

THE ROLE OF VALUE CO-CREATION IN MEDIATING THE EFFECT OF SOCIAL MEDIA MARKETING ON PURCHASE INTENTION FOR ENDEK PRODUCTS IN DENPASAR

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Abstract

The increasingly intense competition in the textile and apparel industry, coupled with the growing use of social media in marketing activities, requires endek product businesses to enhance consumers' purchase intention. Endek products, as one of Bali's local cultural heritages, face various challenges, including fluctuating sales, the suboptimal utilization of social media marketing, and low consumer engagement in the value co-creation process, all of which affect consumers' purchase intention in Denpasar City. This study aims to analyze the role of value co-creation in mediating the effect of social media marketing on purchase intention for endek products in Denpasar City using a sample of 110 respondents. This research employed a quantitative approach with a purposive sampling method, while data were collected through the online distribution of questionnaires. The data analysis techniques included validity testing, reliability testing, path analysis, classical assumption testing, the Sobel test, and the Variance Accounted For (VAF) test using IBM SPSS Statistics version 27. The findings indicate that social media marketing has a positive and significant effect on both purchase intention and value co-creation. Furthermore, value co-creation also has a positive and significant effect on purchase intention and partially mediates the effect of social media marketing on purchase intention. These findings reinforce the application of the Service-Dominant Logic (SDL) theory. The practical implications of this study suggest that endek product businesses should improve the quality of their social media content and strengthen consumer engagement to enhance purchase intention.

Keywords: Purchase intention, Value co-creation, Social media marketing

INTRODUCTION

The textile and apparel industry in Indonesia has experienced rapid growth in line with the increasing demand for diverse, high-quality clothing products that keep pace with modern fashion trends (Respati & Ika, 2025). This trend is also reflected in Bali Province, where the textile and apparel manufacturing subsector continues to contribute significantly to the regional economy. As the administrative and commercial center of Bali Province, Denpasar City has witnessed an increase in the number of apparel businesses from 610 units in 2020 to 691 units in 2024, accompanied by a substantial rise in investment value, reaching more than IDR 13 trillion in 2024 (Denpasar City Department of Industry and Trade, 2025). This growth indicates that

the apparel industry offers expanding opportunities for development, including for Endek businesses as one of the region's flagship products.

Endek is a traditional Balinese woven fabric that represents both cultural heritage and economic value. Its use is no longer limited to traditional ceremonies but has expanded to include office attire, school uniforms, and high-value fashion products. This expansion has been supported by the Bali Provincial Government through Governor of Bali Circular Letter Number 4 of 2021 concerning the Use of Balinese Endek Woven Fabric/Traditional Balinese Woven Fabric, which promotes both the preservation and development of Endek products (Baliprov, 2021). In addition, the advancement of digital technology has created new opportunities for Endek businesses to expand their market reach through social media. The internet penetration rate in Denpasar City, which reached 87.54 percent—the highest in Bali Province—indicates that social media has considerable potential as a digital marketing channel for reaching a broader consumer market (BPS, 2024).

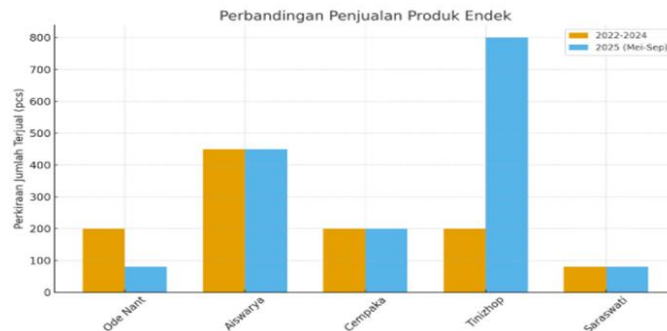
Kotler and Keller (2016:27), marketing is a process through which companies create value for customers, build strong customer relationships, and capture value from customers in return. In the digital era, these marketing activities are increasingly carried out through social media platforms, enabling businesses to communicate with consumers more effectively and interactively. Social media marketing has become one of the most widely adopted digital marketing strategies because it enables businesses to disseminate information, establish two-way communication, and strengthen relationships with consumers (Zeqiri et al., 2024). The use of social media platforms such as Instagram, Facebook, and TikTok allows businesses to promote their products in a more engaging and interactive manner.

