

CHAPTER I

INTRODUCTION

1.1 Object Overview

The Body Shop logo is almost a perfect circle, and there are two lines inside the circle with the words The Body Shop in the middle. With a dark green colour which symbolizes the green value carried by The Body Shop. As shown in figure 1.1.



Figure 1.1 The Body Shop Logo

Source: The Body Shop (2024)

The dark green colour used in the company logo represents the colour of nature and the environment which is in accordance with the go green principles carried out by The Body Shop. The Body Shop uses ingredients from nature while still paying attention to aspects that are good for the environment, by not taking too much and not exploiting these natural products, and even taking part in preserving them. If you look closely at the shape of the circle, it is shaped like a plant seed. Seeds are the beginning of a plant's life which is beneficial for the surrounding environment. Likewise, The Body Shop wants to grow into a company that benefits many lives. The font for The Body Shop in the middle of the logo is Yoga Sans, which symbolizes simplicity, firmness and firmness but not

too stiff. These values are also in line with The Body Shop's goal, namely: Nature's Way to Beautiful.

Quoted from The Body Shop website (Accessed 26 February 2024), The Body Shop is a company that operates in the beauty business in the form of cosmetic or make-up products. This company is inspired by nature so it uses natural, environmentally friendly materials. Because The Body Shop believes that there is one way to achieve the essence of beauty, namely the way shown by nature. Trying to present products that exude the personality of its customers.

Founded in the UK in 1976 by Dame Anita Roddick, in 1997, The Body Shop became the first international cosmetics company to sign the Humane Cosmetic Standard, which is supported by the International Animal Protection Group. Then 1 (one) year later, in 1998, to commemorate the 50th anniversary of the Universal Declaration of Human Rights, The Body Shop carried out a joint campaign with Amnesty International to support human rights defenders throughout the world. The Body Shop has succeeded in encouraging its consumers to participate or "Make Their Mark" for human rights. Throughout 2002, The Body Shop ran a global campaign with Greenpeace International to promote renewable energy. The Body Shop demonstrates its commitment to environmental sustainability through investments in energy renewal, funding energy efficiency projects and recycling The Body Shop packaging. The Body Shop is also an environmentally friendly marketing pioneer who has carried out the "Against Animal Testing" campaign since 1989 and uses the values of protecting nature with sustainable raw materials. European society, which mostly adheres to an environmentally friendly lifestyle, is one of the factors behind the birth of The Body Shop and its ability to spread to other countries (The Body Shop, 2024).

Journal from Aprianti & Reonald in 2019 shows the total of The Body Shop's outlet in Indonesia from 2013 to 2019, the data can be seen in the table below:

Table 1.1 Total of The Body Shop Outlet in Indonesia

Year	Total Outlet
2013	96 outlets
2014	109 outlets
2015	120 outlets
2016	130 outlets
2017	142 outlets
2018	147 outlets
2019	150 outlets

Source: Aprianti & Reonald (2019)

Aprianti & Reonald in 2019 gather this data from The Body Shop, it shows that from year to year, the total outlet of The Body Shop is growing. But the most recent report from Kumparan in 3rd April 2024 reported that the total outlet of The Body Shop in Indonesia is 138. Meaning the total number of The Body Shop outlets in Indonesia is decreased by 12 since 2019. The author couldn't find any report from news or articles or even journal about the total of The Body Shop in 2020, 2021, 2022, and 2023. But the author finds out on report from medcom.id (2020) and Techno.id (2020) from interviewing the GM human resource of The Body Shop Indonesia, the news reported that The Body Shop Indonesia has shifted its sales from 2% to 40% online. The Body Shop Indonesia's management admitted that, in addition to demands for effectiveness and efficiency, the acceleration of digital transformation was carried out following the implementation of restrictions during the COVID-19 pandemic. Moreover, when restrictions due to the pandemic were first imposed in March, 90% of offline stores were forced to close. The travel ban has stopped customers from making purchases to offline stores. So, the author conclude that The Body Shop Indonesia is focusing its business in online channel and close some of their offline store since 2020.

1.2 Research Background

According to CNBC Indonesia (2022), data from the Central Statistics Agency (BPS) revealed that the cosmetics industry—which encompasses pharmaceuticals, chemicals, and traditional medicine—grew by 9.61% in 2021. Additionally, BPOM RI observed a 20.6% rise in the number of cosmetics companies, with the total increasing from 819 to 913 between 2021 and July 2022. It is in line with report by GlobalData (2022) which stated the burgeoning youth demographic and the recovery of the economy post-pandemic are expected to boost sales of skincare products in Indonesia, prompting multinational brands to introduce high-end and innovative offerings. In this context, GlobalData (2022) forecasts that the Indonesian skincare market will expand at a compound annual growth rate (CAGR) of 8.9%, rising from IDR25 trillion (\$1.7 billion) in 2021 to IDR38.4 trillion (\$2.5 billion) by 2026.

