

# The Influence of Green Marketing on Brand Loyalty With Brand Trust as an Intervening Variable (Study on the Body Shop Semarang Consumers)

Hapsari Prihandini<sup>1</sup>, Apriatni Endang Prihatini<sup>2</sup>, Bulan Prabawani<sup>3</sup>

<sup>1,2,3</sup>Department of Business Administration, Faculty of Social and Political Sciences, Diponegoro University

Email address: hapsaprihandini@gmail.com

**Abstract**—One of the global beauty brands known for its commitment to environmental sustainability is the Body Shop. Despite having a strong reputation in the field of green marketing, The Body Shop faces challenges in the form of closing several of its stores abroad. This challenge is caused by the company's inability to maintain loyalty and increase consumer trust amidst increasingly fierce competitive conditions. In addition, the emergence of local brands and the phenomenon of brand switching also worsened the situation. This study was conducted to determine the effect of green marketing on brand loyalty with brand trust as an intervening variable for consumers of The Body Shop in Semarang City. The sample consisted of 100 respondents using non-probability sampling techniques, namely purposive sampling, which refers to accidental sampling. Data collection methods are through questionnaires and literature surveys. The results showed that green marketing variables have a positive and significant effect on brand trust and brand trust has a positive and significant effect on brand loyalty, and green marketing had a positive and significant impact on brand loyalty through brand trust as an intervening variable.

**Keywords**— Green marketing, brand trust, brand loyalty.

## I. INTRODUCTION

The importance of environmental sustainability and the role of consumers in preserving the environment have become important topics in global discussions. The issue has changed consumer purchasing behavior, raising public awareness of the environment [1]. This consumer awareness has finally increased in recent years, which has implications for many emerging ethical and sustainable manufacturing and marketing practices [2]. This has led many companies to adopt green marketing to add value and increase their competitiveness.

One cosmetic company that adopts a green marketing strategy is The Body Shop. The company has successfully captured the hearts of its consumers because it is committed to bringing positive change to the beauty industry by offering high-quality green products that are environmentally friendly, use organic ingredients, and reject animal testing. However, amidst these efforts, The Body Shop Global faces major challenges in maintaining its position in the market. The company underwent several ownership changes, starting with its acquisition by L'Oreal in 2006 for more than US\$1 billion, followed by a sale to Brazil's Natura & Co in 2017 for the same amount. Natura noted that The Body Shop experienced a year-on-year decline in sales of 13.5% by 2022 [3]. The company's financial situation continued to show signs of

instability. Natura eventually sold the company to German equity firm Aurelius for USD 266 million, only a fifth of the original purchase price. In early 2024, The Body Shop began restructuring, closing half of its stores in the UK and filing for bankruptcy in the United States and Canada [4]. Financial analysts say that the main cause of bankruptcy is the company's failure to attract new customers and adapt to crowded market conditions [3].

The Body Shop will face new challenges in the wide range of local brands offering products at competitive prices. Several Indonesian local brands, such as Somethincs, N'Pure, Avoskin, and Envygreen, have also adopted a similar concept to The Body Shop, offering environmentally friendly beauty products [5].

TABLE 1. Top Brand Index of The Body Shop Products

Type Product	Top Brand Index (TBI) (%)				
	2019	2020	2021	2022	2023
Body Mist	35	44.3	49.6	44.9	44.3
Body Butter	30.9	42.5	44.4	41.5	39.5

Source: Top Brand Award Indonesia (2023)

Based on the table above, the percentage of the TBI value of The Body Shop's two flagship products fluctuates. Table 1.2 shows a decrease in the TBI value of both The Body Shop products in 2022. The presentation decreased by 4.7% in 2022 and 0.6% in the body mist product in 2023. Meanwhile, the presentation of the body butter product decreased by 2.9% in 2022 and 2% in 2023. This shows that both of The Body Shop's products have been discounted based on intention, end use and future demand. One of these aspects can be a factor that influences the decline in The Body Shop's brand loyalty because there is a decrease in the market share of The Body Shop's body mist and body butter products, possibly because some customers switch to competing brands.