Purchase intention is considered an important indicator for evaluating the effectiveness of digital marketing strategies implemented by businesses (Hanif, 2025). It reflects consumers' willingness and readiness to purchase a product and can therefore be used to assess the effectiveness of promotional content, consumer interactions, and marketing messages delivered through social media. Consequently, effective social media marketing is expected to strengthen consumers' purchase intention by providing relevant information, fostering engagement, and creating positive perceptions of the product.

Although social media has been actively utilized, a survey of sales data from five endek businesses revealed inconsistent sales performance over time, as illustrated in Figure 1. These five endek businesses were selected based on specific considerations, namely that they actively market their products through social media, possess similar business characteristics (selling endek fabrics or derivative products), were willing to provide sales information, and had accessible sales data that could illustrate the research phenomenon. The selection of these five businesses served as a

preliminary survey to obtain a general overview of digital marketing practices and sales trends of endek products in Denpasar City.

Figure 1. Sales Data from Five Endek Businesses



Source: (Sales Data Collected from Five Endek Businesses, 2025)

The discrepancy between sales performance and the intensity of social media utilization among endek businesses indicates that the implemented digital marketing strategies have not been fully effective in increasing consumer interest or purchase decisions. This condition highlights the importance of more targeted marketing strategies to optimize the use of social media in enhancing purchase intention. This study also examines one of the businesses that has experienced similar sales fluctuations, namely Tenun Ikat Saraswati. This business specializes in providing endek fabrics, souvenirs, and custom-made ready-to-wear uniforms and is located at Jalan Pulau Sebatik No. 45, Denpasar.

Tenun Ikat Saraswati is one of the endek businesses that actively utilizes social media for marketing purposes. Based on an interview with staff member of Tenun Ikat Saraswati, it was revealed that the business's social media content uploads remain inconsistent. Although content is occasionally uploaded on a regular basis, audience reach remains limited because the business does not utilize paid advertising features, which require additional costs for each post. Even when these paid features are used, the results have not led to increased sales. Most consumers merely view the uploaded content, while only a small proportion provide further responses, such as commenting, asking questions, or expressing interest in purchasing. This condition indicates that the use of social media as a marketing channel has not produced a meaningful impact on sales growth.

These findings indicate that social media marketing alone is not sufficient to increase consumers' purchase intention. Promotional content is more effective when it creates emotional engagement, provides added value, and encourages consumer participation in the value co-creation process. According to Tito et al. (2024), product value is created not only by firms but also through consumers' active involvement in value co-creation. Furthermore, Pradnyani et al. (2024) argue that consumer engagement emerges when social media content stimulates interaction, delivers

meaningful experiences, and offers relevant value. Therefore, purchase intention is influenced not only by attractive promotional content but also by consumers' level of participation and engagement, such as comments, mentions, and recommendations, which strengthen trust and increase the intention to purchase Endek products.

The results of a pre-survey conducted among 30 consumers of Endek products in Denpasar City indicate that most respondents have obtained information about Endek products through social media. However, not all of them have developed an intention to purchase these products. The pre-survey also revealed that while most respondents are willing to provide feedback to business owners, not all of them feel that their involvement receives an adequate response. This phenomenon suggests that social media marketing activities have not been fully effective in increasing consumers' purchase intention, as they have not been accompanied by consumers' active involvement in the value co-creation process.

The Service-Dominant Logic (SDL) theory explains that the value of a product is not created solely by producers but is jointly created through collaboration between businesses and consumers (Vargo & Lusch, 2004). In this perspective, consumer involvement is referred to as value co-creation, a marketing and management concept that emphasizes collaboration between firms and consumers in creating value for products or services (Al Hazmi et al., 2024). More specifically, value co-creation is defined as the process of jointly creating value through interactions, information exchange, shared experiences, and feedback between businesses and consumers (Alicia et al., 2024). Through social media, consumers no longer act as passive recipients of information but instead actively participate by sharing ideas, experiences, and recommendations that can enhance product value while simultaneously strengthening purchase intention.

