

UDC 332

## **SOCIAL MEDIA MARKETING STRATEGY IN DETERMINING VALUE CO-CREATION AND REPURCHASE INTENTION AMONG ENDEK WOVEN FABRIC CONSUMERS IN DENPASAR CITY**

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### **ABSTRACT**

Endek woven fabric is the creative cultural heritage of the Balinese people. Hence, it needs to be preserved and developed through the promotion and marketing of Balinese Endek Woven Fabric or Traditional Balinese Woven Fabric in various local, national, and international activities to improve the economy and welfare of the Balinese people. However, over time, many productions of stamp woven fabrics (machine-made) made consumers switch to artificial endek. So, companies need to determine the strategy applied by each endek woven fabric in Denpasar, which is to use a social media marketing strategy. This study aims to test and explain social media marketing strategies towards repurchase intention mediated by value co-creation in endek woven fabric consumers in Denpasar City. Sample determination using a non-probability sampling method, namely purposive sampling. The subjects of the study were consumers of endek woven fabrics, with a sample of 104 people. The data were analyzed using the SEM-PLS technique. The results of this study show that social media marketing has a positive and significant effect on repurchase intention, and social media marketing has a positive and significant effect on value co-creation. Value co-creation has a positive and significant effect on repurchase intention; value co-creation can mediate the influence of social media marketing on repurchase intention. The theoretical implications that can be given from research findings are that they can make an empirical contribution to the relationship between social media marketing variables, value co-creation, and repurchase intention for the development of marketing management science. The practical implications that can be given from the research findings show that among the two variables that affect repurchase intention, social media marketing and value co-creation variables have the highest path coefficient, which can be a reference for endek woven fabric sellers in making strategies to increase repurchase intention in endek woven fabric consumers by increasing Social media marketing and value co-creation.

### **KEY WORDS**

Social media marketing, value co-creation, repurchase intention, endek woven fabric.

Indonesia is famous as a country rich in cultural diversity and heritage that is still attached to Indonesian people today. One of the diversity of Indonesian culture can be seen from the results of artworks produced, such as handicrafts that highlight the characteristics of regional culture. Cultural diversity in Indonesia has different crafts, including weaving crafts. Weaving crafts are widely spread in various regions in Indonesia, including endek woven fabrics in Bali [1]. However, over time, there has been a lot of production of stamp woven fabrics (machine-made) in significant quantities by factories, making consumers switch to artificial endek because of cheaper prices ([diskominfos.baliprov](http://diskominfos.baliprov)). As a result, original endek woven fabrics with good quality have become less desirable. To overcome the problem of circulating endek cap woven fabric, endek fabric MSME players need to be more creative in taking advantage of existing opportunities while mastering technological information in promoting so that the impact on consumers repurchases the intention of endek woven fabric in Denpasar.

A purchasing decision is an activity by consumers who have determined the product they want. A purchasing decision is an individual activity that is directly involved in buying products sellers offer [2]. Increasing repurchase intention is a significant concern for companies that want to gain a competitive advantage and increase profits. An essential factor in increasing repurchase intention is to make consumers recall a brand or product with the help of promotional media on social media [4]. There is an inconsistency in research results between social media marketing and repurchase intention, so the value co-creation variable is used as a mediating variable, namely value co-creation.

Value Co-creation is the relationship of approach between consumers and companies to create new value involving both parties [11]. The advancement of social media is generating attention to branding-related issues, as social media provides a virtual space for consumers to share their brand experiences, acting as an essential driver in value co-creation [12]. For example, brands can create entertaining content that grabs consumers' attention, encourages consumer interaction with brands, and reinforces consumers' intent to share their ideas and feedback on entertaining content. This is supported by SMM research that has a positive and significant effect on value co-creation [12]. Value Co-Creation emphasizes the phenomenological subjectivity of customer traits. The goal is to establish or measure a particular type of value outcome, the perceived realization of the client or customer community. For example, typologies of social, cognitive, and conditional consumption value of other directions, such as consumer status and value, are used to determine the perceived utility of consumption choices at the time of repurchase [13]. This is supported by research on value co-creation, which has a positive and significant effect on repurchase intention [12].

Based on issues and research gaps, it makes a gap to prove the strategy of social media marketing strategies in determining value co-creation and repurchase intention for endek woven fabric consumers in Denpasar City.

Based on the background of the problem that has been described, the formulation of the problem of this study:

- What is the social media marketing strategy towards repurchase intention for endek woven fabric consumers in Denpasar City?
- What is the social media marketing strategy towards value co-creation for endek woven fabric consumers in Denpasar City?
- What is the value of co-creation on repurchase intention for endek woven fabric consumers in Denpasar City?
- How does value co-creation mediate social media marketing strategies towards repurchase intention for endek woven fabric consumers in Denpasar City?

