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Social Media Marketing and Corporate Sustainability Performance: Examining the Dual Pathways of Value Creation and Destruction

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Abstract
The rapid evolution of the digital ecosystem has fundamentally transformed how corporations interact with stakeholders, shifting the paradigm from unidirectional communication to highly interactive, network-centric engagement. This research investigates the intricate role of Social Media Marketing (SMM) on corporate Sustainability Performance (SP), mediated simultaneously by two opposing mechanisms: Value Co-Creation (VCC) and Value Co-Destruction (VCD). While SMM is widely recognized for fostering brand loyalty and collaborative value, its potential to trigger adverse interactions that destroy value remains a critical gap in contemporary sustainability literature. Employing a positivist paradigm with an explanatory cross-sectional design, this study captured data from a dual-perspective sample comprising 119 corporate representatives and 98 active consumers in Indonesia. Data analysis was conducted using Partial Least Squares Structural Equation Modelling (PLS-SEM) to handle the complex dual-mediation structural model. The empirical findings substantiate that SMM significantly and directly enhance sustainability performance by acting as a transparent channel for external monitoring and governance. Furthermore, the analysis reveals a compelling paradox: SMM facilitates both VCC and VCD, yet both mechanisms yield a positive, significant impact on sustainability performance. While VCC drives sustainable innovation and stakeholder commitment, VCD serves as an evolutionary catalyst, an external feedback loop that forces organizations to adopt stringent corrective actions, thereby fortifying their long-term Environmental, Social, and Governance (ESG) resilience. The study confirms the partial mediation of both VCC and VCD, providing a highly nuanced theoretical extension to Social Exchange Theory and Service-Dominant Logic within non-Western digital contexts. These findings offer strategic implications for managers to balance digital engagement and sustainability imperatives.

Keywords: Social Media Marketing; Value Co-Creation; Value Co-Destruction; Corporate Sustainability Performance; Triple Bottom Line
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SDGs: Responsible Consumption and Production (12); Industry, Innovation and Infrastructure (9); Peace, Justice and Strong Institutions (16); Partnerships for the Goals (17)

1. INTRODUCTION

In an era characterized by exponential digital advancement, the global business landscape is undergoing a structural transformation that has fundamentally altered how organizations interact, communicate, and jointly create value with their stakeholders (Thaichon et al., 2019). This transformation has been driven by the proliferation of social media platforms, which no longer function merely as channels of interpersonal communication but have evolved into strategic corporate arenas. The paradigm shift from an asymmetric, one-way communication model to an interactive and network-based, two-way model has created unprecedented opportunities (Cheung et al., 2021). Within this context, social media marketing (SMM) can no longer be viewed solely as a promotional instrument. Instead, it has developed into a complex mechanism that facilitates the collaborative exchange of resources through a process known as value co-creation (Abeza et al., 2020; Astuti et al., 2024)

The significance of this digital ecosystem becomes particularly evident in emerging markets characterized by extensive technology adoption, such as Indonesia. From a macroeconomic perspective, rapidly developing economic regions are strongly influenced by technological connectivity (Liu et al., 2018). Historical data indicate that Indonesia's digital economy grew from approximately US$8 billion in 2015 to US$40 billion in 2019, with its value projected to reach US$146 billion by 2025. This optimism is supported by a strong demographic foundation, as the number of active social media users in Indonesia reached 191 million in 2022. This extensive penetration not only represents an expansion of the potential market but also creates new challenges for business entities in managing digital interactions that may affect their operational reputation.

Alongside the digital revolution, the global strategic management paradigm has increasingly emphasized the importance of corporate sustainability performance (Jha, 2022). Sustainability has become an absolute strategic priority mandated by the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs). Modern companies are now evaluated holistically, not only according to their financial performance but also based on their tangible commitments to environmental, social, and governance (ESG) dimensions. Within this operational framework, social media plays a central role as a sustainability communication channel that facilitates institutional transparency. Empirical studies have confirmed that the authentic utilization of social media ecosystems can significantly improve corporate ESG performance by enabling real-time external monitoring mechanisms (Ye et al., 2024)

Nevertheless, the academic literature reveals a fundamental paradox (Tench & Jones, 2015). On the one hand, SMM has been shown to strengthen consumer engagement and encourage participation in innovation through value co-creation (Huyen et al., 2024; Indriyani et al., 2024). On the other hand, the hyperconnectivity of social media platforms generates latent risks. Failures to manage customer expectations, delayed responses, viral complaints, or aggressive interactions may lead to value co-destruction—a condition in which value is diminished or destroyed as a consequence of unsuccessful interactions (Luo et al., 2024; Peeroo et al., 2019). Taheri et al. (2024) identified eight major categories of factors contributing to co-creation failure, with poor customer relationship management serving as a central factor.

