

Community-Based Action Model Through Customer Engagement to Reinforce Value Co-Creation:

Behavioral Approach (Case: Entrepreneurship in Organic Food)

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Abstract—Building community engagement involving consumers, business actors, farmers and others stakeholders as part of marketing strategy for creating value co-creation has become a phenomenon for increasing sustainable consumption. In order to address the issue, this paper proposes a community-based action model for making value co-creation and for examining how far it affects behavioral aspects (intention and actual purchase). To measure and analyze the proposed model, organic food business mostly run by entrepreneurs (Small Medium Enterprise) is selected as a unit of analysis. Consumers of organic food tend to be influenced by subjective norms when buying products, including recommendation from other people. This paper aims at measuring the impact of four variables (community engagement, value co-creation, intention to repurchase and actual use) by selecting a specific sample which includes respondents who purchase and consume organic food. By using Partial Least Square to run data obtained from 165 respondents from various regions in Indonesia, it is found that customer engagement strongly influence value co-creation (0.601), and intention to repurchase organic food has an impact on actual use (0.866). It can be concluded that strengthening community engagement will increase purchasing intention, which then impacts on the actual purchase. Future research needs to consider two things: grouping organic food products specifically (vegetable, food, drink) and price factor that is still expensive.

Keywords: *community engagement, value co-creation, intention to repurchase, actual purchase, organic food*

I. INTRODUCTION

Product sales and marketing have faced various obstacles. Because of this situation, the community's ability to maintain sustainable consumption needs to be strengthened. Sefyang and Smith emphasized that to achieve sustainable consumption, there needs to be a change in behaviour at all social levels of society by emphasizing the aspect of engagement [1]. Therefore, the link between community members needs to be established to generate innovation and to conduct alteration as a form of community based-action (sharing of vision, information and knowledge). The importance of strengthening the community for all stakeholders involved in product value chain was proposed by Shafie and Rennie, who emphasized

that "... future studies should go for consumer community based approach which is important not only for consumers, but also in terms of responses to changes in market dynamics" [2]. The point is that strengthening community can become a marketing strength by involving consumers to interact in an effort to overcome changes in market dynamics that essentially optimize sharing resources, collaboration and networking. The importance of optimizing customer community engagement is supported by some research on consumer behaviour [3,4], showing that consumer tendency in product purchasing is highly influenced by subjective norms, which are recommendations by other people. Subjective norm is a norm held by a certain social environment where someone tends to follow the advice of a reference group, leader, family and friends who influence the community to behave and take certain actions.

Customer engagement is a connection between consumers and their attachment to a certain brand [5]. Customer engagement affects not only the intention to purchase, but also actual buying. Optimizing the role of community to provide space for engagement between consumers as part of marketing strategies for joint value co-creation has been a recent phenomenon. It has also become a concern for academics and practitioners referring to the paradigm development oriented to "Service Dominant Logic/SDL" [6,7]. The point is that co-creation involves a high level of customer engagement and provides new ways to do business and to provide added value to products/services.

This paper discusses the importance of optimizing community formation and facilitating the dynamic interaction between consumers that can drive value co-creation which can influence purchasing behaviour. The proposed model is based on the existence of theoretical gaps such as: Service Dominant Logic [7,8], community engagement [9,10]. A conceptual model is presented with the variables of customer engagement, value co-creation and intention to buy organic products and reference of past research results. Organic products were chosen because the role of community can potentially encourage purchases and it becomes a challenge for entrepreneurs to run their business future sustainability.

II. CUSTOMER ENGAGEMENT DRIVES CO-CREATION VALUE

Conceptually, the development of customer engagement was initiated among others by Vargo and Lusch through 4 premises: 1) The customer is always a co-creator value; 2) All social and economic actors are resource integrators; 3) Value is always uniquely and phenomenologically determined by the beneficiary; and 4) A service-centered view is inherently customer oriented and relational [6,7]. These four premises reflect the importance to build interactions between consumers to create experiences through value co-creation. Several experts also proposed the concept of customer engagement that becomes the basis for the development of engagement aspect which includes: 1) co-creation experience [11]; and 2) customer relationships [12]. The term 'engagement' replaces the term 'involvement' and 'participation' [13].