According to GlobalData's in 2022 report, 'Indonesia Skincare Market Size by Categories, Distribution Channel, Market Share and Forecast, 2021-2026,' the growth will be predominantly driven by the body care segment, which is expected to experience the highest value CAGR of 9% from 2021 to 2026. This will be followed closely by the facial care segment, with a projected CAGR of 8.9%. It is similar to Markplus.inc (2024) report, according to Statista data for 2023, the Indonesian beauty industry is expected to grow by 4.6% over the next five years, with skincare representing approximately 30% of the market.

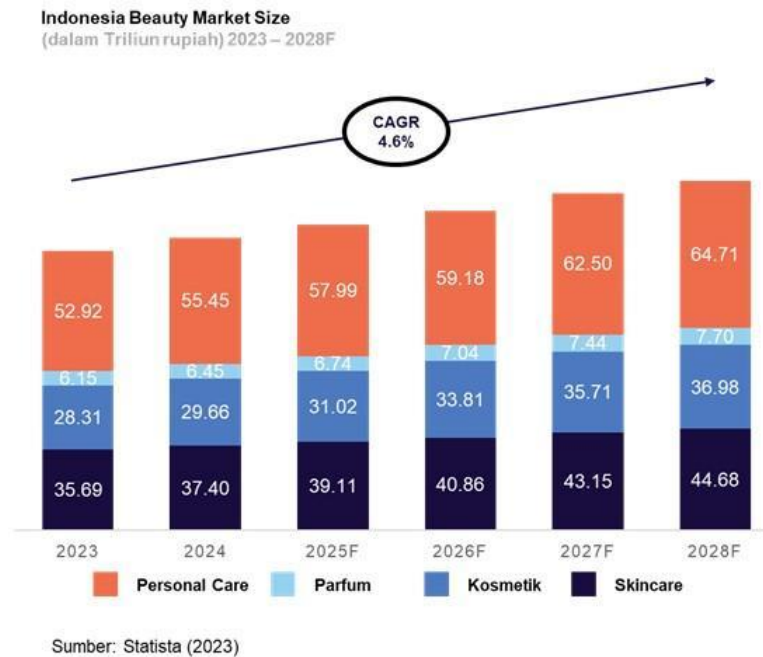


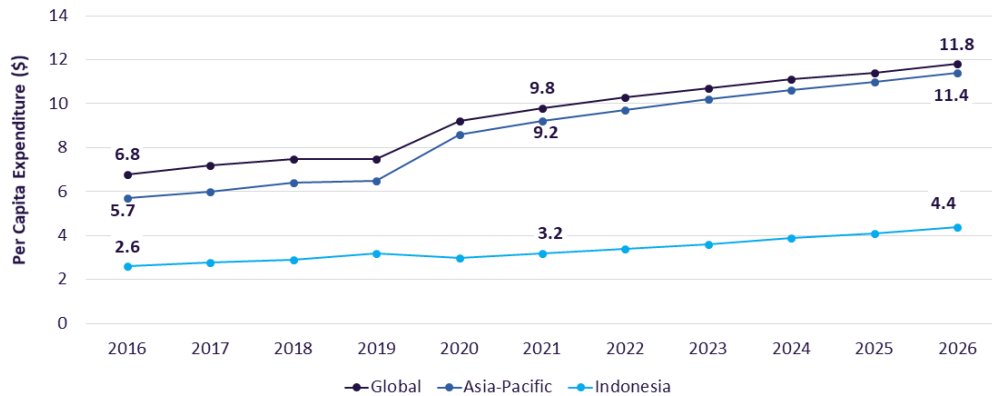
Figure 1.2 CAGR of Indonesia Beauty Industry

Source: Markplus.Inc (2024)

Looking at the graph, the personal care segment is leading, followed by skincare, cosmetics and perfume. As the beauty industry experiences rapid expansion, the competitive landscape has evolved significantly. Skincare is increasingly viewed as an essential item, with purchasing behaviours resembling those for mineral water, and is beginning to trend towards commoditization. This swift growth in the skincare sector is largely driven by local brands, which benefit from lower entry barriers due to the availability of contract manufacturing services, offer high-quality products at competitive prices, and are supported by a vibrant community of beauty influencers who amplify the excitement surrounding the skincare and beauty industry (Markplusinc,2024).



Per capita expenditure of skincare in Indonesia compared to Asia-Pacific and Global levels (in \$), 2016-2026



Source: Market Analyzer

GlobalData.

