

COMPETITIVE ADVANTAGE THROUGH MARKET ORIENTATION, CREATIVITY AND PRODUCT INNOVATION

KEUNGGULAN KOMPETITIF MELALUI ORIENTASI PASAR, KREATIVITAS DAN INOVASI PRODUK

Rahmat Budi Hidayat¹, Endang Silaningsih², Yulianingsih³

^{1,2,3} Faculty of Economics & Business, University of Djuanda

Correspondence author: rahmatbudihidayat73@gmail.com

ABSTRACT

This research focuses on the use of market orientation, creativity, and product innovation as key strategies. This research uses quantitative methods and collects primary data through questionnaires and direct interviews with MSME owners. The sample size consisted of 100 respondents selected using proportional stratified random sampling technique with purposive sampling method. The data were analysed using descriptive verification analysis, validity and reliability tests, multiple linear tests and classical assumption tests. The results showed that creativity, innovation, and market orientation have a positive and significant effect on competitive advantage, both individually and jointly.

Keywords: Competitive Advantage; Creativity; Market Orientation; Product Innovation

ABSTRACT

Penelitian ini berfokus pada penggunaan orientasi pasar, kreativitas, dan inovasi produk sebagai strategi utama. Penelitian ini menggunakan metode kuantitatif dan mengumpulkan data primer melalui kuesioner dan wawancara langsung dengan pemilik UMKM. Jumlah sampel terdiri dari 100 responden yang dipilih menggunakan teknik proportional stratified random sampling dengan metode purposive sampling. Data dianalisis dengan menggunakan analisis deskriptif verifikatif, uji validitas dan reliabilitas, uji linier berganda dan uji asumsi klasik. Hasil penelitian menunjukkan bahwa kreativitas, inovasi, dan orientasi pasar berpengaruh positif dan signifikan terhadap keunggulan bersaing, baik secara individu maupun secara bersama-sama.

Kata kunci: Keunggulan Bersaing; Kreativitas; Orientasi Pasar; Inovasi Produk

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a very strategic role in the Indonesian economy, as business units managed by individuals, community groups, or families. The MSME sector not only contributes significantly to the Gross Domestic Product (GDP), but also has an important role in labor absorption. Based on

data from the Ministry of Cooperatives and MSMEs (2022), this sector absorbs around 96% of the total workforce spread across nine economic sectors in Indonesia. Therefore, effective and efficient MSME management is needed to increase the competitiveness of this sector.

Despite having great potential, many MSME actors still face various challenges, especially in product development and

business management. For this reason, OK OCE Indonesia is present as a social movement that aims to support MSME actors in Indonesia, especially in DKI Jakarta. Through a people's economy-based entrepreneurial approach, OK OCE Indonesia focuses on job creation and product quality improvement, so that it can strengthen the competitiveness of MSMEs in facing increasingly competitive market challenges. In accordance with the opinion of Arianti et, al (2016) competitive advantage is the ability of a company to obtain through its characteristics and resources to have higher performance than other companies in the same industry or market. To achieve this, companies need a strong organizational culture in implementing marketing concepts such as market orientation (Oktavianus et al., 2019), product creativity (Tulung & Angmalisang, 2022), and product innovation (Nurmalis & Haloho, 2020). These factors have been recognized by experts as important elements in increasing competitive advantage. According to Arianti et, al (2016), the indicators of competitive advantage are differentiation advantages, cost advantages, and market entry advantages. One of the factors that affect competitive advantage is market orientation. According to Tjiptono & Chandra (2017), market orientation refers to a measure of behavior and activity that reflects the implementation of marketing concepts. This orientation is very important because it is directly related to the company's ability to understand and meet consumer needs in a sustainable manner. The market orientation indicators, according to Tjiptono & Chandra (2017), consist of customer orientation, competitor orientation, and coordination between functions. In addition to market orientation, there are other factors that are able to increase competitive advantage, namely the product creativity factor according to Suryana (2014) creativity is defined as the ability to produce new ideas or concepts that can be applied in the development of

interesting and innovative products. In addition to market orientation and product creativity, product innovation is also an important factor that must exist in a company that will affect competitive advantage, because it can be used as a determinant of product success or failure in the market. According to Kotler & Keller (2016), product innovation is the process of creating new products or improving existing products to meet the changing needs and desires of consumers. The indicators of product innovation according to Kotler & Keller (2016) are creating new products, improving existing products, following the market, adding to existing products. This research specifically focuses on micro, small and medium enterprises in processed food in DKI Jakarta. DKI Jakarta is one of the regions that has good potential in the development of the MSME sector, at this time the role of MSMEs in the formation of the welfare of the people of DKI Jakarta is very large.

