

GREEN MARKETING ORIENTATION AND CONSUMER'S WILLINGNESS TO PAY: EXAMINING THE MEDIATING EFFECT OF BRAND COOLNESS AND MODERATING ROLE OF CUSTOMER ENGAGEMENT

Raheel Farooqi^{*1}, Dania Suri², Muhammad Sufyan Ramish³, Marium Mateen Khan⁴

^{*1}Assistant Professor, Bahria Business School Bukc

²Mba Scholar, Bahria Business School Bukc

³Associate Professor, Associate Professor, Institute of Business and Health Management, DOW University of Health Sciences, Karachi, Pakistan

⁴Assistant Professor, Department of Marketing, Institute of Business and Health Management (IBHM), Dow University of Health Sciences (DUHS), Karachi, Pakistan

^{*1}raheelf82@gmail.com, ²dania.suri26@gmail.com, ³smsufyan@gmail.com, ⁴marium.khan@duhs.edu.pk

Corresponding Author: *

Raheel Farooqi

DOI: <https://doi.org/10.5281/zenodo.18897518>

Received	Accepted	Published
07 January 2025	20 February 2026	07 March 2026

ABSTRACT

The growing concern of environmental sustainability has increased the interests in exploring the effects of green marketing in consumer behavior especially in the developing economies. This paper explores how Green Marketing Orientation influences Willingness to Pay (WTP) of green products by consumers with focus to the mediating effect of Brand Coolness. The research design employed was a quantitative, cross-sectional design where the data was gathered using a structured five-point Likert scale questionnaire that was to be conducted online and face-to-face. The proposed relationships were analyzed with the help of Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS. The findings show that the visible green marketing activities, like eco-labeling and sustainable packaging, significantly affect Brand Coolness in a positive way. The mediation between the green marketing practices and Willingness to Pay in consumers is highly mediated by Brand Coolness, which implies that the brands with a perceived innovative, authentic, and socially relevant can better translate sustainability activities into price premium. Also, the relationship between Brand Coolness and Willingness to Pay is moderated by consumer engagement which enhances the association between them in the highly engaged consumers. It is a model that results in 48.2 percent and 48 percent variances of the Brand Coolness and Willingness to Pay, respectively. The paper makes a contribution to the literature of green marketing since it illustrates how brand perceptions and engagement can add value to sustainability initiatives in a developing country scenario.

Keywords: Customer Engagement, Willingness to Pay, Brand Coolness and Green Marketing Orientation

INTRODUCTION

The transforming world market has seen environmental responsibility becoming a more

critical issue and the traditional product values like price and convenience are not as significant

as the value propositions, which are fueled by sustainability. Millennials and GenZ younger generations are forcing businesses into creating brands that demonstrate their environmental consciousness and ethical impacts in making business choices (Lu et al., 2021). This has culminated to the development of green marketing orientation (GMO) a marketing strategic orientation whereby companies anchor their marketing campaigns on the subject of environment to meet the consumer needs of ecological transparency and responsibility. The various outcomes of green marketing are Willingness to Pay (WTP) a price premium on sustainable commodities, which has become a necessity to measure how the consumers appreciate the green effort (Loureiro et al., 2023). However, all the green campaigns are not applicable to the impact to raise the WTP due to variations in the responses of emotions and perceptions.

Among the greatest internal moderators of this sort of respondent is the Brand Coolness that comprises the subsequent characteristics: innovation, authenticity, and social prestige (Lu et al., 2021). The perceived coolness of the brand is enhanced when the green marketing messages are seen to be authentic, a trendsetter, where consumption is more likely to invest more in the environmentally friendly products. The interaction between environmental stimuli (e.g., green marketing practices) and internal measures (e.g., brand coolness), and, consequently, on the intentions to act (e.g., WTP) is the basis of this dynamic, which is based on the Stimulus-Organism-Response (S-O-R) model. In the case of green marketing, the stimulus, brand coolness, and WTP, are tactical GMO, brand coolness, and WTP, respectively. The model has been applicable in the elucidation of psychological processes that assist consumers in decision making in the green buying context (Rivas et al., 2022). But another construct that is a significant component in this model, but often overlooked, is Customer Engagement, which describes the cognitive, emotional and behavioral interest of the customer in brands. Research

shows that an intensive use, and, more importantly, through digital channels, can even go some distance in enhancing the impact of green messaging by triggering brand trust, emotional attachment and promotion (Hollebeek et al., 2022).

Green narratives will gain momentum in consumers as a result of consumer personalities absorbing and disseminating brand value through their social networks, especially via social media. Sustainable branding in the new market, like in Pakistan, where the awareness of people on environmental issues is rising and the institutional regulation of such issues is only developing, can be multiplied with Customer Engagement. The increase in the usage of social media by the urban consumer offers new prospects to the green brands in a bid to generate engagement and influence WTP behaviors. It is however discovered that empirical research which examines the relationship between engagement and GMO and brand perception in this respect are quite few. The thesis will aim to expand the study by Loureiro et al. (2023) to incorporate Customer Engagement as a contribution variable in the already established S-O-R model. Specifically, it will discuss the impact of tactical GMO on brand coolness and WTP and customer engagement on the degree of the customer engagement on the relationships. As a case study of the Pakistani market, the paper both seeks to contribute to the theoretical knowledge as well as practical recommendations on how to improve the idea of green consumer behavior in the developing economies.

