



Enhancing Green Loyalty: The Role of Green Rewards, Image, and Perceived Value with Green Satisfaction as a Mediator

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ABSTRACT

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This paper investigates the influence of green rewards in stimulating loyalty toward environmentally friendly products in Indonesia. Using a survey questionnaire, this study explored customers who had routinely used green cosmetics. The sample in this study had consisted of 240 respondents selected using the purposive sampling method. Data analysis in this research used a structural equation model and was processed using Smart-PLS 4. This study found that green image and green perceived value did not directly influence green loyalty, with green satisfaction fully mediating their effects. These findings confirmed the CAB theory and challenged previous studies suggesting partial effects of green image and green perceived value on loyalty. Green reward moderated the relationship between green image and green loyalty. The practical implication of this study is to focus on enhancing customer satisfaction and experience with green products, as well as increasing transparency in communicating the use of eco-friendly materials, sustainable production processes, and their positive environmental impact. Additionally, companies can design more attractive rewards, as they have been proven to strengthen the influence of image on customer loyalty. The inclusion of green reward offered new insights, as it remained underexplored in green marketing research.

1. INTRODUCTION

The increasingly deteriorating quality of the environment each year has now become a major global concern [1-6]. The ever-growing human population each year was not accompanied by the availability of limited resources. It was estimated that the human population would reach 10 billion by 2050 (International Institute for Sustainable Development, 2020). This phenomenon had the potential to trigger scarcity of non-renewable resources, such as the environment. In economics, scarcity was a condition that occurred due to the limited quantity of available resources, while human needs remained unlimited [7].

In Indonesia, the waste problem continues to grow significantly, posing an ongoing environmental challenge. One of the primary contributors to this crisis is plastic waste, much of which comes from product packaging, including cosmetic products. A noteworthy anomaly has emerged within the cosmetics industry: products designed to enhance human appearance are paradoxically contributing to environmental degradation. Cosmetics, commercially associated with beauty and self-care, have been found to have unexpected negative impacts on natural ecosystems. This anomaly arises because, although cosmetics provide aesthetic benefits, the production and consumption cycle especially concerning plastic packaging, chemical ingredients, and manufacturing processes

generates pollutants harmful to the environment. Green cosmetics became a solution to environmental issues. These environmentally friendly products served as an alternative for customers who cared about the environment and sought to purchase sustainable, low-pollution, and eco-friendly products [8, 9]. Some criteria that green cosmetics needed to meet included being reusable or recyclable, having accountable packaging, being free of harmful substances, and prioritizing environmental safety.

Indonesia is one of the world's leading tourist destinations, aligning with the triple bottom line approach, which emphasizes that organizations should not only focus on financial performance (profit) but also contribute to society (people) and actively participate in protecting the environment (planet). Indonesia's renowned natural beauty presents an opportunity to market environmentally friendly products, including green cosmetics, within the country. Responding to this potential, various eco-friendly products have been widely introduced in Indonesia, including those from The Body Shop and Sensatia Botanicals.

The key challenge faced by green cosmetic marketers is achieving green loyalty among customers who use these products, thereby reducing the negative impact of non-eco-friendly product consumption. Building green loyalty undoubtedly requires significant marketing efforts and the implementation of precise strategies. This is because driving

behavioral change among consumers is not always met with positive reception, as there are shared consequences for both customers and companies [10, 11]. Encouraging customers to transition from conventional (non-green) products to green alternatives is far from straightforward [12]. While many studies indicate that consumer awareness of the importance of adopting green behaviors has steadily increased, this awareness is often not reflected in their actual purchasing behaviors for green products [13].

Green loyalty is a critical factor that companies must achieve to ensure the sustainability of their green business concept and actively contribute to environmental preservation. To foster customer loyalty from a green loyalty perspective, companies employ several strategies, such as building a strong green image [14-16] and considering customers' green perceived value [17-19]. Green perceived value refers to the overall evaluation of the benefits received and sacrifices made by customers based on environmental orientation and expectations for the sustainability of green needs [20]. It is a crucial aspect for environmentally conscious consumers [21] and can enhance awareness of social value [22].

Creating green loyalty often requires evaluating the outcomes or experiences customers gain from using green products or shopping at green firms. This can be measured by assessing levels of satisfaction or green behavior. Green satisfaction refers to the extent to which a green product provides a level of enjoyment that meets or exceeds expectations. Customers experience green satisfaction when green products deliver more enjoyment than anticipated. Conversely, dissatisfaction arises when green products fail to meet expectations or deliver enjoyment below the expected level.

