

## Customer Engagement and Customer Loyalty with Value Co-Creation as a Mediating Variable

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**Abstract.** *This study aims to analyze how consumer involvement influences the behavior of creating shared value and its impact on customer loyalty of PT KCI?. The type of research used in this study is an explanatory research type. The population in this study were consumers of PT KCI, namely Commuter train users in the Jabodebek area. The sampling technique used in this study was purposive sampling, namely 140 Commuter train users in the Jabodebek area with departures or destinations at Jakarta Kota, Bekasi, Bogor, Tanah Abang and Tangerang stations. Data collection obtained through questionnaires was carried out using interval measurements with a Likert scale of 1 to 5. Data analysis in this study used Partial Least Square (PLS). The results of the hypothesis testing are as follows: Customer Participation has a significant positive effect on Value Co-Creation and Customer Loyalty; Social Support has a significant positive effect on Value Co-Creation and Customer Loyalty; Value Co-Creation has a significant positive effect on Customer Loyalty. Based on the proof of the hypothesis above, the conclusion of the results of this study is that increasing Value Co-Creation can be done by increasing Customer Participation and Social Support. Meanwhile, increasing consumer loyalty can be done by increasing Value Co-Creation supported by Customer Participation and Social Support.*

**Keywords:** *Customer Participation; Customer Loyalty; Computer Train; Social Support; Value Co-Creation.*

### 1. Introduction

In Indonesia, the problem of public transportation is one that has not been resolved properly, because as the years go by, the number of private and public vehicles tends to be unstable. Private vehicles such as motorbikes and private cars continue to increase. Data from the Central Statistics Agency (BPS) states that in 2020 the number of vehicles in Indonesia reached 136,137,451 vehicles, with details of 115,023,039 motorbikes, 15,797,746 passenger cars, 233,261 buses, and 5,083,405 goods vehicles. Looking at these data, it can be concluded that private vehicle users have increased from year to year and public interest in using public transportation is still lacking. PT Kereta Api Indonesia (Persero) or usually abbreviated as PT KAI is an Indonesian State-Owned Enterprise (BUMN) that provides services in the field of railway transportation. The services of PT Kereta Api Indonesia (Persero) include passenger

and freight transportation as authorized by Law Number 13 of 1992 which was later revised by Law Number 23 of 2007. The law confirms that private investors and local governments are given the opportunity to manage railway transportation services in Indonesia. This means that the enactment of the law legally ends PT KAI's monopoly in operating trains in Indonesia.<sup>1</sup>

As a BUMN, PT KAI has a dual role, namely as an Agent of Development and a profitable company. PT KAI has a social responsibility to provide public transportation facilities, namely train transportation for all Indonesian people. This condition forces PT KAI to always adapt to market mechanisms. PT KAI must follow the changes that occur in the external environment and adapt them to the company's internal environment. One form of adaptation that is carried out is to adjust the organizational culture to its external environment. PT KAI has made many changes in adjusting the organizational culture to the surrounding environment, including changes in the company's culture which was initially product-oriented to a consumer-oriented company (Consumer Oriented). PT Kereta Commuter Indonesia, running its business as KAI Commuter, is a subsidiary of PT Kereta Api Indonesia which is tasked with managing commuter rail transportation in Indonesia. PT Kereta Commuter Indonesia (KCI) has recorded a decrease in the number of passengers on the Indonesian Commuter Line KRL in the last two years. The decrease in the number of passengers on the Commuter Line KRL throughout last year was the impact of the Covid-19 pandemic. The suppressed mobility of the community resulted in a decrease in the number of KRL passengers.<sup>2</sup>

*Value Co-creation* is a business strategy, which promotes and encourages active involvement of customers to create products on demand and bespoke. With co-creation, consumers get what they want and have a stake in making it happen. Value creation occurs in business-to-consumer interactions, business-to-business interactions, and consumer-to-consumer interactions, to put it simply actor-to-actor interactions. All of these interactions are the locus of value co-creation for one or both parties involved. *Co-creation* refers to the process of designing products and services in which customers play a central role throughout the value chain of any organization. Co-creation is a strategy that brings together multiple parties to jointly produce mutually beneficial outcomes.<sup>3</sup>

From a consumer perspective, consumers' repeated product usage behavior can influence the needs they feel regarding interaction and participation. Compared to consumers who have previously used KRL regularly, people who are not regular users of KRL will be less familiar

<sup>1</sup>Buhalis, D., & Foerste, M. (2015). SoCoMo marketing for travel and tourism: Empowering co-creation of value. *J. E Journal of Destination Marketing & Management*, 4(3), p.151-161.

