ABSTRACT

This study aims to determine the existence of different views on the effectiveness of green advertising on a company, it is necessary to conduct a research on the influence of green advertising in a company and how the company manages its environment from it specifically on manufacturing companies engaged in the pharmaceutical industry sub sector.

The populations in this study are 8 manufacturing companies listed on Indonesia Stock Exchange in Sub Sector of Pharmacy. The sampling technique was conducted using non-probability sampling with purposive sampling technique as many as eight pharmaceutical sub-sector manufacturing companies in Indonesia Stock Exchange. The variables used in this study is based on replication of previous research done by wong et all in 2015 which is green advertising, environmental management, corporate reputation and financial performance.

The analytical method used is Structural Equation Modeling method with partial least square type which is designed to solve multiple regression when there is specific problem in the data, such as small sample size, missing data and multicollinearity.

The results of this study indicate that green advertising has a positive effect on environmental management activities that create an environmental reputation for the company, where the reputation of the environment can attract investors and create positive values for corporate customers as well as give a positive effect on the financial performance of the company.

Keywords: Green advertising, Environmental management Environmental Reputation ,Finansial Performance, Industry Pharmacy.