The concept of customer engagement is the continuation of relationship marketing domain [14]. This concept aims to build a mutual long-term relationship with the main groups: consumers, suppliers, distributors and other marketing partners. Relationship marketing builds a strong economic, technical, and social relationship between the parties. The main result of relationship marketing is the formation of a unique company asset that is marketing network. Marketing network consists of companies and supporting stakeholders (consumers, employees, distributors, suppliers, retailers, advertising agencies, and college scientists) with whom they have built mutual business relationship. The main principal of this relationship is very simple, building an effective cooperation network with the key stakeholders, and the benefits will follow.

Brodie et al. summarized some important definitions of customer engagement proposed by several experts [5,9,15], resulting in a general definition that becomes a reference for researchers. According to Brodie et al., Customer engagement "is a psychological state that occurs by virtue of interactive, co-creative customer experiences with a focal agent/object (e.g., a brand) in focal service relationships" [9]. It occurs under a specific set of context dependent conditions generating differing CE levels; and exists as a dynamic, interactive process within service relationships that co-create value. Meaning, the occurrence of dynamic interaction between consumers that is optimal can encourage value co-creation.

Customer engagement becomes antecedents and consequences in the process of value co-creation that reflects three expressions of engagement including: emotion, behaviour and cognition [9]. Further, new literatures from several experts prove that customer engagement has an effect on co-creation value [16]. This opinion was reinforced Storbacka et al., arguing that "actor engagement as a micro foundation value co creation". Storbacka et al., proposed a model known as The Coleman Bathup that explains the occurrence of engagement in value co-creation (Figure 1) [17].

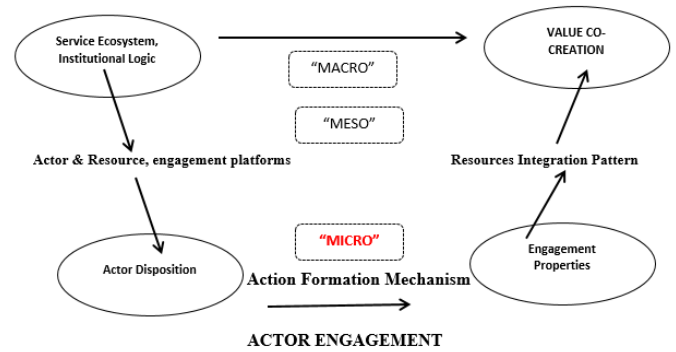


Fig. 1. The coleman bathub: actor engagement explains value co-creation.

Source: Kaj Storbacka et al. [17], "Actor Engagement as a Microfoundation for Value Co-creation"

This model explains that value co-creation requires main actor (micro foundation); customer must receive great attention from the company. Storbacka et al. stated that successful engagement is highly dependent on the facilitation provided by the company (platform) and the support of patterns of resources integration owned by the companies and consumers so that they create value together [17]. So, the challenge for companies is to ensure that there is an appropriate platform so that the interaction runs optimally.

In its development, the concept of customer engagement has encouraged the emergence of the concepts of community or community engagement. Internet development encourages organizations to build community engagement through website, blog and social media. According to some experts, community engagement is more of user interaction that can form a community [4,9,10]. The important thing that needs to be considered so that engagement can be built is user experience. Therefore, programs offered by companies focus not only on visual design, but also on interaction aspect between community members. There are two important things that must be considered to be able to build community engagement, which are interaction engineering and user experience. The development of internet and social media becomes an important means of engagement.

Besides interaction aspect, the practice of community engagement is more than community participation; it is a process of collaborating with partners to share goals known as the concept of collaborative network. According to some experts, collaborative network represents a new paradigm of knowledge driven by the society where participation and interaction in the network provide benefits for partners in terms of: 1) access to new knowledge; 2) sharing risks and resources; 3) joint skills and knowledge as well as competencies; and 4) overcoming resources internal limitations [18-20]. Several experts emphasized the importance of collaboration to increase innovation skills and develop knowledge within an organization [21,22]. Therefore, collaboration will accelerate innovation through sharing and contribution between individuals and collective development.