Previous studies have demonstrated that social media marketing has a positive and significant effect on purchase intention (Sutariningsih & Widagda, 2021; Winarno & Indrawati, 2022). However, inconsistent findings have also been reported. Chan et al. (2020) and Hidayati et al. (2024) found that social media marketing does not always have a significant effect on purchase intention, suggesting that the effectiveness of digital marketing depends on the communication strategies employed and the extent of consumers' active participation.

Accordingly, the concept of value co-creation has become increasingly relevant. Hussain et al. (2022) emphasized that value co-creation plays a crucial role in shaping consumers' purchase intention by actively involving them in the value creation process. Consistent with this view, Al Hazmi et al. (2024) found that social media marketing positively influences the development of value co-creation, which subsequently enhances purchase intention. In addition, Angelo et al. (2020) and Nasution et al. (2023) reported that value co-creation has a positive and significant effect on purchase intention. Nevertheless, studies examining the mediating role of

value co-creation in the relationship between social media marketing and purchase intention, particularly in the context of local cultural products such as Endek products in Denpasar City, remain limited. This indicates both an empirical gap, reflected in the inconsistent findings regarding the direct effect of social media marketing on purchase intention, and a contextual gap, as the mediating role of value co-creation has received limited attention in studies of local cultural products. Therefore, this relationship deserves further examination.

This study aims to examine the effect of social media marketing on purchase intention, the effect of social media marketing on value co-creation, the effect of value co-creation on purchase intention, and the mediating role of value co-creation in the relationship between social media marketing and purchase intention for Endek products in Denpasar City.

Social media marketing is a digital marketing strategy that utilizes various social media platforms to build relationships with consumers, disseminate information, and influence consumers' perceptions, interests, and purchasing decisions through engaging, interactive, and easily shareable content. Engaging and relevant social media content has been shown to create positive perceptions that influence consumers' purchase intention. Sutariningsih and Widagda (2021) found that social media marketing has a positive and significant effect on purchase intention, particularly when social media platforms provide up-to-date information and facilitate online interaction. This finding is supported by Alnaser et al. (2024), Nudin and Nurlinda (2023), Rahaman et al. (2022), Chetoui et al. (2020), and Winarno and Indrawati (2022), all of whom reported a positive relationship between social media marketing and purchase intention. Therefore, the first hypothesis is proposed as follows:

H1: Social media marketing has a positive and significant effect on purchase intention.

An attractive, consistent, and interactive social media marketing strategy can enhance consumer engagement in value co-creation (Tito et al., 2024). Hussain et al. (2022) further argued that consumers are more willing to contribute ideas and feedback when brands provide entertaining and interactive content. A study by Widiastuari et al. (2023) involving Endek consumers in Denpasar found that social media marketing has a positive and significant effect on value co-creation. Similar findings have been reported by Zollo et al. (2020), Astuti et al. (2024), and Al Hazmi et al. (2024). Accordingly, the second hypothesis is formulated as follows:

H2: Social media marketing has a positive and significant effect on value co-creation.

Value co-creation refers to the collaborative process through which businesses and consumers jointly create value by exchanging information, experiences, ideas, and feedback. Such participation enables consumers to better understand a product, develop stronger emotional connections with the brand, and ultimately strengthen their purchase intention (Solakis et al., 2022). Li (2024) demonstrated that the greater

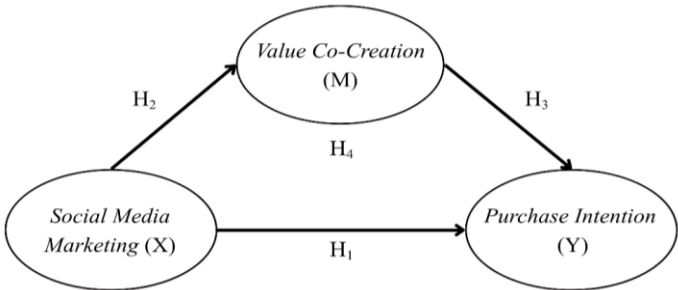
the intensity of customer participation in value co-creation, the stronger their intention to purchase. These findings are consistent with those reported by Angelo et al. (2020), Tilaar et al. (2023), Nasution et al. (2023), and Sun et al. (2022). Therefore, the third hypothesis is proposed as follows:

H3: Value co-creation has a positive and significant effect on purchase intention.

