Suharto Suharto <suharto@unkris.ac.id>

Articles for the Tec Empresarial

5 pesan

Suharto Suharto <suharto@unkris.ac.id>
Kepada: editor.tecempresarial@gmail.com

01 September 2023 13.31

Dear Editor Tec Empresarial

I am Suharto, lecturer at Krisnadwipayana University, Jakarta, Indonesia

I have an interest in the field of science published by Tec Empresarial, and now we have research that is in line with the "focus and scope" of this journal.

We have completed a scientific article entitled **"The Influence Of Differentiation Strategy And Product Innovation On Competitive Advantage"**. We hope this article can be published in the Tec Empresarial Journal, because there are interesting findings in the scientific article that can become new treasures in science..

Best Regards,
Thanks

Suharto Suharto
Krisnadwipayana University, Jakarta, Indonesia

Articles for Tec Empresarial.doc
389K

Editor Tec Empresarial <editor.tecempresarial@gmail.com>
Kepada: Suharto Suharto <suharto@unkris.ac.id>

03 Oktober 2023 10.20

Dear
Mr. Suharto Suharto
Krisnadwipayana University, Jakarta, Indonesia

Thank you for submitting the manuscript, **"The Influence Of Differentiation Strategy And Product Innovation On Competitive Advantage"** to Tec Empresarial Journal.

Your article will be processed according to the publication standards at Tec Empresarial.

I beg you to be patient waiting for the notification from the Tec Empresarial Editorial Board.

Always check your email, because the correspondence is only via email.

Best Regards,

--
Pilar Fernández Ferrín
Editor-in-Chief, Tec Empresarial
[Kutipan teks disembunyikan]

Suharto Suharto <suharto@unkris.ac.id>   04 Oktober 2023 10.34
Kepada: "Editor Tec Empresarial" <editor.tecempresarial@gmail.com>

Dear Editor

Tec Empresarial Thank you for your respons.

I will be happy to wait for further information.

Best Regards,

Suharto Suharto
Krisnadwipayana University, Jakarta, Indonesia
[Kutipan teks disembunyikan]

Editor Tec Empresarial <editor.tecempresarial@gmail.com>   28 Oktober 2023 21.11
Kepada: Suharto Suharto <suharto@unkris.ac.id>

Dear
Mr. Suharto Suharto
Krisnadwipayana University, Jakarta, Indonesia

The Tec Empresarial Journal Editorial Board has reviewed your article, the research topic is very interesting, but we decided that your article could not be accepted immediately. You must improve your article on several points.

I am sure you are willing to make this improvement because your scientific articles must meet Tec Empresarial Journal standards.

Please correct your article according to the instructions from the Tec Empresarial Journal reviewers.

Reviewer 1 (Round 1):
Title: The title remains clear and concise, providing a good indication of the article's focus
Abstract: Abstract should contain introduction, method, literature review, and result!. Abstract is too long and wordy, the abstract must be concise and interesting in showing the problems, objectives, methods and novelty of the research results
Literature Review: Literature review needs to be strengthened with current references to discuss the problem you are researching.
Method: It would be appropriate to provide more information on the questionnaire used to collect research data. can be shared with the readers, and the reliability and validity data obtained by the developers of the survey can be presented.
Result and Discussion: The presentation of results should be simple and straightforward in style. This section report the most important findings, including results of statistical analyses as appropriate. You should present the comparison between performance of your approach and other researches. Results given in figures should not be repeated in tables. It is very important to prove that your manuscript has a significant value and not trivial.
Conclusion: The conclusion section is concise but could be strengthened by summarizing the main findings and confirming them against quality and satisfaction levels. It should also restate the importance of this research..
References: The references are appropriately cited following a consistent citation style. However, there are some missing references, and it's essential to ensure all sources are properly credited.

Reviewer 2 (Round 1):
Title: The title effectively summarizes the main topic of the article. It is clear and concise.
Abstract: The abstract remains well structured and effectively summarizes the aim, methods and main findings of the article. To further refine the impact of service quality, trust, and satisfaction on customer loyalty, research will be useful for readers looking for context.
Introduction: The introduction provides a clear background and context for this research. This report outlines the importance of technological advances. However, this research does not have a specific research problem formulation.
Literature Review: Literature review is not a description of definitions, but looks at previous research to position your research.
Method: The article briefly mentions the research method used, but it lacks sufficient details. To enhance the article's rigor, it should provide more information about the research design, data collection process, and analysis techniques.

Result and Discussion: The presentation of results is clear and well-structured, and it includes relevant tables and figures. However, the discussion section could be more in-depth. It should provide a deeper analysis of the results and their implications, relating them back to the research questions and literature.
Conclusion: The conclusion summarizes the main findings concisely. However, it could be strengthened by highlighting the practical implications of the study's results and suggesting directions for future research.
References: The references are well-cited, and the sources are relevant and up-to-date. However, it's essential to ensure that all sources cited in the text are included in the reference list.

I hope you can make improvements as soon as possible, and send the revised article again via this email.

Best Regards,

--
Pilar Fernández Ferrín
Editor-in-Chief, Tec Empresarial
[Kutipan teks disembunyikan]

Suharto Suharto <suharto@unkris.ac.id>   29 Oktober 2023 09.13
Kepada: "Editor Tec Empresarial" <editor.tecempresarial@gmail.com>

Dear Editor

Tec Empresarial Thank you for your information.

I will immediately correct the article according to reviewers.

Best Regards,

Suharto Suharto
Krisnadwipayana University, Jakarta, Indonesia
[Kutipan teks disembunyikan]

![Gmail](Gmail logo)

Suharto Suharto <suharto@unkris.ac.id>

Revision Article for Tec Empresarial

4 pesan

Suharto Suharto <suharto@unkris.ac.id>   03 November 2023 10.15
Kepada: "Editor Tec Empresarial" <editor.tecempresarial@gmail.com>

Dear

Editor Tec Empresarial

Thank you for the patience of the Tec Empresarial Journal Editorial Board, waiting for the revision of my article. I have made improvements according to the reviewer's instructions. Revised article attached.

