

## Do Green Brand Benefits stimulate Brand Loyalty? Exploring the Mediating Roles of Customer Perceived Value and Brand Trust and the Moderating Effect of Green Behavior

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### Abstract

*The current study endeavored to determine the effect of green brand benefits on brand loyalty in the context of retail customers at Khyber Pakhtunkhwa, Pakistan. The study also discussed the mediating role of perceived customer value and that of green brand trust in the relationship between green brand benefits and brand loyalty. Moreover, the moderating effect of green behaviour has also been examined in the relationship between green brand benefits and brand trust. A sample of 351 retail customers was taken in the target area and a multi path conceptual model was analyzed by applying Partial Least Square Structural Equation Model (PLS-SEM) method using SmartPLS-3 Software. All the hypothesis were supported and it was concluded that not only that green brand benefits significantly affect brand loyalty but also that both customer perceived value and green brand trust significantly mediate in this relationship. Also, the green behaviour was found to significantly moderate in the relationship between green brand benefits and brand loyalty. The paper's findings have important real-world relevance. It offers effective tactics for bolstering the effectiveness of green branding strategies in improving green brand image and brand loyalty by adding insights from the perspectives of consumers' perceived value.*

**Keywords:** green brand benefits, Partial Least Square Structural Equation Model (PLS-SEM), Mediating Roles.

### 1. Introduction

Due to increased competition, branding has become the most important emotional component of marketing research. Its fundamental responsibility is to build a substantial and differentiated presence in the market that helps to attract and retain customers (Simoes & Dibb, 2001). Since, in today's competitive market environment, customers are surrounded by brands; creating brand equity is the only way to succeed in this situation. As a result, branding initiatives serve to build brand equity in terms of giving value to both the firm and the customers (Yoo, Donthu, & Lee, 2008). Hence, marketers pursue diverse segments by successfully fashioning valuable brands for each segment.

However, Hsieh (2012) reported that due to environmental concern, customers are evaluating green solutions to incorporate in their behavior that can help the globe (e.g. global warming, environmental degradation, habitat destruction, air and water pollution,

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and resource depletion). As a result of this approach, a rising number of businesses are acknowledging their environmental responsibilities (Chan, 2013). Therefore, in order to answer these environmental issues Chen (2010) and Kang and Hur (2012) recommends that companies should establish new corporate strategies that may provide fulfillment with these green alternatives, such as green marketing. Green marketing, according to Chan (2013), has become one of the most important themes. Companies can build and make possible any exchange to fulfill clients' environmental criteria by implementing green marketing strategies (Polonsky, 1994).

In the green marketing literature numerous studies have highlighted the evaluation of green marketing strategies, and the green branding strategy has been extensively implemented in order to gain competitive advantage. Further, Majority of green marketing programs that rely on communication messages, simply address ecologically friendly features of products and services. Despite the fact that various studies have addressed the critical role of green marketing strategies in generating market value and competitive advantage, the majority of them have been conducted from the perspective of businesses (Cronin et al. 2011; Rex & Baumann 2007). The way in which consumers' perceptions of green activities impact building enterprises' intangible brand equity has received very little consideration. As a result, the current study aims to investigate how consumers interpret green initiatives and programs of the firms and its influence on brand loyalty from the consumer's point of view.

The main purpose of the current research paper is to investigate green brand benefit and its impact on brand loyalty in the context of retail customers in Khyber Pakhtunkhwa Pakistan. This main aim of the study can be broken down into the following objectives:

- To investigate the impact of green brand benefits on brand loyalty in the context of retail customers in KP Pakistan.
- To analyze the mediating role of customer perceived value and brand trust in the relationship between green brand benefits and brand loyalty.
- To examine the moderating effect of customers green behavior on the relationship between green brand benefit and brand trust.

## **2. Review of Literature**

Consumers and environmental activists are more conscious of environmental issues in their daily activity as global environmental problems become more obvious (Kinneer et al. 1974; Mostafa 2007). Since the early 1990s, this has caused considerable changes in the marketing methods employed by businesses. More and more organizations are implementing green marketing strategies to adapt their operations to the green trends in order to deal with the challenges brought on by societal environmental concerns (Ottman 1992; Peattie 1995; Vandermerwe & Oliff 1990). The key objective at this point for the majority of businesses was to embrace green marketing strategies in order to establish a trustworthy reputation for legitimacy by going green with their products. Companies gradually understood that green marketing was capable of creating enormous market value by satisfying consumers' environmental demands or wants as a result of consumers' growing needs for green products and their willingness to pay higher prices (Polonsky, 1994). Since then, they have aggressively embraced eco-friendly trends and worked to include sustainability considerations into their marketing approaches. This was due to the fact that a green image could result in stronger market performance and competitive benefits (Chen & Chang, 2013; Lee, Kim & Choi, 2012).

As per relationship marketing theory, when customers' expectations are realized, (Arnett & Badrinarayanan, 2005), they are more likely to create a long-term favorable relationship with a brand through positive relational behavior (Dwivedi, 2014). Further, due to greater

for sustainable environment, customers are more probably to associate with green businesses that help them in achieving their social and environmental objectives. Similarly, good functional value aids in the connection of the green brand with self-aspects such as quality, which is critical in green brand positioning (Chen & Chang 2012; Ng et al. 2014).

