The Effect of Economic Value, Social Value, And Environmental Value on Customer Loyalty: The Mediating Role of Brand Image in Indonesian Heavy Equipment Distributor Company

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Abstract. Each year, the demand for sustainability across various aspects of operations and products continues to escalate. Stakeholders increasingly seek transparency regarding businesses' sustainability efforts. Customers prioritize brands that align with their values, emphasizing shared values in their purchasing decisions. Similarly, partners and suppliers seek tangible actions toward Environmental, Social, and Governance (ESG) initiatives. Recognizing the substantial impact of customers' and partners' assessments on a company's sustainability, investors also emphasize transparency in this regard. Apart from the evident advantages of pursuing genuine sustainability efforts, prioritizing ESG through Creating Shared Value (CSV) can serve as a competitive advantage. This research explores the impact of economic, social, and environmental value on customer loyalty, with brand image mediating the relationship, specifically focusing on a heavy equipment distributor company. Employing a quantitative approach, the study surveyed 340 respondents and analyzed the data using SPSS and Smart-PLS SEM (Structural Equation Modeling). The findings reveal that four variables significantly and positively influence customer loyalty, while three variables show no significant impact. Additionally, the indirect analysis underscores the significant and positive influence of economic, social, and environmental values on customer loyalty.

Keywords: *Economic Value, Social Value, Environment Value, Brand Image,Customer Loyalty*

1 INTRODUCTION

Stakeholders seek transparency regarding companies' sustainability efforts [1], [2]. Consumers prefer brands aligned with their values, while suppliers and partners look for observable responses to environmental, social, and governance (ESG) initiatives[3], [4], [5]. Investors also demand transparency, recognizing its significance in assessing a company's sustainability practices [6].

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Recent trends highlight the competitive advantage of emphasizing ESG through Creating Shared Value (CSV) [7]. In Indonesia, Presidential Order Number 59 of 2017 underscores the importance of sustainability in achieving economic goals. ESG parameters, integrated into capital investment processes, have garnered public attention and offer long-term benefits beyond financial gains [8]. ESG standard policies, such as OJK Control Number 51/POJK.03/2017, mandate sustainability reporting to ensure a balance between environmental, social, and economic aspects. While most businesses integratesustainability into their operations, the concept of shared value emphasizes resource optimization for societal and environmental benefits, enhancing competitive advantage [9]. The Indonesian government's commitment to ESG reflects global sustainability goals, supporting economic stability while prioritizing environmental and social aspects [10]. However, businesses face challenges in balancing competitiveness and sustainable growth [11]. Implementing ESG effectively can enhance brand image, customer loyalty, and competitive advantage, promoting sustainable business growth [12].The United Tractors Group, subject to ESG regulations, aims to leverage ESG for sustainable growth and customer loyalty. Future research should focus on understanding CSV and its organizational behavior implications to foster better CSV improvements. This study modifies existing models to test the mediating role of brand image in ESG implementation, using the United Tractors Group as a representative case in a developing country context. Therefore, researchers use the characteristics of the United Trac- tors Group which manages and creates shared value in the fields of heavy mining equipment, mining, construction, and energy operating in Indonesia, which represents developing countries during aggressive ESG implementation by their governments.

2 LITERATURE REVIEW

2.1 Grand Theory

Consumer decision behavior exhibits non-random patterns, leading to an uneven distribution of market share among interchangeable products and services, prompting inquiries into the development of purchase preferences [13]. The traditional definition of loyalty, primarily centered around repeat purchases, overlooked phenomena like multi-brand loyalty, prompting a shift towards a behavioral understanding of purchasing habits and eventually a psychological perspective on loyalty [14]. Early proponents of this approach, such as Jacoby and associates, introduced a purposeful evaluation method defining loyalty as a consumer's biased recurrent purchases of a specific brand over time, emphasizing the importance of belief, emotion, and intention structures in understanding true loyalty [15]. Despite foundational works, the concept of loyalty remains elusive, with various scholars highlighting different conceptualizations, including loyalty influenced by individual characteristics and circumstances, loyalty as an attitude evolving into a brand relationship, and loyalty primarily expressed through past purchase patterns [16].