MATERIALS AND METHODS

Competitive Advantage

Arianti et, al (2016) Competitive advantage is the ability of a company to obtain through its characteristics and resources to have higher performance than other companies in the same industry or market. To achieve this, companies need a strong organizational culture in implementing marketing concepts such as market orientation (Oktavianus et al., 2019), product creativity (Tulung & Angmalisang, 2022), and product innovation (Nurmalis & Haloho, 2020). These factors have been recognized by experts as important elements in increasing competitive advantage. According to Arianti et, al (2016), the indicators of competitive advantage are differentiation advantages, cost advantages, and market entry advantages. One of the factors that affects competitive advantage is market orientation

Market Orientation

According to Tjiptono & Chandra (2017), market orientation refers to a measure of behavior and activity that reflects the implementation of marketing concepts. This orientation is very important because it is directly related to the company's ability to understand and meet consumer needs in a sustainable manner. The market orientation indicators, according to Tjiptono & Chandra (2017), consist of customer orientation, competitor orientation, and coordination between functions. In addition to market orientation, there are other factors that are able to increase competitive advantage, namely the product creativity factor.

Product Creativity

according to Suryana (2014) creativity is defined as the ability to produce new ideas or concepts that can be applied in the development of interesting and innovative products. In addition to market orientation and product creativity, product innovation is also an important factor that must exist in a company that will affect competitive advantage, because it can be used as a determinant of product success or failure in the market.

Product Innovation

According to Kotler & Keller (2016), product innovation is the process of creating new products or improving existing products to meet the changing needs and desires of consumers. The indicators of product innovation according to Kotler & Keller (2016) are creating new products, improving existing products, following the market, adding to existing products.

METHOD

The object of this research is competitive advantage, market orientation, creativity and product innovation, the form of research used is descriptive and verifiable methods. Sugiyono (2019) explained that descriptive research is carried out to find

out the existence of independent variables, either on only one or more variables without making comparisons of the variables themselves and looking for relationships with other variables. Meanwhile, verifiability can be interpreted as research conducted on a certain population or sample with the aim of testing the hypothesis that has been determined by Sugiyono (2019). The population in this study is business actors. The determination of the sample used is the *proportionate stratified random sampling technique*, to determine the number of samples using the formula *Taro Yamane* (1967). The number of samples is 100 people. The sampling error rate is 10%. This study uses the type of primary data obtained from questionnaires or answers. Before being distributed, the questionnaire was tested using validity and reliability tests. Data analysis uses multiple linear regression with classical assumption test, with hypothesis test F test and t test.

RESEARCH RESULTS AND DISCUSSION

The characteristics of processed food MSME actors are mostly female (56%), aged 26-35 years (46%), marital status (86%), married, last high school/vocational/MA education (77%), business duration 1-4 years (95%), sales turnover 50-100 million (71%), initial capital 6-7 million (46%), average profit/month 2-5 million (76%), type of own business ownership (84%), innovate the number of times carried out in one year 1-5 (97%), evaluate customer complaints/week once a week (81%).

