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ATTITUDE, SUBJECTIVE NORM, PERCEIVED BEHAVIORAL CONTROL, AND INFORMATION CASCADE EFFECTS ON INVESTMENT INTENTION: FINANCIAL LITERACY AS ANTECEDENT TO ATTITUDE

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ABSTRACT

The development of financial technology has brought significant transformation to the global financial sector, including in Indonesia. In Indonesia, the P2PL industry has shown rapid growth. This study aims to examine the influence of investment attitude, subjective norm, perceived behavioral control, and information cascade on the intention to invest in P2PL, with financial literacy as an antecedent of attitude. Although numerous studies have explored the factors influencing investment intention, the variable of information cascade remains under-researched, particularly in the context of P2PL. This is a quantitative study employing a causal research design. The object of the study is peer-to-peer lending (P2PL). Data were collected through a questionnaire consisting of 28 indicators measured on a 5-point Likert scale. The sampling design used is purposive sampling, targeting individuals who have previously invested in P2PL platforms within last three months. The study involved 40 participants in the preliminary study and 280 in the main study. The analysis method used is Partial Least Squares Structural Equation Modeling (PLS-SEM). The preliminary study resulted in the removal of 8 indicators, which were excluded from the actual study. The findings from the actual study show that attitude toward investing, subjective norm, and perceived behavioral control have a positive and significant effect on investment intention, while information cascade does not have a significant effect. Additionally, investment attitude mediates the influence of financial literacy on investment intention. The Importance-Performance Map Analysis (IPMA) results indicate that subjective norm and perceived behavioral control should be prioritized in strategy improvement.

Keywords: fintech, peer-to-peer lending, theory of planned behavior, financial literacy, information cascade

ABSTRAK

Perkembangan teknologi keuangan telah membawa transformasi yang signifikan pada sektor keuangan global, termasuk di Indonesia. Di Indonesia, industri peer-to-peer lending (P2PL) menunjukkan pertumbuhan yang pesat. Penelitian ini bertujuan untuk mengkaji pengaruh sikap terhadap investasi, norma subjektif, persepsi kontrol perilaku, dan information cascade terhadap niat berinvestasi pada P2PL, dengan literasi keuangan sebagai anteseden sikap. Meskipun banyak penelitian telah mengeksplorasi faktor-faktor yang memengaruhi niat berinvestasi, variabel information cascade masih jarang diteliti, khususnya dalam konteks P2PL. Penelitian ini merupakan penelitian kuantitatif dengan desain riset kausal. Objek penelitian adalah peer-to-peer lending (P2PL). Data dikumpulkan melalui kuesioner yang terdiri dari 28 indikator yang diukur menggunakan skala Likert 5 poin. Desain pengambilan sampel yang digunakan adalah purposive sampling, dengan sasaran individu yang telah berinvestasi pada platform P2PL dalam tiga bulan terakhir. Penelitian ini melibatkan 40 responden pada studi pendahuluan dan 280 responden pada studi utama. Metode analisis yang digunakan adalah Partial Least Squares Structural Equation Modeling (PLS-SEM). Studi pendahuluan menghasilkan penghapusan 8 indikator yang tidak digunakan pada studi utama. Hasil penelitian utama menunjukkan bahwa sikap terhadap investasi, norma subjektif, dan persepsi kontrol perilaku berpengaruh positif dan signifikan terhadap niat berinvestasi, sedangkan information cascade tidak berpengaruh signifikan. Selain itu, sikap terhadap investasi memediasi pengaruh literasi keuangan terhadap niat berinvestasi. Hasil Importance-Performance Map Analysis (IPMA) menunjukkan bahwa norma subjektif dan persepsi kontrol perilaku perlu diprioritaskan dalam perbaikan strategi.

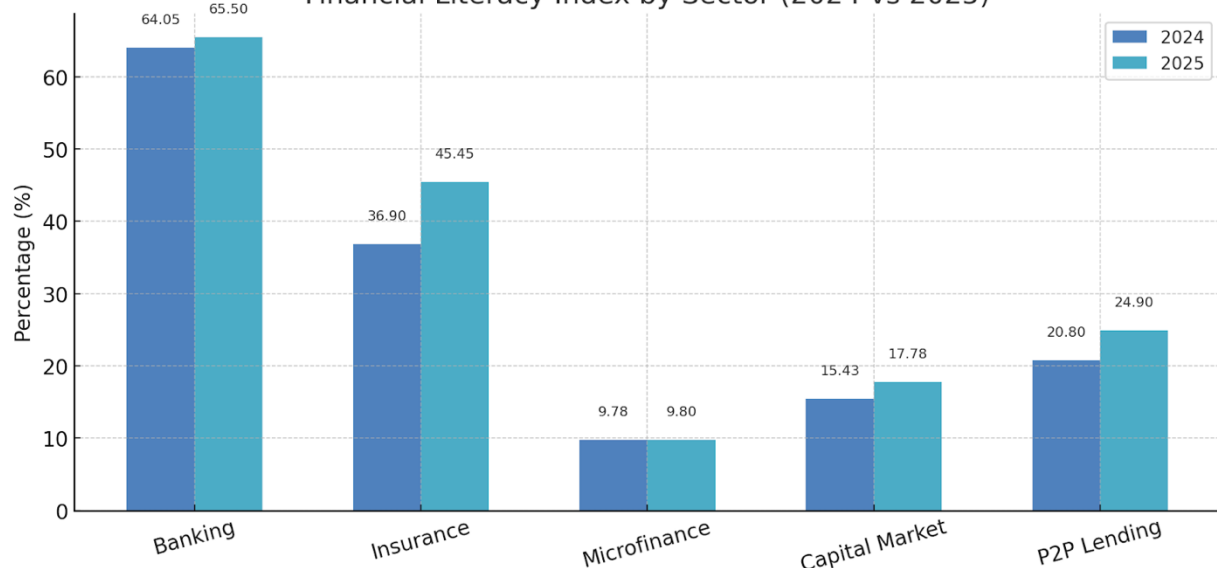
Kata kunci: fintech, peer-to-peer lending, teori perilaku terencana, literasi keuangan, information cascade

1. Introduction

An increasing number of people are understanding and utilizing digital financial products and services (Tech in Asia, 2025). Rapid technological development has supported the fast growth of various fintech companies, resulting in a wide range of financial services, such as Peer-to-Peer Lending (P2PL), crowdfunding, market aggregators, risk and investment management, payment methods, settlement, clearing, and many others (Verihubs, 2022). According to the e-Conomy SEA 2024 report by Google, Temasek, and Bain & Company (2025), the value of Indonesia's digital economy transactions, including fintech, is estimated to reach US\$360 billion (approximately IDR 5.8 quadrillion) by 2030. Moreover, Mordor Intelligence estimates that the Indonesian fintech market will be worth US\$20.93 billion (around IDR 341.1 trillion) in 2025 and will surge to US\$32.67 billion (approximately IDR 532.3 trillion) by 2030, with a compound annual growth rate (CAGR) of 9.31% between 2025 and 2030 (Mordor Intelligence, 2025). One of the most prominent innovations in fintech is peer-to-peer lending (P2PL), a financial innovation that utilizes technology to

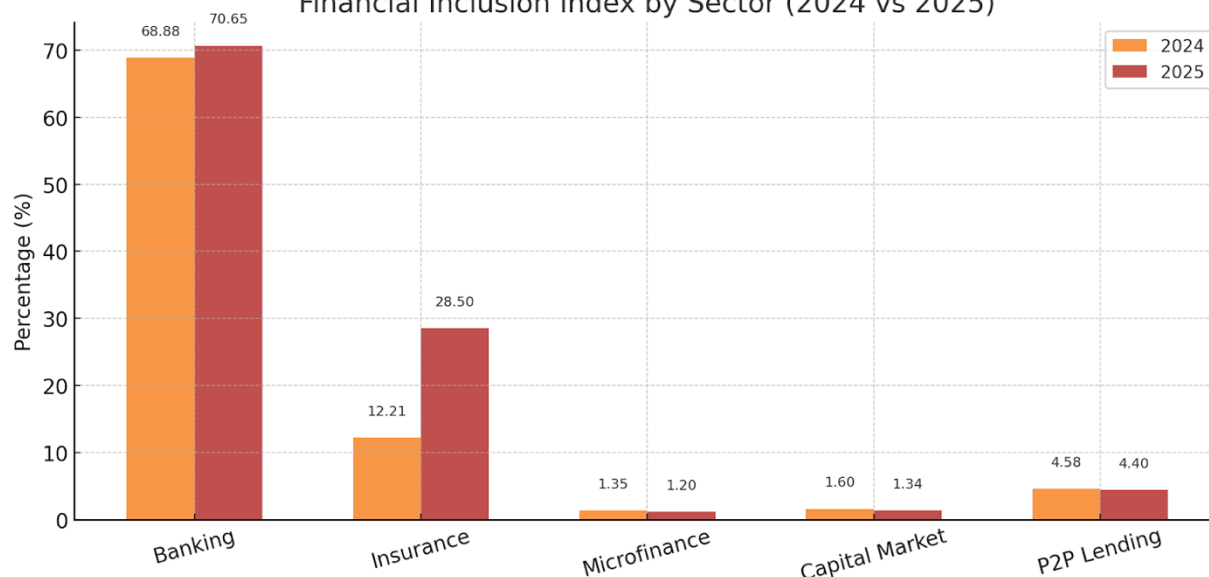
enable lenders and borrowers to conduct lending transactions without having to meet face-to-face (Otoritas Jasa Keuangan, 2025). Regulations regarding this form of lending are stipulated in the Financial Services Authority Regulation (POJK) No. 77/POJK.01/2016 concerning Information Technology-Based Lending and Borrowing Services (LPMUBTI). In Indonesia, the P2PL industry has shown rapid growth. Based on data released by the Otoritas Jasa Keuangan (OJK) in 2024, the number of lenders in the Indonesian P2PL sector reached 2.2 million individuals and institutions. OJK data also recorded that outstanding financing in the P2PL sector reached IDR 78.50 trillion as of January 2025, growing by 29.94% year-on-year. Furthermore, there are 97 P2PL platforms registered with the OJK (Otoritas Jasa Keuangan, 2025). These data indicate significant growth in Indonesia's P2PL industry, both in terms of the number of lenders and the total loan value disbursed. Figure 1 and Figure 2 show Indonesia's 2025 financial literacy and inclusion index for the banking, P2PL, insurance, capital market, and microfinance institution sectors.

Figure 1. Financial Literacy Index in 2024 and 2025 by Sector
Financial Literacy Index by Sector (2024 vs 2025)



Source: Bisnis (2025)

Figure 2. Financial Inclusion Index in 2024 and 2025 by Sector
Financial Inclusion Index by Sector (2024 vs 2025)



Source: Bisnis (2025)

The development of financial literacy and inclusion indices in Indonesia shows varying progress across sectors. For example, the banking sector experienced an increase in literacy from 64.05% to 65.50%, accompanied by a rise in inclusion from 68.88% to 70.65%. The insurance sector recorded a literacy improvement of 8.55% and an increase in inclusion of 16.29%, indicating a positive relationship between understanding and utilization of financial services. However, this pattern is not consistent across all sectors.

In the peer-to-peer lending (P2PL) fintech sector, although the literacy index rose significantly from 20.80% in 2024 to 24.90% in 2025, the inclusion index did not follow suit, showing a marginal change from 4.58% to 4.40%. This phenomenon indicates a disconnect between literacy and inclusion, diverging from the trends observed in other sectors. A similar pattern can be seen in the capital market sector, where literacy increased from 15.43% to 17.78%, yet inclusion slightly declined from 1.60% to 1.34%. Nevertheless, the capital market possesses distinct structural and psychological characteristics, as its investment processes tend to be more complex compared to the more accessible and user-friendly nature of P2PL.

The disparity between literacy and inclusion in the P2PL sector reflects the

complexity of converting financial understanding into actual participation. One plausible contributing factor is the limited financial capacity of the public to participate as lenders. While individuals may comprehend the risks and potential returns involved, not all have readily available funds to invest. However, this argument does not entirely explain the observed gap, especially when compared with other financial sectors. For instance, the insurance sector, despite requiring regular monetary commitments, demonstrated a literacy increase of 8.55% accompanied by a 16.29% surge in inclusion. Similarly, the banking sector recorded parallel growth in both literacy and inclusion. These cases suggest that an increase in literacy tends to be followed by a rise in financial service utilization, even in sectors that involve financial outlays. In contrast, this trend does not apply to the P2PL sector. Despite a relatively significant increase in literacy from 20.80% to 24.90%, there was no meaningful change in inclusion, which even slightly declined from 4.58% to 4.40%.

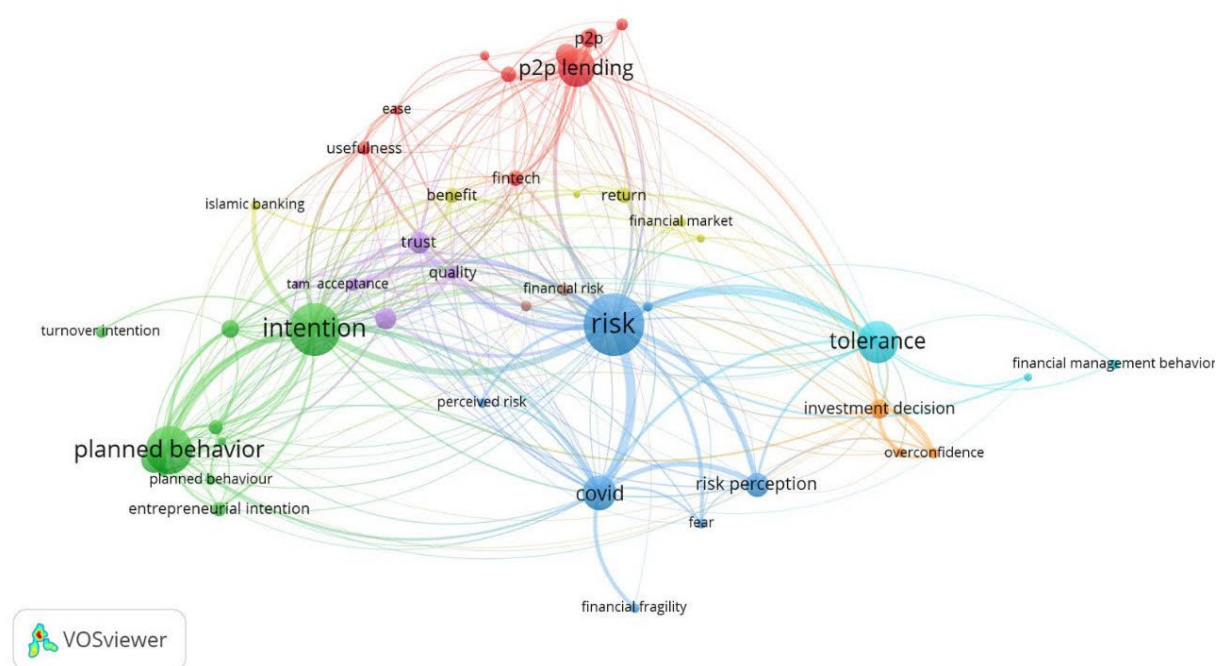
The imbalance between financial literacy and inclusion is further illustrated when comparing the banking and P2PL fintech sectors. In banking, the financial literacy index reached 65.50%, while inclusion was slightly higher at 70.65%. This relatively narrow gap

indicates that the public not only understands banking products and services but also actively engages with them in daily life. Conversely, in the P2PL sector, a gap is evident, with the literacy index at 24.90% and inclusion at only 4.40%. This suggests that public understanding of P2PL services does not translate proportionally into actual usage of these services.

Unlike basic financial transactions such as opening a savings account, investing in P2PL requires more complex consideration. The gap between the inclusion and literacy indexes in non-banking sectors shows that even though individuals may understand financial

products, it does not necessarily mean they are motivated to use them. In the context of voluntary, technology-based digital financial services like P2PL, which also involve certain risks, intention becomes a predictor for measuring individual behavioral tendencies. Thus, focusing on intention allows for understanding why individuals engage in certain behaviors, in this case, investing. To identify other factors influencing P2PL financial inclusion behavior, a bibliometric analysis of relevant literature from 2020–2025 was conducted using VOSviewer software. Figure 3 presents the network visualization results.

Figure 3. Network Visualization Results Using VOSviewer



Source: Financial Services Authority (2019–2025)

The visualization in Figure 3 shows that previous studies consistently highlight factors influencing investment intention, ranging from perceived risk to ease of use of the platform. Bibliometric analysis using VOSviewer of scientific publications from 2020–2025 shows that topics such as perceived risk, TAM acceptance, trust, and financial return dominate the academic discourse. The theoretical approach based on the Theory of Planned Behavior (TPB) also

consistently appears through keywords such as intention, planned behavior, and attitude.

However, there remains a gap in the literature that has not been explicitly explored, namely, the influence of social information in investment decision-making. In a digital context filled with reviews, testimonials, and user behaviors, individual perceptions and decisions regarding P2PL services may be influenced by these factors. One such mechanism is the information cascade, where individuals make decisions by following the

actions or choices of others rather than relying on their personal information. In practice, investors are often influenced by trends or viral, impulsive social decisions and follow the majority rather than conduct personal analysis or exercise adequate financial literacy (Bikhchandani et al., 1992; Banerjee, 1992). The absence of clusters or keywords such as information cascade or herding behavior in the context of P2PL investments indicates that this aspect has not been a primary focus in existing P2PL research. In other words, this topic remains an underexplored gap in the literature.

Therefore, this study investigates information cascade as it represents a distinctive socio-cognitive dimension in digital contexts. Financial literacy is also included due to its contextual relevance. Furthermore, because they have been shown to be key predictors of behavioral intention in various contexts, including finance, this study focuses on the core variables of the Theory of Planned Behavior: attitude, subjective norm, and perceived behavioral control. Although each of these variables has been studied separately, research that integrates all of them in the context of technology-based financial inclusion, especially in P2PL, is still very limited.

2. Literature Review

2.1. Theory of Planned Behavior

The Theory of Planned Behavior is an extension of the Theory of Reasoned Action, developed by Fishbein and Ajzen (1975), which was necessitated by the previous model's limitations in addressing behaviors over which individuals do not have full volitional control. The Theory of Reasoned Action assumes that behavior arises from an individual's intention to perform or not perform a specific behavior. In other words, intention acts as the predictor of whether a person will carry out a certain action. Furthermore, Ajzen and Fishbein (1975) explain that intention is determined by attitude and subjective norm.

The Theory of Planned Behavior adds a construct that was absent in the Theory of Reasoned Action, namely perceived

behavioral control. Perceived behavioral control refers to the perceived ease or difficulty of performing the behavior and is assumed to reflect past experience as well as anticipated obstacles and barriers (Ajzen, 1991). The inclusion of perceived behavioral control as a component of the theory acknowledges the role of personal agency in determining behavior, as well as accounts for conditions not entirely under the individual's control (Rizani et al., 2024). Thus, the Theory of Planned Behavior explains that there are three conceptually independent antecedents of intention: attitude, subjective norm, and perceived behavioral control.

2.2. Investment Intention

Intention is a person's mental determination to perform a certain action (Fishbein & Ajzen, 1975). It can also be defined as the inner desire or will to carry out something (Kamus Besar Bahasa Indonesia, 2025). From these definitions, investment intention can be interpreted as an individual's inclination to allocate capital or money with the aim of gaining future profits. According to the Kamus Besar Bahasa Indonesia (2025), investment is the activity of allocating capital or money with the goal of obtaining future returns. Thus, investment intention is defined as the tendency of an individual to invest funds or capital with the expectation of achieving future financial gain.

2.3. Attitude Toward Investing

Attitude refers to a tendency to respond positively or negatively toward a psychological object (Fishbein & Ajzen, 1975). Attitudes may be influenced by various factors such as personal experience, the influence of significant others, culture, mass media, emotional factors, and more (Schiffman & Wisenblit, 2019). Attitude toward investing refers to the tendency to respond positively or negatively to the act of allocating capital or money with the goal of gaining future profits.

2.4. Subjective Norm

Ajzen and Fishbein (1975) define subjective norm as an individual's perception

that people important to them believe they should or should not perform a particular behavior. Ajzen (1991) explains that subjective norm comprises two components: normative belief and motivation to comply. Normative belief refers to the belief that reference groups think the subject should or should not perform a behavior, or expectations from others regarding what should be done. Motivation to comply is the individual's willingness to align with the expectations or beliefs of those reference groups. In the context of investing, if someone believes that those they value support or expect them to invest, they are more likely to engage in the behavior. Conversely, if important people in their life disapprove or express doubt about investing, it may create hesitation and reduce their intention to invest, even if the objective potential benefits are attractive.

2.5. Perceived Behavioral Control

Perceived behavioral control refers to the perception of how easy or difficult it is to perform a particular behavior, and it is assumed to reflect past experiences as well as anticipated obstacles (Ajzen, 1991). It indicates a person's belief in their ability to control or perform a given behavior (Fishbein & Ajzen, 2010). An individual's belief that they are capable of performing a behavior can motivate them to attempt it and increase the likelihood of persistence (Ajzen, 1991).

2.6. Financial Literacy

The Organisation for Economic Co-operation and Development (OECD, 2016) defines financial literacy as the knowledge and understanding of financial concepts and risks, along with the skills and attitudes necessary to apply this knowledge to make effective financial decisions. Financial literacy is a measure of how well an individual understands financial concepts and possesses the ability and confidence to manage personal finances through sound decision-making and both short- and long-term planning, taking into account economic changes (Sari et al., 2023).

2.7. Information Cascade

People often rely heavily on others' information when forming opinions and choosing actions (Bikhchandani, Hirshleifer, Tamuz, & Welch, 2021). In models developed by Banerjee (1992), Bikhchandani, Hirshleifer, and Welch (1992), and Welch (1992), individuals observe personal information signals and sequentially make decisions based on the actions of those before them. A key implication of these models is that under the right conditions, information cascades occur, wherein individuals act independently of their private signals. An information cascade is a situation in which an individual makes decisions by observing others' behavior while disregarding their own private information (Bikhchandani et al., 2021).

2.8. Investment

Investment, or commonly referred to as capital allocation, is the accumulation of assets with the expectation of obtaining future profits (Sudarmadji, 2022). Lubis (2016) also defines investment as the act of allocating financial or other resources in the present to acquire an asset with the goal of achieving future returns. In simple terms, investment is the act of placing funds or assets with the expectation of earning returns or growth in value in the future (Nurmiati, 2024). The primary goal of investment is to generate additional income or increase asset value with measurable risk (Nurmiati, 2024).

2.9. Peer-to-Peer Lending (P2PL)

Fintech Lending, also known as Peer-to-Peer Lending (P2PL) or Information Technology-Based Lending and Borrowing Services (LPMUBTI), is an innovation in the financial sector that utilizes technology to enable lenders and borrowers to conduct lending transactions without having to meet in person (Otoritas Jasa Keuangan, 2025). Furthermore, the lending transactions are facilitated through systems provided by P2PL operators, either via applications or websites. Regulations governing lending and borrowing are stipulated in the Financial Services Authority Regulation (POJK) Number

77/POJK.01/2016 concerning Information Technology-Based Lending and Borrowing Services (LPMUBTI). In the P2PL scheme, the lender receives returns or profits in the form of interest from each loan provided to the borrower.

P2PL is categorized into two types based on the nature of the financing service: productive and consumptive (Ajaib, 2022; Novita & Imanullah, 2020). In productive P2PL, lenders provide funds for business capital needs or other income-generating purposes. The platform typically displays information such as the business sector, loan purpose, collateral, credit assessment, and other necessary details (Ajaib, 2022). In consumptive P2PL, lenders provide funds for individual needs such as daily necessities, education, purchasing electronics, and other consumption-related expenses (Novita & Imanullah, 2020).

2.10. Hypothesis Development

Financial Literacy and Attitude Toward Investing

Financial literacy includes the acquisition of knowledge, skills, and confidence that can influence attitudes and behavior (Rizani et al., 2024). Otoritas Jasa Keuangan (2025) states that good financial literacy can help individuals understand financial concepts, including investments, and foster responsibility in managing their finances. With adequate financial literacy, individuals can recognize the importance of investment in achieving financial goals. Financial literacy can guide individuals in making appropriate financial decisions (Ouachani, Belhassine, & Kammoun, 2021). Furthermore, financial literacy influences individual attitudes and behavior in financial management (Financial Services Authority, 2019), including attitudes toward investment behavior.

A study conducted by Kusumawati and Nugraheni (2023) found that knowledge influences daily behavioral attitudes. Knowledge, skills, and confidence can influence attitude and behavior (Rizani et al., 2024; Syafrudin, Komarudin, Maulana, &

Masruroh, 2023). Individuals with higher education levels tend to have more positive attitudes toward things aligned with their education (Cantika, Lestari, & Nurabiah, 2022). Research by Sirine and Utami (2016) also shows that knowledge and insight can influence an individual's behavioral policy. Financial literacy can guide someone in managing and making sound financial decisions (Ardiandana, Sriyono, & Setiyono, 2024; Ouachani et al., 2021). The education and examples provided by parents regarding financial management influence children's attitudes in managing their finances (Sari, Santoso, Handayani, & Reviandani, 2022). This aligns with the findings of Fajriyah and Listiadi (2021), and Sirine and Utami (2016).

H₁: Financial literacy has a positive and significant effect on attitude toward investment intention.

Attitude Toward Investing and Investment Intention

An individual's subjective assessment of the world around them, their self-perception and interpretation of the environment, particularly how specific behaviors are associated with gains or losses, determine attitudes toward behavior (Alleyne & Sapu, 2011). When someone has a strong belief in an action, they are motivated to carry it out (Tamara, Irwansah, & Anwar, 2022). An investor's attitude toward investment is influenced by their desire to improve financial stability through investing and is empirically proven to increase the intention to invest (Nugraha & Prasetyaningtyas, 2023).

