



Strategic Endorsement Capability and Competitive Advantage in TikTok-Based Online Businesses: The Mediating Role of Brand Awareness and Online Engagement among Gen Z in Banten Province, Indonesia

¹Tia Ivani, ²Harry Sutanto

^{1,2}BINUS Business School, Management Department, Bina Nusantara University, Jakarta, Indonesia
Email: ¹tia.ivani@binus.ac.id, ²harry.sutanto@binus.ac.id

Abstract- The rapid growth of digital business has intensified competition in online markets, encouraging firms to seek effective strategies to achieve and sustain competitive advantage. While endorsement has become a common marketing practice, it is often viewed as a short-term promotional tool rather than a strategic organizational capability. This study examines the effect of Strategic Endorsement Capability on Competitive Advantage and investigates the mediating roles of Brand Awareness and Online Engagement. A quantitative approach was employed using survey data collected from 344 respondents who had been exposed to endorsement content on social media. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings reveal that Strategic Endorsement Capability has a positive and significant effect on Competitive Advantage, both directly and indirectly through Brand Awareness and Online Engagement. Among the mediating variables, Online Engagement demonstrates a stronger indirect effect than Brand Awareness. These results suggest that endorsement should be managed as a strategic capability rather than merely a promotional activity, as it can strengthen customer relationships, enhance brand value, and contribute to long-term competitive advantage in online business.

Keywords: Strategic Endorsement Capability, Competitive Advantage, Brand Awareness, Online Engagement, Strategic Management.

I. Introduction

The rapid growth of digital business has intensified competition in online markets, pushing firms to find more effective ways to differentiate themselves [1]. One common approach is the use of endorsements, particularly through social media and influencers, which has become a key part of many marketing efforts [2]. However, endorsement is often treated as a short-term promotional tactic rather than something that is aligned with long-term business strategy [3].

As a result, while firms may gain temporary increases in visibility or engagement, these outcomes do not always translate into sustained competitive advantage [4]. This highlights a gap in how endorsement is managed within organizations [5]. A more structured and strategic approach is needed to fully leverage endorsement as a capability that supports the development of brand awareness and online engagement, ultimately strengthening long-term competitive positioning [6].

Previous studies have widely examined endorsement, brand awareness, and online engagement, particularly from a digital marketing perspective [7]. However, from a theoretical perspective, most prior studies have primarily viewed endorsement as a marketing communication or promotional tool and focused on its direct effects on consumer responses, such as purchase intention, trust, and engagement, without considering endorsement as a strategic capability that can contribute to firm-level competitive advantage [8][9]. As a result, limited understanding exists regarding how endorsement can be conceptualized within the Resource-Based View (RBV) and Dynamic Capability Theory as a source of sustainable competitive advantage [10].

From a contextual perspective, existing studies have generally been conducted across broad social media environments and various consumer markets, with limited attention given to TikTok-based online businesses among Generation Z consumers in emerging economies such as Indonesia [11].

From a methodological perspective, prior research has largely focused on examining the direct relationships between endorsement activities and marketing outcomes. Limited attention has been given to the underlying mechanisms through which endorsement contributes to competitive advantage, particularly through the simultaneous mediating roles of brand awareness and online engagement within a single research framework. Consequently, there remains a lack of comprehensive understanding of how endorsement, when managed strategically, can strengthen brand awareness and online engagement, and ultimately contribute to sustainable competitive advantage in online businesses.



To address these gaps, this study positions endorsement as a strategic capability and examines its influence on competitive advantage through the mediating roles of brand awareness and online engagement in the context of TikTok-based online businesses among Generation Z consumers in Banten Province, Indonesia. Unlike most prior studies that focus on the direct relationship between endorsement and consumer responses, this study examines the indirect mechanisms through which endorsement capability contributes to competitive advantage. Specifically, it highlights the mediating roles of brand awareness and online engagement as strategic customer-based assets that transform endorsement activities into competitive outcomes [12][13]. Furthermore, this study integrates Strategic Endorsement Capability, Brand Awareness, Online Engagement, and Competitive Advantage into a single research framework within the context of TikTok-based online businesses among Generation Z consumers in Banten Province, Indonesia. By doing so, the study provides a more comprehensive understanding of how endorsement can be strategically managed to support long-term competitive positioning in online business [14].

Based on the identified gap, this study seeks to answer how strategic endorsement capability influences competitive advantage in online business, and to what extent brand awareness and online engagement mediate this relationship [14][15][16]. Accordingly, the objective of this study is to examine the effect of strategic endorsement capability on competitive advantage, as well as to analyze the mediating roles of brand awareness and online engagement in strengthening this relationship [17].

II. Literature Review

A. Theoretical Foundation

The Resource-Based View (RBV) explains that firms can achieve competitive advantage by developing valuable, rare, and difficult-to-imitate resources and capabilities [18][19]. This perspective highlights that internal strengths play a key role in determining firm performance and sustaining superior market positions [20][21]. In the context of digital business, endorsement activities can be viewed as a strategic organizational capability when firms are able to systematically select, manage, and leverage endorsers to create value for consumers [19].