Theoretical Background and Hypotheses Development

Green Marketing Orientation

The concept of Tactical Green Marketing Orientation (GMO) can be associated with the way in which an environmental firm incorporates the environment practices in the visible marketing processes such as Eco-labelling, sustainable packaging and Eco-advertising. It belongs to three GMO dimensions (strategic, internal, and tactical) and it is particularly

relevant in the sight of the consumer as it directly impacts the perspective on the green initiatives (Loureiro et al., 2023). Tactical GMO is more apparent than other brands because they are more concerned with environmental issues and can have a significant impact on the consumer confidence and perceived genuineness of the brand and its popularity. Nevertheless, the existing studies proved that strategic GMO can result in the achievement of favorable consumer outcomes, especially when this type of initiatives is organized around the brand image and is effectively communicated. In indicative terms, Loureiro et al. (2023) found out that tactical GMO can positively affect the Brand Coolness a construct that brings a sense of perception of a brand that is socially relevant, innovative, and ethical. This kind of perception, in its turn, increases the Willingness to Pay (WTP) of the consumer in a high price of green products.

Brand Coolness

Brand Coolness is currently supposed to be the essential construct in the consumer-brand relationships and it is a concept that illustrates how a brand is perceived as a fashion setter, desirable socially, and culturally. It has various features, including uniqueness, authenticity, social appeal, and aesthetic appeal (Kock, 2021; Loureiro and Blanco, 2021). Brand coolness in the digital economy is no longer the attribute to desire but a business asset that is used to define attitude and loyalty among consumers. The cool brands are more likely to have higher degrees of emotional connectivity and pro-social promotions of words of mouth on social media platforms (Apaolaza et al., 2021). According to the recent empirical research by Loureiro et al. (2023), Tactical Green Marketing Orientation (GMO) with the use of visible means like eco-labelling and sustainable message may have a positive impact on the perceptions of the brand coolness to a significant degree. This, also, increases the Willingness to Pay (WTP) of customers to green products. Their study which employed Stimuli-Organism-Response (S-O-R) could verify that brand coolness is a mediating

variable between tactical GMO (stimulus) and WTP (response) and hence the more green marketing is, the more the perceived coolness of the brand.

Customer Engagement

Customer engagement is the mental, emotional and action investment of a consumer in brand relationships on-line and offline. It transcends transactional approach to content sharing, posting reviews, being a part of the brand communities, and promoting the brand within social circles (Hollebeek et al., 2022). It has been determined that the engagement of the customers is one of the key factors to a successful sustainability message, especially when the message is delivered online. In particular, the green campaigns are expected to be more persuasive and emotional as engaged consumers will perceive green brands as authentic and socially responsible more significantly and, hence, the sense of loyalty and recommendation to them will increase (Lu et al., 2021; Alanadoly and Salem, 2022). To be more exact, the emotional appeal and persuasiveness of green campaigns will be elevated as well, as the perception of green brands as authentic and socially responsible will increase. Although the authors by Loureiro et al. (2023) proved the impact of Tactical Green Marketing Orientation and Brand Coolness on Willingness to Pay, they acknowledged that other intervening factors such as customer engagement must be examined in the future to explain the difference in consumer behavior. This paper will seek to fill that research gap and establish the contribution that customer engagement makes as a contributing factor to the improvement of the effect of green marketing on consumer perceptions and behavioral intentions.

Willingness to Pay (WTP)

Willingness to Pay (WTP) is said to be the willingness of the customer to pay extra money on items that may have an environmental or moral value attached to them. WTP as a marketing tool may be applied to green marketing to signify a direct behavioral measure of consumer worth of a particular brand in

environmental activities. The recent research does not only indicate that WTP is not only determined by the perceived functional value of the green products, but it is also strongly influenced by the emotional, ethical, and psychological variables such as brand perception and authenticity (Spielmann, 2021; Perez et al., 2020). The researchers of the article by Loureiro et al. (2023) have planned that the more the consumers rate the socially desirable and trustworthy characteristics of green brand as the products of the Brand Coolness, the more they are willing to pay the premium price to the proposed products. These findings underline the idea that WTP can be positively improved with the assistance of green messaging, which is backed with a high emotional indicator and match between consumers and brand.

Theoretical Framework

First introduced by Mehrabian and Russell, the Stimulus-Organism-Response (S-O-R) paradigm has become a standard of examining consumer behavior in other areas, including sustainability marketing. The S-O-R model is premised on the environmental psychology and assumes that some external stimulus (S) can influence the internal cognitive or emotional state of a particular individual (O), and subsequently, lead to a behavioral process (R). This model has been effectively used in marketing to establish the effect of the cues attachment to the brand and its consumer attitudes and behavior. The advantages of the model as a tool of sustainability-based research are that it enables the psychological process in which the consumers experience the encounter of the stimuli of the marketing as anecdotal (related to being environmentally aware) to endure (Rivaset al., 2022). The S-O-R model has recently been revised and applied in digital and green marketing contexts, where it is now becoming a victim to the interactive content and value-based communication dominating the consumer perceptions (Alanadoly and Salem, 2022). The stimulus in this instance of the current study is Tactical Green Marketing Orientation (GMO) the existence of the evident plausible

