

Analysis of the Impact of Customer Experience and Engagement on Satisfaction and Loyalty in the Body Shop's Omnichannel

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ABSTRACT

This study examines the impact of customer experience and engagement on customer satisfaction and loyalty within the omnichannel strategy employed by The Body Shop in Indonesia. As the cosmetic and personal care market experiences rapid growth, it is essential for companies to deliver an integrated experience across both online and offline channels. A seamless and consistent customer experience across various touchpoints can significantly enhance customer engagement, which in turn drives satisfaction and fosters loyalty. The research employs a quantitative approach with purposive sampling, analyzing data using Structural Equation Modeling-Partial Least Square (SEM-PLS). The results indicate that customer experience has a positive and significant effect on both engagement and satisfaction, which ultimately contributes to improved customer loyalty. The findings offer valuable insights for companies in shaping more effective omnichannel strategies, aiming to enhance customer satisfaction and loyalty in a sustainable manner. By understanding these dynamics, businesses can refine their approach to integrating online and offline experiences, ensuring they meet the evolving expectations of customers and strengthen long-term relationships. This research provides practical recommendations for companies in the cosmetic and personal care industry to remain competitive in an increasingly digital marketplace.

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INTRODUCTION

The cosmetics and personal care market in Indonesia has grown significantly in recent years (Republika 2024). The number of companies in this sector grew by 21.9%, from 913 in 2022 to 1,010 in mid-2023 (Coordinating Ministry for Economic Affairs of Indonesia 2024). In 2022, major market segments included the personal care segment with a volume of USD 3.18 billion, the skin care segment with USD 2.05 billion, the cosmetics segment with USD 1.61 billion, and the fragrance segment with USD 39 million (Coordinating Ministry for Economic Affairs of Indonesia 2024). There were 467,919 products in this market in 2023—an almost tenfold increase over the last five years (Hasan 2024). Various local and international brands also intensify competition in Indonesia's cosmetics and personal care market.

This high level of competition drives changes in consumer behavior when selecting cosmetics and personal care products (Montaguti et al., 2016; Sopadjieva et al., 2017; Palmatier et al., 2020; Sharma & Fatima, 2025). Consumers no longer purchase these products solely based on function; they also consider the experience, feelings, and brand image they perceive. In the decision-making process, consumers seek information through various channels, such as

social media, e-commerce platforms, and physical stores where they can try products in person. This pattern shows that cosmetics consumers increasingly switch between channels before purchasing, demanding a consistent and integrated shopping experience (Dong & Siu, 2013; Grewal & Roggeveen, 2020; Roggeveen & Rosengren, 2022; Zhang et al., 2024).

These behavioral changes underscore the relevance of omnichannel strategies in the cosmetics and personal care industry. Omnichannel enables companies to deliver connected customer experiences across multiple touchpoints, both online and offline (Verhoef et al. 2015a; Palmatier et al. 2020). Lemon and Verhoef (2016) emphasize that inconsistent experiences across channels can weaken customer engagement, ultimately impacting satisfaction and loyalty. Given cosmetics consumers' sensitivity to experience, an omnichannel strategy warrants further study in this industry.

The Body Shop, competing in Indonesia's cosmetics and personal care market, has implemented an omnichannel strategy by integrating sales and communication channels, including 151 physical stores (Bisnis Indonesia 2024), an official online store, a mobile app, and e-commerce platforms such as Shopee and Tokopedia. These channels are bolstered by social media for promotion, education, and customer interaction. Since 2017, The Body Shop has used cloud technology to manage its Love Your Body Club membership system integrally across channels, personalizing services based on customer history and preferences (SWA 2021).

Furthermore, The Body Shop conducts customer journey research to understand interaction patterns across channels and boost engagement (Nugroho 2021). However, despite channel integration, the effectiveness of this omnichannel strategy in fostering customer experiences and engagement that drive satisfaction and loyalty requires empirical evaluation (Alvarez-Milán et al., 2018; Zaid & Patwayati, 2021).