However, in dynamic and rapidly changing digital environments, possessing valuable resources alone may not be sufficient to sustain competitive advantage. Dynamic Capability Theory emphasizes a firm's ability to continuously adapt, integrate, and reconfigure its resources and capabilities in response to environmental changes [22]. From this perspective, Strategic Endorsement Capability reflects a firm's ability to effectively manage endorsement activities, align them with changing consumer preferences, and optimize their impact across digital platforms such as TikTok [23]. The integration of RBV and Dynamic Capability Theory provides the theoretical foundation for the proposed research model. Strategic Endorsement Capability is viewed as a valuable organizational capability that enables firms to build customer-based assets, namely Brand Awareness and Online Engagement. Consistent with RBV, these assets represent strategic resources that can strengthen a firm's competitive position. At the same time, Dynamic Capability Theory explains how firms continuously utilize and adapt endorsement strategies to enhance consumer recognition and interaction in a dynamic digital environment. Consequently, stronger Brand Awareness and Online Engagement are expected to contribute to Competitive Advantage by improving customer preference, differentiation, and value creation [11].

B. Perceived Strategic Endorsement Capability

Endorsement has become a common practice in digital marketing, particularly through the use of social media influencers to promote products and brands [2][24]. However, it is often implemented as a short-term promotional activity focused on increasing visibility rather than being aligned with broader business strategy [25]. Drawing upon the Resource-Based View (RBV) and Dynamic Capability Theory, Perceived Strategic Endorsement Capability can be defined as a firm's ability to systematically plan, select, manage, and evaluate endorsement activities in order to create customer value and support long-term competitive advantage. As an organizational capability, Perceived Strategic Endorsement Capability goes beyond tactical promotional execution and reflects the firm's ability to continuously align endorsement strategies with market conditions and consumer preferences.

Conceptually, Perceived Strategic Endorsement Capability consists of several key dimensions. First, endorser selection, which reflects the firm's ability to identify and choose endorsers who are credible, relevant, and compatible with the brand. Second, message alignment, which refers to the firm's ability to ensure consistency between endorsement content and brand positioning. Third, endorsement management, which captures the firm's ability to coordinate and manage endorsement activities effectively. Fourth, performance evaluation, which reflects the firm's ability to assess and optimize endorsement outcomes over time [26][27].

Operationally, this construct is measured through indicators that assess respondents' perceptions regarding: the suitability of endorsers with the brand, the credibility and attractiveness of endorsers, the consistency of endorsement messages with brand values, the effectiveness of endorsement content in communicating brand information, the firm's ability to manage endorsement activities, and the perceived effectiveness of endorsement programs in supporting business objectives. When managed in this way, endorsement becomes a strategic endorsement capability that can support the development of Brand Awareness, enhance Online Engagement, and ultimately contribute to Competitive Advantage [28][29][30].

C. Brand Awareness & Online Engagement

Brand awareness and online engagement represent and reflect how consumers perceive and interact with a brand in the digital environment [31]. Brand awareness refers to the extent to which consumers are able to recognize and recall a brand, which plays a key role in influencing their preferences and decision-making [32]. Meanwhile, online engagement captures the level of consumer interaction with a brand through digital platforms, such as likes, comments, and shares, indicating a more active relationship between the firm and its audience [33]. From a strategic perspective, both elements can be seen as intangible assets that help strengthen a firm's market position [34]. As such, they serve as key mechanisms through which strategic endorsement capability can create value and contribute to competitive advantage [35][36][34].

D. Perceived Competitive Advantage

Perceived Competitive Advantage refers to consumers' perceptions that a brand possesses superior attributes, value, or positioning compared to competing brands [37]. From a customer perspective, this advantage can be reflected in stronger brand preference, perceived differentiation, and the ability of a brand to deliver greater value relative to its competitors [38].

In the context of online business, perceived competitive advantage is influenced not only by external market conditions but also by how effectively firms develop and leverage their internal capabilities and customer-based assets [39]. Drawing on the Resource-Based View (RBV), firms can create superior value through valuable capabilities and resources that are recognized by consumers. Likewise, Dynamic Capability Theory suggests that firms can sustain their competitive position by continuously adapting and leveraging their capabilities in response to changing market conditions.

Operationally, Perceived Competitive Advantage is reflected through consumers' perceptions regarding a brand's uniqueness, superiority relative to competitors, ability to meet customer needs, and overall attractiveness compared to alternative brands in the market. Therefore, the ability to build Brand Awareness and foster Online Engagement through Strategic Endorsement Capability can play an important role in strengthening consumers' perceptions of a firm's competitive position in the marketplace [40][34].

E. Conceptual Framework and Hypothesis Development

Based on the theoretical foundation and prior discussion, this study proposes that strategic endorsement capability can influence competitive advantage both directly and indirectly through customer-based assets, namely brand awareness and online engagement [41][29][13][42]. Endorsement that is managed as a strategic capability is expected to strengthen brand recognition and encourage higher levels of consumer interaction, which in turn contribute to a stronger competitive position [23][43]. Accordingly, this study formulates the following hypotheses shown in Fig. 1.