Figure 1.3 PCE of skincare in Indonesia 2016 – 2026

Source: Globaldata (2022)

GlobalData reported that the per capita expenditure (PCE) on skincare in Indonesia increased from \$2.6 in 2016 to \$3.2 in 2021, falling far below the global average (\$9.8) and the regional average (\$9.2) in 2021. The PCE on skincare will reach \$4.4 by 2026.

The Indonesian FMCG E-commerce Report 2023 from Kompas reveals that FMCG e-commerce sales totalled IDR 57.6 billion for the year. This represents a 1.03% increase from 2022. Notably, sales surged in the fourth quarter compared to previous quarters (Goodstats, 2024).

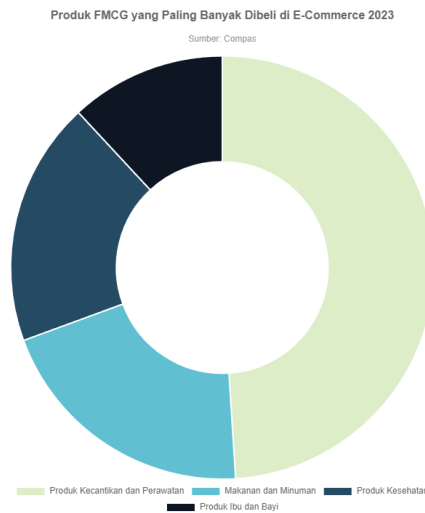


Figure 1.4 Best seller of FMCG Product from e-commerce in 2023

Source: Goodstats (2024)

Beauty products were the most popular among consumers, accounting for 49% of purchases. Of these, 39.4% of respondents frequently bought facial care products, while body care products made up 13.7%. Quoting from Goodstats (2024), the beauty industry's competitive landscape has evolved significantly, with skincare now regarded as a basic necessity, akin to mineral water, and trending toward commoditization. This rapid growth in skincare is largely attributed to local brands, which benefit from lower entry barriers due to contract manufacturing (maklon), competitive pricing, and a vibrant beauty influencer community that fuels interest and hype in the skincare and beauty sectors.

In the twenty-first century, various environmental issues like global warming, greenhouse gas emissions, pollution, and climate change are directly linked to the agricultural and manufacturing sectors, which have a severe impact due to human activity (Nekmahmud & Fekete-Farkas, 2020). Addressing these emerging environmental challenges requires consumers to take responsibility for reducing harmful environmental effects by choosing more eco-friendly products (Nekmahmud & Fekete-Farkas, 2020). As a result, many companies have started adopting green production and marketing strategies to align with customer preferences and achieve long-term profits (Nekmahmud & Fekete-Farkas, 2020).

Green marketing has emerged as a significant trend in modern business, particularly in developed countries, and is becoming increasingly popular due to the growing focus on environmental sustainability (Nekmahmud & Fekete-Farkas, 2020).

Even before the onset of climate change, businesses needed to ensure that their products or services would maintain long-term demand. Now, with a heightened focus on sustainability, it has become even more crucial to communicate this commitment to the public (greenly, 2024). Green marketing enables companies to increase their profits while attracting and retaining their existing customers, creating a win-win situation for all stakeholders involved (greenly, 2024).

In conclusion, as environmental challenges like climate change, pollution, and greenhouse gas emissions become more pressing, both consumers and businesses play a crucial role in fostering sustainability. By choosing eco-friendly products and adopting green marketing and production strategies, companies can not only align with customer preferences but also achieve long-term profitability. This approach has gained significant traction in developed countries and highlights the growing importance of sustainability in modern business. Ultimately, green marketing offers a win-win solution, benefiting companies, consumers, and the environment alike.

Quoted from suara.com (2021) The Katadata Insight Center (KIC) survey in 2021 on Consumer Perceptions of Sustainable Products shows that in general, Indonesian have a considerable desire to buy environmentally friendly products. Respondents in this survey were 3,631 people in the age range of 17-60 years old. found that 62.9% have purchased sustainable or environmentally friendly products in the past year. The highest main reason for people to buy environmentally friendly products is to preserve the earth, which amounted to 60.5%. While 51.1% reasoned because they felt like/satisfied by using environmentally friendly products.

Quoted from report of Tirto.id (2022) the Playfest 2022: Reactivate Your Sense event highlighted a significant discussion on the growing trend of environmentally friendly lifestyles. Danone-AQUA collaborated with Max Mandias, a Healthy Food Educator and Co-founder of Burgreens, and Vania Herlambang, Puteri Lingkungan Indonesia 2018, to explore how environmentally conscious consumption patterns are increasingly becoming the new standard. This discussion underscores the importance of sustainability and the role that individuals and companies play in promoting eco-friendly habits in everyday life.