Best Regards,

Suharto Suharto
Krisnadwipayana University, Jakarta, Indonesia

📄 **Revision1_Tec   Empresarial-03102023.doc**
479K

Editor Tec Empresarial <editor.tecempresarial@gmail.com>   29 November 2023 11.42
Kepada: Suharto Suharto <suharto@unkris.ac.id>

Dear

Mrs. Suharto Suharto
Krisnadwipayana University, Jakarta, Indonesia

Based on Reviewers' considerations, the article has, at some point, increased. Please follow the following revision instructions:

Reviewer 1 (Round 2):
Abstract: Prepare your abstract in one paragraph of no more than 250 words. You must summarize your contribution, hypothesis, findings/results, and discuss the consequences of your findings. There are no abbreviations, footnotes, or references. recommended that you offer your abstract using the following elements: 1) state the primary goal of the paper; 2) highlight the merits (or contribution; 3) provide a conceptual idea on the method; 4) describe the research design and procedures/processes used (is it simulation, experimental, survey, etc.); 5) provide the main outcomes or results, as well as any conclusions that may be drawn; and 6) include any implications for further research or application/practice, if any.
Introduction: In general, it is well written with the purpose of the studies and gaps have been stated clearly. However. Please add brief conclusion and/or statement of future work at the abstract section.
Literature Review: The literature review continues to be thorough and logically organized. It offers a comprehensive overview of prior research related to capacity building policies in Indonesia. The inclusion of recent scholarly work strengthens the review's credibility
Method: The theoritical aspects have been mentioned sufficiently, however the methodology doesn't depict the interrelation between computation (modeling) and experimental. Need more explanationabout of variable used.
Conclusion: The conclusion maintains its conciseness but could be improved by summarizing the key findings and their practical implications. Additionally, it should reiterate the study's significance and offer directions for future research.
References: Mostly updated references and suitable with the scope of the studies.

Reviewer 2 (Round 2):
Title: The title is still concise and effectively summarizes the article's main topic, providing clarity to the readers.
Introduction: The introduction still effectively provides background information and research context, as well as highlighting the importance of customer satisfaction, However, it should include a specific research problem statement to guide the reader.
Literature Review: Literature review needs to be strengthened with current references to discuss the problem you are researching.
Method: The research method must be described in detail so that each process is carried out.
Result and Discussion: While the results remain clear and well-structured with relevant tables and figures, the

discussion section needs to provide a more profound analysis. This should include a thorough interpretation of the results, their implications, and a stronger connection to the research questions and literature.
Conclusion: The conclusion maintains its conciseness, but there's an opportunity to enhance it by highlighting practical implications of the study's results and suggesting clear directions for future research.
References: The references must be current and in the form of a journal article.

Articles that have been revised and please send it back via this email.

Best Regards,

--
Pilar Fernández Ferrín
Editor-in-Chief, Tec Empresarial

Suharto Suharto <suharto@unkris.ac.id>　　　　　　30 November 2023 09.50
Kepada: "Editor Tec Empresarial" <editor.tecempresarial@gmail.com>

Dear
Editor Tec Empresarial

Thank you for your response, I will be happy to revise the article according to these instructions.

Best Regards,

Suharto Suharto
Krisnadwipayana University, Jakarta, Indonesia
[Kutipan teks disembunyikan]

Suharto Suharto <suharto@unkris.ac.id>　　　　　　05 Desember 2023 09.11
Kepada: "Editor Tec Empresarial" <editor.tecempresarial@gmail.com>

Dear
Editor Tec Empresarial

Thank you for the patience of the Tec Empresarial Journal Editorial Board in waiting for the submission of my second article revision.

I have made improvements according to the instructions from the reviewers. I am ready to wait for the next process.

Revised Article Attached.

Best Regards,

Suharto Suharto
Krisnadwipayana University, Jakarta, Indonesia

📄 **Revision2_Tec   Empresarial-03102023.doc**
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Suharto Suharto <suharto@unkris.ac.id>

Article accepted for publication - Tec Empresarial-03102023

1 pesan

Editor Tec Empresarial <editor.tecempresarial@gmail.com>   12 Januari 2023 15.10
Kepada: Suharto Suharto <suharto@unkris.ac.id>

Dear,
Mr. Suharto Suharto
(authors, you are copied into this email for information purposes only)

Ref: Article title: **"The Influence Of Differentiation Strategy And Product Innovation On Competitive Advantage"** Submission code: Tec Empressarial-03102023

I am pleased to inform you that your article has been accepted for publication in Tec Empresarial Journal Volume 19 Number 1 of 2024. You now need to upload the final revised version for this article and your author copyright agreement form.

Thank you! Your continuing cooperation is most appreciated.

With kind regards,

--
Pilar Fernández Ferrín
Editor-in-Chief, Tec Empresarial

LoA_Tec Empresarial_03102023.pdf
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The influence of differentiation strategy and product innovation on competitive advantage

Suharto

Krisnadwipayana University, Jakarta, Indonesia

Email: suharto@unkris.ac.id

Abstract

Competitive advantage is a crucial factor in ensuring the success of a company in an increasingly competitive market. Differentiation strategy is implemented through creating added value in products or services that differentiates the company from its competitors, while product innovation involves the development and implementation of new ideas to increase the product's appeal. This research aims to investigate the influence of differentiation strategy and product innovation on competitive advantage at the Bu Imas restaurant. This research uses a quantitative approach with a simple random sampling technique so that a sample of 93 customers is obtained. Data collection was done by distributing questionnaires with regression analysis and hypothesis testing with the help of the SPSS.25.0 tool. The research results show that the differentiation strategy and product innovation partially have a positive and significant effect on the competitive advantage of the Bu Imas stall. Furthermore, the differentiation strategy and product innovation simultaneously have a positive and significant effect on the competitive advantage of the Bu Imas food stall with a magnitude of 34.3%.

Keywords: Differentiation strategy, Product Innovation, competitive advantage, Rumaha Makan Bu Imas.