Attitude, as an individual's tendency to respond to a behavior, involves evaluating outcomes and can relate to items, events, or individuals (Artati, Kaharti, & Susilowati, 2021). Attitudes link activity to prospective gains or losses, which affect decisions (Rizani et al., 2024). Attitudes toward behavioral intention rely on beliefs acquired through experience and information (Ajzen, 1985). If a person believes that investing is a wise financial management option with positive outcomes, this belief will strengthen their intention to invest (Nugraha &

Prasetyaningtyas, 2023). Thus, attitude toward investing plays a critical role in shaping one's intention to invest.

Research by Rahadjeng and Fiandari (2020) shows that attitude toward investing has a positive and significant effect on investment intention. Similar results were found by Rizani et al. (2024), Hidayati and Destiana (2023), and other researchers (Sjahrudin et al., 2023; Hapsari, 2021; Gopi & Ramayah, 2007; Sondari & Sudarsono, 2015; Rüfenacht et al., 2015; Alleyne & Broome, 2011; Hemdan & Zhang, 2024; Raut et al., 2018; van Dam et al., 2009; Pascual-Ezama et al., 2014; Singh et al., 2024).

H₂: Attitude toward investing has a positive and significant effect on investment intention.

Subjective Norm and Investment Intention

An individual is likely to have the desire for a behavior or object when influenced by people around them or when they believe their environment supports their actions (Ajzen, 2015). In the context of investing, social influence can encourage investors to make decisions that may differ from their personal inclinations. Alleyne and Broome (2011) found that subjective norms are a significant factor influencing investment decisions. Subjective norms can exert positive pressure on individuals to invest. For example, the influence of colleagues, friends, and family members can encourage individuals to invest even if they are initially disinterested (Matha et al., 2022). Tamara and Anwar (2015) further stated that subjective norms significantly influence one's intention to invest.

Investment decisions are often influenced by recommendations from friends, peers, and family, which subsequently affect the intention to invest (Nugraha & Prasetyaningtyas, 2023). Rahadjeng and Fiandari (2020) found that subjective norms positively and significantly influence investment intention. This is consistent with findings from Hemdan and Zhang (2024), Hidayati and Destiana (2023), Raut et al. (2018), van Dam et al. (2009), Nugraha and

Prasetyaningtyas (2023), Sondari and Sudarsono (2015), Sjahrudin et al. (2023), Alleyne and Broome (2011), Singh et al. (2024), Gopi and Ramayah (2007), and Schmidt (2010).

H₃: Subjective norm has a positive and significant effect on investment intention.

Information Cascade and Investment Intention

Humans have a deeply rooted tendency to imitate and follow the crowd (Bikhchandani et al., 2008). People heavily rely on information from others when forming opinions and choosing actions (Bikhchandani et al., 2021). An information cascade occurs when a person makes decisions based solely on others' choices, disregarding their own private knowledge that may suggest otherwise. As a specific phenomenon in the context of investing, herding behavior refers to the tendency of investors to ignore information available to them and instead follow the behavior of other investors, even when their own information indicates that they should act differently (Zhou, Xiong, and Liu, 2015). These investors observe the behavior of others and replicate it, ignoring their own insights. This phenomenon is known as an information cascade. Information flow can lead to investment decisions that dominate others and sometimes result in the rejection of more efficient investment choices (Abrahamson, 1991). In other words, if all investors make the same investment decision, the outcome is likely that most or all of them invest in the same thing (Wangzhou et al., 2021).

Studies by Mumtazah and Anwar (2022) and Bui, Le, Quang, and Wong (2021) show that herding behavior significantly influences how investors make decisions. Other studies also support this, including research conducted by Wendy (2021), Liem and Sukamulja (2017), Wangzhou et al. (2021), Putri and Isbanah (2020), Rahayu, Putra, Oktaverina, and Ningtyas (2021), Javed, Bagh, and Razzaq (2017). Based on previous studies, it can be hypothesized that the perception of information cascade has a

positive and significant effect on investment intention.

H₅: Information cascade has a positive and significant effect on investment intention.

Financial Literacy Toward Investment Intention Through Attitude Toward Investing

Research conducted by Tang and Baker (2016), along with Garber and Koyama (2016), shows a positive influence of financial literacy on an individual's financial attitude. Their study revealed that individuals with good financial literacy tend to develop positive views or attitudes toward finance. These positive attitudes, according to the researchers, are formed through the process of understanding and processing ideas based on the knowledge possessed.

The study by Hilgert, Hogarth, and Beverly (2003), as cited in Humaira and Sagoro (2018) argues that individuals who possess financial literacy are more likely to manage their money wisely. Furthermore, the study suggests that financial literacy has a positive effect on financial attitude. In line with this, Humaira and Sagoro (2018) explained that individuals who have a good understanding of finance tend to be more prudent in managing their finances. According to Aminatuzzahra (2014), individuals with rational attitudes and financial knowledge tend to exhibit better financial behavior.

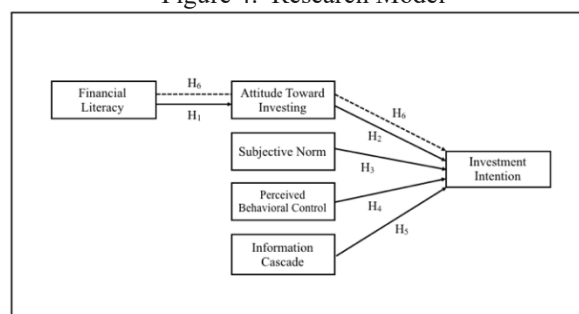
Individuals who better understand risks, potential returns, and market mechanisms are more likely to develop supportive views and feel more comfortable with the idea of investing. These positive attitudes then directly contribute to the formation of a stronger intention or desire to invest. Therefore, attitude toward investing acts as a mediating mechanism, where financial literacy first influences attitude, and then attitude determines the strength of the individual's investment intention. Based on this, it can be hypothesized that attitude toward investing mediates the relationship between financial literacy and investment intention.

H₆: Attitude toward investing mediates the relationship between financial literacy and investment intention.

2.11. Research Model

Referring to the theoretical background and findings from previous studies, the research model and hypotheses of this study were developed. Figure 4 presents the model used in this research.

Figure 4. Research Model



Source: Developed for this study (2025)

3. Research Method

The research method used in this study is a quantitative method. There are three reasons for applying a quantitative research method. First, because quantitative research can provide a picture of the influence of one variable on another (Sugiyono, 2022). Second, because quantitative research is used to test existing research hypotheses (Sugiyono, 2022). Third, because quantitative research can provide accurate data based on measurable and empirical phenomena.

This study uses an explanatory or causal research design. There are two reasons for using an explanatory or causal design. First, causal research is conducted to test established hypotheses (Hair, Celsi, Ortinau, and Bush, 2017). Second, the study was conducted to explain the nature and direction of relationships among the studied variables based on existing hypotheses (Sekaran and Bougie, 2019, Sue and Ritter, 2007). Therefore, this research is appropriately designed as causal.

The object of this study is peer-to-peer lending (P2PL), or Information Technology-Based Lending and Borrowing Services (LPMUBTI). P2PL or LPMUBTI is a

financial innovation that uses technology to allow lenders and borrowers to conduct lending transactions without the need for face-to-face meetings (Financial Services Authority, 2025), regulated under Financial Services Authority Regulation (POJK) Number 77/POJK.01/2016. The unit of analysis in this research is the individual. The individuals studied are those who have previously funded investments through P2PL platforms.

The data collection method used in this study is a survey conducted through a questionnaire distributed electronically via Google Forms. This study uses a non-probability sampling design. The reason for

using this design is that the required information comes from a specific target group (Sekaran and Bougie, 2019). The type of non-probability sampling used is judgmental sampling. This method was chosen due to the limited number of people who possess the necessary information for this study (Sekaran and Bougie, 2019). In this case, only individuals who have funded investments on P2PL platforms can provide information relevant to the research. The sample size used in this study is 280 respondents. This study consists of six variables, each measured using four to six indicators. The details of the indicators for each variable are further described in Table 1.

Table 1. Conceptual and Operational Definitions of Variables

Variable	Conceptual Definition	Measures	Source
Investment Intention	A person's mental determination to perform a certain action (Fishbein & Ajzen, 1975).	<ol style="list-style-type: none"> 1. I intend to allocate funds to Peer-to-Peer (P2P) Lending products in the near future. 2. I am willing to invest in Peer-to-Peer (P2P) Lending products in the near future. 3. I plan to engage in investment activities in Peer-to-Peer (P2P) Lending products in the near future. 4. I will make an effort to invest in Peer-to-Peer (P2P) Lending products. 	Nugraha & Rahadi (2021); Widyasari & Aruan (2022); Trang & Tho (2017)
Financial Literacy	A measure of how well an individual understands financial concepts and possesses the ability and confidence to manage personal finances through sound decision-making and both short- and long-term planning, taking into account economic changes (Sari et al., 2023).	<ol style="list-style-type: none"> 1. I have knowledge about financial investments. 2. I am able to evaluate financial investment products. 3. I am able to understand financial investment products. 4. My knowledge of financial investments is extensive. 5. I am able to determine whether a financial product is worth investing in or not. 	Lim & Qi (2023); Wangzhou, et al. (2021)
Attitude Toward Investing	Tendency to respond positively or negatively toward a psychological object (Fishbein & Ajzen, 1975).	<ol style="list-style-type: none"> 1. In my opinion, making investments is an interesting activity for me to engage in. 2. In my opinion, investing is a beneficial action for me to take. 3. In my opinion, making investments is a good idea for me. 4. In my opinion, investing in Peer-to-Peer (P2P) Lending products is a wise decision for me to make. 5. I believe that it is better for me to invest than to save money. 	Pleno (2024); Nugraha & Rahadi (2021); Lim & Qi (2023)
Subjective Norm	Individual's perception that people important to them believe they should or should not perform a particular behavior (Ajzen & Fishbein, 1975).	<ol style="list-style-type: none"> 1. My family supports me in investing on Peer-to-Peer (P2P) Lending platforms. 2. My friends supports me in investing on Peer-to-Peer (P2P) Lending platforms. 3. My colleagues supports me in investing on Peer-to-Peer (P2P) Lending platforms. 4. People whose opinions matter to me support my decision to invest on Peer-to-Peer (P2P) Lending platforms. 	Nugraha & Rahadi (2021); Widyasari & Aruan (2022); Lim & Qi (2023)

Perceived Behavioral Control	The perception of how easy or difficult it is to perform a particular behavior, and it is assumed to reflect past experiences as well as anticipated obstacles (Ajzen, 1991).	<ol style="list-style-type: none"> 1. Investing is something that is easy for me to do. 2. It is not difficult for me to overcome obstacles when investing. 3. When faced with challenges in investing, it is not difficult for me to find solutions. 4. I have the necessary resources to make investments. 5. I have the necessary knowledge to make investments. 6. It is easy for me to choose financial products to invest in. 	Nugraha & Rahadi (2021); Widyasari & Aruan (2022); Lim & Qi (2023)
Information Cascade	A situation in which an individual makes decisions by observing others' behavior while disregarding their own private information (Bikhchandani et al., 2021).	<ol style="list-style-type: none"> 1. I use other people's information to make my investment decisions. 2. I believe that other people's information is more important than my own. 3. I adjust my investment decisions based on information from others. 4. I prefer to follow other people's investment decisions rather than make my own decisions based on the information I have. 	Wangzhou, et al. (2021); Liu, et al. (2016)

Source: Developed for this study (2025)

3.1. Preliminary Study

Before conducting the actual research, a preliminary study was carried out (McDaniel & Gates, 2020). The purpose of the preliminary study was to assess whether the questionnaire draft was suitable for distribution and could be clearly understood by respondents (Sari, Putri, & Khala, 2021).

Sari et al. (2021) explained that to determine whether a questionnaire is suitable for distribution and understandable, it is necessary to first test its validity and reliability on a small sample during the preliminary study phase, before distributing it to the full sample in the actual study.

3.2. Actual Study

After conducting the preliminary study, the actual study was carried out by distributing the questionnaire to 280 respondents. The data analysis method used in this research is Partial Least Squares Structural Equation Modeling (PLS-SEM). In PLS-SEM, there are two stages of testing, namely the measurement model and the structural model (Hair et al., 2021).

The first stage involves testing the reliability and validity of the measurement instruments based on certain criteria as specified in the tested model (Hair et al., 2021). Table 2 summarizes the criteria and thresholds used in evaluating the measurement model

Table 2. Criteria, Metrics, and Thresholds for Measurement Model Evaluation

Criteria	Metrics and thresholds
Indicator Reliability	The construct should explain more than 50 percent of the indicator's variance (Indicator Reliability > 0.5) or reflective indicator loadings > 0.708
Internal Consistency Reliability	Cronbach's alpha ≥ 0.70
	(Maximum 0.95 to avoid indicator redundancy that may compromise content validity)
	Composite Reliability (pc) > 0.70 (Maximum 0.95 to avoid indicator redundancy that may compromise content validity)
Convergent Validity	AVE ≥ 0.50
	Reflective indicator loadings (Outer Loading) ≥ 0.70
Validitas Diskriminan	HTMT < 0.90 for conceptually similar constructs
	HTMT < 0.85 for conceptually distinct constructs
	Fornell-Larcker Criterion: The AVE of each latent variable must be higher than its squared correlation with other latent variable.

Source: Hair, et al. (2021)

Once the reliability and validity of the measurement model are confirmed, the next step is to evaluate the structural model. The structural model demonstrates the relationships among latent variables, or in

other words, shows the constructs and their path relationships in the research model (Hair et al., 2021). Table 3 summarizes the criteria and thresholds for structural model evaluation.

Table 3. Criteria, Metrics, and Thresholds for Structural Model Evaluation

Criteria	Metrics and thresholds
Significance and Relevance of Path Coefficients	Bootstrapping is used to assess the significance of path coefficients based on t-values or confidence intervals Significance level = 5 persen Critical t-value = 1.645 (<i>one-tailed test</i>)
Mediation Effect	Significance tested using bootstrapping procedures showing both direct and indirect effects.
R ² Value	R ² values of 0.75, 0.50, and 0.25 are considered substantial, moderate, and weak respectively.

Source: Hair, et al. (2021)

3.3. Importance - Performance Map Analysis (IPMA)

The Importance-Performance Map Analysis (IPMA) is useful for expanding the basic findings of PLS-SEM by using latent variable scores (Fornell, Johnson, Anderson, Cha, & Bryant, 1996; Hock, Ringle, & Sarstedt, 2010). This extension builds upon the PLS-SEM estimation of path model relationships and adds an additional dimension that takes into account the average value of the latent variables (Hair et al., 2014).

For a specific endogenous latent variable that represents the main target construct of the analysis, IPMA contrasts the total effects (importance) from the structural model and the average score of the latent variable (performance) to emphasize which components should be prioritized in managerial actions.

As a result, conclusions can be drawn across two dimensions, namely importance and performance, which are critical in prioritizing managerial decision-making. Furthermore, this analysis allows identification of determinants with relatively high importance but relatively low performance (Hair et al., 2014). In practice, it is more effective to focus on improving the performance of constructs that have high importance in explaining the target construct,

but simultaneously demonstrate relatively low performance (Hair et al., 2014). These areas are the key improvement targets for future marketing or management efforts.

4. Results and Discussion

4.1. Preliminary Study

Based on the results of the preliminary study, eight indicators did not meet the required criteria and were therefore eliminated from the measurement model in the actual study. From the information cascade variable, one indicator was removed, namely KI4. From the financial literacy variable, two indicators were eliminated, namely LK2 and LK4. From the investment intention variable, one indicator was removed, namely NB2. From the subjective norm variable, one indicator was removed, namely NS4. From the perceived behavioral control variable, one indicator was removed, namely PKP6. From the attitude toward investing variable, two indicators were removed, namely STB1 and STB5.

4.2. Measurement Model

To test the measurement model, indicator reliability, internal consistency reliability, convergent validity, and discriminant validity were assessed. Table 4 presents the results of the indicator reliability test in the actual study.

Table 4. Indicator Reliability Test Results

Variable	Indicator	Outer Loading	Indicator Reliability (Outer Loading ²)
Information Cascade	KI1	0.842	0.709
	KI2	0.785	0.616
	KI3	0.809	0.654
Financial Literacy	LK1	0.832	0.692
	LK3	0.831	0.691
	LK5	0.838	0.702
Investment Intention	NB1	0.835	0.697
	NB3	0.814	0.663
	NB4	0.734	0.539
Subjective Norm	NS1	0.834	0.696
	NS2	0.808	0.653
	NS3	0.804	0.646
Perceived Behavioral Control	PKP1	0.775	0.601
	PKP2	0.812	0.659
	PKP3	0.738	0.545
	PKP4	0.784	0.615
	PKP5	0.788	0.621
Information Cascade	STB2	0.860	0.740
	STB3	0.832	0.692
	STB4	0.837	0.701

Source: Data analysis results (2025)

Indicator reliability is measured by squaring the outer loading value. Recommended outer loading values are greater than 0.708 ($0.708^2 = 0.50$). In this study, all indicators met the minimum reliability criteria of 0.5, or outer loading values above 0.708. Next, internal consistency reliability was tested using two measures: composite reliability and Cronbach's alpha. Table 5 presents the results.

Table 5. Internal Consistency Reliability Test Results

Variable	Composite Reliability (ρ_c)	Cronbach's alpha
Information Cascade	0.853	0.752
Financial Literacy	0.872	0.781
Investment Intention	0.838	0.708
Subjective Norm	0.856	0.749
Perceived Behavioral Control	0.886	0.841
Attitude Toward Investing	0.880	0.797

Source: Data analysis results (2025)

All variables in the study showed Cronbach's alpha and composite reliability values above 0.7, and all composite reliability values were below 0.95. This confirms that the measurement model meets the internal

consistency reliability criteria. The third step in evaluating the measurement model is to assess convergent validity using Average Variance Extracted (AVE) and outer loading. Table 6 shows the results.

Table 6. Convergent Validity Test Results

Variable	Indicator	Outer Loading	AVE
Information Cascade	KI1	0.842	0.659
	KI2	0.785	
	KI3	0.809	
Financial Literacy	LK1	0.832	0.695
	LK3	0.831	
	LK5	0.838	
Investment Intention	NB1	0.835	0.633
	NB3	0.814	
	NB4	0.734	
Subjective Norm	NS1	0.834	0.665
	NS2	0.808	

	NS3	0.804	
Perceived Behavioral Control	PKP1	0.775	0.608
	PKP2	0.812	
	PKP3	0.738	
	PKP4	0.784	
	PKP5	0.788	
Information Cascade	STB2	0.860	0.711
	STB3	0.832	
	STB4	0.837	

Source: Data analysis results (2025)

The AVE for all constructs exceeds the threshold of 0.50, confirming that the model satisfies convergent validity requirements. The fourth step in evaluating the measurement

model is to test discriminant validity using the Fornell-Larcker criterion and HTMT ratio. Table 7 presents the Fornell-Larcker results and Table 8 presents the HTMT results.

Table 7. Discriminant Validity Test Results (Fornell dan Larcker)

	Information Cascade	Financial Literacy	Investment Intention	Subjective Norm	Perceived Behavioral Control	Attitude Toward Investing
Information Cascade	0.812					
Financial Literacy	0.138	0.834				
Investment Intention	0.258	0.537	0.796			
Subjective Norm	0.307	0.406	0.512	0.815		
Perceived Behavioral Control	0.204	0.520	0.522	0.365	0.780	
Attitude Toward Investing	0.163	0.404	0.560	0.339	0.324	0.843

Source: Data analysis results (2025)

Table 8. Discriminant Validity Test Results (HTMT)

	Information Cascade	Financial Literacy	Investment Intention	Subjective Norm	Perceived Behavioral Control	Attitude Toward Investing
Information Cascade						
Financial Literacy	0.175					
Investment Intention	0.333	0.721				
Subjective Norm	0.399	0.533	0.700			
Perceived Behavioral Control	0.239	0.636	0.659	0.436		
Attitude Toward Investing	0.196	0.509	0.745	0.435	0.383	

Source: Data analysis results (2025)

The discriminant validity is supported because the AVE of each latent variable is higher than its squared correlations with other variables and the HTMT values are below 0.85. Therefore, in both tests the discriminant validity is supported.

variables, indicated by a critical value of ± 1.645 . This value is derived from the Z-table and corresponds to the significance level used in this study, which is 5 percent or 0.05. The results of hypothesis testing for direct effects are shown in Table 9.

4.3. Structural Model

A hypothesis is supported if a significant relationship exists between the related

Table 9. Results of Direct Effect Hypothesis Testing

	Hypothesis	Path Coefficient	Critical Value (t-statistic)	p-value	Conclusion
H ₁	Financial literacy → Attitude toward investing	0.404	5.924	0.000	Supported
H ₂	Attitude toward investing → Investment intention	0.366	4.713	0.000	Supported
H ₃	Subjective norm → Investment intention	0.262	5.028	0.000	Supported
H ₄	Perceived behavioral control → Investment intention	0.296	4.945	0.000	Supported
H ₅	Information cascade → Investment intention	0.058	1.094	0.137	Not supported

Source: Data analysis results (2025)

From the hypothesis testing results above, it can be observed that among the direct effect hypotheses, only one was not supported. A hypothesis is considered supported if the critical value is $\geq \pm 1.645$ and the p-value ≤ 0.05 . Based on these thresholds, H1 through

H4 are supported, while H5 is not. The sixth hypothesis is a mediation hypothesis. In testing mediation effects, bootstrapping is used to analyze the indirect effect sampling distribution. The results of the mediation hypothesis testing are presented in Table 10.

Table 10. Results of Mediation Hypothesis Testing

	Hypothesis	Path Coefficient	Critical Value (t-statistic)	p-value	Conclusion
H ₆	Financial literacy → Attitude toward investing → Investment intention	0.148	2.875	0.002	Supported
Direct effect	Financial literacy → Investment intention	0.148	2.875	0.002	Supported

Source: Data analysis results (2025)

Based on the results in the table, the indirect path relationship between the exogenous and endogenous latent variables through a mediating construct shows a significant effect, with a critical value of 2.875 and p-value of 0.002. Therefore, this mediation hypothesis is supported. After

hypothesis testing, the next step is evaluating the coefficient of determination (R^2) of the endogenous constructs. There are two endogenous variables in this study, namely attitude toward investing and investment intention. Table 11 presents their R^2 values.

Table 11. Coefficient of Determination (R^2)

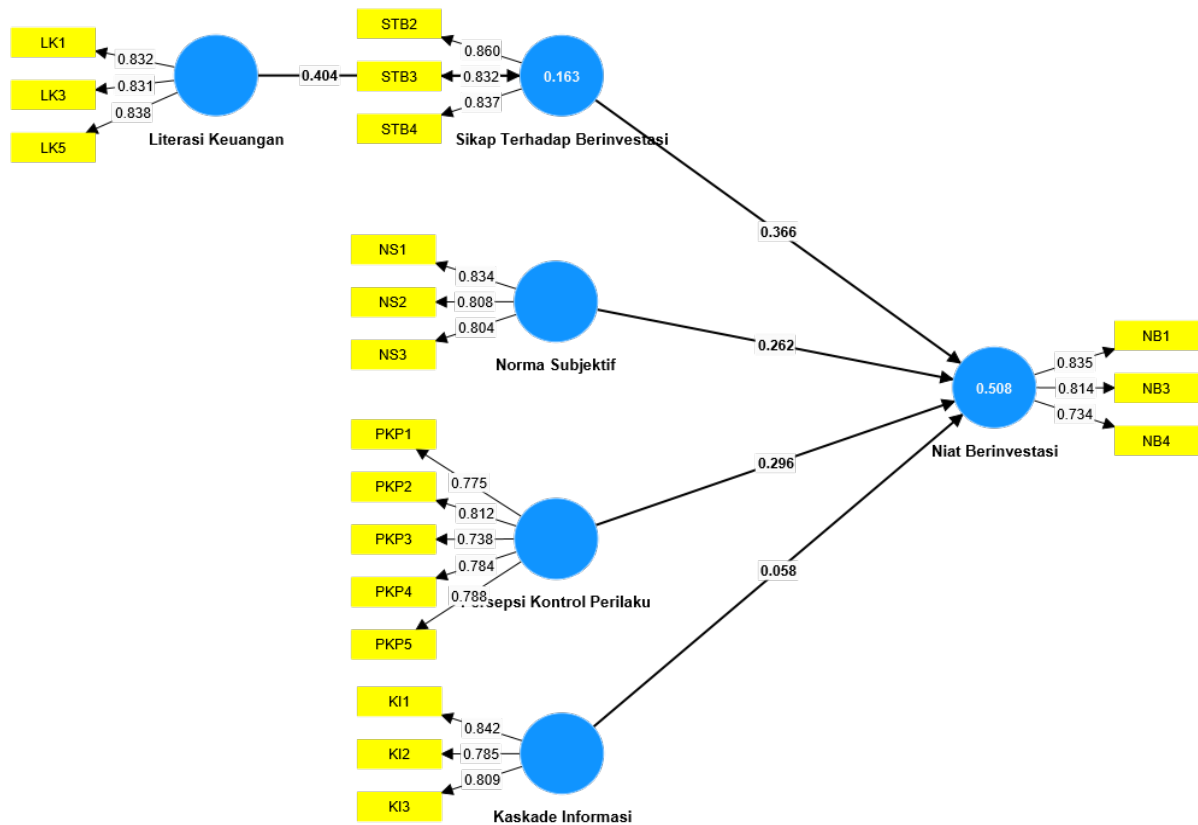
Variable	R^2	R^2 adjusted
Attitude toward investing	0.508	0.501
Investment intention	0.163	0.160

Source: Data analysis results (2025)

From the R^2 values presented, attitude toward investing has a coefficient of 0.501, meaning that 50.1 percent of the variance in this variable is explained by financial literacy, while the remaining 49.9 percent is explained by other variables not included in this model. Based on the criteria, R^2 values of 0.75, 0.50, and 0.25 are considered substantial, moderate, and weak respectively, so this R^2 is considered

moderate. The investment intention variable has an R^2 of 0.160, meaning that 16 percent of its variance is explained by attitude toward investing, subjective norm, perceived behavioral control, and information cascade, while the remaining 84 percent is influenced by other variables not included in the model. Therefore, this R^2 is considered weak. The structural model of this study is presented in Figure 5.

