketing, which serves as a key driver in spreading product awareness and influencing trust. Particularly in the context of sustainable products like vegan cosmetics, WOM marketing plays a crucial role in reinforcing brand credibility, reducing perceived risks, and encouraging purchase intent. Consumers seeking ethical and eco-friendly alternatives often rely on recommendations from peers, influencers, and online communities to validate their choices. In Vietnam, the rapid growth of social media has further amplified the reach and effectiveness of WOM marketing, making it a powerful tool in shaping green purchasing behavior. Given the increasing consumer awareness of sustainability and the rising demand for cruelty-free, plant-based beauty products, WOM marketing is expected to positively impact green purchase behavior.

The relationship between WOM marketing and green purchase behavior (GPB) of vegan cosmetics plays a pivotal role in shaping consumer decisions in Vietnam's emerging sustainable beauty industry. WOM marketing, including electronic word-of-mouth (eWOM), is a key driver in building consumer trust by validating ethical claims and sustainability credentials of green products (Jalilvand & Samiei, 2012). Consumers, especially those purchasing vegan cosmetics, heavily rely on peer recommendations, influencer endorsements, and online reviews to assess product effectiveness, ethical sourcing, and brand credibility (Shang et al., 2017). However, while WOM marketing can significantly raise awareness and interest, its impact on actual purchase behavior remains inconsistent, suggesting the presence of moderating factors in the decision-making process.

Despite growing environmental consciousness, the adoption of green products in Vietnam is still limited. A report indicated that while 73% of global consumers express a willingness to adopt more sustainable consumption habits, only 35% of Vietnamese consumers consistently purchase green products (Jaini et al., 2020). This discrepancy highlights the gap between positive attitudes toward sustainability and real purchasing decisions. Furthermore, a survey revealed that 68% of Vietnamese beauty consumers rely on peer recommendations and online reviews when choosing skincare and cosmetic products, reinforcing the importance of WOM marketing (Ogiemwonyi, 2021). However, despite the influence of WOM, the vegan cosmetics market in Vietnam remains relatively small, with many consumers citing concerns over product efficacy, higher price points, and limited availability as key barriers to purchase (Nguyen-Viet, B., & Nguyen, 2024). These challenges suggest that WOM marketing alone may not be sufficient to drive sustained green purchase behavior. Several studies suggest that external factors such as brand trust, social influence, and product positioning significantly impact consumer decision-making (Saleki et al., 2019). While prior research has examined the direct effects of WOM marketing on purchase intention, there is limited empirical evidence on the role of product positioning as a moderator in this relationship. Product positioning, which shapes how consumers perceive a brand relative to competitors, may enhance or diminish the effectiveness of WOM marketing in driving green purchases. Given the competitive nature of the cosmetics industry, strategic positioning such as emphasizing product quality, ingredient transparency, or affordability could influence consumer confidence and purchasing decisions. Based on these arguments, the authors proposed the following hypothesis:

H1: WOM marketing has a positive effect on green purchase behavior of vegan cosmetics in Vietnam

In the competitive vegan cosmetics market, product positioning plays a vital role in shaping consumer perceptions and influencing purchasing decisions (Fatmawati & Amudi, 2023). A well-defined product positioning strategy helps brands communicate their unique value, differentiate themselves from competitors, and reinforce key attributes that resonate with eco-conscious consumers (Govender & Govender, 2016). When a brand effectively positions itself around the sustainability of products, ethical sourcing, and cruelty-free formulations, it enhances the credibility of WOM marketing, making positive recommendations more persuasive and impactful (Acuti et al., 2022). Conversely, if a brand lacks a clear positioning strategy, even strong WOM marketing may not translate into purchases, as consumers struggle to identify its distinct value. In Vietnam, where awareness of green consumption is growing but still developing, strategic product positioning can bridge the gap between consumer interest and actual purchase behavior. Aligning with values such as natural ingredients, eco-friendly packaging, and social responsibility through new products strengthens the impact of WOM marketing by reinforcing trust and

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perceived relevance (Libai et al., 2013). However, weak or unclear positioning may dilute the effect of WOM, reducing its influence on green purchase behavior. Based on these arguments, the authors proposed the following hypothesis:

H2: Product positioning moderates the relationship between WOM marketing and green purchase behavior of vegan cosmetics in Vietnam.