Several studies have shown inconsistent findings in explaining the influence of green image and green perceived value on green loyalty. Several research found that green image did not affect green loyalty [23]. This aligns with the findings which also indicated no significant influence of green image on green loyalty [15]. Contrasting these results, Sarmiento-Guede et al. [22] found that green image had a positive and significant effect on green loyalty. Similarly, some researches revealed that green image positively and significantly influenced green loyalty [24, 25]. Additionally, several studies indicated that green satisfaction positively influenced green loyalty [3, 18, 19].

Shifting consumer behavior in social activities remains a complex challenge. The Cognitive-Affective-Behavioral (CAB) theory and social exchange theory provide relevant theoretical approaches to address the research gaps concerning the relationships between green marketing variables. Within this context, social exchange theory serves as a framework to analyze the role of green rewards as a moderating variable influencing the relationships between green image, green perceived value, and green loyalty. This approach offers a fresh perspective for understanding the dynamics underlying the formation of customer loyalty toward green brands (green loyalty).

2. LITERATUR REVIEW

2.1 Cognition-Affect-Behavior theory of attitude

The Cognitive-Affective-Behavioral (CAB) theory was used to explain how attitudes and behaviors toward an object,

concept, or phenomenon were formed through three main components: cognitive, affective, and behavioral. The cognitive component was associated with the knowledge, understanding, or beliefs held by individuals based on the information that was received. In the context of green marketing, this included how the benefits of eco-friendly products, such as their role in reducing environmental damage, were understood by consumers.

The affective component was described as the emotions or feelings that were evoked in response to the information or experiences, which could be positive (e.g., pride or satisfaction) or negative (e.g., disappointment). For example, satisfaction experienced by consumers when using green products was often linked to a stronger emotional attachment to the brand. The behavioral component was illustrated by actions or tendencies that were driven by the interaction between cognitive and affective factors.

Decisions to purchase green products were seen as reflections of how understanding and emotions were used to influence behavior that supported environmental sustainability. This theory was employed to provide a strong framework for analyzing the psychological processes that underpinned consumer choices and loyalty, particularly within green marketing contexts.

2.2 Social Exchange theory

Social Exchange theory stated that customers evaluated the overall value of a relationship by subtracting the sacrifices made from the rewards received. The theory was developed by prominent figures such as psychologists. It explained the exchange relationships between individuals, specifically between customers and companies within their business activities. In other words, the exchange relationship with a company was seen as a mechanism through which customers could receive rewards.

Similar to social learning theory, social exchange theory also views the relationship between behavior and the environment as reciprocal. The business environment generally consists of customers, making the relationship between customers and companies mutually influential. The application of theory in this study is presented in Figure 1 below.

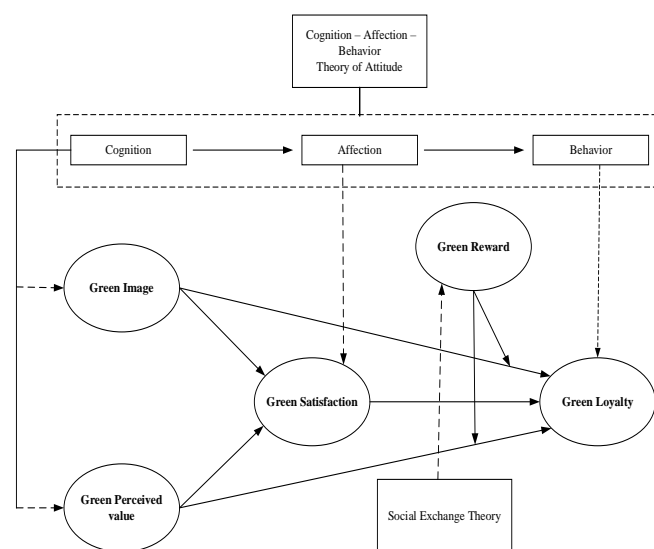


Figure 1. Theory model

2.3 The influence of green image and green perceived value on green loyalty

To foster green loyalty among customers, it is crucial for companies to consistently pay attention to the green image of the organization, as this can provide stimuli that encourage customers to remain loyal and make repeated purchases of green cosmetics. Perceived value can also be understood as a function of the benefits and sacrifices an organization provides to its customers. Green perceived value refers to the overall benefit evaluation of a product or service by customers. The greater the trust customers have in the benefits they perceive from a product, and the smaller the perceived risks from purchasing the product, the higher the likelihood that the customer will engage in repeated purchasing behavior of the environmentally friendly product [1].