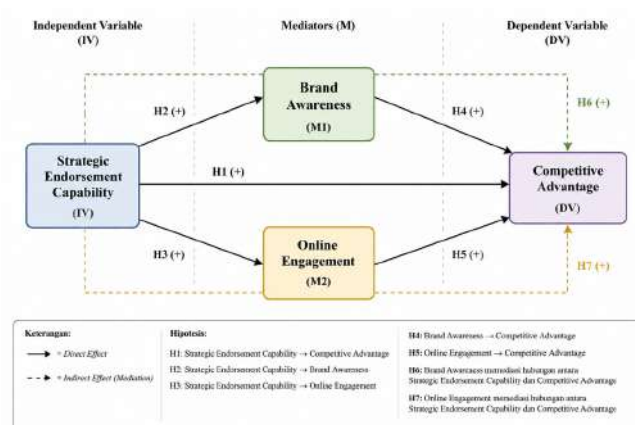


Fig. 1. Hypothesis Diagram



III. Research Methodology

A. Research Design

This study employs a quantitative approach using an explanatory research design to examine the relationships between strategic endorsement capability, brand awareness, online engagement, and competitive advantage. The explanatory approach is used to test causal relationships among variables, particularly the direct and mediating effects proposed in the research model. Data are collected through a structured questionnaire, allowing for the measurement of respondents' perceptions in a systematic and consistent manner.

B. Population & Sample

The population of this study consists of Generation Z consumers residing in Banten Province, Indonesia, who actively use TikTok and have been exposed to product or service endorsement content on the platform. A purposive sampling technique is applied to ensure that respondents have relevant experience related to endorsement activities.

To be included in the study, respondents were required to meet the following criteria: (1) belong to Generation Z (aged 14–29 years), (2) reside in Banten Province, Indonesia, (3) actively use TikTok with a minimum usage frequency of 1–3 hours per day, 3–5 hours per day, or more than 5 hours per day, and (4) have been exposed to endorsement content on TikTok and have experience viewing, paying attention to, or interacting with such content. These criteria were established to ensure that respondents possessed sufficient familiarity with endorsement activities and were therefore able to provide relevant evaluations regarding the constructs examined in this study.

A total of 344 valid responses were collected and used for data analysis, exceeding the minimum sample size requirement for Structural Equation Modeling (SEM) and providing sufficient statistical power for hypothesis testing.

C. Data Collection & Measurements, Variables

Data for this study are collected through an online questionnaire distributed via digital platforms. This method allows for efficient data gathering from respondents who actively use social media and are familiar with endorsement content. Data supporting this study are openly available from: (<https://forms.gle/gN5dJRYwMsUyZrSC8>)

All variables in this study are measured using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The study includes four main variables: strategic endorsement capability as the independent variable, brand awareness and online engagement as mediating variables, and competitive advantage as the dependent variable.

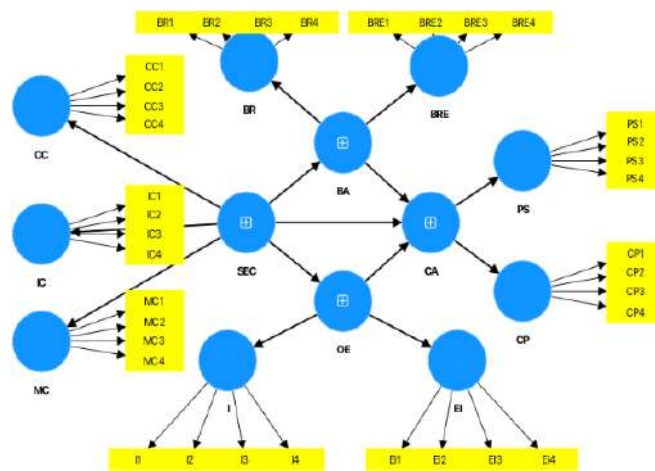
Variabel	Dimensi	Indicator	Ref.
Strategic Management Capability	Content capabilities (CC)	Alignment between influence and brand image	[44]
		Consistency of endorsement messages	
	Interaction Capabilities (IC)	Ability to attract audience attention	
		Ability to encourage audience engagement	
	Monitoring capabilities (MC)	Structured management of endorsement activities	
Brand Awareness	Brand Recognition in Tiktok (BR)	Planning and evaluation of influencer usage	[44]
		Ability to recognize the brand in Tiktok ads	
	Brand Recall in Tiktok (BRE)	Ability to distinguish brands from competitors in Tiktok	
		Ability to remember brands without assistance in Tiktok	
Online Engagement	Interaction in Tiktok (I)	Ease of remembering previously seen brands	[45]
		Frequency of Interaction in Tiktok	
	Engagement Intention in Tiktok (EI)	Active Participation toward Tiktok Content	
		Interest in Exploring Content Further	
Competitive Advantage	Perceived superiority (PS)	Intention to Follow or Pay Attention to the Brand in TikTok	[45]
		Perceived advantage over competitors	
	Consumer Preference (CP)	Perceived brand attractiveness compared to alternatives	
		Tendency to choose the brand	
		Preference for the brand over competing brands	

Strategic endorsement capability refers to the firm's ability to effectively select, manage, and evaluate endorsement activities in a strategic manner. Brand awareness reflects the extent to which consumers recognize and recall a brand. Online engagement refers to the level of consumer interaction with brand-related content on digital platforms. Competitive advantage is defined as the firm's ability to achieve a superior position compared to competitors through differentiation and value creation.