Figure 5. Structural Model



Source: Data analysis results (2025)

4.4. Discussion

Based on hypothesis testing conducted using actual research data from 280 respondents, one hypothesis was not supported, namely H5. The fifth hypothesis states that information cascade has a positive and significant effect on investment intention. Based on the results of the hypothesis test, this hypothesis was found to be insignificant and thus not supported. In an information cascade, individuals tend to follow the actions of others based on widely disseminated information, regardless of its validity (Bikhchandani, Hirshleifer, & Welch, 1992). In the context of Indonesia, which is currently experiencing a surge in digital information, much of the information is speculative, unverified, or sourced from non-credible figures (Kompas, 2024). Meanwhile, based on the respondent profile in this study, the majority of respondents have a higher education background, namely university graduates. With a university education background, individuals tend to process information more critically (Katende, 2023). Critical investors

will be more cautious in investing due to fear of being deceived or making incorrect decisions.

One real phenomenon is the widespread occurrence of fraudulent investments that use social media as a promotional tool. A recent survey conducted by a research institute in Jakarta showed that around 68% of young people aged 18–24 regularly experience FOMO (Radio Republik Indonesia, 2024), leading to many individuals becoming victims of fraudulent investments. According to the Financial Services Authority (OJK), many illegal investment entities employ information cascade strategies by using fake testimonials, comments, and endorsements on social media to attract public attention (Otoritas Jasa Keuangan, 2023). For example, the fraudulent investment cases involving trading robots such as ATG, DNA Pro, Net89, Viral Blast, Binomo, and Fahrenheit that occurred in 2022 and 2023 (Pluang, 2023).

The phenomenon of numerous capital market influencers engaging in “pompom”—the act of recommending stocks on social

media accounts to drive up prices for personal gain—also frequently occurs in Indonesia (Tempo, 2021). Furthermore, there was the case of binary options fraud involving the public figure Indra Kenz and the Binomo platform (DetikNews, 2022). Money game scams or Ponzi schemes involving crypto assets have also been rampant in Indonesia (Kompas, 2022). Meanwhile, in the P2PL industry, there have recently been many negative issues such as fraud and default cases involving major players in the industry, such as Akseleran, KoinWorks, and Investree (MetroTV, 2025; Kompas, 2024; CNBC Indonesia, 2025). These developments have made investors more cautious in injecting capital into the P2PL sector (Bisnis, 2025).

Illegal investment practices remain widespread and continue to claim victims (Bisnis, 2025). The Task Force for the Eradication of Illegal Financial Activities (PASTI) has taken action against 209 illegal investment entities during the period of January to April 2025 (Bisnis, 2025). Furthermore, the Financial Services Authority (OJK) recorded that losses due to illegal investments reached IDR 105 billion during January–April 2025 (Bisnis, 2025). The rise of fraudulent investments, default cases, and fraud has diminished public trust in investment information that is widely

disseminated online, especially when not accompanied by education or source credibility. The spread of unverified information can create skepticism (Fatah, 2022). Furthermore, this can also raise concerns about the risk of loss, whether due to fraud, poor investment choices, or failure to understand the risks of the selected instruments.

The rejection of the fifth hypothesis is consistent with previous research findings, which state that information cascade does not have a significant effect on rational investment decision-making, and that investors tend to rely on personal analysis rather than following the decisions of others (Vitmiasih, Maharani, & Narullia, 2021; Erianda, Muzakir, & Maulidasari, 2023; Jussalman & Sari, 2023; Yusnita & Nugraha, 2021; Akriana & Hasanah, 2021; Agusta & Yanti, 2023; Misra & Ermawati, 2020).

4.5. Importance Performance Map Analysis (IPMA)

In this study, the target variable analyzed is investment intention. Table 11 presents the results of the IPMA, with the target construct being investment intention, which is predicted by financial literacy, attitude toward investing, subjective norm, perceived behavioral control, and information cascade.

Table 12. Results of Importance Performance Map Analysis (IPMA)

Construct	Importance	Performance	Description	Quadrant
Information Cascade	0.058	62.781	Low Importance/ Low Performance	low priority
Financial Literacy	0.148	75.377	Low Importance/ High Performance	possible overkill
Subjective Norm	0.262	68.724	High Importance/ Low Performance	concentrate here
Perceived Behavioral Control	0.296	68.932	High Importance/ Low Performance	concentrate here
Attitude Toward Investing	0.366	78.049	High Importance/ High Performance	keep up good work
Mean	0.226	70.773		

Source: Data processing results (2025)

Based on the importance and performance values of each construct, attitude toward investing is a very important factor in influencing investment intention and is currently at a high level of performance. Subjective norm and perceived behavioral control also have a large influence, but their performance is still low and should become the primary focus in the development of future strategies.

5. Conclusion

The results of this study indicate that financial literacy positively and significantly influences attitude toward investing, which in turn significantly affects investment intention. Additionally, subjective norm and perceived behavioral control both have positive and significant effects on investment intention. However, information cascade does not have a significant impact on investment intention.

Furthermore, attitude toward investing serves as a significant mediating variable in the relationship between financial literacy and investment intention.

This study was conducted within the geographical context of Indonesia, which possesses distinct social, economic, and cultural characteristics in terms of technology adoption and investment behavior. Digital literacy levels, trust in technology-based financial systems, and public preferences toward investment types are significantly influenced by local conditions, including the availability of technological infrastructure, national regulations, and public exposure to digital investment risks. Therefore, the findings of this study are more relevant when understood within the Indonesian context, and

their application in other regions or countries with different market structures and societal behaviors should be adjusted accordingly.

Based on this consideration, future research is recommended to conduct comparative studies across regions in Indonesia, such as between urban and rural areas, or even between countries within the Southeast Asian region, to assess the extent to which the constructs in this model are universal or context-specific. By comparing diverse cultural backgrounds, regulatory environments, and levels of financial technology maturity, future studies can provide a broader and deeper understanding of the factors influencing investment intention on peer-to-peer lending (P2PL) platforms within varied digital ecosystems.

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FROM RECRUITMENT TO RETENTION: STRATEGIC MARKETING COMMUNICATION FOR HIGHER EDUCATION MANAGEMENT IN VIETNAM

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ABSTRACT

This research investigates the dynamics of marketing communication (marcom) within Vietnamese universities, focusing on the balance between student recruitment and stakeholder engagement. The study aims to identify the key marcom activities, channels, and messaging strategies employed, assess the performance indicators and evaluation metrics, and explore how universities engage with stakeholders beyond prospective students. An in-depth interview approach was employed, involving ten representatives from higher education institutions in Vietnam. The findings reveal that Vietnamese universities predominantly focus their marcom efforts on student recruitment, with a combination of digital marketing and traditional methods like open days and school visits. Enrollment figures and digital metrics are the primary performance indicators used to assess effectiveness. However, the study highlights a lack of comprehensive communication strategies that encompass broader institutional goals and stakeholder engagement. The need for a balanced approach and alignment with institutional values is emphasized to enhance overall institutional competitiveness, support strategic planning, and contribute to education management practices.

Keywords: university marketing, higher education, marcom, marketing communication, student recruitment, Vietnam

ABSTRAK

Penelitian ini mengkaji dinamika komunikasi pemasaran (marketing communication / marcom) di universitas-universitas Vietnam, dengan fokus pada keseimbangan antara perekrutan mahasiswa dan keterlibatan pemangku kepentingan. Studi ini bertujuan untuk mengidentifikasi aktivitas, saluran, dan strategi pesan utama yang digunakan dalam marcom; menilai indikator kinerja dan metrik evaluasi; serta mengeksplorasi bagaimana universitas menjalin hubungan dengan pemangku kepentingan selain calon mahasiswa. Pendekatan wawancara mendalam digunakan dalam penelitian ini, melibatkan sepuluh perwakilan dari institusi pendidikan tinggi di Vietnam. Temuan penelitian menunjukkan bahwa universitas di Vietnam secara dominan memfokuskan upaya marcom pada perekrutan mahasiswa, dengan memanfaatkan kombinasi pemasaran digital dan metode tradisional seperti open day dan kunjungan ke sekolah. Angka pendaftaran dan metrik digital menjadi indikator kinerja utama yang digunakan untuk menilai efektivitas. Namun, penelitian ini menyoroti kurangnya strategi komunikasi yang komprehensif yang mencakup tujuan kelembagaan yang lebih luas serta keterlibatan pemangku kepentingan. Kebutuhan akan pendekatan yang seimbang dan selaras dengan nilai-nilai institusi ditekankan guna meningkatkan daya saing kelembagaan secara keseluruhan, mendukung perencanaan strategis, dan berkontribusi pada praktik manajemen pendidikan.

Kata kunci: pemasaran universitas, pendidikan tinggi, marcom, komunikasi pemasaran, perekrutan mahasiswa, Vietnam

1. Introduction

Marketing communication (marcom) has become an essential constituent of the globalized world's higher education, defining the brand identity and influencing stakeholder attitudes. In Vietnam, where the higher education landscape is changing rapidly, understanding how marketing communication works in universities is crucial to success.

Although much research has been conducted on marketing practice in higher education worldwide (Kotler & Fox, 1995; Karaosmanoglu & Salman, 2019), little has explored the marketing communication practices of Vietnamese universities. Most of the existing studies are in general terms, focusing on themes like stakeholder engagement or relationship marketing (Camilleri, 2020; Mogaji et al., 2023). Much less attention has been given to how Vietnamese institutions implement marcom, especially in efforts to balance recruitment and reaching out to other key constituencies like faculty, alumni, industry partners, and local communities. This study tries to fill this gap by examining how Vietnamese universities approach marcom, not only as an instrument for recruitment, but also as an institutional strategic role in broader communication. By conducting interviews with ten representatives from higher education institutions across Vietnam, this study seeks to uncover insights into the strategies, channels, and metrics utilized in marketing communication efforts.

The research problem addressed in this study revolves around the predominant focus on student recruitment in university communication, potentially overshadowing engagement with other stakeholders. Thus, the research questions guiding this study are as follows:

- RQ1. What are the key marcom activities, channels, and messaging strategies employed by Vietnamese universities?
- RQ2. What performance indicators and metrics are commonly used by Vietnamese universities to assess the

effectiveness of their marcom strategies?

- RQ3. How do Vietnamese universities engage and communicate with various stakeholders beyond student recruitment, including faculty members, staff, alumni, industry professionals, and the local community?

This research, going with the current discourse in education management, considers marketing communication as being crucial in the implementation of governance and stakeholder alignment in higher learning institutions. This study thus contributes to broader debates regarding the role of communication in achieving management-related goals within an increasingly competitive and globalized forward higher education environment by examining marcom strategies in the context of organizational leadership and strategic planning. Through these research questions, this study seeks to provide valuable insights into the dynamics of marketing communication within Vietnamese universities, offering practical implications for enhancing institutional branding and stakeholder engagement strategies in the higher education sector.

2. Literature review

2.1. Marketing in higher education

The academic environment is increasingly competitive, necessitating the strategic implementation of marketing principles to distinguish institutions from their peers (Kotler & Keller, 2016). Marketing within higher education is defined as identifying, creating, and delivering messages to target audiences to establish brand awareness, mold brand perception, and ultimately influence behavior in a manner that aligns with institutional objectives and market demands (Kotler & Fox, 1995). In the realm of higher education, marketing strategies are essential to facilitate exchanges of value, ensuring that the institution's offerings resonate with the needs and expectations of the target market.

The marketing mix, traditionally comprising the 4Ps framework (product, price, promotion, and place), has evolved to include three additional dimensions: people, process, and physical evidence (Kotler & Fox, 1995; Tukur et al., 2019). These elements are further elucidated in the context of higher education, where the product refers to the educational programs offered, price pertains to the fees charged, promotion encompasses various promotional activities, physical evidence relates to the quality of the institution's facilities, and people signify the human resources that contribute to the learning experience. The integration of these elements is essential to construct a robust marketing framework capable of effectively reaching and engaging with diverse stakeholders.

Different tools were employed by universities around the world to support these marketing activities. Research by Smedescu et al. (2016) and Harjadi and Fatmasari (2017) highlights some of the key tools, including:

- Advertising: Universities utilize indoor/outdoor advertisements, brochures, and leaflets targeting high school students and parents.
- Promotional events: Events, exhibitions, and campus visits provide platforms for engagement and brand promotion.
- Public relations: Rituals like academic year openings and publications, including university magazines, contribute to public relations efforts.
- Direct marketing: While not widely practiced, personalized communication through letters targets prospective students and alumni.
- Interactive marketing: Websites, social media presence, and massive open online courses (MOOCs) are used to engage potential students and stakeholders.
- Word-of-mouth/Buzz marketing: Limited in higher education due to academic image concerns, primarily linked to social media content.
- Personal selling: Academic and administrative staff play pivotal roles,

impacting the overall service quality and student experience.

In addition, in recent days, marketing within universities has transitioned, leveraging social media, content marketing, and SEO (search engine optimization) strategies to engage a wider audience (Kusumawati, 2019). Personalized communication, driven by data-driven insights, has allowed institutions to tailor messages, fostering stronger engagement and connections with prospective students (Karaosmanoglu & Salman, 2019). In addition to these digital strategies, marketing and communications also involve physical events, community engagement, and face-to-face interactions (Jackson & Tomlinson, 2020). Developing positive relationships with local communities and communicating effectively with diverse stakeholder groups are necessary elements of university marketing strategies.

2.2. Stakeholder communication in higher education

The cultivation of a positive perception through strategic stakeholder communication plays a vital role in enhancing the brand equity of higher education institutions (Chiparo, 2021). It is essential to note that this positive perception is not merely an outcome of marketing strategies but is deeply entwined with the quality and nature of relationships established through various communication channels. In the dynamic and competitive higher education landscape, universities are compelled to reassess their priorities, integrate digital communication mediums, and embrace relationship marketing strategies that prioritize value creation (Mogaji et al., 2023). Stakeholder communication is not just a strategic imperative; it is a holistic approach to creating a favorable university image, fostering meaningful connections, and securing long-term success in the competitive higher education landscape.

Within the context of higher education, stakeholders encompass a broad spectrum of individuals and entities, including students, faculty members, staff, parents, alumni,

donors, community stakeholders, and government bodies. Effective communication within these groups is a two-way process, requiring institutions to actively seek feedback and address concerns (Rajhans, 2018). It is through this dynamic interaction that universities can genuinely understand the expectations and requirements of their stakeholders, thereby shaping a more responsive and relevant communication strategy (Camilleri, 2020). A study conducted by Mogaji et al. (2023) underscores the necessity of an integrated relationship marketing system tailored to higher education, founded on mutual exchange and promises. This approach necessitates meticulous planning, stakeholder identification, prioritization, and the establishment of persistent communication channels.

The advent of digital communication tools has significantly reshaped the landscape of stakeholder engagement. Institutional websites, social media platforms, and direct SMS are now recognized as indispensable avenues for interacting with stakeholders (Chiparo, 2021). To effectively leverage digital marketing for brand promotion, universities are advised to engage prospective students through conversations, surveys, and informative content disseminated across various social media platforms, such as Facebook, Instagram, Snapchat, Twitter, and LinkedIn (Camilleri, 2020). These platforms offer a distinct opportunity for higher education institutions to amplify brand awareness, garner insights into the preferences and needs of potential applicants, and capitalize on the influential power of word-of-mouth publicity generated through social interactions.

2.3. Current challenges and imbalances in Vietnamese universities

The Vietnamese higher education sector has experienced substantial evolution in recent years, marked by the proliferation of private universities and an increased emphasis on branding and marketing activities. However, it is important to note that private universities currently make up

around 20-25% of all higher education institutions in Vietnam, yet they enroll only approximately 10-16% of tertiary students (Zhou et al., 2019). Most students still try to get admitted in the public universities, thus showing that private universities may have limited resources, status, and institutional capacity, which could affect their marketing.

Universities in Vietnam have often overlooked the criticality of a systematic brand communication strategy in their branding efforts (Ly-Le et al., 2024). The deficiency in developing a clear brand image and implementing strategic digital marketing initiatives poses a significant obstacle to achieving success in the competitive international arena, as evidenced by their performance in global rankings. These institutions must strike a balance between student recruitment and comprehensive brand development to maintain a robust presence.

Conversely, public universities in Vietnam have traditionally regarded communication as an integral aspect of institutional management. However, the overemphasis on teaching and learning can undermine their competitiveness against the backdrop of the growing presence of private and semi-private educational entities (Tran & Le, 2020). This one-dimensional focus may result in communication strategies that are reactive rather than proactive, thus weakening the coherence and impact of their brand messaging.

The lack of a strategic communication framework leads to an ad hoc dissemination of information, which in turn, hinders the formation of a cohesive brand image (Ly-Le et al., 2024). These institutions must adopt a more strategic approach to communication that is aligned with their brand identity and objectives. This will enable them to navigate the challenges posed by the evolving educational landscape effectively.

In summary, the integration of digital marketing and relationship marketing strategies is essential for Vietnamese universities to enhance their brand equity and effectively communicate with stakeholders. By prioritizing stakeholder engagement,

universities can foster meaningful relationships and, consequently, improve their competitive position in the global higher education market. A strategic reorientation towards proactive and integrated communication practices will facilitate the advancement of these institutions and ensure their sustainability in the face of growing competition.

3. Research design

This research employed an in-depth interview approach to explore the dynamics

of marketing communication within Vietnamese universities. The sample was selected using purposive sampling. Twenty representatives, responsible for communication within higher education institutions across Vietnam, were selected for the interviews. These representatives were chosen from a diverse range of universities to capture a comprehensive understanding of the landscape. The participants' profiles are as below:

Table 1. Interview participants' profiles

Participant	Gender	Working unit
NCL01	male	University Board
NCL02	female	Admission and Communication Department
NCL03	male	Admission and Communication Centre
NCL04	female	Marketing team
NCL05	male	Admission and Public Relations Centre
NCL06	male	Student Internship Experience Centre
NCL07	Female	Marketing team
NCL08	Male	Department of Student Affairs
NCL09	Female	Admission and Communication Department
NCL10	male	External Affairs Office
CL01	male	Enrollment and Business Relations Centre
CL02	male	Admission and Brand Development Office
CL03	female	Administrative Office and Equipment Management
CL04	male	Communication and Public Relations Centre
CL05	female	Digital Marketing Team
CL06	male	Admission and Communication Department
CL07	female	Department of Education Quality Assurance
CL08	male	Faculty of Business and Management
CL09	female	Admission and Communication Department
CL10	male	Marketing team

(Note: CL denotes a participant from a public university, while NCL denotes a participant from a private university)

The interviews were structured to cover key aspects related to marketing strategies for student recruitment, assessment of communication efforts with various stakeholders, and the identification of potential gaps or imbalances between marketing and communication practices. The interviews were conducted in person or via virtual platforms, depending on the

participants' preferences. Open-ended questions were used to encourage comprehensive responses and insights into the nuances of marketing and communication practices within these institutions.

Prior consent was obtained from all participants, ensuring confidentiality and anonymity. The participants could withdraw

at any point during or after the interviews without consequences.

Interviews were recorded and transcribed. Thematic analysis, which includes familiarization with the data, coding, theme development, review, definition, and final write-up, was employed to identify recurring patterns, themes, and discrepancies across the interviews. This method allowed for the systematic organization and interpretation of qualitative data obtained from the interviews.

4. Results

4.1. Sole focus and singular messaging aimed at prospective students

In both public and private universities, communication is closely tied to student recruitment, with a primary focus on quantity rather than quality. All participants emphasized this tie, indicating that all information disseminated must align with recruitment efforts.

“Our school defines marketing and communication must be for student recruitment purposes. So, all our communication objectives are related to recruitment and admission.” - Respondent NCL06.

Participants highlighted the prevalence of traditional marketing activities such as open days and school visits, which are typically organized in major urban centres to reinforce institutional presence and garner wider attention. These events, while serving as essential platforms for interaction between prospective students and university representatives, tend to be underpinned by a one-dimensional communication approach that centers exclusively on recruitment.

“This year we’ll organize activities for welcoming new students, opening ceremonies, commemorating Teacher’s Day, and so on. Communication just follows these plans and communication materials support those events.” - Respondent CL02.

Digital marketing, including SEM, GDN, and social media advertising, played a prominent role in the recruitment landscape. While traditional advertising methods were limited, online platforms allowed for diverse

content delivery, from informational clips to annual campaigns and live streams.

“We constantly produce social-first content targeting high school students during the enrollment period. Beyond that, communication activities reduce significantly.” - Respondent CL05.

Innovative strategies, such as mentorship programs, industry-specific workshops, and on-demand campus visits, have been implemented by some universities to foster enduring connections with prospective students. These initiatives aim to enhance the understanding of academic offerings and demonstrate a commitment to a more holistic recruitment approach. Nonetheless, the overarching messaging across these activities remains predominantly focused on student recruitment, reinforcing the centrality of admissions in higher education marketing efforts.

4.2. Diverse evaluation methods

Vietnamese universities use a variety of evaluation methods, which can be identified into three main categories: enrollment-based, event-based, and digital metrics.

Participants highlighted a strong reliance on enrollment figures as a measure of marketing and communication success. Aligned with the communication focus on prospective students, Vietnamese universities choose enrollment to be the main evaluation method. However, this method faces limitations, since certain programs are harder to recruit students, despite extensive advertising efforts. Social perception significantly influences student choices; as programs are preferred, while other programs like agriculture are usually neglected. In many cases, brand image and communication efforts are only supportive tools, not the sole determinants of enrollment success.

Event-based evaluation methods involve assessing the impact of specific recruitment events, such as open days or workshops, by monitoring student interest and engagement levels. This is typically achieved through the distribution and

collection of feedback forms that capture the attention and retention of information by prospective students.

“We design a simple form for interested students... After each recruitment or activity, we gather these forms to assess our effectiveness based on the number of students we reached.” - Respondent NCL03.

In response to the emergence of digital marketing activities, the schools adopted digital metrics to evaluate the use of online tools like Facebook, YouTube, or websites. The metrics involve quantifying reach, interactions, and conversions. These metrics aid in evaluating reach, interaction, and conversion rates, allowing marketing teams to optimize channels for better engagement.

“We don’t have a formal evaluation framework. Sometimes, I feel we rely too much on what ‘seems’ to work based on social media comments.” - Respondent NCL09.

“Assessment in the communication realm is challenging. However, with digital marketing, it’s a bit easier to quantify. We evaluate interactions on website posts, website visits, fan pages, and social media platforms.” - Respondent CL04.

However, the study participants acknowledged the challenges inherent in accurately assessing communication efforts, which often stem from the constraints in human resources and budgetary limitations.

“To get a precise evaluation, we must rely on external resources like a specialized agency or tool to gather market information, analyze digital performance, and more. However, our institution faces constraints in human resources and budget, so the evaluations are only relative.” - Respondent CL04.

4.3. Imbalanced priorities and the need for comprehensive communication strategies

The interview participants agreed that in Vietnam, university communication primarily serves recruitment purposes, with private institutions often leading in marketing efforts. However, there is an urgent need for

a more balanced approach that encompasses broader institutional objectives, community engagement, and industry partnerships. While some universities have taken steps towards this, such efforts remain sporadic.

Vietnamese universities exhibit a varied approach to strategic communication, with the majority having communication departments or centers bearing diverse titles such as branding, public relations, marketing, or admissions. While most institutions engage in diversified communication and advertising activities through dedicated communication centers, larger universities integrate communication efforts with student employment support centers or public relations and business relations departments. This integration underscores a broader university goal beyond student recruitment, emphasizing community service and industry connections.

Despite some universities having clear strategies, the overall landscape reveals a lack of comprehensive communication strategies beyond recruitment. Many institutions struggled with translating overarching institutional goals into specific communication strategies, as highlighted by respondent CL04, who pointed out the need for specialized communication professionals to articulate long-term strategies effectively.

“We lack professionally trained personnel. We mostly rely on experience or whatever knowledge we have. For a specific communication strategy that evolves over stages, we probably need to hire professionals.” - Respondent CL04.

Moreover, while most universities had yearly operational plans, these often lacked direct alignment with broader strategic goals. Respondents noted that communication activities typically followed academic calendars, with materials and events supporting scheduled activities but lacking a cohesive, strategic approach.

“Usually, we base it on the academic year plan. This year, we’ll organize activities for welcoming new students, opening ceremonies, commemorating Teacher’s Day, and so on. Communication just follows these

plans, and communication materials support those events.” - Respondent CL02.

To address these challenges, participants advocated for the development of integrated communication strategies that serve a multitude of stakeholders beyond the realm of student recruitment. This shift requires institutional leaders to recognize the strategic significance of communication, invest in professional expertise, and integrate communication planning with broader institutional development objectives. Only through such an approach can universities in Vietnam aspire to establish a robust and sustainable communication framework that effectively addresses the diverse requirements of all stakeholders.