The fragmentation of the existing literature has created a critical gap in current understanding ((Yeboah et al., 2020). Most previous studies have tended to examine the effects of SMM in isolation, focusing either exclusively on positive value co-creation or solely on destructive risks without simultaneously integrating both processes into a unified framework (Bidar & Abedin, 2023; Yeboah et al., 2023). Furthermore, the integration of these dual value-formation processes on social media with corporate sustainability performance remains largely unexplored, particularly in the context of emerging economies such as Indonesia.

Addressing this critical theoretical gap, this study conceptualizes that digital interactions within social media marketing inherently possess a dualistic and unpredictable nature. On one hand, interactive engagements can foster positive stakeholder responses, culminating in collaborative resource integration and Value Co-Creation (VCC). However, social media is a highly transparent ecosystem where corporate responsiveness is strictly scrutinized. When a company's digital responses, service recoveries, or sustainability claims fail to align with customer expectations, the interaction trajectory abruptly shifts. Unmet expectations that manifested through delayed communication, generic responses, or perceived inauthenticity, trigger negative stakeholder psychological responses, ultimately leading to Value Co-Destruction (VCD). Therefore, this study argues that VCC and VCD are not mutually exclusive phenomena; rather, they function simultaneously as parallel, dual mechanisms that actively bridge social media marketing activities to overarching corporate sustainability performance.

Therefore, this study is designed to address this empirical gap by pursuing the following objectives: (1) to analyse the direct effect of social media marketing on sustainability performance; (2) to examine the role of SMM in stimulating value co-creation and value co-destruction; (3) to analyse the effects of these two value-formation processes on sustainability performance; and (4) to examine the dual mediating roles of value co-creation and value co-destruction. Through structural model testing, the findings of this study are expected to provide valuable insights for managers in Indonesia in balancing digital engagement with operational sustainability.

2. LITERATURE REVIEW

Sustainability Theory in the Digital Paradigm

The concept of sustainability has evolved into a central paradigm in contemporary business strategy formulation. Corporate sustainability is defined as an organization's capability to create long-term value by internalizing its economic, environmental, and social impacts (Jha, 2022). This theoretical foundation is rooted in the Triple Bottom Line (TBL) concept proposed by Elkington (1997), which encompasses three dimensions: economic, environmental, and social.

The intersection of Sustainability Theory and R. Edward Freeman's (1984) Stakeholder Theory emphasizes that companies bear responsibilities toward a broad network of stakeholders. Digital transformation has reshaped the dynamics of stakeholder communication, making it more egalitarian and unconstrained by time. Ye et al. (2024) demonstrated that the use of social media strengthens external monitoring channels, transforming these platforms into informal governance mechanisms that demand real-time accountability for corporate sustainability practices.

Service-Dominant Logic and Social Exchange Theory

The mechanism of digital value creation is grounded in Service-Dominant Logic (S-DL), introduced by Vargo & Lusch (2008). S-DL asserts that value is always created through the collaborative integration of resources between companies and consumers during the actual process of use (Polat, 2018). On social media, consumers proactively integrate their knowledge with companies' green offerings to develop environmentally friendly retail and service solutions (Aquilani et al., 2019; Lumivalo et al., 2022)

To explain the psychological drivers underlying these interactions, Social Exchange Theory (SET), developed by Homans (1958) and (Blau, 1964), proposes that social behavior is constructed through rational calculations aimed at maximizing benefits and minimizing costs. These reciprocal exchanges determine whether social interactions result in value co-creation when they are perceived as fair or in value co-destruction when consumer expectations are not fulfilled.