D. Data Analysis

This study utilizes Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) approach to analyze the proposed relationships between variables. This method is suitable for testing complex models involving multiple constructs and mediation effects. The analysis will be conducted in two stages:

- Evaluation of the measurement model (to assess validity and reliability)
- Evaluation of the structural model (to test the proposed hypotheses).



IV. Results

A. Descriptive Statistics

This section presents the profile of respondents based on their demographic characteristics and their experience with social media usage and endorsement exposure. A total of 344 respondents participated in this study, providing a relevant basis for further analysis.

Based on age distribution, the majority of respondents fall within the 20-24 age group, accounting for 50% of the total sample. This indicates that the respondents are largely within the active digital user segment. In terms of gender, 40.4% of respondents are male, while the remaining 59.65 are female, showing a relatively balanced distribution. The distribution and profile of respondents are presented in Fig. 2.

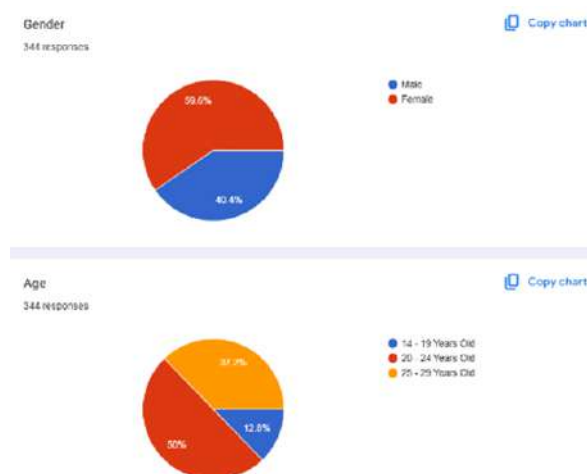


Fig. 2. Respondent Profiles



In terms of social media usage, most respondents reported using TikTok as their primary platform. Furthermore, 98.9% of respondents stated that they frequently encounter endorsement content on social media. This suggests that the respondents have sufficient exposure to endorsement practices, making them appropriate for this study. Additionally, 90% of respondents indicated that they have experience interacting with or paying attention to endorsed content, further supporting the relevance of the sample.

B. Reliability & Validity Test

The reliability test is conducted to assess the consistency of the measurement items used in this study. Reliability is evaluated using Cronbach's Alpha and Composite Reliability (CR) values for each construct. Other than that, the validity test is conducted to evaluate whether the measurement items used in this study are able to accurately represent their respective constructs. In this study, convergent validity is assessed by examining the outer loading values and the Average Variance Extracted (AVE) for each construct.

Table 1. Construct Reliability And Validity

Construct	Cronbach's Alpha (α)	Composite Reliability (CR)	Composite Reliability (rho α)	AVE
Brand Recognition (BR)	0.664	0.799	0.669	0.500
Brand Recall (BRE)	0.682	0.808	0.696	0.513
Content Capabilities (CC)	0.817	0.880	0.815	0.647
Consumer Preference (CP)	0.747	0.841	0.752	0.570
Engagement Intention (EI)	0.718	0.826	0.719	0.542
Interaction (I)	0.781	0.860	0.789	0.607
Interaction Capabilities (IC)	0.710	0.821	0.711	0.535
Monitoring Capabilities (MC)	0.759	0.848	0.764	0.582
Perceived Superiority (PS)	0.800	0.871	0.803	0.629

Based on the results, all constructs show AVE values above the acceptable threshold of 0.50, indicating that each construct is able to explain more than half of the variance of its indicators. This confirms that the measurement model has achieved adequate convergent validity (Grottsch, 2025). In addition, all rho-A values exceed the minimum acceptable threshold of 0.60, demonstrating satisfactory internal consistency and construct reliability (Grottsch, 2025; Gonzales, 2023). Although the rho-A values of Brand Recognition and Brand Recall are slightly below the ideal threshold of 0.70, they remain within the acceptable range for exploratory and behavioral research.

C. Discriminant Validity (HTMT)

As seen in Table II, some HTMT values exceed the recommended threshold. However, these relatively high associations can be explained by the close conceptual relationships among the constructs. Brand Recognition and Brand Recall are naturally linked to Perceived Superiority and Consumer Preference, as consumers who are more familiar with and able to recall a brand tend to evaluate it more positively and prefer it over competing alternatives. Brand Recall is also associated with Interaction and Engagement Intention because greater exposure to and engagement with brand content strengthens memory and encourages further participation. Likewise, Marketing Capability is related to Brand Recall, Interaction, Consumer Preference, and Perceived Superiority, as effective marketing activities improve brand visibility, engagement, and consumer evaluations. Emotional Involvement further strengthens these relationships by encouraging participation and enhancing brand perceptions. Overall, these associations reflect the interconnected nature of consumer behavior constructs within social media marketing rather than indicating serious discriminant validity concerns.

Similarly, the relatively high HTMT values among Strategic Endorsement Capability, Brand Awareness, Online Engagement, and Consumer Attitude/Competitive Advantage can be explained by their shared theoretical foundation. Endorsement activities increase brand exposure, strengthen awareness, and encourage engagement through consumer interactions with brand-related content. Higher awareness and engagement subsequently contribute to more favorable consumer evaluations and attitudes toward the brand. Therefore, the elevated HTMT values are more likely to reflect conceptual proximity among the constructs than a lack of discriminant validity.