<sup>2</sup>Delpechitre, D., Beeler-Connelly, L. L., & Chaker, N. (2018). Customer value co-creation behavior: A dyadic exploration of the influence of salesperson emotional intelligence on customer participation and citizenship behavior. *Journal of Business Research*, 92, p.9–24. <https://doi.org/10.1016/j.jbusres.2018.05.007>.

<sup>3</sup>Chen, Y. W. (2020). Sustainable value co-creation in the virtual community: How diversified co-creation experience affects co-creation intention. *International Journal of Environmental Research and Public Health*, 17(22), p.1–14. <https://doi.org/10.3390/ijerph17228497>.

with KRL. For example, those who are accustomed to using bus transportation, or cars / private vehicles may need to seek help to get information about KRL. Thus, people consider the creation of shared value as something helpful, and as a result, these consumers are willing to use KRL repeatedly. Consumers who regularly have a relatively more fixed behavioral mode will clearly know what time they should be ready at the station, when the KRL departure schedule is and how to book tickets. However, they have not been actively involved in the behavior of creating shared value, the influence of their loyalty to PT KCI is limited. So this study includes co-creation behavior as a mediating variable to empirically analyze whether co-creation behavior produces a mediating effect between customer engagement and customer loyalty at PT KCI.<sup>4</sup>

## 2. Research Methods

The type of research that used This research is an associative explanatory research type, which aims to determine the relationship between two or more variables. This research aims to explain hypothesis testing with the intention of justifying or strengthening the hypothesis with the hope that it can ultimately strengthen the theory used as a basis. In this case, it is to test the influence of Customer Participation, Social Support, Value co Creation, and Customer loyalty.<sup>5</sup>

## 3. Results and Discussion

### 3.1. Influence Customer Participation to Value Co-Creation

Customer participation is widely used by organizations to bring customers closer to the brand. Customer participation varies widely, from requiring only physical presence or provision of customer information to customers as active co-producers. Reflecting on SD Dominant Logic or service-dominant marketing logic Customer Participation as customer involvement in the process of creating and delivering shared services which is done with share information make suggestions and provide information about personal needs and participate in decision making processes Customer participation is a behavioral construct with a utilitarian focus that captures customers' investment of time, effort, and decision-making in improving service delivery processes and outcomes. Customer participation is widely used by organizations to engage customers with brands. Thus, Customer participation is viewed as a voluntary behavior as a source of information in improving service delivery processes and outcomes and co-development actions.<sup>6</sup>

#### a. Customer Participation Variable

In order to reveal respondents' responses regarding the Customer Participation variable, this study used 3 (three) statements taken from the indicators, namely:

<sup>4</sup>Liu, J., & Jo, W. M. (2020). Value co-creation behaviors and hotel loyalty program member satisfaction based on engagement and involvement: Moderating effect of company support. *Journal of Hospitality and Tourism Management*, 43, p.23–31. <https://doi.org/10.1016/j.jhtm.2020.02.002>.

<sup>5</sup>Sugiyono. (2018). *Metode Penelitian*, p.22–34.

<sup>6</sup>Dong, B., & Sivakumar, K. (2016). "Customer Participation in Services: Domain, Scope, and Boundaries" *Customer Participation in Services: Domain, Scope, and Boundaries*.