sustainability activities, such as Eco-packaging within the company, Eco-labeling, green advertising. These are the external observable marketing activities that are the initial trigger that attracts the consumer attention and creates an evaluation process. Consumers interpret these cues to determine whether a brand is appropriate to their environmental values or not, and this creates the internal processing stage of this model. The construct Brand Coolness which represents an internal psychological feeling of the social improvement of a brand, its innovativeness, its environmental friendliness, and its cultural relevance, symbolizes the organism. The consumer needs the Brand Coolness, which is the affective and cognitive assessment of the brand in response to the stimulus, which is required in the mediation of the impacts of green marketing on the behavioral effects (Loureiro et al., 2023). The response aspect of the model is the Willingness to Pay (WTP) and involves a behavioral intention to pay a premium to purchase products bearing on a brand that is perceived to be cool, credible, and environmentally consonant. WTP is among the observable outcomes of the cognitive and emotional reactions to the brand sustainability messages and a scale of the effectiveness of green marketing to influence consumer behavior (Spielmann, 2021). The traditional S-O-R model has however been observed to be able to fit in this pathway but fails to explain the active role of the consumer in the creation and reaction of the brand messages especially in the digital ecosystem where the interaction between the brand and the consumer is a two-way and continuous process. In order to fill this gap, this study suggests Customer Engagement as a contribution variable that enhances traditional S-O-R model. Customer Engagement involves emotional, cognitive and behavioral involvement of the consumers in the brand related interactions including sharing, content creation and advocacy of the social media. Highly involved consumers get exposed to more sustainable brand messages more readily and think of the brand as authentic, desirable and aligned with their personal values (Hollebeek et

al., 2022). Research demonstrates that the two aspects of engagement, the organism and the response, boosts the brand perceptions (e.g., coolness) and brings the intention to invest in the brand closer (Ng et al., 2022). Therefore, whereas Customer Engagement is not directly the part of stimulus-organism-response process, it is a reinforcing process that strengthens the associations between Tactical GMO, Brand Coolness and WTP. Customer Engagement is a part of the S-O-R model used in this study and, thus, a more elaborate model to reflect the reality of the green consumer behavior in our contemporary world. The lengthy structure allows a more intricate reflection of the internalization of the visible sustainability practices by the consumers and the transfer of the perception to actual purchasing behavior in the sense of willingness to pay. The adaptation is specifically related to newer markets like Pakistan where digital interactions are quickly growing and are extremely crucial in establishing brand credibility and emotional resonance in the context of green marketing.

Relationship between Customer Engagement and Tactical Green Marketing Orientation

Customer Engagement is an important factor that helps determine the perception of the consumers towards the tactical green marketing of the brand. The environmental practices that are easily noticeable under the Tactical Green Marketing Orientation include Eco-labeling, the use of recyclable packaging, and the presence of the green promotional message. The green marketing initiatives will be more effective if the consumers are highly engaged, both emotionally, cognitively, and behaviorally. This means that the consumers, who are highly engaged, will not be the same as the ones who display no indifference towards the information they consume. This is because highly engaged consumers will look for the information that they can post, as long as it is aligned to their values (Hollebeek et al., 2022). Hence, the importance of Customer Engagement is that it helps improve the authenticity of the tactical GMO.

Relationship between Customer Engagement and Brand Coolness

Customer Engagement has a very crucial impact on the perception of the consumers regarding the identity and image of the brand, especially if the marketing strategy is green marketing. These three components of engagement comprise emotional, cognitive, and behavioral investment, which entails liking, commenting, sharing, and recommending the brand on the online platform. The brands that have stable communication and offer valuable content, which is environmentally friendly, will be perceived as contemporary, topical, and credible (Kumar & Nayak, 2021). Recent literature suggests that the interaction has a positive impact on the consumers, as the consumers become emotionally attached to the brand, which gives more authenticity to the green marketing communications. The consumers become more engaged with the brand, which enables the consumers to perceive the brand as cool, a socially acceptable image, and a trendsetter when the consumers are actively engaged, especially if the brand physically appears to be supporting the environmental beliefs (Ngetal., 2022). This coolness of the brand has a positive impact on the popularity of the brand, as well as the willingness of the consumers to pay a high price for the products of the brand.

Relationship between Customer Engagement and Willingness to Pay

Customer Engagement has a direct relationship with Willingness to Pay (WTP) since it enhances the emotional and value-based relationship between the customer and the green brand. Most active customers, who have been using the brand through the online medium, would be more willing to appreciate the environmental activities of the brand and internalize the message of the green brand. This, therefore, creates the intention to sponsor the brand even at a higher price. Recent studies have shown that the engagement of the customer through the online medium, like social media, enhances the trust, emotional bonding, and advocacy that is crucial in the promotion of the

WTP of the green products. Moreover, the interactivity of the green message enhances the perceived naturalness and relevancy of the green message, especially in the branding of the environmental campaign. Thus, Customer Engagement is seen as one of the aspects that enhances the effectiveness of the two Tactical Green Marketing Orientation and the Brand Coolness on the consumer's WTP.

Hypothesis Development

H1: Tactical Green Marketing Orientation has a positive impact on Brand Coolness.

H2: Brand Coolness has a positive impact on Willingness to Pay.