A.   INTODUCTION

In general, every company has the main goal of achieving achievements as a reflection of the success of its business in market competition (Zairi, 1997). In an increasingly developing business world, the number of competing companies is also increasing, creating intense competition to be at the forefront in the eyes of consumers (Bitner & Borwn, 2008). Gaining competitive advantage is a major challenge for companies operating in today's business environment (Elahi, 2013).

Before formulating a marketing strategy, a company needs to observe the environmental factors that influence its business (Menon & Menon, 1997). Understanding competitors' objectives, strengths and weaknesses is also an important key to identifying opportunities and threats that may arise (Ashton & Stacey, 1995). In this context, the link between competitive position and business strategy becomes a crucial element (Proctor, 1997). Each company holds a unique competitive position, and a deep understanding of this position allows the company to develop strategies that suit market conditions and its advantages (Days & Wensley, 1988).

Changes in the industry are not only limited to company products, but also include critical aspects related to overall company performance (Galbreath & Galvin, 2008). Therefore, adapting and responding to changes in markets, technology and consumer trends is essential for companies that want to remain relevant and competitive in this ever-changing era (Prastacos et al., 2002). Thus, a holistic business strategy, including a deep understanding of competitive position, the business environment, and adaptation to change, is the key to success in achieving competitive advantage in a dynamic market (Li & Liu, 2014).

Several factors that influence competitive advantage between companies can be identified, and one significant aspect is the implementation of a differentiation strategy, as explained by Semuel et al. (2017). Differentiation strategy is an important element that

differentiates an organization from its competitors. By implementing this strategy, companies can create uniqueness in their products or services, making target consumers more likely to become loyal customers (Spitzeck & Chapman, 2012). Through differentiation, innovative products that are able to meet consumer needs can become an area where a company can excel compared to its competitors (Fuchs et al., 2000). The principle of product differentiation is not just about differentiating in physical aspects, but also involves specific elements that are carefully built by the company (Ardichvili et al., 2003).

By implementing a differentiation strategy effectively, companies can build a strong image and identity in the eyes of consumers, thereby creating sustainable customer loyalty (Urde, 1994). Innovative products resulting from this strategy can provide added value and satisfaction to consumers, strengthening the company's position in the market (Bhattacharya & Sen, 2003). Therefore, product differentiation is not only an effort to differentiate oneself from competitors, but also a basis for taking a company's business to a higher level, ensuring sustainable competitiveness in an ever-growing market (Gure & Karugu, 2018).

A factor that also influences competitive advantage is product innovation, as stated by Smith (1956). Products are the core of marketing strategy, considering that products are the result or output of company activities that are offered to the target market to meet consumer needs and desires. In the context of purchasing a product, consumers not only obtain the physical product, but also purchase the benefits or advantages that can be obtained from the product (Calantone et al., 2006), it is important for a product to have advantages that differentiate it from similar products, and product innovation is one significant aspect.

Product innovation is the key to competition between business actors, because consumers tend to choose products that not only fulfill basic needs, but also provide added value or certain advantages (Hobday, 1998). Innovative products are able to provide new experiences and better solutions to consumers, creating strong attraction in the market. Therefore, companies need to continue to encourage product innovation to remain relevant and competitive. By integrating product innovation into business strategy, companies can create significant differentiation, increase product value, and ultimately, gain competitive advantage in dynamic markets (Kindstrom & Kowalkowski, 2014).

. Business development in Indonesia is experiencing rapid progress, especially in the current era of globalization, where business opportunities are increasingly wider and open (Setyowati et al., 2021). This phenomenon not only creates new opportunities for entrepreneurs, but also triggers the emergence of various businesses in various sectors. In the midst of increasingly fierce competition, the culinary business sector is one of the most affected (Hasbullah et al., 2021). In Bandung City Regional Regulation Number 7 of 2012 article 18, it is explained that a food and beverage service business is a business that provides food and drinks with equipment and supplies for the manufacturing, storage and serving processes.

This regulation reflects the government's attention to the regulation and standardization of culinary businesses. With so many culinary businesses emerging, competition in this sector is becoming increasingly fierce. Culinary entrepreneurs are required to not only serve delicious food, but also have an effective marketing strategy to attract consumer attention (Balazs, 2022). As technology and food trends develop, culinary companies are also faced with the need to continue to innovate in serving menus and providing unique experiences to customers (Horng & Tsai, 2012).

One of the famous culinary businesses in Bandung is Sundanese culinary. If you are visiting Bandung and want to taste delicious and cheap Sundanese food, we can try Warung Nasi Bu Imas. This stall has been established since 1980 and is one of the famous rice stalls in Bandung. Warung Nasi Bu Imas serves a variety of typical Sundanese side dishes, such as grilled chicken, empal, pepes, fried fish, tamarind vegetables, karedok, and of course chili sauce. You can choose side dishes according to your taste, and enjoy them with warm rice and

sweet tea. One of the mainstay product innovations at Warung Nasi Bu Imas is the chili sauce, which has three types, namely shrimp paste chili sauce, green chili sauce and red chili sauce. These chili sauces have a spicy, sour and savory taste, which is suitable for increasing your appetite. And what differentiates it from competing restaurants is the specialty of its grilled chicken. Besides that, the price of food at Warung Nasi Bu Imas is also affordable, starting from IDR 10,000 to IDR 30,000 per portion. Quite cheap compared to competitors such as Ampera Restaurant which already has a big name.

B.   LITERATURE REVIEW
Differentiation Strategy

Differentiation is the process of adding and providing a series of differences that are considered important, to differentiate the products offered by the company from competitors, although sometimes this is done based on irrelevant attributes (Carpenter et al., 1994). Differentiation can be intended as a company's efforts in marketing strategy to differentiate its product from competing companies, so that the product has its own characteristics (Collis & Montgomery, 2008). The marketing strategy that can be chosen by companies that implement a differentiation strategy, so that they always have a competitive advantage in the market (Varadarajan, 2010), can be done by choosing the following strategies:

1. Product Differentiation Providing high creativity in creating unique products that are more attractive, comfortable, safe, so that they are more popular with consumers compared to competing products.
2. Service Quality Differentiation Realizing high creativity in combining elements of the marketing mix with friendliness and broad insight of employees, so that the quality of service perceived by consumers exceeds expectations.
3. Image Differentiation. Image is a special or distinguishing characteristic of the appearance of a person or object. Image differentiation is a mixture of elements.

