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Building Value Co-creation, Brand Loyalty, and Brand Trust Through Social Media Marketing

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Abstract

This study aims to analyse the influence of social media marketing on brand loyalty, brand trust, and value co-creation in the business of fresh fish stock providers based in Semarang City and Semarang Regency. Additionally, this study examines the level of public interest in fish consumption, which serves as a form of support for the government's initiative to promote fish consumption. This study uses the AMOS Structural Equation Modelling (SEM) analysis method. This study involved 383 respondents. The results of this study show that social media marketing has a significant influence on brand loyalty, brand trust, and value co-creation. Additionally, brand trust and brand loyalty have also been proven to have a significant influence on value co-creation. The findings of this research will offer fresh perspectives on the significance of social media marketing in fostering trust, loyalty, and customer engagement in value co-creation, particularly in the fresh fish sales industry. This knowledge can enhance marketing strategies and bolster government initiatives aimed at boosting fish consumption among Indonesians.

Keywords

Brand Loyalty, Brand Trust, Social Media Marketing, Value Co-creation.

1. Introduction

Indonesia holds the title of the largest archipelagic country globally, consisting of more than 17,000 islands spread across the archipelago. Its vast waters and rich biodiversity position it as one of the countries with the highest marine potential worldwide (Abror & Muharam, 2024). This marine potential not only plays an important role in the fisheries sector as a vital natural resource but also serves as a central element of the national economy. The fisheries sector contributes greatly to Indonesia's Gross Domestic Product (GDP) and is the main source of livelihood for the people living along the coast. Indonesia's fishing resources are vast, including marine and freshwater fish, along with various other marine products such as squid, shrimp, shellfish, and crabs. Data from the Ministry of Maritime Affairs and Fisheries estimates that the sustainable potential of fish resources in Indonesian waters is around 12.5 million tons per year, spread across various Fisheries Management Areas across the country. Nonetheless, despite this significant potential, Indonesia's fisheries sector faces considerable challenges, mainly due to the lack of utilization of fishery resources, which comes from inadequate infrastructure, technology, and human resources.

Table 1. Indonesian Fishery Production Volume (Tons)

Subsector	Types of activities	2020	2021	2022	2023
Total Fishery Production Volume (Tons)		21.834.105,27	21.872.810,30	22.265.452,42	24.737.618,25
Capture fisheries	Total capture fisheries	6.989.090,36	7.224.500,59	7.489.395,49	7.770.100,00
Capture fisheries	Subtotal marine catchment	6.494.140,30	6.767.564,83	7.026.425,53	7.248.410,00
Capture fisheries	Subtotal catch pud	494.950,06	456.935,76	462.969,96	521.690,00
Aquaculture	Total aquaculture	14.845.014,91	14.648.309,71	14.776.056,93	16.967.518,25

Table 1 presents data on fisheries production in Indonesia, measured in tons, over the past four years, specifically from 2020 to 2023. The total volume of fishery production has shown a consistent upward trend during this period, starting from 21,834,105.27 tons in 2020 and increasing to 24,737,618.25 tons in 2023. This growth reflects progress in Indonesia's fisheries sector, likely driven by increased production capacity, infrastructure improvements, and supportive government policies aimed at boosting the fishing industry. The capture fisheries subsector also experienced an increase in production volume, although this growth was more erratic compared to the aquaculture fisheries subsector. In 2020, the production volume of capture fisheries was recorded at 6,989,090.36 tons, which grew to 7,770,100.00 tons in 2023. The main driver of this increase is marine capture fisheries, which account for more than 90% of total production in the capture fisheries subsector (Laeq, 2021).

In contrast, aquaculture fisheries, which include fish farmed in ponds or cages, have shown a steady upward trajectory. Production in this subsector increased from 14,845,014.91 tons in 2020 to 16,967,518.25 tons in 2023. This growth can be attributed to technological advancements, better management practices, and increasing demand for fish in domestic and international markets. Overall, the data show that aquaculture fisheries play a more significant role in Indonesia's total fisheries production compared to capture fisheries, which tend to show a more volatile trend due to challenges such as overfishing and climate change.