The poll results revealed that Gen Z and millennials show a strong preference for environmentally friendly businesses or brands, with 89.7% of respondents identifying this as a crucial factor in their product or service choices. Additionally, 98.9% of participants reported an increasing awareness of the importance of selecting, purchasing, and consuming products that are sustainably processed. Furthermore, 96.7% of respondents prioritize buying products from companies that have implemented sustainability initiatives over those that have not integrated sustainability into their business practices (Tirto.id, 2024).

This trend is in line with article from Kompasiana (2024), that stated environmental awareness of generation Z and millennials in Indonesia is known as a generation that is highly sensitive to social and environmental issues. Not just for information, Generation Z and millennials also has active involvement in various environmental movements, both online and offline (Kompasiana, 2024). Research done by Hasesda et.al (2024), also confirms this trend, the research finds that Personal Norms and Perceived Behavioral Control are proven to significantly influence Green Purchase Intention among generation Z.

However, The Body Shop faced with a contrary fact in the market. Data from Top Brand shows declining trend and performance of The Body Shop products in the market.

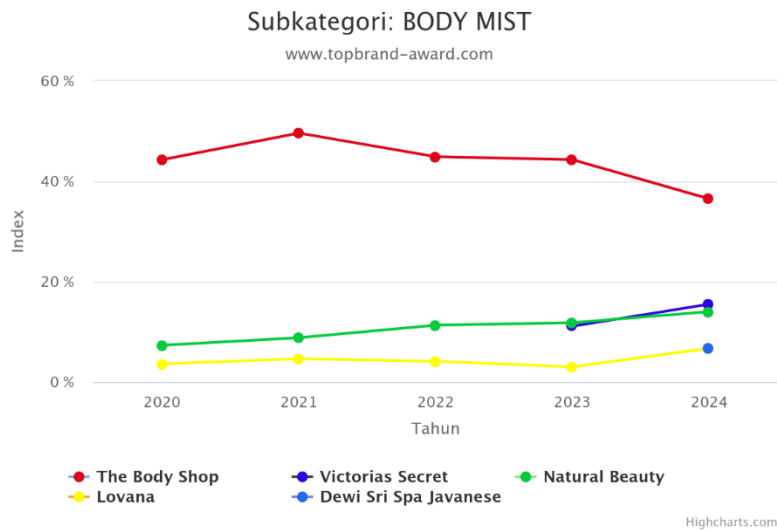


Figure 1.5 Top Brand Index of Body Mist

Source: Top Brand Awards (2024)

The body mist category graph shows a significant downtrend since 2021 and reached the lowest point in 2024, even though the other brand that does not employ green marketing strategy, shows uptrend in this product category. Similar condition is happening to the other product of The Body Shop.

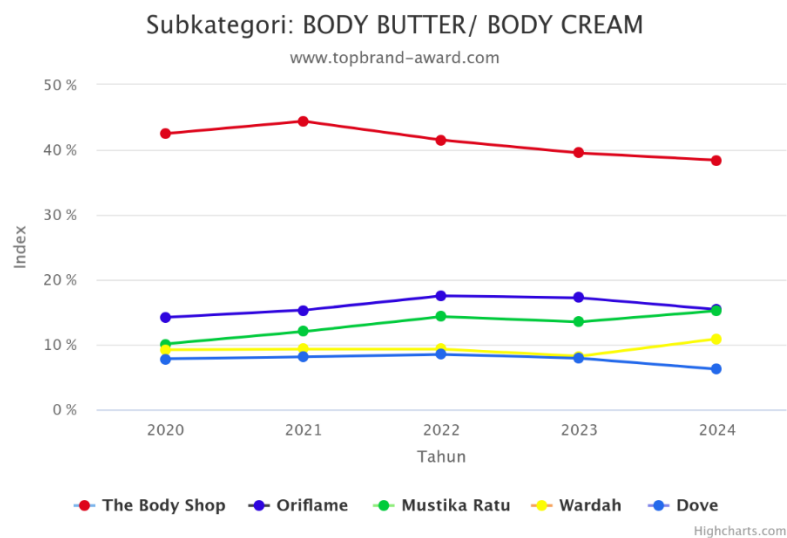


Figure 1.6 Top Brand Index of Body Butter

Source: Top Brand Awards (2024)

The graph above shows similar trend to body mist product category, the peak performance was in 2021 and continues declining till 2024. Another product category by The Body Shop that face similar problem is body lotion as can be seen from the table below