Product Innovation

According to Utterback & Abernathy (1975) Product innovation is an interesting new inspiration that can be developed. Innovation is used intentionally to create interesting development and strategy goals. In order to be able to compete with other companies, innovation must continue to be carried out and developed (Cooper & Kleinschmidt, 1987). According to Smith et al. (2012) Product innovation is one way to provide additional points which is one of the key components of successful business operations, which can provide a competitive advantage for companies that require quality products.

Product innovation is a change in a set of information related to efforts to increase or improve existing resources, namely by modifying the product to make something more valuable, creating new and different things, namely by changing a material into a resource and combining (Un et al., 2010) These resources become new innovations or more productive product specifications, either directly or indirectly, which are influenced by the certainty of profit or loss or the time process for implementing them, in order to achieve a competitive advantage (Karlsson & Olsson, 1998). There are four dimensions of innovation, namely: product innovation, process innovation, followership innovation, and sources of innovation.

Competitive Advantage

Advantage is the ability obtained through the characteristics and resources of a company or organization to have higher performance and capabilities than other companies in the same industry or market (Vorhies et al., 1999). Every company will always try to fulfill whatever the wants and needs of its customers are. Porter (1985) considers that competitive advantage grows from the value a company is able to create for buyers exceeding the company's

costs to create it. Barney (1991) continued that the value strategy created by a company will not be able to be implemented or imitated by other streams or other potential competitors.

According to Baia et al., (2020) competitive advantage is the ability of a business to create competitive advantages so that it can compete with competitors. The competitive advantage indicators were developed from several experts, namely competitive prices, management capabilities, profits, strategic position and location. Meanwhile, according to (Paryanti, 2015), the description of these dimensions is: visitor retention, increasing visitor loyalty, developing the quality of service technology.

C.   METHOD

The study employed a quantitative research paradigm, specifically utilizing a research methodology that predominantly relies on statistical analysis for data interpretation. The study methodology employed is causal comparative, specifically focused on obtaining valid tests to establish causal links between variables. The study encompassed the entire unidentified population of patrons visiting the Bu Imas eatery. The sample selection technique employed was simple random sampling, resulting in the acquisition of 93 samples. The research employed a questionnaire as the data gathering method. Researchers employ a closed questionnaire with a Likert scale. A closed questionnaire is a type of questionnaire that presents predetermined answer alternatives for respondents to select from. Subsequently, the gathered data will be scrutinized for its validity, reliability, adherence to classical assumptions, regression testing, and hypothesis testing using the SPSS 25.0 for Windows software.

D.   RESULTS AND DISCUSSION

1.   Validity test

Validity is related to the "accuracy" of a measuring instrument. An instrument is considered valid if it is able to measure exactly what is intended. In this research, validity testing is used to evaluate the extent to which the measuring instrument used can provide results that are in accordance with the variable or concept to be measured.

Table 1 Validity Test results

Variable	Code	Mark	Information
Differentiation strategy (X1)	X1.1	0.756	Valid
	X1.2	0.770	Valid
	X1.3	0.676	Valid
Product innovation (X2)	X2.1	0.778	Valid
	X2.2	0.832	Valid
	X2.3	0.694	Valid
	X2.4	0.768	Valid
	X2.1	0.778	Valid
Competitive advantage (Y)	Y1	0.818	Valid
	Y2	0.891	Valid
	Y3	0.767	Valid

Data Processed 2023

Based on the information in the table, it can be concluded that all indicators in the employee transfer, employee incentives and employee performance variables are considered valid. This conclusion is based on the validity coefficients used by the researchers, all of which exceed 0.5. These values indicate an adequate level of validity according to the criteria that have been applied in this research

2. Reliability Test

Reliability is "a measurement scale score that shows the stability and consistency of a score. A variable is said to be reliable if it provides a Cronbach Alpha value > 0.60 and Cronbach Alpha if item deleted < Cronbach Alpha.

Table 2 Reliability test results

Variable	Cronbach Alpha	Cross of Values	Information
Differentiation strategy (X1)	0.720	0.60	Reliable
Product innovation (X2)	0.764	0.60	Reliable
Competitive advantage (Y)	0.632	0.60	Reliable

Table 3 shows that all variables in this study have a Cronbach alpha value > 0.6 and a Cronbach alpha value if item deleted < Cronbach alpha, so they are declared reliable.

3. Classic assumption test

Normality test

The normality test is carried out to determine whether the residuals in a regression model follow a normal distribution or not. In evaluating the normality of data distribution, the method that can be used is the Kolmogorov-Smirnov test, according to Santoso's explanation (2007:154). This test aims to assess whether the residuals in the regression model have a distribution that is close to or the same as a normal distribution.

Table 3 Kolmogorov-Smirnov test

		Standardized Residual
N		93
Normal Parameters [a, b]	Mean	0E-7
	Std. Deviation	.31513469
Most Extreme Differences	Absolute	.097
	Positive	.097
	negative	- .090
Kolmogorov-Smirnov Z		.337
Asymp. Sig. (2-tailed)		.789

From Table 3, it can be seen that the residual significance value is greater than 0.05, namely 0.337. This indicates that the residuals follow a normal distribution. Therefore, it can be concluded that the resulting regression is reliable for decision making.

Autocorrelation Test

The autocorrelation test is carried out to test whether in a linear regression model there is a correlation between the error at one point in time and the error at the previous time point. If there is a correlation, it is called an autocorrelation problem. Autocorrelation detection can be done using the Durbin Watson test. If the Durbin-Watson value is less than one (1) or more than three (3), this indicates the presence of autocorrelation.

Table 4 Autocoelation Test Results

Model	Durbin-Watson

1	1.602

In this study, Table 4 shows the Durbin-Watson value of 1.602, which indicates that there is no autocorrelation. Therefore, it can be concluded that the results of this regression are reliable for decision making.