Based on the formulation of the problem, the objectives of this study are:

- To explain the social media marketing strategy towards repurchase intention for endek woven fabric consumers in Denpasar City;
- To explain the social media marketing strategy towards value co-creation in endek woven fabric consumers in Denpasar City;
- To explain the value of co-creation on repurchase intention in endek woven fabric consumers in Denpasar City;
- To explain the role of value co-creation mediating social media marketing strategies towards repurchase intention in endek woven fabric consumers in Denpasar City.

## LITERATURE REVIEW

The Technology Acceptance Model, referred to as TAM, is one of the adaptation theories of TRA (Theory of Reasoned Action), which had previously been introduced by Ajzen and Fishbein in 1980 and proposed by Davis in 1989. TAM aims to explain and estimate user acceptance of an information system. TAM uses TRA because it is used as a basis to determine the relationship between the perception of usability and the perception of convenience to the interests of IT (Information Technology) users. TAM is a theory that

explains the perception of technology users. The user's perception will influence the interest in using IT. In the TAM model, the level of acceptance of IT use is determined by five constructs, namely, the perception of convenience (perceived ease of use), perception of usefulness (perceived usefulness), attitude in using (attitude toward using), behaviour to keep using (behavioural intention to use), and the natural conditions of system use (actual system usage).

Social media is a platform, media, or online-based application program that allows user interaction and sharing of content [13], 2018. Social media marketing uses social media to create, communicate, deliver, and exchange offers that have value for the company and its stakeholders. Social media marketing is also expressed by [14], whereas the use of social media sites to carry out marketing activities in general that can display exciting content so that it can attract the attention of the audience and trigger them to spread this content, which will help companies expand their reach. Social media marketing is an online-based marketing communication media. This includes blogs, social networks, and the web, which are currently widely used by marketers as promotional media, advertising, personal sales, public relations, direct marketing, and sales promotion, as well as a two-way communication medium between consumers and companies. Social media marketing indicators are entertainment, customization, interaction, electronic word-of-mouth (EWOM), and trendiness.

Value Co-creation is the relationship of approach between consumers and companies to create new value involving both parties [2]. Decisions in purchasing products by consumers through the website are influenced by value co-creation activities [11]. Co-creation is an activity that leads to value creation through close interaction between firms and consumers [10]. Considering the different approaches to the concept of Value Co-Creation, from the dominant logic perspective, the service is the basic unit of exchange that results in consumers possessing skills and knowledge that influence the value creation process. Several recent studies have considered specific aspects of Value Co-Creation concerning consumers within a community within social media sites [9].

Repurchase is the customer's actual action in buying or using the product again. Once a customer buys a particular item, it can repeat the purchase. This means that customers repeatedly consume similar services or products from the same seller. While a buyback is an actual act, a repurchase intention indicates a customer's decision to engage in future activities with the seller [12]. Repurchase intention is the consumer's desire to make future purchases based on the experience that has been gained. The consumer's desire to buy back is usually based on satisfaction with the product because the product can meet consumer expectations. The repurchase intention indicator is measured using the following indicators: buying back the product in the future, refusing to move to another brand, and reducing information search before buying again.

## **METHODS OF RESEARCH**

This study used a type of quantitative data that was analysed associatively. In this study, non-probability sampling sample collection techniques were used with purposive sampling methods, namely sampling techniques with specific considerations. This research was conducted in Denpasar. The population in this study is all consumers in Denpasar who have purchased endek woven fabric products in the last six months with an unknown amount (infinite). This study used 13 indicators, so that the sample needed was 104 respondents. The data analysis methods used are descriptive and inferential statistical analysis analysed with Smart-PLS software.

## **RESULTS AND DISCUSSION**

Based on the characteristics of respondents in this study, consumers of endek woven fabrics are predominantly female compared to men, namely 56 people or 53.8 percent. This means that female consumers of endek woven fabrics are more likely to buy endek

woven cloth clothes online on social media platforms. Consumers of endek woven fabrics aged 22-26 years are the most, namely 65 people or 63 percent. This phenomenon states that consumers of endek woven fabrics aged 22-26 buy the most endek woven fabrics. Then, the last education of the most dominating respondents was S1, with 74 people or 71.2. This phenomenon states that endek woven fabric consumers with bachelor's degrees buy the most endek woven fabric online on social media platforms. Based on employment in endek woven fabric consumers, the most dominating are private employees, as many as 57 people or 54.8 percent of the work of students, civil servants, entrepreneurs, and others (employees of state-owned enterprises, contract employees, and freelance). This phenomenon states that consumers of endek woven fabrics are in great demand by private employees.