The Dialectics of Value: Co-Creation and Co-Destruction

Value co-creation (VCC) refers to a collaborative process through which companies and consumers jointly generate value. Its dimensions include experience, satisfaction, self-expression, and knowledge sharing (Kim & Choi, 2019; Lacoste, 2014). Personalized SMM has been shown to strengthen brand love, which serves as a powerful mediator in shaping behavioral intentions to participate in value co-creation (Rezaei et al., 2021; Wallace et al., 2021)

In contrast, value co-destruction (VCD) represents a condition in which the integration of online interactions leads to service failures that diminish value for both parties (Zhang et al., 2018). Technical failures, delayed responses from social media administrators, or inconsistencies between greenwashing claims, also referred to as value co-washing, and actual organizational practices may trigger disputes and friction across digital media platforms (Echeverri & Skålén, 2011; Sallaku et al., 2024). Although generally perceived as detrimental, several recent studies suggest that value co-destruction may evolve into a shock mechanism in the form of public criticism, enabling companies to enter a restructuring or value-recovery phase (Fang & Xiang, 2023; Ogunbodede et al., 2020)

Social Media Marketing as a Driving Force

Social media marketing refers to the systematic use of social media architecture to build relational connections in pursuit of strategic objectives. The attributes of SMM include trendiness, electronic word of mouth (eWOM), interaction, and customization (Huyen et al., 2024). However, excessive participation also creates challenges associated with social media fatigue (Lin et al., 2023). Within managerial business contexts, including both purely commercial and business-to-business settings, allowing freedom of expression may be more effective in supporting long-term value co-creation than restricting the voices of dissatisfied customers (Hao et al., 2024; McGrath et al., 2023)

Synthesis of Previous Studies and Hypothesis Development

Based on the consolidation of the relevant literature, the following table highlights a research gap concerning the simultaneous integration of SMM, collaborative value processes, and sustainability, which has not yet been comprehensively mapped, particularly in emerging economies.

Table 1. Synthesis of Previous Literature and Identified Research Gaps

Study Reference	Empirical Findings	Identified Research Gap
(Yeboah et al., 2020, 2023)	A lack of studies integrating VCC, VCD, and sustainability.	The absence of an empirical model examining the threefold relationship among SMM, value processes, and sustainability.
(Ye et al., 2024)	Social media strengthens ESG performance through external monitoring	The study overlooks the mediating function of value-creation dynamics
(Astuti et al., 2024)	SMM is essential for stimulating value co-creation and strengthening the resilience of local micro, small, and medium-sized enterprises	The study is limited to the micro level and does not examine the destructive dimension of value formation represented by VCD
(Taheri et al., 2024)	The study categorizes the root causes of VCD, identifying deficiencies in customer relationships as a central factor	The study does not extrapolate the effects of VCD to ESG issues or organizational sustainability
(Bidar & Abedin, 2023)	The paradoxes of VCC and VCD occur simultaneously in social interaction activities	The context is limited to small-scale social enterprise communities
(Li et al., 2024)	VCC mediates the relationship between digital interaction and the adoption of green lifestyles	The analysis is limited to the individual consumer level rather than the corporate governance level

Hypothesis Development

The theoretical framework of this study integrates three foundational perspectives. Service-Dominant Logic (S-DL) explains how value is formed through continuous resource integration between organizations and consumers on digital platforms. Social Exchange Theory (SET) elucidates why these digital interactions become either constructive (VCC) or destructive (VCD), driven by stakeholders' evaluations of relational costs and benefits. Ultimately, Stakeholder and Sustainability Theories frame how these collaborative or destructive value processes dictate organizational legitimacy, thereby influencing overarching corporate sustainability performance.

Social Media Marketing and Sustainability Performance

Sustainability Theory emphasizes the creation of long-term economic, environmental, and social value, while Stakeholder Theory highlights corporate responsibility toward multiple stakeholder groups (Freeman, 1984; Jha, 2022). Social media enables companies to communicate sustainability initiatives, receive stakeholder feedback, and increase transparency and accountability. It also strengthens external monitoring, which may encourage companies to improve ESG practices and protect their legitimacy (Ye et al., 2024). Therefore:

H1: Social media marketing has a positive and significant effect on corporate sustainability performance.

Social Media Marketing and Value Co-Creation

According to Service-Dominant Logic, value is jointly created through resource integration between companies and consumers (Vargo & Lusch, 2008). Social media facilitates two-way interaction, knowledge sharing, customization, and consumer participation. From the perspective of Social Exchange Theory, consumers are more willing to contribute ideas and feedback when interactions are perceived as reciprocal and beneficial. Previous studies have shown that interactive SMM strengthens engagement, brand relationships, and co-creation behavior (Huyen et al., 2024; Indriyani et al., 2024; Wallace et al., 2021). Thus:

H2: Social media marketing has a positive effect on value co-creation.