Table a Results of Customer Participation Variable Indicator Answers

NO	INDICATOR	X	RESPONDENT RESPONSE ALTERNATIVES					TOTAL	Index Value
			SS	S	N	TS	STS		
			5	4	3	2	1		
1	Informational participation	F	50	55	27	7	1	140	4.04
		%	36%	39%	19%	5%	1%	100%	
		FX	250	220	81	14	1	566	
2	Actionable participation	F	50	58	18	13	1	140	4.02
		%	36%	41%	13%	9%	1%	100%	
		FX	250	232	54	26	1	563	
3	Attitudinal participation	F	52	52	23	12	1	140	4.01
		%	37%	37%	16%	9%	1%	100%	
		FX	260	208	69	24	1	562	
AVERAGE SUM OF VARIABLES								4.03	

Source: Processed primary data, 2023

Based on Table a, the responses on the Customer Participation variable indicator from the calculation of the questionnaire answer results for the Customer Participation variable indicator show a figure of 4.03, which shows that most respondents consider Customer Participation to be in the High category. Customer Participation is in the high category as shown by the indicator with the lowest mean value is Attitudinal participation with a value of 4.01; then actionable participation with an index of 4.02 and the indicator with the highest index value is Informational participation with a value of 4.04, all of which are in the high category. These results indicate that consumer attitude participation towards KCI is in very good condition.

*Customer Participation* which is built with the indicators Informational participation, Actionable participation, and Attitudinal participation has been proven to be able to support the increase in Value Co Creation which is built with indicators of trying to be mutually beneficial, providing the products offered, Providing mutually beneficial pricing policies, Looking for progressive marketing activities together and Discussing together in marketing products.<sup>7</sup>

#### b. Value Co Creation Variable

In order to reveal respondents' responses regarding the Value Co Creation variable, this study used 5 (five) statements taken from the indicators, namely: .

Table b Results of Answers to Value Co Creation Variable Indicators

NO	INDICATOR	X	RESPONDENT RESPONSE ALTERNATIVES					TOTAL	Index Value
			SS	S	N	TS	STS		
			5	4	3	2	1		

<sup>7</sup>Dmr, D. (2019). Social Media Marketing and Customer Engagement: A Review on Concepts and Empirical Contributions Background of the Study. In *Kelaniya Journal of Management* / (Vol. 08, Issue 01).

1	Striving for mutual benefit	F	39	54	33	12	2	140	3.83
		%	28%	39%	24%	9%	1%	100%	
		FX	195	216	99	24	2	536	
2	Providing the products offered	F	44	66	20	8	2	140	4.01
		%	31%	47%	14%	6%	1%	100%	
		FX	220	264	60	16	2	562	
3	Providing a mutually beneficial pricing policy	F	50	54	25	11	0	140	4.02
		%	36%	39%	18%	8%	0%	100%	
		FX	250	216	75	22	0	563	
4	Looking for advanced marketing activities together	F	38	71	21	10	0	140	3.98
		%	27%	51%	15%	7%	0%	100%	
		FX	190	284	63	20	0	557	
5	Discuss together in marketing the product	F	63	43	22	9	3	140	4.10
		%	45%	31%	16%	6%	2%	100%	
		FX	315	172	66	18	3	574	
AVERAGE SUM OF VARIABLES								3.99	

Source: Processed primary data, 2023

Based on Table b, the responses to the Value Co Creation indicator from the calculation of the questionnaire answer results for the Value Co Creation variable indicator showed a figure of 3.99, which shows that most respondents considered Value Co Creation to be in the High category as each indicator has an index value that is also in the high category. The indicator Striving for mutual benefit has an index value of 3.83; the indicator Providing the products offered has an index of 4.01; the indicator Providing mutually beneficial pricing policy has an index of 4.02; the indicator of Looking for jointly advancing marketing activities has an index of 3.98; and the indicator of discussing together in marketing products has an index of 3.98. These findings indicate that KCI's steps in engaging consumers to discuss marketing of its products and services and establishing relationships to seek mutual benefit are in very good condition.<sup>8</sup>

### 3.1.1. Influence Customer Participation to Customer Loyalty

From a marketing perspective, loyalty combines attitudes and behaviors, and extends from employee loyalty to customer loyalty. Loyalty is a very important trait that underpins the success or failure of a company. Loyalty is a key factor for the long-term success of a company.<sup>9</sup> Customer loyalty can be understood as a favorable behavior toward a company,

<sup>8</sup>Dewi Pertiwi, R., Yolanda Putri, D., & Laksniyunita, W. (2022). *Central European Management Journal Build Customer Brand Loyalty from Customer Engagement and Social Media Marketing* (Vol. 30, Issue 4).