Multicollinearity Test

The multicollinearity test is used to identify whether there is a correlation between the independent variables in the regression model (Ghozali, 2009). Detection of symptoms of multicollinearity in the regression model of this research can be done through the multicollinearity test. If the Variance Inflation Factor (VIF) value is less than 10, it can be concluded that there is no multicollinearity.

Table 5 Multicollinearity Test Results

Variable	Tolerance	VIF
Differentiation strategy (X1)	0.897	1.112
Product innovation (X2)	0.897	1.112

From Table 5, it can be seen that the VIF value for the two independent variables is 1.112, which is below 10. This shows that there is no indication of multicollinearity between the two observed variables. Therefore, it can be concluded that the regression results are reliable for decision making.

Heteroscedasticity Test

The heteroscedasticity test is carried out to determine whether there is non-uniformity in the variance of the residuals between observations in a regression model. If the residual variance remains constant from one observation to another, this is called homoscedasticity; whereas if the variances are different, it is called heteroscedasticity. Heteroscedasticity detection can be done using the Glejser test. If the significance value is >0.05 for all variables, it can be concluded that the residual variance is homogeneous.

Table 6 Heteroscedasticity Test Results

Variable	Tolerance
Differentiation strategy (X1)	0.099
Product innovation (X2)	0.518

In Table 6, it can be seen that the significance value is greater than 0.05 for both variables, namely 0.099 for the differentiation strategy variable (X1) and 0.518 for the product innovation variable (X2). This shows that there is no indication of heteroscedasticity, and the regression results can be considered suitable as a basis for decision making.

4. **Multiple Linear Regression Test**

Regression analysis was carried out to assess the impact of differentiation strategy (X1) and product innovation (X2) on competitive advantage (Y), both separately and simultaneously.

Table 7 Results of Multiple Linear Regression Analysis

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig
	B	Std. Error	Beta		
(Constant)	1.357	0.375		3.601	.001
Differentiation strategy (X1)	.384	.090	.381	4.243	.000
Product innovation (X2)	.298	.078	.336	3.752	.000

a. Dependent Variable: Competitive advantage (Y)

In table 7, the regression coefficients are known and the regression model is obtained as follows:

$$Y = 1.357 + 0.384X1 + 0.298 X2$$

Looking at the analysis model above, it can be concluded that if the differentiation strategy variable (X1) increases by one Likert scale unit and the other variable, namely product innovation (X2), remains constant, then competitive advantage (Y) increases by 0.384. If the product innovation variable (X2) increases by one Likert unit and the other variable, namely differentiation strategy (X1), remains constant, then competitive advantage (Y) increases by 0.298. The differentiation strategy variable (X1) has a greater value, namely 0.384, while the product innovation variable (X2) is 0.298, so the differentiation strategy variable (X1) has a greater influence than the product innovation variable (X2).

5. **Hypothesis testing**

Simultaneous Test (f Test)

In this research, the F test is used to assess the level of significance of the impact of the independent variables collectively on the dependent variable (in a simultaneous context) .

Table 8 Simultaneous Test Results (F Test)

ANOVA [a]

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	4.776	2	2.393	23.581	.000 [a]
Residual	9.135	90	0.102		
Total	13.923	92			

a. Predictor: (Constant), product innovation (X2), differentiation strategy (X1)
b. Dependent variable: competitive advantage (Y).

Table 8 shows the F value of 23.581 with a significance value of 0.000 and the significance value is smaller than 0.05. This shows the influence of the independent variables, namely differentiation strategy (X1) and product innovation (X2) on the dependent variable, namely customer satisfaction (Y) simultaneously or together.

Partial test (t test)

The t test is used to test the significance of the relationship between variables X and Y, whether variables X1 and X2 really influence variable Y separately or partially.

Table 9 Partial Test Results (t test)

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig
	B	Std. Error	Beta		
(Constant)	1.357	0.375		3.601	.001
Differentiation strategy (X1)	.384	.090	.381	4.243	.000
Product innovation (X2)	.298	.078	.336	3.752	.000

a. Dependent Variable: Competitive advantage (Y)

From the results of the statistical analysis contained in Table 9, it can be concluded that the significance value for the differentiation strategy (X1) and product innovation (X2) variables is 0.000, which is smaller than the significance level of 0.05. These results indicate that individually, both the differentiation strategy variable and the product innovation variable have a significant influence on the competitive advantage variable (Y). This means that changes in differentiation strategy variables and product innovation can partially be associated with significant changes in competitive advantage. Therefore, these findings strengthen the conclusion that the implementation of differentiation strategy policies and a performance-based product innovation system has a positive impact on the competitive advantage of Bu Imas restaurants.

6. **Coefficient of Determination Test (R2)**
The coefficient of determination (R^2) is used to measure how far the model is able to explain variations in the dependent variable.

Table 10 Coefficient of determination test
Model Summary

Model	R	R Square	Adjusted R Square	Std Error of Estimate
1	.586	.343	.328	.31861

Table 7 shows that the coefficient of determination (R2) is 0.344, which means that 34.3% of the dependent variables, namely Differentiation Strategy (X1) and Product Innovation (X2) can be explained by the independent variable Competitive Advantage. in this study, while the remaining 65.7% can be explained by other variables outside this study.

Explanation
The Influence of Differentiation Strategy on Competitive Advantage.
From table 9 above, it is found that the differentiation strategy variable has a Sig value of 0.000 which is smaller than 0.05, so it partially shows that the differentiation strategy has a positive and significant influence on the competitive advantage of the Bu Imas restaurant. Differentiation strategy, which includes product differentiation, service differentiation, and brand differentiation, plays a crucial role in influencing a company's competitive advantage. Product differentiation involves developing and offering products that have unique characteristics or special advantages that set them apart from competitors. By offering products that are considered more valuable or have unique features, companies can create a competitive advantage that can attract and retain customers.

Service differentiation involves providing added value to customers through superior service and a better customer experience. More personalized, responsive, or innovative service can create a competitive advantage by increasing customer satisfaction and creating loyalty. Brand differentiation, on the other hand, involves building a strong and positive brand image.

A positive brand image can improve customer perceptions of a company's quality and reputation, creating greater appeal in the market.