Furthermore, the current study proposes, that a green image can be generated employing both utilitarian and self-expressive benefits. As a result, it's critical to look into the direct links between utilitarian environmental and self-expression benefits, as well as green brand loyalty. Majority of the previous studies revealed that quality and functionality have been linked to other outcomes such as readiness to repurchase and favorable word-of-mouth (Sirohi et al., 1998; Cronin et al., 2000). In this regards Yeha et al., (2016) also found that if a brand provides high functional benefits, it can increase consumer preference and loyalty. According to Carroll and Ahuvia (2006), brands that provide self-expressive benefits can lead to enhance favorable word-of-mouth and hence brand loyalty. On the basis of these arguments we propose the following hypotheses:

H<sub>1</sub>: Utilitarian and Self-expression benefits of green branding positively influence consumers' brand loyalty.

Although some research has revealed that green brand benefit functional and emotional benefits directly influence consumers' green purchase intentions (Hartmann & Apaolaza-Ibáez 2012), they have not been able to close the gap between attitudes and behaviors connected with green consumption. Further, enormous number of ethical initiatives carried out by businesses, consumers is still hesitant to commit to green brand consumption. As a result, some researchers have focused on the instruments that brands employ to communicate with customers and increase their market worth (Schadewitz & Niskala 2010). As a result, customer perceived value could act as a mediator in the interaction between environmental advantages related to green brand marketing and brand loyalty (Grewal et al. 2003; Sweeney, Soutar & Johnson 1999). Therefore, this study fill this gap by examining the mediating role of customer perceived value between the causal relationship of green brand and loyalty. Hence, the study proposes the following hypotheses:

H<sub>2</sub>: Customers' perceived value significantly mediates the association between green brand benefits and brand loyalty.

The degree to which an individual feels confident and willing to act on the basis of the words, deeds, and results of others is known as trust (McAllister, 1995). Furthermore, trust is the degree to which one believes that another party will behave as expected (Hart and Saunders, 1997). Customer trust is a critical factor in determining long-term customer behavior (Lee et al., 2011). In this regards Harris and Goode (2010) argue, that consumer trust influences purchasing intentions. Brand trust is a protracted process that develops over time as a result of interactions and experiences with a company (Upamannyu & Mathur, 2013). As a result, consumer trust influences customer purchase intentions (van der Heijden et al., 2003), which influences brand loyalty.

Green brand image was proven to influence consumer attitude when indirectly mediated by green trust (Chen, 2010). However, "greenwashing," or making unsubstantiated and deceptive claims about a brand's "green" function in order to create skepticism about green products in the minds of consumers, can harm the same green brand image (Chen & Chang 2012). On the basis of these arguments this study hypothesizes:

H<sub>3</sub>: Green Brand trust significantly mediates the casual relationship between green brand benefits and brand loyalty.

Being green is a process that necessitates significant adjustments on the part of consumers; changes that are not only concerned with environmental conservation, but also with the execution of acts that have a good impact on an individual's health (Reshmi and Johnson, 2014). Consumers appear to be more inclined to incorporate green products into their

normal diets, such as Fair Trade or organic food. Consumers that care about the environment are more likely to be addicted to buying green items, which add to the development of green behaviors (Kirmani and Khan 2016).

The decision to buy green items is influenced by one's attitude toward the environment and its conservation. Various researches have revealed a favorable and very strong link between customer satisfaction and the likelihood of making a purchase (Reshmi and Johnson, 2014). When a customer is satisfied with a product's sustainability, she or he will buy it, and the satisfaction gained from buying and using it will lead to loyalty, which will be demonstrated by repurchasing such green products. On the basis of these arguments this study proposes the following hypothesis:

H<sub>4</sub>: Green Behavior significantly moderates the effect of green brand benefits on green brand trust.

### **3. Research Methodology**

This study's purpose was to look at the components or variables that affect customers' propensity to make environmentally friendly purchases. Thus, in order to achieve the study purpose, consumers were the unit of analysis. Prior exposure to green products and participants' ability and expertise in making purchase decisions were the two factors used in selecting the respondents. It was decided after consulting with various specialists that adults above the age of 18 can make purchases on their own. In the study, a sample size of at least 500 was required. Regular shoppers from a variety of genders, age groups, educational backgrounds, and geographic locations participated in the study since it focused on consumer purchasing behaviour in relation to green marketing.

Earlier studies revealed that the sample size affected the accuracy of the measurement model and model fit indices (Field, 2005). Various statistical techniques were used to calculate the sample size. The sample size of 500 was deemed adequate and it complies with Hair et al (2015) recommendations for using structural equation modelling (SEM). Additionally, the current sample size of 351 was deemed to be appropriate and above ( $500 > 30 \times 10 = 300$ ) the required threshold of 10-15 instances per parameter/item indicated by (Hair et al., 2015; Kline, 2015) for SEM. This sample size calculation included six constructs with a total of 30 items.

A multi path conceptual model was analyzed by applying Partial Least Square Structural Equation Model (PLS-SEM) method using SmartPLS 3 Software. Further, the analyses was conducted in two stages. First, the measurement model was evaluated to guarantee the quality of measurement by assessing internal reliability, converging validity and discriminating validity of models. In the second stage, the structural model evaluated for its capacity to predict the path coefficient for hypotheses testing (Hair, 2017).