Diffusion of Innovation theory describes a process by which innovations are disseminated through certain channels and adopted by society over time [6]. In the context of this research, green marketing is an innovation introduced by The Body Shop to reach a more environmentally conscious market through communication channels such as advertising and social media. Action Reason theory assumes that humans consciously consider all available information [7]. Consumer behavior to remain loyal to a brand is considered a strong

belief and reason. This theory emphasizes that behind consumer actions, several attitudes and beliefs trigger intentions [8]. Brand trust becomes a strong foundation for consumers in determining their actions, namely brand loyalty. Based on the background stated earlier, it is important to further investigate green marketing, brand trust, and brand loyalty of The Body Shop.

II. THEORY REVIEW

Consumer Behavior

Consumer behavior is a study used to determine how the behavior of a person or group of people in the selection, purchase, and use of goods, services, ideas, or experiences in meeting their needs and desires [9]. Some factors influence consumer behavior, namely cultural factors, social factors, personal factors, and psychological factors.

Marketing

Marketing is a series of activities carried out to satisfy consumer needs, create value, and retain consumers so that companies can meet organizational goals [10].

Consumer Loyalty

Brand loyalty as a strong commitment a consumer holds to repurchase selected goods or services in the future, regardless of the influence of external factors and marketing efforts that can change behavior [11]. The factors influencing brand loyalty include Satisfaction, Emotional Bonding, Trust, Choice Reduction and Habit, and History with Company [12]. The following are indicators of consumer loyalty [13] :

1. Repetitive Purchases are regular repurchases, namely, buyers who get satisfaction from purchasing a product or service so that they will make repeated purchases.
2. Retention shows a tough attitude toward the attractiveness of competitors. Namely, buyers do not easily move to buy from other brands that offer similar products or services.
3. Referrals, namely, recommending a purchase of a product or service to others.

Green Marketing

Green marketing is defined as customer satisfaction, needs, wants, and desires about the maintenance and preservation of the environment [14]. This includes eco-labels, eco-brands, and environmental advertising as part of green marketing [15]. The indicators of green marketing [16] :

1. Green products have social uses for consumers and are safe for the environment [17].
2. Green Price: The price of environmentally friendly products is higher than that of ordinary products because it is not easy to obtain green product licenses and certifications [18].
3. Green Place ensures that consumers can obtain products in an environmentally friendly manner without requiring a lot of resources, such as fuel or energy.
4. Green Promotion is the right campaign and promotion activity to target public awareness and encourage the switch to environmentally friendly products.

Brand Trust

Brand trust occurs when consumers place their trust in a product even though it carries risks because they have high expectations that a brand will provide satisfactory output, thus creating loyalty to a brand [19]. Brand trust in the context of green marketing, called green brand trust, refers to the willingness of customers to buy and rely on environmentally friendly goods, especially environmentally friendly products, based on their performance, trust, efficacy, and function respectively [20]. Brand trust indicators are as follows [21]:

1. Ability, including competence, expertise, and characteristics, can give a brand an advantage over other brands.
2. Benevolence is the extent to which the company can offer the best policy for its consumers.
3. Integrity is the belief that a business will adhere to the principle of following consumers' wishes, with its actions always being by what it has promised its consumers.

III. RESEARCH HYPOTHESIS

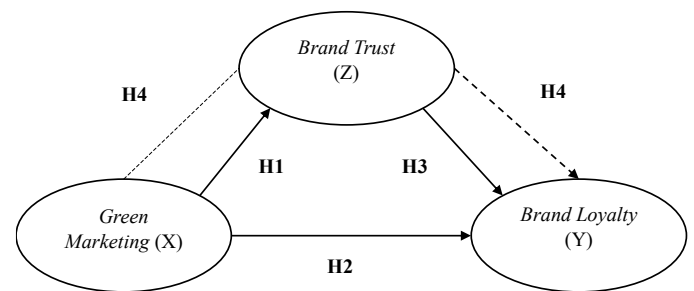


Fig. 1. Research Hypothesis

Source: processed data, 2024

1. It is suspected that there is an influence between Green marketing (X) and Brand Trust (Z) on The Body Shop products.
2. It is suspected that Brand Trust (Z) influences Brand Loyalty (Y) in The Body Shop products.
3. It is suspected that Green marketing (X) influences Brand Loyalty (Y) in The Body Shop products.
4. It is suspected that there is an influence between Green marketing (X) on Brand Loyalty (Y) through Brand Trust (Z) on The Body Shop products.

IV. RESEARCH METHODS

The type of research used in this study is explanatory research. Testing in this study was conducted to see if there was a relationship between Green Marketing (X1) and Brand Loyalty (Y) through Brand Trust (Z).

