

## THE IMPACT OF CUSTOMER ENGAGEMENT ON PURCHASE INTENTION: CUSTOMER VALUE CREATION AS AN INTERMEDIARY

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### ABSTRACT

*This research aims to examine the influence of customer engagement on businesses' social media accounts on purchase intention, with social value, hedonic value, and co-creation value as mediating variables. The sampling technique employed purposive sampling, with a total of 520 respondents. The analysis was conducted using the Smart PLS 3.0 statistical tool. The results of this study indicate a significant direct impact of customer engagement on businesses' social media accounts on social value and purchase intention, which is considerably higher compared to other variables in this research. The indirect influence of consumer engagement on purchase intention is partially mediated by customer value creation. Among the sub-variables of customer value creation used in the study, social value was found to mediate marginally. In addition to conducting mediation tests, the researcher also performed a path analysis. The discussion, implications, and research recommendations are presented in this article.*

**Keywords:** *customer engagement, purchase intention, social value, hedonic value, co-creation value.*

### ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh keterlibatan pelanggan pada akun media sosial bisnis terhadap niat membeli, dengan nilai sosial, nilai hedonis, dan nilai kreasi bersama sebagai variabel mediasi. Teknik pengambilan sampel menggunakan purposive sampling, dengan jumlah responden sebanyak 520 orang. Analisis dilakukan dengan menggunakan alat statistik Smart PLS 3.0. Hasil penelitian ini menunjukkan adanya pengaruh langsung yang signifikan dari keterlibatan pelanggan pada akun media sosial bisnis terhadap nilai sosial dan niat membeli, yang jauh lebih tinggi dibandingkan variabel lain dalam penelitian ini. Pengaruh tidak langsung keterlibatan konsumen terhadap niat membeli sebagian dimediasi oleh penciptaan nilai pelanggan. Di antara sub-variabel penciptaan nilai pelanggan yang digunakan dalam penelitian ini, nilai sosial ditemukan sedikit memediasi. Selain melakukan uji mediasi, peneliti juga melakukan analisis jalur. Pembahasan, implikasi, dan rekomendasi penelitian disajikan dalam artikel ini.

Kata kunci: keterlibatan pelanggan, niat membeli, nilai sosial, nilai hedonis, nilai kreasi bersama.

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## 1. INTRODUCTION

The advent of social media has transformed interpersonal communication dynamics within communities, compelling businesses to establish web platforms resembling social networking sites (CSNs). These platforms serve as a means to cultivate direct relationships and engagement with their clientele (Hajli, 2015). Notably, social media wields a substantial influence on digital marketing, particularly on the content shared on these platforms, as users meticulously consider the content's construction to foster perceived value among customers (Kompasiana, 2019). The user base for social media in Indonesia has experienced significant growth, especially in the aftermath of the 2020 pandemic. Here is the data on social media users in Indonesia from January 2017 to January 2023:

**Table 1.**  
**Social Media Users**

Year	Number of Users (Millions of People)
2017	136
2018	146
2019	174
2020	176
2021	203
2022	205
2023	212,9

Source: We Are Social

Social media serves as a potent marketing tool for businesses, enabling the compelling presentation and visualization of information and product attributes (Webrazzi, 2018). These platforms inspire users to engage in experiences (Marbach, 2016), enhance brand recognition, and facilitate the promotion and sale of products and services (Hubspot, 2019). Popular social media platforms like Instagram, Facebook, Twitter, and Blogs have become primary channels for marketing a wide array of products (Lin & Utz, 2015).

Studies indicate that, on average, Instagram users exhibit a stronger inclination toward video viewing and image consumption in comparison to reading textual content. Remarkably, 65% of the global population utilizes Instagram for visual media and marketing purposes (Adage, 2019). Users of specific social media business accounts engage in extensive research on products and brands of interest, thus fostering robust customer engagement and active participation, as evidenced by comments and reviews (Hassan, 2014).

Customer engagement on specific social media platforms can significantly influence purchase intent through the lens of customer value creation, which encompasses dimensions like social value, hedonic value, and co-creation value (Hajli, 2014; Ceyhan, 2019). The research findings from Zhang et al. (2017), involving 260 respondents, furnish empirical proof of customer engagement's direct and positive impact on customer loyalty and its

indirect influence through customer value creation. Marketers from various companies vie to harness social platforms to widen their market reach and bolster their competitive advantage. Data for the third quarter of 2021 indicates the most effective social media platforms for business purposes, listed in order, are Facebook, Instagram, Twitter, LinkedIn, YouTube, TikTok, WhatsApp, Pinterest, and Snapchat (DataIndonesia.id, 2021). In 2023, TikTok is gaining popularity, while Instagram retains its appeal for video content via reels (glint.com, 2023).