Social Media Marketing and Value Co-Destruction

Greater social media activity also increases exposure to complaints, service failures, misinformation, and unmet expectations. Social Exchange Theory suggests that interactions become destructive when consumers perceive that the costs of an exchange exceed its benefits. Excessive promotional activity may also cause social media fatigue and intensify dissatisfaction when companies fail to respond adequately (Lin et al., 2023; Peeroo et al., 2019; Taheri et al., 2024). Due to the hyperconnected nature of digital platforms, a higher intensity of social media marketing simultaneously increases organizational exposure to unmet expectations and service failures, thereby positively driving the potential for value co-destruction, therefore:

H3: Social media marketing has a positive effect on value co-destruction.

Value Co-Creation and Sustainability Performance

Value co-creation allows companies to access stakeholder knowledge, experiences, and sustainability-related expectations. Such collaboration may support green innovation, responsible product development, and stronger stakeholder commitment. Previous studies indicate that resource integration and knowledge sharing contribute to sustainable products, services, and lifestyles (Aquilani et al., 2019; Li et al., 2024; Lumivalo et al., 2022). Accordingly:

H4: Value co-creation has a positive effect on corporate sustainability performance.

Value Co-Destruction and Sustainability Performance

Value co-destruction is generally associated with conflict and service failure. However, negative interactions may reveal organizational weaknesses and create pressure for corrective action. When managed effectively, criticism and complaints can stimulate learning, accountability, resilience, and value recovery (Fang & Xiang, 2023; Ogunbodede et al., 2020). Thus, the effect of co-destruction depends on the company’s ability to transform failure into improvement. Therefore:

H5: Value co-destruction has a positive effect on corporate sustainability performance.

Mediating Role of Value Co-Creation

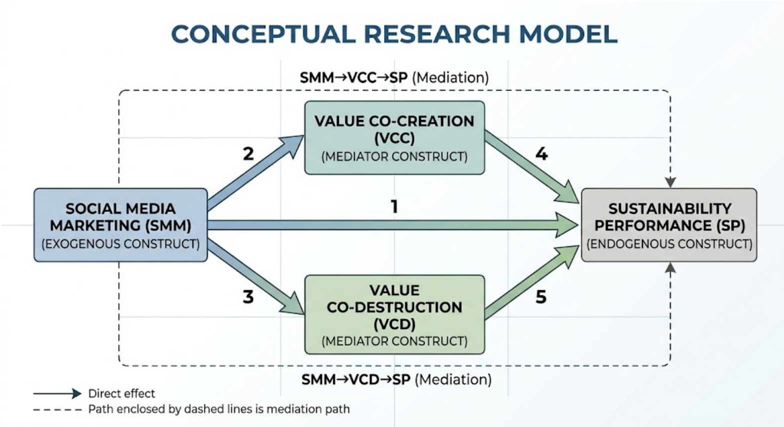
SMM may improve sustainability performance not only directly through transparency and monitoring, but also indirectly by encouraging stakeholder participation. Social media provides an interaction platform, while co-creation transforms consumer knowledge and ideas into sustainable innovation and organizational improvement (Astuti et al., 2024; Li et al., 2024). Therefore:

H6: Value co-creation mediates the effect of social media marketing on corporate sustainability performance.

Mediating Role of Value Co-Destruction

SMM may also influence sustainability performance through negative interactions. Increased digital exposure may generate complaints and service failures, which can subsequently encourage organizational learning and corrective action. Bidar & Abedin (2023) showed that co-creation and co-destruction may coexist, while Fang & Xiang (2023) suggested that destructive interactions may develop into value recovery when managed adaptively. Accordingly:

H7: Value co-destruction mediates the effect of social media marketing on corporate sustainability performance.