4.4. Discussion

4.4.1. Vietnamese universities employ recruitment - centric marcom strategies

Responding to the first research question, which is “*What are the key marcom activities, channels, and messaging strategies employed by Vietnamese universities?*”, the results of this study highlight that Vietnamese universities primarily focus their marcom efforts on student recruitment. This approach encompasses a multitude of activities, ranging from traditional methods such as open days and school visits to contemporary digital strategies including social media advertising and search engine marketing (SEM). The primary intent of these activities is to foster engagement with prospective students, amplify awareness of the institution’s educational offerings, and ultimately, bolster enrollment figures. Furthermore, the study reveals that these universities employ a spectrum of evaluation methods to assess the efficacy of their marcom strategies, encompassing both traditional indicators such as enrollment numbers and innovative digital metrics.

These findings align with previous assessments of marketing in higher education (Kotler & Fox, 1995; Tukur et al., 2019), as Vietnamese universities use both traditional and digital marketing approaches, such as

promotional activities, advertising, and interactive marketing, to promote their institutions. However, the skew towards recruitment in the communication strategies identified in this study diverges from the literature’s emphasis on the criticality of stakeholder communication and relationship marketing in higher education (Chiparo, 2021; Mogaji et al., 2023).

Compared with studies in more developed higher education markets, such as Karaosmanoglu and Salman’s (2019) which located institutional branding and alumni engagement at the core, the author assessed that Vietnamese universities still adopt a narrower marcom scope. This reflects a development gap in the evolutionary stage of the strategic direction of marcom in developing higher education systems.

Interestingly, the study also reiterates Lowrie (2007) observation that institutions in developing contexts often mirror commercial advertising techniques without integrating relational or long-term stakeholder engagement strategies. In Vietnam, although increasing digital engagement exists, the majority of communication content is still recruitment-oriented and not pushing brands to a greater degree. Such a recruitment-oriented strategy may be derived from various systemic and contextual factors. Vietnamese universities, especially private ones, rely heavily on tuition fees as a significant source of income, so student recruitment serves as the leading performance metric (Ly-Le et al., 2024). In addition, state-driven quality assurance systems usually value enrollment figures over long-term stakeholder relationships, enforcing a short-term communications logic (Tran & Le, 2020). Compounding this issue, few marcom professionals are formally taught integrated communication or branding strategies, and consequently implement more ad hoc and operational instead of strategic outreach (Kusumawati, 2019). Finally, as competition for universities intensifies, universities emphasize short-term recruitment dividends over long-term stakeholder relationships.

4.4.2. Focusing on enrollment and digital metrics

The second research question of this study is “*What performance indicators and metrics are commonly used by Vietnamese universities to assess the effectiveness of their marcom strategies?*” This study reveals that Vietnamese universities commonly use enrollment figures and digital metrics as measures of their marcom performance. Enrollment figures serve as a primary measure of success, reflecting the impact of communication efforts on student recruitment. Additionally, digital metrics such as website visits, social media interactions, and conversion rates are employed to evaluate the reach and engagement of online marketing activities.

These findings are consistent with the previous literature on higher education marketing, which discussed the use of enrollment figures as one of the indicators of measuring the success of marketing strategies (Kotler & Fox, 1995). Literature (e.g., Jackson & Tomlinson, 2020) also highlighted the importance of digital marketing tools such as social media platforms and websites in engaging prospective students. The research findings support this emphasis on enrollment and digital metrics, showing consistency with the literature.

However, while universities typically use a broader range of evaluation methods beyond enrollment or digital metrics, such as event-based assessments and traditional advertising metrics (Smedescu et al., 2016; Harjadi & Fatmasari, 2017), the present research findings indicate a predominant reliance on enrollment and digital metrics in Vietnamese universities. This gap aligns with Rajhans (2018)’s findings on the disconnection between communication measures and stakeholder relationship management at many institutions. While the engagement of Vietnamese universities via digital tools is being measured, the derived insights are rarely linked to broader institutional performance indicators or value-based communication outcomes.

4.4.3. A predominant emphasis on student recruitment

To remind, the third research question of this study is “*How do Vietnamese universities engage and communicate with various stakeholders beyond student recruitment, including faculty members, staff, alumni, industry professionals, and the local community?*” The research findings indicate that Vietnamese universities primarily engage and communicate with various stakeholders beyond student recruitment through sporadic and limited efforts. While there are some initiatives targeting faculty members, staff, alumni, industry professionals, and the local community, the focus remains on student recruitment. Initiatives such as mentorship programs and industry-specific workshops are implemented to cultivate relationships beyond conventional recruitment avenues. However, these activities often lack the cohesive strategic communication frameworks that are essential for effective stakeholder engagement.

This contrasts with the previous literature, which emphasized the importance of stakeholder communication beyond recruitment in higher education institutions (Chiparo, 2021). The literature highlighted the need for universities to prioritize relationship marketing strategies and engage with diverse stakeholders through various communication channels (Mogaji et al., 2023). However, the research findings suggest a limited integration of these principles in Vietnamese universities, with communication efforts predominantly geared toward recruitment.

The deviation from previous literature may be attributed to the competitive higher education landscape in Vietnam may pressure universities to prioritize student recruitment over other stakeholder engagements to maintain enrollment numbers and financial stability. Additionally, resource constraints and a lack of strategic communication planning may hinder universities from effectively engaging with

diverse stakeholder groups beyond recruitment channels.

4.4.4. Implications for universities

The research findings have several important implications for universities, not only in Vietnam but also in other countries where competition is similarly high.

The predominant emphasis on student recruitment and the marginalization of comprehensive communication strategies for broader stakeholder engagement underscores the imperative for universities to adopt a more balanced approach that encompasses various institutional objectives, community involvement, and strategic alliances with industry.

To achieve this balance, universities must prioritize relationship marketing strategies, invest in professional competencies, and harmonize communication planning with their overarching institutional development goals. This holistic approach will enable them to construct robust and resonant branding frameworks capable of serving the multifaceted needs of all stakeholders, thereby enhancing their competitiveness and societal impact.

From a policy and management perspective, these findings stress that aligning marcom activities with institutional mission and strategic planning can foster coherence across departments, ensuring that communication supports broader educational goals. Second, marcom's performance metrics, if included in institutional KPIs, can inform professionalizing marcom activities in universities can enhance autonomy and strategic capacity, particularly in systems transitioning toward international competitiveness. More balanced institutional focus, triggered by both internal planning and external policy incentives, has the potential to place universities strategically in a more competitive higher education environment.

4.4.5. Limitations and future research

As this study primarily focused on communication strategies related to student recruitment, it could overlook other

important stakeholders and aspects of higher education branding. Future research could examine the impact of different marketing communication approaches on key outcomes such as student enrollment, stakeholder engagement, and institutional reputation. Additionally, investigating the perspectives of external stakeholders such as students, parents, and industry professionals could provide a more holistic understanding of marketing communication dynamics in Vietnamese universities.

Moreover, the sample size of twenty representatives and the use of qualitative data from interviews may limit the generalizability of findings. Future research could address these limitations by incorporating a larger and more diverse sample, possibly including quantitative data analysis to provide broader insights into marketing communication practices.

5. Conclusion

This research aimed to explore marketing communication practices within Vietnamese universities, focusing on the dynamics between marketing strategies and communication efforts with various stakeholders. The study addressed the problem of the predominant focus on student recruitment in university communication, potentially neglecting other stakeholders and aspects of higher education branding.

In light of these findings, universities in Vietnam need to confront the identified challenges and shortcomings in their marketing communication practices. This transformation may necessitate the development of inclusive communication strategies that prioritize stakeholder engagement, foster community partnerships, and are congruent with institutional values and goals. Additionally, institutional leaders also need to recognize communication as a strategic function instead of an operational function. As marketing and communications departments join as active stakeholders in planning and evaluation activities, marcom plans can be modified to support not only enrollment but also education quality,

alumni, and international branding programs. Such modifications are important to position higher education institutions as leaders in a knowledge economy and ensure long-term sustainability and efficacy.

Moving forward, it is imperative for universities in Vietnam to address the

identified gaps and challenges in marketing communication practices. This may involve developing comprehensive communication strategies that prioritize stakeholder engagement, fostering community partnerships, and aligning with institutional values and goals.

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BUILDING COMPETITIVE ADVANTAGE THROUGH ABSORPTIVE CAPACITY AND OPEN INNOVATION IN INDONESIA SME'S (CASE STUDY IN BALIKPAPAN, INDONESIA)

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ABSTRACT

Small and Medium Enterprises (SMEs) are vital contributors to Indonesia's economy, particularly in the culinary sector, which faces intense competition and rapidly shifting consumer demands. This study investigates the effects of innovation strategy, absorptive capacity, and open innovation (inbound and outbound) on the performance of culinary SMEs in Balikpapan, East Kalimantan. An explanatory quantitative design was employed, with data collected through structured questionnaires distributed to 180 SMEs and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) in SmartPLS 4. The measurement model confirmed construct validity and reliability, with all outer loadings, Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE) exceeding recommended thresholds. Results of the structural model indicate that absorptive capacity has a significant positive influence on innovation strategy as well as on inbound and outbound open innovation. Innovation strategy positively affects inbound open innovation, but its relationship with outbound open innovation was not supported. Both inbound and outbound open innovation significantly enhance SME performance, with inbound open innovation showing the stronger effect. The model demonstrated moderate to substantial explanatory power ($R^2 = 0.446-0.757$) and good predictive relevance (Q^2), particularly for inbound open innovation and SME performance. These findings emphasize the importance of absorptive capacity as the foundation for innovation and competitiveness, while inbound open innovation emerges as the key driver of performance improvement. The study contributes to the SME innovation literature by integrating absorptive capacity, innovation strategy, and open innovation in an emerging economy context, while also offering practical guidance for SME managers and policymakers to strengthen innovation capabilities and foster sustainable growth.

Keywords: Innovation Strategy, Absorptive Capacity, Open Innovation, SME Performance, PLS-SEM

ABSTRAK

Usaha Mikro, Kecil, dan Menengah (UMKM) merupakan kontributor penting bagi perekonomian Indonesia, khususnya di sektor kuliner yang menghadapi persaingan ketat serta perubahan permintaan konsumen yang cepat. Penelitian ini meneliti pengaruh strategi inovasi, kapasitas serap, dan inovasi terbuka (inbound dan outbound) terhadap kinerja UMKM kuliner di Balikpapan, Kalimantan Timur. Desain penelitian yang digunakan adalah kuantitatif eksplanatori, dengan pengumpulan data melalui kuesioner terstruktur yang dibagikan kepada 180 UMKM dan dianalisis menggunakan Partial Least Squares Structural Equation Modeling (PLS-SEM) pada SmartPLS 4. Model pengukuran mengonfirmasi validitas dan reliabilitas konstruk, dengan seluruh outer loading, Cronbach's Alpha, Composite Reliability, dan Average Variance Extracted (AVE) melampaui ambang batas yang direkomendasikan. Hasil model struktural menunjukkan bahwa kapasitas serap berpengaruh positif signifikan terhadap strategi inovasi serta inovasi terbuka inbound dan outbound. Strategi inovasi berpengaruh positif terhadap inovasi terbuka inbound, tetapi hubungannya dengan inovasi terbuka outbound tidak didukung. Baik inovasi terbuka inbound maupun outbound terbukti meningkatkan kinerja UMKM secara signifikan, dengan inovasi terbuka inbound menunjukkan pengaruh yang lebih kuat. Model penelitian menunjukkan daya jelaskan yang moderat hingga substansial ($R^2 = 0,446-0,757$) serta relevansi prediktif (Q^2) yang baik, khususnya untuk inovasi terbuka inbound dan kinerja UMKM. Temuan ini menekankan pentingnya kapasitas serap sebagai fondasi inovasi dan daya saing, sementara inovasi terbuka inbound muncul sebagai penggerak utama peningkatan kinerja. Penelitian ini berkontribusi pada literatur inovasi UMKM dengan mengintegrasikan kapasitas serap, strategi inovasi, dan inovasi terbuka dalam konteks ekonomi berkembang, serta memberikan panduan praktis bagi manajer UMKM dan pembuat kebijakan untuk memperkuat kapabilitas inovasi dan mendorong pertumbuhan berkelanjutan.

Kata kunci: Strategi Inovasi, Kapasitas Serap, Inovasi Terbuka, Kinerja UMKM, PLS-SEM

1. INTRODUCTION

Small and Medium Enterprises (SMEs) are a cornerstone of Indonesia's economy and play a critical role in supporting national development. According to Law No. 7 of 2021, SMEs are divided into micro, small, and medium enterprises based on business capital and annual turnover. Micro enterprises operate with capital of up to IDR 1 billion and annual sales of up to IDR 2 billion, small enterprises with capital between IDR 1–5 billion and annual sales up to IDR 15 billion, and medium enterprises with capital between IDR 5–10 billion and annual sales up to IDR 50 billion ((Peraturan Pemerintah (PP) Nomor 7 Tahun 2021 Tentang Kemudahan, Pelindungan, Dan Pemberdayaan Koperasi Dan Usaha Mikro, Kecil, Dan Menengah, 2021)). Within this broad landscape, the culinary sector is particularly significant as part of the food and beverage industry. This sector contributes 39.1% to the non-oil and gas GDP and 6.55% to Indonesia's total national GDP (Harian Ekonomi Neraca, 2024). Culinary businesses, as explained by Hall and Gossling (2013) encompass the full spectrum of activities from food production and distribution to preparation and consumption, thereby combining economic value creation with ethical and sustainable practices. Consequently, the sector is both a cultural and economic driver, highlighting the importance of continuous innovation for long-term survival and competitiveness.

Balikpapan, located strategically in East Kalimantan, has emerged as an economic hub and the gateway to Indonesia's future capital city (IKN Nusantara). The city benefits from extensive infrastructure, such as Semayang Port, Sultan Aji Muhammad Sulaiman Airport, and interconnected national highways, making it an attractive location for businesses (Indrayani & Nurlia, 2024). A growing population, increasing urbanization, and rising purchasing power further create opportunities for local SMEs (Asih, 2025). However, culinary SMEs in Balikpapan face intense competition, rapid shifts in consumer preferences, and increasing operational costs (Kusuma, 2024). In 2024, the

decline in consumer purchasing power led to a 50% drop in SME revenues, particularly in the food sector, highlighting the vulnerability of these enterprises to economic fluctuations (Hasanah, 2024). These conditions emphasize the urgency of innovation as a strategic response to market and environmental pressures.

Innovation has become a crucial strategy for SMEs to adapt and grow in dynamic environments. Puspita (2023) highlights that the ability of SMEs to innovate—whether in terms of products, processes, organization, or services—is essential for enhancing competitiveness both domestically and internationally. Trott (2017) differentiates between product innovation, which focuses on new or improved products, and process innovation, which enhances production efficiency and quality. In this study, innovation is defined broadly to include product, process, organizational, managerial, commercial, and service innovations. Previous research underscores the importance of this capability. Carrasco-Carvajal et al. (2023), in a study of Chilean SMEs, found that absorptive capacity combined with a deliberate innovation strategy significantly improves performance. Absorptive capacity, or the ability of firms to recognize, assimilate, and apply external knowledge, has been identified as a critical enabler for productivity and competitiveness (Ortigueira-Sánchez et al., 2021). Moreover, (Yeh-Yun Lin & Yi-Ching Chen, 2007) argue that administrative innovation can sometimes be more influential than technological innovation in improving performance, showing that innovation does not always require advanced technology but can also take the form of simplified processes and managerial improvements.

The concept of open innovation, introduced by Chesbrough in 2003 (Chesbrough, 2006), has gained increasing attention as a means of enabling firms to leverage external knowledge and resources. Inbound open innovation refers to the integration of ideas and technologies from external sources into a firm's innovation processes, while outbound open innovation

involves sharing, licensing, or commercializing internally developed knowledge and technology with external partners (Huizingh, 2011). Studies have shown that both inbound and outbound open innovation enhance the adaptability, agility, and market responsiveness of SMEs (Liao et al., 2019). Nevertheless, risks arise when SMEs depend excessively on external sources without strengthening their internal absorptive capacity, which may negatively impact performance (Alfarobi & Hartono, 2022). For SMEs in Balikpapan's culinary sector, open innovation provides opportunities to access resources, collaborate with external stakeholders, and adapt to dynamic consumer needs, but its effectiveness depends on a balance between external engagement and internal capability.

Against this backdrop, this study aims to analyze how innovation strategy, absorptive capacity, and open innovation—both inbound and outbound—affect the performance of culinary SMEs in Balikpapan. The central research problem is to determine how innovation strategies and absorptive capacity shape open innovation practices, and how these practices ultimately influence SME performance.

The objectives of this research are aligned with these questions. Specifically, the study seeks to examine the influence of absorptive capacity on both inbound and outbound open innovation, investigate the relationship between absorptive capacity and innovation strategy, assess how innovation strategy impacts both forms of open innovation, and determine the effects of open innovation on SME performance. In doing so, the study contributes to both theory and practice. Theoretically, it extends the literature on absorptive capacity and innovation strategies in the context of Indonesian culinary SMEs, highlighting the mediating role of absorptive capacity and the joint effects of inbound and outbound open innovation on performance. Practically, the study provides recommendations for SMEs to develop structured innovation strategies, enhance absorptive capacity, and pursue balanced

approaches to open innovation. This can help SMEs sustain competitiveness, expand collaborations, and respond effectively to dynamic market conditions.

The scope of this study is limited to culinary SMEs operating legally in Balikpapan. The analysis focuses on the effects of innovation strategy, absorptive capacity, and open innovation practices on performance, using data collected through structured surveys. By narrowing the scope to this specific sector and location, the study seeks to generate insights that are contextually relevant while also offering implications for broader SME innovation practices in Indonesia.

2. LITERATURE REVIEW

2.1. Variable Development

2.1.1. Innovation Strategy (INSTR)

Innovation strategy is the firm's structured approach to embedding innovation into its long-term objectives. Rather than pursuing innovation in an ad hoc manner, innovation strategy ensures that activities such as product development, process improvement, or market expansion are aligned with broader goals (Kalay, 2015). For SMEs, particularly in competitive and resource-constrained environments, innovation strategy plays a crucial role in determining how limited resources are allocated. Govindarajan & Trimble (2010) highlight that innovation strategy covers not only the creation of new ideas but also the execution and commercialization processes that bring those ideas to market. In the context of culinary SMEs, innovation strategy can include developing new menu items, adopting new distribution channels such as online delivery platforms, or forming partnerships with suppliers to ensure quality and efficiency. Without a clear innovation strategy, SMEs may struggle to respond effectively to shifting consumer preferences and increasing competition.

2.1.2. Absorptive Capacity (ACAP)

Absorptive capacity, as defined by Cohen & Levinthal (1990), is a firm's ability to recognize valuable external knowledge,

assimilate it into organizational routines, and apply it to achieve commercial outcomes. This capacity is not merely about accessing information but about learning and applying it in ways that enhance competitiveness. Zahra & George (2002) further conceptualized absorptive capacity as a dynamic capability that enhances innovation outcomes. For SMEs with limited formal R&D capabilities, absorptive capacity is often reflected in their ability to learn from customers, observe competitors, and collaborate with suppliers or industry associations (Prakasa et al., 2022). In the culinary sector, absorptive capacity might involve identifying consumer trends, such as increasing demand for healthy or sustainable food options, and then adapting menus and production processes accordingly. Studies from Vanhaverbeke et al., (2008) highlight that SMEs with strong absorptive capacity are more likely to innovate successfully and sustain growth.

2.1.3. Open Innovation (OI)

Open innovation, introduced by Chesbrough in 2003 (Chesbrough, 2006), refers to the paradigm where firms leverage both internal and external ideas, technologies, and resources to accelerate innovation. It contrasts with the traditional “closed innovation” model by emphasizing collaboration and knowledge exchange across organizational boundaries. Open innovation is commonly categorized into inbound and outbound dimensions (Huizingh, 2011). Inbound open innovation involves sourcing and integrating external knowledge from stakeholders such as customers, suppliers, universities, or research institutions. Outbound open innovation, by contrast, focuses on sharing or commercializing a firm’s internal innovations, for example through licensing, partnerships, or spin-offs. For SMEs, inbound open innovation often takes the form of adopting best practices or technologies from external partners, while outbound open innovation may involve franchising concepts or collaborating with delivery platforms to reach broader markets. Previous research (Carrasco-Carvajal et al.,

2023; Liao et al., 2019) demonstrates that both inbound and outbound open innovation can enhance SME agility and performance, though their impacts may differ in strength.

2.1.4. SME Performance (PERF)

SME performance is a multidimensional construct that includes both financial and non-financial outcomes. Financial indicators such as revenue growth, profitability, and market share provide evidence of economic success, while non-financial indicators such as customer satisfaction, employee engagement, innovation outcomes, and operational efficiency capture broader aspects of organizational health (Brem et al., 2008). Rosenbusch et al. (2011) emphasize that innovation is a key driver of SME performance, particularly in dynamic and competitive environments. For culinary SMEs, performance is not limited to short-term revenue growth but also includes the ability to maintain consistent quality, retain loyal customers, adapt menus to changing tastes, and build sustainable operations. In this study, SME performance is treated as the ultimate outcome variable influenced by absorptive capacity, innovation strategy, and open innovation practices.

2.2. Hypothesis Development

2.2.1. Absorptive Capacity and Open Innovation

SMEs with strong absorptive capacity are better equipped to acquire, assimilate, and apply external knowledge. This enhances their ability to engage in open innovation practices, particularly in sourcing ideas (inbound) and sharing innovations externally (outbound). For instance, an SME that actively learns from suppliers may improve its production process (inbound), while one that adapts customer-driven innovations may later license or franchise its products (outbound). Prior studies (Carrasco-Carvajal et al., 2023; Naqshbandi, 2016) confirm that absorptive capacity positively affects both inbound and outbound open innovation. Therefore, it is hypothesized that:

H1: Absorptive capacity positively influences outbound open innovation.

H2: Absorptive capacity positively influences inbound open innovation.

2.2.2. Absorptive Capacity and Innovation Strategy

Absorptive capacity also supports the development of formalized innovation strategies by providing firms with the knowledge needed to anticipate trends and make informed decisions. SMEs that can effectively learn from their environment are more capable of crafting strategies that align innovation with long-term objectives. For example, a restaurant that recognizes growing demand for plant-based diets may formalize a strategy to diversify its menu accordingly. (Rahman et al., 2024) show that absorptive capacity significantly contributes to building stronger innovation strategies. Thus:

H3: Absorptive capacity positively influences innovation strategy.

2.2.3. Innovation Strategy and Open Innovation

A clear innovation strategy provides the framework that guides SMEs in engaging with open innovation. Firms with formalized innovation strategies are more deliberate in acquiring external knowledge (inbound) and in deciding when to share or commercialize internal ideas (outbound). For example, SMEs with clear product development goals are more likely to collaborate with external partners for new ideas while selectively commercializing existing ones. Fadhillah (2018) highlights the role of innovation strategy in structuring knowledge flows between the firm and its environment. Hence:

H4: Innovation strategy positively influences outbound open innovation.

H5: Innovation strategy positively influences inbound open innovation.

2.2.4. Open Innovation and SME Performance

Both inbound and outbound open innovation practices are important drivers of SME performance. Inbound open innovation enables firms to access external expertise, reduce risks in product development, and increase responsiveness to consumer demands

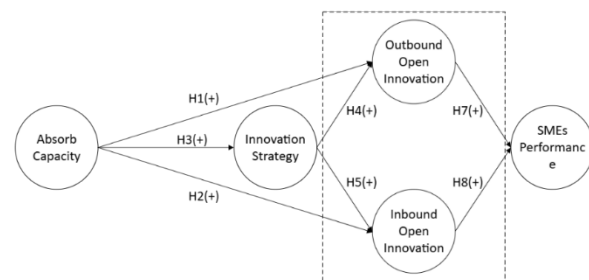
(Liao et al., 2019). Outbound open innovation allows firms to extract additional value from underutilized ideas, expand into new markets, and build stronger networks. In the context of SMEs, inbound innovation tends to have a stronger effect as firms rely heavily on external knowledge to complement their limited resources, though outbound practices also contribute to growth. Carvajal et al. (2023) provide evidence that both forms of open innovation enhance firm performance. Therefore, the following hypotheses are proposed:

H6: Outbound open innovation positively influences SME performance.

H7: Inbound open innovation positively influences SME performance.

Following the hypotheses development, the research framework is replicated from Carrasco-Carvajal et al. (2023), as illustrated in Figure 1.

Figure 1. Research Framework



3. METHODOLOGY

3.1. Research Design

This study adopts an explanatory quantitative research design to investigate the relationships among innovation strategy, absorptive capacity, open innovation, and the performance of culinary SMEs in Balikpapan. The quantitative approach was chosen because it allows for hypothesis testing and the identification of causal relationships between constructs that were previously developed through theoretical and empirical studies (Creswel & Creswell, 2018; Hair Jr et al., 2019). This design is particularly suitable for testing complex structural models in which multiple independent and dependent variables interact. By using this approach, the study ensures that the proposed framework can be

empirically validated and generalized to similar SME contexts.

3.2. Population and Sample

The population of the study consists of culinary SMEs that are legally registered and operating in Balikpapan, East Kalimantan. The city's strategic position as the gateway to Indonesia's new capital (IKN Nusantara) makes it an important site for analyzing SMEs operating in a dynamic and competitive environment. The sample was selected using purposive sampling, focusing on SMEs that had been in operation for at least two years and were actively engaged in culinary business activities. A total of 180 SMEs participated in the study, which provides adequate statistical power for Partial Least Squares Structural Equation Modeling (PLS-SEM).

