

Value Co-Creation Strategy In Creating Positional Advantage With Social Media Intervention

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ABSTRACT:

This research aims to discover fresh elements that contribute to the advancement of positional advantage models in the contemporary era. This study adopts a research approach centered on value co-creation and technological integration, specifically focusing on enhancing social media platforms by fostering self-brand congruence and relationship values. Utilizing a survey method, 254 consumers from the Indonesian urban culinary sector, representing the productive generation, participated in the study. The Structural Equation Model analysis revealed the most effective measurement models. The findings underscore the significance of self-brand congruence in securing a company's positional advantage. Moreover, congruity is attainable through the implementation of co-creation strategies, which positively influence positional advantages. Notably, this study introduces a novel antecedent synthesized from variables derived from conceptual strategic agility and operational characteristics tailored to technological advancements, particularly social media adaptive flexibility. This element has been demonstrated to play a pivotal role in interacting with positional advantages, thus offering original insights into the research domain.

KEYWORDS: value co-creation, self-brand congruence, relationship value, social media adaptive flexibility, positional advantage models, social media platforms, co-creation strategies.

Introduction

Increasingly competitive forces in the global market force companies to differentiate themselves from competitors and gain competitive advantage in order to survive and take advantage of today's growth opportunities. Zimmerer and Scarborough (2005: 79) state that to win the competition, simply building a competitive advantage is not enough, the key to success is building a sustainable competitive advantage. If the value provided by the company is closer to the value expected by customers compared to the value offered by competitors, it can be said that the company has a competitive advantage. This advantage makes the company superior to its competitors in proximity to customers (Hosseini, Soltani and Mehdizadeh, 2018). Increasing competitive advantage allows companies to obtain superior performance over a certain period of time through competitive advantage from the company's strategic resources (Kang and Na, 2020). Based on the concept of a resource-based approach, a company can achieve a sustainable competitive advantage and earn superior advantage by owning and controlling strategic assets. In controlling these strategic assets, creativity and innovation are needed, especially at the global level. However, being creative and providing innovative products to differentiate their offerings from those of competitors requires developing new business opportunities and perspectives. Such perspective consists of engaging the customer and making the customer an active partner in the value creation and innovation process (Mane & Diop, 2017), and good innovation is one that involves technological developments.

With the development of technology, which is supported by changes in consumer behavior and characteristics, especially for the millennial generation (Mulyana et. al., 2019), it is necessary to make adjustments to complete the concept model of creating competitive advantage. Technological intervention, especially the rise of social media that facilitates access to information, has recently become an interesting topic to study (Chen et. al, 2011a), especially in the current new normal era.

Companies that are not able to adapt to technology will not be able to survive in business competition (Majchrzak et. al., 2000). From a strategic perspective, companies must have agility as the basis for their flexibility in making changes proactively (Bernardes and Hanna, 2009), especially those related to the use of technology in their business operations. So companies must have flexibility in adapting to technology, especially social media, when their target is the millennial generation, also when they want to get attention through the value congruity with the characteristics of their consumers, which will further support competitive advantage.

The limitations and discrepancy that occur in the development of the competitive advantage concept in this new normal era are gaps that can be exploited by researchers to further study the creation of competitive advantage from the positioning aspect which is based on creating value with customers with technological intervention, especially from the company's flexibility in adapting socially. media. In addition, self-brand congruence and relationship value are also considered important that can involve the psychological aspects of consumers in establishing the company's superior position. Therefore, the purpose of this study is to explain the formation of positional advantage from the application of co-creation and social media adaptive flexibility through self-brand congruence and relationship values.

Hypotheses Development

Companies that have an advantage in competition will be seen in a stronger positioning (Cristea, 2014). Recently, several researchers have begun to develop the concept of competitive advantage from various aspects, for example from the point of view of branding (Porcu et. al., 2019; Mulyana et. al., 2019) and from the aspect of positioning or better known as positional advantages (Martin, Javalgi, Cavusgil, 2017; Jogaratnam, 2017; Ho et. al., 2019). Positional advantage is a concept derived from the Resource Advantage Theory approach (Hunt & Morgan, 1995), which is a general theory of competition and explains that the fundamental purpose of a resource-based strategy is to achieve a resource-based comparative advantage that can generate a positional advantage in several segments sequentially to obtain superior company performance. Positional advantage is a firm's unique resources and capabilities to generate a positional advantage in the market place (Day and Wensley, 1988).