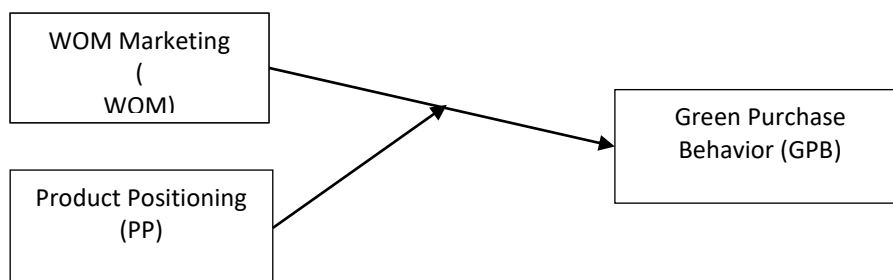


Figure 1. Proposed Research Model

III. METHODOLOGY

Measurement Instrument and Questionnaire Design

All measures used in this research were adapted from previous studies with minor modifications to fit the context of this study. A five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) was applied to all constructs. Green purchase behavior (GPB) was measured using a four-item scale adapted from Khare (2015). Word of mouth (WOM) was assessed through a three-item scale developed by Yoon (2015), capturing consumers' tendencies to seek, give, and pass along product-related opinions. Product positioning (PP), the moderating variable, was evaluated using a four-item scale adapted from Suhana et al. (2016), reflecting consumers' perceptions of the distinctiveness and relevance of vegan cosmetics. These established measurement scales provide a robust framework for analyzing the influence of WOM marketing on green purchase behavior and the moderating role of product positioning in this relationship. Accordingly, the authors tested the research model and hypotheses using PLS-SEM analytic techniques. This technique is useful for making predictions and discovering new insights as it identifies latent variable scores, accurately predicts individual scores, and explains significant variances in indicators (Hair et al., 2019).

Sample and Data Collection

The study focused on consumers in Vietnam who purchase vegan cosmetics, aiming to explore how product positioning moderates the relationship between WOM marketing and green purchase behavior. Data was collected through an online survey, which resulted in 402 valid responses after data cleaning. The questionnaire covered various demographic factors, including gender, age, education level, marital status, occupation, and monthly income. Respondents were categorized by gender (male and female) and age groups (under 18, 18 - 25, 26 - 35, and 35 and above). Education levels ranged from high school and below to undergraduate and postgraduate. Marital status was classified as single, married, or others. In terms of occupation, participants included students, professionals, non-professionals, housewives, self-employed individuals, entrepreneurs, and retirees. Monthly income levels were segmented into three groups: less than 5 million VND, between 5–15 million VND, and more than 15 million VND. These demographic insights provide a foundation for understanding the target audience, enabling a thorough analysis of how WOM marketing influences green purchase behavior and the moderating role of product positioning in this relationship.

IV. RESULTS AND DISCUSSION

Demographics of Respondents

Understanding consumer demographics is crucial in assessing how product positioning influences the relationship between WOM marketing and green purchase behavior of vegan cosmetics in Vietnam. Survey findings indicate that 66.7% of respondents are female, reaffirming that women are the dominant consumers in the beauty and skincare market, particularly for sustainable products. In terms of age, the largest group falls within 18-25 years old (50.0%), followed by 23.8% under 18 years old and 17.2% aged 26-35 years, highlighting a consumer base that is digitally engaged and receptive to WOM marketing. Education levels show that 43.5% of respondents are undergraduates, while 33.6% have completed high school or below, and 22.9% hold postgraduate degrees, suggesting a well-informed audience that may be more aware of ethical consumption.