Data were collected through a structured questionnaire distributed directly to SME owners or managers. These individuals were chosen as respondents because they possess the most comprehensive understanding of their firms' strategic practices and performance. The questionnaire was prepared in Bahasa Indonesia to ensure clarity and avoid misinterpretation. Prior to distribution, a pre-test involving a small number of SMEs was conducted to refine the items, assess their reliability, and ensure comprehensibility. The main data collection occurred over a two-month period, covering various sub-districts in Balikpapan.

3.3. Measurement Method

The measurement of variables was based on multi-item scales adapted from previous validated research. Innovation strategy was measured using items from Kalay and Henseler (2015) and Govindarajan and Trimble (2010), which capture strategic alignment, execution, and commercialization. Absorptive capacity was measured using indicators developed by Cohen and Levinthal (1990) and Zahra and George (2002), focusing on recognition, assimilation, and application of external knowledge. Inbound and outbound open innovation were measured using items from Chesbrough (2003), Huizingh (2011), and Carvajal et al. (2023), reflecting the extent

to which firms integrate external knowledge and share internal innovations externally. SME performance was measured through both financial and non-financial indicators, adapted from Brem et al. (2008) and Rosenbusch et al. (2011), including profitability, revenue growth, customer satisfaction, and innovation outcomes. In the article, it is important to provide the number of items for each construct, example questionnaire items, and the reliability and validity statistics (Cronbach's alpha, composite reliability, and Average Variance Extracted).

3.4. Data Analysis

For the data analysis, this study employed Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS 4 software. This method was selected because it is suitable for analyzing complex models, is robust with relatively small sample sizes, and allows the simultaneous testing of both measurement and structural models. The analysis followed a two-step procedure. First, the measurement model (outer model) was evaluated in terms of indicator reliability, internal consistency reliability, convergent validity, and discriminant validity. Second, the structural model (inner model) was assessed using path coefficients, significance levels (t-values and p-values obtained via bootstrapping), the coefficient of determination (R^2), and predictive relevance (Q^2).

3.5. Ethical Considerations

Ethical considerations were observed throughout the study. Respondents participated voluntarily and were assured of confidentiality and anonymity. Informed consent was obtained prior to data collection, and respondents were informed that the data would be used solely for academic purposes. The use of standardized questionnaires minimized risks of bias and ensured consistency across responses.

3.6. Pretest and Preliminary Study

Before conducting the main survey, a pre-test was carried out to ensure that the research instrument was valid, reliable, and

clearly understood by respondents. The questionnaire was distributed to 30 culinary SME owners and managers in Balikpapan who were not part of the final sample. This pre-test allowed the researcher to check the clarity of items, appropriateness of wording, and initial measurement consistency. Feedback from participants was used to make minor adjustments, particularly in simplifying language and providing clearer examples for innovation-related items.

The pre-test data were analyzed to assess validity and reliability. Convergent validity was tested using factor loadings and Average Variance Extracted (AVE). According to Hair et al. (2019), factor loadings above 0.70 and AVE values above 0.50 indicate acceptable validity. In this pre-test, all constructs met these thresholds. Reliability was evaluated using Cronbach's Alpha and Composite Reliability (CR). Following (Hair et al., 2019), Cronbach's Alpha values above 0.70 confirm internal consistency, while CR values between 0.70 and 0.95 (Fornell & Larcker, 1981 in Hair et al., 2019) demonstrate construct reliability. The results indicated that all constructs met these standards. Innovation Strategy (INSTR) and Inbound Open Innovation (OI-IN) showed particularly high reliability, with Cronbach's Alpha values above 0.90.

Overall, the pre-test results confirmed that the questionnaire items were valid, reliable, and suitable for the main survey. After final adjustments, the validated questionnaire was distributed to the full sample of 180 culinary SMEs in Balikpapan for data collection.

4. RESULT AND DISCUSSION

4.1. Result

The analysis of data from 180 culinary SMEs in Balikpapan reveals strong empirical support for all seven hypotheses. The descriptive statistics of respondents, including demographic profiles and business characteristics, illustrate the diversity of SMEs in terms of age, years of operation, and product focus as shown in Table 1 and Table 2.

Table 1. Respondents Demography

Category	Details Category	Frequency	Percentage
Years of Operation	2-3 years	54	30%
	4-6 years	48	26.7%
	7-10 years	36	20%
	More than 10 years	42	23.3%
Role in Company	Owner	120	66.7%
	Director	36	20%
	Manager	24	13.3%
Annual Revenue	IDR 100-300 Million	48	26.7%
	IDR 300 Million-2.5 Billion	48	26.7%
	IDR 2.5-50 Billion	72	40%
	More than IDR 50 Billion	12	6.6%

The demographic profile of 180 culinary SMEs in Balikpapan shows a mix of young and mature firms, with nearly half operating for more than six years, indicating resilience. Most respondents are owners (66.7%), ensuring that the findings reflect key decision-makers. Revenue levels are diverse, though a large share (40%) achieve IDR 2.5–50 billion annually, signaling growth potential.

Table 2. Innovation Categories

Innovation Category	Frequency	Percentage
Product Innovation (new products)	23	12.8%
Process Innovation (process development)	11	6.1%
Organizational Innovation	0	0%
Management Innovation (new practices)	0	0%
Product Innovation (production initiative)	38	21.1%
Commercial Innovation (marketing initiative)	19	10.6%
Service Innovation	17	9.4%
Managerial Innovation (improvements)	31	17.2%
Product Innovation (improvement)	26	14.4%
Other minor product innovations	4	2.2%

From Table 2 shows Innovation is concentrated on product improvements and management practices, while process and organizational innovations remain limited. The key insight is that owner-led SMEs are financially diverse and resilient but focus

narrowly on incremental innovation, suggesting the need to broaden innovation capacity for sustained competitiveness.

The measurement model evaluation confirmed that all constructs—innovation strategy, absorptive capacity, inbound open innovation, outbound open innovation, and SME performance—were measured reliably and validly, with Cronbach's Alpha, Composite Reliability (CR), Average Variance Extracted (AVE), and outer loadings exceeding recommended thresholds, as presented in Table 3. Following Hair et al. (2019), indicator outer loadings should ideally be above 0.70, indicating that the construct explains at least 50% of the indicator's variance. Loadings between 0.60 and 0.70 may be retained if other validity and reliability criteria (e.g., AVE and CR) are satisfied, whereas loadings below 0.40 are typically removed. In this study, all indicators exceeded the 0.70 threshold, confirming that each item made a substantial contribution to its respective construct.

Table 3. Outer Loading Final Test

Indikator	ACAP	INSTR	OI-IN	OI-OT	PERF
ACAP 1	0,788				
ACAP 3	0,720				
ACAP 5	0,661				
ACAP 6	0,780				
ACAP 7	0,753				
INSTR 2		0,900			
INSTR 3		0,866			
INSTR 4		0,896			
INSTR 6		0,905			
INSTR 7		0,922			
OI-IN 2			0,927		
OI-IN 3			0,927		

Indikator	ACAP	INSTR	OI-IN	OI-OT	PERF
OI-IN 6			0,918		
OI-IN 7			0,931		
OI-OT 1				0,901	
OI-OT 2				0,875	
OI-OT 4				0,902	
OI-OT 5				0,852	
PERF 2					0,878
PERF 3					0,841
PERF 4					0,885
PERF 5					0,865
PERF 7					0,761

For reliability, Cronbach's Alpha values above 0.70 (Nunnally & Bernstein, 1994) and Composite Reliability (CR) between 0.70 and 0.95 (Hair et al., 2019) confirmed internal consistency. For convergent validity, an AVE greater than 0.50 (Fornell & Larcker, 1981 in Hair et al., 2019)) demonstrated that constructs captured more than half of the variance of their indicators. Together, these results confirm that the measurement model met the accepted standards of validity and reliability.

Table 4. Reliability and Validity Test Result

Construct	AVE	Cronbach's Alpha	Composite Reliability	
			(ρ_A)	(ρ_C)
INSTR	0,55	0,94	0,954	0,954
ACAP	0,807	0,796	0,806	0,859
OI-OT	0,857	0,906	0,922	0,934
OI-IN	0,779	0,944	0,946	0,96
PERF	0,718	0,902	0,911	0,927

The result of structural model testing using PLS-SEM, as in table 5, showed that absorptive capacity had a significant positive influence on outbound open innovation, inbound open innovation, and innovation strategy; innovation strategy also strongly

influenced both inbound and outbound open innovation. Furthermore, both forms of open innovation significantly enhanced SME performance, with all path coefficients being statistically significant

Table 5. Hypothesis test Result

Construct	Original Sample (O)	T-statistics	P-value	Remarks
ACAP → OI-OT	0,678	8,844	0,000	Supported
ACAP → OI-IN	0,207	3,589	0,000	Supported
ACAP → INSTR	0,668	16,100	0,000	Supported
INSTR → OI-OT	-0,419	5,093	0,000	Un-supported
INSTR → OI-IN	0,718	14,467	0,000	Supported
OI-IN → PERF	0,662	19,845	0,000	Supported
OI-OT → PERF	0,168	3,116	0,002	Supported

The path coefficient analysis shows that most hypothesized relationships are supported, with only one exception. Absorptive capacity (ACAP) has strong positive effects on outbound open innovation (OI-OT, $\beta = 0.678$, $p < 0.001$), inbound open innovation (OI-IN, $\beta = 0.207$, $p < 0.001$), and innovation strategy (INSTR, $\beta = 0.668$, $p < 0.001$), confirming its central role in driving both strategic and innovation outcomes. Innovation strategy (INSTR) significantly influences inbound open innovation (OI-IN, $\beta = 0.718$, $p < 0.001$), but its effect on outbound open innovation (OI-OT) is negative and not supported ($\beta = -0.419$, $p < 0.001$), suggesting that structured innovation strategies may be more oriented toward internal knowledge absorption rather than external commercialization.

Both inbound and outbound open innovation contribute positively to SME performance (OI-IN → PERF, $\beta = 0.662$, $p < 0.001$; OI-OT → PERF, $\beta = 0.168$, $p = 0.002$), although the effect of inbound innovation is

much stronger, highlighting the importance of integrating external knowledge for performance gains. Overall, the results emphasize absorptive capacity as a foundational enabler, innovation strategy as a pathway to inbound innovation, and inbound open innovation as the most influential factor for improving SME performance.

Table 6. R Square and Q Square

Construct	R-square (R ²)	Q-square (Q ² Predict)
INSTR (Innovation Strategy)	0,446	0,439
OI-IN (Inbound Open Innovation)	0,757	0,465
OI-OT (Outbound Open Innovation)	0,255	0,148
PERF (Performance)	0,503	0,403

The analysis of the structural model, as in table 6, shows that the explanatory power (R²) and predictive relevance (Q²) of the constructs vary in strength. Innovation Strategy (INSTR) recorded an R² of 0.446, which falls into the moderate range, while its Q² of 0.439 indicates strong predictive relevance. Inbound Open Innovation (OI-IN) achieved the highest R² at 0.757, categorized as substantial, with a Q² of 0.465, confirming strong predictive capability. Outbound Open Innovation (OI-OT), however, showed the weakest values, with an R² of 0.255 and a Q² of 0.148, suggesting only weak explanatory power and medium predictive relevance. SME Performance (PERF) was explained with an R² of 0.503, placing it in the moderate-to-substantial range, and a Q² of 0.403, which indicates good predictive relevance. Referring to the guidelines by Hair et al. (2019), R² values of 0.75, 0.50, and 0.25 are considered substantial, moderate, and weak respectively, while Q² values above 0, with benchmarks of 0.35, 0.15, and 0.02, are categorized as large, medium, and small predictive relevance. Based on these thresholds, the results suggest that the model is particularly strong in explaining and predicting inbound open innovation and SME performance, while its explanatory and predictive power for outbound open innovation is relatively limited.

4.2. Discussion

The findings of this study provide empirical support for most of the proposed hypotheses, offering important insights into the role of absorptive capacity, innovation strategy, and open innovation in shaping SME performance.

First, absorptive capacity was shown to have a significant positive effect on both inbound and outbound open innovation, as well as on innovation strategy. This result as seen from table 5 reinforces prior studies (Carrasco-Carvajal et al., 2023; Naqshbandi, 2016) which emphasize that firms with strong learning capabilities are better able to acquire, assimilate, and apply external knowledge. For culinary SMEs in Balikpapan, this suggests that the ability to observe market trends, listen to customer preferences, and adopt supplier innovations is critical for engaging in innovation activities and formulating strategies.

Second, also from table 5, innovation strategy demonstrated a strong positive relationship with inbound open innovation, but unexpectedly showed a negative path coefficient with outbound open innovation, which was not supported. This indicates that SMEs with structured innovation strategies tend to focus more on integrating external knowledge rather than commercializing their internal ideas externally. One possible explanation is that culinary SMEs in Balikpapan prioritize internal adaptation and responsiveness to consumer needs over franchising, licensing, or external commercialization. This finding contributes to the literature by showing that innovation strategy may play a more inward-looking role in resource-constrained SMEs.

Third, both inbound and outbound open innovation were found to have positive effects on SME performance, with inbound open innovation showing the stronger influence. This result as shown in Table 6, aligns with prior research (Liao et al., 2019) which argues that knowledge inflows from external stakeholders are especially critical for SMEs that lack large-scale R&D capacity. For Balikpapan's culinary SMEs, leveraging

external knowledge—such as customer feedback, competitor practices, or new product ideas from partners—directly contributes to improved customer satisfaction, product quality, and revenue growth. Outbound open innovation also contributes positively, though to a lesser extent, by allowing SMEs to generate additional value through collaboration with external platforms or networks.

The explanatory power of the model as in Table 6, was moderate to substantial, with R^2 values showing that absorptive capacity and innovation strategy together explained a large portion of variance in inbound open innovation (75.7%) and SME performance (50.3%). Predictive relevance (Q^2 values) confirmed that the model was effective in predicting inbound open innovation and SME performance, but weaker for outbound open innovation. These results indicate that the integration of external knowledge is more central than external commercialization in improving performance for culinary SMEs.

Taken together, these findings suggest that absorptive capacity is the foundation for innovation and performance in SMEs, while inbound open innovation acts as the strongest pathway to performance improvement. The results also highlight a contextual nuance: in resource-constrained environments, SMEs may rely more on learning and adapting knowledge from external sources rather than engaging in outbound commercialization of their own innovations. This provides both theoretical contributions to the open innovation literature in SME contexts and practical guidance for managers and policymakers.

5. CONCLUSION

This study set out to examine the influence of innovation strategy, absorptive capacity, and open innovation on the performance of culinary SMEs in Balikpapan, East Kalimantan. Using an explanatory quantitative design and PLS-SEM analysis, the findings provide strong empirical support for most of the proposed hypotheses. The measurement model evaluation confirmed that

all constructs were valid and reliable, with outer loadings, Cronbach's Alpha, Composite Reliability, and AVE exceeding recommended thresholds.

The structural model results confirmed that H1, H2, and H3 were supported, indicating that absorptive capacity positively influences outbound open innovation, inbound open innovation, and innovation strategy. H4 was not supported, as the path from innovation strategy to outbound open innovation was negative and insignificant, suggesting that SMEs prioritize internal adaptation over external commercialization when implementing innovation strategies. H5 was supported, confirming that innovation strategy positively affects inbound open innovation. Finally, H6 and H7 were both supported, showing that outbound and inbound open innovation significantly enhance SME performance, with inbound open innovation having the stronger effect.

Overall, these results confirm that absorptive capacity acts as the foundation of innovation, enabling SMEs to build strategies and engage in open innovation practices that drive performance. Inbound open innovation emerges as the most critical pathway for performance improvement, while outbound innovation plays a complementary but weaker role. The study contributes to the SME innovation literature by clarifying the interplay between absorptive capacity, innovation strategy, and open innovation, and by confirming that knowledge acquisition and integration are central to SME competitiveness in emerging economies.

5.1. Practical and Managerial Implications

The study provides several practical insights that SMEs and policymakers can implement:

1. **Building Absorptive Capacity:** SME owners should actively invest in developing learning systems within their businesses. This can be achieved by training employees to gather and analyze customer feedback, setting up routine competitor benchmarking, and adopting

simple digital tools for knowledge management (e.g., customer feedback apps or point-of-sale data analytics). *How:* A small café, for example, can create a weekly review session where staff share customer comments and propose small menu adjustments.

2. **Formalizing Innovation Strategy:** Culinary SMEs should move beyond informal, ad hoc innovations and instead establish structured innovation plans. This involves setting yearly innovation goals (e.g., launching two new menu items, adopting one new cooking process) and linking them to measurable business outcomes. *How:* Managers can use tools like the Business Model Canvas or simple strategy maps to align innovation activities with business objectives.
3. **Leveraging Inbound Open Innovation:** SMEs can expand their innovation capacity by engaging with external stakeholders such as suppliers, universities, or culinary communities. *How:* For instance, partnering with local universities to test new recipes or adopting packaging innovations from suppliers can reduce costs and increase product appeal.
4. **Utilizing Outbound Open Innovation:** SMEs should not only adopt external knowledge but also explore ways to commercialize or share their internal innovations. *How:* Culinary SMEs can franchise their business concepts, license unique recipes, or collaborate with delivery platforms to expand their reach beyond their immediate locality.
5. **Policy and Ecosystem Support:** Government agencies and business associations should provide platforms for SMEs to collaborate, share best practices, and access training programs. *How:* Creating innovation hubs, mentorship programs, and knowledge-sharing workshops will allow SMEs to enhance both absorptive capacity and innovation strategies more effectively.

By operationalizing these implications, culinary SMEs in Balikpapan can enhance their resilience, adaptability, and

competitiveness in dynamic market environments.

5.2. Limitations and Future Research

While the findings provide valuable insights, this study has limitations that should be acknowledged. First, the study focused exclusively on culinary SMEs in Balikpapan, which may limit the generalizability of the results to other sectors or regions. Second, the cross-sectional research design prevents strong causal conclusions, as the data capture relationships at a single point in time. Third,

the reliance on self-reported measures may introduce common method bias. Future research should address these limitations by conducting comparative studies across multiple sectors and regions, employing longitudinal designs to capture changes over time, and incorporating objective performance measures alongside self-reports. In addition, qualitative approaches could provide deeper insights into the mechanisms through which absorptive capacity and innovation strategy foster open innovation.

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DIGITAL DYNAMIC MARKETING CAPABILITY FOR GREEN HOSPITALITY TRANSFORMATION IN EMERGING COUNTRIES: A SYSTEMATIC LITERATURE REVIEW AND EMPIRICAL TREND ANALYSIS

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ABSTRACT

This study explores the role of Digital Dynamic Marketing Capability (DDMC) in advancing green hospitality in emerging countries by integrating theoretical and empirical insights. A Systematic Literature Review (SLR) following the PRISMA protocol analyzed 30 peer-reviewed articles from 2020 to 2024, sourced from Scopus and Web of Science, and supplemented by empirical data from WTTC, UNWTO, and Statista to validate trends. The findings highlight four key themes: technological adaptability, sustainability-driven digital communication, organizational agility, and customer eco-engagement. DDMC strengthens branding, fosters eco-innovation, and enhances service personalization, though its adoption, particularly of advanced technologies like AI and blockchain, varies across regions due to infrastructural and resource disparities. The study's reliance on secondary data limits its ability to establish direct causal relationships, suggesting a need for further empirical research. Practically, it offers strategic insights for hospitality leaders and policymakers to develop adaptive, sustainable marketing practices that align with eco-hospitality goals. By extending dynamic capabilities theory to green digital marketing, this paper contributes an original conceptual framework tailored to the unique challenges and opportunities of emerging markets, providing a roadmap for sustainable transformation in the hospitality sector.

Keywords: Digital Dynamic Marketing Capability, Green Hospitality, Emerging Countries, Systematic Literature Review, Sustainability Marketing, Digital Transformation in Tourism

ABSTRAK

Studi ini mengeksplorasi peran Digital Dynamic Marketing Capability (DDMC) dalam memajukan green hospitality di negara berkembang melalui integrasi wawasan teoretis dan empiris. Systematic Literature Review (SLR) dengan protokol PRISMA menganalisis 30 artikel peer-reviewed periode 2020–2024 yang bersumber dari Scopus dan Web of Science, serta dilengkapi dengan data empiris dari WTTC, UNWTO, dan Statista untuk memvalidasi tren. Temuan penelitian menyoroti empat tema utama: kemampuan beradaptasi terhadap teknologi, komunikasi digital berorientasi keberlanjutan, kelincahan organisasi, dan keterlibatan pelanggan dalam isu lingkungan. DDMC memperkuat branding, mendorong inovasi ramah lingkungan (eco-innovation), dan meningkatkan personalisasi layanan, meskipun adopsinya—terutama pada teknologi maju seperti AI dan blockchain—bervariasi antar wilayah akibat perbedaan infrastruktur dan sumber daya. Ketergantungan studi ini pada data sekunder membatasi kemampuannya dalam menetapkan hubungan kausal langsung, sehingga diperlukan penelitian empiris lanjutan. Secara praktis, studi ini memberikan wawasan strategis bagi para pemimpin industri perhotelan dan pembuat kebijakan untuk mengembangkan praktik pemasaran adaptif dan berkelanjutan yang selaras dengan tujuan eco-hospitality. Dengan memperluas teori dynamic capabilities ke dalam pemasaran digital berkelanjutan, penelitian ini menawarkan kerangka konseptual orisinal yang disesuaikan dengan tantangan dan peluang unik di pasar negara berkembang, sekaligus memberikan peta jalan bagi transformasi berkelanjutan di sektor perhotelan.

Kata kunci: Digital Dynamic Marketing Capability, Green Hospitality, Negara Berkembang, Systematic Literature Review, Pemasaran Berkelanjutan, Transformasi Digital dalam Pariwisata.

1. Introduction

The hospitality industry in developing countries faces a significant challenge in integrating sustainability principles into their business practices (Meeroff et al., 2020). It is even more urgent given the increasing consumer awareness of environmental issues and the global push to achieve the Sustainable Development Goals (SDGs), especially in the tourism sector (Bekele et al., 2024; Sultan et al., 2020). Green hospitality refers to implementing operational practices that reduce negative environmental impacts, such as energy efficiency, waste management, and water conservation. In developing countries, green hospitality adoption is often hampered by a lack of infrastructure, weak regulation, and managerial knowledge gaps (Sánchez-Ollero et al., 2023; Hossain & Rahman, 2024). Nonetheless, there is a massive opportunity for hotels in developing countries to leverage digital technology as a tool to accelerate their green transformation. One strategic approach gaining attention is strengthening the digital dynamic marketing capability (DDMC). This concept is an extension of the dynamic capability framework (Teece, 2018), emphasizing the ability of organizations to leverage digital technologies adaptively to respond to market changes and create new value.

In the context of marketing, DDMC includes the ability of companies to identify digital market trends (digital sensing) quickly, convert opportunities into technology-based marketing strategies (digital seizing), and digitally transform internal processes (Kumar et al., 2021). However, although DDMC has been extensively researched in the context of the digital economy, its application in the hospitality sector—especially those focused on Sustainability—is still minimal.

The literature gap arises from the lack of integration between dynamic digital approaches and sustainability agendas in hospitality marketing studies. Previous studies have tended to examine green hospitality from an operational or environmental perspective without exploring how digital capabilities can strengthen organizational sustainability

strategies (Rahman & Karim, 2021; Li & Zhang, 2022). On the other hand, studies on DDMC focus more on the e-commerce or manufacturing sector than on the context of services such as hotels. In other words, there is an urgent need to understand how DDMC can be an enabler in the green transformation process in the hospitality sector, especially in developing countries facing limited resources and institutional imperfections (Ghosh & Chowdhury, 2023).

The relationship between DDMC and green hospitality can be understood from two main dimensions. First, digital marketing can convey sustainability values to consumers, shape a green brand image, and increase the loyalty of environmentally conscious customers (Li & Zhang, 2022). Second, using digital technologies such as AI, blockchain, and the Internet of Things (IoT) can strengthen the hotel's internal processes in carrying out sustainable and efficient operations (Prayag et al., 2022; Rahman & Karim, 2021). In the context of developing countries, this is increasingly important because technology can be a lever in overcoming resource limitations and accelerating green innovation. Therefore, this systematic literature review aims to fill the gaps in the literature by analyzing and synthesizing existing research on DDMC in the green hospitality context, particularly in developing countries. (Makoondlall-Chadee & Bokhoree, 2024).

To strengthen the relevance of the conceptual synthesis, this study also integrates empirical secondary data drawn from global tourism institutions (WTTC, UNWTO, Statista), enabling triangulation between theory and practice. The study enhances its policy and managerial applicability by contextualizing the DDMC framework within observed adoption trends in various developing regions.

Based on this description, the formulation of the problem in this study is:

RQ1: What is the role and implementation of DDMC in supporting green hospitality in developing countries?

RQ2: How does the adoption of DDMC tools vary across developing regions, and what empirical patterns emerge to support or challenge the conceptual framework?

To answer these questions, the study aims to conduct a systematic review of the literature on DDMC and green hospitality in the context of developing countries, identify patterns, trends, and gaps in the current literature, and formulate a future research agenda to integrate DDMC in the hospitality sector's sustainability strategy. The main contribution of this research is to provide a more structured conceptual understanding of the role of DDMC in green hospitality. In addition, the study also offers practical insights for hotel managers, tourism industry stakeholders, and policymakers in developing countries in designing digital-based sustainability strategies.