Table 2. Discriminant Validity (HTMT)

Construct Pair	HTMT	Construct Pair	HTMT
BR - BRE	0.802	CP - EI	0.837
BR - CC	0.676	CP - I	0.942



BR - CP	0.728	CP - IC	0.816
BR - EI	0.790	CP - MC	0.936
BR - I	0.675	CP - PS	0.976
BR - IC	0.828	EI - I	0.975
BR - MC	0.849	EI - IC	1.109
BR - PS	0.972	EI - MC	1.064
BRE - CC	0.744	EI - PS	0.923
BRE - CP	0.928	I - IC	0.866
BRE - EI	1.034	I - MC	1.103
BRE - I	1.116	I - PS	1.064
BRE - IC	0.703	IC - MC	0.898
BRE - MC	1.082	IC - PS	0.901
BRE - PS	1.049	MC - PS	1.075
CC - CP	0.641		
CC - EI	0.653		
CC - I	0.739		
CC - IC	0.820		
CC - MC	0.714		
CC - PS	0.714		

Table 3. First And Second Stage Of Fornell-Larcker Value

Constructs	BR	BRE	CC	CP	EI	I	IC	MC	PS
BR	0.707								
BRE	0.544	0.717							
CC	0.500	0.557	0.804						
CP	0.507	0.664	0.424	0.755					
EI	0.541	0.726	0.503	0.614	0.736				
I	0.632	0.812	0.575	0.738	0.730	0.779			
IC	0.562	0.548	0.517	0.598	0.535	0.648	0.731		
MC	0.604	0.758	0.571	0.712	0.715	0.851	0.654	0.763	
PS	0.710	0.777	0.578	0.755	0.700	0.841	0.694	0.841	0.793

D. Hypothesis Testing

The results show that **Strategic Endorsement Capability has a positive and significant effect on Competitive Advantage** ($\beta = 0.296$, $t = 3.068$, $p = 0.002$), indicating that H1 is supported. Furthermore, **Strategic Endorsement Capability has a positive and significant effect on Brand Awareness** ($\beta = 0.794$, $t = 26.355$, $p < 0.001$), supporting H2. Similarly, **Strategic Endorsement Capability also shows a positive and significant effect on Online Engagement** ($\beta = 0.820$, $t = 28.061$, $p < 0.001$), indicating that H3 is supported.

In addition, **Brand Awareness has a positive and significant effect on Competitive Advantage** ($\beta = 0.271$, $t = 3.124$, $p = 0.002$), indicating that H4 is supported. **Online Engagement also demonstrates a positive and significant effect on Competitive Advantage** ($\beta = 0.370$, $t = 2.965$, $p = 0.003$), supporting H5.

The mediating effects are also examined in this study. The results indicate that **Brand Awareness significantly mediates the relationship between Strategic Endorsement Capability and Competitive Advantage** ($\beta = 0.215$, $t = 3.186$, $p = 0.001$), supporting H6. Similarly, **Online Engagement significantly mediates the relationship between Strategic Endorsement Capability and Competitive Advantage** ($\beta = 0.304$, $t = 2.881$, $p = 0.004$), indicating that H7 is supported.

Table 4. Hypothesis Testing & Path Coefficients

Path	Path Coefficient (β)	t-value	p-value	Supported?
SEC $\rightarrow$ CA	0.296	3.068	0.002	Yes
SEC $\rightarrow$ BA	0.794	26.355	0.000	Yes
SEC $\rightarrow$ OE	0.820	28.061	0.000	Yes
BA $\rightarrow$ CA	0.271	3.124	0.002	Yes
OE $\rightarrow$ CA	0.370	2.965	0.003	Yes
SEC $\rightarrow$ BA $\rightarrow$ CA	0.215	3.186	0.001	Yes
SEC $\rightarrow$ OE $\rightarrow$ CA	0.304	2.881	0.004	Yes



The structural model was evaluated using the bootstrapping procedure in SmartPLS 4 with 5,000 subsamples. The significance of each hypothesis was assessed through path coefficients (β), t-values, p-values, and 95% bias-corrected and accelerated (BCa) confidence intervals. The results are presented in Table IV. As presented in table IV, all proposed hypotheses are supported, as all p-values are below 0.05.

In addition, the results show a partial mediation effect of Brand Awareness and Online Engagement in the relationship between Strategic Endorsement Capability and Competitive Advantage. Strategic Endorsement Capability has a significant direct effect on Competitive Advantage, and it also has significant indirect effects through both mediators. This indicates that Competitive Advantage is influenced both directly by Strategic Endorsement Capability and indirectly through increased Brand Awareness and Online Engagement.

Construct	VIF
SEC $\rightarrow$ CA	3.457
SEC $\rightarrow$ BA	1.000
SEC $\rightarrow$ OE	1.000
BA $\rightarrow$ CA	3.807
OE $\rightarrow$ CA	4.302

The VIF value is shown in Table Above. The values were below the recommended threshold, indicating that multicollinearity issues were not present among the constructs. Therefore, the predictor constructs are considered free from collinearity problems.

