Domestic Product Purchase Decisions among Civil Servants: Purchase Intention Antecedents and Regulatory Moderation from a Planned Behavior Perspective

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Abstract. This study examines the influence of purchase intention on domestic product purchase decisions moderated by government regulation among civil servants involved in government procurement, and identifies key antecedents of purchase intention including love for domestic products, brand image, brand awareness, price, product quality, and consumer attitudes. Method: A quantitative survey was administered to civil servants holding procurement roles, employing purposive sampling and a five-point Likert scale. Data were analysed using Partial Least Squares Structural Equation Modeling (PLS-SEM). Results: Consumer attitudes toward local products emerged as the strongest driver of purchase intention, followed by love for domestic products, product quality, and brand awareness. Brand image and price did not significantly influence purchase intention. Purchase intention was a strong predictor of purchase decision, explaining a substantial proportion of variance in the outcome variable. Discussion: The findings confirm the Theory of Planned Behavior in a government procurement context. Brand image rejection suggests that domestic laptop brands have not yet established differentiated identities relative to global competitors, while the non-significance of price reflects the budget-driven nature of institutional procurement. Conclusion: Government regulation exerts a direct effect on purchase decisions but does not moderate the intention-to-decision relationship, indicating that regulatory compliance functions as a direct behavioral driver rather than a conditional variable. Impact: These findings offer actionable guidance for policymakers and domestic product manufacturers seeking to close the gap between procurement plans and actual spending on domestically manufactured technology products.

Keywords: Purchase Intention, Purchase Decision, Domestic Products, Domestic Component Level, SEM-PLS, Theory of Planned Behavior

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1 Introduction

Domestic products play a critical role in national economic growth by absorbing labour, increasing local income, and strengthening cultural identity [1]. Government Reg-ulation No. 29 of 2018 mandates that any product with a Domestic Component Level (TKDN) of at least 25% must be prioritised in government procurement, including laptops and notebooks in ministries and regional governments. Presidential Instruction No. 2 of 2022 further reinforced this through the Proudly Made in Indonesia (Bangga Buatan Indonesia) national movement. Yet preference for imported technology products among civil servants (ASN) remains considerable, creating a persistent compliance gap.

An evaluation of the 2023–2024 National Laptop Consolidation revealed a significant gap between the General Procurement Plan (RUP) and actual spending. Of an estimated IDR 1.41 trillion in potential demand, only IDR 313.84 billion was realized approximately 30% of total potential spending [2]. If the RUP is treated as a proxy for purchase intention and actual spending as purchase decision, this gap constitutes an intention behaviour discrepancy warranting theoretical investigation.

Consumer behaviour is shaped by a combination of psychological, personal, social, and cultural factors including price sensitivity, quality perceptions, brand associations, and consumer attitudes [1]. In institutional procurement, external stimuli such as government regulations can also alter the decision process. Complementing this, Ajzen's Theory of Planned Behavior (TPB) posits that intention is the immediate and strongest predictor of actual behaviour, modulated by attitude, subjective norms, and perceived behavioural control [3]. Social norms have been shown to mediate the pathway from ethno-centrism to domestic purchase intention [4]. The integration of both frameworks has been applied in prior procurement-context studies [5-8].

Based on these frameworks, six antecedents of purchase intention were hypothesised: (H1) love for domestic products, (H2) brand image, (H3) brand awareness, (H4) product quality, (H5) price, and (H6) consumer attitude. Attitude toward local products has been established as a critical mediating mechanism between ethnocentrism and purchase intention, with its strength varying across product categories [9]. Purchase intention (PI) was hypothesised to predict purchase decision (H7), with government regulation (R) as a moderator of the PI–PD relationship (H8).

This study therefore aims to: (1) identify the significant antecedents of ASN's purchase intention toward domestic laptops; and (2) examine whether government regulation moderates the relationship between purchase intention and purchase decision.

2. Methods

A quantitative cross-sectional survey design was employed. Data were collected between January and March 2024 via an online questionnaire using a five-point Likert scale (1 = strongly disagree, 5 = strongly agree) distributed to members of the IFPI Telegram Group, a professional community of government procurement officers. Respondents were selected through purposive sampling targeting ASN in four procurement roles: Commitment Making Officers (PPK), Procurement Officers (PP), Selection Working Groups (Pokmil), and State Property Managers (BMN). Using Slovin's for-

mula with a 10% margin of error, a minimum of 96 respondents was required; 122 valid responses were obtained.

The respondent profile was as follows: Generation X 49%, Millennials 29%, Generation Z 16%; male 69%, female 31%; central agencies 60%, regional agencies 35%; PPK 23%, PP 24%, Pokmil 23%, BMN Manager 11%, other 19%.