Overall, a differentiation strategy that combines product differentiation, service differentiation, and brand differentiation can create competitive advantage by creating added value that is recognized by customers. Through this strategy, the company can position itself in the market as a unique and valuable provider, helping to maintain and increase its market share and competitiveness. The results of this research are in line with research by Firmansyah et al., (2019) which states that there is an influence of differentiation strategy on competitive advantage.

The influence of product innovation on competitive advantage

From table 9 above, it is found that the product innovation variable has a Sig value of 0.000 which is smaller than 0.05, so it partially shows that product innovation has a positive and significant influence on the competitive advantage of the Bu Imas restaurant. Product innovation plays a critical role in establishing and maintaining a company's competitive advantage. As a key element in competitive strategy, product innovation involves the development and implementation of new ideas, technologies, or designs in the products a company offers. By continuing to implement product innovation, a company can create a competitive advantage in several ways.

First, product innovation can create significant differences between a company's products and competitors' products in the market. By introducing new features, the latest technology, or unique designs, companies can attract customers' attention and make their products stand out from the competition. Second, product innovation can improve product efficiency and quality. The use of the latest technology or more efficient production methods can produce products at lower production costs or of higher quality, giving the company a competitive advantage in terms of price or quality.

Apart from that, product innovation can also create new market opportunities or expand a company's market share. Innovative new products can fulfill unmet customer needs or desires, create new market segments or expand a company's presence in existing segments. Thus, product innovation not only increases a company's competitiveness, but also helps build and maintain long-term competitive advantage. Companies that continually commit to product innovation can be better prepared to face market changes and meet customer demands, ensuring a strong and sustainable position in the industry. The results of this research are in line with research conducted by Ani (2020) which states that product innovation has an influence on competitive advantage.

The influence of differentiation strategy and product innovation on competitive advantage

Table 8 shows the F value of 23.581 with a significance value of 0.000 and the significance value is smaller than 0.05. This shows that product differentiation and innovation strategies influence the competitive advantage of Bu Imas's restaurant. Differentiation strategies and product innovation each have a positive impact on a company's competitive advantage. Through a differentiation strategy, companies can highlight the uniqueness of the products or services offered, creating the perception of added value in the eyes of customers. By offering products that have unique features or features, companies can differentiate themselves from competitors, build customer loyalty, and maintain a stable market share.

On the other hand, product innovation creates the foundation for competitive advantage by introducing products that are more sophisticated, efficient, or in line with developing market needs. Companies that are able to innovate can provide more value to customers, win competition in the market, and increase their competitiveness. By continually producing new products or improving existing products, companies can ensure that they remain relevant and responsive to changing trends and consumer needs. Thus, a combination of differentiation

strategies and product innovation can be the key to success in achieving and maintaining competitive advantage in an increasingly dynamic market. These results are in line with research conducted by Fatahillah et al, (2023).

E.   CONCLUSION

Differentiation strategies and product innovation each have a positive impact on the competitive advantage of Bu Imas restaurants. Through a differentiation strategy, companies can highlight the uniqueness of the products or services offered, creating the perception of added value in the eyes of customers. By offering products that have unique features or features, companies can differentiate themselves from competitors, build customer loyalty, and maintain a stable market share. On the other hand, product innovation creates the foundation for competitive advantage by introducing products that are more sophisticated, efficient, or in line with developing market needs. Companies that are able to innovate can provide more value to customers, win competition in the market, and increase their competitiveness. By continually producing new products or improving existing products, companies can ensure that they remain relevant and responsive to changing trends and consumer needs. Thus, a combination of differentiation strategies and product innovation can be the key to success in achieving and maintaining competitive advantage in an increasingly dynamic market.

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The influence of differentiation strategy and product innovation on competitive advantage

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Abstract

Competitive advantage is a crucial factor in ensuring the success of a company in an increasingly competitive market. Differentiation strategy is implemented through creating added value in products or services that differentiates the company from its competitors, while product innovation involves the development and implementation of new ideas to increase the product's appeal. This research aims to investigate the influence of differentiation strategy and product innovation on competitive advantage at the Bu Imas restaurant. This research uses a quantitative approach with a simple random sampling technique so that a sample of 93 customers is obtained. Data collection was done by distributing questionnaires with regression analysis and hypothesis testing with the help of the SPSS.25.0 tool. The research results show that the differentiation strategy and product innovation partially have a positive and significant effect on the competitive advantage of the Bu Imas stall. Furthermore, the differentiation strategy and product innovation simultaneously have a positive and significant effect on the competitive advantage of the Bu Imas food stall with a magnitude of 34.3%.

Keywords: Differentiation strategy, Product Innovation, competitive advantage, Rumaha Makan Bu Imas.

A. INTODUCTION

In general, every company has the main goal of achieving achievements as a reflection of the success of its business in market competition (Zairi, 1997). In an increasingly developing business world, the number of competing companies is also increasing, creating intense competition to be at the forefront in the eyes of consumers (Bitner & Borwn, 2008). Gaining competitive advantage is a major challenge for companies operating in today's business environment (Elahi, 2013).

Before formulating a marketing strategy, a company needs to observe the environmental factors that influence its business (Menon & Menon, 1997). Understanding competitors' objectives, strengths and weaknesses is also an important key to identifying opportunities and threats that may arise (Ashton & Stacey, 1995). In this context, the link between competitive position and business strategy becomes a crucial element (Proctor, 1997). Each company holds a unique competitive position, and a deep understanding of this position allows the company to develop strategies that suit market conditions and its advantages (Days & Wensley, 1988).

Changes in the industry are not only limited to company products, but also include critical aspects related to overall company performance (Galbreath & Galvin, 2008). Therefore, adapting and responding to changes in markets, technology and consumer trends is essential for companies that want to remain relevant and competitive in this ever-changing era (Prastacos et al., 2002). Thus, a holistic business strategy, including a deep understanding of competitive position, the business environment, and adaptation to change, is the key to success in achieving competitive advantage in a dynamic market (Li & Liu, 2014).