Owners of Instagram business accounts and other media outlets can gauge consumer engagement through interactions within the comment sections of their ad displays (De Vries & Carlson, 2014). These business accounts provide a forum for users to engage in interactions by posing queries, commenting, and inviting others to partake in the advertisements (Tsimonis, 2014). Social value assigns particular significance to interactions and communication between users and business account proprietors through comments and direct messages on Instagram (Mulgan, 2010). Social value, hedonic value, and co-creation value can nurture purchase intent through experiences, enjoyment, solidarity, and interactions that foster consumer confidence in the product.

Ceyhan (2019) utilized path analysis to investigate the influence of customer engagement on customer value creation and the impact of customer value creation on purchase intention, involving college students in Istanbul. Ceyhan's research affirmed the constructive impact of customer engagement on all aspects of customer value creation. Functional value and hedonic value dimensions positively affect purchase intention, while social value and co-creation value exhibit no influence on purchase intention. These results diverge from Hajli's (2014) findings. If Ceyhan conducted path analysis, conducting a mediation test would be intriguing. The researcher is keen on replicating this study due to the disparities in findings from previous research. The study is conducted in a different country context, which could yield distinct results. The objective of this study is to investigate whether customer engagement affects purchase intention, with customer value creation as an intermediary.

## **2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

### **2.1 Customer Engagement**

Customer engagement is the emotional connection that develops between consumers and companies through various communication channels established by the company, involving consumer behavior, aspirations, and interactions (Brodie, 2011). It occurs when a customer actively participates in activities provided by the company. Customer engagement is initiated by specific psychological, cognitive, and emotional experiences of customers, as well as their interactions with the brand. Customer engagement encompasses both non-transactional and transactional behaviors (Patterson, Yu, & De Ruyter, 2006). Non-transactional behavior involves assisting other customers or expressing opinions about products and companies on social media (Gummerus et al., 2012). Van Doorn (2010) contends that customer engagement is the outcome of interactions between customers and a brand. Several factors influence customer engagement (Barger, 2016):

1. Brand Factor: Consumer perceptions of a brand can shape their attitudes and intentions on social media.

2. Product Factor: Consumers engage in providing feedback on product quality on social media.
3. Consumer Factor: Consumer perceptions of advertising or information can influence their attitudes toward the conveyed message.
4. Content Factor: Consumers interact with information or advertisements that affect their behavior on social media, encompassing entertaining, educational, and engaging content.
5. Social Media Factor: Customer engagement can benefit brands, products, consumer perceptions, and information on social media.

## **2.2 Customer Value Creation**

Value creation for customers plays a significant role because customer-oriented stores are specifically designed to target consumers' lifestyles. Consumers identify both online and offline retail stores as places where they can experience new things. Shopping in these stores will be remembered as a special experience. This is a major factor in attracting new customers and retaining existing ones (An & Han, 2020). Customer value creation used in this study includes social value, hedonic value, and co-creation value.

### **2.2.1 Social value**

Social value pertains to the interactions between buyers and sellers facilitated through comments and direct messages (Mulgan, 2010). Previous research has identified key dimensions of social value in e-commerce on social media (De Vries et al., 2012) (Cheung et al., 2009) (Doorn et al., 2010), which encompass:

1. Reviews and Recommendations: Consumers frequently seek and provide product reviews and brand recommendations within online communities. Positive reviews and endorsements from friends or community members can exert influence on purchase intent and consumer engagement.
2. Engagement in Communities: Consumers may experience heightened engagement with a brand or e-commerce platform when actively participating in online communities that share similar interests and preferences. This active involvement can enhance their engagement with the brand and the products they purchase.
3. Social Influence: Consumer purchase decisions are often influenced by social factors. Recommendations and endorsements from friends or industry influencers can stimulate higher purchase intent.
4. Shared Experiences: Consumers tend to feel more satisfied and engaged when they can share their shopping experiences with friends on social media. This sharing fosters social value and recognition among their peers.