Social media platforms provide an open communication environment that enables consumers and businesses to engage in value co-creation through the exchange of experiences, knowledge, and feedback. From the perspective of Service-Dominant Logic (SDL), value is created through customers' interpretations of their experiences (Cheung & To, 2021). Consequently, social media marketing not only directly influences purchase intention but also indirectly enhances consumers' purchase intention by encouraging their participation in value co-creation activities. Hussain et al. (2022) found that value co-creation mediates the effect of social media marketing on purchase intention. This finding is further supported by Alhumud and Elshaer (2024) and Widiastuari et al. (2023), who reported that value co-creation partially mediates the relationship between social media marketing and repurchase intention among Endek consumers. Based on these arguments, the fourth hypothesis is formulated as follows:

H4: Value co-creation mediates the relationship between social media marketing and purchase intention.

Figure 2. Conceptual Framework



Source: (Compiled by the authors, 2026)

RESEARCH METHOD

This study employed a quantitative approach with a causal associative research design to analyze the effect of social media marketing on purchase intention, with value co-creation serving as the mediating variable among consumers of endek products in Denpasar City. The selection of Denpasar City as the research location was based on its high level of economic activity, strong purchasing power, and the highest internet penetration rate in Bali Province at 87.54%, making it a representative setting for examining consumer behavior toward digital marketing. The research variables consisted of social media marketing as the independent variable, purchase intention as the dependent variable, and value co-creation as the mediating variable. These

variables were measured using indicators adopted from previous studies in accordance with the operational definitions of each variable (Sugiyono, 2019; Charles & Kanani, 2025; Syah & Olivia, 2022; Al Hazmi et al., 2024; Zeqiri et al., 2024).

The study population comprised prospective consumers of endek products in Denpasar City who were familiar with the products but had never purchased them, and therefore constituted an unknown population. The study sample consisted of 110 respondents selected using a non-probability sampling technique with a purposive sampling approach based on the following criteria: residing in Denpasar City, being at least 17 years old, having an intention to purchase endek products, and actively using social media. Data were collected through an online questionnaire administered via Google Forms using a five-point Likert scale and were supported by both primary and secondary data. The research instrument satisfied the validity criteria, with correlation coefficients ≥ 0.30 and significance values < 0.05 , as well as the reliability criterion, with Cronbach's Alpha values > 0.60 , indicating that it was appropriate for data collection (Sugiyono, 2019).

The data were analyzed using descriptive and inferential statistical methods. Hypothesis testing was conducted through path analysis to examine both the direct and indirect effects among variables. This analysis was complemented by classical assumption tests, including tests of normality, multicollinearity, and heteroscedasticity, to ensure that the regression model satisfied the required assumptions. Furthermore, the mediating role of value co-creation was examined using the Sobel Test and Variance Accounted For (VAF) to determine the significance and type of mediation, thereby providing a comprehensive understanding of the relationships among social media marketing, value co-creation, and purchase intention among consumers of endek products (Sugiyono, 2019; Ghozali, 2018; Sholihin & Ratmono, 2013).

RESULT AND DISCUSSION

Respondent Characteristics

Table 1. Respondent Characteristics

No	Variable	Classification	Frequency (n)	Percentage
1	Gender	Male	36	32,7%
		Female	74	67,3%
		Total	110	100%
2	Age	17–22 Years	78	70,9%
		23–28 Years	21	19,1%
		29–34 Years	5	4,5%
		35–40 Years	1	0,9%
		≥ 41 Years	5	4,5%
	Total		110	100%