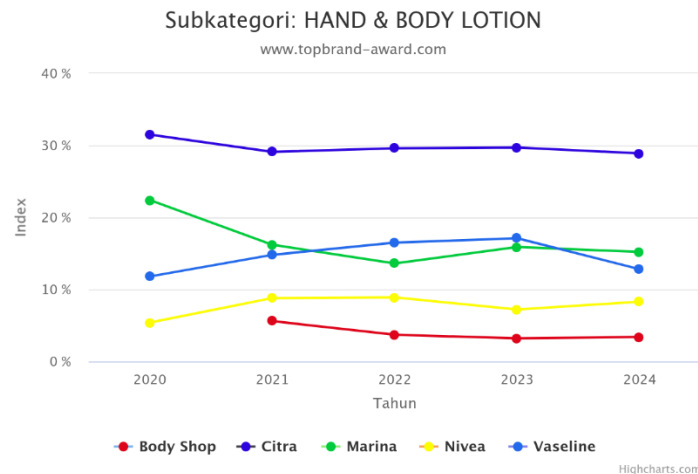


Figure 1.7 Top Brand Index of Body Lotion

Source: Top Brand Awards (2024)

On body lotion category, The Body Shop ranked last with trend that continue to decline and remain in the similar level for the past 2 years. For this product category, The Body Shop started at 2021, because The Body Shop just get onto the Top Brand Index for the body lotion product category in Indonesian market in 2021, meaning The Body Shop did not make it onto the Top Brand Index list before 2021. Because Top Brand Award is using 3 parameters (top of mind, last usage, & future intention) to measure brands that dominate the Indonesian market for each product category by distributing questionnaire to residents in big cities in Indonesia (Top Brand Award, 2024).

The success in one product often leads to increased marketing and promotional activities, which can create spillover benefits for other products (Harris, L. C., Kotler, P., Armstrong, G., & He, H. 2020). However, the hand lotion produced by The Body Shop rank at the bottom of the index and tends not to grow, even though none of its competitors pay attention to the green value

aspect like The Body Shop does The Body Shop's target customers should also care about green aspects and the goodness of the environment, but why don't they choose The Body Shop hand lotion which clearly contains high green value. This is not in line with research conducted by Kewakuma et al. in 2021. Which found a significant positive influence by green marketing on customer loyalty.

Author uses the data from Top Brand to raise the issue of customer loyalty of The Body Shop. Top brand index data can be used to show the customer loyalty level because of the measurement that Top Brand uses have correlations with customer loyalty aspects. It is showed by the Top Brand's measurement methodology as shown below:



Figure 1.8 Top Brand's Measurement Methodology

Source: Top Brand (2024)

The top-of-mind measurement aspect of Top Brand measurement method is defined as the first brand that comes to mind when the product category is mentioned (Top Brand, 2024). It is similar to item that is taken as measurement of a customer loyalty that is explained by Jahroh, S., (2019) which state that the first choice of a particular product line is a valid measurement item for customer loyalty variable, specifically on repeat purchase indicator. The future intentions measurement aspect of Top Brand measurement method is defined as the intention to repurchase the product in the future (Top Brand, 2024). It is also similar to item that us taken as measurement of customer loyalty that is explained by Jahroh, S., (2019) which state that the intention to repeat purchase in the future is a valid

measurement item for customer loyalty variable, specifically on repeat purchase indicator. So, the author conclude that Top Brand data can be used to represent customer loyalty level, because the measurement method that is used by Top Brand is using the similar aspect as customer loyalty indicators.

Even though the beauty industry in Indonesia is growing steadily and predicted to grow in the near future, along with green product purchase trend among gen z, somehow The Body Shop is struggling to maintain the loyalty of its customer, which shown by the declining trend in Top Brand index of The Body Shop's products. The second loyalty problem that is faced by The Body Shop is domination in body butter and body mist product category did not follow by other product of The Body Shop, and in fact in contrast it is ranked last in the Top Brand Index when the other competitor does not apply green values. Thus, the author is interested to do further research on these raising loyalty issues.

The Body Shop, founded by Dame Anita Roddick, was the first to create body butter, a product that quickly became a signature item due to its use of premium natural ingredients sourced from community fair trade. This body butter is enriched with vitamins A, C, and E, offers long-lasting moisture and protection, and has distinctive, appealing aromas (The Body Shop, 2024). The Body Shop's body mist and body lotion similarly use high-quality, fair-trade ingredients, providing unique scents and nourishing benefits (The Body Shop, 2024).

As a globally recognized brand with over a thousand products, The Body Shop uses natural, environmentally friendly components like marula and sesame seed oils. Their product range caters to various skin types and age groups, offering solutions for hydration, blemishes, radiance, and sun protection (Febriane, R., 2022). The Body Shop emphasizes the use of natural, ethically sourced ingredients and opposes animal testing. They aim to minimize waste through refill stations and plan to become fully vegan by 2023. Additionally, they are involved in environmental initiatives and partnerships, with 57.5% of their palm oil certified by the Roundtable on Sustainable Palm Oil (RSPO) (The Body Shop, 2022).