Brodie et al. described customer engagement as cognitive, emotional and behavioral levels in online communities (members and roles) [9]. They explained engagement in online communities as a process that must be supported by initial activities; it can initiate engagement that impacts on satisfaction, loyalty, empowerment, connection, emotional and trust as well as commitment (Figure 2). Engagement is a process that can encourage community members to do 5 things: 1) **Advocating**, which is an expression of community members in recommending other parties to utilize a product/service of a company, as stated from an interview result: "...I think that this product/service/brand is suitable for you, very powerful and very unpredictable"; 2) **Sharing**, where community members can mutually give information and knowledge as well as experience. It is known from an interview that "let me know what you think, my partner and I just signed up..."; 3) **Socializing**, whereas community members can interact each other using community language that can build certain attitudes and norms, as revealed from an interview "... Because the community had a small of regular members, we all have a feeling of knowing each other..."; 4) **Co-developing**, which is a process where community members contribute to organization by providing supports and assistance to develop certain products and services, as revealed from an interview that "...I've mentioned to a some time ago to consider doing a short exercise video with voice over as it would be so much more like being in a studio with real instructor..."; 5) **Learning**, related to cognitive competences and behavioral aspect related to the process of purchase decision conducted, as revealed from an interview "...Thanks B and C, could you inform those of us still learning about the different ranges and their proper use...".

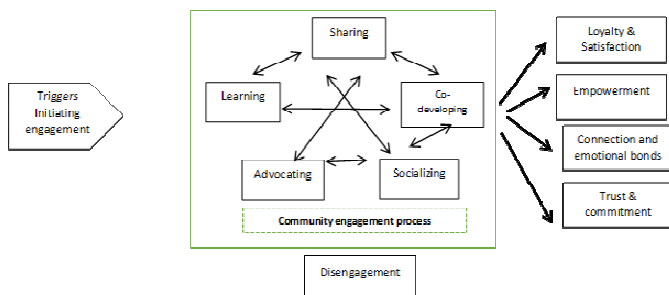


Fig. 2. Engagement process in online community.

(Source: Brodie et al. [9])

A similar opinion is proposed by Leibtag, who thinks that community drives engagement. Thus, community plays an important role so that members can interact with each other. There are several important matters that need to be considered by organizations if they want to build a community, including: 1) creating interesting relevant substance with the background of community members; 2) building relationship with community through consistent and continuous conversation or discussion; 3) always inviting them to interact with other community members. Furthermore, Leibtag proposed 3 stages to increase engagement between community members including 1) **listen**, finding out what community members do, related to the tools that they use such as social media

(Facebook, YouTube), email, and website; this is important to get the feeling of how community members interact, 2) **test**, to find out the reactions of community members by submitting various contents (videos, images, articles), 3) **measure engagement**, by conducting learning analytics to measure the effectiveness of the community such as how many followers, the intensity of engagement among community members [10].

Building customer engagement in a community is not an easy thing. Companies which intend to build communities must apply effective engagement strategies [9]. CRM auditorial emphasized that "because today's people are not only socially connected and digitally savvy but also "channel blind", so the biggest challenge for companies is gaining a single view of the people while simultaneously giving her a single view of the company" [23]. Building consumer engagement is not easy. The company must see engagement as a service, and connect one consumer with other consumers while maintaining context in buying cycle so as to encourage value co-creation.

The terminology of value co-creation is defined by several terms such as pro-sumption, servuction, co-production and co-creation. Gebauer explained these four terminologies as follows: 1) Pro-sumption, combining the meaning of producer and consumer. This term emphasizes the fact in value creation; consumers who also act as co-producers form a value when they add value to a product and use it. The role of consumers has changed from being merely purchasing products/services to pro-summer effectively participating in value production process; 2) Servuction, combining the term "service" and "production". This term illustrates the role of clients involved intensively in service production process; 3) Value co-production, which explains the role of consumers who were passive, isolated, and ignored to being active, connected and informed, 4) Value co-creation, as process where both consumers and producers collaborate and participate in creating values [24].