From the Cognitive-Affective-Behavioral (CAB) theory perspective, green image and green perceived value belong to the cognitive component, shaping customers' perceptions, knowledge, and beliefs about a brand's environmental commitment. Previous study found that green image had a positive and significant effect on green loyalty [22]. Similarly, others also found that green image had a positive and significant influence on green loyalty [24], Tiwari [25] confirmed that green image positively and significantly affected green loyalty. On the other hand, Assaker [1], in a study conducted on 200 respondents at star-rated hotels in Europe, found that green image did not have a significant influence on green loyalty. Several scholars stated in their research that green perceived value has a significant influence on green loyalty [2, 14, 15]. However, this contrasts with the findings of Moise et al. [26], who stated that green perceived value does not have a significant impact on green loyalty.

H1: *Green image positively and significantly affects green loyalty.*

H2: *Green perceived value positively and significantly affects green loyalty.*

2.4 The influence of green image and green perceived value on green satisfaction

The influence of green image and green perceived value on green satisfaction. A positive image that reflects a company's commitment to environmental sustainability is certainly a key factor in providing green satisfaction for customers. A strong image of a company or brand can attract customers to purchase products from that company or brand. Green image is the perception of quality in the minds of customers that positively influences the enhancement of the image of green cosmetics and correlates with environmental sustainability issues and environmental concern [27]. The impact of green image is known to change customer behavior, such as the desire to continue using green cosmetics. The greater the trust customers have in the benefits they perceive from a product, and the smaller the perceived risks of purchasing the product, the greater the likelihood that the customer will engage in purchasing behavior toward the product [1]. Chan et al. [4] introduced the concept of perceived value in green marketing, which refers to the overall customer evaluation of the benefits of a product or service based on what is received versus what is given, based on customers' environmental desires, sustainability expectations, and green needs.

In the Cognitive-Affective-Behavioral (CAB) theory, green

image and green perceived value were part of the cognitive stage, as they related to customers' perceptions, knowledge, and beliefs about environmentally friendly products. After the cognitive stage, customers moved to the affective phase, represented by green satisfaction, which reflected their feelings toward green products. This satisfaction could then influence the next stage, namely behavior, such as loyalty to environmentally friendly products. Researchers found that green image had a positive and significant impact on green satisfaction [4, 27, 28]. While some studies found that green perceived value had a positive and significant effect on green satisfaction [1, 18, 29].

H3: *Green image positively and significantly affects green satisfaction.*

H4: *Green perceived value positively and significantly affects green satisfaction.*

2.5 The influence of green satisfaction on green loyalty

Green satisfaction refers to the consideration that a green cosmetic provides a level of pleasure that either meets or falls short of expectations. Customers experience green satisfaction when a green product provides more enjoyment than they expected. Conversely, customers experience dissatisfaction if the green product does not meet or provides less satisfaction than expected. Green satisfaction was part of the affective stage in the Cognitive-Affective-Behavioral (CAB) theory, as it reflected customers' feelings toward environmentally friendly products. This satisfaction then influenced green loyalty, which was part of the behavioral stage, where customers showed commitment and a tendency to continue purchasing green products. Researchers found that green satisfaction influences green loyalty [18, 19, 28].

H5: *Green satisfaction positively and significantly affects green loyalty.*

2.6 Green satisfaction in the influence of green image and green perceived value on green loyalty

Green satisfaction is one of the best alternatives that is believed to mediate the relationship between green image and green loyalty. Any efforts made by companies to create and nurture customer loyalty should ideally focus on first satisfying their customers, including within the green business context [18, 19]. Green satisfaction, successfully created by the company, will serve as a strong stimulus in forming and generating green loyalty from customers.