Table 2. Percentage of Fisheries GDP Contribution to Indonesia's GDP (Percent)

Year	Quarterly I	Quarterly II	Quarterly III	Quarterly IV
2020	2.79	2.82	2.73	2.83
2021	2.77	2.83	2.66	2.8
2022	2.52	2.59	2.55	2.66
2023	2.37	2.81	2.7	2.73
2024	2.34	2.54		

Table 2 illustrates the percentage contribution of Indonesia's fisheries sector to the country's Gross Domestic Product (GDP) from 2020 to 2024, analysed on a quarterly basis. Throughout this period, the contribution of the fisheries sector has experienced fluctuations and declines in general. In 2020, despite the challenges posed by the COVID-19 pandemic, the sector maintained a relatively stable contribution, ranging from 2.73% to 2.83% throughout the quarter. However, in 2021, there was a slight decline, with Q2 marking the highest contribution at 2.83%, followed by a more pronounced decline to 2.66% in Q3, likely due to the ongoing pandemic-related impact on production and distribution.

The downward trend continued until 2022, where the contribution of the fisheries sector to GDP declined further, peaking at 2.59% in Q2 and reaching a low of 2.52% in Q1. In 2023, the sector's contribution is declining, with figures ranging from 2.37% in Q1 to 2.81% in Q2. Preliminary data for 2024 showed a significant decline, especially in Q1 by 2.34% and Q2 by 2.54%. This decline could reflect a range of challenges facing the fisheries sector, including climate change, dwindling fish stocks, and intensifying global competition, all of which are adversely impacting its capacity to contribute to the national economy.

Table 3. Data on Fish Consumption Figures in 2022 (in kg/capita/year)

No	Province	2022
1	Maluku	79,49
2	Papua	75,98
3	West Papua	75,33
4	North Sulawesi	74,84
5	Southeast Sulawesi	73,38
6	North Kalimantan	72,75
7	South Sulawesi	69,53
8	Bangka Belitung islands	68,43
9	West Java	40,76
10	Central Java	38,83

Table 3 presents data on fish consumption figures in various provinces in Indonesia for 2022. Notably, Maluku emerged as the leading province with the highest fish consumption rate of 79.49 kg per capita per year, followed by Papua with 75.98 kg and West Papua with 75.33 kg. This trend shows that provinces in eastern Indonesia and Sulawesi generally show higher levels of fish consumption compared to their counterparts in western Indonesia. However, Central Java, the focal point of this study, stands out with a much lower fish consumption rate of only 38.83 kg per capita per year, ranking 32nd out of 34 provinces. This low consumption rate highlights the urgent challenge of increasing public awareness and interest in fish as a food option.

Several factors can contribute to low fish consumption in Central Java, including local food preferences, distribution of fishery products, price issues, and a lack of understanding of the health benefits associated with fish consumption. In addition, marketing challenges for fishery products further complicate the situation. As global competition increases, fisheries operators in Indonesia face complex market dynamics, such as price volatility, changing consumer preferences, and increasingly stringent international trade regulations. In addition, general awareness among Indonesians about the importance of fish as a source of high-quality animal protein remains relatively low compared to developed countries.

Fish is known to be rich in omega-3 fatty acids, vitamin D, and other essential nutrients that contribute significantly to human health, including improved cardiovascular function, improved brain development, and a strengthened immune system (Santos et al., 2023). Despite these benefits, the adoption of technology and digitalization in the fisheries sector present opportunities and challenges. Fishery operators have the potential to improve production and distribution efficiency and expand their market reach through e-commerce and digital marketing platforms (Liu et al., 2019). However, the application of this technology is still limited, especially among Small and Medium Enterprises (SMEs), which form the backbone of Indonesia's fisheries sector.

In this context, the main provider of fresh fish and seafood in Semarang, plays an important role in the local fisheries supply chain. The company not only serves food stalls and restaurants but also for residential consumers looking for high-quality fresh seafood. Its success in maintaining its market position is attributed to its ability to adapt to market dynamics, strengthen its distribution network, and uphold product quality. Nevertheless, the company faces several challenges in managing its business, including price fluctuations affected by weather and stock availability, competition from other fishery product providers, and the need to maintain product freshness and quality during the distribution process.

In addition, as consumer awareness of eco-friendly and sustainably sourced products increases, Ocean Fish must incorporate sustainability considerations into its operations to align with the growing demand for environmentally conscious practices (Dragøy et al., 2024). In the midst of these challenges, fresh fish providers in Semarang, can play a strategic role in supporting government initiatives aimed at increasing consumer awareness about the importance of fish consumption. Companies have the potential to leverage digital marketing strategies, especially through social media, to effectively promote the health benefits of fish consumption (Jamioł-Milc et al., 2021).