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Regarding occupation, 40.3% are professionals, followed by 31.3% students and 20.9% non-professionals, indicating varying levels of financial independence and purchasing power. Additionally, income distribution reveals that 41.1% earn less than 5 million VND per month, while 47.0% fall within the 5-15 million VND range, emphasizing the need for competitive pricing in product positioning. These demographic insights highlight the necessity of tailoring WOM marketing strategies to effectively engage this audience while positioning vegan cosmetics as both sustainable and accessible, thereby reinforcing their influence on green purchase behavior.

Table 1. Descriptive Statistical Results of Respondents

Demographics		Frequency	Percentage
Gender	Male	134	33.3
	Female	268	66.7
Age	Less than 18	96	23.8
	18 - 25	201	50.0
	26 - 35	69	17.2
	35 and above	36	9.0
Education level	High school and below	135	33.6
	Undergraduate	175	43.5
	Postgraduate	92	22.9
Marital status	Single	163	40.5
	Married	235	58.5
	Others	4	1.0
Occupation	Housewife	7	1.8
	Self-employed	12	3.0
	Entrepreneur	7	1.8
	Professional	162	40.3
	Non - professional	84	20.9
	Retired	3	0.7
	Student	126	31.3
	Others	1	0.2
Monthly income	Less than 5 millions	165	41.1
	5 - 15 millions	189	47.0
	More than 15 millions	48	11.9
Total		402	100

Reliability and Validity Assessment

Table 2 presents a detailed summary of the test results, evaluating the measurement model based on reliability, convergent validity, and discriminant validity. Following the recommendation of Nunnally and Bernstein (1994), a coefficient alpha above 0.7 is deemed satisfactory. In this study, all constructs exceeded this threshold, indicating strong internal consistency reliability. Additionally, the Average Variance Extracted (AVE) values for all constructs were above the required 0.5 threshold, confirming convergent validity (Hair Jr et al., 2019; Tabachnick & Fidell, 2007). Multicollinearity was examined using VIF, with all values found to be ≤ 3 , suggesting no concerns regarding multicollinearity.

Table 2. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
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WOM	0.867	0.867	0.919	0.790
PP	0.889	0.890	0.923	0.750
GPB	0.852	0.861	0.900	0.694
Moderating Effect of PP	1.000	1.000	1.000	1.000

Discriminant Validity Assessment

The HTMT (Heterotrait-Monotrait) values between each pair of constructs in this investigation are shown in Table 3. The greatest HTMT value recorded is 0.873 (GPB_WOM), which is less than 0.9 (Hair et al., 2019). This result implies that all constructs addressed in this study have demonstrated discriminant validity.

Table 3. Heterotrait-Monotrait Ratio (HTMT) and Fornell-Larcker Criterion

	Heterotrait-Monotrait Ratio (HTMT)				Fornell-Larcker Criterion			
	EA	GL	GPB	Moderating Effect of PP	EA	GL	GPB	Moderating Effect of PP
WOM					0.889			
PP	1.069				0.940	0.866		
GPB	0.873	0.886			0.754	0.775	0.833	
Moderating Effect of PP	0.474	0.474	0.487		-0.442	-0.448	-0.453	1.000

Structural Measurement Assessment and PLS-SEM Result

In this study, two hypotheses were formulated and tested using the bootstrapping function of SmartPLS. The findings of the analysis are presented in Table 4. The primary objective of the structural model evaluation was to examine the relationships between the constructs and assess their explanatory power.

Table 4 summarizes the results of the structural model analysis, including path coefficients, t-statistics, p-values, Adjusted R^2 , and Cohen's f^2 values for each relationship. The results indicate a statistically significant and positive relationship between WOM marketing and green purchase behavior (GPB) ($\beta = 0.196$, $p = 0.015$). At a 95% confidence level, the t-statistic value of 2.436 exceeds the threshold of 1.96, confirming the significance of this relationship. This finding supports H1, suggesting that word-of-mouth (WOM) marketing plays a crucial role in influencing the purchasing decisions of Vietnamese consumers regarding vegan cosmetics. The increasing preference for sustainable beauty products is driven by peer influence and social discussions on eco-friendly consumption. Consumers tend to trust personal recommendations more than traditional advertisements, leading to a greater likelihood of adopting green purchasing behaviors.