Strategic agility has been conceptualized as an ability that enables firms to be more proactive in changing their organizational systems for profit as part of their intended strategy rather than simply reacting to external changes (Clauss et. al., 2019). The implementation of this strategy is crucial, given the current change in market behavior (new normal) due to a massive shift from conventional to digital (Verhoef et al., 2021; Ratten, 2020). Agility allows companies to make changes quickly while maintaining their momentum.

Optimal utilization of technological resources can accelerate the creation of excellence in the digital era (Mathews, 2002; Bharadwaj et al., 2013). The company's flexibility in adapting to the daily use of consumer technology is a determining factor for today's marketing success. External flexibility is defined as the ability possessed by the company and is used to accommodate sources of variability that must be responded to by the company and which is seen as flexible by the market, namely reactive and proactive (Upton, 1994; Ahn & Hyun, 1992). Reactive is the ability to recognize changes in the market, then respond to those changes (Najrani, 2016). Influencers make regular social media updates, where they spread essentially persuasive messages to their followers, which contain informational and entertainment value. Posts created by influencers offer their followers information about alternative products or other informative content. Then to show the credibility of the source, it can be shown through interesting (attractive) content (Lou & Yuan, 2019). While proactive is the ability to identify new trends in the market and allow organizational strategies to change to achieve maximum returns (Najrani, 2016). These dimensions are assumed to represent a measurement instrument when companies use a social media marketing approach with market considerations that have a high dependence on the use of social media in their daily lives. The effectiveness of social media marketing may also depend on the specific role consumers assign to companies and brands within the social media sphere (Felix, Rauschnabel, & Hinsch, 2017). Therefore, Social Media

Adaptive Flexibility (SMAF) can be seen through the company's ability to communicate using social media, namely through the provision of informative, attractive, and proactive content. Social media is considered to be important in managing a business, and to maintain company interactions with consumers when there are issues regarding physical/social distancing.

H1: SMAF affects self-brand congruence

To gain market positional advantage, interaction with customers is needed to create a value that will be a strength in competition that will directly increase the company's brand advantage (Mulyana et. al. 2019). Customer involvement in new product development or value co-creation places customer behavior and attitudes at the center of marketing strategy. Customer involvement in new product development or value co-creation places customer behavior and attitudes at the center of marketing strategy. Prahalad and Ramaswamy (2004) state that co-creation is defined as the process of creating shared value by customers and companies. While co-creation is a general concept that includes specific theories and empirical events in which companies and customers generate value through interactions (Vargo and Lusch, 2008). The dimensions used in measuring value co-creation include dialogue, access, risk assessment, and Transparency which is abbreviated as The DART (Prahalad & Ramaswamy, 2004). Co-creation has a positive relationship with the sensory, affective, cognitive, behavioral and relational dimensions of one's experience (Herbjørn & Pedersen, 2015). The main purpose of co-creation is to create value that truly congruence with customer expectations and strengthen relationships with the company (Vargo and Lusch, 2008). With co-creation to gain advantage, it cannot be ignored that relationship value between the company and its customers will be created (Lusch & Vargo, 2014). Relationship value is an interaction that builds mutual quality between companies and consumers and will have a positive impact (Ulaga & Eggert, 2005).

H2: Co-creation affects self-brand congruence

H3 : Co-creation has an effect on relationship value

The strength of relationship value will be determined by the level of congruity between consumer expectations and the value offered by the company (Wang and Zhang, 2017). Viewed from a psychological approach, every consumer desire which is their expectation will depend on the personality they have (Oliver & Swan, 1989). Consumers will choose the company's offerings that are congruence with their self-concept. Self-brand congruence which is a derivation of this congruence theory has become a concept that has been developed recently (Sirgy, 2018; Mandasari et. al., 2020). Congruity to consumer tastes has also been shown to be a key factor in creating competitive advantage (Liu, Jiang and Zhao, 2019).