2.2 Research Variables

Dependent Variable

The dependent variable in this research is **Customer Loyalty**. According to, loyalty, as defined in this research, encompasses both behavioral and attitudinal components [17] . The model proposes four stages of loyalty development, emphasizing the gradual nature of loyalty formation [18]. These stages include cognitive allegiance, affective allegiance, conciliatory allegiance, and demonstration of loyalty through action [19].

Cognitive allegiance represents the initial stage, where factors such as pricing and quality influence customer loyalty primarily based on product attributes rather than brand loyalty itself [20]. Affective allegiance involves a positive emotional attachment to a brand or product, influenced by satisfaction derived from meeting expectations. Although various studies have examined specific linkages between different loyalty phases, empirical research validating Oliver's four-stage model remains limited. By testing this model in a retail context, our study aims to fill this gap by exploring relationships between cognitive-affective, affective-conative, and conative-action loyalty stages, as well as investigating potential moderating factors influencing these connections.

Independent Variable

Economic Value

Economic value refers to measurable monetary gains and losses [21]. The importance of attributing value is based on a cost-benefit evaluation with a greater focus on the factors that influence the consequences of the relationship rather than simply the transactions that occur between the company and the customer. Although many authors assert that customer economic value involves a balance between benefits and costs, some authors present different dimensions of economic value because they believe that it goes beyond the evaluation of costs and benefits.

While [22] identified a notable connection between social value and customer satisfaction, a component of relationship quality, they noted that the strength of this correlation is limited. In a separate study, [23] delved into the evaluation of customer valuewithin luxury brands in South Korea. They determined that the elevated symbolic, social, and economic values associated with luxury brands played a significant role in fostering a positive relationship quality between consumers and suppliers.

Social Value

Social value refers to the perceived utility derived from customers' identification with reference groups [24]. It is closely associated with affective value and plays a crucial role in managing customer relationship value within service contexts [25]. [26] argue that social value constitutes a behavioral dimension encompassing social bonding, trust, and cultural factors. Conceptualize social value based on non-monetary considerationssuch as spiritual, aesthetic, and subsistence factors. Contrary to expectations, a study inSpain's retail banking sector found no significant correlation between social value andcustomer satisfaction [27]

Environment ValueBrand Image

Brand image encompasses consumers' perceptions and associations with a brand, reflecting their feelings and thoughts about it [30]. It is a summary of the interaction between the brand and consumers' minds, comprising brand identification, associations, benefits, and attributes [31]. Consumers' perspectives, emotions, and attitudes toward a brand's image significantly influence their brand and product decisions. In summary, a robust brand image contributes significantly to brand equity, indicating its importance in organizational success.

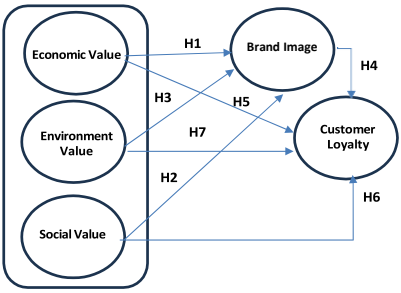

Fig. 1. Research Model

3 RESEARCH METHOD

3.1 Research Design

Research design can be categorized into two main parts: exploratory research design and conclusive study design [32]. Exploratory research design is utilized to gain insights and understand the challenges faced by researchers, while conclusive study design aims at decision-making by analyzing and selecting the best choice to address research challenges. Conclusive research design is further divided into two categories: descriptive research and causal research. Descriptive research seeks to describe phenomena based on market characteristics and employs quantitative secondary data, surveys,observations, and other data. It is subdivided into cross-sectional design, which gathersdata from a single point in time, and longitudinal design, which measures a populationsample repeatedly or continuously to track changes over time. On the other hand, causalresearch investigates cause-and-effect relationships using a quantitative approach.

In the context of testing the effect of economic value, social value, and environmental value on customer loyalty, with brand image as a potential mediator in Indonesian heavy equipment distribution, a quantitative research approach is employed. Survey instruments are utilized to gather responses from heavy equipment customers to assess their attitudes, opinions, and responses related to the study's topic. This study adopts a single cross-sectional design, where data is collected from a single set of respondents during a specific research period. Additionally, non-comparative scaling procedures, such as Likert scale ratings, are utilized for data collection.