Table 4. Structural Equation Modelling Results Estimates

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Adj R^2	f^2
WOM -> GPB	0.453	0.446	0.100	4.515	0.000	0.617	0.023
PP -> GPB	0.283	0.290	0.096	2.940	0.003		0.086
Moderating Effect of PP -> GPB	-0.066	-0.067	0.017	4.005	0.000		0.086

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Regarding the moderating effect, the coefficient of product positioning on the WOM-GPB relationship is -0.071 ($p = 0.000$, $t = 4.454$). The negative sign suggests that while WOM positively influences green purchasing behavior, this effect is slightly weakened when product positioning is factored in. In other words, consumers who already perceive a vegan cosmetic brand as well-positioned may rely less on WOM recommendations and more on the brand's established image. This implies that strong product positioning reduces dependence on external validation from peer recommendations, as consumers develop inherent trust in the brand's sustainability claims. These results support H2, indicating that product positioning moderates the relationship between WOM marketing and green purchase behavior in the context of vegan cosmetics in Vietnamese market.

With an Adjusted R^2 value of 0.617, the model explains approximately 61.7% of the variance in green purchase behavior, indicating a good level of explanatory power. These findings reinforce the significance of both WOM and product positioning in influencing consumer decisions regarding vegan cosmetics. However, the moderating effect suggests that brands must balance peer influence with effective positioning strategies to optimize their marketing efforts.

The study confirms that WOM marketing has a direct and significant impact on green purchase behavior, which supports the hypothesis H1. This finding is consistent with previous research, which suggests that consumers rely heavily on peer recommendations when making purchasing decisions related to sustainable products. WOM marketing serves as a critical driver of trust and perceived product value, particularly in the context of vegan cosmetics, where ethical and environmental considerations influence buying behavior. Furthermore, the results support H2, indicating that product positioning moderates the impact of WOM marketing on green purchase behavior. The negative moderating effect suggests that while WOM remains a strong influence, its impact is somewhat reduced when a brand has already established a strong market position. This finding implies that a well-positioned vegan cosmetic brand can generate consumer confidence through strategic branding, reducing reliance on peer recommendations. Consequently, companies should focus on both WOM strategies and effective product positioning to create a comprehensive marketing approach. The findings also highlight that both interpersonal influence (WOM) and strategic marketing (product positioning) work together to shape green purchasing behavior. Vegan cosmetic brands aiming to maximize consumer engagement should integrate both WOM-driven campaigns and strong brand positioning strategies to create a compelling and trustworthy image in the market. While WOM remains a powerful tool for influencing consumers, an effectively positioned brand can maintain strong purchase intent even with lower reliance on peer recommendations.