3	Highest Educational Attainment	Senior High School or Equivalent	68	61,8%
		Diploma	7	6,4%
		Bachelor's Degree	32	29,1%
		Postgraduate Degree	3	2,7%
Total			110	100%
4	Occupation	Student	80	72,7%
		Private Employee	16	14,5%
		Civil Servant	8	7,3%
		Entrepreneur	3	2,7%
		Others	3	2,7%
Total			110	100%
5	Monthly Income/Allowance	< Rp 1.000.000	22	20,0%
		≥ IDR 1.000.000 s.d. < IDR 2.000.000	41	37,3%
		≥ IDR 2.000.000 s.d. < IDR 3.000.000	21	19,1%
		≥ IDR 3.000.000 s.d. < IDR 5.000.000	25	22,7%
		≥ IDR 5.000.000 s.d. < IDR 10.000.000	1	0,9%
		> Rp 10.000.000	0	0%
Total			110	100%

Source: (Processed data, 2026)

Table 1 shows that the majority of respondents were female (67.3%), aged 17–22 years (70.9%), had completed senior high school or equivalent as their highest level of education (61.8%), were students (72.7%), and had a monthly income or allowance ranging from IDR 1,000,000 to less than IDR 2,000,000 (37.3%). This profile indicates that consumers of Endek products in Denpasar City are predominantly young people who actively use social media, making them highly relevant to the study's focus on social media marketing strategies.

Description of Research Variables

Based on the descriptive analysis of the research variables, all variables received positive assessments according to the measurement criteria used, in which the score range of 3.41–4.20 was categorized as high/good. The purchase intention variable obtained an average score of 3.71 (high), indicating that respondents had a strong intention to purchase endek products. The highest-rated indicator was consideration of purchasing endek products (3.77), while the lowest-rated indicator was the intention to purchase in the near future (3.66), although it remained within the high category. The value co-creation variable obtained an average score of 3.80 (high), indicating a high level of consumer involvement in providing feedback, sharing experiences, and interacting with business actors. The highest-rated indicator was consumers' willingness to provide suggestions for improving product quality (3.84), while the lowest-rated indicator was the tendency to ask sellers questions about the products (3.78). Meanwhile, the social media marketing variable obtained an average score of 3.71 (good), indicating that marketing activities through social media had been implemented effectively, particularly in terms of presenting content aligned with

current trends (3.74). The use of social media as a means of seeking information about endek products received the lowest score (3.65), although it remained within the good category.

Path Analysis Test

This study employed path analysis to examine causal relationships among variables because this method is capable of comprehensively analyzing both direct and indirect effects through a mediating variable. The analysis was conducted to examine the effect of social media marketing on the purchase intention of endek product consumers and the role of value co-creation as a mediating variable in this relationship. The analytical stages began with the formulation of hypotheses and structural equation models, including the effect of social media marketing on purchase intention, the effect of social media marketing on value co-creation, the effect of value co-creation on purchase intention, and the indirect effect of social media marketing on purchase intention through value co-creation. Based on these hypotheses, sub-structural equation 1 was formulated as $M = \beta_2 X + e_1$, while sub-structural equation 2 was formulated as $Y = \beta_1 X + \beta_3 M + e_2$. The effect of social media marketing on value co-creation in sub-structural model 1 was tested using IBM SPSS Statistics 27, and the results are presented in Table 2.

Table 2. Results of Sub-Structural Path Analysis 1

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	12,055	1,218		9,894	<0,001
Social media marketing	0,213	0,080	0,249	2,675	0,009
R ² : 0,062					
F Statistic : 7,157					
Sig. F : 0.009					

Source: (Processed data, 2026)

Based on the path analysis results presented in Table 1, the sub-structural equation is expressed as $M = 0.249X$. The β_2 value of 0.249 indicates that social media marketing has a positive effect on value co-creation. This means that an increase in social media marketing will increase value co-creation for endek products in Denpasar City by 0.249. The magnitude of the effect of the independent variable on the dependent variable, as indicated by the coefficient of determination (R square) of 0.062, means that 6.2 percent of the variation in value co-creation is influenced by social media marketing, while the remaining 93.8 percent is explained by other factors not included in the research model.

Furthermore, to determine the effects of social media marketing and value co-creation on purchase intention, an analysis of sub-structural model 2 was conducted. The results of the sub-structural model 2 calculation are presented in Table 3.