As suggested by Sigala (2009), social value arises from user aspirations. Social value significantly affects perception and purchase intent, whether it results from consumer interactions or interactions between consumers and the company.

### **2.2.2 Hedonic Value**

Hedonic value is a concept frequently utilized in the fields of consumer behavior and economics to elucidate how consumers assess products or services based on their subjective experiences. It is closely linked to the satisfaction and pleasure derived from a product or service, which can influence a consumer's inclination to make a purchase. Hedonic value

pertains to the aspects of a product or service that offer immediate gratification, such as taste, texture, or sensory experiences.

In the realm of digital media, hedonic value is manifested through advertisements on social networks containing content or information that is amusing and captivating, aimed at satisfying user needs and providing pleasure (De Vries & Carlson, 2014). Hedonic value is associated with amusement, enjoyment, and the desire to escape while seeking information online (Novak, 2003). Social media often underscores visual elements like photos and videos. When consumers encounter aesthetically appealing products, an attractive appearance enhances hedonic value and visual satisfaction.

### **2.2.3 Co-creation Value**

Co-creation value involves the interaction between consumers and companies, resulting in the creation of shared value. Customers actively engage with the company (Hsieh & Chang, 2016; Yen et al., 2020) to identify emerging business trends, ranging from providing products or services relevant to current trends to highly personalized and customized offerings through co-creation. The concept of shared value creation was initially introduced by Prahalad and Ramaswamy.

Co-creation value entails the generation of value between a company and its target market to deliver an experiential outcome (Prahalad & Ramaswamy, 2004). In the past, consumers were passive participants, but in today's landscape, consumers have evolved into active contributors, aiding in the creation of shared value with companies on social media (Grönroos & Voima, 2013). Voima (2012) underscores that co-creation value behavior among buyers is the type of behavior that elevates the value of a product or service by participating in and improving business processes.

### **2.3 Purchase Intention**

According to Wu (2011), purchase intention is the likelihood that consumers will plan or decide to acquire a specific product or service in the future. A consumer's choice to purchase a particular product is influenced by physiological, social, or psychological needs (Kakkos, 2015). Purchase intention can also be influenced by a consumer's perception of value creation. The perceived value and brand image of a product can impact a strong desire to purchase that product (Simonian, 2012). Consequently, purchase intention serves as the motivating factor for a product, arising from an interest in it and generating a desire to make a purchase. There are four stages in a consumer's determination of purchase intention for a product: attention, interest, desire, and action (Kotler & Keller, 2018).

1. Attention: The initial stage where a product captures the consumer's interest.
2. Interest: When consumers obtain information about the product and start becoming interested in purchasing it.
3. Desire: When consumers contemplate the purchase of a product, they have become interested in.
4. Action: When consumers have confidence in the information about the product and take steps to acquire it.

## **Hypothesis Development**

### **Social Value: Mediating Customer Engagement and Purchase Intention**

Consumer engagement is a psychological state that is entirely absorbed into an individual's perception through experiences, interactions, and perceived responses (Higgins, 2009). These interactions instill trust in consumers for the seller and their business account, ultimately giving rise to purchase intention for the product (Hajli, 2014). Companies involve buyers in interactions and communications with other buyers or with business account owners, referred to as social value. The interaction between users and business account owners stimulates or fosters purchase intention for users (Ceyhan, 2019). Based on prior research, the researcher formulates the hypothesis:

H1: Customer engagement positively influences purchase intention with social value acting as a mediator.

#### **Hedonic Value: Mediating Customer Engagement and Purchase Intention**

Consumers who are engaged with a company or brand tend to experience hedonic values, such as delight, pleasure, and a desire to possess something as a form of enjoyment (Marbach, 2016). These hedonic values can influence purchase intention (Hwang, 2018). Hedonic value places greater emphasis on pleasure and satisfaction to offer an experience, enjoyment, and a desire to possess something. The presence of enjoyment and satisfaction can encourage purchase intention (Ceyhan, 2019). Based on the descriptions above, the researcher formulates the hypothesis:

H2: Customer engagement positively influences purchase intention with hedonic value acting as a mediator.