E. R^2 Values

Table 5. R Values

Construct	R^2	Interpretation
Brand Awareness (BA)	0.630	Strong
Competitive Advantage (CA)	0.773	Very Strong
Online Engagement (OE)	0.673	Strong

Table V presents the coefficient of determination (R^2) values for the endogenous constructs in the structural model. Brand Awareness ($R^2 = 0.630$) and Online Engagement ($R^2 = 0.673$) demonstrate moderate explanatory power, indicating that Strategic Endorsement Capability explains 63.0% and 67.3% of the variance in these constructs, respectively. Meanwhile, Competitive Advantage ($R^2 = 0.773$) exhibits substantial explanatory power, suggesting that Strategic Endorsement Capability, Brand Awareness, and Online Engagement collectively explain 77.3% of its variance. According to Hair et al. (2011, 2014), R^2 values of 0.75, 0.50, and 0.25 can be interpreted as substantial, moderate, and weak predictive accuracy, respectively. Therefore, the structural model demonstrates moderate to substantial explanatory power and is capable of explaining a considerable proportion of variance in the endogenous constructs.

F. Effect Size (f^2)

Strategic Endorsement Capability demonstrates a large effect on Brand Awareness and Online Engagement, while its effect on Competitive Advantage is small. Likewise, the effects of Brand Awareness and Online Engagement on Competitive Advantage are also classified as small. These findings suggest that Strategic Endorsement Capability is the primary driver of Brand Awareness and Online Engagement, whereas the individual contributions of the predictor constructs to Competitive Advantage are comparatively limited as shown in Table VI.

Table 6. F Values

Path	f^2	Interpretation
SEC $\rightarrow$ CA	0.112	Large
SEC $\rightarrow$ BA	1.704	Large
SEC $\rightarrow$ OE	2.056	Large
BA $\rightarrow$ CA	0.085	Large
OE $\rightarrow$ CA	0.141	Large



G. Predictive Relevance (Q^2)

Table 7. Q Values

Path	Q^2	Decision
BA	0.201	Weak
CA	0.400	Strong
OE	0.302	Moderate

The Q^2 results indicate that all endogenous constructs have predictive relevance, as all values are greater than zero. Brand Awareness ($Q^2 = 0.201$) and Online Engagement ($Q^2 = 0.302$) exhibit moderate predictive relevance, whereas Competitive Advantage ($Q^2 = 0.400$) demonstrates strong predictive relevance. These findings suggest that the model has adequate predictive capability and is particularly effective in predicting Competitive Advantage.

V. Conclusion

This study found that Strategic Endorsement Capability positively influences Perceived Competitive Advantage both directly and indirectly through Brand Awareness and Online Engagement. These findings support the Resource-Based View (RBV) and Dynamic Capability Theory, suggesting that endorsement can be viewed as a strategic capability that creates value and strengthens a firm's competitive position. The stronger mediating effect of Online Engagement further highlights the importance of consumer interaction in translating endorsement activities into competitive outcomes.

This study contributes to RBV by positioning endorsement as a strategic resource that builds Brand Awareness and Online Engagement, and to Dynamic Capability Theory by demonstrating how firms can leverage endorsement strategies in dynamic digital environments. It also extends influencer marketing literature by showing that endorsement contributes to firm-level competitive advantage through these customer-based assets. Businesses should manage endorsement activities as a long-term strategic capability rather than a one-time promotional tool. For MSMEs, TikTok sellers, influencer managers, and digital marketers, effective endorser selection, message consistency, engaging content, and performance evaluation are essential for strengthening awareness, engagement, and competitive advantage.

Future research may incorporate variables such as trust, influencer credibility, customer loyalty, brand equity, and purchase intention to further explain the relationship between Strategic Endorsement Capability and Perceived Competitive Advantage. Since this study focuses on Generation Z TikTok users in Banten Province, the findings may not be fully generalizable to other populations, regions, or digital platforms. Therefore, future studies are encouraged to test the proposed model across different countries, industries, and demographic groups, as well as employ longitudinal designs to examine the long-term effects of Strategic Endorsement Capability.