3.2 Data Collection

The target population refers to a group of items sharing similar characteristics, with elements containing the desired information sought by the researcher. Determining the target population involves considering elements, sample units, area, and time frame [33]. In this research, the target group comprises workers and personnel at various levels within the Heavy Equipment Industry. The sample, a subset of the population, will consist of Heavy Equipment Customers from all sectors, who will receive a questionnaire. Based on calculations, the sample size for this study is adjusted to include 250-350 workers. The number of respondents is determined based on the number of questions, with a suggested formula of n x 10. Given the study's 50 questions, the minimumsample size required is 250 respondents, as suggested by [34]. Consequently, the minimum sample size for this research is determined to be 30 respondents.

In data collection, researchers typically gather two types of data: primary and secondary. Primary data is obtained directly by researchers or organizations involved in the research subject, while secondary data refers to information already available or obtained for a specific purpose. For this study, data sources include platforms like Science Direct, Emerald Insight, Springer, and company websites. The primary data collection method involves distributing questionnaires to the target demographic and sample unit, with a pretest conducted to ensure the validity and reliability of the questionnaire. Using Google Docs, 30 online questionnaires were disseminated to Heavy Equipment Customers across Indonesia. Additionally, secondary data from scientific literature such as journals, books, articles, and websites were utilized to construct and support study models. The questionnaire utilized a Likert scale, with a scale of 1-5 indicating the respondents' opinion, while documentation involved collecting data related to the research object and variables.

In this research, endogenous variables include customer loyalty, while exogenous variables include Economic Value, Social Value, Environmental Value, and Brand Image. As control variables such as gender, age, education level, and type of work, were used as demographic responses in this study.

Table 1. Research Variables

Variables		Dimensions	Operationalization Variable / Indicators	
Variables Name	**Coding**	**Dimension Name**	**Coding**	
Creating Shared Value	X1	Economic Value	ECV	ECV1
		Economic Value	ECV	ECV2
		Economic Value	ECV	ECV3
		Economic Value	ECV	ECV4
		Economic Value	ECV	ECV5
		Economic Value	ECV	ECV6
		Economic Value	ECV	ECV7
		Economic Value	ECV	ECV8
		Environment Value	ENV	ENV1
		Environment Value	ENV	ENV2
		Environment Value	ENV	ENV3
		Environment Value	ENV	ENV4
		Environment Value	ENV	ENV5

Variables		Dimensions	Operationalization Variable / Indicators	
Variables Name	**Coding**	**Dimension Name**	**Coding**	
		Environment Value	ENV	ENV6
		Environment Value	ENV	ENV7
		Environment Value	ENV	ENV8
		Environment Value	ENV	ENV9
		Environment Value	ENV	ENV10
		Environment Value	ENV	ENV11
		Social Value Creation	SCV	SCV1
		Social Value Creation	SCV	SCV2
		Social Value Creation	SCV	SCV3
		Social Value Creation	SCV	SCV4
		Social Value Creation	SCV	SCV5
		Social Value Creation	SCV	SCV6
		Social Value Creation	SCV	SCV7
		Social Value Creation	SCV	SCV8
		Social Value Creation	SCV	SCV9
Brand Image	X2	Functional image	BIM	BIM1
		Functional image	BIM	BIM2
		Affective image	BIM	BIM5
		Affective image	BIM	BIM6
		Reputation	BIM	BIM7
		Reputation	BIM	BIM8
		Reputation	BIM	BIM8
		Reputation	BIM	BIM10
		Reputation	BIM	BIM11
		Reputation	BIM	BIM12
		Reputation	BIM	BIM13
		Reputation	BIM	BIM14
Customer loyalty	Y	Cognitive loyalty	CLV	CLV1
		Cognitive loyalty	CLV	CLV2
		Affective loyalty	CLV	CLV7
		Affective loyalty	CLV	CLV8
		Conative loyalty	CLV	CLV9
		Conative loyalty	CLV	CLV10
		Action loyalty	CLV	CLV11
		Action loyalty	CLV	CLV12
		Action loyalty	CLV	CLV13

The data processing process includes data preparation, filtering, and data cleaning. The survey used existing measures from previous research, with a Google Forms application to collect responses. Survey questions were taken from English research and translated into Indonesian.