#### **Co-creation Value: Mediating Customer Engagement and Purchase Intention**

Peltier (2013) noted that customer engagement can encourage consumers to interact and communicate, conveying creative and innovative ideas to create value for products/services. Purchase intention arises when consumers are actively engaged in providing creative and innovative ideas to a company's business account on social media (Mikalef, 2013). Companies involve consumers in creating value for products or services by exploring consumer creativity and ideas in the continuous production or improvement of products or services. This activity is known as co-creation value. The collaboration between consumers and companies in the creation process generates purchase intention (Ceyhan, 2019). Based on the explanations above, the researcher formulates the hypothesis.

H3: Customer engagement positively influences purchase intention with co-creation value acting as a mediator.

Based on the formulation of hypotheses above, the research model is depicted as follows:

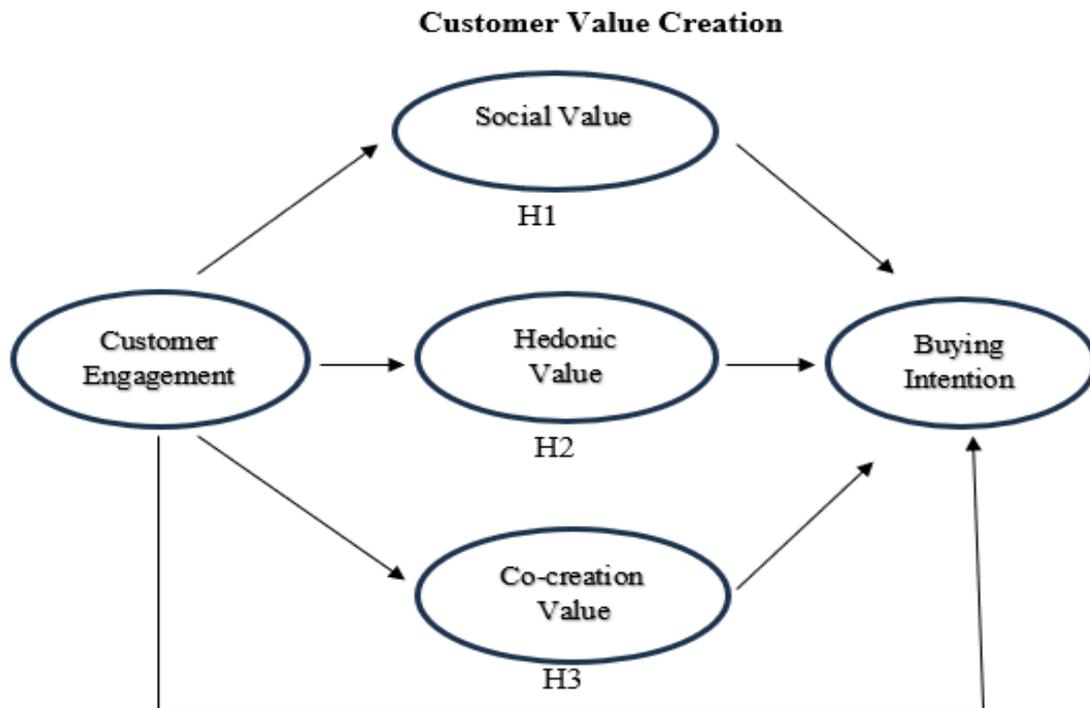


Figure 1. Research Model

### 3. RESEARCH DESIGN

The study employed purposive sampling, targeting respondents who actively own business accounts on specific social media platforms. A total of 520 respondents were included, meeting the predefined criteria. The research data obtained was processed using Smart PLS.

#### 3.1 Respondent Demographics

As this research was conducted online, the research area was not limited to a specific geographical location. Data collection was carried out through Google Forms, utilizing a 5-point Likert scale for questionnaire responses (Roopa & Rani, 2012; Febriansyah & Herviani, 2016; Sukmana, 2020). The questionnaires were distributed to eligible respondents via smartphone and social media platforms. The demographics of the 520 respondents are presented in the following table:

**Table 2.**  
**Respondents' Demographics**

Demographics Respondents		Number	Percentage (%)
Gender	Male	244	46,92
	Female	276	52,88
Age (years)	18 - 24	478	91,92
	25 - 34	36	6,92
	35 - 45	1	0,19
	>45	5	0,96
Education	Senior high school	166	31,92
	Bachelor's degree	338	65,00
	Master's degree	16	3,08