The concept of value co-creation has been developed rapidly since Vargo and Lusch proposed the alteration of paradigm from Good Domestic Logic (GDL) to Service Dominant Logic (SDL) [6,7]. The involvement of consumers and other parties in co-creation process facilitates the integration of knowledge and skills, so that it can encourage the development of important new capacity [11]. According to Vargo and Lusch, the process of co-creation value can accelerate innovation and at the same time encourage the market trend evolution [7]. By involving consumers, a company can find out their needs/wants. Thus, the company can reduce costs and energy to satisfy the consumers. Organization must facilitate consumer active participation through a specific process so that it can reduce investment level that must be fulfilled [12]. The point is that "...SDL suggest that all participants in the value creation process be viewed as dynamic operant resources. Accordingly, they should be viewed as the primary source of firm and national innovation and value creation..." [7]. Therefore, it can be said that consumers is one of important resources from companies to create values.

SDL views that it is important to calculate resources (knowledge and skills) owned by other parties (customers, supplier and stakeholder) that become the basis for competitive advantage creation. SDL considers the importance of taking into account consumers, suppliers and other stakeholders as operant resources so that co-production and co-creation will occur through marketing programs and strategy programs developed by the company [25]. Concept of co-production implicitly asserts that consumers become co-producers, which are an important part of manufacturing process from the beginning to completion; consumers must be able to learn how to use, maintain, improve and adapt various manufacture components to fulfil needs, situations and behaviours [26,27]. According to Lovelock and Wirtz, as “blueprinting”, consumer participation in co-production process can be used to specify the consumer role in service delivery by identifying interface point between service provider and consumers as well as assessing participation based on 3 levels (low, middle and high) [28]. SDL also has made a significant contribution by proposing co-creation process that basically emphasizes the importance of companies to involve consumers in co-creation value, as stated by Vargo and Lusch that “...the customer is always a co-creator of value...” [7]. However, Gronroos questioned “...if customers are co-creators of value, what is the role of the firm? Are firms the main creator of value or what are they?”. Gronroos puts forward the concept of value in use as an important aspect of exchange because consumers add skill, knowledge and process [26].

According to several experts, consumers are active players in value co-creation and can increase effectiveness and efficiency of value co-creation process [29,30]. Value obtained from co-creation can provide consumer satisfaction and benefit for companies as well as encourage repurchasing. The keyword in co-creation is integration with consumers, which according to Agrawal and Rahman, is not an easy thing and becomes a challenge for companies because of several matters: heterogeneous, assigning consumer roles, consumer recruitment and selection, and managing various results of co-creation from consumers [31].

One of important things that must be fulfilled by companies so that value co-creation runs well is the need of specific profile and consumers who will be involved in co-creation. Rahman et al. explained about value co-creation. In value co-creation, companies must be able to determine the role of consumers properly whether as co-producer, co-manufacture, co-designer and so on [32]. The important role of the company is as a facilitator. In the exchange process, there will be interactions between resources owned by consumers and producers. Resources are classified into 2, including: 1) operant resources: financial, physical, social, technology and culture; 2) operand resources: economy, human. Then, interaction in the exchange process that runs optimally will give positive benefits both to consumers and the company. From the consumer side, value co creation will impact on the increase of value, experience, satisfaction, and learning. From company side, it will affect several aspects including profits, understanding consumers, gaining inputs, and gaining local consumers. The point is that co-creation process involves interaction,

involvement and relationships with consumers. In this era, every business actor wants consumers to participate in product development because it will build consumer loyalty and belief. Also, co-creation has been widely accepted as innovation model and satisfaction concept.