Top Brand Index (TBI) Phase 1 data for 2025 reveals The Body Shop's inconsistent position in Indonesia's cosmetics and personal care market. Although it ranks first in body mist (TBI of 39.10%) and body butter/body cream (TBI of 27.50%), this success is limited to specific segments and does not reflect uniform brand strength. In categories such as hand and body lotion and men's and women's deodorants, The Body Shop's TBI values are very low, signaling weak brand recall and loyalty across broader segments (Tyrväinen et al., 2020; Lambillotte et al., 2022; Wolniak & Grebski, 2023).

Even in categories like face wash and moisturizer, The Body Shop does not appear in the top 5 or 10. This suggests that, despite its omnichannel strategy, channel integration has not fully built consistent customer experiences and engagement to sustain satisfaction and loyalty. The Body Shop also faces challenges from fluctuating consumer patterns influenced by price promotions, seasonal trends, and influencer recommendations, which often trigger brand switching (Meenakshi 2024). Competition intensifies from local brands like Wardah and Mustika Ratu, which dominate the halal beauty segment, and global players like L'Oréal and Unilever, with their extensive portfolios and aggressive marketing.

Various theories demonstrate that seamless, integrated customer experiences drive engagement, satisfaction, and loyalty, benefiting companies. Omnichannel retail theory (Verhoef et al. 2015a) posits that integrating online and offline channels enhances experiences by offering flexibility and convenience, increasing satisfaction and loyalty as customers feel connected and personally served.

Analysis of the Impact of Customer Experience and Engagement on Satisfaction and Loyalty in the Body Shop's Omnichannel

Customer satisfaction and loyalty theory (Oliver 2010) holds that high satisfaction fosters loyalty, boosting retention and reducing acquisition costs. The Service-Profit Chain (Heskett et al. 1990; Heskett and Sasser 2010) links high service quality to satisfaction, loyalty, and profitability.

Empirical studies confirm that optimal channel integration and omnichannel experiences positively affect engagement, satisfaction, and loyalty (Lazaris et al. 2021; Rahman et al. 2025). Yet, these benefits are not fully evident in The Body Shop's Indonesian performance, where loyalty remains inconsistent across categories despite omnichannel implementation.

This gap between omnichannel strategy and loyalty performance necessitates empirical evaluation of customer experience and engagement's relationships with satisfaction and loyalty, as these influence profitability.

Moreover, this research matters because The Body Shop trails local and global brands in sustaining and growing its Indonesian customer base. The study aims to contribute theoretically by enriching omnichannel research on experience and engagement, and practically by guiding effective strategies for sustainable satisfaction and loyalty.

METHOD

This study used purposive sampling to select respondents based on specific criteria, including consumers who had shopped on more than one The Body Shop channel in the past 12 months. These respondents were selected to reflect the dominant omnichannel behavior in modern retail, where consumers use multiple channels to search for information and make purchases, both in physical stores and online such as apps and social media (Verhoef et al., 2007 in Khasanah et al., 2023).

This study also focused on consumers who had made purchases more than twice a year, to assess customer loyalty and engagement (Yi and Jeon, 2003; Ng et al., 2020). Data collection was conducted through an online questionnaire distributed through social media and targeted to a minimum of 100 respondents based on the number of indicators in the latent variable.

The data processing process was carried out through validity and reliability tests to ensure the validity and reliability of the questionnaire, using the Cronbach's alpha method (Ghozali, 2018). Descriptive analysis was used to describe the characteristics of respondents regarding variables such as customer experience, customer engagement, customer satisfaction, and customer loyalty, using a Likert scale.

For more complex analysis, this study used the Structural Equation Modeling – Partial Least Squares (SEM-PLS) technique, which allows the evaluation of measurement models and structural models, and provides flexibility in data processing even with relatively small samples (Ghozali, 2014; Hair et al., 2014). The SEM-PLS method is considered robust because it does not require special requirements related to measurement scales or data distribution, and can be used to analyze data with various assumptions.

RESULT AND DISCUSSION

Descriptive Analysis of Customer Experience (CX) Variables

The customer experience variables used the Strategic Experiential Modules (SEMs) theory developed by Schmidt (1999), which explains five dimensions of customer experience: sense, feel, think, act, and relate, each encompassing sensory, emotional, cognitive, behavioral,

and social experience. A total of 16 indicators were analyzed, and the results of the descriptive analysis reflect respondents' perceptions of the customer experience variables.