2. Literature Review

2.1. Digital Dynamic Marketing Capability (DDMC) Concept

Digital Dynamic Marketing Capability (DDMC) is a derivative of the *dynamic capability* framework developed by Teece et al. (1997). DDMC refers to the ability of an organization to adaptively integrate, build, and reconfigure internal and external competencies in the face of rapidly changing business environments, particularly in digital marketing. In the context of marketing, DDMC includes three main capabilities: *sensing* (the ability to detect market opportunities and threats), *seizing* (the ability to take advantage of opportunities through product and service innovation), and *transforming* (the ability to reconfigure organizational assets and processes) (Teece, 2018). Kumar et al. (2021) emphasize that resource limitations and institutional vacancies in developing countries often hamper DDMC development. However, organizations that successfully build DDMCs can be more responsive to market dynamics and more innovative in delivering value to customers. Ghosh and Chowdhury (2023) show that AI-based personalization in green hospitality in India improves customer

experience and strengthens the competitive position of companies.

2.2. Green Hospitality in Developing Countries

Green hospitality refers to hospitality operational practices that focus on environmental Sustainability, such as energy efficiency, waste management, and water conservation. In developing countries, adopting this practice faces challenges, including limited infrastructure, lack of supportive regulations, and low environmental awareness among stakeholders (Hossain & Rahman, 2024). Li and Zhang (2022) found that hotels in China and India that are active in sustainability communication through social media tend to have more positive brand imagery and higher customer loyalty. Sánchez-Ollero et al. (2023) highlight that lacking training and digital resources is the main barrier to sustainable communication in Latin America.

2.3. DDMC Integration in Green Hospitality

DDMC's integration in green hospitality can strengthen sustainability strategies through digital innovation. Prayag et al. (2022) show that dynamic capabilities, including digital marketing, increase hotel resilience to disasters and strengthen operational Sustainability. Rahman and Karim (2021) added that technologies such as blockchain can improve supply chain transparency in green hospitality. The study by Wangsa (2023) emphasizes the importance of organizational learning and green innovation in developing sustainability-oriented dynamic marketing capabilities. Chasapi et al. (2024) found that technology capital, including digital infrastructure and analytics tools, contributes significantly to organizational agility in the hospitality industry.

2.4. Challenges and Opportunities in Developing Countries

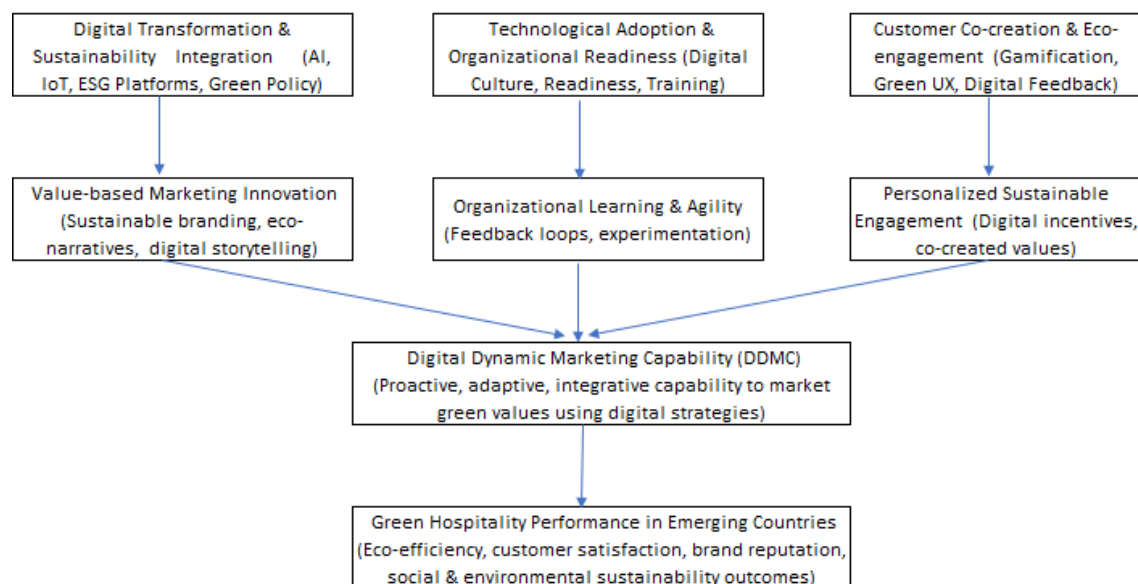
In developing countries, DDMC development in green hospitality faces challenges such as limited access to

technology, low digital literacy, and lack of policy support. Lukose and Agbeyangi (2024) highlight that in South Africa, technology adoption in hospitality is influenced by ICT literacy levels and awareness of sustainable practices. However, leveraging digital technology to accelerate green transformation is an excellent opportunity. Ruiz-Fernández et al. (2024) show that dynamic capabilities and internationalization orientation contribute to the sustainable performance of hotels. Satrya Wangsa (2023) emphasized that organizational learning and green innovation can strengthen dynamic marketing capabilities in the context of Sustainability.

2.5. Conceptual Framework Development

Based on the literature synthesis, a conceptual framework was developed to describe the relationship between the key dimensions of Digital Dynamic Marketing Capability (DDMC) and green hospitality performance in developing countries. This framework represents how integrating digital transformation, customer engagement, organizational readiness, and value-based marketing innovations facilitates the sustainability performance of the green hospitality sector. The visualization of the skeleton is presented in Figure 1.

Figure 1. Conceptual framework



This framework is a derivative of dynamic capability theory (Teece, 2018), contextualized in the digital marketing and sustainability environment (Sigala, 2020; Kumar et al., 2021). Through technology integration, value innovation, and customer participation, hospitality organizations in developing countries can create dynamic digital marketing capabilities that support green hospitality performance. The conceptual framework developed (Figure 1) is based on the results of identifying key themes that emerged from the 30 systematic studies reviewed, as well as the theory of dynamic capabilities and digital marketing innovation

in the context of Sustainability. This framework aims to map the relationship between dynamic digital marketing capabilities and their contribution to green hospitality performance in developing countries.”

3. Research Method

3.1. Methodological Approach

This study uses a Systematic Literature Review (SLR) approach combined with secondary data analysis (desk research) to strengthen the validity and relevance of theoretical findings in the context of industrial practices in developing countries. This

approach allows for the integration of scientific evidence from the literature and empirical statistical data related to the development of Digital Dynamic Marketing Capability (DDMC) in the context of sustainable hospitality (green hospitality) (Chinakidzwa & Phiri, 2020).

3.2. SLR Procedures and Stages

The primary data sources in this study come from the databases of highly reputable journals, namely Scopus and the Web of Science (WoS), which are internationally recognized for providing quality academic literature. The search process was conducted in May 2024 using combined keywords: (“Digital Marketing Capability” OR “Digital Dynamic Capability” OR “Marketing Agility”)

AND (“Green Hospitality” OR “Sustainable Tourism” OR “Eco-hotel”)

AND (“Emerging Countries” OR “Developing Nations” OR explicitly developing country names such as “India,” “Indonesia,” “Bangladesh,” etc.)

The initial search results yielded 346 articles from two databases.

3.2. Inclusion and Exclusion Criteria

To filter relevant articles and follow the focus of the study, the following inclusion and exclusion criteria are applied:

Inclusion criteria: (a) Peer-reviewed scientific journal articles published between 2020 and 2024, (b) Articles that address aspects of digital marketing capabilities, organizational dynamic capabilities, and hospitality sustainability practices simultaneously, (c) Studies whose contextualization is based on developing countries in Asia, Africa, and Latin America, (d) English-language articles

Exclusion criteria: (a) Articles that address only one aspect of DDMC, Sustainability, or hospitality separately, (b) Studies that focus on the context of developed countries or do not mention geographical dimensions, (c) non-peer-reviewed articles,

such as conferences, editorials, or opinions, (d) non-English articles.

3.3. Methodological Justification

The use of PRISMA-based SLR and thematic analysis provides several methodological advantages. First, this approach allows for a thorough exploration of the integration of DDMC and green hospitality in the context of developing countries that have not been extensively researched in depth. Second, this method is descriptive and interpretive, resulting in a conceptual synthesis that can be used for theoretical development and practical policy design in the sustainable tourism sector. (Rosalina et al., 2021)

3.4. Empirical Secondary Data Integration

To complement the results of the literature review, secondary statistical data was collected from various reliable sources: World Travel and Tourism Council (WTTC), United Nations World Tourism Organization (UNWTO), Statista (2024), and OECD Tourism Trends Report (2023). This data validates conceptual trends in the literature with actual conditions in the field. Identifying the gap between theory and practice, especially related to the adoption of digital technologies in green hospitality in developing countries, provides a quantitative context for the discussion of green hospitality sector strategies and policies, and the use of secondary data allows for a triangulation-based analysis of sources, which reinforces the external validity and policy relevance of the SLR findings (Papallou et al., 2024).

4. Result and Discussion

4.1. Thematic Synthesis: Key Dimensions of DDMC in Green Hospitality

The results of the thematic analysis of the 30 selected articles show that Digital Dynamic Marketing Capability (DDMC) in the context of green hospitality in developing countries can be categorized into four major themes that interact with each other in a complex manner: (1) Technological Adaptability, (2) Sustainability-Driven Digital Communication, (3) Organizational Agility

and Learning, and (4) Customer Co-creation and Eco-Engagement. To ensure that the literature selection process is carried out systematically and transparently, this study applies the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) protocol (Michelotto & J6ia, 2024). The entire process of searching, screening, and selecting articles is carried out through three main stages: identification, initial

screening, and final feasibility evaluation. The data source comes from two internationally reputable databases, namely Scopus and the Web of Science, with a publication period between 2020 and 2024. The inclusion criteria are focused on studies that address dynamic digital marketing capabilities, sustainable hospitality practices, and emerging country contexts. Details of the number of articles at each selection are presented in Table 1 below.

Table 1. PRISMA Flow Diagram

Stages	Explanation	Number of Articles
Identification	Articles found from Scopus and Web of Science (WoS) databases - Scopus: 198 articles - Web of Science: 148 articles	346
Duplicates Removed	Duplicate articles removed by title and DOI	-78
Left for Screening	Articles checked by abstract and title	268
Issued during Screening	The article is not conceptually or contextually relevant	-160
Left for Full Text Evaluation	Articles are read in full to assess their suitability for inclusion criteria	108
Issued during Full Evaluation	Articles that do not meet the inclusion criteria (developed countries, not digitally focused or green)	-78
Articles Included in Synthesis	Final articles used for thematic analysis and discussion	30

The initial search process used combined keywords in two primary academic databases. The search focus is limited to 2020–2024, peer-reviewed scientific publications, and topics that include a combination of digital marketing, dynamic capabilities, and green hospitality in developing countries. This stage contains initial screening by title and abstract. Articles that do not touch the DDMC or green hospitality aspect are immediately eliminated. The remaining articles are then thoroughly analyzed to ensure that they address the integration of all three key elements: digital, Sustainability, and organizational dynamics in the context of developing countries. A total of 30 articles were considered feasible and relevant to be included in the thematic synthesis process and became the basis for the formation of results and discussions. Based on the selection process, as many as 30 articles

were declared eligible and analyzed using a thematic approach. These articles reflect the diversity of methods, geographical contexts, and thematic focuses relevant to the DDMC and green hospitality frameworks.

a. Technological Adaptability

Most of the literature highlights the importance of technology adaptation as the foundation of DDMC in the sustainable hospitality sector. For example, a study by Ghosh and Chowdhury (2023) emphasizes the use of AI-driven personalization in eco-friendly resorts in India, which has been proven to improve customer experience while supporting Sustainability. Technologies such as blockchain (Rahman & Karim, 2021) and cloud-based marketing systems (Juma & Mahmud, 2021) enhance green supply chains' operational efficiency and transparency. Further, Kumar et al. (2021) show that the main challenges in developing countries are

resource limitations and institutional vacancies that limit the adoption of cutting-edge technologies. However, hotels that can progressively develop digital capabilities show better performance in conveying sustainability values.

b. Sustainability - Driven Digital Communication

The literature also identifies that the success of green hospitality is greatly influenced by the organization's ability to communicate sustainability values through digital channels. A study by Li and Zhang (2022) shows that digital communication strategies through social media can strengthen sustainable brand image, especially in emerging markets such as India and China. Sánchez-Ollero et al. (2023) emphasize the importance of addressing sustainability communication barriers, especially in the Latin American context, where gaps in digital capabilities and institutional regulation are significant obstacles.

c. Organizational Agility and Learning Capability

The organization's ability to adapt and learn quickly from market and technological changes is also a key aspect of DDMC. Prayag et al. (2022) emphasized that dynamic capabilities are essential in increasing hotel resilience to crises, such as natural disasters or pandemics, by optimizing digital campaigns

to maintain customer engagement. Sigala (2020) added that the COVID-19 pandemic accelerated digitalization in the tourism industry and opened up new opportunities to integrate sustainability principles into digital strategies.

d. Customer Co - creation and Eco - Engagement

Customer involvement in the value-creation process is also an essential dimension of DDMC. Dwivedi et al. (2021) show that gamification and eco-engagement strategies can encourage more environmentally friendly consumer behaviour in developing countries. It is reinforced by a study by Nurdiansyah & Putri (2023) in Indonesia, which shows that interactive digital-based campaigns can increase hotel consumers' loyalty and environmental awareness.

The four key themes identified—digital transformation and Sustainability, technology adoption and organizational readiness, customer engagement in the green ecosystem, and value-based marketing innovations—reflect the conceptual framework of DDMC in the green hospitality sector. Table 2 presents a systematic summary of the 30 articles analyzed to support the thematic synthesis. The information includes the name of the author, the research method, the country context, and the main findings of each study.

Table 2. Systematic Literature Review Table (2020–2024)

No	Author(s) & Year	Method	Context	Main Findings
1	Castilho, D., & Fuinhas, J. A. (2025).	Qualitative	Nigeria	Digital marketing adoption improves the competitiveness of tourism SMEs.
2	Floričić, T. (2020).	Case Study	India	ICT enhances sustainable operations in hospitality.
3	Al-Husain elal., (20240	Case Study	Vietnam	Strategic integration of digital tools improves Sustainability in SMEs.
4	Chang & Chen (2022)	Quantitative	Taiwan	Dynamic capabilities promote sustainable tourism practices.
5	Domingo & Roldan (2022)	Mixed Methods	Philippines	Social media strategies improve the green positioning of hotels.
6	Dwivedi et al. (2021)	Survey	India	Gamification promotes eco-consumer behavior.
7	García-Muiña et al. (2021)	Quantitative	Spain	Digital maturity correlates with green innovation.
8	Ghosh & Chowdhury (2023)	Case Study	India	AI supports personalization in eco-resorts.

9	Hamdan & Alharbi (2022)	Survey	Saudi Arabia	Digital marketing capabilities drive sustainable value creation.
10	Hermawan & Fitriani (2020)	Qualitative	Indonesia	Digital co-creation enhances green service delivery.
11	Hossain & Rahman (2024)	Policy Review	Bangladesh	Policy gaps hinder green digital marketing practices.
12	Juma & Mahmud (2021)	Case Study	Kenya	Cloud tech improves sustainability communication.
13	Khan & Yu (2021)	Quantitative	Pakistan	Green innovation promotes development.
14	Kumar et al. (2021)	Survey	India	Resource constraints affect digital capability development.
15	Li & Zhang (2022)	Survey	China, India	Social media aids green branding.
16	Moghavvemi et al. (2020)	Quantitative	Malaysia	Digital marketing boosts hotel performance.
17	Morales & Silva (2021)	Experiment	Peru	Mobile marketing increases eco-tourism engagement.
18	Nurdiansyah & Putri (2023)	Survey	Indonesia	Agility in digital marketing supports green tourism.
19	Oliveira & Costa (2022)	Quantitative	Brazil	Digital transformation impacts hotel reputation.
20	Prayag et al. (2022)	Case Study	Mauritius	Digital marketing enhances disaster resilience.
21	Rahman & Karim (2021)	Qualitative	Bangladesh	Blockchain increases transparency in supply chains.
22	Sánchez-Ollero et al. (2023)	Survey	Mexico	Sustainability communication faces barriers.
23	Sigala (2020)	Conceptual	Global	COVID-19 accelerates digital sustainability trends.
24	Khatter, A. (2025).	Survey	India	Big data supports sustainable hospitality decisions.
25	Kamyabi et al. (2025)	Experiment	Türkiye	Digital practices foster customer engagement.
26	Okano (2022)	Conceptual	Taiwan	Dynamic capabilities are vital for digital platform success.
27	Tran & Nguyen (2020)	Survey	Vietnam	Smart tourism fosters green capabilities.
28	Villamediana et al. (2023)	Mixed Methods	Spain	Digitalization transforms sustainability communication.
29	Patwary et al. (2024)	Survey	Malaysia	Digital capabilities strengthen green branding.
30	Zhang et al. (2023)	Case Study	China	Agility and DDMC enhance service innovation.

This systematic summary provides a comprehensive look at how the latest literature explains the integration of digitalization, dynamic capabilities, and sustainability practices in the hospitality industry in developing countries. In addition, the diversity of contexts and methods reinforces the validity of the findings and supports the generalization of the conceptual models built in this study.

4.2. Integrative Conceptual Model: DDMC-Green Hospitality Nexus

Based on the results of the synthesis, the researcher formulated a conceptual model that connects the four main dimensions of DDMC with sustainability outcomes in the hospitality sector in developing countries. This model explains that the success of a sustainable digital marketing strategy is highly dependent on cross-functional integration between technology, human resources, strategic communication, and customer orientation. Teece (2018), in the dynamic capabilities framework, also underlines the importance of

sensing, seizing, and transforming in managing digital capabilities for sustainable innovation. Therefore, the ability of hotels to restructure business processes, respond to technological changes, and create sustainability value is key to competitiveness in the global market.

4.3. Comparison of Findings Between Developing Countries

Comparisons between geographical contexts show variations in the implementation of DDMC. The main challenges in South Asia (India, Bangladesh, Pakistan) are the unevenness of digital infrastructure and the unpreparedness of public policies (Hossain & Rahman, 2024). Meanwhile, ASEAN countries such as Indonesia, the Philippines, and Vietnam are showing more dynamic progress due to support from the private sector and increased digital literacy (Domingo & Roldan, 2022; Bui & Le, 2023). In Africa and Latin America, institutional constraints and cultural challenges remain significant barriers (Juma & Mahmud, 2021; Sánchez-Ollero et al., 2023). Therefore, this study suggests a contextual and adaptive approach to developing DDMC strategies.

4.4. Theoretical and Practical Contributions.

This study contributes theoretically by expanding the application of Dynamic Capabilities theory in digital and Sustainability contexts simultaneously in the hospitality sector. In addition, this study provides a thematic map that helps understand how the dimensions of DDMC interact in

supporting green hospitality practices. Practically, these findings can be used by hotel managers, digital strategy consultants, and policymakers to design initiatives that are more adaptive to the context of developing countries (Sharafuddin et al., 2024). Effective DDMC implementation can strengthen brand reputation, improve operational efficiency, and meet consumer demands for Sustainability. (“Entrepreneurship and Sustainability Issues,” 2024)

4.5. Empirical Insights on DDMC Implementation in Green Hospitality

Key findings from the systematic review show that the practice of Digital Dynamic Marketing Capability (DDMC) has evolved rapidly over the past five years, covering aspects such as AI-based personalized marketing (Ghosh & Chowdhury, 2023), the use of social media for green branding (Li & Zhang, 2022), to the integration of blockchain technology for supply chain transparency (Rahman & Karim, 2021). However, to understand the level of realization of these concepts, statistical data from international institutions such as UNWTO, WTTC, and Statista are used as additional validation.

Adoption Rate of Digital Technology in the Green Hospitality Industry – Based on data from Statista (2024), the adoption of digital technology in the hospitality sector in developing countries shows an increasing but uneven trend. Here is Table 3 showing the adoption rate of DDMC by key element and region:

Table 3. Adoption of Digital Marketing Tools in Green Hospitality (2020–2024)

Spaces	Chatbot/AI (%)	Social Media Sustainability (%)	CRM Integration (%)	Blockchain Transparency (%)
Southeast Asia	48	76	52	18
America Latino	42	69	47	12
Afrika Sub-Sahara	33	54	39	7
South Asia	51	81	61	14
Middle East & North Africa	45	63	44	9

Source: Adaptation of UNWTO (2023), WTTC (2024), and Statista (2024) data

Empirical data from the table shows that sustainability communication practices through social media have become a key tool of digital marketing. However, advanced capabilities such as AI and blockchain are still in the early stages of adoption, especially in Africa and Latin America.

To further enrich the interpretation of the conceptual findings with empirical evidence, this study incorporates additional regional indicators that reflect the broader context of digital and Sustainability readiness in emerging hospitality markets. While Table 3 previously highlighted adoption levels of specific digital marketing tools such as AI, CRM, and blockchain, the following tables

aim to provide complementary insights into two critical enabling conditions: (1) digital readiness and (2) environmental certification penetration.

Digital readiness reflects a region's infrastructural, policy, and human resource capabilities to support digital transformation. This metric helps assess the feasibility of DDMC deployment in practice. Table 4 presents the Digital Readiness Index across selected emerging regions, illustrating varying levels of preparedness that may influence how DDMC is operationalized in the hospitality sector.

Table 4. Digital Readiness Index (World Bank / ITU / WEF)

Region	Digital Readiness Score (0–100)
South Asia	58
Southeast Asia	63
Latin America	55
Sub-Saharan Africa	44
MENA	61

Source: WEF Digital Readiness Index 2023

In parallel, the penetration of green hotel certifications—such as EarthCheck, Green Globe, and LEED—is a proxy indicator of institutional commitment to Sustainability within the hospitality sector. As shown in

Table 5, the proportion of certified green hotels remains relatively low across most developing regions, with Sub-Saharan Africa and South Asia exhibiting the lowest adoption rates.

Table 5. Hotel Sustainability Certification Penetration (% of eco-certified)

Region	Green Certification (%)
Southeast Asia	29%
South Asia	22%
Latin America	31%
Sub-Saharan Africa	12%
MENA	19%

Source: UNWTO Regional Sustainability Trends 2023

These empirical patterns reveal a critical interplay between technological preparedness and sustainability orientation. Even where digital capabilities are emerging, the absence of strong environmental compliance frameworks may limit the full realization of DDMC. Therefore, the successful

implementation of DDMC in green hospitality must consider the availability of digital tools and the organizational and institutional maturity needed to integrate these tools into sustainability strategies. Tables 4 and 5 support the broader argument that regional variance in readiness and adoption must be

accounted for when formulating DDMC-driven policies and practices. It reinforces the need for localized strategies aligning digital innovation with the hospitality sector's environmental performance goals.

Regional Insights and Strategic Implications – South and Southeast Asia show great potential in DDMC, especially in the eco-resort sector. India, Thailand, and Vietnam have significantly increased the use of AI and social media technologies (Ghosh & Chowdhury, 2023; Hossain & Rahman, 2024). However, blockchain penetration for environmental transparency is still low. In Latin America, despite being innovative in digital communication (Sánchez-Ollero et al., 2023), there are obstacles to digital platform capabilities and CRM integration due to limited funding and HR training. In Sub-Saharan Africa, digital adoption is still dominated by basic social media use, and most sustainability initiatives are still manual or traditional. It takes a technological leapfrogging approach to accelerate DDMC adoption.

Empirical Integration and SLR: Theoretical and Practical Implications – This integration confirms that the DDMC concept is not only theoretically feasible but also has high strategic appeal in the context of developing countries, provided that (a) Availability of technology investments, (b) HR training in the use of green digital tools, (c) Formulation of national regulations that support environmentally friendly digital innovation. Thus, this article shows the urgent need for an adaptive digital strategy in line with the dynamic capability theory framework (Teece, 2018) and creates an excellent opportunity for further research in quantitatively measuring the effectiveness of DDMC in green hospitality.

5. Conclusion

This study confirms that Digital Dynamic Marketing Capability (DDMC) is key in supporting sustainable hospitality transformation in developing countries. Integrating digital technology into organizational capabilities improves

operational efficiency and service personalization and plays a strategic role in achieving competitive advantage and environmental sustainability goals. This study comprehensively maps how DDMC is articulated, run, and impactful in the green hospitality ecosystem through a systematic approach and triangulation of empirical data. By building a conceptual framework and presenting strong thematic evidence, the study's contribution is an essential reference for academics, practitioners, and regulators in designing the future of digital-based green tourism in the developing world. This study provides a multidimensional understanding of DDMC adoption in green hospitality by combining systematic literature synthesis and empirical trend analysis. The triangulation of findings enhances the study's external validity and contextual relevance, particularly for emerging economies with diverse digital readiness and sustainability capacities. This integrative approach strengthens the theoretical framework and delivers actionable insights for academic discourse and industry transformation.

This study's novelty also lies in its methodological integration. By combining a systematic literature review with empirical trend analysis, the research offers a holistic and context-sensitive understanding of DDMC implementation in green hospitality. This dual perspective strengthens theoretical grounding and bridges the gap between academic discourse and managerial practice. The observed alignment — and misalignment — between conceptual frameworks and regional data provides critical input for shaping sustainable digital transformation strategies tailored to the realities of emerging economies.

5.1. Theoretical Implications

This research makes a significant contribution to the digital marketing literature, dynamic capabilities, and sustainable hospitality practices, particularly in the context of developing countries. The study expands the theoretical horizons in three main domains by adopting the PRISMA protocol-

based Systematic Literature Review approach and integrating empirical data from global institutions.

First, this study formulates and strengthens the conceptual framework of Digital Dynamic Marketing Capability (DDMC) in green hospitality. Different from conventional digital marketing approaches, DDMC refers to the combination of the sensing, seizing, and transforming capabilities of a hospitality organization based on digital technology — a reinforcement of Teece's (2018) theory of dynamic capabilities, which is oriented toward the ability of organizations to respond to market changes quickly and sustainably (Teece, 2018; Kumar et al., 2021).