The importance of understanding the process of value co-creation is also proposed by other experts such as Payne et al., who developed a conceptual model which explained 3 types of opportunities where value co-creation can occur including: 1) change of technology that can facilitate value co-creation, 2) change of industrial logic that encourages the development of new channels, and 3) change of preferences and lifestyle of consumers. Payne et al., emphasized that customer experience and value creation highlight encounter processes than the product itself [12]. In their view, co-creation process with consumers needs to be viewed as something dynamic and interactive. Several experts also highlighted that in order for co-creator value to be implemented well, there are several important factors required including: resource integration, interaction and joint value creation [33,34]. Therefore, consumers become an important party whose relationship with the company must be maintained. The company must be able to facilitate interaction optimally so that consumers want to utilize resources owned (knowledge, skills, time) to create value. Bharti et al. proposed driving factors so that consumers want to be involved in value co creation including: 1) dispositional factors such as: training, role clarity, ability to contribute, commitment, needs, empathy, experiences, knowledge, and reputation; 2) situational factors: financial incentives, dependency level, communication, gender, comfortable location, community, opinion leader, social capital and interaction [35].

Variable measurements of value co-creation among others are proposed by Ranjan and Read who divided measurement into two sub-variables, which are 1) co-production that consists of 3 dimensions including knowledge, equity and interaction; 2) value in use that consists of 3 dimension, including experience, personalization and relationship [36]. Other experts utilized different dimensions depending on the study objects. Grönroos proposed the concept of value in use as an important aspect of how exchange occurs because consumers add skills, knowledge and process [34].

III. PROPOSING MODEL: CUSTOMER ENGAGEMENT DRIVING VALUE CO-CREATION (BEHAVIORAL BASED APPROACH)

A. Proposition 1

Customer engagement-community based shows the interaction between community members that can provide impressive experiences so that it has a real impact on three important aspects including behaviour, emotions, and cognitive [9]. The essence of customer does not only include consumer interaction but also companies, as described by Vivek et al., that customer engagement is “the intensity of an individual’s participation in and connection with an organizations offerings or organizational activities which either the customer or the organization initiates” [37]. Connectedness between consumers

and companies are explained by Lusch et al. as value co-creation where consumers play an active role to become the company's partner (value co-creators) [25]. The higher the level of consumer connectedness with the activities of the company, the higher the value or benefits perceived by consumers.

B. Proposition 2 and 3

As Banyte and Dovaliene propose, values created through cooperation do not only show joint creation between companies and consumers, but also increase consumer satisfaction [38]. Prahalad and Ramaswamy described co-creation as "the joint creation of value by the company and the customer; allowing the customer to co-construct the service experience to suit her context" [11]. According to Grönroos, consumers always become value co-creators [34]. Alves et al. classified the main perspective of value co-creation into 4 clusters including: 1) co-creation as business logic; 2) co-creation and development of new products, 3) co-creative experience and loyalty, and 4) co-creation and relationships [39]. Zhang and Benyoucef show that connectedness between consumers has 3 important dimensions including participation, enthusiasm, and social interaction that impact directly and positively on customer value creation [40]. Yi and Gong stated that companies that can involve consumers for value co-creation will be able to increase participation (providing information, responsible behaviour, and personal interaction) and the formation of customer citizenship where consumers play a significant role in providing feedback, consultation, tolerance, and providing assistance [41]. If consumers can create value together with the company, they can create experiences that show interaction, which positively impacts on purchase intention and actual purchase [42].

Based on these 3 propositions, a modelling is proposed that becomes the basis for exploring facts on how far community engagement could encourage value co-creation that impacts on purchase behaviour (intention to buy and actual purchase) (see Figure 3).