Table 3. Results of Sub-Structural Path Analysis 2

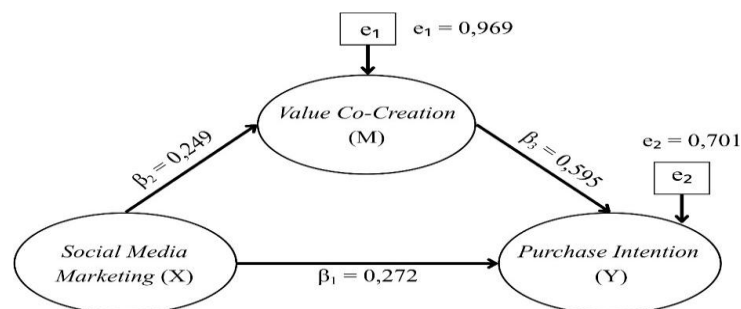
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2,447	1,578		1,551	0,124
Social media marketing	0,300	0,077	0,272	3,887	<0,001
Value Co-Creation	0,766	0,090	0,595	8,492	<0,001

R^2 : 0,508
 F Statistic : 55,282
 Sig. F : <0.001

Source: (Processed data, 2026)

Based on the path analysis results presented in Table 3, sub-structural equation 2 was obtained as $Y = 0.272X + 0.595M$, indicating that social media marketing and value co-creation have positive effects on purchase intention. The coefficient of 0.272 indicates that an increase in social media marketing will increase purchase intention, while the coefficient of 0.595 indicates that value co-creation exerts a stronger positive effect on purchase intention. The coefficient of determination (R^2) of 0.508 indicates that 50.8% of the variation in purchase intention can be explained by these two variables, while the remaining 49.2% is influenced by other factors outside the model. The analysis also shows that the direct effect of social media marketing on purchase intention is 0.272, its effect on value co-creation is 0.249, and the effect of value co-creation on purchase intention is 0.595. In addition, the indirect effect of social media marketing on purchase intention through value co-creation is 0.148, resulting in a total effect of 0.420, indicating that value co-creation plays a role in strengthening this relationship. The calculation of the total coefficient of determination produced a value of 0.539, meaning that 53.9% of the variation in purchase intention can be explained by social media marketing and value co-creation, while the remaining 46.1% is influenced by other variables outside the research model. Furthermore, the path coefficients based on the standardized coefficient beta values for each relationship among variables are presented in the following figure.

Figure 3. Validation of the Final Path Diagram Model



Source: (Processed data, 2026)

Based on the test results, the regression model was considered appropriate for use because the significance value of the F-test in sub-structural model 1 was 0.009 and that in sub-structural model 2 was less than 0.001, both of which were lower than 0.05. Partially, social media marketing had a positive and significant effect on purchase intention ($\beta = 0.272$; $p < 0.001$), indicating that the better the implementation of social media marketing, the higher the likelihood that consumers would purchase endek products. In addition, social media marketing had a positive and significant effect on value co-creation ($\beta = 0.249$; $p = 0.009$), indicating that marketing activities through social media are capable of increasing consumer involvement in jointly creating value. Furthermore, value co-creation was found to have a positive and significant effect on purchase intention ($\beta = 0.595$; $p < 0.001$), indicating that the higher the level of value co-creation, the greater consumers' intention to purchase endek products. Based on the results of the sub-structural equations, error values, total coefficient of determination, and direct and indirect effects among variables, it can be concluded that value co-creation serves as a mediating variable in the relationship between social media marketing and purchase intention, as further presented in the path analysis results in Table 4.

Table 4. Effects of Variables X, Y, and M

Variable Effect	Direct Effect	Indirect Effect	Total Effect	Sig.	Result
X → Y	0,272	0,148	0,420	<0,001	Significant
X → M	0,249	-	-	0,009	Significant
M → Y	0,595	-	-	<0,001	Significant

Source: (Processed data, 2026)

Table 4 presents a summary of the path coefficients describing the direct and indirect effects among variables based on the path analysis results. The findings indicate that social media marketing has a direct positive effect on purchase intention, with a coefficient of 0.272, and on value co-creation, with a coefficient of 0.249. Furthermore, value co-creation also has a direct positive effect on purchase intention, with a coefficient of 0.595, representing the largest direct effect in the research model. In addition, value co-creation was found to mediate the relationship between social media marketing and purchase intention, with an indirect effect coefficient of 0.148. This indicates that the implementation of social media marketing increases purchase intention not only directly but also indirectly through enhanced value co-creation.