(a) *Sensory experience*

Sensory experience had a mean value of 4.72, which is included in the very high category. The indicator with the highest mean value was CX3 with a mean of 4.74, which illustrates that respondents' experiences on various The Body Shop channels were considered more memorable than other beauty brands. Indicator CX2 had a mean of 4.73 and CX1 of 4.71, both indicating that the visual appearance, channel feel, and quality of stimulation to the five senses provided by The Body Shop were perceived very positively. These results indicate that The Body Shop has succeeded in delivering a strong and consistent sensory experience across all customer touchpoints.

(b) *Emotional experience*

Emotional experience achieved a mean score of 4.67, which is also included in the very high category. The indicator with the highest mean score was CX5 with a mean of 4.76, indicating that respondents felt happy and comfortable when using products or interacting through The Body Shop channels. The CX4 indicator had a mean of 4.65 and CX6 of 4.60, indicating that the emotional experience felt by customers was positive. Thus, it can be concluded that The Body Shop is able to create a pleasant emotional atmosphere and support the creation of customer closeness with the brand.

(c) *Cognitive experience*

Cognitive experience had a mean score of 4.66, categorized as very high. Indicator CX8 recorded the highest mean score of 4.75. These findings indicate that the information and education delivered by The Body Shop are considered relevant, clear, and help customers process decisions rationally. Indicator CX7 had a mean score of 4.68 and CX9 a mean score of 4.57. Overall, these findings indicate that customers find it easy to understand product benefits, the clarity of information, and the value delivered through The Body Shop's various channels.

(d) *Behavioural experience*

Behavioral experience has a mean value of 4.65, which is included in the very high category. The indicator with the highest mean value is CX12 with a mean of 4.72, which reflects the high frequency of customer purchases through various channels provided by The Body Shop. Indicator CX11 has a mean of 4.58 and illustrates that customers have a strong intention to continue purchasing The Body Shop products in the future. Indicator CX10 with a mean of 4.66 shows that customer experience encourages them to be more active in accessing channels, both in searching for information and making purchases. These results confirm that the experience provided can influence real customer behavior.

(e) *Social experience*

Social experience achieved a mean score of 4.64, also in the very high category. The indicator with the highest mean score was CX14, with a mean of 4.72, indicating that respondents felt their needs were understood and met by The Body Shop through various channels. Indicator CX15 had a mean of 4.62 and CX16 of 4.61, indicating that customers felt a positive sense of social connectedness, both through interactions with the community, recommendations from fellow users, and social content provided by the brand.

Indicator CX13, with a mean of 4.58, indicated that respondents felt happy when using products they purchased through omnichannel channels. Therefore, it can be concluded that

Analysis of the Impact of Customer Experience and Engagement on Satisfaction and Loyalty in the Body Shop's Omnichannel

the social experience provided by The Body Shop has created a sense of community and positive relationships for customers.

Based on the analysis of all dimensions of customer experience, including sensory, emotional, cognitive, behavioral, and social experiences, the mean score was in the very high category, ranging from 4.64 to 4.72. These results indicate that respondents gave very positive assessments of various aspects of their experience when interacting with The Body Shop through omnichannel channels, both in physical stores, mobile applications, official websites, and e-commerce platforms.

Descriptive Analysis of Customer Engagement (CE) Variables

The customer engagement variables were analyzed using the Customer Engagement Value matrix developed by Kumar et al. (2010). This matrix describes customer behavior from three main perspectives: behavioral, attitudinal, and network. These three perspectives were then used to assess four components of Customer Value: Customer Lifetime Value (CLV), Customer Referral Value (CRV), Customer Influencer Value (CIV), and Customer Knowledge Value (CKV). A total of 12 indicators were analyzed, along with the results of the descriptive analysis of respondents' perceptions of the customer experience variables.