Below is the table of critical green material that are mainly used by The Body Shop to produce their products and its certification along with its traceability data:

Table 1.2 Certification of The Body Shop Critical Materials

Critical material	Certification standard	2021 certification level	2022 certification level
Palm oil	Roundtable on Sustainable Palm Oil (RSPO) Mass Balance (MB) and Segregated (SG)	19.1% (18% MB 1.1% SG)	57.5% (56% MB 1.5% SG)
Paper	FSC certified	67.8%	74%
Ethanol	Bonsucro, RedCert, SAI and/or Organic	2.8%	15%
Soy	Organic	0% (incomplete data)	72%
Cotton	Organic, including Global Organic Textile Standard	59.9%	20% (against a higher standard than in 2021)
Mica	Traceability level (there is no global mica certification standard)	95.2%	99%

Source: The Body Shop (2022)

From the table above, it can be seen that The Body Shop has certification for all of the critical materials, they even have 3 certifications for palm oil as mentioned before. The Body Shop also improving the percentage of certification level from 2021 to 2022.

The RSPO is certification is valid for 5 years (RSPO Global, 2024), FSC certification is valid for 5 years (FSC, 2024), Bonsucro certification is valid for 3 years (Bonsucro, 2024), Organic certification is valid for 1 year (The Farming Insider, 2024). Meaning that most of the certification that The Body Shop reported on 2022 is still valid till today. Except for organic certification which only valid for 1 year. But The Body Shop recognise that some materials they use have significant social or environmental concerns. By 2025, The Body Shop aims to have full traceability and/or certification against external, good practice

standards of six ‘critical materials’ that can be associated with environmental and/or human rights risks, using specific supply chain policies (The Body Shop, 2022).

The Body Shop stands as a prominent global brand renowned for its extensive range of products crafted from natural and environmentally friendly ingredients. With a commitment to ethical sourcing and sustainability, the company not only prioritizes the use of natural components but also actively opposes animal testing and endeavours to minimize waste. Through initiatives like refill stations and a transition toward a fully vegan product portfolio, The Body Shop demonstrates its dedication to environmental responsibility. Furthermore, its involvement in various industry partnerships underscores its commitment to sustainable practices, as evidenced by the rigorous certification processes applied to ingredients like palm oil, and actively trying to improve every green aspect of their business process.

There is no information more detail in internet that describes the green marketing data that is done by The Body Shop. Some sources on the internet (e.g: www.which.co.uk) even still refer to the 2022 sustainable reports from The Body Shop.

Below is the starting price table of hand & body lotion from brands that made it into top brand list for that product category:

Table 1.3 Hand & Body Lotion Starting Price Comparison

Brands	Hand & Body Lotion Price
Citra	Rp7.030 (Tokopedia, 2024)
Vaseline	Rp26.300 (Tokopedia, 2024)
Marina	Rp8.000(Tokopedia, 2024)
Nivea	Rp15.500(Tokopedia, 2024)
The Body Shop	Rp 319.000 (The Body Shop, 2024)

Source: Author Processed Data (2024)

The green price set by the green industry is a price that takes environmental considerations into account. These environmentally friendly values provide added value to the product; therefore, the price is higher than other (A. Hadi et al., 2022). The green price set by The Body Shop has included the price of premium fair-trade material and environment investment. That is why, The Body Shop set a higher price for their product compare to other skincare product that does not apply green values (Febriane, 2022). Compare to other competitor on the list, The Body Shop sets the highest price, because The Body Shop has so much to offer than the competitors, from green value and premium material it contains.

Comparing The Body Shop product price to other brand that does not contain green value in the product is still unfair. Thus, author compare the price to product from other brands in the green industry.

Table 1.4 Hand & Body Lotion Starting Price Comparison to Green Industry

Brands	Hand & Body Lotion Price
The Body Shop	Rp319.000 (The Body Shop, 2024)
Sensatia Botanicals	Rp238.000 (Sensatia, 2024)
Somethinc	Rp82.500 (Somethinc, 2024)
Herborist	Rp17.472 (Tokopedia, 2024)

Source: Author processed data (2024)

Even when we compare the price to other brands in green industry, The Body Shop still sets the highest price among them. But as Febriane (2022) explained, The Body Shop use a really premium materials for all of their product that is obtained from fair trade market with international certification, that is why the premium price that The Body Shop sets is just a fair price for its product.

Looking at these price comparisons validate the research from UKEssays (2021) which found that one of The Body Shop threats is cheaper price from competitors. MarketResearch (2022) also found that one of The Body Shop weaknesses is high pricing that makes it hard to penetrate the market. Looking at

the price that is offered by the competitors, the price gap between The Body Shop's body lotion and product from another brand is huge.