### **4. Analysis and Findings**

This section starts with the quality criteria or the measurement model and then proceeds with the structural model.

#### **4.1: The Measurement Model**

We start with the measurement model in order to check for the quality of constructs. The Cronbach alpha and composite reliability criteria are employed to ensure the internal consistency of each observed variables. The first test to determine internal consistency is Cronbach's alpha. The Cronbach alpha value should be more than 0.70 as the cutoff (Fornell & Larcker, 1981). The second criteria for determining the internal consistency of all

random constructs is composite reliability. The composite dependability value cutoff should also be more than 0.708. (Nunnally & Bernstein, 1994).

According to statistic presented in Table 1; the Cronbach' Alpha value for all the constructs (brand loyalty = 0.822; customer perceived value = 0.791; green behavior = 0.778; green perceive customer = 0.895; green trust = 0.781; self-expressive benefit = 0.814 and utilitarian benefit = 0.814) is well above 0.7, thus, indicating the presence of internal consistency reliability for all the construct of the study.

Similarly, the composite reliability of all constructs (brand loyalty = 0.882; customer perceived value = 0.861; green behavior = 0.855; green perceive customer = 0.922; green trust = 0.852; self-expressive benefit = 0.878 and utilitarian benefit = 0.887) is well above the threshold value of 0.708; hence indicating the presence of internal consistency reliability.

Table 1: Reliability Analysis

|                           | Cronbach's Alpha | Composite Reliability |
|---------------------------|------------------|-----------------------|
| Brand Loyalty             | 0.822            | 0.882                 |
| Customer functional value | 0.791            | 0.861                 |
| Green Behaviour           | 0.778            | 0.855                 |
| Green Perceived customer  | 0.895            | 0.922                 |
| Green Trust               | 0.781            | 0.852                 |
| Self-Expressive Benefit   | 0.814            | 0.878                 |
| Utility Benefit           | 0.830            | 0.887                 |

We then check for the convergent validity of our constructs. The statistic in table 2 highlights the value of average variance extracted. The statistic shows that AVE for all the constructs (brand loyalty = 0.653; customer perceived value = 0.609; green behavior = 0.599; green perceive customer = 0.704; green trust = 0.542; self-expressive benefit = 0.644 and utilitarian benefit = 0.663) is well above the threshold value of 0.50; hence indicating the presence of convergent validity for all the items of construct.

Table 2: Convergent Validity

| Construct                 | Average Variance Extracted (AVE) |
|---------------------------|----------------------------------|
| Brand Loyalty             | 0.653                            |
| Customer functional value | 0.609                            |
| Green Behaviour           | 0.599                            |
| Green Perceived customer  | 0.704                            |
| Green Trust               | 0.542                            |
| Self-Expressive Benefit   | 0.644                            |
| Utility Benefit           | 0.663                            |

To assess the discriminant validity, we used the HTMT ratio. Table 3 highlights the results of HTMT ratio. The statistic shows that all the values of each construct are less than 0.85; hence, indicating the presence of discriminant validity of the model through HTMT ratio.

Table 3: HTMT Ratio

|                           | Brand Loyalty | Customer functional value | Green Behaviour | Green Perceived customer | Green Trust | Self Expressive Benefit |
|---------------------------|---------------|---------------------------|-----------------|--------------------------|-------------|-------------------------|
| Brand Loyalty             |               |                           |                 |                          |             |                         |
| Customer functional value | 0.400         |                           |                 |                          |             |                         |
| Green Behaviour           | 0.061         | 0.223                     |                 |                          |             |                         |
| Green Perceived customer  | 0.777         | 0.523                     | 0.090           |                          |             |                         |
| Green Trust               | 0.071         | 0.279                     | 0.622           | 0.167                    |             |                         |
| Self Expressive Benefit   | 0.814         | 0.431                     | 0.196           | 0.711                    | 0.323       |                         |
| Utility Benefit           | 0.792         | 0.594                     | 0.088           | 0.837                    | 0.118       | 0.655                   |

The lower order measurement model is demonstrated in figure 1.