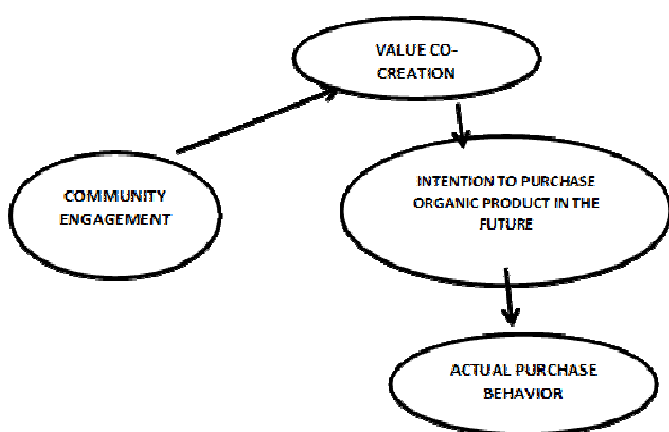


Fig. 3. Research modelling.

IV. PUTTING THEORIES INTO PRACTICE: ENTREPRENEURSHIP OF THE ORGANIC FOOD

To obtain facts in the field, organic products facing obstacles are used as the study object. Problems that still become obstacles for entrepreneurs to develop business are: 1) certification regarding product labelling that can ensure product quality has not been fully trusted by consumers [43]; 2) product availability is still limited (low productivity) and lack of information and limited product selling places as well as concern about the importance of consuming organic products for health that is still low [44], 3) price factor becomes the main obstacle for most consumers not to purchase organic products [45], and 4) demand of organic products is still low [46].

Various problems that become obstacles for selling and marketing of organic products gave birth to the importance of strengthening community (community engagement) to increase sustainable consumption communities. Seyfang proposed that "...sustainable consumption is rising up the environmental policy menu, as a strategy to achieve more sustainable development which require widespread changes in behaviour at all levels of society to reduce the environmental impacts of consumption...". To maintain this sustainable consumption, initiatives are required for community building which involves **consumers, business actors, farmers and other relevant stakeholders**. The formed communities must be local so that vision sharing, knowledge sharing and information sharing can occur effectively. Therefore, there must be links built (connectedness) between parties that become community members to generate innovation and make changes as a form of community-based action [47].

A view regarding the importance of strengthening communities for stakeholders involved in value chain of organic products was stated by Shafie and Rennie, who emphasized that "... future studies should go for consumer community based approach which is important not only for consumers, but also in terms of responses to changes in market dynamics" [2]. Thus, community should be strengthened so that it becomes the strength of product marketing and business that involves consumers, business actors, farmers, as well as stakeholders to engage in mutual engagement as an effort to overcome changes in market dynamics whose essence is to optimize sharing of resources, collaboration, and networking. The importance of optimizing community engagement is also supported by several consumer behaviour studies [3,4], indicating that consumer tendency in purchasing organic products is influenced by subjective norm which is recommendation from people around. Subjective Norm is a norm adhered to in a particular environment where someone tends to follow advice of reference group, leader, family and friends who influence the group (community) to behave and conduct certain actions. The importance of empowering community (community engagement) is also supported by research by Sharaf and Isa, demonstrating that intention on organic products is highly influenced by peer pressure (pressure from important people, such as friends and relatives) [48].

Customer engagement is a connection between a consumer with other consumers, companies, and attachment to a brand [5]. The importance of optimizing customer engagement will affect not only the intention to purchase, but also satisfaction and word-of-mouth recommendation. Some studies recommend that satisfaction and word of mouth play important roles in influencing consumers [49]. So far, there have been many studies on the effect of value co-creation on behavioural intention, but studies that use customer engagement-community based management as a comprehensive model (considering antecedent and consequence factors), particularly in organic product context, are still rare. The focus of this research is on the community of organic products in various parts of Indonesia to explore facts in the field more comprehensively. Some organic product consumers who are members of the community were recruited and research data were collected using a questionnaire. For the purposes of this study, the unit of analysis is the consumers of organic products offered by entrepreneurs from Small Medium Industries (SMIs). Furthermore, this study used a cross sectional design with a time range of one shot (one point in time) with a cross-section data type, namely data collected at the time of a selected sample [50].