References

1. K. Agustian, E. S. Mubarak, A. Zen, W. Wiwin, and A. J. Malik, "The Impact of Digital Transformation on Business Models and Competitive Advantage," *Technol. Soc. Perspect.*, vol. 1, no. 2, pp. 79–93, 2023, doi: 10.61100/tacit.v1i2.55.
2. M. M. Barari, M. Eisend, and S. P. Jain, "A meta-analysis of the effectiveness of social media influencers: Mechanisms and moderation," *J. Acad. Mark. Sci.*, pp. 28–48, 2025, doi: 10.1007/s11747-025-01107-3.
3. A. P. Schouten, L. Janssen, and M. Verspaget, "Celebrity vs. Influencer endorsements in advertising: the role of identification, credibility, and Product-Endorser fit," *Int. J. Advert.*, vol. 39, no. 2, pp. 258–281, 2020, doi: 10.1080/02650487.2019.1634898.
4. L. Soloducho-Pelc and A. Sulich, "Between sustainable and temporary competitive advantages in the unstable business environment," *Sustain.*, vol. 12, no. 21, pp. 1–16, 2020, doi: 10.3390/su12218832.
5. S. Sorooshian, "Influencer marketing: service supplier selection," *Manag. Decis.*, vol. 63, no. 13, pp. 146–173, 2025, doi: 10.1108/MD-12-2023-2366.
6. Y. LI, A. Y. GAO, F. F. GU, and F. F. LEUNG, "Endorsement Rate in Influencer Marketing," *J. Mark.*, 2026.
7. X. Xu, "Influencer Marketing with Social Platforms: Increasing Brand Awareness and User Engagement," *J. Educ. Humanit. Soc. Sci.*, vol. 19, pp. 228–234, 2023, doi: 10.54097/ehss.v19i.11039.
8. Renu, S. Bansal, and V. Gupta, "The influence of social media on consumer purchase intention," *Int. J. Sci. Technol. Res.*, vol. 9, no. 3, pp. 3136–3142, 2020.
9. H. Gui, T. Bertaglia, C. Goanta, and G. Spanakis, "Computational Studies in Influencer Marketing: A Systematic Literature Review," 2025, [Online]. Available: <http://arxiv.org/abs/2506.14602>
10. J. Management, E. Review, U. Janabadra, U. Gunadarma, and U. Nusantara, "The Role of Social Media Marketing ,



- Brand Awareness , and Customer Engagement in Enhancing MSME Competitiveness,” pp. 433–448, 2026.
11. R. van de Wetering, P. Mikalef, and A. Pateli, “Strategic Alignment Between IT Flexibility and Dynamic Capabilities,” *Int. J. It/bus. Alignment Gov.*, vol. 9, no. 1, pp. 1–20, 2018, doi: 10.4018/ijitbag.2018010101.
 12. Z. Nikkhah-Farkhani and Z. Zarenejad, “Investigating the effect of brand elements on brand equity: a study of consumer perceptions,” *Int. J. Bus. Emerg. Mark.*, vol. 17, no. 3, pp. 357–373, 2025.
 13. A. Fakhfakh, A. Nouredin, M. Aboueldahab, M. Abaker, and M. Berir, “Strategic Management of Customer Engagement and Brand Awareness in Beauty Clinic Marketing: A Mediation Analysis of Content Marketing and Purchase Intentions,” *J. Eng. Proj. Prod. Manag.*, vol. 15, no. 4, 2025, doi: 10.32738/JEPPM-2025-46.
 14. S. Rosalin, K. Raharjo, H. N. Utami, and A. Prasetya, “Optimizing competitive advantage of Indonesian startups: a study on the relationship between managerial capability, digital marketing, and business resilience,” *Cogent Bus. Manag.*, vol. 13, no. 1, p., 2026, doi: 10.1080/23311975.2026.2672812.
 15. M. R. Andriawan, C. A. Nugraha, N. F. Hindrawan, and D. P. Alamsyah, “Social Media Marketing and Online Advertising in the Digital Landscape of ICT,” in *2025 International Conference on Computer Sciences, Engineering, and Technology Innovation (ICoCSETI)*, 2025, pp. 101–106.
 16. G. D. Katsifaraki and M. Theodosiou, “The Role of Service-Dominant Logic Strategic Orientations in Driving Customer Engagement in Online Retailing,” vol. 59, no. 1, pp. 99–115, 2024, doi: 10.1177/10949968231180497.
 17. X. Liu and D. Zhang, “Research on Impact Mechanism of Organizational Resilience on Sustainable Competitive Advantage of Enterprises,” 2024.
 18. E. Baia, J. J. Ferreira, and R. Rodrigues, “Value and rareness of resources and capabilities as sources of competitive advantage and superior performance,” *Knowl. Manag. Res. Pract.*, vol. 18, no. 3, pp. 249–262, 2020.
 19. A. De Torre and I. De Vega, “Dynamic capabilities and digital innovation : pathways to competitive advantage through responsible innovation,” vol. 9460, 2025, doi: 10.1080/23299460.2025.2500154.
 20. N. W. Lubis, “Resource Based View (RBV) in Improving Company Strategic,” vol. 2, no. 6, pp. 587–596, 2022.
 21. U. Del Rosario, C. A. Bernal-torres, Y. W. Nicol, and T. T. Pando-ezcurra, “Role of internal resources on the competitive advantage building in a knowledge-intensive organisation in an emerging market,” vol. 54, no. 5, pp. 1153–1169, 2026, doi: 10.1108/VJIKMS-01-2022-0029.
 22. F. A. Duah, B. A. Bamfo, and J. S. Marfo, “Marketing capability and firm performance : the mediating role of resource orchestration capability,” *Cogent Soc. Sci.*, vol. 10, no. 1, p., 2024, doi: 10.1080/23311886.2024.2318880.
 23. A. Millán, M. Retamosa, and R. Carranza, “Influence of celebrity endorsement on brand equity: The roles of credibility and brand identification,” *J. Brand Manag.*, pp. 1–21, 2026.
 24. Y. Aryan and D. J. Aryan, “The Impact of Influencer Marketing on Consumer Buying Behavior,” in *Driving Social Change Through Transformative Marketing for Gender Equity*, IGI Global Scientific Publishing, 2026, pp. 191–214.
 25. D. Aaker, “Is Short-termism Undermining Your Brand Equity?,” *Calif. Manage. Rev.*, vol. 68, no. 3, pp. 124–133, 2026.
 26. B. C. Bauer, B. D. Carlson, and C. D. Johnson, “The match-up hypotheses revisited: matching social judgments and advertising messaging in celebrity endorsements,” *Eur. J. Mark.*, vol. 56, no. 3, pp. 869–898, 2022.
 27. J. D. Fernández Gómez, J. Berenguel Fernández, and A. Macarro Tomillo, “Testimonials, endorsements and celebrities in advertising. An empirical study of advertising strategies at the Cannes Lions International Festival of Creativity, 2010-2020”.
 28. N. Bayti, B. Paramita, I. Deryane, S. Sufnirayanti, and A. S. Putra, “The Impact Of Online Marketing Using Influencer Services In Sungai Enam Otak-Otak Village , Indonesia,” vol. 01004, pp. 0–4, 2024.
 29. Y.-R. Pan, A. M.-W. Loi, E. C.-X. Aw, S. K. Piaralal, and G. Wei-Han Tan, “Something about you fascinates me: how influencer characteristics trigger brand advocacy in influencer endorsement?,” *J. Syst. Inf. Technol.*, vol. 27, no. 4, pp. 686–704, 2025.
 30. F. Platania, C. Toscano Hernandez, and F. P. Appio, “Beyond the game: Leveraging athlete celebrities for value creation in sportswear brands in the digital era,” *Eur. Manag. Rev.*, 2026.
 31. M. Mahanani, “From Brand Awareness to Digital Engagement : A Systematic Review of Customer-Based Brand Equity,” vol. 3, no. 1, pp. 38–49, 2025.
 32. A. Nouredin, A. Elkhawaga, and B. Elhariry, “IMPACT OF INFLUENCER MARKETING AND CELEBRITY ENDORSEMENTS ON COSMETICS PURCHASING DECISIONS : MEDIATING ROLE OF BRAND,” vol. 20, no. 1, pp. 1–22, 2019.
 33. A. Krowinska and D. Dineva, “The role and forms of social media branded content driving active customer engagement behaviours,” *J. Mark. Manag.*, vol. 41, no. 9–10, pp. 1030–1060, 2025, doi: 10.1080/0267257X.2025.2544808.
 34. R. Bakashaba and D. S. Bindeeba, “Beyond market penetration : leveraging brand capital for competitive advantage in digitally driven SMES in resource - constrained settings,” 2025.
 35. L. Laz, “GENDER INFLUENCE ON THE PERCEPTION,” vol. 30, no. 2, pp. 13–23, 2020, doi: 10.2478/sues-2020-0009.
 36. M. Owais, S. U. Zaman, and S. H. Alam, “Impact of Digital Marketing Strategies on Brand Image , Consumer Engagement and Loyalty,” vol. 3, no. 1, pp. 945–961, 2025.
 37. I. Farida and D. Setiawan, “Business Strategies and Competitive Advantage : The Role of Performance and Innovation,” pp. 1–16, 2022.
 38. I. Sucidha, A. A. Diany, and I. Irayana, “Market Orientation, Digital Marketing Capabilities, and Product Innovation on Competitive Advantage through Customer Engagement: Evidence from the Creative Economy Sector in