A pretest with 30 samples is recommended, and unreliable questions will be adjusted. Data were filtered to identify missing data, with handling of missing data carried out during questionnaire construction. Validity testing was carried out to ensure the suitability of the data with the research object, using factor analysis. Validity was measured by KMO, Bartlett's test, and Anti-Image matrix. The results show good validity with all reliable indicators. The reliability test uses Cronbach's Alpha, with the results showing a reliable measuring instrument. This process is important in ensuring quality data for further analysis.

4 RESULTS AND DISCUSSION

4.1 Demography Respondents

Based on the collected data, for gender, the distributions of the respondents were 97% Male or equal to 329 respondents, and 3% Female or equal to 11 respondents. While the respondents demographic by age the distributions were 8% aged 25-30 years old, 40% age between 31-40 years old, 35% age between 41-50 years old, and 17% age between 51-up years old. Based on education level the respondent was dominated with respondents with education level High School 19%, Diploma 10%, Bachelor 63%, followed by Master's Degree 7%, then Doctoral Degree 1%. Based on the level of the company Operator/Mechanic 27%, Staff 4%, Dept Head/Manager 1%, Division Head/General Manager 47%, Director 11%, and Owner 10%. Based on the position of the company Maintenance 8%, Logistic 73%, Production 1%, Finance 2%, Engineering 4%, Staff 11%, Owner 1%, and Experience 0-5 Years 6%, 6-10 Years 4%, 11-15 Years 14%, 16-20 Years 28%, 21-25 Years 18% and 26 Years – Up 30%. Based on education Sectoral, Construction 15%, Mining 35%, Forestry 1%, Agro 6%, Marine 1%, Trading 19% Government 3% and Contractors 20%.

4.2 Normality, Collinearity and Homogeneity

The normality test using the Kolmogorov-Smirnov method in Table 2 is significant at 0.02 and 0.024 < 0.05 which indicates the data show was not normal (the variable test was ECV, SCV, ENV, BIM to CLV) and the right side (the variable test was ECV, SCV, ENV, BIM, to CLV), implying that the regression approach used in this study satisfies the normality assumption. It is also said that the researcher's data was regularly distributed or grouped.

Table 2 Normality Test

Model		Unstandardized Residual
Carlo Sig. (2-tailed)[d]	Sig.	<,001

According to Table 3, the analysis indicates that the Variance Inflation Factor (VIF) for each independent variable is below 10, and the tolerance value exceeds 0.10. This suggests that there are no indications of multicollinearity within the regression model.

Table 3 Collinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
TECV	.432	2.317
TENV	.279	3.584
TSCV	.240	4.164
TBIM	.329	3.035

If the significance level surpasses 0.05, it suggests sample homogeneity (Tabachnick and Fidell, 2007). TECV, TENV, TSCV, TBIM, and TCLV, along with the control variable, yielded values lower than 0.05, as displayed in Table 4. This indicates disparities in responses to different factors. However, after conducting the post-hoc test using Bonferroni, no discrepancies among the three interconnected outcomes were identified.Consequently, there were no differences observed in responses across the control variables as a whole.

Table 4 Homogeneity Test

Factor Variables	TECVTENV	TSCV	TBIM	TCLV
GENDER	0.1510.235	0.161	0.50	0.14
AGE	0.7040.703	0.195	0.073	0.005
EDUCATION	0.0210.922	0.883	0.216	0.164
POSITION	0.1820.936	0.170	0.901	0.523
DEPARTMENT	0.7990.875	0.750	0.297	0.487
EXPERIENCE	0.6620.081	0.431	0.110	0.154
BUSINESS_SECTOR	0.1210.560	0.221	0.143	0.223

In order to meet the criteria for recognized reliability, the alpha coefficient should exceed 0.70, demonstrating a high level of internal consistency (Cortina, 1993). As indicated in Table 5, all alpha coefficients in the study surpassed 0.70, suggesting sufficientreliability.