(a) Behavioural

The behavioral engagement dimension has a mean value of 4.53, which is included in the very high category. The indicator with the highest mean value is CE1 at 4.79, which indicates that respondents frequently take concrete actions related to the brand, such as purchasing through online or offline channels. Indicator CE2 has a mean of 4.70, which illustrates the tendency of customers to remain active in using or purchasing The Body Shop products.

Indicator CE3 has a mean of 4.43 and CE4 at 4.22, which indicates that respondents continue to engage in interactions or other activities that reflect behavioral engagement, although the intensity is slightly lower than the other indicators. Overall, these results indicate that customers have a strong behavioral tendency to continue interacting and making purchases with The Body Shop brand.

(b) Attitudinal

The attitudinal engagement dimension has a mean value of 4.68, which is the highest average value among the three dimensions and is therefore categorized as very high. Indicator CE5 recorded a mean of 4.85, indicating that respondents have very high enthusiasm and emotional attachment to the brand. Indicator CE7 had a mean of 4.78, indicating that customers have a positive attitude and strong attention to the content, products, and information provided by The Body Shop.

Indicator CE6 had a mean of 4.71 and CE8 of 4.40, indicating that customers have very good preferences and perceptions of the shopping experience, product information, and value provided by the brand. Overall, these results confirm that in terms of attitude and perception, customers feel very connected and show a strong emotional commitment to The Body Shop.

(c) Network

The network engagement dimension had a mean score of 4.47, also categorized as very high. Indicator CE9 had a mean score of 4.63, indicating that customers tend to engage with their social networks, such as providing reviews, sharing experiences, or making

recommendations on various platforms. Indicators CE10 and CE11 had a mean score of 4.42 each, indicating that respondents tend to maintain interaction through digital channels and maintain engagement in user communities. Indicator CE12 had a mean score of 4.40, indicating that customers are willing to engage in social networks by sharing experiences or information about the brand. These results indicate that customer engagement in The Body Shop's social networks and communities is at a very high level.

Overall, all dimensions of customer engagement—behavioral, attitudinal, and network engagement—showed mean scores in the very high category, ranging from 4.47 to 4.68. These results illustrate that respondents gave a very positive assessment of their various forms of engagement with The Body Shop, both in terms of behavior, attitude, and social networking activities.

Descriptive Analysis of Customer Satisfaction (CS) Variables

The customer satisfaction variable uses the theory from Zeithaml (2017) which states that customer satisfaction is determined by four main dimensions, namely product and service features, customer emotions, attributions, and perceptions of equity or fairness. A total of 9 indicators were analyzed and the results of descriptive analysis of respondents' perceptions of the customer experience variable.

(a) *Product and Service Features*

The product and service features dimension has a mean value of 4.71, which is included in the very high category. The CS1 indicator has the highest mean of 4.85, which indicates that customers are satisfied with the product features they use, including the benefits, quality, and performance of The Body Shop products. The CS2 indicator has a mean of 4.58, which illustrates that customers are satisfied with the services received, both when interacting through online and offline channels. Overall, these results indicate that The Body Shop's product and service features are able to meet customer expectations very well.

(b) *Customer Emotions*

The customer emotions dimension had a mean score of 4.69, categorized as very high. The CS3 indicator had a mean score of 4.58, indicating that respondents experienced positive emotions when using The Body Shop products. The CS4 indicator had a mean score of 4.80, indicating that the shopping experience through various channels created feelings of comfort, pleasure, and satisfaction. These findings indicate that the use of The Body Shop products and the purchasing process provide excellent emotional experiences for customers.

(c) *Attributions*

The attributions dimension has a mean value of 4.49, which is also included in the very high category. Indicator CS5 has a mean of 4.43, and indicator CS6 has a mean of 4.55, indicating that customers assess their satisfaction is influenced by factors they can attribute to the quality of service and the company's efforts in meeting their needs. These results indicate that customers perceive The Body Shop as having made a reasonable and consistent effort in providing a satisfying experience.