Green satisfaction was part of the affective stage, acting as a bridge between the cognitive and behavioral phases in the Cognitive-Affective-Behavioral (CAB) framework. It translated customers' perceptions and evaluations (cognitive) into emotional responses, which then influenced their behavioral decisions, such as loyalty to green products. Therefore, green satisfaction played a crucial role as a mediator, strengthening the relationship between cognitive factors (green image and green perceived value) and behavioral outcomes (green loyalty). Customer satisfaction is one of the options believed to mediate the relationship between green perceived value and green loyalty. Satisfaction that is successfully formed can increase the likelihood of customer loyalty being established, including in the context of green businesses [18, 19]. Green satisfaction that is successfully

generated by the company will act as a positive stimulus in fostering and creating green loyalty from customers.

H6: *Green satisfaction mediates the effect of green image on green loyalty.*

H7: *Green satisfaction mediates the effect of green perceived value on green loyalty.*

2.7 Green reward moderates the influence of green image and green perceived value on green loyalty

The green image and green perceived value experienced by customers can have its effect on green loyalty strengthened by using the green reward variable as a moderator. Rewards provided by companies that focus on green business are believed to make customers feel more comfortable with the relationship between the company and the customers. Green reward is derived from Social Exchange Theory (SET) and serves as a moderating factor in the relationship between green image and green perceived value with green loyalty. By providing incentives or benefits to customers who engage with environmentally friendly products, green rewards can enhance the perceived value of green initiatives and strengthen the impact of a company's green image. Through this mechanism, green rewards are expected to encourage customers to develop stronger loyalty toward sustainable brands by reinforcing positive exchanges between businesses and environmentally conscious customers. Rewards strengthen a person's desire to remain in a social relationship, in this case, the relationship between the company and the customer. This aligns with research conducted by Khairawati [30], and Mastilak et al. [31].

H8: *Green reward moderates the effect of green image on green loyalty.*

H9: *Green reward moderates the effect of green perceived value on green loyalty.*

3. METHODOLOGY

The method used in this study on the moderating role of green reward in the influence of green image and green perceived value on green loyalty among customers of green cosmetics is a quantitative approach. Data collection for this study was conducted through the distribution of questionnaires to all respondents, namely customers of green cosmetics. The inferential analysis used is partial least squares (Smart-PLS) analysis.

The sampling method in this study used purposive sampling with the criteria of adult customers aged 18 and over who had used green products in the past six months. The sample size was determined based on the approach of Hair et al. [32], where the number of indicators, 24, was multiplied by 10, resulting in a total sample of 240 respondents. In this study, green loyalty is interpreted as the behavior of customers of The Body Shop and Sensatia Botanicals to continue using and consuming products from The Body Shop and Sensatia Botanicals, as well as recommending and being willing to pay a higher price for these products due to their environmentally friendly benefits. Green image is defined as the perception of The Body Shop and Sensatia Botanicals' products as environmentally conscious in the minds of customers.

Green perceived value is interpreted as the overall

evaluation of customers of The Body Shop and Sensatia Botanicals regarding the value of the products or services based on the benefits received and what is given, considering the customers' environmental desires, sustainable expectations, and green needs. Green satisfaction refers to the sense of fulfillment when one's desire, need, or expectation regarding the necessity of environmentally friendly products has been met. In this study, green reward is defined as the reciprocal relationship offered by The Body Shop and Sensatia Botanicals and felt by their customers.

4. RESULT AND DISCUSSION

Based on the analysis results, it was found that all indicators had valid outer loading values, indicating that all indicators met the requirements for convergent validity. Table 1 showed that the highest loading factor value for the green loyalty (GL) variable was 0.865, represented by "being loyal." The highest loading factor value for the green image (GI) variable was 0.871, represented by "protecting the environment." The highest outer loading value for the green perceived value (GPV) variable was 0.823, represented by "environment-friendly experience." The highest outer loading value for the green satisfaction (GS) variable was 0.861, represented by "happy with the decision." Lastly, the highest outer loading value for the green reward (GR) variable was 0.877, represented by "ambiguity."

Table 1. Outer loading values

Indicator	Outer Loading
Green loyalty (GL)	
Repeat purchase (GL.1)	0.840
Being loyal (GL.2)	0.865
Willing to recommend (GL.3)	0.781
Willing to pay more (GL.4)	0.813
Green Image (GI)	
Represent green product (GI.1)	0.830
Consistent (GI.2)	0.802
Reputation (GI.3)	0.847
Protect environmental (GI.4)	0.871
Sacrifice (GI.5)	0.754
Green Perceived Value (GPV)	
Environment-friendly value (GPV.1)	0.790
Reasonable price (GPV.2)	0.771
Environment-friendly experience (GPV.3)	0.823
Fairness (GPV.4)	0.821
Green Satisfaction (GS)	
Happy with decision (GS.1)	0.861
Satisfied with decision (GS.2)	0.836
Satisfied with contribute (GS.3)	0.835
Overall satisfied (GS.4)	0.804
Green Reward (GR)	
Attract (GR.1)	0.613
Retain (GR.2)	0.870
Motivate (GR.3)	0.751
Ambiguity (GR.4)	0.877
Uniqueness (GR.5)	0.872
Custom fit (GR.6)	0.771
Choice (GR.7)	0.805