<sup>9</sup>Hapsari, R., Hussein, A. S., & Handrito, R. P. (2020). Being Fair to Customers: A Strategy in Enhancing Customer Engagement and Loyalty in the Indonesia Mobile Telecommunication Industry. *Services Marketing Quarterly*, 41(1), p.49–67. <https://doi.org/10.1080/15332969.2019.1707375>.



evidenced through a customer's likelihood to do repeat business with a particular retailer, preference for a particular brand and word-of-mouth advocacy.<sup>10</sup>

So customer loyalty or customer loyalty can be concluded as consumer behavior in showing emotional relationships and preferences towards brands, and willingness to make repeat purchases and recommend them to others. Kotler and Keller define customer loyalty as the long-term success of a particular brand is not based on the number of consumers who buy only once, but on the number of repeat purchases, through this definition explains that consumer loyalty will be measured through the following three things:<sup>11</sup>

1. *Word of mouth*/ Word of mouth: recommending others to buy or referring others.
2. *Reject another*/Reject others: refuse to use other products or show immunity to withdraw from competitors.
3. *Repeat purchase*/Repeat purchases: how often to make repeat purchases.

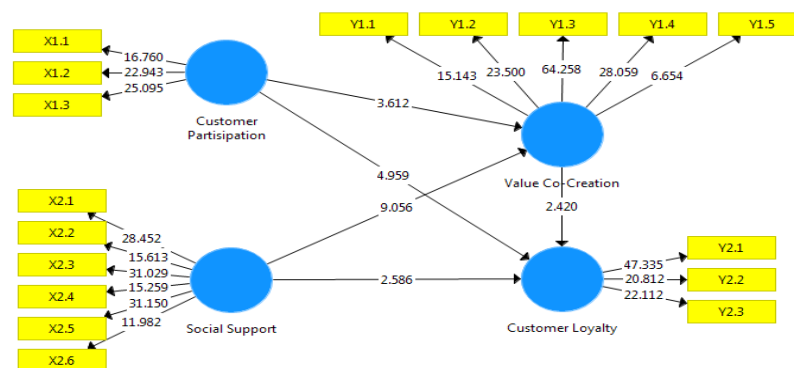


Table 3.3.1 Bootstrapping Output

Based on the results of the PLS test in table 3.1.1 above regarding the second hypothesis, namely the influence *Customer Participation* to *Customer Loyalty* has a significant positive effect, which means that the better customer participation, the higher the customer loyalty.

<sup>10</sup>de Oliveira Santini, F., Ladeira, W. J., Pinto, D. C., Herter, M. M., Sampaio, C. P., & Babin, B. J. (2020). Customer engagement in social media: a framework and meta-analysis. In *Journal of the Academy of Marketing Science* (Vol. 48, Issue 6, p. 1211–1228). Springer. <https://doi.org/10.1007/s11747-020-00731-5>.

<sup>11</sup>Phillip Kotler, & Kevin Lane Keller. (2009). *Manajemen Pemasaran*. (Edisi kedua belas, Vol. 12). (PT Index. kelompok Gramedia) .

*Customer Participation* which is built with the indicators Informational participation, Actionable participation, and Attitudinal participation is proven to increase Customer Loyalty which is built with indicators of Word of mouth, Reject another and Repeat purchasing.<sup>12</sup>

This research supports the results of previous research, namely Woratschek which shows that customer participation in services affects their own perceptions and loyalty, and is useful for developing customer loyalty. Then customer participation has been proven to be able to increase customer loyalty for the recreation and service industries. Customer participation can also promote brand outcomes, such as brand satisfaction, brand loyalty.<sup>13</sup>

#### a. Customer Loyalty Variable

In order to reveal respondents' responses regarding the Customer Loyalty variable, this study used 3 (three) statements taken from the indicators, namely:

**Table a Customer Loyalty Variable Indicator Answer Results**

NO	INDICATOR	X	RESPONDENT RESPONSE ALTERNATIVES					TOTAL	Index Value
			SS	S	N	TS	STS		
			5	4	3	2	1		
1	Word of mouth / from mouth to mouth	F	51	55	23	10	1	140	4.04
		%	36%	39%	16%	7%	1%	100%	
		FX	255	220	69	20	1	565	
2	Reject another/Reject another	F	55	44	26	11	4	140	3.96
		%	39%	31%	19%	8%	3%	100%	
		FX	275	176	78	22	4	555	
3	Repeat purchasing	F	46	58	19	13	4	140	3.92
		%	33%	41%	14%	9%	3%	100%	
		FX	230	232	57	26	4	549	
AVERAGE SUM OF VARIABLES								3.97	

Source: Processed primary data, 2023

Based on Table a, the responses to the Customer Loyalty variable indicator from the calculation of the questionnaire answer results for the Customer Loyalty variable indicator show a figure of 3.97, which shows that most respondents consider Customer Loyalty to be in the High or Good category. This result is because all Customer Loyalty indicators have high index values. Word of mouth indicator with an index value of 4.04; Reject another/Reject another with an index value of 3.96 and the Repeat purchasing indicator with an index value

<sup>12</sup>Rahmawati, E., & Aji, S. (2015). Pengaruh Customer Engagement Terhadap Kepuasan Pelanggan Dan Kepercayaan Merek Serta Dampaknya Pada Loyalitas Merek. *Jurnal Riset Ekonomi Dan Manajemen*, 15(2), p.246. <https://doi.org/10.17970/jrem.15.150204.id>.

<sup>13</sup>Nardi, V. A. M., Jardim, W. C., Ladeira, W. J., & Santini, F. (2020). A meta-analysis of the relationship between customer participation and brand outcomes. *Journal of Business Research*, 117, p.450–460. <https://doi.org/10.1016/j.jbusres.2020.06.017>.

of 3.92, which shows that KCI consumers are willing to recommend others to use Computer trains.<sup>14</sup>

### 3.2. The Influence of Social Support on Value Co-Creation

*Social Support* refers to an individual's perception of the social resources available to them, or the resources actually provided to them by other members of their network in the context of formal support groups and informal helping connections and relationships. Social Support is defined as the overall level of helpful social interactions available in the workplace from both coworkers and supervisors.<sup>15</sup>

Then, Baptista et al. argues that Social Support is considered as the potential to obtain resources outside those directly owned by an individual. Social support has been defined in many ways such as resources provided by others, coping assistance, resource exchange and personality traits.<sup>16</sup>

Social support is very important for businesses, especially for brands whose main target group is generations Y and Z, namely people who are used to communicating in a modern way through social media. Social media is very important in building an image, and also has an impact on customer satisfaction levels..<sup>17</sup>

While social support can help social marketers better adapt to audience needs, the role of social support in social marketing is still largely unexplored in marketing theory. Social support examines how individuals experience feelings of being cared for, responded to, and facilitated by people in their social groups.<sup>18</sup>

The results of this study support previous studies that show that Customer Engagement drives loyalty and promotes business through word-of-mouth marketing. Then, value Co-creation is greatly influenced by reciprocal interactions between customers and employees..<sup>19</sup>

#### a. Social Support Variable

<sup>14</sup>Nupus, P., & Ichwanudin, W. (2021). *Business Network Accessibility, Customer Relationship Management and Value Co-creation on Family Business Performance*. 1(4), p.126–135. <http://journal.publindoakademika.com/index.php/RH>.

<sup>15</sup>Busalim, A. P., Che Hussin, A. R., & Iahad, N. A. (2019). Factors Influencing Customer Engagement in Social Commerce Websites: A Systematic Literature Review.

<sup>16</sup>Gurrieri, L., & Drenten, J. (2019). Visual storytelling and vulnerable health care consumers: normalising practices and social support through Instagram. *Journal of Services Marketing*, 33(6), p.702–720. <https://doi.org/10.1108/JSM-09-2018-0262>.

<sup>17</sup>Yahia, I. ben, Al-Neama, N., & Kerbach, L. (2018). Investigating the drivers for social commerce in social media platforms: Importance of trust, social support and the platform perceived usage. *Journal of Retailing and Consumer Services*, 41, p.11–19. <https://doi.org/10.1016/j.jretconser.2017.10.021>.