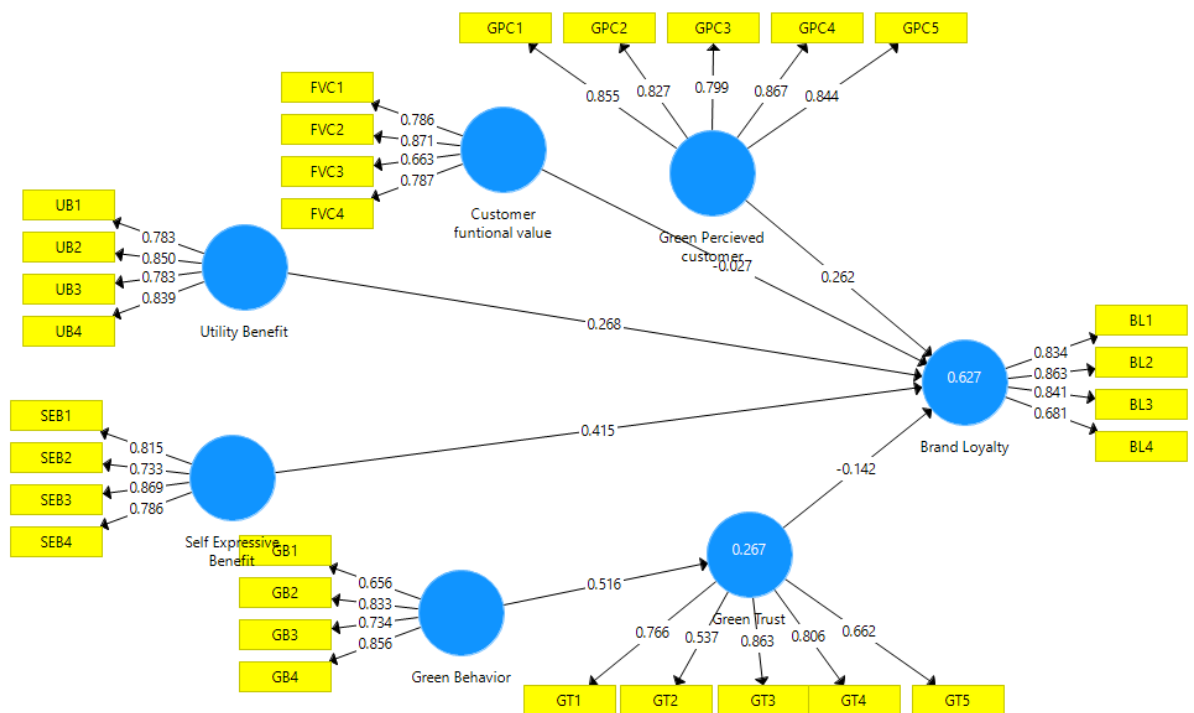


Figure 1: Lower Order Measurement Model

The factor loading of high order construct for customer value and green brand benefit are presented in table 4. The latent variable of customer value is CV-functional and CV-green whereas, the latent variable of green brand benefit are SE-benefit and Utilitarian benefit. The outer loading of all latent variable is greater than 0.70; hence indicating that high order latent variable has an acceptable factor loading.

Table 4: Indicator Loading of Higher Order Construct

|                     | Customer Value | Green Brand Benefit |
|---------------------|----------------|---------------------|
| CV Functional       | 0.766          |                     |
| CV Green            | 0.924          |                     |
| SE Benefit          |                | 0.870               |
| Utilitarian Benefit |                | 0.887               |

Table 5 shows reliability analysis of high order constructs. The statistic shows Cronbach's Alpha and composite reliability values for customer value and green brand benefit. The results show that Cronbach's Alpha statistic of customer value and green brand benefit is greater than 0.70; hence, indicating the presence of internal consistency reliability. Similarly, composite reliability statistic of customer value and green brand benefit is also greater than 0.70; hence, providing evidence of internal consistency reliability.

Table 5: Reliability Analysis of Higher Order Constructs

|                     | Cronbach's Alpha | Composite Reliability |
|---------------------|------------------|-----------------------|
| Customer Value      | 0.732            | 0.876                 |
| Green Brand Benefit | 0.705            | 0.871                 |

The convergent validity of high order constructs is assessed with average variance extracted (AVE). Table 6 shows statistic of AVE for customer value and green brand benefit. The result shows that AVE of both customer value of green brand benefit is greater than 0.50; hence providing evidence of convergent validity.

Table 6: Convergent Validity of Higher Order Constructs

|                     | Average Variance Extracted (AVE) |
|---------------------|----------------------------------|
| Customer Value      | 0.720                            |
| Green Brand Benefit | 0.772                            |

The discriminant validity of higher order constructs is assessed with Fornell-Larcker Criterion. The statistic in table 7 shows that square root of AVE as presented in diagonal form are greater than the correlation value of each construct; hence providing evidence of discriminant validity.

Table 7: Fornell-Larcker Criterion

|                     | Customer Value | Green Brand Benefit |
|---------------------|----------------|---------------------|
| Customer Value      | 0.849          |                     |
| Green Brand Benefit | 0.768          | 0.879               |

The higher order measurement model is presented in figure 2:

