

ABSTRACT

The Body Shop has 3 product lines that are included in the top brand list, namely body butter, body mist, and body lotion. However, body butter and body mist that dominate the Indonesian market showing downward trend for the past 4 years, while body lotion of The Body Shop, occupies the last position in the top brand list and seems to be on a downward trend. This indicates a customer loyalty problem for The Body Shop brand, where customers who buy green products should also buy other green products repeatedly.

This study aims to measure the effectiveness of green marketing carried out by The Body Shop in marketing its products, to examine how much it affects customer loyalty by using brand image as a mediating variable. This study also measures the level of customer loyalty of The Body Shop, the quality of green marketing implemented by The Body Shop, and also the brand image of The Body Shop according to its loyal customers.

By using quantitative methods, with data collected through online questionnaires distributed to respondents. Using purposive sampling method, 385 respondents were selected based on appropriate criteria. The respondents' data was then descriptively analysed to understand the views of The Body Shop's loyal customers on the selected variables. SEM-PLS was used in this study to see the correlation between green marketing and customer loyalty mediated by brand image.

The results of data collection and processing show that green marketing has a significant and positive effect on customer loyalty, green marketing has a significant and positive effect on brand image, brand image has a significant and positive effect on customer loyalty, and brand image as a mediating variable has a positive and significant effect on the relationship between green marketing and customer loyalty. Furthermore, the results of this study found that The Body Shop's green marketing, brand image, and customer loyalty fall into the good category, but still need to be improved.

The author hopes that the results of this study can be useful information for companies in taking steps in developing strategies to increase customer loyalty. For future research, researchers suggest using different independent variables and objects to see and analyse various things that affect the level of customer loyalty.

Keywords: Green Marketing, Customer Loyalty, Brand Image, The Body Shop