Second, the findings of the 30 selected articles show that DDMC is not just a technology adoption but a dynamic strategic managerial process, which includes digital vendor integration, internal resource management, utilization of AI, IoT, and cloud systems, as well as the ability to manage information in real-time (Li & Zhang, 2022; Ghosh & Chowdhury, 2023). It reinforces a contemporary approach to green marketing that is symbolic, systemically, and operationally structured.

Third, the SLR results show how DDMC strengthens brand sustainability, customer co-creation, and loyalty in the hospitality sector, which aligns with the digitally enabled value creation paradigm. It enriches classic sustainability models (triple bottom line) by including digital elements to strengthen economic, social, and environmental Sustainability.

5.2. Practical Implications

The study presents several practical implications that are critical for stakeholders, particularly in developing countries:

(a) Hotel Managers & Hospitality Operators should place DDMC as a strategic investment, not just a digital promotional tool. It is recommended that internal capabilities be developed through digital training, the automation of service processes (check-in/out, chatbots, demand prediction), and social

platforms for eco-branding. Focus on data integration across functions (marketing, operational, environmental) to create data-driven efficiency.

(b) Policymakers need to provide regulations and incentives to accelerate the adoption of green digital technologies in the hospitality sector. Support through innovative tourism policies, fiscal incentives for eco-digital standard hotels, and public-private partnerships to accelerate digital transformation in the eco-friendly tourism sector,

(c) Technology Providers and Tourism Consultants are encouraged to develop integrated and customized digital solutions for green hospitality needs, especially in countries with limited digital infrastructure. Providing AI and IoT-based dashboards that can assist business actors in monitoring carbon emissions, energy efficiency, and marketing performance in real and

(d) Academics and researchers, these findings open up space for further quantity-based studies with variables such as digital readiness, innovation capability, environmental commitment, and organizational agility. Longitudinal studies are also needed to examine how DDMC is transforming the life cycle of hospitality organizations in developing countries.

5.3. Limitations and Future Research

The study has several limitations: The focus is limited to developing countries, so it does not compare directly with developed countries. Secondary data analysis uses only primary global sources and has not yet reached local databases (e.g., tourism ministry data). This SLR does not evaluate each digital tool's effectiveness (such as AI or CRM). Future studies can expand their reach with comparative analysis approaches, case study-based field studies, or controlled experiments to evaluate the impact of DDMC on hospitality organization's KPIs (e.g., occupancy rate, NPS, ROI of digital marketing).

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UTAUT MODEL IN EXPLAINING GOJEK CONSUMER LOYALTY: THE ROLE OF PERCEIVED VALUE AND TRUST AS MEDIATORS

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ABSTRACT

This study aims to test the UTAUT Model in Explaining Gojek Consumer Loyalty: The Role of Perceived Value and Trust as Mediators. This study uses a quantitative research type. The population in this study were people who played gamification such as TikTok or live streaming platforms as many as 321 people. The data collection method chosen was a questionnaire using a google form. The data analysis method was carried out using the Partial Least Squares Structural Equation Modeling (PLS-SEM) model. The conclusion of this study is that there is a positive influence between business expectations, performance expectations, social influences, facilitating conditions on perceived value. There is no positive and significant influence between perceived vulnerability, perceived severity on perceived value. There is a positive and significant influence between perceived value on trust. There is a positive and significant influence between perceived value on customer loyalty. There is no positive and significant influence between trust on customer loyalty. There is a positive and significant influence between business expectations, performance expectations, social influences, facilitating conditions on customer loyalty mediated by perceived value. There is no positive and significant influence between perceived vulnerability, perceived severity on customer loyalty mediated by perceived value. There is no positive and significant influence between effort expectancy, performance expectancy, social influence, facilitating conditions, perceived susceptibility, perceived severity towards customer loyalty mediated by trust.

Keywords: Perceived Susceptibility, Perceived Severity, Perceived Value, Trust, Customer Loyalty.

ABSTRAK

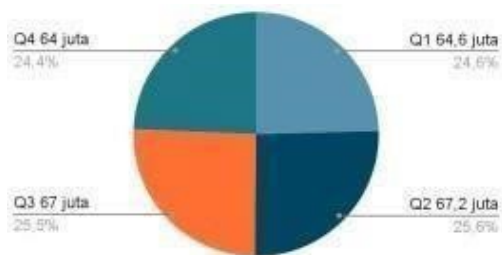
Penelitian ini bertujuan untuk menguji Model UTAUT dalam Menjelaskan Loyalitas Konsumen Gojek: Peran Nilai yang Dirasakan dan Kepercayaan sebagai Mediator. Penelitian ini menggunakan jenis penelitian kuantitatif. Populasi dalam penelitian ini adalah masyarakat yang memainkan gamifikasi seperti TikTok atau platform live streaming sebanyak 321 orang. Metode pengumpulan data yang dipilih adalah kuesioner dengan menggunakan google form. Metode analisis data dilakukan dengan menggunakan model Partial Least Squares Structural Equation Modeling (PLS-SEM). Kesimpulan dari penelitian ini adalah terdapat pengaruh positif antara ekspektasi bisnis, ekspektasi kinerja, pengaruh sosial, kondisi yang memfasilitasi terhadap nilai yang dirasakan. Tidak terdapat pengaruh positif dan signifikan antara kerentanan yang dirasakan, keparahan yang dirasakan terhadap nilai yang dirasakan. Terdapat pengaruh positif dan signifikan antara nilai yang dirasakan terhadap loyalitas pelanggan. Terdapat pengaruh positif dan signifikan antara kepercayaan terhadap loyalitas pelanggan. Terdapat pengaruh positif dan signifikan antara ekspektasi bisnis, ekspektasi kinerja, pengaruh sosial, kondisi yang memfasilitasi terhadap loyalitas pelanggan yang dimediasi oleh nilai yang dirasakan. Tidak terdapat pengaruh positif dan signifikan antara kerentanan yang dirasakan dan tingkat keparahan yang dirasakan terhadap loyalitas pelanggan yang dimediasi oleh nilai yang dirasakan. Tidak terdapat pengaruh positif dan signifikan antara ekspektasi upaya, ekspektasi kinerja, pengaruh sosial, kondisi pendukung, kerentanan yang dirasakan, dan tingkat keparahan yang dirasakan terhadap loyalitas pelanggan yang dimediasi oleh kepercayaan.

Kata Kunci: Kerentanan yang Dirasakan, Tingkat Keparahan yang Dirasakan, Nilai yang Dirasakan, Kepercayaan, Loyalitas Pelanggan.

1. Introduction

Many business sectors are beginning to take advantage of advances in internet technology, including the transportation sector, which is growing rapidly with the emergence of app-based transportation services (Gelu dkk, 2022). Online transportation services are growing rapidly in Southeast Asia, dominating a large portion of the industry. Transactions are expected to continue to increase in several ASEAN countries, particularly Indonesia, until 2025. Indonesia is the largest consumer of online transportation services. In 2015, usage was only US\$980 million, but increased to US\$5.7 billion in 2019 and is expected to reach US\$18 billion by 2025.

Figure 3. Trend in the number of Gojek application users in 2023

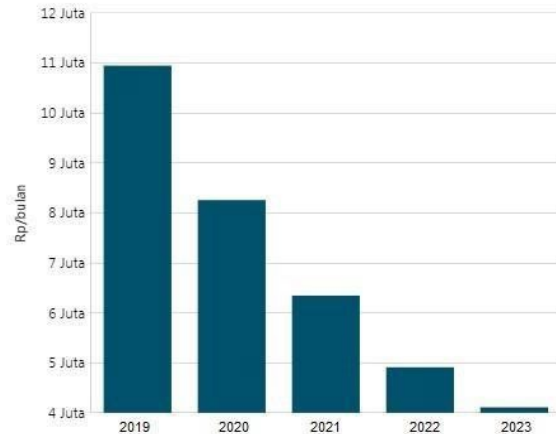


Source : <https://katadata.co.id/> (2023)

The decline in Gojek usage reflects a significant shift in consumer behavior toward this online transportation service. This decline could be due to a number of factors, including increased competition from similar platforms like Grab or Maxim, post-pandemic changes in consumer preferences toward private vehicles, and issues related to service satisfaction, fares, and company policies regarding driver partners. This decline in Gojek usage indicates a low level of interest, highlighting poor customer loyalty, making it an interesting phenomenon to study (Alifiardi, 2019).

In 2023, Gojek experienced a loss, despite a significant 30.28% increase in net revenue to Rp14.78 trillion. Its overall financial condition has not shown stable success. This fact reflects the gap between revenue growth and the company's ability to manage operating expenses efficiently.

Figure 4. Decrease in Gojek Usage



Source : <https://katadata.co.id/> (2023)

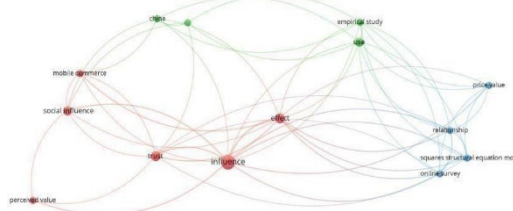
The Unified Theory of Acceptance and Use of Technology (UTAUT) provides a comprehensive framework for assessing user acceptance of technology by examining concepts including performance expectancy, effort expectancy, social influence, and facilitating factors (Hidayati & Ramdhani, 2020).

Perceived susceptibility and perceived severity originate from health behavior theory and are often used to understand individuals' motivations for taking preventative measures. One study showed that users' awareness of potential risks can influence their decision to use an app (Suryani et al., 2021).

Perceived value and trust play a crucial role in building customer loyalty. Research shows that social influence and perceived control positively influence a user's intention to use services like GoFood, a feature within the Gojek app. The importance of social factors and perceived control in increasing user value and trust in the app (Rusminah dkk, 2023).

Yuen's (2022) research shows that the construct of trust in technology and health has a direct impact on the perceived value of mass delivery, while perceived value has both direct and indirect effects on consumer loyalty through trust.

Figure 5. VosViewer



Source: Analyzed from VosViewer (2025)

2. Literature Review

2.1. UTAUT

The Unified Theory of Acceptance and Use of Technology (UTAUT) is a theory that integrates various technology acceptance models to explain behavioral intentions and actual use of information technology. In its development, UTAUT introduced several additional factors, such as hedonic motivation, price value, and habits, which are particularly relevant in the consumer context (Venkatesh et al., 2016).

2.2. Relationship between Variables

2.2.1. Effort Expectancy and Perceived Value Effort

Effort Expectancy which refers to the extent to which a person believes that using a particular technology will be effort-free, has a significant relationship with Perceived Value or the perceived value of the user. Bayumi (2023) found that effort expectancy directly and significantly influences perceived value, which in turn influences the bank's financial performance.

H1: There is a positive relationship between effort expectancy and perceived value.

2.2.2. Performance Expectations and Perceived Value

Performance expectations relate to the benefits that can be obtained (Zhou et al., 2020). These benefits include: (1) increased speed and reliability of delivery due to more couriers available, (2) contactless delivery to reduce the risk and severity of virus transmission, and (3) savings in time and effort by using crowdsourcing-based delivery to obtain goods compared to visiting physical stores in person.

H2: There is a positive relationship between

performance expectations and value.

2.2.3. Social Influence and Perceived Value

Social influence occurs when influential individuals are perceived as important by consumers. In crowdsourcing-based delivery, social influence occurs through traditional or electronic word-of-mouth (WOM) (Zhou et al., 2020). By following the lead of others, consumers gain social acceptance (social utility) and tend to feel more confident in choosing crowdsourcing-based delivery services (hedonic utility).

H3: There is a positive and significant relationship between social influence and perceived value.

2.2.4. Facilitating Conditions and Perceived Value

Facilitating conditions relate to consumers' perceptions of the technical and organizational infrastructure available within a technology. Two concepts related to facilitating conditions are self-efficacy and compatibility. Self-efficacy stems from consumers' knowledge and resources regarding mass delivery, while compatibility occurs when mass delivery fits with consumers' lifestyles (Yuen et al., 2022).

H4: There is a positive and significant relationship between facilitating conditions and perceived value.

2.2.5. Perceived Vulnerability and Perceived Value

Yum (2024) study found that perceived vulnerability and collectivist values directly and indirectly predicted individual support for social distancing measures during the COVID-19 pandemic. This suggests that the higher a person's perceived vulnerability, the greater the perceived value of these preventative measures. Zheng et al. (2022) study found that perceived vulnerability significantly influenced perceived value, which in turn influenced consumer purchasing decisions.

H5: There is a positive and significant relationship between perceived vulnerability and perceived value.

2.2.6. Perceived Severity and Perceived Value

In a study by Zhang et al. (2022), they found that perceived severity significantly influenced consumers' perceived value of buckwheat functional foods. The higher the perceived severity of a particular health problem, the higher the value consumers perceived for products that could prevent or address that problem.

H6: There is a positive and significant relationship between perceived severity and perceived value.

2.2.7. Perceived Value and Customer Trust and Loyalty

Perceived value, which is consumers' assessment of the benefits received relative to the sacrifices made, is closely related to the trust they place in a product or service. Uzir et al. (2021) found that service quality, perceived customer value, and trust significantly relationship customer satisfaction with home delivery services.

H7: There is a positive and significant relationship between perceived value and trust.

Perceived value, which is a consumer's assessment of the benefits received relative to the sacrifices made, has a significant influence on customer loyalty. Habibi & Zakipour (2022) found that perceived value has a positive and significant impact on customer loyalty, with electronic word-of-mouth (eWOM) and customer satisfaction playing a mediating role.

H8: There is a positive and significant relationship between perceived value and customer loyalty.

2.2.8. Trust and Customer Loyalty

Trust is a key factor in building and maintaining customer loyalty. When consumers trust a brand or service provider, they are more likely to continue using that product or service, recommend it to others, and be less likely to switch to competitors. Rahmidani et al. (2021) found that customer trust and value significantly influence customer loyalty. The higher the trust, the

more likely customers are to remain loyal to a brand or service (Rahmadhani et al., 2022).

H9: There is a positive and significant relationship between trust and customer loyalty.

2.2.9. Business Expectations and Customer Loyalty

In the context of the relationship between effort expectancy and customer loyalty, perceived value plays a crucial role as a mediator. When customers perceive a service's perceived EE to be high, they tend to perceive the service as having high value (PV). This positive assessment then increases customer satisfaction, ultimately strengthening their loyalty to the service. Lim et al. (2022) suggest that effort expectancy has a positive influence on intention to use a voice assistant, with perceived value acting as a significant mediator in this relationship.

H10: Perceived value mediates the relationship between business expectations and customer loyalty.

2.2.10. Performance Expectations and Customer Loyalty

Performance expectancy refers to users' beliefs that using a particular technology or service will improve their performance in completing specific tasks. This perception can influence consumers' perceived value, which in turn impacts customer loyalty. Lim et al. (2022) explain that performance expectancy has a positive influence on customer loyalty, with perceived value acting as a significant mediator.

H11: Perceived value mediates the relationship between performance expectations and customer loyalty.

2.2.11. Social Influence and Customer loyalty

Social influence refers to the pressure or influence an individual feels from others in making decisions, including in the context of consumption. Perceived value is a consumer's overall evaluation of the benefits and sacrifices associated with a product or service. In a study of customers of PT. JINOM

Ponorogo, Ihsan et al. (2023) found that perceived value had a positive and significant effect on customer loyalty, with customer engagement as a mediating variable. Menciptakan nilai yang dirasakan oleh pelanggan dan menemukan bahwa pengaruh sosial melalui ulasan online dapat meningkatkan nilai yang dirasakan, yang pada akhirnya meningkatkan loyalitas pelanggan.

H12: Perceived value mediates the relationship between social influence and customer loyalty.

2.2.12. Facilitating Conditions and Customer Loyalty

Facilitating conditions refer to the extent to which individuals believe the technical and organizational infrastructure is in place to support the use of a particular system or service. This perception can influence consumers' perceived value, which in turn impacts customer loyalty. In a study by Sutame & Nuvriasari (2023), among Anteraja expedition service users in Yogyakarta, perceived value had a positive and significant impact on customer loyalty.

H13: Perceived value mediates the relationship between facilitating conditions and customer loyalty.

2.2.13. Perceived Susceptibility and Customer Loyalty

Perceived susceptibility refers to an individual's belief regarding their likelihood of being negatively impacted by a situation or product. In a marketing context, this perception can influence consumers' perceived value, which in turn impacts customer loyalty. Zhang et al. (2022) found that utilitarian and hedonic (PS) values increased perceived value, while social values had no significant effect, and perceived value subsequently acted as a partial mediator between perceived susceptibility and customer loyalty.

H14: Perceived value mediates the relationship between perceived susceptibility and customer loyalty.

2.2.14. Perceived Severity and Customer Loyalty

Perceived severity refers to the extent to which individuals believe the consequences of a risk or threat will have a serious impact on them. In the context of consumer behavior, this perception can influence the perceived value of a product or service, which in turn can influence customer loyalty. Khasbulloh and Suparna (2022) explain that perceived risk and e-service quality influence customer loyalty, with switching costs as a mediating variable at Zalora. This suggests that perceived severity can influence

H15: Perceived value mediates the relationship between perceived severity and customer loyalty.

2.2.15. Business Expectations and Customer Loyalty

Effort expectancy refers to the extent to which a person believes that using a system or service will be effortless or easy to use. In the context of customer loyalty, high effort expectancy can increase customer satisfaction and trust in the service or product offered. Trust is important for mitigating risk in establishing long-term relationships and increasing commitment to them (Venkatakrishnan et al., 2023).

H16: Trust mediates the relationship between business expectations and customer loyalty.

2.2.16. Performance Expectations and Customer Loyalty

In the context of customer loyalty, high performance expectations can increase trust in a service or product, which in turn strengthens customer loyalty. In other words, trust can act as a mediator between performance expectations and customer loyalty. An analysis of the digital payment application Gopay found that performance expectations significantly influence customer loyalty through trust as a mediating variable (Saputra et al., 2023).

H17: Trust mediates the relationship between performance expectations and customer loyalty.

2.2.17. Social Influence and Customer Loyalty

Social influence reflects the extent to which individuals are influenced by the views and actions of others in their decisions. Social influence can impact trust in a brand or service, which in turn can increase customer loyalty. Satria and Yudi (2021) stated that electronic word of mouth (eWOM) and shopping experiences, in this case social influence, have a significant positive effect on Gojek customer loyalty, with trust as a mediating variable.

H18: Trust mediates the relationship between social influence and customer loyalty.

2.2.18. Facilitating Conditions Towards Customer Loyalty

Good facilitating conditions can increase customer trust in a service or product, which in turn can increase customer loyalty. This is supported by Sardana and Singhania (2020), who found that technological advances and supporting infrastructure (FC) influence consumer behavior (trust) in using digital services, which ultimately can increase customer loyalty.

H19: Trust mediates the relationship between facilitating conditions and customer loyalty.

2.2.19. Perceived Vulnerability and Customer Loyalty

Perceived vulnerability, or perceived vulnerability, refers to an individual's belief about their likelihood of being exposed to a particular negative impact or risk. In this context, perceived vulnerability can influence customer trust in a product or service. High trust can reduce perceived risk and increase perceived vulnerability. Kim et al. (2020) found that perceived health risks influence consumers' purchase intentions for organic products, with trust as a significant mediator.

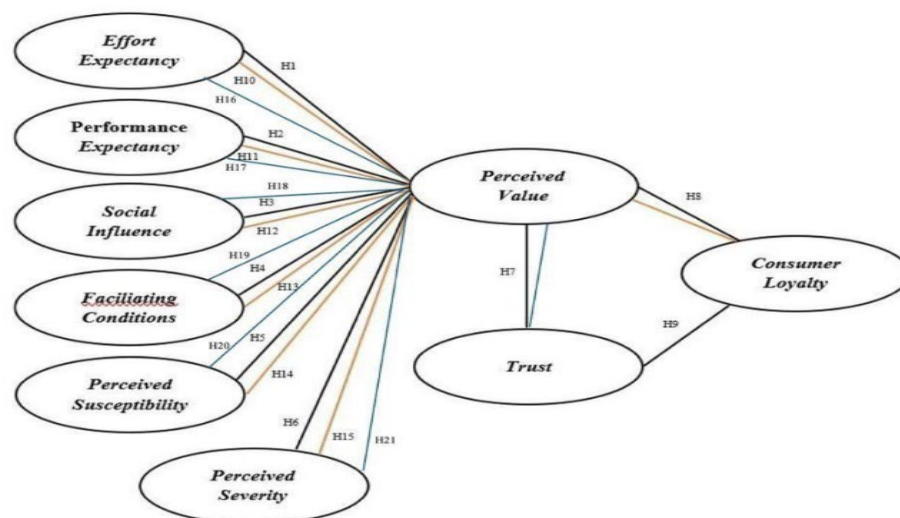
H20: Trust mediates the relationship between perceived vulnerability and customer loyalty.

2.2.20. Perceive Severity and Customer Loyalty

Trust can act as a mediator between perceived severity and customer loyalty. When customers perceive the risks associated with using a particular product or service as serious, their trust in the brand or service provider becomes a key factor in determining customer loyalty. Ikramuddin and Mariyudi (2021) stated that trust mediates the relationship between perceived severity and customer loyalty to Gojek.

H21: Trust mediates the relationship between perceived severity and customer loyalty.

Figure 6. Research Model



Source: Yuen et al. (2022)

3. Research Method

This research uses a positivistic paradigm, assuming that social phenomena can be studied using an approach similar to natural phenomena, namely through objective observation and structured measurement (Neuman, 2014). This research is quantitative,

an approach that focuses on the collection and analysis of numerical data with the aim of testing hypotheses or answering research questions. The selected unit of analysis is the individual, where data will be collected from individual respondents to analyze the relationships between variables.

Table 1. Operational and Conceptual Definitions

Variables	Definition	Indicator	Scale	Source
Performance Expectancy	Performance Expectancy is the extent to which if an individual uses a system, the system can increase his or her performance (Wibowo et al, 2019).	<ol style="list-style-type: none"> 1. Gojek delivery helps reduce physical contact with other people. 2. Gojek delivery helps me get my daily needs. 3. Gojek delivery can improve delivery quality significantly. 4. Delivery using Gojek takes a shorter time. 	Scale Likert 5 Points	Yuen et al. (2022)
Effort Expectancy	Effort Expectancy is the level of ease that a person gets when using a system (Wibowo et al., 2019).	<ol style="list-style-type: none"> 1. It was easy for me to learn how to use delivery via Gojek. 2. It will be easy for me to become skilled in using the Gojek delivery platform. 3. It is easy for me to use the Gojek delivery platform. 4. Using the Gojek application provides convenience. 	Scale Likert 5 Points	Yuen et al. (2022)
Social Influence	Social Influence is the extent to which consumers perceive that important other people (e.g., family and friends) believe that they should use certain technologies (Yuen, et al., 2022).	<ol style="list-style-type: none"> 1. My friends recommend using Gojek delivery family recommended using Gojek delivery. 2. I use Gojek delivery because many people around me use it. 3. I use Gojek because I see my friends and family using it. 	Scale Likert 5 Points	Yuen et al. (2022)
Facilitating Conditions	Facilitating Conditions are individuals who believe that existing infrastructure and technical and organizational conditions can support the use of technology (Yuen, et al., 2022).	<ol style="list-style-type: none"> 1. Gojek offers a feature to save favorite addresses. 2. I was able to use the Gojek delivery feature easily. 3. I can get help when I face difficulties while using delivery via Gojek. 4. Gojek offers an SOS feature in case something unexpected happens. 	Scale Likert 5 Points	Yuen et al. (2022)
Perceived Susceptibility	Perceived Susceptibility is an individual's belief regarding their vulnerability to the risk of disease in encouraging people to adopt healthier behaviors (Yuen, et al., 2022)	<ol style="list-style-type: none"> 1. I am more likely to contract the HMPV virus if I have more physical contact with other people. 2. I am more likely to get HMPV if I leave the house. 3. I am worried about contracting the HMPV virus. 4. The chance of contracting the HMPV virus is high. 	Scale Likert 5 Points	Yuen et al. (2022)
Perceived Severity	Perceived Severity is an individual's belief in the severity of a disease (n, et al., 2022).	<ol style="list-style-type: none"> 1. I thought that contracting the HMPV virus would disrupt my work and normal life. 2. I am afraid of contracting the HMPV 	Scale Likert 5 Points	Yuen et al. (2022)

Variables	Definition	Indicator	Scale	Source
		virus because it can be life-threatening. 3. I worry when I think about the impact of the HMPV virus on my health. 4. I think HMPV has really affected my daily life.		
Perceived Value	Perceived Value is the difference between total customer value (Total value for customers) and total customer cost (Total cost for customers) (Kotler & Keller, 2022).	1. Compared to the time I spend on bulk shipping, I'm sure I'll get a good value. 2. Shipping via Gojek has reasonable prices. 3. Using Gojek delivery is efficient. 4. Using Gojek delivery is effective.	Scale Likert 5 Points	Yuen et al. (2022)
Trust	Trust is one party's belief in the reliability, durability, and integrity of another party in a relationship and the belief that his or her actions are in the best interests of the other party and will produce positive outcomes for the trusted party (n, et al., 2023).	1. I believe that Gojek delivery can be right before the specified time. 2. I believe that deliveries made using Gojek can shorten the existing time. 3. I believe that shipping using Gojek will not cost me too much. 4. My belief towards delivery via Gojek will be based on its reliability.	Scale Likert 5 Points	Yuen et al. (2022)
Consumer Loyalty	Consumer Loyalty is a commitment held tightly by customers to purchase or prioritize a product in the form of goods or services consistently (Jeremia and Djurwati, 2019).	1. I always use delivery via Gojek. 2. I always recommend my friends and family to use Gojek delivery. 3. I always use Gojek delivery as my first choice for delivery.	Scale Likert 5 Points	Yuen et al. (2022)

This study used a 5-point Likert scale, In this study, there are 32 indicators used. Based on this calculation, the minimum sample size required is 32 indicators x 5 = 160, and the maximum sample size is 32 indicators x 10 = 320. Kwong and Wong (2019) argue that if the number of respondents has reached between 100 and 200 people, then the analysis test can be conducted. However, Kock and Hadaya (2018) recommend that the ideal minimum sample size for PLS-SEM analysis is around 160 samples. Based on calculations carried out using G*Power, this study uses 4 predictors in

a multiple linear regression model to calculate the required sample size to obtain appropriate test power. The researchers chose to use 320 samples.