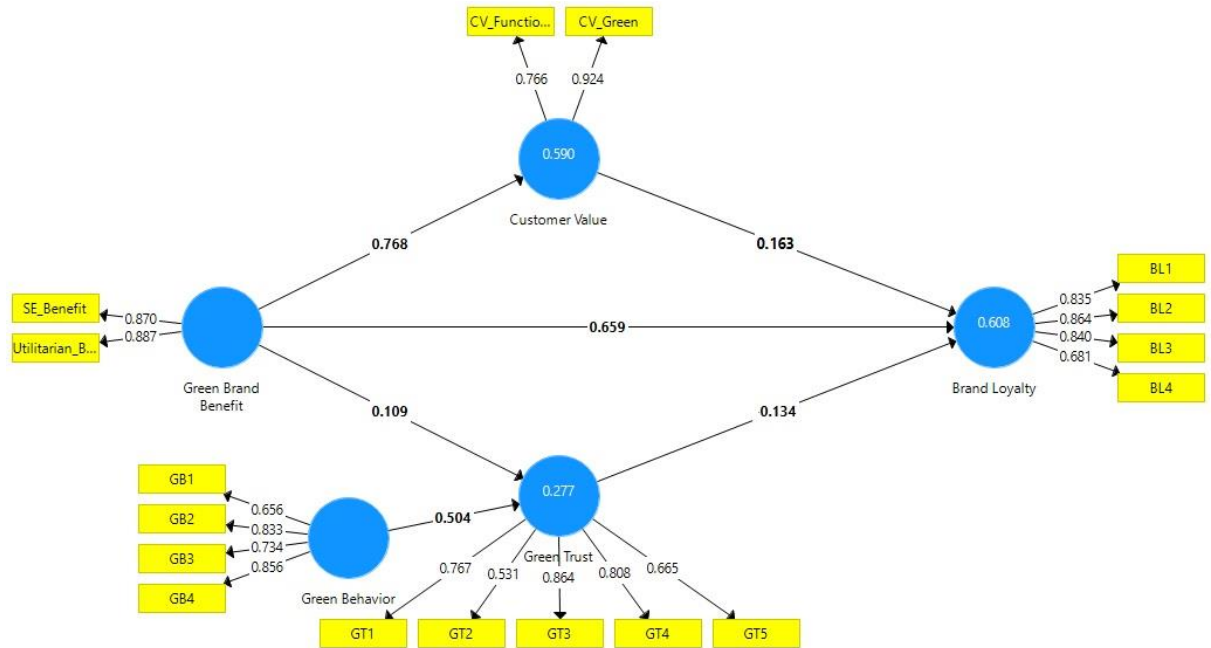


Figure 2: Higher Order Measurement Model

The structural model of PLS-SEM is the second step in applying partial least square structural model using Smart PLS. The structural model shows the significance of hypothesized relationship in SEM model. In the structural model, significance level of the structural path are analyzed. These are discussed here in subsequent section.

#### 4.2: The Structural Model

After the measurement model is done, we proceed with the structural model. As a starting point and to check for the first hypothesis of the study, we estimate the direct path model.

##### 4.2.1 Direct Path Model

Table 8 shows the statistic of direct path model composed of coefficient statistic, standard deviation, t statistic and p values. The direct path model is the output of structural model and used for testing the first hypothesis of the study.

H<sub>1</sub>: Utilitarian and Self-expression benefits of green branding positively influence consumers' brand loyalty.

Hypothesis 1 of the study proposed that both the components of green brand benefits have a significant positive effect on brand loyalty. The result shows that coefficient value for green brand benefits predicting brand loyalty (Coefficient = 0.659; T statistic = 14.376) is significant. Because, T statistic value is greater 1.96 and p value is less than 0.05; hence it indicates that green brand benefit has a significant positive effect on brand loyalty. Thus, hypothesis 1 is accepted and it is concluded that green brand benefit has a significant positive effect on brand loyalty.

The direct path model also illustrates other direct relationships. For instance, customer perceived value also has a significant positive effect on brand loyalty. The result shows that coefficient value for customer value predicting brand loyalty (Coefficient = 0.163; T statistic = 3.33) is significant. Because, T statistic value is greater 1.96 and p value is less than 0.05; hence indicating that customer has a significant positive effect on brand loyalty. Thus, hypothesis 2 is accepted and conclude that customer perceived value has a significant positive effect on brand loyalty.

Green brand trust also has a significant positive effect on brand loyalty. The result shows that coefficient value for green trust predicting brand loyalty (Coefficient = 0.134; T



statistic = 4.667) is significant. Because, T statistic value is greater 1.96 and p value is less than 0.05; hence indicating that green trust has a significant positive effect on brand loyalty. Thus, hypothesis 3 is accepted and conclude that green trust has a significant positive effect on brand loyalty.

Green behavior also has a significant positive effect on brand trust. The result shows that coefficient value for green behavior predicting green brand trust (Coefficient = 0.504; T statistic = 14.329) is significant. Because, T statistic value is greater 1.96 and p value is less than 0.05; hence indicating that green behavior has a significant positive effect on green brand trust. Thus, hypothesis 4 is accepted and conclude that green behavior has a significant positive effect on green brand trust.

Table 8: Direct Path Model

| Path                                  | Coefficient | STDEV | T Statistics | P Values |
|---------------------------------------|-------------|-------|--------------|----------|
| Customer Value -> Brand Loyalty       | 0.163**     | 0.049 | 3.33         | 0.001    |
| Green Behavior -> Green Trust         | 0.504**     | 0.035 | 14.329       | 0.000    |
| Green Brand Benefit -> Brand Loyalty  | 0.659**     | 0.046 | 14.376       | 0.000    |
| Green Brand Benefit -> Customer Value | 0.768**     | 0.019 | 41.299       | 0.000    |
| Green Brand Benefit -> Green Trust    | 0.109**     | 0.04  | 2.733        | 0.006    |
| Green Trust -> Brand Loyalty          | 0.134**     | 0.029 | 4.667        | 0.000    |

\*\* indicates significance at 1 percent

#### 4.2.2 The Mediation Analysis

The multiple mediation analysis composed of total indirect effect and specific indirect effect of mediating variables in the relationship between green brand benefits and brand loyalty.