Table 5 Reliability Test

Model	Reliability Test	
	Cronbach's Alpa	Reliable/Not Reliable
TECV	.777	Reliable
TENV	.775	Reliable
TSCV	.785	Reliable
TBIM	.767	Reliable
TCLV	.778	Reliable

4.3 Model Fit

In evaluating measurement models and structural models, several criteria are necessary to ensure model fit.

Table 6 Model Fit

No	Measurement		Threshold value	Source
1	Model Fit	Construct values	≥ 1.96	Hair et al.
Measurement		Validity ConstructReliability Convergent	SFL ≥ 0.3	

	CR	(2011)				
	≥ 0.7					
		Validity	AVE	≥ 0.5		
Fit indices				See Overall Model Fitt-values		
2	Structural Model Fit / Overall Model Fit		Structural Coefficient	≥ 1.725		
				n/a		
			CFI	good fit	≥ 0.9	Hu & Bentler
			NFI	good fit	≥ 0.9	(1999)
			NNFI	good fit	≥ 0.9	and Weston
			IFI	good fit	≥ 0.9	& Gore (2006)

Based on Table 6, First, for construct validity, the t value should exceed 1.96, as recommended by Hair et al. (2011). Furthermore, for construct reliability, the construct reliability coefficient (CR) must be greater than 0.7. Convergent validity is also measured by the Average Variance Extracted (AVE) value which must exceed 0.5. In addition, for the measurement model, the overall model suitability was evaluated using theStandardized Root Mean Square Residual (SRMR) value, where a value above 0.3 indicates a good fit. On the other hand, in evaluating the suitability of a structural or overall model, the t value should exceed 1.725.

Model fit indices such as Comparative Fit Index (CFI), Normed Fit Index (NFI), Non-Normed Fit Index (NNFI), and Incremental Fit Index (IFI) must also exceed 0.9 to indicate good fit (Hu & Bentler, 1999; Weston & Gore, 2006). By fulfilling these criteria, it can be ensured that the model built is appropriate to the data used and can be relied on for further analysis.

4.4 Structural Equation Model

The researcher employs a one-tailed test with a significance level of 5%. Hypotheses are deemed accepted if the *t* value exceeds 1.725. The analysis is conducted using the bootstrapping technique with 5000 subsamples. In the Partial Least Squares (PLS) method, the statistical testing of each hypothesized relationship is performed through simulation. To mitigate data abnormalities, the Bootstrap method is applied to the sample. The utilization of the Bootstrap method aims to minimize anomalies in the research data. Below is a summary of the findings regarding the hypotheses. The *t* statistic value has to be greater than 1.725 and *p* value has to be greater than 0.05.

Fig 2. SEM Diagram

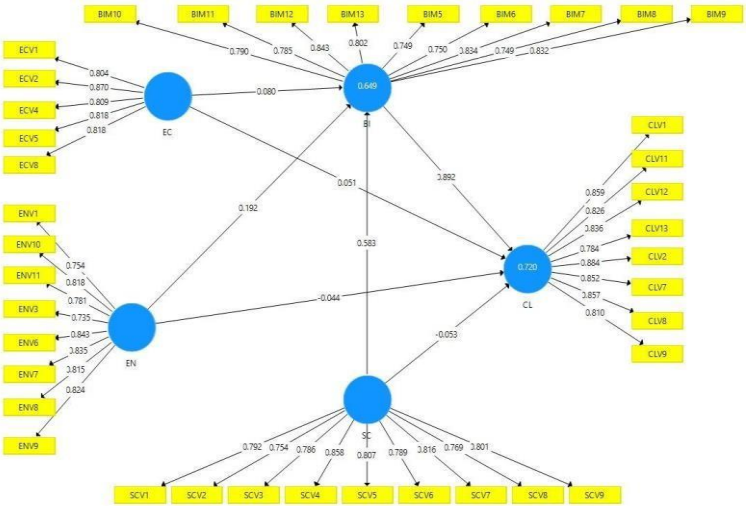

Table 7 Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	*p* values	Decision
BI -> CL	0,892	0,892	0,053	16,686	0,000	Accepted
EC -> BI	0,080	0,080	0,043	1,851	0,065	Accepted
EC -> CL	0,051	0,053	0,039	1,333	0,183	Rejected
EN -> BI	0,192	0,192	0,063	3,065	0,002	Accepted
EN -> CL	-0,044	-0,045	0,071	0,618	0,537	Rejected
SC -> BI	0,583	0,583	0,059	9,873	0,000	Accepted
SC -> CL	-0,053	-0,052	0,060	0,873	0,383	Rejected

Hypothesis analysis was carried out using a one-way test with a significance level of 5%. The hypothesis will be accepted if the *t* statistic value is above 1.725. The test was carried out using the bootstrap technique with 5000 subsamples (Hair et al., 2014).

