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The Impact of Green Incentive Mechanisms on Consumer Sustainable Behavior in Digital Payment Platforms

Tongqing Zhang[1], Jiayang Chen[2], Conghong Cheng[3]

[1]Logistics Department, Shandong Chemical Engineering Vocational College, Weifang, Shandong, 261108, China

[2]School of Media and Commerce, Nanchang Vocational Institute of Film and Television Communication, Nanchang, Jiangxi, 330224, China

[3]School of Management Engineering,Shandong Chemical Engineering Vocational College, Weifang, Shandong, 261108, China

ABSTRACT
Green incentives on digital payment platforms act as key behavioral tools to steer consumer sustainable decisions. Using a motivational, opportunity, and capability framework, this study analyzes how common incentives (like green points and carbon footprint visualization) function. It aims to clarify the internal process that translates these external prompts into pro-environmental behavior. Current mechanisms, however, face practical limits. Users often experience "behavioral fatigue" as incentives show diminishing returns. A lack of clarity in environmental benefit transmission can decouple the feedback loop. Moreover, short-term stimuli often fail to foster lasting value recognition. To address these issues, we propose optimization pathways: hierarchical dynamic incentive design, visual environmental benefit feedback chains, and value internalization cultivation systems. These solutions provide theoretical paradigms and practical references for platforms aiming to build long-term guidance mechanisms for sustainable ecological behavior.

KEYWORDS
Digital payment platforms; Green incentives; Consumer behavior; Sustainable consumption; Impact mechanisms

1 Introduction

In the digital economy, payment platforms have solidified their role as consumption hubs. Their technological traits give them unique capabilities to reshape behavioral patterns. The accelerating global carbon neutrality process makes emissions reduction at the consumption end a critical part of climate governance. Payment systems, with their extensive coverage and high-frequency interactions, are recognized by international policy frameworks as key vehicles for guiding green transformation. China's dual-carbon strategy integrates green consumption incentives into its core design, and fintech planning documents stress that payment tools should incorporate environmental governance functions. In practice, consumers show a significant knowledge-action gap regarding sustainable behavior: systemic barriers stop ecological awareness from turning into practical conduct. Existing incentive mechanisms on payment platforms face major challenges: standardized interventions cannot accommodate user heterogeneity; a lack of observable environmental contribution chains prevents behavioral positive feedback loops; and external incentives do not activate intrinsic value recognition. Academic research is fragmented: behavioral theories do not fully incorporate technology-enabled dimensions, while technology-focused studies ignore behavioral conversion mechanisms. An integrated framework is urgently needed—one that merges technology-enabled approaches with behavioral science—to understand the shaping pathways and optimization logic of green incentives on sustainable behavior.

2 Theoretical Explanation of Green Incentives and Sustainable Behavior

2.1 The Essence of Green Incentives in Digital Payment Platforms

The core of green incentives on digital payment platforms lies in using fintech tools to reshape the value guidance of consumer decisions. Its defining feature is a dual-dimensional approach: On the technology side, it uses real-time transaction data capture and precise mapping to environmental actions, building a quantifiable model of users' environmental footprints. A prime example is the carbon credit system, which transforms payment actions into channels for generating virtual ecological assets. Using blockchain traceability, it builds an immutable ledger of green contributions. At the behavioral level, the incentive operates on dual-factor theory logic: economic rewards satisfy basic utility demands, while environmental value visualization activates higher-order identity needs [1]. The key breakthrough is the seamless integration within payment scenarios. By embedding redemption points along high-frequency consumption paths, it bypasses the extra decision costs of traditional environmental actions, making sustainable choices the default rather than a moral burden. This intervention design, rooted in commercial logic, is the core innovative value distinguishing digital payments from policy regulation and social advocacy.

2.2 Defining Consumer Sustainable Behavior

Sustainable consumption behavior in the payment context must go beyond ethical choice and be anchored to an operational definition that is observable, measurable, and actionable. Behavioral assessment follows this structure: The foundational layer involves environmental preference choices during transactions; its value lies in using payment data to verify the gap between actual behavior and stated attitudes. The intermediate layer reflects optimized resource circulation, representing a systemic shift in consumption patterns mapped via payment records. The advanced layer involves actions showing environmental responsibility, reflecting the intensity of intrinsic motivation to pay for environmental externalities. It is crucial to see the complex interplay of these elements: while electronic payments reduce physical currency's resource use, they also create high-carbon logistics from remote delivery; virtual goods consumption lowers material footprints but comes with surging energy consumption in data centers.