Several factors that influence competitive advantage between companies can be identified, and one significant aspect is the implementation of a differentiation strategy, as explained by Semuel et al. (2017). Differentiation strategy is an important element that

differentiates an organization from its competitors. By implementing this strategy, companies can create uniqueness in their products or services, making target consumers more likely to become loyal customers (Spitzeck & Chapman, 2012). Through differentiation, innovative products that are able to meet consumer needs can become an area where a company can excel compared to its competitors (Fuchs et al., 2000). The principle of product differentiation is not just about differentiating in physical aspects, but also involves specific elements that are carefully built by the company (Ardichvili et al., 2003).

By implementing a differentiation strategy effectively, companies can build a strong image and identity in the eyes of consumers, thereby creating sustainable customer loyalty (Urde, 1994). Innovative products resulting from this strategy can provide added value and satisfaction to consumers, strengthening the company's position in the market (Bhattacharya & Sen, 2003). Therefore, product differentiation is not only an effort to differentiate oneself from competitors, but also a basis for taking a company's business to a higher level, ensuring sustainable competitiveness in an ever-growing market (Gure & Karugu, 2018).

A factor that also influences competitive advantage is product innovation, as stated by Smith (1956). Products are the core of marketing strategy, considering that products are the result or output of company activities that are offered to the target market to meet consumer needs and desires. In the context of purchasing a product, consumers not only obtain the physical product, but also purchase the benefits or advantages that can be obtained from the product (Calantone et al., 2006), it is important for a product to have advantages that differentiate it from similar products, and product innovation is one significant aspect.

Product innovation is the key to competition between business actors, because consumers tend to choose products that not only fulfill basic needs, but also provide added value or certain advantages (Hobday, 1998). Innovative products are able to provide new experiences and better solutions to consumers, creating strong attraction in the market. Therefore, companies need to continue to encourage product innovation to remain relevant and competitive. By integrating product innovation into business strategy, companies can create significant differentiation, increase product value, and ultimately, gain competitive advantage in dynamic markets (Kindstrom & Kowalkowski, 2014).

. Business development in Indonesia is experiencing rapid progress, especially in the current era of globalization, where business opportunities are increasingly wider and open (Setyowati et al., 2021). This phenomenon not only creates new opportunities for entrepreneurs, but also triggers the emergence of various businesses in various sectors. In the midst of increasingly fierce competition, the culinary business sector is one of the most affected (Hasbullah et al., 2021). In Bandung City Regional Regulation Number 7 of 2012 article 18, it is explained that a food and beverage service business is a business that provides food and drinks with equipment and supplies for the manufacturing, storage and serving processes.

This regulation reflects the government's attention to the regulation and standardization of culinary businesses. With so many culinary businesses emerging, competition in this sector is becoming increasingly fierce. Culinary entrepreneurs are required to not only serve delicious food, but also have an effective marketing strategy to attract consumer attention (Balazs, 2022). As technology and food trends develop, culinary companies are also faced with the need to continue to innovate in serving menus and providing unique experiences to customers (Horng & Tsai, 2012).

One of the famous culinary businesses in Bandung is Sundanese culinary. If you are visiting Bandung and want to taste delicious and cheap Sundanese food, we can try Warung Nasi Bu Imas. This stall has been established since 1980 and is one of the famous rice stalls in Bandung. Warung Nasi Bu Imas serves a variety of typical Sundanese side dishes, such as grilled chicken, empal, pepes, fried fish, tamarind vegetables, karedok, and of course chili sauce. You can choose side dishes according to your taste, and enjoy them with warm rice and

sweet tea. One of the mainstay product innovations at Warung Nasi Bu Imas is the chili sauce, which has three types, namely shrimp paste chili sauce, green chili sauce and red chili sauce. These chili sauces have a spicy, sour and savory taste, which is suitable for increasing your appetite. And what differentiates it from competing restaurants is the specialty of its grilled chicken. Besides that, the price of food at Warung Nasi Bu Imas is also affordable, starting from IDR 10,000 to IDR 30,000 per portion. Quite cheap compared to competitors such as Ampera Restaurant which already has a big name.

B.   LITERATURE REVIEW

Differentiation Strategy

Differentiation is the process of adding and providing a series of differences that are considered important, to differentiate the products offered by the company from competitors, although sometimes this is done based on irrelevant attributes (Carpenter et al., 1994). Differentiation can be intended as a company's efforts in marketing strategy to differentiate its product from competing companies, so that the product has its own characteristics (Collis & Montgomery, 2008). The marketing strategy that can be chosen by companies that implement a differentiation strategy, so that they always have a competitive advantage in the market (Varadarajan, 2010), can be done by choosing the following strategies:

1. Product Differentiation Providing high creativity in creating unique products that are more attractive, comfortable, safe, so that they are more popular with consumers compared to competing products.
2. Service Quality Differentiation Realizing high creativity in combining elements of the marketing mix with friendliness and broad insight of employees, so that the quality of service perceived by consumers exceeds expectations.
3. Image Differentiation. Image is a special or distinguishing characteristic of the appearance of a person or object. Image differentiation is a mixture of elements.

Product Innovation

According to Utterback & Abernathy (1975) Product innovation is an interesting new inspiration that can be developed. Innovation is used intentionally to create interesting development and strategy goals. In order to be able to compete with other companies, innovation must continue to be carried out and developed (Cooper & Kleinschmidt, 1987). According to Smith et al. (2012) Product innovation is one way to provide additional points which is one of the key components of successful business operations, which can provide a competitive advantage for companies that require quality products.

Product innovation is a change in a set of information related to efforts to increase or improve existing resources, namely by modifying the product to make something more valuable, creating new and different things, namely by changing a material into a resource and combining (Un et al., 2010) These resources become new innovations or more productive product specifications, either directly or indirectly, which are influenced by the certainty of profit or loss or the time process for implementing them, in order to achieve a competitive advantage (Karlsson & Olsson, 1998). There are four dimensions of innovation, namely: product innovation, process innovation, followership innovation, and sources of innovation.

Competitive Advantage

Advantage is the ability obtained through the characteristics and resources of a company or organization to have higher performance and capabilities than other companies in the same industry or market (Vorhies et al., 1999). Every company will always try to fulfill whatever the wants and needs of its customers are. Porter (1985) considers that competitive advantage grows from the value a company is able to create for buyers exceeding the company's

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costs to create it. Barney (1991) continued that the value strategy created by a company will not be able to be implemented or imitated by other streams or other potential competitors.