The PLS method is used to test statistics for each hypothesized relationship using simulation. In this case, the Bootstrap method is used on the sample. The aim of using the bootstrap method is to minimize irregularities in the research data. The following is a summary of the hypothesis results: Hypothesis 1 has a *t* statistic value of 1.851 which is higher than 1.725 and a *p* value of 0.065 which is greater than 0.05, so it can be concluded that H1 is supported which means there is a positive and significant influence of Economic Value on Brand Image. Hypothesis 2 has a *t* statistic value of 9.873 whichis higher than 1.725 and a *p* value of 0.000 which is lower than 0.05, therefore it can be concluded that H2 is supported which means there is a positive and significant influence of Social Value on Brand Image. Hypothesis 3 has a *t* statistic value of 3.065 which is higher than 1.725 and a *p* value of 0.002 which is lower than 0.05, so it can be concluded

that H3 is supported which means there is a positive and significant influence of Environmental Value on Brand Image. Hypothesis 4 has a *t* statistic value of 16.686 whichis higher than 1.725 and a *p* value of 0.000 which is lower than 0.05, so it can be concluded that H4 is supported which means there is a positive and significant influence of Brand Image on Customer Loyalty. However, no differences were found between the three related outcomes after post-hoc tests using Bonferroni. Thus, there is no variation in the overall response across the control variables. Hypothesis 5 has a *t* statisticvalue of 1.333 which is lower than 1.725 and a *p* value of 0.183 which is greater than 0.05, so it can be concluded that H5 is not supported, which means there is a negative and insignificant influence of Economic Value on Customer Loyalty. Hypothesis 6 hasa *t* statistic value of 0.873 which is lower than 1.725 and a *p* value of 0.383 which is greater than 0.05, so it can be concluded that H6 is not supported, which means there is a negative and insignificant influence of Social Value on Customer Loyalty. Hypothesis 7 has a *t* statistic value of 0.618 which is lower than 1.725 and a *p* value of 0.537 which is greater than 0.05, so it can be concluded that H7 is not supported, which means there is a negative and insignificant influence of Environmental Value on Customer Loyalty.

Table 8 Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	*p* values	Decision
EC -> CL	0,071	0,071	0,038	1,854	0,065	Accepted
EN -> CL	0,172	0,171	0,056	3,074	0,002	Accepted
SC -> CL	0,520	0,520	0,065	7,998	0,000	Accepted

Analysis for indirect effects on Table 8, Hypothesis 5 has a *t* statistic value of 1.854 which is greater than 1.725 and a *p* value of 0.065 which is lower than 0.05, therefore it can be concluded that H5 is supported which means there is a positive and significant effect from Economic Value to Customer Loyalty. Hypothesis 6 has a *t* statistic value of 7.998 which is greater than 1.725 and a *p* value of 0.000 which is lower than 0.05, so it can be concluded that H6 is supported which means there is a positive and significant influence of Social Value on Customer Loyalty.

Hypothesis 7 has a *t* statistic value of 3.074 which is lower than 1.725 and a *p* value of 0.002 which is greater than 0.05, so it can be concluded that H7 is supported which means there is a positive and significant influence of Environmental Value on Customer Loyalty. Thus, these results indicate that there is a positive and significant indirect effect of Economic Value, Social Value, and Environmental Value on Customer Loyalty through Brand Image.

4.5 Discussion

Analysis of the influence of Economic Value, Social Value, and Environmental Value on Brand Image and Customer Loyalty shows interesting results. First, the first hypothesis linking Economic Value with Brand Image is supported by findings with a *t* statistics value of 1.851 and a *p* value of 0.065. These results confirm the existence of a

positive relationship between the two constructs. These findings are in line with research by [7], [10], who found that a baseball team's image was positively influenced by sportsfans' perceptions of the economic significance of the CSV program.