2.3 Theoretical Foundations of Incentive-Driven Behavior

Incentive-driven behavioral change must be analyzed using the framework of capability, motivation, and context. On the capability dimension, platform technology lowers the barrier for sustainable actions: one-click electronic invoicing removes tedious paper receipt processes, changing resource-saving behaviors from high cognitive load to zero-cost defaults [2]. The motivation dimension follows a modified expected value theory, where a user's perceived efficacy regarding environmental outcomes needs reinforcement through immediate feedback. Visualized carbon reduction data on payment completion pages turns delayed environmental benefits into instant psychological rewards, which compensates for utility losses from green product premiums. Field effects depend on reshaping social norms: green ratings on receipts and friend leaderboards trigger social reference effects, placing individual eco-actions within group normative pressure. Finally, a dual-channel reinforcement mechanism emerges at the neuroeconomic level: economic incentives activate dopamine pathways to drive short-term change, while environmental value recognition reshapes decision-making patterns via the prefrontal cortex. The sequential synergy of these pathways forms the neurobiological foundation for turning incentives into habits.

3 Current Operational Challenges of Incentive Mechanisms

3.1 Diminishing Marginal Utility of Incentives

The decline in incentive effectiveness fundamentally stems from the dynamic dullness process in users' perception of psychological value. In the initial phase, economic incentives like point rewards achieve high behavioral response rates through the expectation violation effect: when users discover that routine payment behaviors unexpectedly yield additional benefits, their dopamine neural pathways are strongly activated. As incentive rules become routine, economic stimuli gradually integrate into the psychological reference frame as background factors for decision-making. At this stage, if the intensity of incentives is not continuously enhanced or innovative incentive forms are not introduced, the behavioral trigger effect will exhibit exponential decay as the frequency of incentives increases. More critically, standardized incentive systems suffer from value dilution: applying uniform point-to-reward ratios across all users renders incentives ineffective for high-income groups due to their low sensitivity to environmental premiums. Conversely, environmentalists' intrinsic motivations are susceptible to crowding out by economic incentives, degrading their sustainable behaviors from value-driven consciousness to cost-benefit calculations.

3.2 Insufficient Transparency in Incentives and Outcomes

The breakdown in environmental benefit transmission stems from a dual black-box dilemma in carbon measurement and value conversion. At the carbon traceability level, the multi-tiered environmental ripple effects of payment behaviors are challenging to deconstruct precisely. While direct carbon reductions from users purchasing green appliances on the platform can be measured, factors such as shifts in energy structures during production and optimized logistics routes constitute unrecognized, implicit contributions. Current systems only record static emission factors at the transaction point, failing to track dynamic updates in emission coefficients resulting from suppliers' subsequent clean energy upgrades. Value conversion processes suffer from a disconnect in perceived benefits: carbon sinks generated by users redeeming points for saplings require decades to mature and offset emissions from the transaction, which creates a time lag and uncertainty that diminishes the sense of efficacy in behavioral feedback [3]. The platform operators' strategy of visual symbol generalization—using emotional icons, such as virtual leaves or badges, to replace quantitative environmental metrics—further erodes credibility. Such approaches reduce incentives to entertainment-driven interactions. "Carbon Reduction Leaderboards" lacking third-party verification are more likely to trigger adverse social comparison effects than to foster environmentally oriented competition. These deep-seated contradictions collectively sever the causal link between actions and perceived outcomes.

3.3 Superficialization of Behavioral Change

The core obstacle preventing short-term behavioral responses from becoming stable habits lies in the neurological deficit of value conversion. Environmental actions induced by payment platforms heavily depend on contextual triggers: users only select green products when prompted by "limited-time double points" notifications, reducing environmental decisions from continuous behavioral patterns to discrete event responses. Neuroscience confirms such stimuli primarily activate reflexive behavioral pathways driven by basal ganglia regions, failing to establish higher-order value cognitive frameworks involving the prefrontal cortex. A deeper root lies in the responsibility substitution paradox: users perceive point collection as proof of fulfilling environmental responsibilities, triggering a "moral salutation" psychological compensation mechanism when purchasing high-carbon goods, which paradoxically increases indulgent consumption, such as nonessential air travel. Cognitive load imbalances within platform mechanisms exacerbate persistent barriers. Ordinary users, unable to comprehend the emissions accounting rules behind carbon credit conversion rates, simplify them into economic exchange tokens. Meanwhile, environmentalists' discovery of system loopholes leads to a collapse of trust in the entire mechanism. This dual cognitive bias ultimately confines sustainable behavior to transactional bargaining, preventing its embedding into fundamental lifestyle transformation.