Occupation	Student	461	88,65
	Entrepreneur	35	6,73
	Private/public employee	24	4,62
Income/Allowance	< Rp 2.000.000	335	64,42
	Rp2.000.000 - Rp5.000.000	140	26,92
	> Rp5.000.000-Rp7.500.000	30	5,77
	> Rp7.500.000- Rp10.000.000	6	0,12
	> Rp10.000.000	10	1,92

Source: Processed by the researcher

### 3.2 Research Variables and Operational Definitions

This research follows the framework outlined by Sugiyono (2013) and involves three main types of variables. The dependent variable, which serves as the influencing factor, is customer engagement. On the other hand, the dependent variable, influenced by customer engagement, is purchase intention. Additionally, this research considers mediating variables that mediate the relationship between the independent and dependent variables. These mediating variables fall under the umbrella of customer value creation, which includes social value, hedonic value, and co-creation value. All the indicators used to measure these variables are consistent with those employed by Ceyhan (2019).

Customer engagement is defined as the emotional connection between consumers and a company through various communication channels provided by the company, such as comments, reviews, and aspirations (Brodie, 2011). This variable is assessed using four items. The mediating variables in this study, which make up customer value creation, consist of social value, hedonic value, and co-creation value. Social value is characterized as the perception of one's social self-concept derived from interactions with other buyers on e-commerce platforms or social media (Soutar, 2001).

It is measured using three indicators. Hedonic value pertains to the role of a community in providing pleasure and enhancing consumer shopping experiences with a brand on a social network (De Vries & Carlson, 2014). This variable is assessed with four indicators, utilizing the Likert scale. Co-creation value reflects a user's perception of enhancing the value of a product or service by actively participating in its creation with the company (Voima, 2012). It is measured using five questions. Purchase intention refers to the likelihood that consumers plan to purchase a specific product or service in the future Wu (2011). This variable is assessed using a Likert scale and three questions.

### 3.3 Analysis and Testing Procedures

The analysis for this study employed the PLS-SEM (Partial Least Squares Structural Equation Modeling) method. SEM is a statistical technique for testing causal models, and PLS is specifically used to analyze regression with multivariate data and address issues related to multicollinearity (Latan, 2015). PLS is a predictive technique that can handle multiple independent variables, even when multicollinearity exists among them (Ramzan & Khan, 2010). The analysis consists of three stages: measurement model testing, structural model testing, and hypothesis testing.

## 4. RESULT AND DISCUSSION

### 4.1 Measurement Model Testing

#### 4.1.1 Validity Testing

Validity testing was performed on the four indicators of the customer engagement variable (CE), three indicators of social value (SV), four indicators of hedonic value (HV), five indicators of co-creation value (CV), and three indicators of purchase intention (PI). An indicator is deemed valid if it exhibits an outer loading value of  $\geq 0.70$  (Algifari & Rahardja, 2020). The table below presents the valid indicators for each variable:

**Table 3.**  
**Convergent Validity Testing Results**

Variable	Instrument	Outer Loading	Criteria
Customer Engagement (CE)	CE1	0,849	Valid $\geq 0,70$
	CE2	0,903	
	CE3	0,851	
Social Value (SV)	SV1	0,817	
	SV2	0,843	
	SV3	0,854	
Hedonic Value (HV)	HV1	0,798	
	HV2	0,829	
	HV3	0,784	
	HV4	0,735	
Co-creation Value (CV)	CV1	0,766	
	CV3	0,751	
	CV4	0,827	
	CV5	0,759	
Purchase Intention (PI)	PI1	0,921	
	PI2	0,824	

Source: SmartPLS Data Analysis

In addition to evaluating convergent validity based on the test results, the success of discriminant validity testing is also determined using the Average Variance Extracted (AVE). The AVE is considered valid when it exceeds 0.50, while it is deemed invalid if it falls below this threshold (Algifari & Rahardja, 2020).