Classical Assumption Tests

1) Normality Test

Table 5. Results of the Normality Test

Equation	Asymp.Sig. (2-tailed)
Sub-Struktural 1	0,103
Sub-Struktural 2	0,078

Source: (Processed data, 2026)

Table 5 shows that the normality test using the One-Sample Kolmogorov-Smirnov Test produced Asymp. Sig. (2-tailed) values of 0.103 and 0.078. Since these Asymp. Sig. (2-tailed) values are greater than the alpha value of 0.05, the data used in this study are considered normally distributed. Therefore, it can be concluded that the model satisfies the normality assumption.

2) Multicollinearity Test

Table 6. Results of the Multicollinearity Test

Equation	Variable	Tolerance	VIF
Sub-Struktural 2	Social media marketing	0,938	1,066
	Value Co-Creation	0,938	1,066

Source: (Processed data, 2026)

Table 6 shows that the tolerance and VIF values for the social media marketing and value co-creation variables were 0.938 and 1.066, respectively. These results indicate that the regression model does not exhibit multicollinearity because both variables have tolerance values greater than 0.10 and VIF values lower than 10.

3) Heteroscedasticity Test

Table 7. Results of the Heteroscedasticity Test for Sub-Structural Equation 1

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3,131	0,642		4,879	<0,001
Social media marketing	-0,037	0,042	-0,084	-0,871	0,386

Source: (Processed data, 2026)

Table 7 shows that the social media marketing variable had a significance value of 0.386, which was greater than 0.05. This indicates that the independent variable had no significant effect on the absolute residual value. These results demonstrate that the regression model in sub-structural equation 1 is free from heteroscedasticity.

Table 8. Results of the Heteroscedasticity Test for Sub-Structural Equation 2

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2,343	0,914		2,563	0,012
Social media	-0,051	0,045	-0,113	-1,138	0,258

marketing					
Value Co-Creation	0,048	0,052	0,090	0,910	0,365

Source: (Processed data, 2026)

Table 8 shows that the social media marketing and value co-creation variables had significance values of 0.258 and 0.365, respectively. Both values were greater than 0.05, indicating that none of the independent variables had a significant effect on the absolute residual value. These results demonstrate that the regression model in sub-structural equation 2 does not exhibit heteroscedasticity.

Sobel Test

The Sobel Test was used to examine the significance of the indirect effect of social media marketing on purchase intention through value co-creation as a mediating variable by comparing the calculated Z-value with the significance threshold of 1.96 at the 5% significance level. Based on the calculation results, the standard error of the indirect effect (Sab) was 0.053, and the Z-value was 2.79. Because the Z-value was greater than 1.96, H_0 was rejected and H_1 was accepted, indicating that the indirect effect of social media marketing on purchase intention through value co-creation was significant. Therefore, value co-creation was proven to serve as a significant mediating variable in the relationship between social media marketing and purchase intention for endek products, and the fourth hypothesis of this study was accepted.

VAF (Variance Accounted For) Tes

The Variance Accounted For (VAF) test was used to measure the extent to which the mediating variable absorbs the direct effect by comparing the coefficient of the indirect effect with the total effect. Based on the VAF criteria, a value above 80% indicates full mediation, a value between 20% and 80% indicates partial mediation, while a value below 20% indicates almost no mediating effect. The test results produced a VAF value of 35.2%, indicating that value co-creation was categorized as a partial mediating variable. This means that the effect of social media marketing on purchase intention occurs both directly and indirectly through value co-creation. These findings indicate that the increasingly effective implementation of social media marketing can enhance consumer involvement in the value co-creation process, which ultimately strengthens purchase intention toward endek products.