The research used descriptive method [51] and verification method [50]. The verification method used explanatory research method to explain the nature of the causal relationship through hypothesis testing. From the research method used, information about the influence between variables was obtained, which essentially explained the proposed model. The study used 4 variables, namely: 1) customer engagement, a process of interaction that occurs between community members that can strengthen the emotional connection [4,9,10]. Indicators for measuring this variable include sharing, co-developing, socializing, advocating and learning. 2) value co-creation, the creation of shared values between consumers and companies that are dynamic and interactive [33-36]. Indicators for measuring this variable include co-production and value in use. 3) purchase intention, the intention to re-purchase organic products [52]. The indicators used include possibility to buy and consideration to buy. 4) actual purchase, a real purchase made by consumers of organic products [53]. The indicators used include loyalty to the company, willingness to pay more, propensity to switch and response to the problem.

In this study, the target population comprises consumers of organic products who are members of communities in various regions in Indonesia such as: Jakarta, Bogor, Banten, Surabaya, Semarang, Bandung, Medan, Makassar and Manado. The reasons for selecting the industrial sector and the area are based on the consideration that the community of organic products in various regions has been developed sufficiently and managed successfully by business owners (entrepreneurs). The method used in this study is *Partial Least Square-Path Analysis*. In addition to the research questionnaire, the data collection was done by interviewing techniques by taking 5 people from each region. The number of samples participating in this study was 165 people collected from **June to October 2018**. Respondents involved in this study were those who are members of the organic product community. Most of the respondents were

women (87%) and the rest were men (13%). In terms of age distribution, the majority of the respondents were in the range of 31-40 years (40%), followed by the age range of 21-30 years (28%) and more than 40 years (26%). Judging from the work, most of the respondents were private employees and entrepreneurs (51%) followed by civil servants (19%). Types of organic products consumed are food (vegetables, rice) and drinks. The frequency of purchases in a month varies; most respondents (75%) said that they make purchases between 2 and 4 times; only a small number make purchases up to 7-8 times.

By using descriptive method (mean from the scale 1-5), the occurrence of **community engagement** in organic products shows **mean of 3.72**. This finding indicates that the incorporation of consumers of organic products into community members can provide great benefits, which can build good relationships with fellow users of organic products, so that community members can share their experiences and knowledge on health issues. In terms of **the value co-creation** in general, the results of the study show a fairly good value (**mean 3.83**). This finding indicates that the joining of consumers of organic products in a community can encourage value co creation (shared value creation) that will provide greater benefits to consumers of organic products. The shared value creation that occurs is that community members can provide input and share experiences and knowledge with fellow consumers and producers in order to improve product quality. Product quality is an important issue because one of the goals of consumers consuming organic products is health. In terms of **intention to repurchase**, in general the results of the study show a fairly good value (**mean 3.34**); this tends to be lower than community engagement variables and value co-creation. Intention to repurchase shows the intention to re-use organic products. This finding indicates that the intention to repurchase high organic products is related to health issues, but regarding prices, some consumers still objected, meaning that expensive price factors were a problem for consumers to increase the frequency of their purchases. In terms of **actual purchase behaviour**, in general the results of the study show a fairly good value (Mean 3.43). This finding indicates that consumers will continue purchasing organic products because they consciously supported a healthy lifestyle that is formed from the strength of the community through sharing of useful information. However, the price still indicates the existence of some consumers who consider organic products to be expensive.

A. Hypotheses Testing

By utilizing Partial Least Square Method, the results of hypotheses testing can be proven (Table 1).

TABLE I. RESULT OF HYPOTHESES TEST

Path Coefficient	Path Coefficient	R ²	t	t-table	Conclusion
Customer Engagement affects Value Co Creation	0.601	36.12 %	10.970	1.96	Significant
Value Co Creation affects Intention to Purchase	0.129	1.67%	2.326	1.96	significant
Intention to Purchase affects Actual Purchase Behavior	0.866	74.99 %	64.626	1.96	Significant