Based on the Composite Reliability and Cronbach's Alpha calculations as shown in Table 2, all variables in this research model were deemed reliable. The Composite Reliability and Cronbach's Alpha values for each variable are as follows:

Green Image (GI) has a Composite Reliability of 0.880 and Cronbach's Alpha of 0.879, Green Loyalty (GL) has 0.847 and 0.843, Green Perceived Value (GPV) has 0.816 and 0.814, Green Reward (GR) has 0.919 and 0.904, and Green Satisfaction (GS) has 0.856 and 0.854. Each of these values exceeds the 0.7 threshold, indicating strong internal consistency across all variables. This demonstrates that the indicators for each variable reliably and consistently measure their respective constructs.

Table 2. Composite reliability and Cronbach's alpha

Variable	Composite Reliability	Cronbach's Alpha
Green image (GI)	0.880	0.879
Green Loyalty (GL)	0.847	0.843
Green Perceived Value (GPV)	0.816	0.814
Green Reward (GR)	0.919	0.904
Green Satisfaction (GS)	0.856	0.854

Based on the Discriminant Validity assessment using AVE values and inter-variable correlations, in line with the Fornell and Larcker criterion, all variables in the model met the requirements for discriminant validity, as shown in Table 3. The square root of the AVE for each variable is greater than its correlation with other variables. Specifically, the square root of AVE values are as follows: Green Image (GI) at 0.822, Green Loyalty (GL) at 0.825, Green Perceived Value (GPV) at 0.834, Green Reward (GR) at 0.799, and Green Satisfaction (GS) at 0.834. This indicates that each variable is more closely related to its own indicators than to other variables, confirming good discriminant validity within the research model.

Table 3. Discriminant validity

Variable	GI	GL	GPV	GR	GS
GI	0.822				
GL	0.515	0.825			
GPV	0.777	0.613	0.802		
GR	0.493	0.779	0.560	0.799	
GS	0.731	0.632	0.720	0.584	0.834

Based on the Average Variance Extracted (AVE) values, all

variables in this model meet the requirements for convergent validity, with AVE values exceeding the 0.5 threshold. Table 4 showed that the AVE values were as follows: Green Image (GI) at 0.675, Green Loyalty (GL) at 0.681, Green Perceived Value (GPV) at 0.642, Green Reward (GR) at 0.638, and Green Satisfaction (GS) at 0.696. These results indicated that each variable explained over 50% of the variance in its respective indicators, thereby confirming that all variables in the research model demonstrated adequate convergent validity.

Table 4. Average variance extracted

Variable	AVE Value
Green image (GI)	0.675
Green Loyalty (GL)	0.681
Green Perceived Value (GPV)	0.642
Green Reward (GR)	0.638
Green Satisfaction (GS)	0.696

Table 5 showed an intriguing insight from the data analysis: while green image had traditionally been perceived as a driver of customer loyalty, this effect did not appear to hold among green cosmetic customers. The nonsignificant p-value indicates that these customers do not automatically become loyal solely because a product is branded as "green." This result diverges from prior studies [22, 24, 26, 28, 33], which found green image positively influences loyalty. Similarly, the effect of green perceived value on green loyalty was found to be nonsignificant, a finding contrary to previous researches [2, 14, 15].