H3: Customer Engagement moderates the relationship between Brand Coolness and Willingness to Pay, such that the relationship is stronger when Customer Engagement is high.

Conceptual Framework

This theoretical structure describes the

relationship between tactical green marketing orientation and willingness to pay, in effect brand coolness, and the connection between customers and the marketing mix enhances this connection. The structure implies that consumers tend to view the brand as cool, modern, and socially responsible in case companies adopt environmentally friendly marketing strategies. The result of this brand image of coolness is a positive implication on the desire of consumers to pay a premium price of the brand products or services. Moreover, customer engagement is a moderator that increases the relationship between brand coolness and willing to pay implying that, highly engaged customers will more likely transform positive brand perceptions into positive payment intentions. Altogether, the framework points at the oblique contribution of tactical green marketing to the height of willingness to pay through brand coolness, and stronger customer engagement.

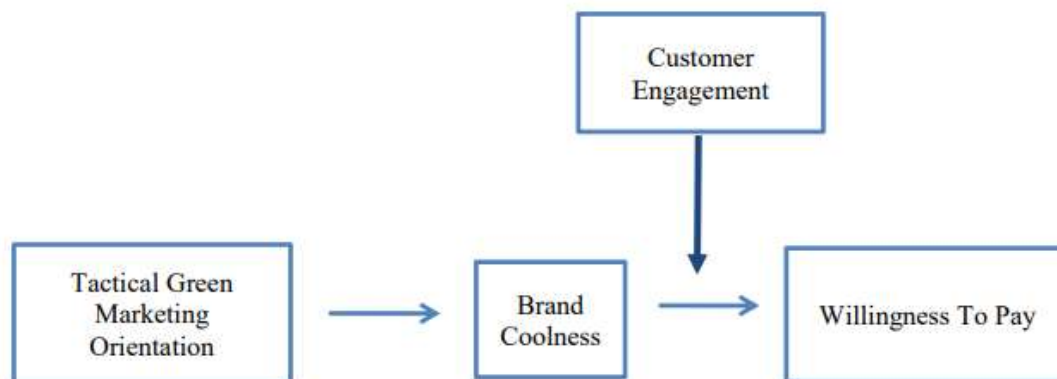


Figure 1: Conceptual Framework

Research Methodology

Research Approach & Type

This paper takes positivist research philosophy in which objective measurement and empirical validation in the form of statistical analysis are put in priority. It is a very appropriate method of testing the structured hypotheses based on the Stimuli-Organism-Response (S-O-R) model, and

permitting an explicit evaluation of the way particular green marketing stimuli affect inner consumer conditions and consequent behavioral results. Through the application of quantitative data, the research will focus on going beyond the subjective observation and identify quantifiable, causal relationships among variables that will

guarantee that the results are not only replaceable but also based on mathematical rigor. This philosophy implies that the research is deductive in nature, that is, the formulation of theoretical propositions is initially based on the existing literature and then tested against the facts. The given top-down approach begins with a set of existing theories on green marketing so that to come up with particular hypotheses, which can be evaluated with the help of quantitative instruments. The strategy is especially useful in this study because it helps to move the broad theoretical concepts and the narrow, measurable outcomes. Finally, this deductive methodology enables the generalized conclusions to be made on the effect of green marketing programs on a larger group of consumers and, thus, serves as a firm basis in the process of validating the model suggested.

Research Design

The paper applies the quantitative cross-sectional and survey-based research design, which consists of descriptive and explanatory aspects. The cross sectional design is where the data set of a given sample of respondents is obtained at a given time, which is quite common in consumer behavior research as it helps obtain a snapshot of the current attitudes and perceptions. This design is especially useful in the context of this study, where it is required to measure consumer reactions to green marketing practices and this offers a systematic way of analyzing the strength of association between variables in a controlled and repeatable way.

The primary data will be collected by means of the administration of structured questionnaires, which will enable collecting standardized answers that can be measured strictly in statistical terms. It is a very effective method of establishing patterns and possible causal relationships between constructs and provides a wide representatives of a wide range of consumers. The survey-based approach will enable the research to record a broad range of consumer data in a relatively short period, which is why it is the most suitable option to evaluate the theoretical framework and make generalize

conclusions on the role of green initiatives in influencing the contemporary market behavior.

Research Population

This study is strategic in its approach to reach the target population, who are the focus of the study, environmentally conscious consumers living in the major urban centers of Pakistan. The particular demographic is chosen due to the immense environmental pressure that cities, like Karachi, Lahore, and Islamabad, can be exposed to, considering air quality concerns, to plastic pollution, which, in turn, also raises the level of the residents' concern about the sustainability. This segment is of interest to the research because it aims at the people who at least are not merely conscious of the issue of ecology, but are the main beneficiaries of green marketing messages provided via modern retail outlets and online advertising. This will make sure that the population being studied has the required environmental literacy to give significant information on the psychological and behavioral reactions to sustainable branding.

In this urban environment, young adults aged 18-45 are singled out as the target demographic by the study. It is a sensitive market segment in the Pakistani market, as it is made up of young individuals who show a great amount of digital activity and shift towards a more ethical consumption perspective. These so-called "Millennial" and Gen Z consumers have become more exposed to global trends (as a result of social media), so they are more likely to engage with and buy brands that reflect their environmental ethics. Selecting this population would give the study an opportunity to put to test the S-O-R (Stimuli-Organism-Response) framework in a population that is actively adapting their purchasing behavior as a result of the increasing popularity of green marketing in the Pakistani market.