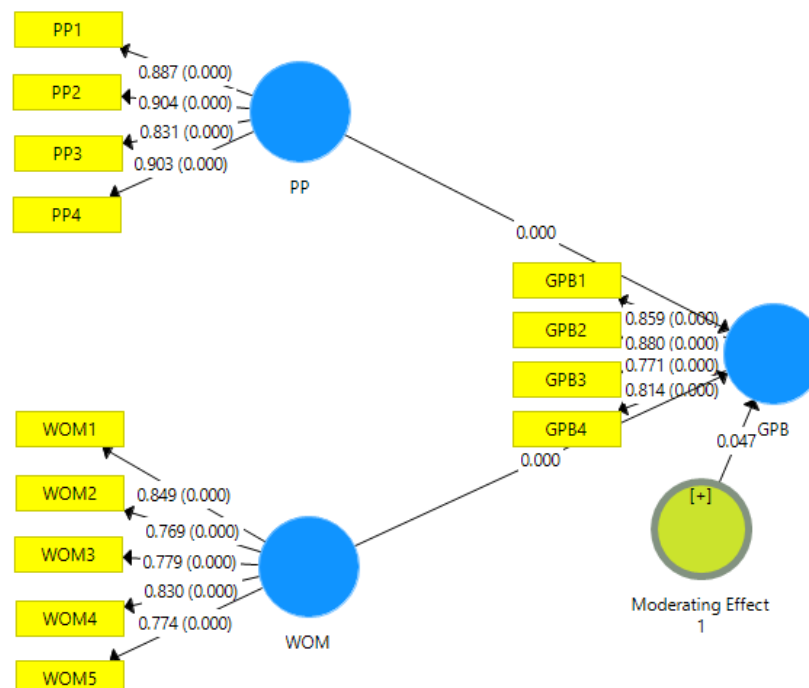


Figure 2. PLS Bootstrapping Model

V. CONCLUSIONS

Theoretical Implications

This study provides significant theoretical contributions to the field of sustainable marketing and consumer behavior. By examining the impact of WOM marketing on green purchase behavior in the context of vegan cosmetics, the research reinforces

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existing theories on social influence and consumer decision-making. The findings highlight that peer recommendations and word-of-mouth communication play a crucial role in shaping consumer attitudes toward environmentally friendly products. Furthermore, this study introduces product positioning as a moderating factor, offering new insights into positioning theory and signaling theory. The results demonstrate that how vegan cosmetics are positioned in the market can either enhance or weaken the influence of WOM marketing on green purchase behavior. This underscores the importance of strategic branding in amplifying consumer advocacy. Additionally, by focusing on the Vietnamese market, where green consumerism is on the rise yet remains underexplored in academic research, the study broadens the theoretical discourse on sustainable consumption. By integrating WOM marketing and product positioning into the green purchase behavior framework, this research provides a more comprehensive understanding of how consumers engage with ethical products, paving the way for future studies in sustainable marketing.

Managerial Implications

The study provides important managerial insights for businesses in the vegan cosmetics industry, particularly in Vietnam, by highlighting the dual influence of WOM marketing and product positioning on green purchase behavior. Given the strong impact of WOM, brands should actively cultivate positive word-of-mouth through influencer collaborations, customer testimonials, and community-driven marketing initiatives. Encouraging satisfied consumers to share their experiences on social media and review platforms can enhance trust and drive purchase intent. Moreover, the moderating role of product positioning underscores the necessity of aligning brand messaging with consumer values, such as sustainability, cruelty-free commitments, and eco-friendly packaging. Clear and consistent communication of these ethical attributes can strengthen brand credibility and increase consumer advocacy. Targeting Gen Z and millennial consumers who are more inclined toward ethical consumption through digital marketing strategies, personalized engagement, and sustainability-driven campaigns can further enhance WOM effectiveness. Additionally, integrating online and offline marketing efforts, such as hosting educational workshops, collaborating with sustainability influencers, and participating in eco-conscious events, can reinforce brand positioning and amplify WOM influence. By strategically positioning their products to meet consumer expectations and market trends, businesses can maximize the impact of WOM marketing, ultimately fostering higher adoption of vegan cosmetics and long-term brand loyalty.

Limitations and Future Research Directions

Despite its valuable insights, this study has certain limitations that open avenues for future research. First, the reliance on self-reported data may introduce social desirability bias, as participants could overstate their environmentally friendly purchasing behavior. Future studies could incorporate observational or experimental methods to validate the findings and reduce potential biases. Second, the study focuses solely on vegan cosmetics within the Vietnamese market, limiting the generalizability of the results. Expanding research to other sustainable product categories or conducting cross-cultural comparisons could provide a broader perspective on how WOM marketing and product positioning influence green purchase behavior in different contexts. Third, external factors such as regulatory policies, economic conditions, and competitors' marketing strategies were not considered, yet they may significantly shape consumer decisions. Future research should integrate these variables to offer a more comprehensive understanding of green consumption dynamics. Additionally, while this study highlights product positioning as a moderating factor, further exploration of other moderating or mediating variables—such as brand trust, personal environmental values, or digital engagement—could enrich theoretical insights. Longitudinal studies could also examine how consumer attitudes and behaviors evolve over time in response to changing market trends and sustainability initiatives. By addressing these limitations, future research can build on the current findings and contribute to a deeper understanding of sustainable consumer behavior.

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