3.0 METHODOLOGY

This study employed a quantitative, explanatory, and cross-sectional research design within a positivist paradigm. The design was selected to examine the causal relationships among social media marketing (SMM), value co-creation (VCC), value co-destruction (VCD), and sustainability performance (SP), as well as to test the proposed theoretical model in the Indonesian context. Methodologically, this study employs a mirrored (symmetric) questionnaire design to capture perceptions from both organizational representatives and consumers. The utilization of a mirrored measurement instrument is strongly justified by the foundational premises of Service-Dominant Logic (S-DL) and Social Exchange Theory (SET). S-DL inherently posits that value is uniquely and phenomenologically determined by multiple interacting actors within an ecosystem (Vargo & Lusch, 2008). The measurement instrument consists of 33 specific items encompassing four primary constructs, adapted from Owusu Yeboah et al. (2023). Social Media Marketing (SMM) was measured using 4 items assessing the digital provision of customized features, interactive capabilities, and the authenticity and recency of corporate information. Value Co-Creation (VCC) was evaluated through 11 items categorized into reconstructed dimensions of information seeking and personal interaction, which capture mutual value generation, collaborative engagement, and loyalty. Value Co-Destruction (VCD) was assessed using 8 items conceptually mapped into four dimensions of relational friction: employee violation behavior (e.g., uncompensated use of customer time and unacknowledged ideas), bad interpersonal communication behavior, irresponsible employee behavior (e.g., excessive corporate control and mistreatment), and irresponsible customer behavior. Finally, Sustainability Performance (SP) was operationalized through 10 items spanning four holistic dimensions: financial performance (cost reduction and profitability), innovation performance, social performance (improved customer service and product suitability), and environmental performance (reduction in waste, emissions, and resource usage). Responses were recorded using a five-point Likert scale ranging from strongly disagree to strongly agree.

The research population comprised companies in Indonesia that actively used social media for marketing and had implemented sustainability initiatives, as well as consumers who followed and interacted with company accounts on social media. Respondents were selected using purposive sampling based on predetermined eligibility criteria. Company respondents were required to represent organizations that had used at least one social media platform for marketing purposes for a minimum of one year and had established sustainability programs. Consumer respondents were required to be at least 18 years old, actively use social media, follow at least one company account, and have prior experience interacting with a company through social media.

A total of 217 respondents participated in the study, consisting of 119 marketing managers, sustainability managers, or company representatives responsible for social media activities and 98 consumers who actively interacted with companies on social media. The sample size exceeded the minimum requirement for Partial Least Squares Structural Equation Modeling (PLS-SEM) based on the 10-times rule. As the largest number of structural paths directed toward an endogenous construct was three, the minimum required sample size was 30 respondents. Therefore, the final sample was considered sufficient to provide adequate statistical power.

Primary data were collected through a structured online questionnaire distributed to eligible companies by email and to consumers through social media platforms, professional networks, and business communities. The questionnaire was administered in Indonesian and included information regarding the research objectives, participation procedures, confidentiality of respondents' data, and informed consent.

Data were analysed using PLS-SEM with SmartPLS 4.0. This method was selected because the proposed model involved direct and indirect relationships with multiple mediators, emphasized prediction and theory development, did not require multivariate normality, and was appropriate for a relatively small to medium sample. The analysis consisted of measurement model and structural model assessments. The measurement model was evaluated through indicator loadings, Average Variance Extracted, the Fornell–Larcker criterion, cross-loadings, Composite Reliability, and Cronbach's alpha. The structural model was assessed using the coefficient of determination, Standardized Root Mean Square Residual, Normed Fit Index, effect size, predictive relevance, and path coefficients.

Hypothesis testing was performed using a bootstrapping procedure with 5,000 resamples and a significance level of 5% for a two-tailed test. A hypothesis was considered supported when the p-value was below 0.05. The mediating effects of value co-creation and value co-destruction were assessed based on the significance of the indirect effects and their 95% confidence intervals. Mediation was considered significant when the indirect effect had a p-value below 0.05 and its confidence interval did not include zero.

4.0 RESULTS AND DISCUSSION

Result

A total of 217 valid questionnaires were collected, comprising 119 respondents representing companies and 98 consumer respondents. All completed questionnaires met the required completeness criteria and were included in the subsequent analysis. The company respondents consisted of marketing managers, sustainability managers, and corporate representatives responsible for social media activities and sustainability programs. They represented various industries, including retail, manufacturing, financial services, technology, and micro, small, and medium-sized enterprises. Instagram and Facebook were the most commonly used platforms, while the average period of social media use for marketing purposes was 3.5 years. All participating companies reported having implemented sustainability programs or initiatives.