Sample Size and Sampling Technique

The researcher intends to obtain a total of 385 completed questionnaires, which is a well calculated sample to ensure the high level of statistical power needed in the analysis of

Structural Equation by Partial Least Squares (PLS-SEM). This target conforms strictly to the established methodological principles of social research (Hair et al., 2021), so that the gathered data is robust enough to do complex structural modeling. The research will achieve a desired balance between statistical and empirical depth by ensuring that a certain number of respondents is obtained. The sample size that had been selected offers a required sensitivity to measure the complex relationship among the hypotheses that were put forward effectively thus contributing to the overall quality and reliability of the results. The result is eventually a high-fidelity representation of the consumer experiences in question because this is a rigorous approach that establishes the existence of true relationships between variables.

Research Instrument

Reliability and construct validity of the study will be ensured by ensuring that the measurement instruments of this study are modified versions of the already tested scales. Everything will be assessed (measured) on a 5-point Likert scale (including 1 (Strongly Disagree) and 5 (Strongly Agree) items), allowing evaluating the perception and attitudes of respondents in a consistent

manner. The Tactical Green Marketing Orientation construct will be assessed on the basis of items modified by Baumann et al. (2021), who examined the reactions of consumers to brand messages based on sustainability, i.e., eco labeling and greener communication. Brand Coolness as a construct will be measured with items modified in Mandler et al. (2021) that measure it in terms of uniqueness, authenticity, and social desirability. To assess Customer Engagement, questions will be modified to be based on Hollebeek et al. (2022) and will involve the emotional, cognitive, and behavioral engagement customers show towards green brand efforts. Lastly, Willingness to Pay will be assessed with the help of the items, which were determined by Loureiro et al. (2023), how quickly the consumers are pleased to pay a premium price for environmentally responsible and social brands. All of the constructs will be handled as a latent variable and will be assessed with reflective indicators, as required by the Partial Least Squares Structural Equation Modeling (PLS-SEM). A pre-test will be done on all materials on their clarity, cultural relevance, and language to make sure they are suitable to the Pakistani market before full scale distribution

RESULTS AND FINDINGS

Respondent's Profile

Demographic Variable	Category	Frequency	Percentage
Gender	Male	178	46.2
	Female	207	53.8
Age Group	18-25 years	152	39.5
	26-35 years	167	43.4
	36-45 Years	66	17.1
Education Level	Undergraduate	118	30.6
	Graduate	182	47.3
	Postgraduate	85	22.1
Monthly Income (PKR)	Below 50,000	112	29.1
	50,000-100,000	163	42.3
	Above 100,000	110	28.6
Usage of Green Products	Occasionally	142	36.9
	Frequently	168	43.06
	Regularly	75	19.05

This table provides the demographic profile of the respondents. The study entailed 385 respondents, of which a small majority of the

female respondents. The majority of the respondents (between the 18-35 years age bracket) indicates that the consumers in that age bracket

are well represented because they have sufficient knowledge about the issues that sustainability entails. The distribution of income among various categories of incomes is balanced. In addition, a very high proportion of the sampled respondents have reported that they use green products either frequently or regularly, which

means that the sampled respondents would be appropriate in the study of green marketing behavior.

Measurement Model

The following table shows the result of measurement model using PLS algorithm

Reliability Analysis

Construct	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted
GMO	0.859	0.882	0.904	0.703
BC	0.846	0.906	0.891	0.672
CE x BC	1.000	1.000	1.000	1.000
CE	0.878	0.879	0.916	0.732
WTP	0.865	0.883	0.908	0.713

Internal consistency and convergent validity of the measurement model were awaited rigorously and the results have been summarized in the above Table. In a bid to ensure the reliability of the study, four important measures were evaluated namely; Cronbachs Alpha, Rho A, Composite Reliability (CR) and Average Variance Extracted (AVE). The internal consistency of all latent constructs was high as seen by the Cronbach Alpha and Composite Reliability values far exceeding the accepted threshold of 0.70, with Customer Engagement (CE) having the highest reliability (alpha = 0.878, CR = 0.916). Moreover, convergent validity was established because all the AVE values exceeded

the 0.50 threshold, varying between 0.672 and 0.732, which means that each of the constructs contributes a significant amount of variance in the indicators of which it relates. This rigorous process of validation makes the instrument very reliable, and thus, minimizes the measurement error and maximizes the validity of the consequent statistical analysis.

Discriminant Validity

Fornell and Larcker (1981) criterion (FLC)

The below table Presents the assessment of discriminant validity based on Partial Least Squares algorithm.

Constructs	BC	CE	CE x BC	GMO	WTP
BC	0.839				
CE	0.447	0.820			
CE x BC	-0.546	-0.517	1.000		
GMO	0.664	0.394	-0.317	0.856	
WTP	0.676	0.386	-0.306	0.753	0.845

Following the analysis of the data, it is observed that square root of AVE of both constructs is higher than the correlation of each construct

with other constructs, and therefore it supports the fact that empirical similarity does not exist between any of the latent variables.