(d) *Perceptions of Equity or Fairness*

The perceptions of equity or fairness dimension had a mean score of 4.61, falling into the very high category. The indicator with the highest mean score was CS7 at 4.75, indicating that customers felt they were treated fairly both during the purchasing process and during product use. Indicator CS8 had a mean score of 4.74, indicating that customers felt the value they

received was commensurate with the effort or expense they incurred. Indicator CS9 had a mean score of 4.33, which, although slightly lower, remains in the high category and indicates that customers felt their experience was still fairly fair overall. These findings indicate that customers perceive The Body Shop's service system, product quality, and value offering as fair and commensurate with their expectations.

Based on the analysis of all dimensions of customer satisfaction—product and service features, customer emotions, attributions, and perceptions of equity or fairness—the mean scores were in the very high category, ranging from 4.49 to 4.71. These results indicate that respondents gave very positive assessments of various aspects of satisfaction they experienced when interacting with The Body Shop through omnichannel channels.

Descriptive Analysis of Customer Loyalty (CL) Variables

The customer loyalty variable uses the theory developed by Kotler and Keller (2016). This theory explains that customer loyalty is demonstrated through repeat purchases, retention, and referrals. A total of nine indicators were analyzed, and the results of the descriptive analysis reflect respondents' perceptions of the customer experience variable.

(a) Repeat

The repeat dimension has a mean value of 4.84, which is the highest value among all dimensions and is included in the very high category. The CL1 indicator has the highest mean of 4.89, which indicates that customers have a very strong willingness to repurchase The Body Shop products through various channels, including physical stores, websites, applications, and social media. The CL2 indicator has a mean of 4.78, which also indicates that customers tend to make repeat purchases consistently. These findings indicate that customers have a very positive behavioral tendency in making repeat purchases, thus becoming the main foundation of customer loyalty.

(b) Retention

The retention dimension has a mean of 4.48, which is included in the very high category. The CL3 indicator has a mean of 4.51, which indicates that customers tend to stick with The Body Shop products and do not easily switch to other brands. The CL4 indicator has a mean of 4.45, which indicates that customers are committed to staying with the brand despite the many alternative choices in the market. These results indicate that customers have a high level of stability in maintaining a long-term relationship with The Body Shop.

(c) Referral

The referral dimension had a mean score of 4.55, categorized as very high. Indicator CL5 had a mean score of 4.80, indicating that respondents were willing to recommend The Body Shop to others and felt comfortable sharing their positive experiences. Indicator CL6 had a mean score of 4.31, still in the high category, indicating that customers were willing to promote the brand and its shopping channels through personal recommendations or social media. These findings illustrate that customers are not only loyal in terms of purchases but also act as brand advocates, actively providing support through recommendations. Overall, the customer loyalty variable had a very high mean score across all dimensions, ranging from 4.48 to 4.84. These results indicate that respondents gave very positive assessments of repeat purchases, retention, and willingness to provide recommendations.

SEM-PLS Analysis Results

This study used primary data obtained through online questionnaires completed by 161 respondents. Partial analysis data processing used SEM (Structural Equation Modeling) with a PLS (Partial Least Squares) approach using SmartPLS 3 software. The SEM-PLS analysis method consists of two evaluation stages: the outer model evaluation and the inner model evaluation. The outer model evaluation aims to examine the relationship between latent variables and manifest variables, while the inner model evaluation examines the relationship between latent variables (variables that cannot be directly measured because their quantities are unknown) (Hair et al. 2019).

Measurement Model Evaluation Analysis (Outer Model)

In the first stage (stage one), an evaluation of the measurement model (outer model) was conducted to assess the latent constructs at the dimensional level. This study included four variables: customer experience, customer engagement, customer satisfaction, and customer loyalty. Each variable was measured through the following dimensions: customer experience with five dimensions (sensory, emotional, cognitive, behavioral, and social); customer engagement with three dimensions (behavior, attitude, and network); customer satisfaction with four dimensions (product and service features, emotions, attributions, and perceived fairness); and customer loyalty with three dimensions (repurchase, retention, and recommendation). The model analysis in stage one involved three tests: convergent validity, discriminant validity, and construct reliability (Hair et al., 2022).