Social media marketing allows companies to reach a wider audience, disseminate relevant information, and create interactive campaigns that engage consumers (Drossos et al., 2024). By using effective social media strategies, fresh fish providers can educate the public about the benefits of incorporating fish into their diets and reshape the perception of fish as an essential component of a healthy lifestyle (Ghahramani et al., 2022). Trust in brands is crucial in the fresh food industry, as consumers tend to be smart when it comes to choosing quality products. Social media marketing offers a platform for companies to demonstrate the transparency and quality of products directly to consumers, increasing trust through visual content that showcases the process of storing, shipping, and provenance (Lee & Chung, 2023).

Consumer trust, cultivated through social media interactions, can lead to stronger brand loyalty, which is crucial to the success of fresh fish providers (Ndhlovu & Maree, 2023). Satisfied customers are more likely to repurchase and recommend products to others, making brand loyalty important in today's competitive landscape (Kato, 2021). In the context of the Semarang fresh fish market, fostering consumer loyalty is very important to maintain market share in the midst

of competition. By building loyalty through positive social media interactions, companies can not only retain customers but also create opportunities for deeper relationships through shared value creation. This collaborative marketing approach allows consumers to feel more involved in the development of products and services, ultimately increasing their perceived value (Mandolfo et al., 2020). This study aims to explore the impact of social media marketing on trust, loyalty, and value creation in a fresh fish provider business in Semarang. This research aims to explore the marine potential that can be utilized by fresh fish trading businesses in developing their businesses, as well as identify marketing challenges faced in an effort to expand market reach and increase competitiveness (Sutrisno & Lazuardy, 2024). With an in-depth case study approach, this study will analyse the business strategies that have been implemented by trading businesses and fresh fish providers, as well as examine how companies can maximize Indonesia's abundant marine potential to support sustainable business growth.

2. Literature Review

Service-Dominant Logic (S-D Logic) is a conceptual approach first introduced by Vargo and Lusch in 2004. S-D Logic focuses on service as the main foundation in value creation, emphasizing that value is not only generated by physical products, but also through interaction and collaboration between companies and consumers (Sadiq & Waheed, 2023). This approach sees consumers as active partners who participate in the value creation process, different from the traditional approach that considers consumers as recipients of the value generated by the company. In S-D Logic, consumers and producers jointly create value through a process called "value co-creation". Vargo and Lusch argue that in S-D Logic, services are the basis of all economic exchange, while physical products are simply the medium or tools used to provide those services (Tregua et al., 2021). This approach focuses on consumer involvement in the entire process, from design, production, to the distribution of the desired product or service. Service-Dominant Logic (S-D Logic) offers a relevant and effective approach to creating value in the fresh fish business. By putting service as the primary foundation and engaging consumers as co-creators, businesses can create a better and more valuable shopping experience (Shifa & Harto, 2024). This approach increases consumer loyalty and satisfaction through transparency, engagement, and responsive adaptation to market preferences. Despite the challenges in its implementation, the long-term benefits generated through S-D Logic, such as increased consumer loyalty and a better brand image, provide significant added value in a competitive fresh fish business.

Social Media Marketing (SMM) is a marketing strategy that uses social media as a tool to build relationships with consumers, increase brand awareness, and drive sales (Chatterjee & Kumar Kar, 2020; Hidayat & Nashirah, 2024). SMM is growing rapidly along with the growth of social media platforms, such as Facebook, Instagram, TikTok, and others that have become an important part of people's daily lives. In the context of business, social media provides direct access to consumers, allows two-way interaction, and provides channels for distributing engaging content. According to Kotler & Keller (2016), SMM assists companies in building brand reputation, introducing products, and maintaining consumer loyalty. An effective SMM strategy allows businesses to adapt to consumer needs in real-time, increasing customer engagement with a more personalized approach (Anggraeni, 2020).

The food products business, especially fresh products such as fish, is greatly influenced by the perception of quality, trust, and closeness between sellers and buyers (Sigurdsson et al., 2020). Consumers of food products tend to be more selective due to health and food safety factors. In a study by Tseng et al. (2022), social media has proven to be an effective tool for food businesses in building

customer trust through educative, transparent, and interactive content. Content that shows the freshness of the product, the fishing process, and the storage of fish can improve the perception of product quality and build customer loyalty (Kusuma et al., 2023). In addition, customer reviews and testimonials also play an important role. Consumers tend to trust reviews made by fellow users more than advertisements from companies. Positive reviews from consumers can reinforce the image of fresh fish products on social media, expand market reach, and attract new customers.