Table 1 – Direct Influence Test

	Path coefficient	t statistics	P Values	Information
Social Media Marketing (X <sub>1</sub> ) -> Repurchase Intention (Y <sub>2</sub> )	0,264	2,756	0,006	Significant
Social Media Marketing (X <sub>1</sub> ) -> Value Co-Creation (Y <sub>1</sub> )	0,738	21,491	0,000	Significant
Value Co-Creation (Y <sub>1</sub> )-> Repurchase Intention (Y <sub>2</sub> )	0,547	6,010	0,000	Significant

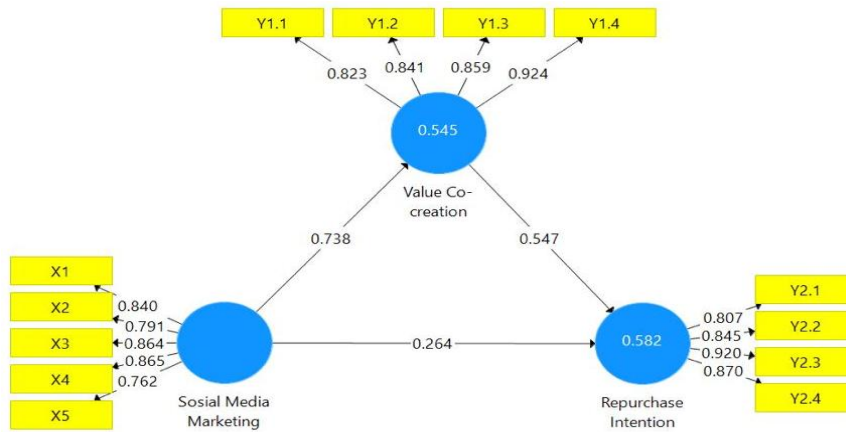


Table 2 – Recapitulation of Mediation Variable Test Results

Variable Relationship	Effect				Information
	(A)	(B)	(C)	(D)	
Social Media Marketing (X <sub>1</sub> ) -> Value Co-Creation (Y <sub>1</sub> ) -> Repurchase Intention (Y <sub>2</sub> )	0,403 (Sig.)	0,264 (Sig.)	0,738 (Sig.)	0,547 (Sig.)	Partial Mediation

Source: Results of Data Processing, 2023 Description: significance (Sig.) = t-statistic > 1.96 at α = 5%.

The analysis results show that social media marketing positively and significantly affects repurchase intention. This means that the better the social media marketing of Endek woven fabric consumers, the higher the repurchase intention of the brand. Vice versa, the worse the social media marketing, the lower the repurchase intention for endek woven fabric products. These results indicate that the values contained in social media marketing can increase repurchase intention in endek woven fabric consumers. Social media marketing is measured based on indicators: easy-to-recognize products, product information, a good response, influenced by the number of followers, and uploading content on personal social media accounts. The results of this study follow the results of research (Bawono & Hartono, 2020), which found that an essential factor in increasing repurchase interest is to make consumers recall a brand or product with the help of promotional media on social media. To keep pace with the digital era, companies must maximize the use of social media platforms for product promotion. SMM research and buyback intentions are already a concern for practitioners.

The influence of social media marketing on value co-creation. The analysis results show that social media marketing has a positive and significant effect on the value of co-creation. This means that the better the social media marketing of endek woven fabric consumers,

the higher the value of co-creation. Vice versa, the worse the social media marketing, the lower the value of co-creation. These results indicate that the values contained in social media marketing can increase the value of co-creation in endek woven fabric consumers. Social media marketing is measured based on indicators: easy-to-recognize products, product information, a good response, influenced by the number of followers, and uploaded content on personal social media accounts. The results of this study follow the results of [20] research, which states that there is an impact resulting from marketing through social media and dimensions to the value of co-creation. The entertainment element of social media marketing engages consumers with engaging content. Thus, the better the presentation of the content, the stronger the perception of brand authenticity. However, this does not require consumers to create shared brand value to establish authenticity. Similarly, trendy refers to the extent to which its content is updated.

The effect of value co-creation on repurchase intention. The results of the analysis show that value co-creation has a positive and significant effect on repurchase intention. This means that the better the co-creation value of endek woven fabric consumers, the higher the repurchase intention. Vice versa, the worse the value of co-creation, the lower the repurchase intention. These results indicate that the values contained in value co-creation can increase repurchase intention in endek woven fabric consumers. Value co-creation is measured based on indicators: willingness to provide advice, improve the company's product image, and be actively involved when developing new products and products that meet personal needs. The results of this study follow the results of [24] that there is a positive impact of several dimensions of customer value (technical, economic, social, and emotional value) on repurchase intention. A repurchase intention is a person's planned decision to repurchase a particular product, considering the situation and level of preference [25]. Customers who complain will be more likely to make repeat purchases when their complaints are responded to and resolved satisfactorily. If the process is done correctly, quickly, and satisfactorily, it can increase buyback intent.