This study uses Structural Equation Modeling (SEM), which is a quantitative analysis technique used to test and estimate the relationship between measurable variables (observations) and latent variables (which are not directly observed).

4. Results and Discussion

4.1. Respondent Profile

Table 2. Respondent Profile

Characteristics	Category	Amount	Percentage
Type Sex	Man	141	43.9%
	Woman	180	56.1%
Age	15 - 20 Years	52	16.2%
	21 - 25 Years	114	35.2%
	26 - 30 Years	93	29%
	31 - 35 Years	40	12.5%

Characteristics	Category	Amount	Percentage
	> 36 Years	22	6.9%
Education	Other	3	0.9%
	Masters/Doctorate	38	11.8%
	Bachelor	178	55.5%
	High school or equivalent	102	31.8%
Work	Employee/Entrepreneur	203	63.2%
	Other	34	10.6%
	Students	84	26.2%
Income	< Rp. 3,000,000	79	24.6%
	Rp. 3,000,000 - 5,000,000	104	32.4%
	Rp. 5,000,000 - 10,000,000	102	31.8%
	>Rp10,000,000	36	11.2%
Frequency of use Gojek in a month	Quite Often	87	27.1%
	Seldom	32	10%
	Very rarely	10	3.1%
	Very often	68	21.2%
	Often	124	38.6%

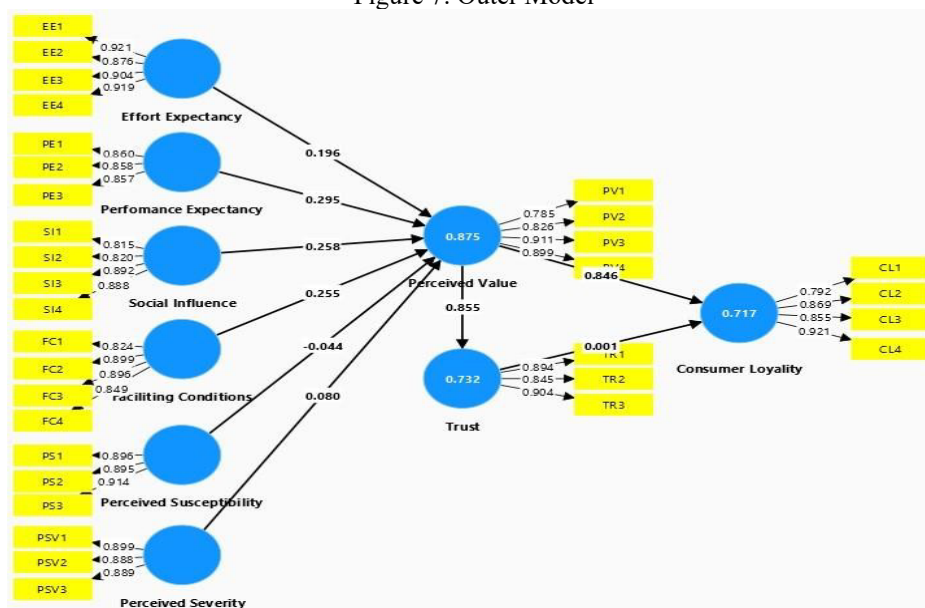
Source: Processed Primary Data (2025)

Based on the results of actual data processing from 321 respondents, it is known that in the gender category, the majority are female, namely 180 respondents or 56.1%, while the male gender is 141 people or 43.9%. In the age category, the majority are 21-25 years old, namely 114 respondents or 35.5%. In the education category, the majority are Bachelor's degrees, namely 178 respondents or 55.5%. In the Occupation category, the

majority are Employees/ Entrepreneurs, namely 203 respondents or 63.2%. In the Income category, the majority have an income of IDR 3,000,000 - 5,000,000, namely 104 respondents or 32.4%. In the Frequency category of using Gojek in a month, the majority are often, namely 124 respondents or 38.6 %.

4.2. Outer Model

Figure 7. Outer Model



Source: SmartPLS Processed Data (2025)

4.3. Reliability Test

Table 3. Reliability Test of Actual Study

Variables	Cronbach's Alpha	Composite Reliability(rho_a)
Consumer Loyalty	0.882	0.919
Effort Expectancy	0.927	0.948
Facilitating Conditions	0.890	0.924
Perceived Severity	0.872	0.921
Perceived Susceptibility	0.886	0.929
Perceived Value	0.878	0.917
Performance Expectancy	0.822	0.894
Social Influence	0.877	0.915
Trust	0.856	0.913

Source: SmartPLS Processed Data (2025)

4.4. Validity Test

Table 4. Outer Loading of Actual Study

	CL	EE	FC	PSV	PS	PV	PE	SI	TR
CL1	0.792								
CL2	0.869								
CL3	0.855								
CL4	0.921								
EE1		0.921							
EE2		0.876							
EE3		0.904							
EE4		0.919							
FC1			0.824						
FC2			0.899						
FC3			0.896						
FC4			0.849						
PE1							0.860		
PE2							0.858		
PE3							0.857		
PS1					0.896				
PS2					0.895				
PS3					0.914				
PSV1				0.899					
PSV2				0.888					
PSV3				0.889					
PV1						0.785			
PV2						0.826			
PV3						0.911			
PV4						0.899			
SI1								0.815	
SI2								0.820	
SI3								0.892	
SI4								0.888	

	CL	EE	FC	PSV	PS	PV	PE	SI	TR
TR1									0.894
TR2									0.845
TR3									0.904

Source: SmartPLS Processed Data (2025)

Based on the table, it is known that all indicators in this study have met the specified requirements, which means that all indicators can be declared valid.

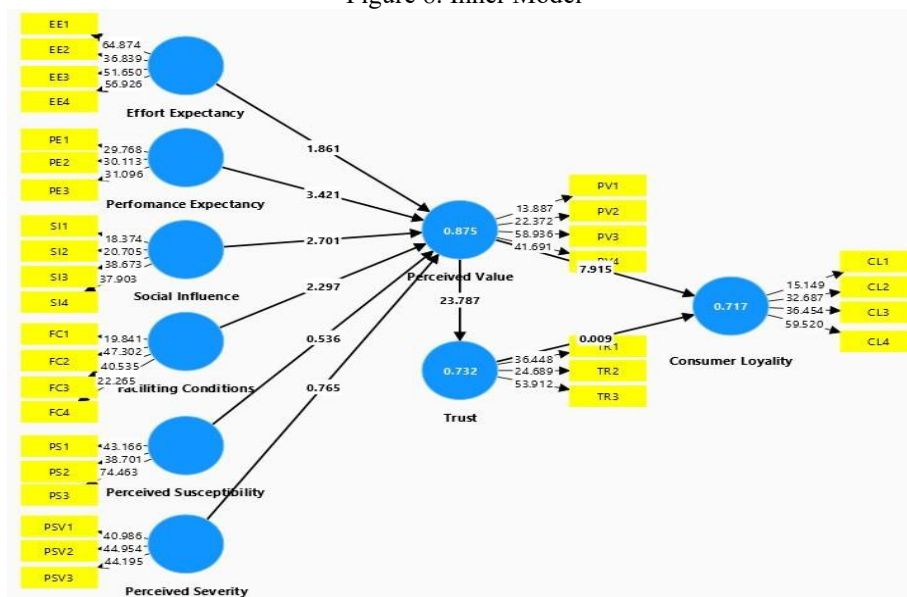
Table 5. Average Variance Extracted

Variables	Average Variance Extracted
Consumer Loyalty	0.740
Effort Expectancy	0.819
Facilitating Conditions	0.753
Perceived Severity	0.795
Perceived Susceptibility	0.813
Perceived Value	0.734
Performance Expectancy	0.737
Social Influence	0.730
Trust	0.777

Source: SmartPLS Processed Data (2025)

4.6 Inner Model

Figure 8. Inner Model



From the table, it is known that the Perceived Value construct has the highest Adjusted R-Square value, which is 0.867, which means 86.7% of the variance in Perceived Value can be explained by the variables Consumer Loyalty, Effort Expectancy, Facilitating Conditions, Perceived Severity and Perceived Susceptibility. The Consumer Loyalty construct has an Adjusted R-Square value of

0.711 which means 71.7% of the variance in Consumer Loyalty can be explained by the variables Perceived Value and Trust. The Trust construct has an Adjusted R-Square value of 0.732 which means 73.2% of the variance in Trust can be explained by the variable Perceived Value.

Table 6. Actual R-Square

	R-Square	R-Square Adjusted
Consumer Loyalty	0.717	0.711
Perceived Value	0.875	0.867
Trust	0.732	0.729

Source: SmartPLS Processed Data (2025)

Table 7. Path Coefficients of Actual Study (Hypothesis Test)

Hypothesis	Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T statistics (O/STDEV)	P Values	Information
H1	EE →PV	0.196	0.216	0.105	1,861	0.063	Supported
H2	PE →PV	0.295	0.281	0.086	3,421	0.001	Supported
H3	SI →PV	0.258	0.247	0.095	2,701	0.007	Supported
H4	FC →PV	0.255	0.234	0.111	2,297	0.022	Supported
H5	PS →PV	-0.044	-0.028	0.083	0.536	0.592	Not Supported
H6	PSV →PV	0.080	0.088	0.104	0.765	0.444	Not Supported
H7	PV →TR	0.855	0.856	0.036	23,787	0,000	Supported
H8	PV →CL	0.846	0.839	0.107	7,915	0,000	Supported
H9	TR →CL	0.001	0.008	0.129	0.009	0.993	Not Supported

Source: SmartPLS Processed Data (2025)

Table 12. Mediation Test

Hypothesis	Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STE V)	P Values	Conclusion	Description of mediation type
H10	EE →PV →CL	0.165	0.181	0.090	1,829	0.067	Supported	Complementary Mediation
H11	PE →PV →CL	0.250	0.237	0.082	3,034	0.002	Supported	Complementary Mediation
H12	SI →PV →CL	0.218	0.206	0.082	2,657	0.008	Supported	Complementary Mediation
H13	FC →PV →CL	0.216	0.197	0.098	2,199	0.028	Supported	Complementary Mediation
H14	PS →PV →CL	-0.037	-0.024	0.069	0.539	0.590	Not Supported	Non Mediation
H15	PSV →PV →CL	0.067	0.074	0.088	0.769	0.442	Not Supported	Non Mediation
H16	EE →TR →CL	-0,000	-0.001	0.010	0.004	0.997	Not Supported	Non Mediation
H17	PE →TR →CL	0,000	0,000	0.031	0.009	0.993	Not Supported	Non Mediation
H18	SI →TR →CL	0,000	0.003	0.030	0.008	0.993	Not Supported	Not Mediation
H19	FC →TR →CL	0,000	0.001	0.028	0.009	0.993	Not	Non Mediation

Hypothesis	Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STE V)	P Values	Conclusion	Description of mediation type
							Supported	
H20	PS →TR →CL	0,000	0.001	0.010	0.004	0.997	Not Supported	Non Mediation
H21	PSV →TR →CL	0,000	0,000	0.016	0.005	0.996	Not Supported	Non Mediation

Source: SmartPLS Processed Data (2025)

4.7. Discussion

4.7.1. The Relationship between Business Expectations and Perceived Value

Based on the results of the hypothesis testing conducted, it was found that H1 was supported. This means there is a positive influence between Effort Expectancy and Perceived Value, so H1 is accepted. These results align with various previous studies, such as those presented by Bayumi (2023), who found that perceptions of ease of use or effort expectancy have a positive influence on increasing perceived value by users. The easier a system or technology is to use, the greater the perceived benefits are perceived by users, whether in the form of time efficiency, ease of access, or a better user experience.

4.7.2. The Relationship between Performance Expectations and Perceived Value

Based on the results of the hypothesis testing, H2 was accepted. This means that Performance Expectancy has a positive and significant influence on Perceived Value by users, and H2 is supported. These results are consistent with previous research, such as that described by Lim et al. When users believe that using a system or service can provide results or benefits that meet their needs, such as convenience, time efficiency, speed of service, and risk reduction, their perceived value will increase.

4.7.3. The Relationship between Social Influence and Perceived Value

Based on the results of the hypothesis testing, the H3 result was accepted. This means that Social Influence has a positive and significant influence on Perceived Value by

users. This result is in line with previous studies, such as those proposed by Zhou et al. (2020), which stated that social influence whether arising through direct interactions, word-of-mouth (WOM), or recommendations on social media encourages consumers to form more positive perceptions of a product or service.

4.7.4. The Relationship between Facilitating Conditions and Perceived Value

Based on the results of the data analysis, it is known that H4 is supported, meaning there is a positive and significant influence between Facilitating Conditions on perceived value. There are two concepts related to facilitating conditions, namely self-efficacy and compatibility. Self-efficacy arises from consumer knowledge and resources regarding mass delivery, while compatibility occurs when mass delivery fits the consumer's lifestyle (Yuen et al., 2022).

4.7.5. The Relationship between Perceived Vulnerability and Perceived Value

The results of the study indicate that H5 is not supported. This means that there is no positive and significant influence between perceived vulnerability and perceived value. The majority of respondents in this study were female (56.1%) and were in the young age range, specifically 21–25 years (35.5%) and 26–30 years (29%). This age group is generally classified as a young generation that is adaptive to technological developments and digital services, including in terms of using online transportation applications such as Gojek.

4.7.6. The Relationship between Perceived Severity Level and Perceived Value

Based on the analysis results, it was found that H6 was not supported. This means there was no positive and significant influence between perceived severity and perceived value. This is due to the demographic characteristics of the respondents in the study. Most respondents were in the young age range, namely 21–25 years (35.5%) and 26–30 years (29%), who generally have high levels of optimism and confidence in facing risks, including in the context of using digital services like Gojek.

Respondents in the younger age group tended to prioritize ease of access, practicality, and speed of service over long-term consequences or the severity of potential risks. Furthermore, the majority of respondents had a bachelor's degree (55.5%) and were mostly employees or entrepreneurs (63.2%), indirectly indicating a good level of digital literacy and online transaction experience, thus focusing more on immediate benefits than on concerns about the severity of risks.

4.7.7. The Relationship between Perceived Value and Customer Trust and Loyalty

The analysis revealed that H7 was supported, indicating a positive and significant relationship between perceived value and trust. Perceived value, which is consumers' assessment of the benefits received relative to the sacrifices made, is closely related to the trust they place in a product or service. Uzir et al. (2021) found that service quality, perceived customer value, and trust significantly influenced customer satisfaction in home delivery services. Furthermore, the relationship between service quality and customer satisfaction, as well as between perceived value and satisfaction, was partially mediated by trust.

4.7.8. The Relationship between Perceived Value and Customer Loyalty

The data analysis revealed that H8 is supported. This means that there is a positive and significant influence between perceived value and customer loyalty. Perceived value,

which is a consumer's assessment of the benefits received compared to the sacrifices made, has a significant influence on customer loyalty. Habibi and Zakipour (2022) found that perceived value has a positive and significant impact on customer loyalty, with electronic word-of-mouth (eWOM) and customer satisfaction as mediators (Habibi and Zakipour, 2022).

4.7.9. The Relationship between Customer Trust and Loyalty

The analysis revealed that H9 was not supported. This means there is no positive and significant influence between trust and customer loyalty. This can be attributed to the demographic characteristics of the respondents in this study. The majority of respondents were in the relatively young productive age range, namely 21–25 years (35.5%) and 26–30 years (29%), where in this age group loyalty to a brand or service tends to be dynamic and pragmatic. Furthermore, the majority of respondents (63.2%) were employees/entrepreneurs who are highly mobile in their decision-making, including when choosing online transportation services like Gojek. Their choices tend to be influenced by practical considerations such as promotions, travel time, and service availability, rather than solely based on emotional or long-term trust. This study's findings are inconsistent with those of Rahmidani et al. (2021) and Steviano & Sihombing (2023), which found that customer trust and values significantly influence customer loyalty.

4.7.10. Perceived Value Mediates the Relationship between Business Expectations and Customer loyalty

The results of the study indicate that H10 is accepted. Therefore, there is a positive and significant influence between business expectations and customer loyalty, mediated by perceived value. In the context of the relationship between business expectations and customer loyalty, perceived value plays an important mediator. The results of this study support the research of Lim et al. (2022) which stated that business expectations have a positive influence on the intention to use a

voice assistant, with perceived value being a significant mediator in this relationship.

4.7.11. Perceived Value Mediates the Relationship between Performance Expectations and Customer Loyalty

The results of the study indicate that H11 is supported. This means there is a positive and significant influence between performance expectations and customer loyalty, mediated by perceived value. Performance expectations refer to users' beliefs that using a particular technology or service will improve their performance in completing specific tasks. This perception can influence consumers' perceived value, which in turn impacts customer loyalty. The results of this study support the research of Chen and Hu (2020) which found that perceived value influences customer loyalty, with perceived value being a factor that shapes the perception of that value.

4.7.12. Perceived Value Mediates the Relationship between Social Influence and Customer Loyalty

The results of the study indicate that H12 is supported. This means there is a positive and significant influence between social influence and customer loyalty, mediated by perceived value. Social influence refers to the pressure or influence an individual feels from others in making decisions, including in the context of consumption. Perceived value is a consumer's overall evaluation of the benefits and sacrifices associated with a product or service. The results of this study support the study conducted by Ihsan et al. (2023) which found that perceived value has a positive and significant effect on customer loyalty with customer engagement as a mediating variable.

4.7.13. Perceived Value Mediates the Relationship between Facilitating Conditions Towards Customer Loyalty

The research results indicate that H13 is accepted. Therefore, there is a positive and significant influence between facilitating conditions and customer loyalty, mediated

by perceived value. Facilitating conditions refer to the extent to which individuals believe that the technical and organizational infrastructure is available to support the use of a particular system or service. This perception can influence consumers' perceived value, which in turn impacts customer loyalty.

4.7.14. Perceived Value Mediates the Relationship between Perceived Vulnerability Towards Customer Loyalty

The analysis results indicate that H14 is not supported. Therefore, there is no positive and significant influence between perceived vulnerability and customer loyalty mediated by perceived value. This lack of evidence for this relationship can be explained by the demographic characteristics of the respondents in the study. The majority of respondents were aged 21–25 years (35.5%) and 26–30 years (29%), who are included in the productive young generation. This age group generally has a high level of digital adaptation and prioritizes convenience, speed, price, and service availability in determining usage decisions, rather than being influenced by personal vulnerability or risk perception.

The results of this study are inconsistent with Zhang et al (2022) study, which found that utilitarian and hedonic (PS) values increased perceived value, while social value had no significant effect, and perceived value then acted as a partial mediator between perceived vulnerability and customer loyalty.

4.7.15. Perceived Value Mediates the Relationship between Perceived Severity and Customer Loyalty

The analysis results indicate that H15 is not supported. This means there is no positive and significant influence between perceived severity and customer loyalty mediated by perceived value. This finding can be explained by the demographic characteristics of the majority of respondents in the study, who were dominated by young age groups, namely 21–25 years (35.5%) and 26–30 years (29%). The results of this study

are inconsistent with the research of Khasbulloh and Suparna (2022) which explained that perceived risk and e-service quality influence customer loyalty with switching costs as a mediating variable at Zalora.

4.7.16. Trust Mediates the Relationship between Business Expectations and Customer Loyalty

The analysis results show that H16 is rejected. Therefore, there is no positive and significant influence between business expectations and customer loyalty mediated by trust. This finding can be explained by linking the profile of the majority of respondents in the study, who were dominated by the 21–25 age group (35.5%) and 26–30 age group (29%). The results of this study do not support the study conducted by Herlina and Mulyanto (2022), which found that trust mediates online promotions and brand image on customer loyalty.

4.7.17. Trust Mediates the Relationship between Performance Expectations and Customer Loyalty

The results of the analysis show that H17 is not supported. This means that it is not there is a positive and significant influence between performance expectations and customer loyalty mediated by by trust. The lack of support for this hypothesis can be explained by the profile of the majority of respondents in the study, who were mostly in the young, productive age range, namely 21–25 years (35.5%) and 26–30 years (29%). Purba et al. (2024) which stated that performance expectations have a significant positive effect on customer loyalty, with trust and satisfaction as mediating variables in e-commerce service users.

4.7.18. Trust Mediates the Relationship between Social Influence and Customer Loyalty

The analysis results indicate that H18 is not supported. This means there is no positive and significant effect between social influence and customer loyalty mediated by trust. The reason for rejecting this hypothesis

can be explained by examining the demographic profile of respondents, who were mostly in the 21-30 age group (64.5%), and the majority were employees/entrepreneurs (63.2%). These results are inconsistent with the research of Satria and Yudi (2021), which stated that electronic word of mouth (eWOM) and shopping experiences, in this case social influence, have a significant positive effect on Gojek customer loyalty, with trust as a mediating variable.

4.7.19. Trust Mediates the Relationship between Facilitating Conditions and Customer Loyalty

The results of the analysis show that H19 is not supported. This means that it is not There is a positive and significant influence between facilitating conditions and customer loyalty mediated by trust. The rejection of this hypothesis can be explained by examining the demographic profile of the respondents. The majority of respondents in this study were individuals aged 21 to 30 years (64.5%) and worked as employees or entrepreneurs (63.2%). This finding is not supported by Sardana and Singhania (2020), who found that technological advances and supporting infrastructure (FC) influence consumer behavior (trust) in using digital services, which ultimately can increase customer loyalty.

4.7.20. Trust Mediates the Relationship between Perceived Susceptibility and Customer Loyalty

The analysis results show that H20 is rejected. Therefore, there is no positive and significant influence between perceived vulnerability and customer loyalty mediated by trust. The rejection of this hypothesis can be explained by considering the demographic factors of the respondents in this study. The majority of respondents were between 21 and 30 years old (64.5%) and worked as employees or entrepreneurs (63.2%). This age group may be more likely to rely on direct experience in determining the level of trust in a service, such as Gojek. They are more sensitive to factors that influence the

convenience and effectiveness of the service, such as price, speed, and ease of use, compared to perceived vulnerability. The results of this study do not support the research of Kim et al. (2020) which found that perceived health risks influence consumer purchase intentions for organic products, with trust as a significant mediator.

4.7.21. Trust Mediates the Relationship between Perceived Severity Towards Customer Loyalty

The analysis results indicate that H21 is not supported. This means there is no positive and significant influence between perceived severity and customer loyalty mediated by trust. The rejection of this hypothesis can be explained by the demographic characteristics of the respondents in this study. The majority of respondents were aged between 21 and 30, with many of them working as employees or entrepreneurs. They prioritize the convenience and reliability of the service compared to more emotional factors, such as feelings of severity regarding problems that may arise during the service process. The results of this study do not support the research of Pratama and Kurniawan (2020) which states that trust mediates the relationship between perceived severity and customer loyalty to Gojek.

5. Conclusion

Based on the analysis and discussion, it can be concluded that several factors have a positive and significant influence on perceived value and customer loyalty. Business expectations, performance expectancy, social influence, and facilitating conditions were shown to significantly increase user perceived value, thus supporting hypotheses H1 to H4. Perceived value also plays a significant role in shaping customer trust and loyalty, confirming H7 and H8. Furthermore, perceived value mediates the relationship between business expectations, performance expectancy, social influence, and facilitating conditions on customer loyalty (H10 to H13 is supported). Conversely, perceived vulnerability and

perceived severity did not significantly influence perceived value (H5 and H6 were not supported), and did not influence customer loyalty directly or through perceived value (H14 and H15 were rejected).

Meanwhile, trust was not shown to significantly influence customer loyalty, thus H9 was rejected. Furthermore, all hypotheses involving trust as a mediating variable (H16 to H21) were also not supported by the results of this study. This suggests that while perceived value plays a significant role in enhancing customer loyalty, trust does not directly mediate the relationship between factors such as business expectations, performance expectancy, social influence, facilitating conditions, perceived vulnerability, and perceived severity on customer loyalty.

5.1. Managerial Implication

The findings of this study provide important practical implications for marketing strategies and service development, particularly in enhancing customer perceived value to drive loyalty. Companies need to focus on effort expectations, performance expectations, social influence, and facilitating conditions by providing clear product information, improving service quality, and building user communities. Thus, companies can increase customer loyalty sustainably and efficiently.

5.2. Suggestion for Further Research

Suggestions for further research include the need to explore other factors that may be more relevant in influencing customer loyalty, such as emotional factors, local culture, or external conditions such as economic crises, considering that several variables such as perceived vulnerability and severity did not show a significant influence. Furthermore, this study was conducted in a specific service context (e.g., Gojek), so it is recommended to test the model in other industries to understand whether similar results can be found in different contexts. The approach and method for measuring trust and loyalty also need to be reviewed in a more

contextual and in-depth manner, in order to trust in influencing customer loyalty.
more accurately reveal the mediating role of

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