(1) Convergent Validity

Convergent validity testing in stage one was conducted by evaluating the loading factor values of each indicator in each dimension, while also considering the Average Variance Extracted (AVE) value. An indicator is considered valid if its loading factor is above 0.70 (Savitri et al. 2021) and its AVE value is above 0.50 (Hair et al. 2022).

The customer experience variable consists of sixteen indicators with loading factor values between 0.766 and 0.831, which describe consumers' experiences when interacting with The Body Shop through various channels. The indicator with the highest loading is CX7 (0.831), which indicates comfort and ease when shopping, followed by CX11 (0.812) which indicates clarity of product information and CX12 (0.804) which reflects an attractive visual display.

For the customer engagement variable, indicators CE1 to CE12 have loading values between 0.716 and 0.869, with CE6 (0.869) indicating respondents' enthusiasm in interacting with the brand. Indicator CE5 (0.865) describes repurchase intention, while CE7 and CE8 (0.851 and 0.793) indicate attention to brand information and activities. The customer satisfaction variable, with nine indicators, has loading values between 0.730 and 0.917, with CS7 (0.917) indicating satisfaction with service quality, CS1 and CS2 (0.872 and 0.866) reflecting the suitability of product features to customer needs, and CS4 (0.888) indicating a positive emotional experience. Finally, the customer loyalty variable has six indicators with loading values between 0.769 and 0.901, with CL2 (0.901) indicating repurchase willingness and CL5 (0.769) describing the tendency to recommend the brand to others, indicating strong customer loyalty.

Furthermore, based on the results of the Average Variance Extracted (AVE) measurement at the variable level, all research variables met the convergent validity criteria

Analysis of the Impact of Customer Experience and Engagement on Satisfaction and Loyalty in the Body Shop's Omnichannel

with AVE values above 0.50. The AVE values for each variable ranged from 0.637 to 0.735, indicating that the construct adequately explained the variance of its indicators (Hair et al. 2022). The customer loyalty variable had the highest AVE value of 0.735, indicating that the loyalty indicators had the strongest representation power compared to other variables. Meanwhile, customer engagement and customer experience also demonstrated good AVE values, confirming that the constructs used had adequate convergent validity. The AVE values for each variable are presented in Table.

Table 1. AVE (Average Variance Extracted) Values

Latent Variable	AVE
<i>Customer Experience</i>	0.644
<i>Customer Engagement</i>	0.637
<i>Customer Satisfaction</i>	0.697
<i>Customer Loyalty</i>	0.735

Source: Processed data (2025)

(2) Discriminant Validity

The results of the cross-loading value measurements for each dimension are presented in Table.

Table 1. Cross-loading Values

Indicator Code	Customer Experience	Customer Engagement	Customer Satisfaction	Customer Loyalty
CX1	0.766	0.480	0.506	0.499
CX2	0.827	0.562	0.530	0.529
CX3	0.780	0.522	0.482	0.522
CX4	0.823	0.549	0.535	0.534
CX5	0.809	0.558	0.462	0.533
CX6	0.800	0.537	0.467	0.495
CX7	0.831	0.557	0.532	0.513
CX8	0.824	0.555	0.549	0.523
CX9	0.779	0.505	0.473	0.454
CX10	0.778	0.561	0.517	0.468
CX11	0.782	0.645	0.523	0.582
CX12	0.801	0.503	0.473	0.463
CX13	0.788	0.590	0.482	0.519
CX14	0.812	0.526	0.551	0.511
CX15	0.804	0.522	0.493	0.524
CX16	0.828	0.619	0.570	0.598
CE1	0.450	0.745	0.672	0.658
CE2	0.555	0.788	0.621	0.630
CE3	0.578	0.775	0.598	0.613
CE4	0.478	0.716	0.514	0.602
CE5	0.611	0.869	0.783	0.793
CE6	0.603	0.865	0.713	0.730
CE7	0.557	0.851	0.721	0.722
CE8	0.526	0.793	0.667	0.634
CE9	0.531	0.815	0.609	0.687
CE10	0.558	0.764	0.604	0.605
CE11	0.578	0.756	0.482	0.560
CE12	0.547	0.820	0.536	0.632