Second, this research also shows that Social Value has a positive and significant influence on Brand Image, with a *t* statistic value of 9.873 and a *p* value of 0.000. These findings indicate that a brand's image tends to be satisfactory when overall social welfare is satisfied. These results are in line with the view that Social Value is an important element of CSV programs implemented by businesses. Third, the third hypothesis linking Environmental Value with Brand Image is also supported by this research, with a *t* statistic value of 3.065 and a *p* value of 0.002. These findings are in line with previous studies by [35], [36], [37], which showed that a company's environmental values in a CSV framework positively influence its brand image. Apart from that, findings regarding the influence of Brand Image on Customer Loyalty show significant results. The analysis results show that Brand Image has a significant positive impact on Customer Loyalty, with a *t* statistic value of 16,686 and a *p* value of less than 0.05. This shows that a strong brand image can help increase customer loyalty to the brand, which in turncan help heavy equipment companies maintain their market share. However, the final hypothesis linking Creating Shared Value (CSV) with Customer Loyalty is not supported by the results of this study. Low *t* statistic values and high p-values indicate that the relationship between CSV and Customer Loyalty is not significant. However, this research shows that the role of Brand Image has a significant influence as a link between Creating Shared Value and Customer Loyalty in the context of heavy equipment companies.

This research contributes to current knowledge regarding phenomena occurring in the Heavy Equipment Industry by answering research problems and clarifying the relationship between Economic Value, Social Value, Environmental Value, and Customer Loyalty, as well as the mediating role of Brand Image. The findings from this research can clarify phenomena and gaps and provide practical contributions from a business perspective. Theoretically, the results of this research have implications for existing understanding. Not only does this study corroborate the correlations among the constructs considered in this study, but previous research has not conducted integrated research among the constructs considered, to the best of the researcher's knowledge.

Based on the findings of this research, the researchers concluded that Economic Value influences Customer Loyalty, as do Social Values and Environmental Values. Practically, this research also makes a significant contribution from a business perspective. The researcher hopes that the results of this research can provide insight for Heavy Equipment Managers or decision-makers in the Heavy Equipment Industry in Indonesia to understand the relationship between the constructs measured in this research duringthe digital transformation period. This research suggests that creating shared value (especially economic value and social value) by heavy equipment distributors is quite important to improve brand image and the goal is customer loyalty, so it is necessary to continue to increase economic, environmental and social contributions to meet sustainability.

5 CONCLUSION AND RECOMMENDATION

5.1 Conclusion

There is an increasing demand for sustainability in both operations and products annually. Stakeholders desire a clear understanding of companies' efforts to enhance sustainability. Consumers tend to favor brands that align with their values when making purchasing decisions. Environmental, social, and governance (ESG) initiatives are sought after by United Tractors' partners and suppliers. Investors also require transparency in these efforts as they understand the significance of partners' and customers' assessments of a company's sustainability practices. Recent findings suggest that emphasizing ESG through Creating Shared Value (CSV) could serve as a competitive advantage for firms, beyond the obvious benefits of achieving sustainability. This study, utilizing a quantitative methodology with 340 respondents, found that Economic Value, Social Value, and Environmental Value significantly contribute to Brand Image, whichin turn influences Customer Loyalty. Future research should validate these findings and explore similar relationships in other industries, especially those with heavy equipmentdistributor companies.

5.2 Recommendation for Future Research

Future research should aim to further validate significant and non-significant hypotheses and explore potential reasons for discrepancies with existing evidence. Particularlyintriguing is investigating the impact of economic value, social value, and environmental value on customer loyalty, mediated by brand image, in heavy equipment distributor companies. Exploring moderating variables to aid firms in devising successful strategies in competitive business environments is also advisable. Moreover, future studies could incorporate additional variables such as brand awareness, customer retention, promotion, and consumer engagement. Research should extend to various industries like banking, transportation, automotive, FMCG, pharmaceuticals, and electronics, particularly those with B2B business models. Given Indonesia's economic uncertainties and rapid technological advancements, future research holds promise.

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