Brand loyalty refers to the tendency of consumers to continue to buy or use products from the same brand consistently, even though there are many alternative options on the market. Zheng (2024) defines brand loyalty as a deep commitment from consumers to repurchase or use a product or service from a particular brand, caused by continuous satisfaction or positive experiences. This loyalty is built through a consistent and satisfying consumer experience, which creates trust and a sense of attachment to the brand (Rizkika & Dellyana, 2024). In the fresh food industry, including the fresh fish business, brand loyalty is very important considering that product quality and freshness are top priorities for consumers. Fresh fish products that have high brand loyalty are easier to attract repeat purchases, because consumers have trusted the quality and consistency offered by the business.

Brand trust is the level of consumer confidence in a brand, especially the belief that the brand can meet consumer promises and expectations consistently (Marmat, 2023). According to Yang et al. (2024), brand trust is formed from a mutually beneficial relationship between consumers and brands, which is based on consumers' positive experiences with the products and services offered. Brand trust is important for businesses, especially in industries that demand high quality, such as the fresh fish business, where trust in product quality is crucial to success.

In the context of fresh products, brand trust affects how consumers perceive product quality, safety, and reliability. This belief is important because fresh products such as fish have a higher risk to consumer health if not handled properly. When brand trust is created, customers feel secure in purchasing the product, which encourages loyalty and repeat purchases. Brand trust is formed by several factors, including consistency of product quality, transparency of information, and customer satisfaction. According to research by Tran et al. (2022), reliability and credibility factors are important aspects that build brand trust. Reliability means that the brand is able to maintain the quality expected by consumers, while credibility refers to the brand's reputation and commitment to meeting consumer expectations.

Value co-creation is a concept in marketing and management that refers to collaboration between companies and consumers in creating value on products or services (Bosisio, 2024). In co-creation, consumers are no longer just the recipients of the final product, but also play an active role as partners in providing input, ideas, or information that can increase the value of the product or service. (Tregua et al., 2021) argue that co-creation creates opportunities for companies to better understand customer needs and, ultimately, offer more suitable solutions. In the fresh fish business, co-creation is relevant because this product involves aspects that are important to consumers, such as freshness, safety, and transparency of the product management process (Wibowo, 2021). Through co-creation, businesses can create more value for consumers by involving them directly in determining product and service standards, thereby being able to build loyalty and trust.

In the fresh food products industry, co-creation allows companies to optimize their offerings as per evolving consumer preferences. Grisseman & Stokburger-Sauer (2012) mentioned that co-creation improves the consumer experience through deeper interaction between the company and the consumer. This process integrates customer needs and expectations in every stage of service or production, ultimately increasing satisfaction and loyalty. For the fresh fish business, co-creation can be

realized by inviting consumers to participate in choosing packaging methods, determining delivery times, or even providing input on the desired quality standards. That way, businesses can more easily tailor their products and services according to specific consumer preferences (Mulyana et al., 2022).

Consumers in creating value. In this context, social media marketing can be seen as a tool that allows for closer interaction between companies and consumers, which in turn can strengthen relationships and create valuable experiences for consumers (Chen et al., 2023). In SDL's logic, social media marketing serves as a platform for co-creation and interaction. Through relevant content, two-way communication, and engagement on social media, companies can build trust and emotional connection with consumers. This high engagement increases brand loyalty because consumers feel valued and connected to the brand, which results in repeat purchases and word-of-mouth recommendations.

Previous research has shown that social media marketing can increase brand loyalty through several mechanisms, including increased consumer trust and engagement. For example, research by Ross (2024) found that brand interactions on social media can increase consumer trust, which contributes to brand loyalty. Additionally, research by Choi et al. (2024) shows that positive experiences on social media have a significant effect on brand loyalty in a retail context. In the food and beverage industry, research by Hu et al. (2024) confirms that effective social media marketing can create a stronger relationship between brands and consumers, increasing brand loyalty.

Hypothesis 1: Social Media Marketing has a positive effect on loyalty

Social media marketing facilitates two-way communication between companies and consumers. By sharing relevant content, providing transparent information, and responding to consumer feedback, companies can increase consumer trust levels in brands. This trust is important because consumers tend to prefer to buy from brands they trust, and this has the potential to increase their loyalty and engagement. In the context of SDL, brand trust is formed from a positive and consistent consumer interaction experience. Previous research supports this hypothesis by showing a positive relationship between social media marketing and brand trust. For example, research by Ndhlovu & Maree (2023) shows that consumer engagement through social media can increase their trust in brands, thanks to more transparent and responsive communication. Additionally, research by Ross (2024) found that interactions on social media can strengthen brand trust by creating a positive consumer experience. In the food industry, research by Lee & Chung (2023) shows that transparency in social media communication can increase consumer trust, which in turn has a positive effect on purchasing decisions.