Indicator Code	Customer Experience	Customer Engagement	Customer Satisfaction	Customer Loyalty
CS1	0.611	0.806	0.872	0.808
CS2	0.574	0.648	0.866	0.670
CS3	0.479	0.607	0.802	0.589
CS4	0.543	0.715	0.888	0.760
CS5	0.443	0.557	0.730	0.599
CS6	0.534	0.635	0.807	0.680
CS7	0.556	0.690	0.841	0.693
CS8	0.598	0.707	0.917	0.721
CS9	0.401	0.537	0.774	0.603
CL1	0.512	0.758	0.796	0.901
CL2	0.577	0.720	0.731	0.884
CL3	0.561	0.645	0.582	0.825
CL4	0.579	0.708	0.691	0.857
CL5	0.585	0.781	0.784	0.900
CL6	0.516	0.618	0.608	0.769

Source: Processed data (2025)

(3) Construct Reliability

Construct reliability testing was conducted to assess the reliability, consistency, and accuracy of each dimension in representing its construct. This testing was conducted using two measures: Cronbach's alpha and composite reliability. The results of these two values can be seen in Table.

Table 3. Cronbach's alpha and composite reliability values

	Cronbach's Alpha	Composite Reliability
<i>Customer Experience</i>	0.963	0.967
<i>Customer Engagement</i>	0.948	0.954
<i>Customer Satisfaction</i>	0.945	0.954
<i>Customer Loyalty</i>	0.927	0.943

Source: Processed data (2025)

Structural Model Evaluation Analysis (Inner Model)

The R-Square value indicates the ability of exogenous variables to explain endogenous variables in the research model. The customer engagement variable has an R-Square value of 0.472, indicating that customer experience can explain 47.2% of customer engagement. Furthermore, the customer satisfaction variable has an R-Square value of 0.644, indicating that customer experience and customer engagement simultaneously explain 64.4% of customer satisfaction.

The highest R-Square value is found for the customer loyalty variable, at 0.757, indicating that customer experience, customer engagement, and customer satisfaction together explain 75.7% of customer loyalty. Overall, these three R-Square values indicate that the constructed structural model has good explanatory power, with a moderate to strong level of explanation for the relationships between the variables in the study.

The next step is bootstrapping to determine the significance of the influence of the exogenous latent variables on the endogenous latent variables by examining the t-values for each path. The bootstrapping results display the path coefficient values, consisting of the

original sample, T-statistics, and P-values. The original sample values indicate the direction of the relationship between the variables, whether positive or negative. While the T-statistics values are used to assess the significance of the hypothesized influence by comparing whether the T-statistics value is greater than the t-table (1.96), thus accepting the hypothesis. Meanwhile, the P-values for each variable are <0.05. The complete path coefficient results are presented in Table.

Table 5. Path Coefficient Values

	Original Sample	T-Statistics	P-Values	Hypothesis
<i>Customer Experience -> Customer Engagement</i>	0.687	9.434	0	Accepted
<i>Customer Experience -> Customer Satisfaction</i>	0.173	2.322	0.021	Accepted
<i>Customer Engagement -> Customer Satisfaction</i>	0.673	8.307	0	Accepted
<i>Customer Engagement -> Customer Loyalty</i>	0.472	5.403	0	Accepted
<i>Customer Satisfaction -> Customer Loyalty</i>	0.447	4.944	0	Accepted

Source: Processed data (2025)

(1) Customer Experience and Customer Engagement

The results of the structural model analysis indicate that customer experience has a positive and significant effect on customer engagement, with a path coefficient of 0.687 and a T-Statistic value of 9.434. This finding is in line with Schmitt's (1999) Experiential Marketing concept, which emphasizes the importance of five strategic modules—sense, feel, think, act, and relate—in building emotional, cognitive, and social relationships between customers and brands.

This study revealed that memorable experiences increase engagement in the attitudinal aspect, specifically influencing repurchase intentions, which reflect affective and cognitive involvement (Kumar et al., 2010). Overall, the positive emotional experiences, service consistency, and perceived value developed by The Body Shop strengthen customer engagement, support repurchase intentions, share experiences, and maintain long-term relationships, so that hypothesis H1 is accepted.