Multiple Linear Regression Analysis

This analysis was used to find out how much the influence of market orientation variables, creativity and product innovation on competitive advantage in processed food MSMEs fostered by OK OCE Indonesia in DKI Jakarta. The calculation results were

obtained using the help of IBM SPSS 25, then the results of multiple linear regression analysis can be known as follows:

Table 1 Results of Calculation of Market Orientation, Creativity and Product Innovation on Competitive Advantage

Based on table 1, the multiple linear regression formula is as follows:

$$Y = 2.703 + 0.242 X1 + 0.327 X2 + 0.259 X3 + \epsilon.$$

Based on the results of the multiple linear regression test, it was stated that all independent variables had a positive effect on the regression equation, meaning that the confidence regression coefficient (X1) = 0.242 was positive. This shows that when processed food MSME actors expand the market, the products produced will be widely known so that the opportunity to win competition in the market is very large. Then added to product creativity (X2) = 0.327 and product innovation (X3) 0.259 marked prosives. This shows that if processed food MSMEs carry out creativity and product innovation that is very unique and interesting so that it has superior value compared to competitors' products, then indirectly the processed food MSMEs can compete in the market.

Test Result - F

Based on Table 1 that the Fcal is 24,151 while the Ftabel needs to be calculated using the significant degree of $\alpha = 0.05$ with the degree of freedom (dk = n-k-1) or 100-3-1 = 96 by looking at the result of the degree of freedom, the value of Ftabel is obtained of 2.70 so that the Fcal > Ftabel (24,151 > 2.70), then it can be concluded that Ho is rejected and Ha is accepted, meaning market orientation (X1), creativity (X2) and product innovation (X3) simultaneously have a positive and significant effect on the competitive advantage of processed food MSMEs

fostered by OK OCE Indonesia DKI Jakarta.

Test Result – t

The results of the t-test based on Table 1 can be seen that the tcount on the market orientation variable (X1) of 3,201 is greater than the ttable value of 1,661 (3,201 >

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	2.703	4.461	606	.546
	Orientasi Pasar (X ₁)	.242	.076	254	3.201
	Kreativitas Produk (X ₂)	.327	.069	374	4.717
	Inovasi Produk (X ₃)	.259	.058	364	4.469
	F _{hitung}	=1.661			
	F _{tabel}	=24.151			
	Sig	=0.05			
	F _{hitung}	=2.700			
	R	=0.656			
	R ²	=0.430			
	Adjusted R ²	=0.412			
	Alpha (a)	=5%			

Sumber: Data diolah, 2024

1,661) and the significant value of 0.02 is smaller than 0.05 (0.02 < 0.05). Thus, Ha1 is accepted and Ho1 is rejected, which means that partially the market orientation (X1) has a positive and significant effect on the competitive advantage (Y) in processed food MSMEs fostered by OK OCE Indonesia in DKI Jakarta.

Multiple Correlation Analysis

Based on Table 1, it can be known that the R value or correlation is 0.656 which shows the relationship between the independent variables consisting of market orientation (X1), creativity (X2), and product innovation (X3) with the dependent variable, namely competitive advantage (Y) has a strong correlation (0.60-0.79). So it can be concluded that the better the value of variable X, the higher the value of variable (Y) so that it can win the competition in the market.

Determination Coefficient Analysis (R2)

The results of the Coefficient of Determination (R2) can be seen in Table 1 by looking at the R square of 0.430 or 43%. This shows that the percentage of contribution of market orientation (X1), creativity (X2) and product innovation (X3)

to competitive advantage (Y) is 43% while the remaining 57% is influenced by other variables that are not examined in this study such as product quality, service quality, brand image and cost. Sumarwan, et, al (2010).

Discussion

The Influence of Market Orientation, Creativity, and Product Innovation on Competitive Advantage

Based on the results of testing the variables of market orientation, creativity and product innovation towards competitive advantage obtained by the results of $F_{cal} > F_{tabel}$ ($24,151 > 2.70$), it can be concluded that H_0 is rejected and H_a is accepted, meaning that market orientation, creativity and product innovation simultaneously have a positive and significant effect on the competitive advantage of processed food MSMEs in OK OCE Indonesia in DKI Jakarta. This is supported by the research of Anjaningrum & Sidi (2018), which simultaneously has a positive and significant effect on the variables of market orientation, creativity and product innovation on competitive advantage. According to Prihati et., al (2021) market orientation variables, product creativity simultaneously have a positive and significant effect on competitive advantage. Meanwhile, according to Syahrul et., al (2024), market orientation variables and product innovation simultaneously have a positive and significant effect on competitive advantage.