The population used in this study were consumers of The Body Shop in the Semarang City domicile area. Sampling using a non-probability sampling approach with the number of respondents collected as many as 100 people. The technique used is purposive sampling, which refers to accidental sampling.

This study uses quantitative analysis with SEM-PLS software ver. 4.0, starting with the outer model measurement, includes convergent validity, discriminant validity, and

reliability tests. After the test results are declared valid, the recapitulation and categorization stage is continued, and the test results of each variable are analyzed. At the inner model analysis stage, the R-Square analysis is carried out to determine how much the independent variables contribute to influencing the dependent variable in the research model and the goodness of fit test to validate the combination of the measurement model (outer model) and the structural model (inner model). Then, the path coefficient analysis is carried out to prove the positive or negative relationship and significance of each variable used as a research hypothesis.

V. RESULT AND DISCUSSION

The following table presents the results of the data processing that has been done.

TABLE 2. Path Coefficient Test Results

	Path coefficient	T-Statistics	P-Values	Conclusion
Direct effect				
Green marketing(X) -> Brand trust (Z)	0.649	11,032	0,000	<b>H1 Accepted</b>
Brand trust(Z) -> Brand loyalty (Y)	0.344	3,272	0.001	<b>H2 Accepted</b>
Green marketing(X) -> Brand loyalty (Y)	0.409	4,315	0,000	<b>H3 Accepted</b>
Indirect Effect				
Green marketing(X) -> Brand trust (Z) -> Brand loyalty (Y)	0.223	3,074	0.002	<i>Partial Mediation</i>

Source: Processed Data, 2024

Respondents' perceptions of green marketing variables in this study fall into the very good category. According to the users, The Body Shop is considered a natural self-care product with outlets featuring environmentally friendly concepts. Things that can be improved to support The Body Shop's green marketing to be better are creating more interactive campaigns so that consumers feel the real benefits of their environmentally friendly products and increasing advertising visibility through digital platforms and collaboration with relevant influencers. The results of the analysis prove that the path coefficient of the green marketing variable has a positive effect on the brand trust variable, with a value of 0.649. The T-statistic score has a value of 11.032, indicating a value greater than 1.96, and the P-value score has a value of 0.000, indicating a value less than 0.05. This study proves that the implementation of green marketing by The Body Shop can increase brand trust in a positive direction. This means that the better the company implements green marketing, the better consumer trust in The Body Shop brand will be. This is in line with research conducted by Askaria and Arief [22], which shows that green marketing significantly affects brand trust. Thus, H1, which states that "there is a positive and significant influence between green marketing on brand trust," can be accepted.

Respondents' perceptions of the brand trust variable in this study were in a good category. According to users, The Body Shop is considered to have provided satisfaction to its consumers through product quality, comfort when shopping at outlets, and friendly service both in offline and online stores.

It is also considered to always listen to and consider suggestions from its consumers. Things that can be improved to improve The Body Shop's brand trust for the better are having to continue to improve the quality and innovation of its products, communicating company values, which can be done by increasing Corporate Social Responsibility (CSR) programs, and strengthening brand reputation as a company with integrity as evidenced by compliance with ethical standards and partnerships with independent institutions that can provide certification or recognition of The Body Shop's commitment. The results of the analysis prove that the path coefficient of the brand trust variable has a positive effect on the brand loyalty variable, with a value of 0.344. The T-statistic score has a value of 3.272, indicating a value greater than 1.96, and the P-value score has a value of 0.001, indicating a value less than 0.05. This study shows that consumer perceptions of The Body Shop brand trust are influenced by the goodness of the brand to its consumers. The positive experience gained by The Body Shop consumers is what makes them more trusting and confident to continue using the brand's products or services. When consumers believe that the brand has the ability, kindness, and integrity, they tend to be more loyal to the brand. This is in line with research conducted by Firdaus and Yamini [23], which shows the influence of brand trust on brand loyalty. Thus, H2, which states that "there is a positive and significant influence between brand trust on brand loyalty," can be accepted.