(2) Customer Experience and Customer Satisfaction

The results of the SEM-PLS test show that customer experience has a positive and significant effect on customer satisfaction, with an original sample value of 0.672 and a T-Statistic of 10.546. This finding indicates that the quality of the experience obtained by customers, both functional and emotional, contributes to a satisfactory evaluation, in accordance with Schmitt's (1990) concept which states that experience is formed through sensory, affective, cognitive, and behavioral stimuli. Thus, hypothesis H2 is accepted.

(3) Customer Engagement and Customer Satisfaction

The results of the SEM-PLS analysis show that customer engagement has a positive and significant effect on customer satisfaction, with an original sample value of 0.673 and a T-Statistic of 8.307. This finding indicates that the higher the customer engagement in activities related to The Body Shop, the greater their tendency to feel satisfied with the products and services.

This engagement includes participation in brand interactions, attention to content, and psychological commitment formed during the relationship with the company. Theoretically, this result is consistent with the view of Islam et al. (2019) who stated that customer

engagement strengthens relationships with brands and increases positive evaluations of customer experiences. Thus, hypothesis H3 is accepted.

(4) Customer Engagement and Customer Loyalty

The results of the SEM-PLS analysis show that customer engagement has a positive and significant effect on customer loyalty, with an original sample value of 0.472 and a T-Statistic of 5.403. This finding indicates that the higher the customer engagement in interactions with The Body Shop, the more likely they are to remain loyal and make repeat purchases. This engagement is reflected in behavioral participation, positive attitudes towards the brand, and connectedness through social networks, which strengthens the customer's relationship with the company. Theoretically, this result is consistent with the understanding that customer engagement is a major factor in forming loyalty. Therefore, hypothesis H4 is accepted.

(5) Customer Satisfaction and Customer Loyalty

The results of the SEM-PLS analysis show that customer satisfaction has a positive and significant effect on customer loyalty, with an original sample value of 0.447 and a T-Statistics of 4.944. This finding indicates that the greater the level of customer satisfaction with the products, services, and experiences provided by The Body Shop, the greater their tendency to remain loyal, make repeat purchases, and recommend the brand. Hypothesis H5 is accepted.

Based on the results of the structural model evaluation (inner model), this study shows that the relationship between variables in the model has strong explanatory power, with R-Square values for endogenous variables and path coefficients between latent variables that are integrated with each other. The influence of customer engagement on customer loyalty ($\beta = 0.472$) is greater than the influence of customer satisfaction on customer loyalty ($\beta = 0.447$), which indicates that in the context of The Body Shop's omnichannel, customer loyalty is more influenced by the extent to which customers feel involved with the brand rather than simply feeling satisfied with the product or service.

This finding indicates that customer engagement plays a key role in the formation of customer loyalty, functioning as a link that strengthens experience and satisfaction into a long-term relationship with the brand (Khalid, 2024; Osman et al., 2022). Engaged customers tend to make repeat purchases, show greater commitment, actively interact, and recommend the brand. Thus, this study confirms that The Body Shop's omnichannel strategy needs to focus more on building and activating sustainable customer engagement to create stronger loyalty (Caiola et al., 2018; Hermans et al., 2024).

CONCLUSION

The study reveals that most respondents were women aged 18–30 with high school to college education, working as students, college students, or young professionals, and they are active The Body Shop users engaging via omnichannel channels like physical stores, websites, apps, and e-commerce platforms. Customer experience positively influences engagement and satisfaction, both of which boost loyalty, validating the effectiveness of The Body Shop's omnichannel strategy in fostering customer relationships—though it falls short of securing top-of-mind status in Indonesia's cosmetics market, implying external factors affect brand strength and recall. For future research, I suggest expanding the model to incorporate variables like price sensitivity, influencer impact, and cultural preferences (e.g., halal certification) through a mixed-methods approach with longitudinal data to better explain loyalty gaps.

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Analysis of the Impact of Customer Experience and Engagement on Satisfaction and Loyalty in the Body Shop's Omnichannel

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