Hypothesis 2: Social media marketing has a positive effect on brand trust

Social media marketing facilitates two-way communication between companies and consumers. By sharing relevant content, providing transparent information, and responding to consumer feedback, companies can increase consumer trust levels in brands. This trust is important because consumers tend to prefer to buy from brands they trust, and this has the potential to increase their loyalty and engagement. In the context of SDL, brand trust is formed from a positive and consistent consumer interaction experience. Previous research supports this hypothesis by showing a positive relationship between social media marketing and brand trust. For example, research by Ndhlovu & Maree (2023) shows that consumer engagement through social media can increase their trust in brands, thanks to more transparent and responsive communication. Additionally, research by Ross (2024) found that interactions on social media can strengthen brand trust by creating a positive consumer experience. In the food industry, research by Lee & Chung (2023) shows

that transparency in social media communication can increase consumer trust, which in turn has a positive effect on purchasing decisions.

Hypothesis 3: Social media marketing has a positive effect on value co creation

Brand Trust for Brand Loyalty Brand trust affects brand loyalty through several mechanisms. First, when consumers feel confident in the quality and reliability of the products offered by a brand, they are more likely to choose the brand repeatedly. This is reflected in consistent purchasing behaviour and positive recommendations to others. Second, trust can reduce the uncertainty that consumers experience, allowing them to make faster and more confident purchasing decisions. Thus, the higher the level of consumer trust in a brand, the more likely they are to become loyal to the brand. Many studies support the relationship between brand trust and brand loyalty. For example, research by Kini et al. (2024) found that brand trust has a significant direct impact on brand loyalty, where consumers who have high trust in a brand are more likely to remain loyal to the brand. Research by Choi et al. (2024) and Kini et al. (2024) also shows that brand trust contributes to the strengthening of consumer loyalty, as trust builds a strong emotional connection between brands and consumers. In the specific context of the food industry, research by Sun & Moon (2023) shows that consumers who have high trust in food brands tend to show greater loyalty, including repeat purchase behaviour.

Hypothesis 4: Brand trust has a positive effect on brand loyalty

Brand loyalty affects the value of co-creation through several mechanisms. First, loyal consumers tend to be more open to providing feedback and new ideas to providers, which allows providers to improve their products and services. Second, loyalty creates a sense of belonging among consumers, encouraging them to participate in the value creation process. Third, a strong relationship between brands and consumers can also lead to deeper collaborations, such as consumer involvement in new product development or marketing campaigns. Thus, the higher the level of consumer loyalty to the brand, the greater their contribution to value creation. Previous research has shown that brand loyalty has a positive impact on co-creation value. According to research by Nguyen (2024), loyal consumers tend to be more involved in co-creation and are more willing to contribute to the value creation process. Additionally, research by Kini et al. (2024) found that brand loyalty not only impacts purchasing behaviour but also on the way consumers participate in interactions with brands. In the specific context of the food industry, research by Lubis et al. (2022) shows that consumer loyalty can enhance the co-creation experience, where consumers who feel connected to the brand contribute more to product innovation and development.

Hypothesis 5: Brand loyalty has a positive effect on co-creation value

Brand trust affects the value of co-creation in several ways. First, consumers who have high trust in a brand tend to be more open to interacting and sharing their experiences, which can improve the quality and relevance of the product or service. Second, trust creates a sense of security for consumers to participate in activities that involve brands, such as testing new products or participating in brand communities. Third, when consumers feel that brands are paying attention and valuing their input, they will be more motivated to engage in the co-creation process, which in turn can increase their loyalty and satisfaction. Previous research has shown a positive relationship between brand trust and co-creation value. According to research by Haverila et al. (2024), trust in brands plays an important role in increasing consumer participation in co-creation, where consumers who believe in brands are more likely to provide input and collaborate in product development. In addition, research by Chen et al. (2023) found that co-creation of value is more likely to occur in contexts

where consumers have high trust in brands, because that trust facilitates open and transparent communication between brands and consumers. In the context of the food industry, research by Arica et al. (2023) shows that consumer trust can enhance the co-creation experience and lead to more positive outcomes for both parties.