The Effect of Market Orientation on Competitive Advantage

Based on the results of the test of the market orientation variable on competitive advantage, the t_{cal} value on the market orientation variable of 3,201 is greater than the t -value of the table of 1.661 ($3,201 > 1,661$) and the significant value of 0.02 is less than 0.05 ($0.02 < 0.05$). Thus, H_{a1} is accepted and H_{01} is rejected, which means that

partially market orientation has a positive and significant effect on competitive advantage. This is supported by the research of Cahyo Tri Atmojo (2021), that market orientation variables partially have a positive and significant effect on competitive advantage. According to Oktavianus et., al (2019) that market orientation variables partially have a positive and significant effect on competitive advantage. Meanwhile, according to Rahmadi et., al (2020), market orientation variables partially have a positive and significant effect on competitive advantage.

The Influence of Product Creativity on Competitive Advantage

Based on the results of the testing of the creativity variable on competitive advantage, the t_{cal} value on the product creativity variable of 4.717 was greater than the t -value of the table of 1.661 ($4.717 > 1.661$) and the significant value of 0.000 was smaller than 0.05 ($0.000 < 0.05$). Thus H_{a2} is accepted and H_{02} is rejected, which means that creativity has a positive and significant effect on competitive advantage. This is supported by research by Riany & Dahmiri (2020), that the creativity variable partially has a positive and significant effect on competitive advantage. According to Mulyadi et., al (2016) the creativity variable partially has a positive and significant effect on competitive advantage. According to Adinata et., al (2024), the creativity variable partially has a positive and significant effect on competitive advantage.

The Influence of Product Innovation on Competitive Advantage

Based on the results of testing the product innovation variable on competitive advantage, the t_{count} value on the product innovation variable was 4,469, greater than the t -value of the table of 1.661 ($4,469 > 1,661$) and the significant value of 0.000 was less than 0.05 ($0.000 < 0.05$). Thus, H_{a3} is accepted and H_{03} is rejected, which means

that partially product innovation has a positive and significant effect on competitive advantage. This is supported by research by Verbyani & Handoyo (2021) that the variable of product innovation partially has a positive and significant effect on competitive advantage. According to Hotima & Yusianti (2017), product innovation variables partially have a positive and significant effect on competitive advantage. According to Irwan et., al (2023), the variable of product innovation partially has a positive and significant effect on competitive advantage.

CONCLUSIONS AND IMPLICATIONS

1. There is a simultaneous positive and significant influence of market orientation, creativity and product innovation on competitive advantage.
2. There is a partial influence of market orientation that has a positive and significant effect on competitive advantage.
3. There is a partial and significant influence of positive and significant product creativity on competitive advantage.
4. There is a partial positive and significant influence of product innovation on competitive advantage

IMPLICATION

Meanwhile, the implication in this study is that MSMEs should focus more on market orientation, creativity, and product innovation to increase competitive advantage.

ACKNOWLEDGMENTS

Thank you to all parties who have been involved in this research, so that this research can be carried out well

BIBLIOGRAPHY

Anjaningrum, W. D., & Sidi, A. P. (2018). Pengaruh Orientasi Pasar, Inovasi Dan Kreativitas Produk Terhadap Keunggulan

Bersaing pada industri kreatif. *Jurnal Ilmiah Bisnis Dan Ekonomi Asia*, 12(2), 30–47

Atmojo, C. T. (2021). Orientasi Pasar Dan Orientasi Kewirausahaan : Pengaruhnya Terhadap Keunggulan Bersaing. *JPEKBM (Jurnal Pendidikan Ekonomi, Kewirausahaan, Bisnis Dan Manajemen)*, 5(1), 28.
<https://doi.org/10.32682/jpekbm.v5i1.1981>

Farqa Adinata., Awin Mulyati., & Diana Juni Mulyati (2024). Pengaruh Orientasi Kewirausahaan Dan Inovasi Produk Terhadap Keunggulan Bersaing Pada UMK Sentra Kuliner Jl. Unesa Lidah Wetan Surabaya. *Neraca Manajemen, Ekonomi* 6(6),3025-9495