Respondents' perceptions of the brand loyalty variable in this study were in the very good category. Users plan to repurchase The Body Shop green products in the future because they feel The Body Shop products are suitable for their skin and safe for the environment. They agree to share pleasant experiences using products from this brand because there is a sense of pride when using and influencing others to use environmentally friendly products. Things that can be improved to increase The Body Shop's brand loyalty to be better, namely having to attract consumers to make the brand their first choice with promotional strategies such as discounts and product bundling, increasing loyalty and rewards programs, educating to increase product value, and providing a satisfying customer experience. The results of the analysis prove that the path coefficient of the green marketing variable has a positive effect on the brand loyalty variable, with a value of 0.409. The T-statistic score has a value of 4,315, indicating a value of more than 1.96, and the P-value score has a value of 0.000, indicating a value of less than 0.05. Satisfaction with the quality and innovation of green products makes consumers tend to make repeat purchases, thereby increasing brand loyalty. The green marketing strategy has helped The Body Shop differentiate itself from competitors in similar industries. Consumers who choose green products may have fewer choices in the market, so they tend to remain loyal to brands that meet their preferences. This is in line with research conducted by Upe & Usman [24], that green marketing strategy has a positive and significant influence in growing the attitude of loyal customers toward companies that apply the strategy. Thus, H3, which states that "there is a positive and significant influence between Green marketing on Brand

loyalty,” can be accepted.

The results of the indirect effect analysis prove that the path coefficient of green marketing variables has a positive effect on brand loyalty variables through brand trust, with a value of 0.223. The T-statistic score has a value of 3.074, indicating a value of more than 1.96, and the P-value score has a value of 0.002, indicating a value of less than 0.05. Based on the research results, it was found that green marketing through brand trust has a positive, significant, and partial mediation effect on brand loyalty. Because with the presence or absence of brand trust as an intervening variable, the correlation between green marketing and brand loyalty will still have an effect. The cross-sector relationship can be interpreted as the better the green marketing done by the Body Shop, the greater the customer's loyalty to the brand. However, it can also be concluded that the better green marketing The Body Shop does, the higher consumer trust in the brand will be. Thus, H4, which states that “there is a positive and significant influence between Green marketing on Brand loyalty through Brand trust as an Intervening Variable,” can be accepted.

## VI. CONCLUSIONS

1. The results of the analysis of green marketing variables on brand trust prove a positive and significant influence.
2. The results of the analysis of the relationship between brand trust variables on brand loyalty prove a positive and significant influence.
3. The results of the analysis of the relationship between green marketing variables on brand loyalty prove a positive and significant influence.
4. The results of the analysis of the indirect relationship between green marketing variables on brand loyalty through brand trust as an intervening variable prove a positive and significant influence.

## VII. SUGGESTIONS

From a series of studies that have been conducted, several suggestions can be given, including:

1. Based on the results of the research recapitulation, the implementation of green marketing carried out by The Body Shop is considered good. However, several indicators still need to be improved, namely the green price and green promotion indicators. In the green price indicator, consumers are still sensitive to the price to buy a product. Some consumers still need to consider this based on their level of need and suitability. Therefore, as a brand that offers green products, it is necessary to establish a competitive pricing strategy by emphasizing the added value offered by its products, such as reducing environmental impacts and health benefits, to compete with conventional body care products. In the green promotion indicator, consumers who are sensitive to price tend to choose a series of complementary products, so the bundling strategy between several products can be implemented by The Body Shop to increase customer loyalty. In addition, collaborating with influencers who care about the environment can be done to increase consumer awareness of the importance of sustainability

and the positive impacts of using green products.

2. Based on the results of the research recapitulation, respondents considered The Body Shop's brand trust to be good. However, some indicators still need to be improved, namely the indicators of referring the brand (referrals) and brand resilience (retention). Loyalty and reference programs can be developed that provide incentives to loyal customers and those who successfully recommend The Body Shop products to others until they make a purchase, such as special discounts, cashback, or gifts. In addition, creating content on social media related to product reviews or customer responses can be done to encourage new customers to try The Body Shop products based on recommendations from others.
3. Based on the results of the research recapitulation, respondents assessed that The Body Shop's brand trust is good. However, some indicators still need to be improved, namely the ability and integrity indicators. It is hoped that The Body Shop can continue to develop new products to meet customer needs and expectations by improving its quality and innovation. Continuous innovation can increase customer trust in brand capabilities. In addition, the company must always maintain transparency in all aspects of the business, from raw material sources and production processes to waste processing published in sustainability reports that are easily accessible to the public.

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