

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