In 2022, The Body Shop won the Silver POPAI Award for the most sustainable permanent display store design, highlighting its commitment to using sustainable materials, such as certified wood and reduced virgin plastic, in its Changemakers' Workshop stores (The Body Shop, 2022). The company also implemented a global Environmental Management System in line with ISO14001 standards to improve resource efficiency and reduce environmental impact (The Body Shop, 2022). Each store reports environmental performance metrics, focusing on reducing electricity use, refining waste disposal, and influencing customer behavior (The Body Shop, 2022). The Body Shop expanded its in-store refill stations to over 80 countries in 2022, reducing plastic waste by an estimated 13.5 tonnes and reinforcing its commitment to a circular economy (The Body Shop, 2022). These efforts showcase The Body Shop's comprehensive approach to sustainability, combining eco-friendly store design, effective environmental management, and innovative customer engagement to lead in sustainable retail practices.

The Body Shop has promoted its brand through social and environmental campaigns, starting with the "Save the Whales" campaign in 1986 in partnership with Greenpeace (Febriane, 2022). In Indonesia, The Body Shop led the "Stop Sexual Violence Campaign," which contributed to the approval of the Sexual Violence Crime Bill in April 2022, allowing survivors to seek justice (The Body Shop, 2022). The Body Shop Indonesia also runs the "Bring Back Our Bottles" program, encouraging customers to return empty packaging for recycling, with the proceeds used for community empowerment (The Body Shop, 2024).



Figure 1.9 Bring Back Our Bottles Campaign by The Body Shop

Source: The Body Shop (2023)

The Body Shop's "Bring Back Our Bottles" (BBOB) program educates customers on the importance of recycling plastic packaging to reduce waste (The Body Shop, 2024). In Indonesia, The Body Shop has funded efforts by the Orangutan Land Trust and Yayasan Ekosistem Lestari to protect critically endangered orangutans and Sumatran tigers in the Batang Toru Ecosystem, and also supported humanitarian actions in Gaza (The Body Shop, 2024). These efforts reflect the brand's commitment to social and environmental causes, as seen in campaigns like "Save the Whales" and "Stop Sexual Violence," as well as in their use of fair-trade natural ingredients in products like the Avocado Body Lotion, which contains fair-trade shea butter from Ghana and Hass avocado oil from South Africa for skin nourishment (The Body Shop, 2024).

According to Hawkins in Rinaldi et al., (2024) Brand image is about what consumers think and feel when they hear or see the brand name. Research conducted by Kewakuma et.al in 2021 finds that green marketing positively impacts brand image and consumer loyalty, and brand image also enhances consumer loyalty. For The Body Shop beauty products, brand image significantly

mediates the effect of green marketing on consumer loyalty. This shows that stronger green marketing efforts increase brand image and then affect consumer loyalty positively among The Body Shop consumers.

Descriptive analysis is analysis used to describe research results. This analysis aims to provide an explanatory description and also validation of the phenomenon being studied according to Ramadhan, M., (2021). The description of respondents' answers from research conducted by Ni Kadek and Tjokorda (2023) on the brand image variable received an average value of 4.39 and was included in the very good criteria. These figures show that consumers of The Body Shop products in Denpasar City feel that The Body Shop has a very good brand image, this is shown by the strength of The Body Shop's brand image that remains in the minds of consumers which makes it easy for consumers to remember The Body Shop brand.

Based on the results of descriptive analysis of the data, it shows that the average respondent's assessment of brand image is 4.03 (agree). This shows that respondents assess that consumers' understanding of the The Body Shop brand, which is famous for its naturalness, is the main factor in the brand image variable (Warsita & Indriastuti, 2021).

By referring to the 2 studies above, it can be concluded that the brand image built by The Body Shop has been successfully implanted in the heads of its consumers. This indicates that The Body Shop has succeeded in building a good name, good consumers and a good image.

One of Top Brand measurement methodology is Mind Share, quoted from Top Brand Awards (2024) The Mind Share criterion indicates the strength of the brand in positioning itself in the minds of customers for the specified product category. Which in line with the definition of brand image according to Hsu et al in 2019 that stated brand image is the consumer's total image of the brand received, including identification or differentiation from other brands, brand personality, and commitment benefits (Hsu et al., 2019).

Meaning that brands that gets into the Top Brand Index are brands with strong and positive brand image. The Body Shop managed to include more than 3 of its product lines in the top brand index, it shows just how good the brand image of The Body Shop in Indonesia.