-
- Indonesia,” *Eastasouth Manag. Bus.*, vol. 3, no. 03, pp. 688–707, 2025.
39. S. Dukhaykh, “Dynamic Capabilities and Sustainable Competitive Advantage in SMEs : The Roles of Innovation and Organizational Learning,” pp. 1–21, 2026.
40. A. Ramdani and M. N. Fietroh, “The Effect of Digital Marketing Strategies , Social Media , and Influencer Marketing on Brand Awareness,” vol. 04, no. 05, pp. 1871–1885, 2025.
41. A. Waltenrath, C. Brenner, and O. Hinz, “Some interactions are more equal than others: The effect of influencer endorsements in social media brand posts on engagement and online store performance,” *J. Interact. Mark.*, vol. 57, no. 4, pp. 541–560, 2022.
42. F. J. Mart, R. Aguilar-illescas, and R. Anaya-s, “The Role of Online Brand Community Engagement on the Consumer – Brand Relationship,” pp. 1–17, 2021.
43. M. Jun, J. Han, Z. Zhou, and A. B. Eisingerich, “When is celebrity endorsement effective? Exploring the role of celebrity endorsers in enhancing key brand associations,” *J. Bus. Res.*, vol. 164, no. August 2021, p. 113951, 2023, doi: 10.1016/j.jbusres.2023.113951.
44. S. Laradi, N. Berber, H. M. Rehman, M. B. Hossain, L. C. Hiew, and C. B. Illés, “Unlocking the power of social media marketing: Investigating the role of posting, interaction, and monitoring capabilities in building brand equity,” *Cogent Bus. Manag.*, vol. 10, no. 3, 2023, doi: 10.1080/23311975.2023.2273601.
45. M. Marolt, H. D. Zimmermann, and A. Pucihar, “Social Media Use and Business Performance in SMEs: The Mediating Roles of Relational Social Commerce Capability and Competitive Advantage,” *Sustain.*, vol. 14, no. 22, 2022, doi: 10.3390/su142215029.