Table 2. Respondent Profile

Respondent Group	Sample	Key Characteristics
Company representatives	119	Various industries; average social media marketing experience of 3.5 years; all companies had sustainability initiatives
Consumers	98	78% aged 18–35 years; social media use of 3–5 hours per day; interacted with companies at least 1–2 times per week

Table 3 Most-Used Social Media Platforms

Platform	Companies	Consumers
Instagram	95%	92%
Facebook	87%	75%
TikTok	32%	58%
Twitter	38%	42%
LinkedIn	45%	—

Note: Respondents could select more than one social media platform; therefore, the percentages do not total 100%.

Most consumer respondents were between 18 and 35 years old, reflecting the demographic profile of active social media users. They used social media for approximately three to five hours per day and interacted with companies at least once or twice per week. Instagram was the most frequently used platform, followed by Facebook, TikTok, and Twitter.

The measurement model was evaluated to establish the validity and reliability of the research constructs. Convergent validity was assessed using the Average Variance Extracted (AVE). As presented in Table 3, the AVE values ranged from 0.5484 to 0.6345 and therefore exceeded the recommended threshold of 0.50. The source results also indicated that all indicator loadings were above 0.70. These findings demonstrate that the indicators adequately represented their respective constructs.

Table 4. Convergent Validity Results

Construct	AVE	Threshold	Assessment
Social Media Marketing (SMM)	0.5484	> 0.50	Acceptable

Construct	AVE	Threshold	Assessment
Sustainability Performance (SP)	0.6252	> 0.50	Acceptable
Value Co-Creation (VCC)	0.6345	> 0.50	Acceptable
Value Co-Destruction (VCD)	0.5928	> 0.50	Acceptable

Discriminant validity was assessed using the Fornell–Larcker criterion and cross-loadings. The square root of the AVE for each construct was reported to be greater than its correlations with the other constructs, indicating that SMM, VCC, VCD, and SP were empirically distinct.

Construct reliability was evaluated using Composite Reliability. As shown in Table 4, all values exceeded the recommended threshold of 0.70, ranging from 0.8285 to 0.9501. Accordingly, the measurement model demonstrated satisfactory convergent validity, discriminant validity, and internal consistency reliability.

Table 5. Composite Reliability Results

Construct	Composite Reliability	Threshold	Assessment
Social Media Marketing (SMM)	0.8285	> 0.70	Reliable
Sustainability Performance (SP)	0.9209	> 0.70	Reliable
Value Co-Creation (VCC)	0.9501	> 0.70	Reliable
Value Co-Destruction (VCD)	0.8790	> 0.70	Reliable

The explanatory power of the structural model was evaluated using the coefficient of determination. The R^2 value of 0.5258 for sustainability performance indicates that SMM, VCC, and VCD collectively explained 52.58% of its variance. Meanwhile, SMM explained 47.80% of the variance in VCC and 20.39% of the variance in VCD. Thus, the model demonstrated moderate explanatory power for sustainability performance and value co-creation, but relatively weaker explanatory power for value co-destruction.

Table 6. Coefficient of Determination

Endogenous Construct	R^2	Adjusted R^2	Interpretation
Sustainability Performance (SP)	0.5258	0.5192	Moderate to substantial
Value Co-Creation (VCC)	0.4780	0.4756	Moderate
Value Co-Destruction (VCD)	0.2039	0.2002	Weak to moderate

The model-fit evaluation produced an SRMR value of 0.0739, which was below the recommended maximum of 0.08. The NFI value was 0.7658, indicating an adequate fit between the proposed model and the observed data. These results support the suitability of the structural model for hypothesis testing.

Table 7. Model-Fit Results

Fit Index	Result	Recommended Criterion	Assessment
SRMR	0.0739	< 0.08	Good fit
NFI	0.7658	Approaching 1	Adequate fit

The hypothesis-testing results demonstrate that all seven proposed relationships were statistically significant. SMM had significant positive effects on sustainability performance, value co-creation, and value co-destruction. Both value co-creation and value co-destruction also had significant positive effects on sustainability performance. In addition, the two value processes significantly mediated the relationship between SMM and sustainability performance.

Values reported as 0.000 in the original statistical results are presented as $p < 0.001$ in accordance with conventional academic reporting.