Table 9: Total Indirect Effect

| Path                                 | Coefficient | STDEV | T Statistics | P Values |
|--------------------------------------|-------------|-------|--------------|----------|
| Green Behavior -> Brand Loyalty      | 0.067**     | 0.016 | 4.277        | 0.000    |
| Green Brand Benefit -> Brand Loyalty | 0.111**     | 0.038 | 2.918        | 0.004    |

Table 10 shows statistic regarding the specific indirect effect of customer value and green trust between the relationship of green brand benefit and brand loyalty.

H<sub>2</sub>: Customers' perceived value significantly mediates the association between green brand benefits and brand loyalty.

Hypothesis 2 of this research states that customer perceived value significantly mediates the relationship between green brand benefit and brand loyalty. The statistic indicates that coefficient value (coefficient = 0.125; T stats = 3.309) is significant; because the T statistic value is greater than 1.96. This provides evidence in support of hypothesis 2 and conclude that customer perceived value significantly mediates the relationship between green brand benefit and brand loyalty. Further, this mediation is complementary partial mediation; because the direct effect is also significant and product of different path is positive. Hence, indicating that customer perceived value complementary partial mediates the relationship of brand benefit and brand loyalty.

H<sub>3</sub>: Green Brand trust significantly mediates the casual relationship between green brand benefits and brand loyalty.

Hypothesis 3 of this study states that green trust significantly mediates the relationship between green brand benefit and brand loyalty. The statistic indicates that coefficient value

(coefficient = 0.014; T stats = 2.367) is significant; because the T statistic value is greater than 1.96. This provide evidence in support of hypothesis 3 and concludes that green trust significantly mediates in the relationship between green brand benefit and brand loyalty. Further, this mediation is complementary partial mediation; because the direct effect is also significant and product of different path is positive. Hence, indicating that green trust complementary partial mediates the relationship of brand benefit and brand loyalty.

Table 10: Specific Indirect Effect

| Path   | Coefficient | STDEV | T Statistics | P Values |
|--|-------------|-------|--------------|----------|
| Green Brand Benefit -> Customer Value -> Brand Loyalty | 0.125       | 0.038 | 3.309        | 0.001    |
| Green Behavior -> Green Trust -> Brand Loyalty         | 0.067       | 0.016 | 4.277        | 0.000    |
| Green Brand Benefit -> Green Trust -> Brand Loyalty    | 0.014       | 0.006 | 2.367        | 0.018    |

The mediation analysis has also been diagrammatically depicted in Figure 3.

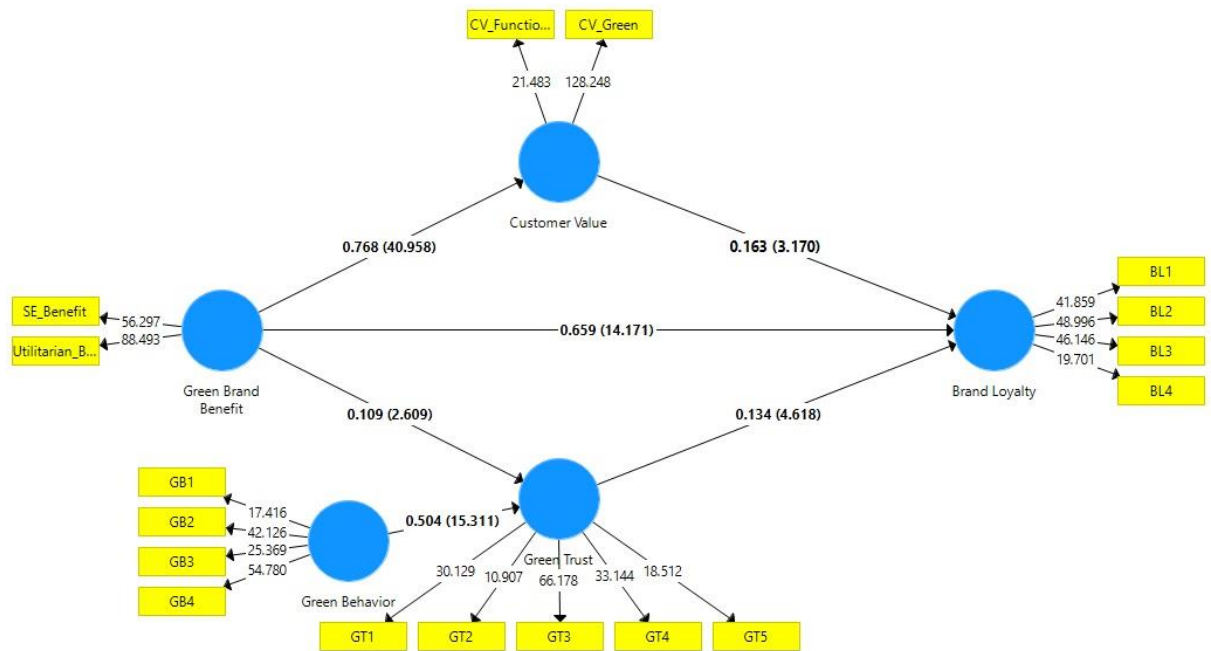


Figure 3: Higher Order SEM Mediation

#### 4.2.3 The Moderation Analysis

Table 11 shows the moderation analysis of green behavior as a moderator in the relationship between green brand benefit on brand trust.