Table 5. Hypothesis result

Hypothesis	P Value	Remarks
H1 GI → GL	0.848	Not Supported
H2 GPV → GL	0.065	Not Supported
H3 GI → GS	0.000	Supported
H4 GPV → GS	0.000	Supported
H5 GS → GL	0.004	Supported
H6 GI → GS → GL	0.008	Supported
H7 GPV → GS → GL	0.017	Supported
H8 GR * GI → GL	0.031	Supported
H9 GR * GPV → GL	0.253	Not Supported

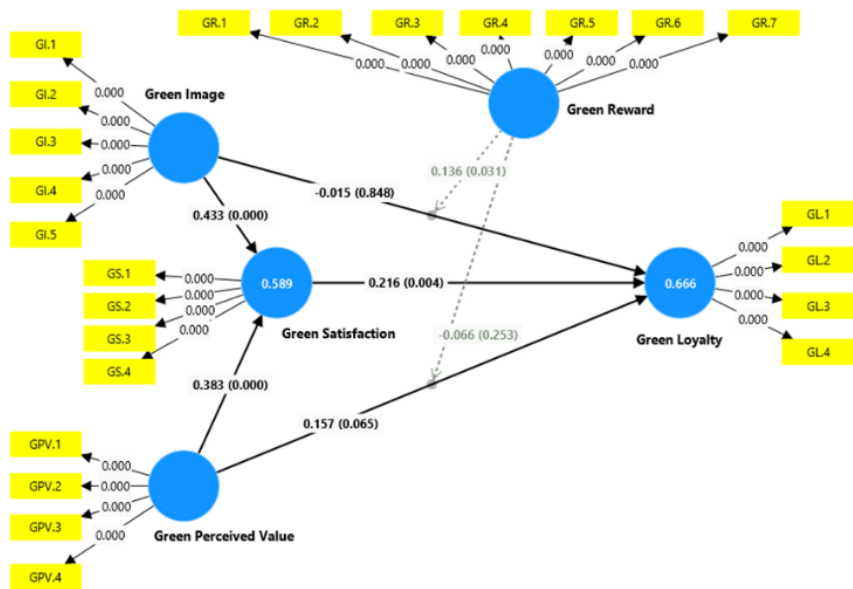


Figure 2. Structural model

Based on the bootstrapping results of the structural model, as shown in Figure 2, out of the nine tested hypotheses, three were rejected. The hypothesis testing results provide empirical insights into the relationships among key green marketing variables. The findings indicate that Green Image (GI) and Green Perceived Value (GPV) do not have a direct and significant effect on Green Loyalty (GL), as reflected in the non-significant p-values (0.848 for $GI \rightarrow GL$ and 0.065 for $GPV \rightarrow GL$). However, both Green Image and Green Perceived Value significantly influence Green Satisfaction (GS), with strong positive effects ($GI \rightarrow GS$: 0.433, $p = 0.000$; $GPV \rightarrow GS$: 0.383, $p = 0.000$). Green Satisfaction significantly enhances Green Loyalty ($GS \rightarrow GL$: 0.216, $p = 0.004$). The mediation analysis further supports this theoretical framework, demonstrating that Green Satisfaction acts as a significant mediator in the relationships between Green Image and Green Loyalty ($GI \rightarrow GS \rightarrow GL$: 0.094, $p = 0.008$) as well as between Green Perceived Value and Green Loyalty ($GPV \rightarrow GS \rightarrow GL$: 0.083, $p = 0.017$). Additionally, the moderating role of Green Rewards (GR) is partially supported. While GR strengthens the relationship between Green Image and Green Loyalty ($GR * GI \rightarrow GL$: 0.136, $p = 0.031$), it fails to moderate the link between Green Perceived Value and Green Loyalty ($GR * GPV \rightarrow GL$: -0.066, $p = 0.253$).

Green image does not always influence green loyalty, as other factors play a role in shaping its impact. One such factor is the lack of education and communication customers unawareness or limited understanding of the benefits of green products can reduce the effect of green image. Without adequate education about the advantages of environmentally friendly products, green image alone may not be sufficient to drive customer loyalty. Contextual factors also apply to certain categories of green products, where concern for environmental issues may not be strong enough to make green image a determining factor for loyalty [34]. The findings of this study confirm that Green Image will only impact loyalty if customers' cognitive perceptions of a brand's green image trigger an affective response, such as satisfaction, pride, or emotional attachment to the brand. This aligns with the CAB theory, which emphasizes that behavioral changes, including loyalty, require the contribution of emotional aspects that serve as a bridge between cognition and behavior. Therefore, without strong emotional engagement, the influence of Green Image on customer loyalty will likely be weak or even insignificant.