HTMT Ratio

The following table shows the HTMT ratio

Constructs	BC	CE	CE x BC	GMO	WTP
BC					
CE	0.462				
CE x BC	0.589	0.549			
GMO	0.755	0.427	0.377		
WTP	0.771	0.399	0.328	0.857	

The outcome of the HTMT indicates that the values are less than the suggested value of 0.90 which indicates that there is satisfactory discriminant validity between the two constructs. Whereas the value of the HTMT between Green Marketing Orientation and Willingness to Pay (0.857) is quite high, it remains acceptable within the liberal criterion

indicating that the two constructs are empirically different. In total, the outcomes of the HTMT testify that all of the constructs of the model prove to be effective in the sense of quantifying unique theoretical concepts, and there are no issues of discriminant validity of the measurement model.

Structural Model

Hypothesis-testing using PLS path analysis

	Estimate	S.D	t-stats	Prob
GMO --> BC	0.578	0.060	9.667	0.000
BC--> WTP	0.689	0.050	13.726	0.000
CE --> BC	0.220	0.054	4.094	0.000
CE --> WTP	0.155	0.059	2.618	0.009
CE x BC -->	0.091	0.028	3.274	0.001

Table shows the outcomes of the PLS path analysis to be used to test the hypotheses proposed. The results show that the positive effect of Green Marketing Orientation on Brand Coolness (0.578, $t = 9.667$, $p = 0.001$) is positive and statistically significant, which confirms H1. This finding indicates that more salient and intensive green marketing practices lead to the improved perceptions of brand coolness to consumers ($\beta = 0.689$, $t = 13.726$, $p = 0.001$), thus supporting H2 which states that consumers are more likely to pay a premium to the environmentally responsible and socially attractive brands. Moreover, Customer

Engagement has a positive impact on Brand Coolness ($\beta = 0.220$, $t = 4.094$, $p = 0.001$), which supports H3 and notes the importance of engagement in enhancing positive brand perceptions. Customer Engagement and Willingness to Pay have a positive and significant direct correlation ($\beta = 0.155$, $t = 2.618$, $p = 0.05$) as well, which proves H4. Lastly, the Customer Engagement and Brand Coolness interaction effect on Willingness to Pay is identified to be statistically significant ($\beta = 0.091$, $t = 3.274$, $p < 0.05$), which proves H5 and means that the greater customer engagement is the more the effect of brand coolness has on the willingness to pay.

Indirect Effects

	Estimates	T-stats	p-value
GMO -- BC -- WTP	0.398	0	0.000

Table shows the analysis of the indirect effect of Brand Coolness as mediating variable in the correlation between Green Marketing Orientation (GMO) and Willingness to Pay (WTP). The findings show that the negative correlation between GMO and WTP through the Brand Coolness is a positive and significant number (8.398, $p = 0.001$). This observation means that Brand Coolness is a powerful mediating factor between Willingness to Pay and Green Marketing Orientation. In other words,

the green marketing practices are more likely to increase the willingness of consumers to pay a premium, as it builds the image of the brand coolness with consumers. The high value of the indirect effect demonstrates the existence of the level of mediation which is further justified by the mediation hypothesis put forward, which is the significance of Brand Coolness as a psychological intervention, according to which green marketing can have influence on the consumer pricing behavior.

Collinearity Statistics VIF

	VIF
GMO	1.183
BC	1.505
WTP	1.505
CE	1.441
BC x CE	1.643

Multi collinearity on the latent constructs were examined using VIF values. According to Hair et al. (2019), a VIF above 5 indicates severe multi collinearity, whereas a range between 3 and 5 indicate the issue of collinearity. Table 4.7 has VIF values ranging between 1.183 and 1.643

which are way below the cut-off point of 3. Therefore, there is no problem of multi collinearity in this research meaning that the structural model is not collinearity and it is prepared to test the hypothesis.

Predictive Relevance

	R Square	Adjusted R Square	Q Square
Brand Coolness	0.482	0.480	0.327
Willingness to Pay	0.480	0.476	0.332

As shown in Table, the R2 of the Brand Coolness (0.482) indicates that the 48.2 percentage of the variance in the Willingness to Pay is explained by Brand Coolness, Customer

Engagement and the interaction effect between the two, thus, showing a mid to high level of explanatory power. No statistically significant Q2 values of Brand Coolness (0.327) and

Willingness to Pay (0.332) are below zero and just slightly below the large predictive relevance threshold, thereby, confirming and concluding that the model is strongly predictive of both endogenous constructs of marketing. The results

are conclusive that the suggested model does not only explain but also forecasts well the green marketing perceptions of brand coolness and purchase intentions of consumer.

Hypothesis Testing Summary

The Following table shows the summary of the Hypothesis Testing based on PLS path modelling analysis

Hypothesis	Decision
H1: Tactical Green Marketing Orientation has a positive significant effect on Brand Coolness.	Accepted
H2: Brand Coolness has a positive significant effect on Willingness to Pay.	Accepted
H3: Customer Engagement significantly moderates the relationship between Brand Coolness and Willingness to Pay.	Accepted

Table indicates that all the three hypotheses were accepted, which supports the structural soundness of the conceptual model. The findings affirm that Tactical Green Marketing Orientation is a huge contributor towards Brand Coolness, and Brand Coolness itself is a powerful contributor towards Willingness to Pay. Moreover, Customer Engagement moderately mediates the relationship between Brand Coolness and Willingness to Pay. These results raise the strategic interdependence of sustainability and brand perception to light as it was shown that consumer financial commitment to green brands is escalated by high-engagement and perceived brand coolness.