H4: Green Behavior significantly moderates the effect of green brand benefits on green brand trust.

Hypothesis 4 of the study states that green behavior significantly moderates the effect of green brand benefits on brand trust. The statistic highlights that coefficient value of brand benefits\*green behavior moderating green trust is significant (Coefficient = 0.107; T stats = 2.635). This provide evidence in support of hypothesis 4 and concludes that green behavior significantly moderates the effect of green brand benefit on brand trust.

Table 11: Moderation Analysis

| Path  | Coefficient | STDEV | T Statistics | P Values | LLCI   | ULCI   |
|---|-------------|-------|--------------|----------|--------|--------|
| Brand benefit*Green Behavior -> Green Trust | 0.107**     | 0.040 | 2.635        | 0.009    | 0.022  | 0.184  |
| Customer Value -> Brand Loyalty             | 0.163**     | 0.051 | 3.211        | 0.001    | 0.060  | 0.258  |
| Green Behavior -> Green Trust               | 0.494**     | 0.036 | 13.724       | 0.000    | 0.421  | 0.561  |
| Green Brand Benefit -> Brand Loyalty        | 0.659**     | 0.049 | 13.507       | 0.000    | 0.565  | 0.752  |
| Green Brand Benefit -> Customer Value       | 0.768**     | 0.019 | 40.319       | 0.000    | 0.731  | 0.804  |
| Green Brand Benefit -> Green Trust          | 0.115**     | 0.041 | 2.830        | 0.005    | 0.039  | 0.196  |
| Green Trust -> Brand Loyalty                | -0.134**    | 0.031 | 4.333        | 0.000    | -0.192 | -0.075 |

Figure 4 diagrammatically portrays the higher order SEM moderation analysis.

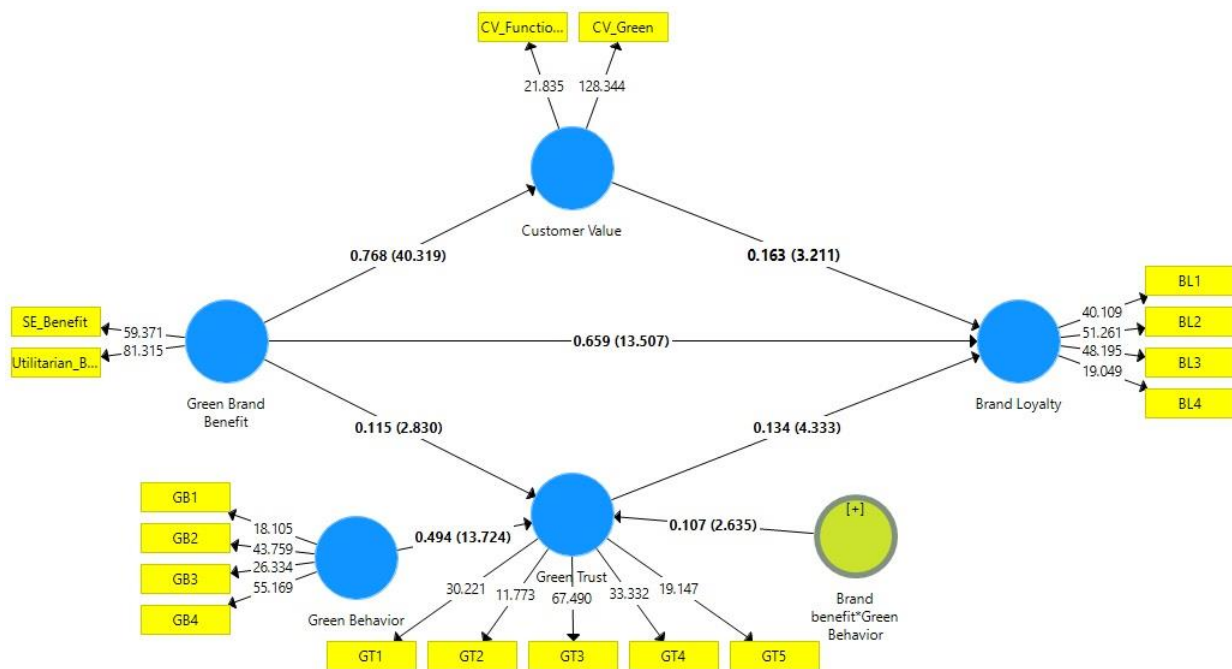


Figure 4: High Order SEM Moderation Analysis

### Discussion and Conclusion

The direct results of SEM analysis revealed that green brand benefit has a significant and direct effect (Coefficient = 0.659; T statistic = 14.376) on brand loyalty. This shows that customers' opinions toward the advantages they receive from green brand improved their loyalty attitude. This result is consistent with the findings of Lin et al (2017), which discovered that brand loyalty is favorably impacted by a green brand benefit. The results are also comparable to those of Hartmann and Apaolaza-Ibáez (2012), who discovered a positive correlation between utilitarian benefits and brand perception.