Hypothesis 6: Brand trust has a positive effect on co-creation value

3. Methods

This study uses a quantitative approach with the Structural Equation Modelling (SEM) method to test the influence of social media marketing on brand loyalty, brand trust, and value co-creation on fresh fish consumers in Semarang. Data was collected through questionnaires distributed online to consumers who are active on social media and have already bought fresh fish products, using a scale of 1-10 points. The population in this study is all consumers who use social media and buy fresh fish products from providers based in Semarang. The sampling technique used is purposive sampling, which is a method that selects respondents based on certain criteria that are in accordance with the research objectives. The criteria applied to this study are: (1) Consumers who have purchased fresh fish products from suppliers in Semarang at least once; (2) Consumers who follow or access information related to fresh fish products through social media platforms. Data collection was carried out through a questionnaire distributed to respondents through an online platform, namely Google Forms to reach consumers who actively use social media. The data collected was 383 respondents. Then, the collected data will be analysed using the Structural Equation Modelling (SEM) method with the help of AMOS software. SEM was chosen because this method allows researchers to test the direct and indirect relationship between several interrelated variables in the research model simultaneously.

Table 4. Variable Operational Definition

Variable	Indicator	
Social Media Marketing	Entertainment	SMM1
	Customization	SMM2
	Interaction	SMM3
	EWOM	SMM4
	Trendiness	SMM5
Brand Loyalty	Repeat Purchase Intention	BL1
	Positive Word of Mouth	BL2
	Emotional Attachment	BL3
	Preference Over Competitors	BL4
Brand Trust	Perceived Quality	BT1
	Transparency	BT2
	Reliability	BT3
	Emotional Connection	BT4
Value Co-Creation	Customer Engagement	VCC1
	Shared Knowledge	VCC2
	Mutual Benefits	VCC3
	Customer Satisfaction	VCC4

4. Results

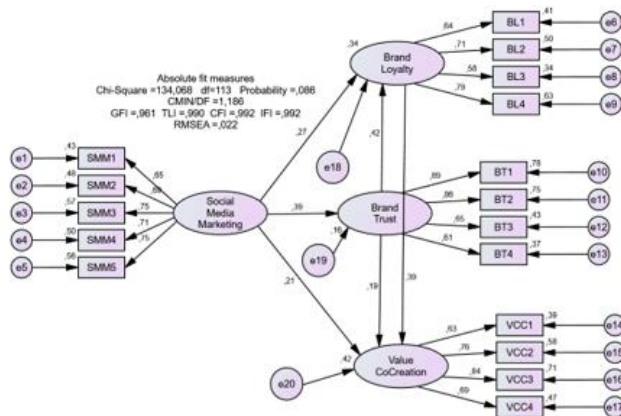


Figure 1. Structural Model

Table 5. Results of Goodness of Conformity Measurement Analysis

Goodness of Fit Measurement	Cut of value	Results	Evaluation of the Model
Chi-Square	< 138.811	134.068	Fit
Probability	> 0.05	0.086	Fit
CMIN/DF	< 2	1.186	Fit
GFI	≥ 0.90	0.961	Fit
TLI	≥ 0.90	0.990	Fit
CFI	≥ 0.90	0.992	Fit
IFI	≥ 0.90	0.992	Fit
RMSEA	≤ 0.08	0.022	Fit

The results of the Goodness of Fit analysis show that the model used in this study has a good fit based on several evaluation indicators. Chi-Square value of 134.068 is below the cut-off limit of 138.811, indicating that this model meets the fit criteria. The model probability of 0.086 is also greater than 0.05, which indicates that there is no significant difference between the model matrix and the observed data, so the model is acceptable. Furthermore, the CMIN/DF value of 1.186, which is less than 2, confirms that this model fits the existing data. In addition, the Goodness of Fit Index (GFI) value reached 0.961, higher than the minimum criterion of 0.90, which indicates a high match between the model and the data. Other indices, such as the Tucker-Lewis Index (TLI) of 0.990, the Comparative Fit Index (CFI) of 0.992, and the Incremental Fit Index (IFI) of 0.992, all exceeded the minimum value of 0.90, indicating that the model has an excellent fit. Finally, a Root Mean Square Error of Approximation (RMSEA) of 0.022 which is smaller than the maximum limit of 0.08, indicates that the model has a low approximation error. Based on all of these Goodness of Fit indicators, it can be concluded that the model developed in this study is in accordance with the data and qualifies as a good model.

Table 6. Results of Validity and Reliability Analysis

Indikator	Loading Factor	CR
SMM1	0.655	0.972
SMM2	0.694	
SMM3	0.755	
SMM4	0.707	
SMM5	0.751	
BL1	0.637	0.958
BL2	0.708	
BL3	0.583	
BL4	0.795	
BT1	0.885	0.972
BT2	0.865	
BT3	0.653	
BT4	0.607	
VCC1	0.627	0.947
VCC2	0.761	
VCC3	0.841	
VCC4	0.687	

Based on the results of the loading factor and Construct Reliability (CR) analysis, the loading and CR values show that each variable has good reliability, where the CR value for each variable is more than 0.60, which meets the construct reliability standards (Hair et al., 2019). The Social Media Marketing (SMM) variable, the results of the analysis showed a construct reliability (CR) value of 0.972, which indicates high reliability. Among the indicators, SMM3 has the highest loading value of 0.755, indicating that this indicator is the strongest in representing the SMM variable. In contrast, SMM1 has the lowest loading value, which is 0.655, although it still qualifies as a valid reflection of this variable.