Discussion

The Effect of Social Media Marketing on Purchase Intention

The results of the first hypothesis test show that social media marketing has a positive and significant effect on purchase intention for endek products in Denpasar

City ($\beta = 0.272$; sig. < 0.001), so H1 is accepted. This finding indicates that the better consumers perceive social media marketing activities to be, the greater their tendency to develop purchase intention toward endek products. Social media helps consumers obtain product information more easily and quickly, while creative photo and video content that follows current trends makes endek products appear more modern and relevant, thereby increasing consumer interest. From the perspective of Service-Dominant Logic (SDL), social media marketing functions as a medium of interaction that provides positive experiences and shapes favorable perceptions of the product, thereby encouraging purchase intention (Hussain et al., 2022). This finding is consistent with the studies of Hanif (2025), Oktaviani et al. (2025), Winarno & Indrawati (2022), and Nudin & Nurlinda (2023), which similarly found a positive effect of social media marketing on purchase intention.

The Effect of Social Media Marketing on Value Co-Creation

The results of the second hypothesis test show that social media marketing has a positive and significant effect on value co-creation ($\beta = 0.249$; sig. $= 0.009$), so H2 is accepted. Social media does not merely function as a one-way communication channel; it also provides consumers with space to participate through comments, responses, and the sharing of experiences related to endek products. In accordance with SDL theory, value is not created by business actors alone but is formed through interaction and collaboration between business actors and consumers (Huyen et al., 2024). This finding is in line with the study of Widiyasuari et al. (2023) on endek consumers in Denpasar, as well as Al Hazmi et al. (2024) and Astuti et al. (2024), who found that digital marketing activities significantly encourage value co-creation.

The Effect of Value Co-Creation on Purchase Intention

The results of the third hypothesis test show that value co-creation has a positive and significant effect on purchase intention ($\beta = 0.595$; sig. < 0.001), so H3 is accepted, making it the variable with the strongest effect in the research model. Consumers who actively seek information and interact with sellers about endek products gain a better understanding of the products' quality, motifs, and cultural uniqueness, which strengthens their confidence in assessing whether the product suits their needs. Positive experiences shared by consumers also help other consumers become familiar with endek products and encourage purchase intention. This finding is consistent with Li (2024), Angelo et al. (2020), Tilaar et al. (2023), and Nasution et al. (2023), who demonstrated that value co-creation has a positive effect on purchase intention.

The Role of Value Co-Creation in Mediating the Effect of Social Media Marketing on Purchase Intention

The results of the fourth hypothesis test, through the Sobel test ($Z = 2.79 > 1.96$) and the VAF test (35.2%), prove that value co-creation partially mediates the effect of social media marketing on purchase intention, so H4 is accepted. This finding shows that social media marketing affects purchase intention not only directly but is also strengthened through the value co-creation process formed by consumer interaction on social media. The effectiveness of social media marketing will be further optimized when supported by active consumer participation in the joint value-creation process. This result reinforces the findings of Hussain et al. (2022), Alhumud & Elshaer (2024), and Widiasuari et al. (2023), who found a partial mediating role of value co-creation in the relationship between social media marketing and purchase intention, particularly in the context of local cultural products such as endek.

CONCLUSION

Based on the results and discussion, this study concludes that: (1) social media marketing has a positive and significant effect on purchase intention for Endek products in Denpasar City; (2) social media marketing has a positive and significant effect on value co-creation; (3) value co-creation has a positive and significant effect on purchase intention; and (4) value co-creation partially mediates the relationship between social media marketing and purchase intention, with a Variance Accounted For (VAF) value of 35.2%. These findings indicate that the effectiveness of social media marketing in enhancing consumers' purchase intention can be further strengthened by encouraging consumers' active participation in the value co-creation process.

For Endek business owners, it is recommended to improve the quality of social media content by providing more comprehensive and informative product information, including fabric type, materials, sizes, prices, care instructions, the meaning of Endek motifs, and the production process, supported by high-quality photographs and short videos. Businesses are also encouraged to increase the use of interactive content, such as quizzes, polls, and question-and-answer sessions, while providing prompt, friendly, and personalized responses to consumers' questions and comments. These efforts can foster greater consumer participation in sharing knowledge and experiences related to Endek products through social media.

Future research is recommended to incorporate additional variables that may influence purchase intention in order to provide a broader understanding of consumer behavior. Further studies may also be conducted in different regions, sectors, or industries with a larger and more diverse sample of respondents, enabling the findings to be tested and compared across various contexts.

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