Additionally, these results support the research on greenwashing (Chen and Chang, 2013b). More and more businesses want to present their brands as being green while competing with their competitors due to customers' expanding awareness of environmental issues and their growing desire for green products. However, the issue of "greenwashing" becomes severe when businesses fail to live up to their environmental promises (Parguel et al., 2011). The growing skepticism against green businesses has a significant impact on how people

perceive risk, which damages the reputation of green brands. According to the current research, a green brand's image may be created through practical environmental and self-expression benefits that meet functional and social demands which ultimately enhance green brand loyalty.

Regarding the mediating role of customer value, the indirect results of SEM revealed that the specific indirect effect of customer value is (coefficient = 0.125; T stats = 3.309); indicating that customer perceived value significantly mediates the relationship between green brand benefit and brand loyalty. Further, the customer value partially mediates the effect of green brand benefit and brand loyalty. Because, the direct output of SEM depicts that customer perceived value shows a direct effect of (Coefficient = 0.163) on brand loyalty. This indicates that customer perceived value has a direct and significant effect on brand loyalty. Moreover, the SEM results demonstrate that the product of coefficient of path depicting (brand benefit  $\rightarrow$  customer value = 0.768) and path (customer value  $\rightarrow$  brand loyalty = 0.163) is positive indicating that customer perceived value complementary partial mediates the relationship of brand benefit and brand loyalty.

These findings are consistent with majority of previous studies conducting in the context of green branding; that shows that perceived value is an important element in predating purchase intention and brand loyalty through product value (Steenkamp and Geyskens, 2006). Further, Lin, Lobo and Leckie (2017) also found green perceived value partially mediates the effect of brand innovativeness on brand loyalty. Similarly, perceived value was described by Ng, Butt, Khong, and Ong (2013) as an integrated notion to gauge customer comprehension and perceived advantages. Customers' perceptions of value play a role in evaluating and contrasting the advantages and outcomes of utilizing or receiving services. According to the study, customer perceived value and green brand benefit have a favorable link with brand loyalty.

Especially, Ng et al. (2014) validate the findings of this research in terms of the mediating function of perceived value, concluding that green perceived value fully mediates the association between brand credibility and green brand equity. In order to boost customers' green perceived value and, in turn, build their commitment and loyalty to green businesses, it is necessary to effectively convey the benefits of being green, underlying sustainability, and the decrease in environmental risk.

Regarding the mediating role of brand trust, the study hypothesized that green trust has a significant mediating effect between the relationship of green brand benefit and brand loyalty. The specific indirect results indicate that green trust significantly mediates the relationship between green brand benefit and brand loyalty (coefficient = 0.014; T stats = 2.367). Further, the green brand trust partially mediates the effect of green brand benefit and brand loyalty. Because, the direct output of SEM depicts that brand trust shows a direct effect of (Coefficient = 0.134) on brand loyalty. This indicates that green trust has a direct and significant effect on brand loyalty. Moreover, the SEM results demonstrate that the product of coefficient of path depicting (brand benefit  $\rightarrow$  green trust = 0.109) and path (green trust  $\rightarrow$  brand loyalty = 0.134) is positive indicating that customer green trust complementary partial mediates the relationship of brand benefit and brand loyalty.

These findings suggest that for the purpose to increase the effect of brand benefit on brand loyalty, companies should focus on increasing green brand trust among the consumers. Because, customer trust is a predicate of consumer purchase intentions, according to previous study (Schlosser et al., 2006). Consumers would've had stronger purchase intents if they experienced a positive encounter with the seller's trustworthiness. Thus, consumer repurchase intention are a function of customer trust (van der Heijden et al., 2003). Customer trust would favourably affect customers' buying intentions, according to prior studies (Schlosser et al., 2006). Recently, several businesses have inflated the environmental performance of their products, which has made buyers less trusting of them (Kalafatis and Pollard, 1999). Chen (2010) contends that in the age of the environment,

customer purchasing decisions would be influenced by green trust; which in turn enhance brand loyalty.

According to several research (Nguyen et al., 2013, Nuttavuthisit & Thgersen, 2017, Ong & Zien Yusoff, 2015), trust regulates the connection between buyers and sellers by luring in customers who feel more loyal to the company. Yu-Shan and Chang (2013) discovered that consumer green trust was positively impacted by green perceived value following an empirical study with Taiwanese consumers. According to Garbarino and Johnson (1999), trust is a particularly effective indicator of customers' propensity to make future purchases, and consumer levels of green trust influence that propensity.

This study also investigated the moderating role of green behavior in the relationship between green brand benefits and brand trust. The findings of the study revealed that the interaction term of green behavior with brand benefit is (Coefficient = 0.107; T stat = 2.635); indicating that green behavior significantly moderate the relationship of brand benefit with brand trust. This implies that the effect of brand benefit on brand trust is higher for customer having greater level of green behavior. A person who has a strong desire to protect the ecosystem is referred to as "green" or having "environmental concern". Although many studies see this issue as a precursor to green brands (Butt et a., 2016), no study has yet looked at its moderating effect between brand benefit and green trust.

People who care about the environment are more likely to recycle and purchase eco-friendly products (Biswas, 2015; Kautish, Khare, and Sharma, 2020). They also have a higher propensity to identify corporate green branding and be aware of its favorable effects, which leads to an increase on consumer trust and hence brand loyalty.

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