The role of value co-creation mediates social media marketing strategies towards repurchase intention. The analysis results show that value co-creation can mediate the influence of social media marketing on repurchase intention. Value co-creation in this study is as partial mediation, which means that better social media marketing on consumer media when buying endek woven fabric products online through the platform on social media can create value co-creation through cooperation between consumers and sellers of endek woven fabrics by providing suggestions for future innovations in Denpasar endek woven fabrics to increase repurchase intentions. The results of research by (Liu et al., 2020), Hamidi et al. (2020) (Yang et al., 2021), and Cheung et al. (2021) stated that social media marketing has a positive and significant effect on value co-creation. The results of research on the effect of value co-creation on repurchase intention are also supported by research [23],[24], [25]

## **IMPLICATIONS**

Understanding Value Co-Creation and Repurchase Intention by investigating how social media marketing strategies influence the co-creation of value and subsequent repurchase intention is vital for theoretical advancement. This study can contribute to existing theories by providing insights into how online engagement and marketing tactics shape consumer behavior.

The study can shed light on how effective use of social media in marketing strategies can facilitate a stronger consumer-brand relationship, leading to value co-creation. Theoretical frameworks related to consumer engagement, value theory, and relationship marketing could be extended or refined based on the findings. Examining the integration of digital marketing, specifically through social media, with a traditional craft like Endek woven fabric consumption can provide theoretical insights into the dynamics of preserving heritage while leveraging modern marketing channels. Considering Denpasar City, with its specific cultural and regional context, allows for the exploration of how social media

strategies vary in effectiveness across different regions and cultures. Theoretical frameworks can be adjusted to account for regional nuances in consumer behavior and preferences.

Tailoring Social Media Marketing Strategies by understanding the preferences and behaviors of Endek woven fabric consumers in Denpasar City can inform the customization of social media marketing strategies to suit the local market. This could involve crafting content that aligns with cultural values and preferences. Businesses can optimize their social media platforms to encourage consumer engagement and co-creation of value. This may involve soliciting input from consumers, showcasing the craftsmanship of Endek woven fabric, and highlighting the unique cultural aspects associated with the product. Organizations can assess the effectiveness of their social media marketing efforts by analyzing the impact on repurchase intention. Metrics such as customer retention rates, repeat purchases, and customer feedback garnered through social media can be used to measure ROI and refine marketing strategies. Engaging local communities and artisans in the marketing process, potentially through collaborations or partnerships, can enhance the authenticity and appeal of the product. Social media can be used to showcase such collaborations, thereby strengthening the brand and attracting consumers.

The scope of research is limited to the Denpasar City area, so the results of this study cannot be generalized to consumers in a broader area. This study is limited to examining social media marketing variables, value co-creation, and repurchase intention; thus, it cannot examine more in-depth dating factors outside these variables, and this study uses a cross-sectional time design at a specific time. However, on the other hand, this study observes the dynamics of conditions that each period changes. Therefore, this research is essential to be examined in the future.

## **CONCLUSION AND SUGGESTIONS**

In summary, this study can contribute both theoretically and practically by advancing our understanding of the interplay between social media marketing, value co-creation, and repurchase intentions in the context of Endek woven fabric consumers in Denpasar City. The findings can guide marketing strategies tailored to the specific needs and preferences of this consumer group, ultimately benefiting both businesses and consumers in the region.

Social media marketing has a positive and significant effect on repurchase intention. This means that the better the social media marketing of Endek woven fabric consumers, the higher the repurchase intention of the brand. Social media marketing has a positive and significant effect on value co-creation. This means that the better the social media marketing of endek woven fabric consumers, the higher the value of co-creation. Value co-creation has a positive and significant effect on repurchase intention. This means that the better the co-creation value of endek woven fabric consumers, the higher the repurchase intention. Value co-creation partially mediates the influence of social media marketing on the repurchase intention of endek woven fabric consumers. This shows that social media marketing of endek woven fabric consumers will significantly impact repurchase intention. Consumers are mediated by value co-creation, which means that the repurchase intention of endek woven fabric consumers is very dependent on the level of social media marketing of endek woven fabric consumers and the level of value co-creation.

To increase the repurchase intention of Endek woven fabric consumers, it is recommended that Endek woven fabric sellers provide a forum for opinions to consumers online according to the motive desired by endek woven fabric consumers. With the cooperation between consumers and sellers, endek woven fabrics regarding the desired motive consumers are satisfied with the service.

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