The effect of customer engagement to value co-creation with path coefficient is 0.601 with R² of 36.12%. Based on this result, it can be stated that 36.12% of changes of value co-creation is affected by customer engagement. Positive sign on path coefficient shows that the higher customer engagement of organic product users, the higher the occurrence of value co-creation. This study has proven that customer engagement affects co-creation value. Customer engagement can show several matters such as a tight relationship between members who are organic product consumers; building networking with fellow consumers of organic products, increasing knowledge, concern on environmental issues and can share experiences with other community members. Strong customer engagement will impact on value co-creation as represented by the following matters: obtaining opportunities to share experiences and knowledge with producers to increase quality of products and production process; giving good advices to fellow community members particularly producers; interacting with producers to generate innovation; gaining impressive experience from fellow community members about healthy food product choices, perceive great benefits because of the ability to comprehend about organic farming and obtain information from producers about the development of organic farming.

The value co-creation affects repurchase intention of organic products. The result of path coefficient of value co-creation toward repurchase intention is 0.129 with R² of 1.67 %. Based on this result, it can be stated that 1.67 % of change in intention to repurchase is influenced by the value of co-creation. Positive sign on path coefficient shows that the higher the value co-creation of organic product users, the higher the consumer intention to repurchase organic products. This study has successful proven that value co-creation affects repurchase intention of organic products. Value co-creation is represented by the following aspects: having the opportunities and knowledge with producers to improve quality product and production process; giving good ideas to fellow community members particularly producers; interacting with producers to generate innovation; gaining impressive experiences from fellow community members regarding healthy food product choices; receiving great benefits because of the ability to understand organic farming and obtain relevant information

form producers on the development of organic farming. Value co-creation is proven to affect intention to repurchase represented by the following aspects: high probability to purchase, intention to continue making purchases in the future; intention to purchase organic products to maintain healthy life; maintaining environmental sustainability and purchasing products that are expensive but beneficial for health.

The effect of intention to repurchase to actual purchase can be seen from the result of path coefficient of 0.866 with R² value of 74.99 %. Based on this result, it can be said that 74.99 % of changes on actual purchase is affected by the intention to repurchase. A positive sight on path coefficient shows that the higher the intention to repurchase organic products, the higher the actual purchase. This study has successfully proven that intention to repurchase affects actual purchase. This means that actual purchase of organic products is proven to strongly affect purchase intention represented by: high probability to purchase, intention to keep purchasing in the future, intention to continue purchasing organic products to maintain healthy life; preserving the environment and the ability to purchase products that are expensive but beneficial for health. This means that high intention to repurchase organic products can encourage consumers to conduct actual purchase represented by the following aspects: regularly purchasing to be able to live healthy; continuously purchasing organic products although they are expensive; giving recommendation to friends, relatives and people around to purchase organic products that are beneficial to maintain environmental sustainability and always updating information about organic products from various sources such as community so that purchasing decision is on the right track.

An interesting finding is that the effect of customer engagement towards value creation is quite high (36%) with effect value of 0.601, meaning that the connectedness between consumers in the community can encourage the sharing of knowledge, ideas, interaction between community members so that community members can gain impressive experiences, receive benefits and receive relevant information particularly the one related to health issues. However, the power of community engagement encouraging value co-creation does not strongly affect the intention to repurchase organic products. Even so, the effect of intention to buy of organic product consumers can encourage actual purchases.

V. CONCLUSION AND FURTHER RESEARCH

The modelling of this study has proven the 3 hypotheses proposed, and this study addresses the phenomenon and research gaps of several matters including: 1) context of entrepreneurship of organic products in Indonesia, whereas previous research was conducted abroad where public awareness of health issue was very high. 2) exploring facts related to consumer behaviours (behavioural: intention to repurchase and actual purchase) particularly organic products. 3) the novelty of this study is the combination of customer engagement as an independent variable that becomes a medium for consumers of organic products for (value co-creation).

Therefore, it can be concluded that strengthening the role of community engagement will increase purchasing intention of organic products that will impact on the actual purchase. To conduct more comprehensive research, the analysis unit of this study can be developed to include a wider area by considering the following matters: grouping organic products specifically (vegetable, food, beverages). Future research modelling needs to consider price factor because most of consumers still object to the price of products that are still expensive.

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