DISCUSSION

The chapter discusses the discoveries of the study that were empirical in comparison to the research purpose, the hypotheses and literature. The primary aim of the research was checking the impact of Tactical Green Marketing Orientation (GMO) on Willingness to Pay (WTP) and mediating Brand Coolness and moderating Customer Engagement in the framework of Stimulus-Organism-Response (S-O-R) model. The discussion links the received statistical results through PLS-SEM with the former theoretical and empirical researches, specifically to the notions of green marketing as well as to the new markets, Pakistan being one of them.

The measured variables in this study were the effects of Tactical Green Marketing Orientation of Brand Coolness. The research results confirm that Tactical Green Marketing Orientation had a significant positive effect on the Brand Coolness and have led to acceptance of H1. This finding denotes that the visible forms of green marketing such as using Eco-labels, sustainable packaging, and advertisements are environmental friendly make the consumers more inclined to think that a brand is trendy, authentic and socially acceptable. This observation is consistent with that of Loureiro et al. (2023), with these authors mentioning that tactical green projects can influence the brand coolness to a large extent since they signify innovation and social ethical accountability. Similarly, Ng et al. (2022) recommended that a brand that communicates on its green promises is perceived as more contemporary and culturally appropriate particularly to younger shoppers. These are highly visible green indicators that are likely to influence positive brand perceptions in the Pakistani setting where environmentally conscious behaviour is yet to be utilised effectively. According to the S-O-R framework, the Tactical GMO can be referred to as the stimulus and it triggers internal cognitive and emotional evaluation of the consumers which is manifested in the attitude of the brand coolness. This is an indication that the consumers are not passively responding to the green claims; they are

able to give a great interpretation to the evident sustainability practices as indicators of brand credibility and modernity.

Brand Coolness have effect on Willingness to Pay. It is also demonstrated in the results that Brand Coolness exerts a great positive effect on Willingness to Pay that proves H2. This implies that the more a brand is viewed to be cool, innovative and socially responsible, the greater the consumer will be willing to purchase their products at a higher rate. It is consistent with the previous studies that have also reported an important influence of emotional and symbolic brand attributes of consumer price tolerance. The authors note that cool brands create an emotional attachment and self-expression that are converted into a stronger purchase intention and price acceptance (Bagozzi and Khoshnevis, 2022). In the same vein, Spielmann (2021) has stated that consumers are willing to spend more in case the brand is linked to their morals and their sense of social belonging. Psychological process that can be applied to close the gap between the environmental concern and actual purchase behavior in green marketing application is brand coolness. This observation is more critical to the less developed and poorer economies like the one in Pakistan since the consumer behavior is on the price-sensitive side. The results suggest that the pressure against high prices would be reduced in case green brands have been marketed as socially acceptable and trendy. The Brand Coolness in the S-O-R is the organism in that corresponding sense in which it impresses internal evaluative process of organizing the green marketing stimuli into behavioral expression that incorporates willingness to pay.

The results also support the fact that Customer Engagement is a significant mediator between Brand Coolness and Willingness to Pay that leads to the adoption of H3. This implies that brand coolness, which is one of the aspects that positively affect willingness to pay, would rise when the consumers have a high level of engagement with the brand. This finding can be used to support the thesis statement that customer engagement is more intimately

connected and cognitively and behaviorally active in regard to their interaction with the brand. Hollebeek et al. (2022) argue that customer engagement encourages the brand-related outcomes by enhancing their trust, emotional attachment, and the advocacy. Similarly, in other locations, Vinerean and Opreana (2021) found that engaged consumers are likely to internalize brand values and offer financial assistance to a brand despite the expectation of increased prices. The customer involvement in green marketing has enhanced the effectiveness of the sustainability messages in that the consumer now becomes the active receiver and not the passive recipient. The more conscious consumers will regard green brands as novel and socially applicable and that enhances the effects of brand coolness on willingness to pay. Although Customer Engagement is not a specific point that holds the second place on the list of the key elements of the traditional S-O-R framework, the findings of the present research indicate that the former is a reinforcing variable that helps to improve the relationship between the organism and responses. This addition will add more explanatory power to S-O-R model in the digital and sustainability-oriented markets.

Conclusion

The paper has examined the relationship between Tactical Green Marketing Orientation, Brand Coolness, Customer Engagement, and Willingness to Pay within the context of green fashion brands using Stimulus-Organism-Response (S-O-R) model and the PLS-SEM analysis tool. The findings confirm that green marketing initiatives on tactical level are most effective in increasing brand coolness that will result in a greater willingness of consumers to accept a higher price on green fashion products. Moreover, the customer engagement was found to exert considerable reinforcing impacts through boosting brand coolness-willingness to pay relationship. These results justify the importance of pursuing sustainable marketing as well as engaging consumers to maximize their impacts. In totality, the analysis has the potential to contribute to the literature of green marketing

because it expounds on the S-O-R model by introducing the question of customer engagement and has provided empirical evidence in an environment that is increasingly green.