**Table 4.**  
**Discriminant Validity Test Results (AVE)**

Variable	AVE	Criteria
CE	0,702	Valid $> 0,50$
SV	0,702	
HV	0,619	
CV	0,753	
PI	0,603	

Source: SmartPLS Data Analysis

### 4.1.2 Reliability Testing Results

Reliability testing is conducted to evaluate the consistency of the indicators used for measuring variables in the research. This assessment primarily centers on Cronbach's Alpha values. In confirmatory research, reliability is considered acceptable if Cronbach's Alpha exceeds 0.70, and in exploratory research, it is deemed adequate if it surpasses 0.60 (Algifari & Rahardja, 2020). In the context of this ongoing confirmatory research, the results indicate that both Cronbach's Alpha and Composite Reliability values exceed 0.70, affirming the research instrument's reliability. The detailed results of the reliability testing are presented in the table below:

**Table 5.**  
**Reliability Testing Results**

Variable	Cronbach's Alpha	Composite Reliability	Criteria
CE	0,836	0,901	Reliable > 0,70
SV	0,788	0,876	
HV	0,795	0,867	
CV	0,780	0,858	
PI	0,700	0,865	

Source: SmartPLS Data Analysis

### 4.2 Structural Model Testing Results

#### 4.2.1 R-Square

R-squared (R<sup>2</sup>) is utilized to measure the extent to which the independent variables jointly account for the variance in the dependent variable. This assessment follows the criteria provided in the table below (Algifari & Rahardja, 2020).

**Table 6.**  
**R Square Test Results**

Variable	R Square	Status	Criteria
SV	0,307	Moderate	≥0,70 strong, ≥0,67 high, ≥0,30 moderate, ≥0,19 low, and <0,19 no capability
HV	0,155	Low	
CV	0,243	Low	
PI	0,291	Low	

Source: SmartPLS Data Analysis

The R<sup>2</sup> test results reveal a value of 0.307 for the social value variable, indicating that customer engagement can account for 30.7% of the variation in social value. The R<sup>2</sup> value for hedonic value is 0.155, signifying that customer engagement can elucidate 15.5% of the variation in the hedonic value variable. The explanatory power of customer engagement for co-creation value is 24.3%, with customer engagement's power on social value being the highest. The collective ability of all independent and mediating variables to elucidate the variation in purchase intention is 29.1%, characterized as low.

#### 4.2.2 Collinearity Statistic: Variance Inflation Factor (VIF)

The Variance Inflation Factor (VIF) is used to identify multicollinearity problems that can affect the the effectiveness of a regression model. The results of the collinearity statistic test

are considered free from multicollinearity issues if the VIF value is below 5 (Algifari & Rahardja, 2020). The table below shows the results of the collinearity statistic test (VIF).

**Table 7.**  
**Collinearity Statistics (VIF) Test Results**

Variable	VIF value	Status	Criteria
CE → SV	1,842	No multicollinearity issues	Inner VIF value <5
CE → HV	1,646		
CE → CV	1,838		
SV → HV	1,463		
SV → CV	1,450		
HV → CV	1,316		
SV → PI	1,507		
HV → PI	1,407		
SV → PI	1,555		

Source: SmartPLS Data Analysis

**4.2.3 Model Fit: Standardized Root Mean Square Residual (SRMR)**

The Standardized Root Mean Square Residual (SRMR) is a measure used to evaluate the fit of the structural model in path analysis or structural equation modeling. SRMR helps assess the extent to which the proposed statistical model fits the observed data. A good SRMR value that meets the requirements is below 0.1. If SRMR exceeds this value, it indicates that the model is not a good fit for the data (Algifari & Rahardja, 2020). The table below shows the model fit test results (SRMR):

**Table 8.**  
**Model Fit (SRMR) Test Results**

	Saturated Model	Estimated Model
SRMR	0,081	0,111

Source: SmartPLS Data Analysis

The table above displays a model fit test result of 0.081, indicating that the testing can be considered valid because an SRMR value below 0.1 suggests that the model used fits the observed data.

**4.3 Hypothesis Testing Results**

Mediating variables are constructs that serve as intermediary factors influencing the relationship between independent and dependent variables (Sugiyono, 2013). Mediation is confirmed when specific indirect effects are statistically significant, typically with a p-value < 0.05 (Latan, 2015). Perfect mediation occurs when the mediating variable fully explains the relationship between the independent and dependent variables, while partial mediation occurs when the mediating variable only partially explains the relationship, and there is still a significant direct influence from the independent variable to the dependent variable (Latan, 2015; Hayes, 2018).

**Table 9.**  
**Mediation Test Results**

Variable	P value	Hypothesis Status	Status
CE -> SV -> PI	0,067	Not supported at a 5%	Marginal

			p-value, but supported at a 10% p-value	mediation
CE -> HV -> PI		0,011	Supported	Partial Mediation
CE -> CV -> PI		0,000	Supported	Partial Mediation

Source: SmartPLS data analysis

In addition to the mediation tests mentioned above, the researchers conducted path analysis for Indonesian respondents, as presented in Table 9. The direct influence among variables in the research model is significant, with a p-value < 0.05, except for the influence of social value on purchase intention, which has marginal significance with p-values in the range of 6-10%.