Green perceived value is not strong enough to directly influence green loyalty, as the era of globalization and digitalization has given customers extensive access to various products and brands. The ease of obtaining information and comparing products has increased customers' bargaining power, making them more influential than companies. This situation requires businesses to work harder in developing more specific and effective strategies to maintain customer loyalty. In the context of green marketing, companies cannot rely solely on perceived green value to build customer loyalty. While green perceived value may attract customers initially, it is not strong enough to ensure long-term loyalty. Today's customers tend to be more critical and knowledgeable, seeking concrete proof of a company's commitment to sustainability and responsible business practices. If Green Perceived Value does not trigger positive feelings or emotional attachment, it will not significantly influence customer loyalty. In other words, the perceived environmental value will only be

effective in creating loyalty if it first generates strong positive emotions.

This suggests that today's customers, with broad access to information sources, have become more critical and selective in evaluating green claims before committing their loyalty. Even when customers hold a positive perception of a product's green value, this alone does not guarantee loyalty. The analysis aligns with the Cognition-Affect-Behavior (CAB) theory, which posits that behavioral change, including loyalty, requires an emotional intermediary connecting cognition and behavior. Without strong emotional engagement, the impact of green image and green perceived value on loyalty is likely to be weak or nonsignificant. However, the analysis revealed that both green image and green perceived value have a significant impact on green satisfaction, supporting the study's hypothesis. This establishes green satisfaction as a full mediator [30]. This finding underscores the critical role of affection in driving behavioral change, especially in customer loyalty (green loyalty). Within this study's model, green satisfaction serves as the affection component, playing a pivotal mediating role. Green satisfaction not only reflects customers' satisfaction with the green image and value of a product but also functions as a link that transforms cognitive perceptions and knowledge into actual behavior namely, brand loyalty. This study confirms that to understand and effectively influence customer behavior, it is insufficient to focus only on cognitive aspects such as green image and green perceived value. Affect, in the form of green satisfaction, must be considered a key component mediating the cognition-behavior relationship. In other words, while customers may hold positive perceptions of a product's green image and value, without adequate satisfaction, these perceptions will not directly translate into strong loyalty. Green reward was found to moderate the influence of green image on green loyalty effectively, but it failed to moderate the influence of green perceived value on green loyalty. Green rewards strengthen customers' perception that a company not only has a strong green image but also provides direct benefits that they can enjoy. The combination of a positive green image and green rewards allows companies to enhance the total benefits customers receive in a social exchange. Customers who feel they are receiving greater value from their relationship with the company are more likely to remain loyal. In this context, green rewards reinforce the relationship between green image and green loyalty by adding an extra layer of benefits, encouraging customers to maintain their relationship with the brand. Thus, this study confirms that implementing green rewards in green marketing strategies can have a significant impact on increasing customer loyalty. However, on the other hand, green rewards are often material incentives or short-term rewards intended to recognize customers for their environmentally friendly behavior. However, since green perceived value is a deeper concept, closely integrated with customers' identity and personal values, the green rewards offered may not be sufficient to alter or strengthen the relationship between green perceived value and green loyalty. In fact, customers with high green perceived value might perceive green rewards as a superficial marketing effort, which does not fully align with their commitment to sustainability. Furthermore, green perceived value is often shaped by more abstract factors, such as customers' perceptions of brand transparency, long-term commitment to sustainability, and the social impact of a product. The nature of these values means that customers' perceptions cannot be easily modified or

reinforced simply through material incentives like green rewards.

This finding is both unique and intriguing, as green image and green perceived value share a similar outcome—neither has a direct influence on green loyalty without passing through an affective mediator. However, their outcomes diverge when moderated by green reward. This suggests that a positive green image, when reinforced by a reward, can enhance its impact on customer loyalty. Rewards can serve as tangible evidence of the company's commitment and appreciation for customers who actively participate in its green campaigns. In contrast, rewards failed to moderate green perceived value toward green loyalty, likely because the addition of rewards may not align with the intrinsic green values held by customers. For customers with a well-established green perceived value, the presence of rewards might introduce a bias, detracting from their genuine value-driven loyalty toward the product.