<sup>18</sup>Tajvidi, M., Wang, Y., Hajli, N., & Love, P. E. D. (2021). Brand Value Co-creation in Social Commerce: The Role of Interactivity, Social Support, and Relationship Quality. *Computers in Human Behavior*, 115 (105238), p.1–31.

<sup>19</sup>Rasool, A., Shah, F. A., & Tanveer, M. (2021a). Relational Dynamics between Customer Engagement, Brand Experience, and Customer Loyalty: An Empirical Investigation. *Journal of Internet Commerce*, 20(3), p.273–292. <https://doi.org/10.1080/15332861.2021.1889818>.



In order to reveal respondents' responses regarding the Social Support variable, this study used 6 (six) statements taken from the indicators, namely:

**Table a Results of Answers to Social Support Variable Indicators**

NO	INDICATOR	X	RESPONDENT RESPONSE ALTERNATIVES					TOTAL	Index Value
			SS	S	N	TS	STS		
			5	4	3	2	1		
1	Emotional support	F	39	65	28	8	0	140	3.96
		%	28%	46%	20%	6%	0%	100%	
		FX	195	260	84	16	0	555	
2	Information support	F	33	85	15	7	0	140	4.03
		%	24%	61%	11%	5%	0%	100%	
		FX	165	340	45	14	0	564	
3	Ownership support	F	44	67	21	8	0	140	4.05
		%	31%	48%	15%	6%	0%	100%	
		FX	220	268	63	16	0	567	
4	Real support	F	40	74	20	6	0	140	4.06
		%	29%	53%	14%	4%	0%	100%	
		FX	200	296	60	12	0	568	
5	Instrumental support	F	42	66	23	8	1	140	4.00
		%	30%	47%	16%	6%	1%	100%	
		FX	210	264	69	16	1	560	
6	Assessment support	F	49	63	21	5	2	140	4.09
		%	35%	45%	15%	4%	1%	100%	
		FX	245	252	63	10	2	572	
AVERAGE SUM OF VARIABLES								4.03	

Source: Processed primary data, 2023

Based on Table a, the responses to the Social Support indicator from the calculation of the questionnaire answer results for the Social Support variable indicator show a figure of 4.03, which indicates that most respondents consider Social Support to be in the High category as indicated by each indicator that is in the high category, namely the emotional support indicator 3.96; information support indicator of 4.03; ownership support indicator of 4.05; real support indicator of 4.06; instrumental support indicator of 4.00 and assessment support indicator of 4.09. These results indicate that consumer responses to other consumers' assessments of KCI are in very good condition and consumers feel happy if their colleagues are comfortable using KCI because they follow their advice.<sup>20</sup>

### 3.2.1. The Influence of Social Support on Customer Loyalty

Based on the results of the PLS test in table 3.1.1 above regarding the fourth hypothesis, namely the influence *Social Support* to *Customer Loyalty* significant influence. The results of this

<sup>20</sup>Raza, A., Saeed, A., Iqbal, M. K., Saeed, U., Sadiq, I., & Faraz, N. A. (2020a). Linking corporate social responsibility to customer loyalty through co-creation and customer company identification: Exploring sequential mediation mechanism. *Sustainability (Switzerland)*, 12(6). <https://doi.org/10.3390/su12062525>.

study indicate that the higher the customer support, the higher the consumer loyalty. *Social Support* which is built with indicators of Emotional Support, Information Support, Ownership Support, Real Support, Instrumental Support and Assessment Support which has been proven to increase *Customer Loyalty* built with indicators *Word of mouth*, *Reject another* and *Repeat purchasing*.<sup>21</sup>

The results of this study support several previous studies, including research Dhasan & Aryupong who showed that Customer Engagement has a significant direct effect on customer loyalty. Then, the results of the study Monferrer et al reveals a strong relationship between customer engagement and customer loyalty. As previous researchers also emphasized that customer engagement will have a significant effect on customer loyalty..<sup>22</sup>

#### a. Customer Loyalty Variable

In order to reveal respondents' responses regarding the Customer Loyalty variable, this study used 3 (three) statements taken from the indicators, namely:

**Table a Customer Loyalty Variable Indicator Answer Results**

NO	INDICATOR	X	RESPONDENT RESPONSE ALTERNATIVES					TOTAL	Index Value
			SS	S	N	TS	STS		
			5	4	3	2	1		
1	Word of mouth / from mouth to mouth	F	51	55	23	10	1	140	4.04
		%	36%	39%	16%	7%	1%	100%	
		FX	255	220	69	20	1	565	
2	Reject another/Reject another	F	55	44	26	11	4	140	3.96
		%	39%	31%	19%	8%	3%	100%	
		FX	275	176	78	22	4	555	
3	Repeat purchasing	F	46	58	19	13	4	140	3.92
		%	33%	41%	14%	9%	3%	100%	
		FX	230	232	57	26	4	549	
AVERAGE SUM OF VARIABLES								3.97	

Source: Processed primary data, 2023

Based on Table a, the responses to the Customer Loyalty variable indicator from the calculation of the questionnaire answer results for the Customer Loyalty variable indicator show a figure of 3.97, which shows that most respondents consider Customer Loyalty to be in the High or Good category. This result is because all Customer Loyalty indicators have high index values. Word of mouth indicator with an index value of 4.04; Reject another/Reject

<sup>21</sup>Kim, J., Park, J., & Glovinsky, P. L. (2018). Customer involvement, fashion consciousness, and loyalty for fast-fashion retailers. *Journal of Fashion Marketing and Management*, 22(3), p.301–316. <https://doi.org/10.1108/JFMM-03-2017-0027>.

<sup>22</sup>Nadeem, W., Tan, T. M., Tajvidi, M., & Hajli, N. (2021). How do experiences enhance brand relationship performance and value co-creation in social commerce? The role of consumer engagement and self brand-connection. *Technological Forecasting and Social Change*, p.171. <https://doi.org/10.1016/j.techfore.2021.120952>.

another with an index value of 3.96 and the Repeat purchasing indicator with an index value of 3.92, which shows that KCI consumers are willing to recommend others to use Computer trains.<sup>23</sup>

### 3.2.2. Influence *Value Co-Creation* towards Customer Loyalty

*Value Co Creation* is a condition where people from different backgrounds come together to participate in the same event, where various opinions are gathered together to produce more innovative design ideas. Value co-creation refers to the process of exchanging resources carried out between consumers and companies, allowing both parties to gain greater benefits. The creation of shared value refers to the concept where companies should consider each customer as a value creator.<sup>24</sup> Companies and customers participate in the value chain and jointly develop new products so that customers can participate in the entire production process to meet the needs of both parties. Value Co Creation indicates high consumer involvement. Because consumers participate, companies have been able to produce highly customized products and services, which are made based on consumer needs. Value Co Creation means that collaborative partners face possible challenges and opportunities together, creating value-added behaviors through mutual assistance, dependence, and fair and equitable distribution of resources.<sup>25</sup>

Based on the results of the PLS test in table 3.1.1 above regarding the fifth hypothesis, namely the influence *Value Co-Creation* has a significant effect on Customer Loyalty, which means that the higher the value co-creation, the higher the loyalty of KCI consumers.

*Value Co Creation* which is built with indicators of trying to be mutually beneficial, providing the products offered, providing mutually beneficial pricing policies, seeking jointly advanced marketing activities and discussing together in marketing products that have been proven to increase *Customer Loyalty* built with indicators *Word of mouth*, *Repeat another* and *Repeat purchasing*.

This study supports the results of previous research which shows that *Value co-creation* positively influences customer loyalty.<sup>26</sup>

#### a. Value Co Creation Variable

In order to reveal respondents' responses regarding the Value Co Creation variable, this study used 5 (five) statements taken from the indicators, namely:

<sup>23</sup>Molinillo, S., Anaya-Sánchez, R., & Liébana-Cabanillas, F. (2020). Analyzing the effect of social support and community factors on customer engagement and its impact on loyalty behaviors toward social commerce websites. *Computers in Human Behavior*, p.108. <https://doi.org/10.1016/j.chb.2019.04.004>.

<sup>24</sup>Singh, A., Rana, N. P., & Parayitam, S. (2022). Role of social currency in customer experience and co-creation intention in online travel agencies: Moderation of attitude and subjective norms. *International Journal of Information Management Data Insights*, 2(2), p.100-114. <https://doi.org/10.1016/j.jjime.2022.100114>.