Data analysis was performed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 (SmartPLS GmbH, Boenningstedt, Germany). The analysis comprised: (1) measurement model evaluation—assessing Cronbach's α, composite reliability (rho_C), AVE, and discriminant validity (Fornell–Larcker criterion); and (2) structural model evaluation via bootstrapping ($\alpha = 0.05$) [10,11].

3. Results And Discussion

3.1 Measurement Model

All nine constructs satisfied the criteria for reliability and convergent validity (Table 1): Cronbach's $\alpha \geq 0.70$, composite reliability ≥ 0.70, and AVE ≥ 0.5010. Discriminant validity was confirmed via the Fornell–Larcker criterion12. The R^2 for Purchase Intention was 0.843 and for Purchase Decision was 0.847, indicating strong predictive power of the model.

Table 1. Reliability and Convergent Validity of Constructs

Construct	Cronbach's α	rho_C	rho_A	AVE
Love for Dom. Products (L)	0.845	0.892	0.846	0.634
Brand Image (B)	0.933	0.950	0.935	0.793
Brand Awareness (A)	0.822	0.880	0.823	0.648
Price (P)	0.941	0.957	0.943	0.817
Product Quality (Q)	0.923	0.943	0.924	0.771
Consumer Attitude (C)	0.950	0.963	0.950	0.840
Purchase Intention (PI)	0.935	0.952	0.938	0.800
Purchase Decision (PD)	0.933	0.952	0.934	0.832
Government Regulation (R)	0.890	0.919	0.900	0.694

Source: Author's Work

3.2 Hypothesis Testing

Path coefficients, T-statistics, p-values, and decision outcomes from the bootstrapping procedure are summarised in Table 2.

Table 2. Structural model results (bootstrapping, n = 5,000 subsamples).

H	Path	β	T- Stat	p	R^2	Decision
H1	L→PI	0.183	2.616	0.004	0.843	Supported

H	Path	β	T- Stat	p	R^2	Decision
H2	B→PI	0.018	0.176	0.430	—	Not Supported
H3	A→PI	0.092	2.009	0.022	—	Supported
H4	Q→PI	0.194	1.913	0.028	—	Supported
H5	P→PI	−0.096	0.993	0.160	—	Not Supported
H6	C→PI	0.594	3.734	<.001	—	Supported
H7	PI→PD	0.794	8.466	<.001	0.847	Supported
H8	R×PI→PD	0.050	1.102	0.135	—	Not Supported

Source: Author's Work

Consumer attitude (H6: $\beta = 0.594$, $p < .001$) was the strongest predictor of purchase intention, fully consistent with TPB [3]. [1] confirmed that consumer attitudes and brand awareness jointly shape buying behaviour, underscoring attitude as the dominant mechanism even within institutional procurement. Sabina del Castillo et al. [9] similarly demonstrated that attitude toward local products functions as a central mediator between consumer ethnocentrism and purchase intention.

Love for domestic products (H1: $\beta = 0.183$, $p = .004$) was significant, consistent with consumer ethnocentrism theory [5]. Jia et al. [4] found that social norms and ethnocenrism jointly amplify domestic purchase intention by reinforcing affective bonds with local products. Brand awareness (H3: $\beta = 0.092$, $p = .022$) and product quality (H4: $\beta = 0.194$, $p = .028$) were also significant, supporting Keller [6] and Zeithaml [7] respectively.

Brand image (H2, $p = .430$) was not significant, likely attributable to the limited brand differentiation of domestic laptop producers. Price (H5, $p = .160$) was also non-significant, as government procurement is budget-driven, reducing individual price sensitivity [1]. Kinawy [8] similarly found that institutional purchase contexts attenuate price-driven motivation.

Purchase intention strongly predicted purchase decision (H7: $\beta = 0.794$, $p < .001$; $R^2 = 0.847$), affirming the core TPB proposition [3,14]. The moderation hypothesis (H8, $p = .135$) was not supported. However, a marginal direct effect of regulation was observed ($\beta = 0.170$, $p = .046$), consistent with institutional theory [13].

4. Conclusion

This study confirms that purchase intention is a strong mediator of domestic product purchase decisions among Indonesian civil servants. Consumer attitude toward local products is the dominant antecedent, followed by love for domestic products, product quality, and brand awareness. Brand image and price do not significantly influence purchase intention in this government procurement context. Government regulation directly influences purchase decisions but does not moderate the intention–decision relationship, suggesting normatively-driven rather than contingency-based compliance.

These findings carry practical implications: policymakers and domestic laptop manufacturers should prioritise attitude-formation campaigns and quality assurance programmes over purely regulatory strategies. Future research should expand the sample base, employ longitudinal designs, and explore heterogeneity across procurement role types.

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