Hotima, S. H., & Yusianti, H. R. (2018). Pengaruh Inovasi Produk Dan Orientasi Pasar Terhadap Keunggulan Bersaing Pada Industri Pia Ud. Barokah Putra Jaya Sumberan Ambulu. *Majalah Ilmiah DIAN ILMU*, 16(2), 19–34.
<https://doi.org/10.37849/midi.v16i2.66>

Irwan, A. M., Andriani, □ Budi, & Serang, S. (2023). Pengaruh Orientasi Pasar dan Inovasi Terhadap Keunggulan Bersaing pada UMKM Kota Makassar. *YUME : Journal of Management*, 6(2), 388–399.

Mulyadi, W., Tarigan, R. E., & Widjaja, A. E. (2016). Pengaruh Inovasi, Kreativitas, dan Kepuasan Konsumen terhadap Keunggulan Kompetitif: Sebuah Studi Kasus. *Prosiding Seminar Nasional Inovasi Dan Teknologi Informasi*, April, 1610–1615

Nurmali, M., & Haloho, E. (2020). Pengaruh Inovasi Produk Dan Media Sosial

Terhadap Keunggulan Bersaing Pada Café Rilek'S Medan. *Jurnal Mutiara Manajemen*, 5(1), 62–72.

Oktavinus, O., Zaid, S., & Yusuf, H. (2020). Pengaruh Orientasi Pasar Dan Inovasi Produk Terhadap Keunggulan Bersaing Dan Kinerja Pemasaran Pengolahan Rumput Laut Di Wakatobi. *Jurnal Ilmu Manajemen Universitas Tadulako (JIMUT)*, 5(2), 211–227.

Prihati, R. D. V., Herlina, T., & Hakiki, N (2021). Pengaruh Orientasi Pasar Dan Inovasi Produk Terhadap Keunggulan Bersaing Pada Usaha Rumah Kreatif Pt. Semen Baturaja *Kolegial*, 9 (1), 45-59

Rahmadi, A. N., Jauhari, T., & Dewandaru, B. (2020). Pengaruh Orientasi Pasar, Inovasi dan Orientasi Kewirausahaan Terhadap Keunggulan Bersaing Pada UKM Di Jalanan Kota Kediri. *Jurnal Ekbis*, 21(2), 178. <https://doi.org/10.30736/je.v21i2.510>

Riany, A. I., & Dahmiri, D. (2020). Pengaruh Kreativitas Dan Inovasi Terhadap Keunggulan Bersaing (Studi Kasus Wedding Organizer Hastina Puspita Decoration Kota Jambi). *Jurnal Manajemen Terapan Dan Keuangan*, 9(2), 94–104. <https://doi.org/10.22437/jmk.v9i2.12038>

Sugiyono (2017). *Metode Penelitian Kuantitatif, Kualitatif dan R&D*. Bandung: Alfabeta

Sugiyono (2018). *Metode Penelitian Kuantitatif, Kualitatif*. Bandung: Alfabeta

Sugiyono. (2018). *Metode Penelitian Bisnis: Pendekatan Kuantitatif, Kualitatif, Kombinasi, dan R&D*. Alfabeta.

Syahrul., Akyar Abdullah., & Yusinta (2024). Pengaruh Orientasi Pasar Dan Inovasi Produk Terhadap Keunggulan Bersaing Pada PT. Kendari Bintang Lestari. *Jurnal Administrasi Bisnis* 9(1).

Tjiptono Fandy & Chandra, G. (2017). *Pemasaran Strategik*. Yogyakarta: CV Andi Offset.

Tulung, M., & Angmalisang, S. (2022). The Effect of Market Orientation and Product Creativity on Competitive Advantage at Etsuko Kitchen Tomohon. *Journal of International Conference Proceedings*, 5(2), 480–488.

Verbyani, V., & Handoyo, S. E. (2021). Pengaruh Inovasi, Orientasi Kewirausahaan Dan Pasar Terhadap Keunggulan Bersaing Ukm Kuliner. *Jurnal Manajerial Dan Kewirausahaan*, 3(3), 875. <https://doi.org/10.24912/jmk.v3i3.13219>