4 Precise Optimization Pathways for Incentive Mechanisms

4.1 Building a Dynamic and Differentiated Incentive System

The core of sustaining incentive mechanisms lies in establishing a dynamic adjustment system that maintains sensitivity to user responses. Its essence is to break free from the homogenization trap of standardized incentives by forming precise incentive targeting through cross-identification of consumption levels and environmental preferences. Operationally, a dual-dimensional adjustment framework must be constructed: Vertically, establish elastic trigger thresholds based on behavioral frequency. Initial eco-friendly actions receive baseline incentives, but repeated identical patterns automatically raise target thresholds. Concurrently, new eco-task channels are opened to prevent reward habituation caused by neural adaptation. Horizontally, implement value-matched transmission through group clustering strategies. Younger demographics establish symbolic property rights over environmental contributions via virtual ecological asset adoption, while high-net-worth users achieve environmental value storage and appreciation through carbon asset securitization [4]. The technical foundation lies in constructing a dynamic weighting model for the ecological footprint of goods and services. This model dynamically adjusts emission factors based on real-time progress in supply chain decarbonization and implements regionally calibrated carbon value adjustments to account for variations in local energy structures. A critical design element is the decaying incentive offset mechanism: when the frequency of claims for a specific reward type exceeds a threshold, a demand diversion algorithm is activated, promoting alternative environmental projects to sustain the continuous activation of perceived psychological value.

4.2 Visual Linkage to Amplify Green Behavior Impact

For credible verification of environmental contributions, a closed-loop evidence chain with full lifecycle traceability is required. Technical implementation depends on a "penetrative" design:Production-side: Establish dynamic interfaces for emission factor updates. Supplier energy structure adjustments and process optimizations, verified by third parties, instantly update product carbon footprint data. Consumer-end: Develop a parallel environmental benefit comparison system. During payment, this system projects the environmental impacts of standard consumption patterns, visualizing the differences to create tangible cognitive understanding. Feedback-end: Innovate a delayed contribution discounting model, which decomposes long-term environmental benefits into periodically verifiable milestones. Use geospatial information technology to provide incremental certificates of ecological improvement. Building trust depends on a dual assurance mechanism: enterprise clean production data is blockchain-verified and recorded in an immutable environmental ledger. Simultaneously, consumer contributions undergo cross-validation through remote sensing and field verification. This system addresses the limits of traditional mechanisms, avoiding cognitive distortions from oversimplification while also overcoming comprehension barriers from professional silos.

4.3 Cultivating Value Recognition from External to Internal

Deep behavioral internalization needs progressive pathways aligned with neurocognitive development. The first stage establishes behavioral markers through sensory reinforcement feedback, where sustained eco-friendly practices trigger audiovisual-tactile responses, activating the nucleus accumbens' memory of pleasure. The intermediate phase adds critical decision-reflection nodes; it highlights environmentally impactful choices on consumption statements and quantitatively demonstrates potential ecological gains from alternatives, driving prefrontal cortex-led rational evaluation. Finally, a motivational source purification strategy is implemented: once stable eco-friendly habits are detected, explicit economic incentives are gradually reduced. Instead, empirical case studies of environmental improvements within homogeneous peer groups are delivered to activate the mirror neuron system's imitative learning mechanism [5]. Crucially, a moral compensation coordination module must be established. When the system identifies high-carbon consumption, it automatically correlates it with historical eco-contribution data, which alleviates cognitive dissonance pressure through proportional responsibility sharing.

5 Conclusion

This paper examines how green incentive mechanisms on digital payment platforms possess the structural capacity to influence sustainable consumer behavior. Their core value lies in seamlessly embedding within commercial scenarios to transcend the efficacy boundaries of traditional environmental interventions. Mechanism optimization must address the following dialectical relationships: Coordinating the tension between standardization and personalization in incentive design, constructing dynamic decay hedging models to maintain behavioral responsiveness sensitivity; bridging the gap between technological black boxes and cognitive trust at the effect transmission level by establishing a fully verifiable environmental ledger; and ultimately achieving critical transitions in the behavioral transformation phase—elevating external stimuli into intrinsic value recognition through motivation purification pathways designed based on neurocognitive principles.

About the Author

Tongqing Zhang, Undergraduate, Teaching Assistant, Research Focus: Business Administration.

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