5. CONCLUSION

The theoretical implications of this study highlight the robustness of the Cognition-Affect-Behavior (CAB) Theory in explaining customer loyalty within green marketing. The findings demonstrate that while cognitive elements, such as green image and green perceived value, are influential, they alone do not drive loyalty without the mediating role of affect—in this case, green satisfaction. Green satisfaction serves as a crucial affective bridge that translates customers' perceptions and knowledge (cognition) into loyalty (behavior), emphasizing that a purely cognitive approach is insufficient for fostering lasting loyalty in green contexts. This research enriches CAB Theory by integrating it with Expectation Disconfirmation Theory (EDT) and Social Exchange Theory (SET), creating a multidimensional framework. CAB Theory clarifies how cognition and affect interact to shape behavior, EDT underscores how satisfaction arises from fulfilling or exceeding expectations, and SET highlights how rewards, like green rewards, reinforce loyalty by establishing mutual value. By combining these theories, the study offers a comprehensive model for understanding how cognitive, affective, and social exchange factors interact to foster strong, sustainable customer loyalty in green marketing contexts.

The theoretical implications of this study confirmed that the Cognition-Affect-Behavior (CAB) theory remained robust and relevant in explaining customer behavior. Although green image and green perceived value, as part of cognition, played a significant role, they did not automatically drive green loyalty without an appropriate mediator. This study highlighted the crucial role of affection as a bridge between cognition and behavior, with green satisfaction serving as a mediator that transformed perceptions and knowledge into customer loyalty. In other words, even if customers held positive views about a brand's green image and perceived value, without sufficient satisfaction, these factors did not directly lead to strong loyalty. These findings supported the CAB theory in the context of green marketing, emphasizing the importance of green satisfaction in fostering loyalty. Additionally, this study introduced novelty by integrating the CAB Theory, Expectation Disconfirmation Theory, and Social Exchange Theory, providing a more comprehensive perspective on the relationships between green image, green perceived value, green satisfaction, and green loyalty.

The practical implications of this study are based on data analysis results showing that green satisfaction plays a crucial role in driving green loyalty. The Bodyshop and Sensatia Botanicals should focus on carefully designing green marketing strategies with an emphasis on enhancing customer satisfaction, as the data analysis indicates that green satisfaction is vital for fostering green loyalty. Therefore, it is essential for both companies to develop and implement strategies that not only improve the green image of The Bodyshop and Sensatia Botanicals but also actively enhance customers' experiences and satisfaction with the green products they offer.

In this context, green rewards have proven effective in strengthening the relationship between green image and green loyalty. Consequently, The Bodyshop and Sensatia Botanicals should optimize and enrich their green reward programs. Given that the majority of their market segments consist of customers with middle to high income levels and good formal education, it is crucial to ensure that the rewards are genuinely relevant and valuable to customers. Rewards should be designed with creativity and strategies that consider the aspirations and values of customers, effectively appreciating their contributions to environmental sustainability and encouraging loyalty toward The Bodyshop and Sensatia Botanicals products.

For other companies in the same industry, this study provides valuable guidance for developing more effective marketing strategies. Understanding that customer satisfaction is a key factor in building loyalty in green marketing contexts, other companies should be able to develop a more perceptive, detailed, and integrated approach. A successful marketing strategy should consider the complexity of green cosmetic customers, integrating green image, green perceived value, and green satisfaction as key elements for building strong, long-term relationships and loyalty.

Overall, this study emphasizes the importance of a holistic, customer satisfaction-centered approach in green marketing strategies. For The Bodyshop, Sensatia Botanicals, and similar companies, implementing these findings will aid in designing marketing strategies that not only meet customer expectations but also foster stronger, more sustainable relationships between customers and the company.

The limitations of this study primarily stem from its cross-sectional research design, where data was collected at a single point in time. This approach constrains the study's ability to capture the dynamic nature of customer behavior and perceptions regarding green image, green perceived value, green satisfaction, and green loyalty over an extended period. Consequently, the findings provide only a static representation of the relationships between these variables, without accounting for potential shifts in consumer attitudes and behaviors that may occur due to evolving market trends, external influences, or long-term exposure to green marketing initiatives. Another methodological limitation is the absence of a longitudinal approach, which could have provided deeper insights into how customer attitudes and behaviors evolve over time. A longitudinal study would enable researchers to monitor changes in customer perceptions of green value, satisfaction, and loyalty at multiple time points, allowing for a more comprehensive understanding of behavioral patterns and the long-term impact of green marketing efforts. Such an approach would also help identify potential lag effects, where customers' initial perceptions may take time to translate into actual loyalty behaviors. Future research should consider

adopting a longitudinal design to better assess the stability and progression of green consumer behavior. This would allow for a more nuanced analysis of how sustained exposure to green branding, eco-friendly incentives, and corporate sustainability initiatives influence consumer decision-making and loyalty in the long run.

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