Table 8. Hypothesis-Testing Results

Hypothesis	Structural Relationship	Path Coefficient	*p*-Value	Decision
H1	SMM → SP	0.5529	< 0.001	Supported
H2	SMM → VCC	0.6914	< 0.001	Supported
H3	SMM → VCD	0.4516	0.0002	Supported
H4	VCC → SP	0.3836	0.0008	Supported
H5	VCD → SP	0.3054	0.0005	Supported
H6	SMM → VCC → SP	0.2652	0.0048	Supported

Hypothesis	Structural Relationship	Path Coefficient	*p*-Value	Decision
H7	SMM → VCD → SP	0.1379	0.0202	Supported

The strongest relationship in the model was the effect of SMM on value co-creation, with a path coefficient of 0.6914. This result suggests that interactive, personalized, and up-to-date social media activities are particularly effective in stimulating consumer participation, knowledge exchange, and collaborative value development. The direct relationship between SMM and sustainability performance was also relatively strong, with a coefficient of 0.5529.

SMM also positively influenced value co-destruction. Although this result may appear counterintuitive, it indicates that increased social media activity simultaneously creates opportunities for productive collaboration and exposes companies to negative interactions, unmet expectations, and service failures. Consequently, the value generated through social media should be understood as a dual process rather than as an exclusively positive outcome.

Value co-creation had a positive effect on sustainability performance, confirming that collaboration between companies and consumers may support sustainable innovation, knowledge exchange, stakeholder commitment, and the legitimacy of corporate sustainability programs. Value co-destruction also had a positive association with sustainability performance. This paradoxical result suggests that negative interactions may serve as corrective feedback when organizations respond through learning, operational improvement, and stronger accountability.

The mediation results showed that both VCC and VCD partially mediated the effect of SMM on sustainability performance. The indirect effect through VCC was stronger than the indirect effect through VCD, indicating that collaborative processes constituted the more prominent mediating mechanism. Nevertheless, the significant VCD pathway demonstrates that conflict and service failure may also contribute to long-term sustainability outcomes when they stimulate organizational learning and corrective action.

The robustness of these empirical findings is fundamentally strengthened by the study's methodological design, which utilized a dual-perspective (mirrored) questionnaire capturing data from both company representatives and consumers. This symmetrical measurement approach is a recognized standard in studies grounded in Service-Dominant Logic (S-DL) and Social Exchange Theory (SET). S-DL posits that value is never delivered unilaterally but is uniquely and phenomenologically determined by all interacting actors within an ecosystem. Similarly, SET emphasizes that social interactions are reciprocal exchanges evaluated through mutual cost-benefit perceptions. By pooling the perceptions of both producers and consumers into a single structural model, this study successfully mitigates single-source bias and captures the true dyadic nature of digital interactions. Consequently, the proven dual pathways, where social media marketing simultaneously triggers both collaborative (VCC) and disruptive (VCD) mechanisms, reflect a holistic and realistic ecosystem dynamic rather than a fragmented, one-sided viewpoint.

Discussion

The positive relationship between SMM and sustainability performance supports the proposition that social media functions not only as a promotional platform but also as an organizational mechanism for sustainability communication. Through social media, companies can communicate their environmental and social initiatives more transparently, receive real-time stakeholder feedback, and strengthen accountability. This finding is consistent with Ye et al. (2024), who argued that social media enhances ESG performance by activating external monitoring mechanisms. Increased public visibility may encourage companies to maintain compliance and protect their legitimacy and reputation.

The effect of SMM on VCC was the strongest relationship identified in the structural model. Social media platforms facilitate two-way communication, knowledge sharing, electronic word of mouth, customization, and the formation of brand communities. These features enable consumers to move beyond passive content consumption and become active contributors to organizational value creation. The finding is consistent with Wallace et al. (2021), Astuti et al. (2024), and Indriyani et al. (2024), who emphasized the importance of engagement, brand relationships, and collaborative participation in facilitating value co-creation.

At the same time, the positive relationship between SMM and VCD confirms the dual nature of digital interaction. Greater corporate visibility increases not only engagement opportunities but also exposure to criticism, conflict, and service-related dissatisfaction. Intensive promotional activities may increase consumer expectations, while excessive content exposure may generate social media fatigue. When company responses are slow or inconsistent with the expectations created by promotional communication, interactions may develop into value-destructive experiences. Therefore, higher SMM intensity does not automatically ensure exclusively positive stakeholder outcomes.