H4: Self-brand congruence affects relationship value

The conceptualization of value congruence in marketing or better known as self-brand congruence has been developed by Sirgy (2018) and becomes a reference in the development of further concepts that connect brand personality and self-concept (Mandasari, 2020). The level of importance of congruence theory has proven to be successfully implemented in various business fields. Congruity that appears only based on visuals can have a positive impact on the bond between companies and consumers (Argyris et. al., 2020). The level of congruity that a brand has with its consumers has proven to be the company's main weapon in binding consumers (Wang, Lin and Liang, 2018) and will further strengthen the company's channeling (Wang and Zhang, 2017). The direct interaction between congruence and relationship quality also applies in B2B (He, Huang and Wu, 2018). Blankson (2016) suggests that a good positioning strategy is to adjust the value that offered by the company with the characteristics of the target consumer. High congruity with target characteristics can create a strong positioning and will survive the competition. From human resources perspectives, the congruence values that exist in the organization will trigger the emergence of motivation to maximize organizational performance in order to excel in the competition (Bao et. al., 2012).

H5: Self-brand congruence affects positional advantage

In addition, having a good relationship with consumers can be a key advantage because of the long-term collaboration that causes dependence on the company (Wang et. al., 2016). When a company has an integrated relationship between its internal and external environment, it can increase a sustainable

competitive advantage (Cantele & Zardini, 2018). Therefore, if what is expected by consumers is fulfilled, namely by getting good quality supported by positive and strong relationships, it will build the superior position of the company's products.

H6: Relationship value affects positional advantage

Method

This study was designed as a type of fundamental research using a survey method to 254 respondents. The objects in this study are value co-creation, social media adaptive flexibility, self-brand congruence, relationship values, and positional advantages in the Indonesian urban culinary industry. The population in this study are consumers in the urban culinary industry who are productive millennial generations. The sampling technique used is non-probability sampling, purposive sampling. This method was chosen because the researcher knows well the population to be studied and feels confident about the selected sample. In addition, each element of the population has an equal chance of being selected. The main requirement to become a research respondent is to become a customer in one of the Indonesian urban culinary business brands/companies. Data processing techniques to determine the weighting of respondents' answers are carried out using a Likert scale with the use of 5 scales. The data analysis technique used in this research is Structural Equation Modeling (SEM).

Results And Discussion

The results of collecting data on the characteristics of respondents based on age in this study quantitatively show that urban culinary consumers in the city of Tasikmalaya are mostly 18 to 23 years old, reaching 69.7% of the total selected respondents. The profile of respondents based on gender, quantitatively it can be seen that the urban culinary consumers in the city of Tasikmalaya are mostly male, reaching 67.17% of the total selected respondents. The occupation of urban culinary consumers in the city of Tasikmalaya is mostly as students, reaching 54.04% of the total selected respondents. Meanwhile, based on the monthly income of urban culinary consumers in the city of Tasikmalaya, quantitatively most have income below Rp. 3,000,000, which is 72.73% of the total selected respondents. Quantitatively, urban culinary consumers in the city of Tasikmalaya most visited urban culinary and Delivery Orders 1 to 2 times, which reached 64.65% of the total selected respondents.

To analyze the multivariate equation model, this study uses the analysis of the Structural Equation Model (SEM). The results of the analysis are broadly divided into two types of analysis, namely the analysis of measurement models and structural equations. The results of the analysis of the measurement model for each of the variables in this study show that the loading factor value is quite good, and the coefficient value for the structural equation is adequate. The following are the results of the analysis of the research model:

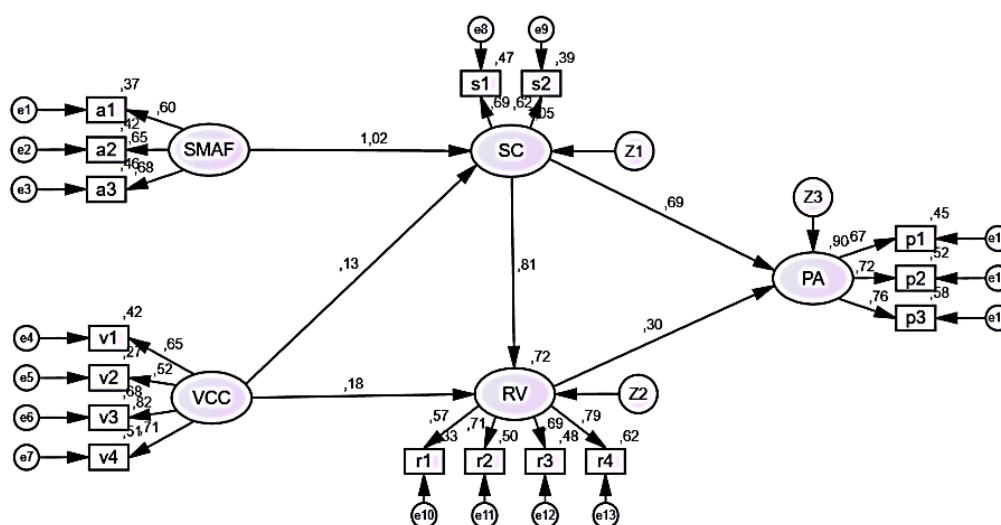


Figure 1. Full SEM Model



The results of this study indicate that the loading factor value of all variables is not below 0.4. Especially for the variable Social Media Adaptive Flexibility as a new concept offered has a good loading measurement value. This means that each measurement on the variable can reflect the construct of the variable that is formed. The proactive dimension is the main factor that determines consumer acceptance of the implementation of this strategy. With the proactive nature of using social media, it makes it easier to anticipate changes that occur to consumers. Informative and attractive are also important because they have different functions to be able to adapt to the needs and desires of consumers.

In addition, the results of the Goodness of fit in the model test obtained Chi-Square (111.802), CMIN/DF (1.141), GFI (0.950), AGFI (0.931), TLI (0.988), CFI (0.991), and RMSEA (0.024). This value indicates that the overall criteria for testing the research model can be well received. Each variable included in the model has a significant role as a predictor for other variables. Meanwhile, to test the research hypothesis which states the interaction between variables built in the research model, you can see the output of the structural equation from the regression weight by comparing the Critical Ratio value or by looking at the p-value compared to the alpha value (0.05). The following are the results of the analysis for the structural equations in this study:

Table 1. Regression Weight

Hypothesis			Est	CR	p	Conclusion
SocMed Adaptive Flexibility	→	Self-brand Congruence	0,980	8,759	***	Accepted
Value Co-Creation	→	Self-brand Congruence	0,119	2,134	0,033	Accepted
Value Co-Creation	→	Relationship Value	0,169	2,554	0,011	Accepted
Self-brand Congruence	→	Relationship Value	0,837	9,063	***	Accepted
Self-brand Congruence	→	Positional Advantage	0,621	4,495	***	Accepted
Relationship Value	→	Positional Advantage	0,256	2,109	0,035	Accepted

The results of this study indicate that all hypotheses proposed in the research model can be proven. Social media adaptive flexibility can affect the level of congruence between consumers and a brand. This can be caused by the accuracy of the use of social media with the habits of the intended target market. The informative, attractive and proactive characteristic of SMAF is proven to be congruence with the characteristics of consumers who are accustomed to using social media in their daily lives, especially for millennial consumers. Likewise with co-creation which has been proven to be an antecedent of self-brand congruence and relationship value, because consumers feel recognized when involved in the value creation process by the company. This is the basis for the emergence of high congruity with their characteristics and feeling that there is more attention given by the company to them. The higher the congruence between self-character and brand can also increase the relationship value between the two. In addition, in this study it is proven that positional advantage can be built through the level of congruity and is also supported by the relationship value between customer and the company. Congruence level and relationship value will be obtained when the company always involves customers or consumers in the value creation process, and has a flexible technological adaptability that is finally able to guarantee the company to have a positional advantage.

Conclusion

The results of this study indicate that the construct variables of Social Media Adaptive Flexibility can be reflected by three factors, namely informative, attractive, and proactive. On the other hand, social media adaptive flexibility has proven to be an antecedent of self-brand congruence which has consequences for positional advantage. Value co-creation can also affect self-brand congruence and



relationship values. Self-brand congruence has an attachment to relationship values, and both can influence the positional advantage of companies engaged in the urban culinary field.

This study has several limitations from both technical and substantial aspects. The limitation of this study is that it focuses too much on consumers in specific industry categories. The research coverage area is also considered not to accommodate the diversity of consumer characteristics which will result in more comprehensive research results. The method used in this study also only focuses on the technical analysis of causality between the concepts of the variables included in the model. Therefore, the suggestion for further research is to apply the research model to different objects or to other industries with a wider scope of research that is able to accommodate the diversity of consumer characteristics. In addition, further research can also use additional methods by testing each variable measuring item with the second ordered EFA technique for measuring variables that have not been studied much, namely social media adaptive flexibility (SMAF). The SMAF concept will also be an interesting topic for researchers to study and develop further considering changes in market behavior that occur today and in the future.

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