In the Brand Loyalty (BL) variable, CR was recorded at 0.958, indicating that this variable is also reliable. The indicator with the highest loading value is BL4 of 0.795, which shows the strength of the indicator in describing brand loyalty. Meanwhile, BL3 has the lowest loading value of 0.583, but it can still reflect the BL variable quite well. For the Brand Trust (BT) variable, the CR value reached 0.972, which confirms that this variable is very consistent in its measurement. BT1 emerged as the highest loading indicator, at 0.885, indicating that confidence in this indicator is most dominant in reflecting the BT variable. The indicator with the lowest loading value is BT4, which is 0.607, but it is still considered a valid indicator. The Value Co-Creation (VCC) variable shows a CR of 0.947, which also illustrates good reliability. Among the indicators, VCC3 has the highest loading value of 0.841, which means that this indicator is the strongest in reflecting the value co-creation variable. In contrast, VCC1 has the lowest loading value of 0.627, but still qualifies as a valid indicator for the VCC variable.

Table 7. Hypothesis Testing Results

	Estimate	S.E.	C.R.	P
H1: Social Media Marketing → Brand Loyalty	.196	.046	4.229	***
H2: Social Media Marketing → Brand Trust	.473	.071	6.626	***
H3: Social Media Marketing → Value Co-Creation	.175	.050	3.460	***
H4: Brand Trust → Brand Loyalty	.254	.040	6.299	***
H5: Brand Loyalty → Value Co-Creation	.446	.089	4.996	***
H6: Brand Trust → Value Co-Creation	.127	.044	2.891	.004

The hypothesis testing results indicate that all proposed hypotheses significantly influenced their respective constructs, as evidenced by p-values less than 0.05, marked by the symbol *** (Hair et al., 2019). Social Media Marketing has a moderate but significant effect on Brand Loyalty, with an estimated value of 0.196, a Critical Ratio (C.R.) of 4.229, and $p < 0.001$, aligning with studies by Hu et al. (2024), and Ross (2024). A stronger influence is observed on Brand Trust, with an estimated value of 0.473, C.R. of 6.626, and $p < 0.001$, emphasizing that effective social media marketing can enhance consumer trust, consistent with Ndhlovu & Maree (2023), Ross (2024), and Lee & Chung (2023). Additionally, social media Marketing significantly impacts Value Co-Creation, with an estimated value of 0.175, C.R. of 3.460, and $p < 0.001$, underscoring its role in encouraging consumer participation, as corroborated by Ross (2024), Saucède & Vidal (2024), and Gokce et al. (2023).

Brand Trust significantly influences Brand Loyalty, with an estimated value of 0.254, C.R. of 6.299, and $p < 0.001$, affirming that trust is crucial for fostering loyalty, in line with Kini et al. (2024), Choi et al. (2024), and Sun & Moon (2023). Brand Loyalty, in turn, significantly affects Value Co-Creation, with an estimated value of 0.446, C.R. of 4.996, and $p < 0.001$, indicating that loyal consumers are more inclined to engage in creating shared value, consistent with findings by Nguyen (2024), Kini et al. (2024), and Lubis et al. (2022). Furthermore, Brand Trust also positively impacts Value Co-Creation, albeit to a lesser extent, with an estimated value of 0.127, C.R. of 2.891, and $p = 0.004$. This suggests that trusted brands can inspire consumer involvement in co-creation processes, as supported by research from Haverila et al. (2024), Chen et al. (2023), and Arica et al. (2023).

5. Discussion

The findings from this study demonstrate that social media marketing exerts a significant influence on brand loyalty, brand trust, and value co-creation. These results align with the broader literature, highlighting the importance of digital marketing in fostering strong consumer-brand relationships in today's competitive landscape. The analysis revealed that social media marketing has a significant positive impact on brand loyalty. This suggests that well-executed social media strategies can enhance consumer loyalty by maintaining consistent engagement and interaction. However, the influence is moderate, indicating that while social media can build brand affinity, it may need to be complemented by other loyalty-building efforts. These findings support the work of Hu et al. (2024), who found that engaging social media content and personalized communication can encourage repeat purchases and long-term loyalty. This underscores the importance of focusing on authentic content that resonates with consumers to sustain their interest.