1.3 Problem Formulation

From Top Brand's data in figure 1.2, 1.3 and 1.4 it can be concluded that The Body Shop has 3 product lines that have made it onto the top brand list, namely body butter, body mist and body lotion. However, body butter and body mist dominate the Indonesian market face downward trend, and body lotion, occupies the last position in the list of top brands and appears to be on downward trend. This phenomenon is not in line with research conducted by Kewakuma et al., (2021). Which found a significant positive influence by green marketing on customer loyalty. Which means the better green marketing is carried out, the more loyal customers will be. This raises big questions about the level of loyalty of The Body Shop customers so the author is interested in researching this issue further. Therefore, the problem formulation can be given as follows based on the context of the problem raised:

1. Does green marketing have a significant effect on The Body Shop customer loyalty?
2. Does green marketing have a significant effect on The Body Shop brand image?
3. Does brand image have a significant effect on The Body Shop customer loyalty?
4. Does green marketing have a significant effect on The Body Shop customer loyalty through brand image?
5. What is the consumer's perception of the implementation of green marketing by The Body Shop?
6. What is the consumer's perception of The Body Shop's brand image?
7. What is the loyalty level of The Body Shop customers?

The first to fourth question in this research will be answered by using path analysis in SEM-PLS. According to (Hair et al., 2022) structural theory is used in SEM-PLS to determine latent variables (constructs) in the theoretical model and explain how these constructs are related to each other. There is a structural path relationship that combines exogenous and endogenous variables in this research (hypothesis testing).

The fifth till seventh question of this research will be answered by using descriptive analysis technique. Descriptive analysis is analysis used to describe research results. This analysis aims to provide an explanatory description and also validation of the phenomenon being studied according to Ramadhan, M., (2021). Sugiyonio (2019) states that the Likert scale is a tool for evaluating an individual's or a group's attitudes, beliefs, and perceptions about a social issue. through measuring respondents' responses to the given questionnaire using a Likert scale. so, the interpretation of descriptive statistical analysis will use a continuum line that will calculate by the author to measure the score of each category. The respondent's data then totalled to see which category that each variable fall into. This way, the author will be able to see the customer's perception of The Body Shop green marketing, brand image, and also the loyalty level of the customer.

1.4 Research Objective

Based on the background and problem formulation, the research objectives are as follows:

1. To find out whether there is a significant influence of green marketing on The Body Shop customer loyalty
2. To find out whether there is a significant influence of green marketing on The Body Shop brand image
3. To find out whether there is a significant influence of brand image on The Body Shop customer loyalty
4. To find out whether there is a significant influence of green marketing on customer loyalty through The Body Shop brand image

5. To determine consumer perceptions regarding the implementation of green marketing by The Body Shop
6. To find out consumers about The Body Shop brand image
7. To find out the level of loyalty of The Body Shop customers

1.5 Research Benefits

The expected benefits of this research are as follows:

1.5.1 Theoretical Benefits

The expected contribution of this research theoretically is to enrich knowledge in the field of marketing, in particular to provide a real market view of environmentally friendly marketing. Additionally, this research has the potential to serve as a useful resource and reference for future research in industrial marketing and other related fields.

1.5.2 Practical Benefits

Researching the effectiveness of The Body Shop's green marketing and its influence on customer loyalty, with brand image as a mediating variable, yields practical benefits by informing strategic decisions for the company when the result is out, because it is using data from The Body Shop loyal customers. By understanding the correlation between sustainability initiatives, brand perception, and consumer loyalty, The Body Shop can tailor its marketing efforts to resonate with environmentally conscious consumers, gaining a competitive advantage and enhancing brand reputation. Moreover, insights from the research enable the company to allocate resources effectively, foster consumer engagement through education, mitigate risks, and measure the impact of its sustainability efforts, ultimately driving sustainable growth while contributing to the broader discourse on ethical marketing practices.

1.6 The Systematics of Mini-Thesis Writing

a. CHAPTER 1: INTRODUCTION

This chapter provides a general, precise and concise explanation of the contents of the research. In this chapter, various aspects are discussed, including

description of the research object, research background, problem formulation, research objectives, research benefits, and the structure of thesis writing.

b. CHAPTER 2: LITERATURE REVIEW

This chapter explains the theoretical framework in detail, starting with an overview and moving on to more specific topics. Starting with the research framework and ending with the research hypothesis.

c. CHAPTER 3: RESEARCH METHODOLOGY

The main objective of this chapter is to examine the approaches, methods, and techniques used in data collection and analysis that can help solve current research problems.

d. CHAPTER 4: RESULTS AND DISCUSSION

Research findings and analysis are presented in separate subtitles and explained methodically in line with the problem formulation and research objectives. This chapter is divided into two parts: the first part presents the research findings, and the second part presents a discussion or analysis of the findings. Each topic of discussion must start with the results of data analysis, interpret it, and then draw conclusions. This discussion must be contrasted with previous research or relevant theoretical bases.

e. CHAPTER 5: CONCLUSION

This chapter contains the overall research conclusions which are answers to research problems and then become suggestions regarding the benefits of research.