The positive effect of VCC on sustainability performance indicates that stakeholder collaboration can strengthen the development of sustainable products, services, and operational practices. Consumers may provide ideas, experiences, and knowledge that help companies identify environmental and social priorities. Such participation also strengthens stakeholder commitment because sustainability initiatives developed collaboratively are more likely to be perceived as legitimate and relevant. This interpretation is consistent with Li et al. (2024), who linked co-creation with the adoption of sustainable and environmentally responsible behaviour.

A particularly important result was the positive relationship between VCD and sustainability performance. Rather than indicating that destructive interactions are inherently beneficial, the finding suggests that negative experiences may become productive when companies treat them as signals for organizational improvement. Public complaints can expose weaknesses, intensify accountability, and encourage corrective action. Companies that successfully manage these interactions may develop stronger resilience and more responsive sustainability practices. This result extends the value-recovery perspective discussed by Fang and Xiang (2023).

The mediation analysis further demonstrates that SMM affects sustainability performance through two distinct mechanisms. The VCC pathway represents a collaborative mechanism through which digital interactions generate sustainable innovation and stakeholder commitment. In contrast, the VCD pathway represents a corrective mechanism through which negative interactions generate organizational learning and continuous improvement. Although the indirect effect through VCC was greater, both pathways were statistically significant, confirming that sustainability outcomes emerge from the management of both constructive and destructive stakeholder interactions.

This study contributes to the literature by integrating SMM, VCC, VCD, and sustainability performance within a single structural model. Previous studies have generally examined these constructs separately, particularly by emphasizing either positive co-creation or negative co-destruction. By testing both processes simultaneously, this study provides a more comprehensive explanation of the duality of value formation in digital environments.

The positive relationship between VCD and sustainability performance also extends the existing literature by demonstrating that value-destructive interactions may contribute to long-term organizational improvement when they are effectively managed. Furthermore, the study provides empirical evidence from Indonesia, an emerging economy characterized by extensive social media adoption and distinctive sustainability challenges. Finally, the integration of company and consumer perspectives provides a more holistic representation of digital value formation and corporate sustainability.

5.0 CONCLUSION

This study demonstrates that social media marketing significantly improves corporate sustainability performance, both directly and indirectly through value co-creation and value co-destruction. SMM had a stronger effect on value co-creation than on value co-destruction. Both mechanisms positively contributed to sustainability performance and partially mediated the relationship between SMM and sustainability performance. These findings confirm that digital interactions may generate both collaborative and destructive outcomes, while negative interactions can support organizational learning when managed effectively.

Theoretically, this study integrates Social Exchange Theory, Service-Dominant Logic, and corporate sustainability within a unified digital marketing framework. The findings demonstrate that social media interactions generate both constructive and destructive value outcomes. In particular, the positive association between value co-destruction and sustainability performance extends the existing literature by suggesting that negative exchanges do not necessarily produce exclusively negative consequences. When properly managed, criticism, conflict, and service failures may become sources of organizational learning, accountability, and value recovery.

From a managerial perspective, companies should integrate their social media marketing and sustainability strategies rather than managing them as separate functions. Marketing and sustainability teams should jointly develop authentic content, involve stakeholders in sustainable product and service development, and establish responsive mechanisms for handling feedback and complaints. Companies should not merely suppress value co-destruction but should transform negative interactions into corrective actions through transparent communication, acknowledgment of service failures, and continuous improvement. Investments in employee capabilities, digital infrastructure, and integrated sustainability-monitoring systems are therefore essential.

The findings also have policy implications. Regulators may encourage transparent sustainability communication by establishing clearer standards to prevent greenwashing and misleading environmental claims on social media. Public policies and incentives may also support the use of digital platforms for stakeholder collaboration and the achievement of the Sustainable Development Goals, particularly responsible consumption and production and cross-sector partnerships. Social media platforms can further contribute by developing features and moderation mechanisms that facilitate constructive participation while limiting harmful interactions.

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This study is limited by its cross-sectional design, self-reported data, relatively limited sample, and focus on the Indonesian context. Future studies should employ longitudinal or mixed-method designs, use objective ESG indicators, examine additional moderating variables, and replicate the model across industries and countries. Further research is also needed to identify the conditions under which value co-destruction produces positive or negative sustainability outcomes.

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