This differs from the findings of Ceyhan (2019) who stated that social value and co-creation value do not affect purchase intention. In this study, it can be concluded that each variable, namely customer engagement, social value, hedonic value, and co-creation value, influences purchase intention. Customer engagement affects each sub-variable of customer value creation selected in this study.

**Table 10.**  
**Path Coefficient Results**

Variable	Beta	P Value	Criteria
CE → SV	0,555	0,000	p Value < 0,05
CE → HV	0,393	0,000	
CE → CV	0,493	0,000	
SV → PI	0,096	0,069	
HV → PI	0,127	0,011	
CV → PI	0,230	0,000	
CE → PI	0,554	0,000	

Source: SmartPLS data analysis

## Discussion

The results in the table can be explained as follows hypothesis 1, which states that customer engagement has a positive effect on purchase intention with social value as a partial mediator, is marginally supported because the p-value of 0.067 is greater than 0.05 (still in the 6-10% p-value range). Customer engagement on social media business accounts indirectly affects purchase intention, partially mediated by social value. Consumer engagement significantly and positively influences social value, thereby impacting purchase intention. This aligns with De Vries, J. (2014) emphasis on the role of consumer engagement in determining commitment and trust, as well as Hajli's (2014) research, while not supporting the findings of (Ceyhan, 2019).

Hypothesis 2, which states that customer engagement has a positive effect on purchase intention with hedonic value as a mediator, is supported because the p-value of 0.011 is less than 0.05. Customer engagement on social media business accounts indirectly impacts purchase intention, partially mediated by hedonic value.

Customer engagement on social media motivates users to seek pleasure and satisfaction through interactions like comments and reviews with fellow consumers. When buyers find pleasure and satisfaction in a product, their intention to purchase it increases. This aligns with previous research, as demonstrated by Marbach (2016) and Hwang (2018), which emphasize the role of enjoyment and satisfaction in influencing purchase intention.

Hypothesis 3, which states that customer engagement has a positive effect on purchase intention mediated by co-creation value, is supported with a p-value of 0.000. Customer engagement on social media business accounts indirectly affects purchase intention, partially mediated by co-creation value. Consumer engagement has a direct and positive impact on co-creation value, reflecting that the greater consumer engagement with social media business accounts, the higher the co-creation value, as supported by Voima (2012), who emphasized that co-creation value is the result of buyers' participation and collaboration in the service development process.

This co-creation value, in turn, significantly and positively influences purchase intention, meaning that the more consumers engage in co-creating products or services with a company, the more likely they are to intend to purchase, aligning with the findings of R. Prahalad (2013) regarding the influence of co-creation value on purchase intention.

## 5. CONCLUSION

This research evaluates the relationship between customer engagement and purchase intention while considering the mediating role of social value, hedonic value, and co-creation value. The statistical analysis conducted using Smart PLS 3.0 reveals the following key findings that customer engagement on business social media accounts has a substantial impact on social value and purchase intention, highlighting the need for businesses to enhance customer engagement. Companies can achieve this by encouraging active participation, fostering enthusiasm, and promoting social interaction to boost purchase intention and potentially build customer loyalty. These findings also point towards future research opportunities, especially within the Indonesian context.

This study demonstrates the significance of customer engagement on business social media accounts, particularly in influencing social value and purchase intention, with beta values of 0.555 and 0.554, respectively. These results emphasize the importance of companies enhancing customer engagement on their social media platforms. This can be achieved by fostering conscious participation, enthusiasm, and social interaction, ultimately leading to increased purchase intention and potentially greater customer loyalty. This also suggests the need for further research, especially within the Indonesian context.

The study identifies an indirect effect of customer engagement on purchase intention, partially mediated by customer value creation. Among the sub-variables related to customer value creation employed in the study, only social value emerged as a marginal mediator. The direct impact of all independent variables and mediating variables on the dependent variable is statistically significant, in contrast to the outcomes reported by Ceyhan (2019). These variations in research findings may be attributed to differences in respondent characteristics and cross-cultural disparities in lifestyle, offering directions for further scholarly investigations.

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