Social media marketing also showed a strong positive influence on brand trust. Effective use of social platforms to communicate transparently and authentically with consumers can significantly increase their trust in a brand. This supports previous research by Ndhlovu & Maree (2023) and Lee & Chung (2023), which highlighted that trust is often built when brands utilize social media to provide honest communication and respond promptly to customer inquiries. The findings

emphasize the role of social media in humanizing brands and making them more accessible to consumers, ultimately fostering trust. The study found that social media marketing positively influences value co-creation, though the effect is less pronounced compared to its impact on brand loyalty and trust. This indicates that while social media can engage consumers in collaborative activities, the level of participation may depend on how well brands can inspire consumers to actively contribute. Prior research by Ross (2024) and Saucède & Vidal (2024) highlighted that value co-creation is enhanced when consumers feel valued and when their input is recognized. Thus, brands should focus on strategies that promote consumer involvement, such as interactive polls, user-generated content campaigns, and community-driven initiatives.

The strong link between brand trust and brand loyalty confirms that trust is a foundational element for securing consumer loyalty. Consumers who trust a brand are more likely to remain loyal and choose it over competitors. This finding is consistent with research by Kini et al. (2024) and Choi et al. (2024), who argued that building trust through transparent and consistent messaging is crucial for retaining customers. For brands, this highlights the need to continuously invest in trust-building initiatives, especially in digital spaces where consumer skepticism can be high. The significant impact of brand loyalty on value co-creation suggests that loyal customers are more willing to engage in collaborative activities that add value to the brand. This supports the studies of Nguyen (2024) and Lubis et al. (2022), which found that loyal customers are more likely to contribute to product development, provide feedback, and participate in brand advocacy. It implies that fostering a loyal customer base can lead to enhanced co-creation efforts, where consumers not only purchase products but also become active partners in innovation.

While brand trust also has a positive impact on value co-creation, the influence is relatively smaller compared to loyalty. This indicates that while trust encourages consumers to engage with a brand, deeper involvement in co-creation often stems from a sense of loyalty rather than just trust. This finding aligns with Haverila et al. (2024) and Arica et al. (2023), who suggested that trust is essential for initial engagement, but a deeper emotional commitment is necessary to drive active participation in co-creation. The results of this study underscore the strategic importance of social media in building consumer trust, loyalty, and encouraging collaborative engagement. For brands, this implies that investing in personalized social media strategies can strengthen relationships with consumers, turning them into loyal advocates and active co-creators. Future research could explore how different social media platforms affect these dynamics, as each platform has its unique user base and interaction patterns. Additionally, examining the moderating effects of demographic variables, such as age and cultural background, could provide further insights into how social media marketing influences consumer behaviour in different market segments. This would enable brands to tailor their strategies more effectively to target specific consumer groups.

6. Conclusion

This study highlights the significant role that social media marketing plays in shaping brand loyalty, trust, and value co-creation among consumers. The findings demonstrate that effective social media strategies can enhance consumer loyalty and trust while also encouraging consumer participation in value-adding activities. However, while the impact on trust and loyalty is substantial, the influence on value co-creation appears to be more nuanced, indicating the need for more tailored engagement strategies to fully leverage consumer input. Despite the valuable insights provided, this study is not without its limitations. First, the reliance on self-reported data may introduce bias, as respondents could overestimate their loyalty or trust levels. Future studies could incorporate behavioural data or longitudinal

designs to gain a deeper understanding of consumer dynamics over time. Additionally, this research focused on a specific set of social media platforms, potentially limiting its generalizability. Exploring the effects across a broader range of digital platforms, such as emerging channels like TikTok or Threads, would enrich the findings.

Another limitation lies in the demographic scope of the sample, which predominantly included younger, tech-savvy consumers. This may not fully capture the behaviours of older demographics who might interact differently with social media. Expanding the sample to include diverse age groups and cultural backgrounds would provide a more comprehensive view of social media marketing's impact. Lastly, while the study found strong correlations between social media marketing, brand trust, and loyalty, the causal mechanisms behind these relationships warrant further exploration. Experimental studies or case studies focusing on specific industries could clarify how social media strategies can be optimized to achieve desired outcomes. In conclusion, while this research confirms the effectiveness of social media marketing in fostering brand loyalty and trust, it also raises questions about how brands can better utilize digital platforms to drive deeper consumer engagement. Future research should address these limitations and explore innovative strategies that adapt to the evolving digital landscape. By doing so, brands can not only enhance their online presence but also build lasting relationships with their consumers.

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