Managerial Implications

The combination of green marketing, brand coolness, and consumer engagement develops a complex chain of values that will turn ethical production into market leadership facilitating the psychological process of consumer cognition into high-premium purchase. This approach is based on tactical green marketing orientation where companies are no longer thinking of their strategic intent, but actual manifestations that are seen by the consumer. Sustainability is a concept that is usually invisible in the fashion industry, and thus, brands have to express their values with visible signs, including environmentally friendly packaging, explicit sustainability messages, and transparent green labelling. These aspects become cognitive shortcuts that minimize the mental effort that a consumer has to exert to invest in validating the claims of a brand that establish a basis of trust that is warranting a higher price tag and prepares the ground upon which to view a brand as a leader in the field.

Tactically based on this, the development of brand coolness serves as the key mediator that transforms ethical action to active consumer desire. Whereas sustainability gives the moral right to purchase, coolness gives the social reward. To accomplish it, the brand custodians will have to make their labels sound and look as contemporary, high-tech and socially engaged, that is, leaving the stereotypes of a granola or utilitarianism which Eco-fashion is often used to represent, the world of high-status and fashion trends. The combination of an emotional appeal and the use of the newest materials and scientific innovation makes the brand an identity marker. Such coolness perception circumvents the usual price-sensitivity filters of the consumer brain, because the social and emotional reward of possessing the product, not the financial cost has a higher priority, which increases the general willingness to pay a higher price.

Customer engagement is the last and the most dynamic tier of this framework, and it is the agent that makes the brand coolness more effective than it is and the relationship between the consumer and brand stronger. A brand no longer needs to just broadcast its goodness, but rather create a dialogue in both directions through narrative, collaboration with Influencers and encouragement of user content. The company provokes an investment in emotions and behavior by including the consumer in the story of the brand, either through the display of the human story of the supply chain or by asking customers to create their own sustainable styling. This involved, engaged interaction produces an effect of lock-in in which the consumer is not merely buying a garment, but is engaging in a community. This built-in loyalty created by relationships will make sure that the efficacy of the green marketing strategies is maximized, passive buyers become long-term supporters who can hardly switch to the competitors only because of the prices.

Limitations of the Research

Many limitations to this study exist that cannot be ignored in spite of its contributions. Firstly, the study was cross-sectional in nature and this would capture the consumer perceptions at a single point in time. This implies that it is impossible to be certain in establishing causal relationships between variables. Longitudinal studies would provide greater data regarding the shift of consumer attitudes towards green marketing over time. Second, the study was conducted using self-reported data, and may be subject to common method bias or social desirability bias. This is perhaps due to the exaggeration of the respondents on the aspect of green attitude or willingness to pay on the grounds that there was an increasing social pressure on the matter of sustainability. Third, the paper focused on green fashion companies in Pakistan, which limits the generalization of the findings to other sectors or cultures. There is a possible high scale of the regional differences in the consumer attitudes towards sustainability and pricing. Finally, though the customer

engagement was taken as a contributing variable, other variables that could have been used to contribute to the model such as brand trust, perceived green washing, environmental concern, or price sensitivity were not.

References

- Alanadoly, A., & Salem, S. (2022). Fashion involvement, opinion-seeking and product variety as stimulators for fashion e-commerce: An S-O-R model approach. *Asia Pacific Journal of Marketing and Logistics*, 34(10), 2229–2252.
- Bagozzi, R. P., & Khoshnevis, M. (2022). Self-expression through brands: Examining the effect of brand coolness on consumer loyalty. *Journal of Consumer Behaviour*, 21(3), 460–472.
- Guerreiro, J., Loureiro, S. M. C., Nascimento, J., & Duarte, M. (2023, January 6). How to earn a premium price: The effect of Green Marketing and brand coolness. *Journal of Communication Management*.
- Hollebeek, L. D., Sprott, D. E., & Andreassen, T. W. (2022). Customer engagement in evolving marketing contexts. *Journal of Business Research*, 138, 436–443. <https://doi.org/10.1016/j.jbusres.2021.09.047>
- Kumar, V., & Nayak, J. K. (2021). Customer engagement and brand loyalty in green marketing: A study of Indian consumers. *Journal of Consumer Marketing*, 38(1), 1–12. <https://doi.org/10.1108/JCM-07-2020-3931>
- Ng, C. F., Goh, E., & Wahab, S. N. (2022). Cool sustainability: Exploring the impact of environmental responsibility on brand coolness and engagement. *Sustainability*, 14(3), 1439. <https://doi.org/10.3390/su14031439>
- Rivas, J., Forero-Pineda, C., & Alzate, M. (2022). Stimulus-organism-response model and consumer behavior in sustainable marketing. *Journal of Cleaner Production*, 356, 131854. <https://doi.org/10.1016/j.jclepro.2022.131854>
- Singh, R., & Srivastava, S. (2023). Linking consumer engagement to green brand perception and willingness to pay: The moderating role of eco-branding authenticity. *Journal of Cleaner Production*, 386, 135775. <https://doi.org/10.1016/j.jclepro.2022.135775>
- Spielmann, N. (2021). Redefining value: The role of sustainability in consumer perceptions. *Journal of Retailing and Consumer Services*, 61, 102554. <https://doi.org/10.1016/j.jretconser.2021.102554>