<sup>25</sup>Amjad Shamim, & Zulkipli Ghazali. (2014). A Conceptual Model for Developing Customer Value Co-Creation Behaviour in Retailing. *Global Business and Management Research: An International Journal*, 6(3), p.185–196.

<sup>26</sup>Opata, C. N., Xiao, W., Nusenu, A. A., Tetteh, S., & Asante Boadi, E. (2021). The impact of value co-creation on satisfaction and loyalty: the moderating effect of price fairness (empirical study of automobile customers in Ghana). *Total Quality Management and Business Excellence*, 32(11–12), p.1167–1181. <https://doi.org/10.1080/14783363.2019.1684189>.

Table a Results of Answers to the Value Co Creation Variable Indicators

NO	INDICATOR	X	RESPONDENT RESPONSE ALTERNATIVES					TOTAL	Index Value
			SS	S	N	TS	STS		
			5	4	3	2	1		
1	Striving for mutual benefit	F	39	54	33	12	2	140	3.83
		%	28%	39%	24%	9%	1%	100%	
		FX	195	216	99	24	2	536	
2	Providing the products offered	F	44	66	20	8	2	140	4.01
		%	31%	47%	14%	6%	1%	100%	
		FX	220	264	60	16	2	562	
3	Providing a mutually beneficial pricing policy	F	50	54	25	11	0	140	4.02
		%	36%	39%	18%	8%	0%	100%	
		FX	250	216	75	22	0	563	
4	Looking for advanced marketing activities together	F	38	71	21	10	0	140	3.98
		%	27%	51%	15%	7%	0%	100%	
		FX	190	284	63	20	0	557	
5	Discuss together in marketing the product	F	63	43	22	9	3	140	4.10
		%	45%	31%	16%	6%	2%	100%	
		FX	315	172	66	18	3	574	
AVERAGE SUM OF VARIABLES								3.99	

Source: Processed primary data, 2023

Based on Table a, the responses to the Value Co Creation indicator from the calculation of the questionnaire answer results for the Value Co Creation variable indicator show a figure of 3.99, which shows that most respondents consider Value Co Creation to be in the High category as each indicator has an index value that is also in the high category. The indicator Striving for mutual benefit has an index value of 3.83; the indicator Providing the products offered has an index of 4.01; the indicator Providing mutually beneficial pricing policy has an index of 4.02; the indicator of Looking for jointly advancing marketing activities has an index of 3.98; and the indicator of discussing together in marketing products has an index of 3.98. These findings indicate that KCI's steps in engaging consumers to discuss marketing of its products and services and establishing relationships to seek mutual benefit are in very good condition.<sup>27</sup>

#### 4. Conclusion

Based on the study controversy (research gap) between the role of Customer Engagement on Customer loyalty and the phenomenon of the decline in the number of KRL Commuter Line passengers, the formulation of the problem in this study is "How does customer engagement affect the behavior of creating shared value and its impact on customer loyalty at PT KCI?"

<sup>27</sup>Panjaitan, F. A. B. K., & Panjaitan, P. (2021). Customer value is reviewed in terms of customer relationship learning and customer engagement: Evidence from banking industry. *Accounting*, 7(1), p.89–94. <https://doi.org/10.5267/j.ac.2020.10.010>.

The results of the hypothesis testing are as follows: Customer Participation on Value Co-Creation has a significant positive effect, which means that the better customer participation, the better the Value Co-Creation process will be. Customer Participation to Customer Loyalty has a significant positive effect, which means that the better customer participation, the higher the customer loyalty, Social Support to Value Co-Creation has a significant effect, which means that the better the customer support, the better the Value Co-Creation process will be, Social Support on Customer Loyalty has a significant effect. The results of this study indicate that the higher the customer support, the higher the consumer loyalty, Value Co-Creation on Customer Loyalty has a significant effect, which means that the higher the value co-creation, the higher the loyalty of KCI consumers. Based on the proof of the hypothesis above, the conclusion of this research is that: Increase Value Co-Creation can be done by increasing Customer Participation And Social Support. Increasing consumer loyalty can be done by increasing Value Co-Creation which is supported by Customer Participation And Social Support.

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