According to Baia et al., (2020) competitive advantage is the ability of a business to create competitive advantages so that it can compete with competitors. The competitive advantage indicators were developed from several experts, namely competitive prices, management capabilities, profits, strategic position and location. Meanwhile, according to (Paryanti, 2015), the description of these dimensions is: visitor retention, increasing visitor loyalty, developing the quality of service technology.

C. METHOD

The study employed a quantitative research paradigm, specifically utilizing a research methodology that predominantly relies on statistical analysis for data interpretation. The study methodology employed is causal comparative, specifically focused on obtaining valid tests to establish causal links between variables. The study encompassed the entire unidentified population of patrons visiting the Bu Imas eatery. The sample selection technique employed was simple random sampling, resulting in the acquisition of 93 samples. The research employed a questionnaire as the data gathering method. Researchers employ a closed questionnaire with a Likert scale. A closed questionnaire is a type of questionnaire that presents predetermined answer alternatives for respondents to select from. Subsequently, the gathered data will be scrutinized for its validity, reliability, adherence to classical assumptions, regression testing, and hypothesis testing using the SPSS 25.0 for Windows software.

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D. RESULTS AND DISCUSSION

1. Validity test

Validity is related to the "accuracy" of a measuring instrument. An instrument is considered valid if it is able to measure exactly what is intended. In this research, validity testing is used to evaluate the extent to which the measuring instrument used can provide results that are in accordance with the variable or concept to be measured.

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Table 1 Validity Test results

Variable	Code	Mark	Information
Differentiation strategy (X1)	X1.1	0.756	Valid
	X1.2	0.770	Valid
	X1.3	0.676	Valid
Product innovation (X2)	X2.1	0.778	Valid
	X2.2	0.832	Valid
	X2.3	0.694	Valid
	X2.4	0.768	Valid
	X2.1	0.778	Valid
Competitive advantage (Y)	Y1	0.818	Valid
	Y2	0.891	Valid
	Y3	0.767	Valid

Data Processed 2023

Based on the information in the table, it can be concluded that all indicators in the employee transfer, employee incentives and employee performance variables are considered valid. This conclusion is based on the validity coefficients used by the researchers, all of which exceed 0.5. These values indicate an adequate level of validity according to the criteria that have been applied in this research

2. Reliability Test

Reliability is "a measurement scale score that shows the stability and consistency of a score. A variable is said to be reliable if it provides a Cronbach Alpha value > 0.60 and Cronbach Alpha if item deleted < Cronbach Alpha.

Table 2 Reliability test results

Variable	Cronbach Alpha	Cross of Values	Information
Differentiation strategy (X1)	0.720	0.60	Reliable
Product innovation (X2)	0.764	0.60	Reliable
Competitive advantage (Y)	0.632	0.60	Reliable

Table 3 shows that all variables in this study have a Cronbach alpha value > 0.6 and a Cronbach alpha value if item deleted < Cronbach alpha, so they are declared reliable.

3. Classic assumption test

Normality test

The normality test is carried out to determine whether the residuals in a regression model follow a normal distribution or not. In evaluating the normality of data distribution, the method that can be used is the Kolmogorov-Smirnov test, according to Santoso's explanation (2007:154). This test aims to assess whether the residuals in the regression model have a distribution that is close to or the same as a normal distribution.

Table 3 Kolmogorov-Smirnov test

		Standardized Residual
N		93
Normal Parameters [a, b]	Mean	0E-7
	Std. Deviation	.31513469
Most Extreme Differences	Absolute	.097
	Positive	.097
	negative	- .090
Kolmogorov-Smirnov Z		.337
Asymp. Sig. (2-tailed)		.789

From Table 3, it can be seen that the residual significance value is greater than 0.05, namely 0.337. This indicates that the residuals follow a normal distribution. Therefore, it can be concluded that the resulting regression is reliable for decision making.

Autocorrelation Test

The autocorrelation test is carried out to test whether in a linear regression model there is a correlation between the error at one point in time and the error at the previous time point. If there is a correlation, it is called an autocorrelation problem. Autocorrelation detection can be done using the Durbin Watson test. If the Durbin-Watson value is less than one (1) or more than three (3), this indicates the presence of autocorrelation.

Table 4 Autocoelation Test Results

Model	Durbin-Watson

1	1.602

In this study, Table 4 shows the Durbin-Watson value of 1.602, which indicates that there is no autocorrelation. Therefore, it can be concluded that the results of this regression are reliable for decision making.

Multicollinearity Test

The multicollinearity test is used to identify whether there is a correlation between the independent variables in the regression model (Ghozali, 2009). Detection of symptoms of multicollinearity in the regression model of this research can be done through the multicollinearity test. If the Variance Inflation Factor (VIF) value is less than 10, it can be concluded that there is no multicollinearity.

Table 5 Multicollinearity Test Results

Variable	Tolerance	VIF
Differentiation strategy (X1)	0.897	1.112
Product innovation (X2)	0.897	1.112

From Table 5, it can be seen that the VIF value for the two independent variables is 1.112, which is below 10. This shows that there is no indication of multicollinearity between the two observed variables. Therefore, it can be concluded that the regression results are reliable for decision making.

Heteroscedasticity Test

The heteroscedasticity test is carried out to determine whether there is non-uniformity in the variance of the residuals between observations in a regression model. If the residual variance remains constant from one observation to another, this is called homoscedasticity; whereas if the variances are different, it is called heteroscedasticity. Heteroscedasticity detection can be done using the Glejser test. If the significance value is >0.05 for all variables, it can be concluded that the residual variance is homogeneous.

Table 6 Heteroscedasticity Test Results

Variable	Tolerance
Differentiation strategy (X1)	0.099
Product innovation (X2)	0.518

In Table 6, it can be seen that the significance value is greater than 0.05 for both variables, namely 0.099 for the differentiation strategy variable (X1) and 0.518 for the product innovation variable (X2). This shows that there is no indication of heteroscedasticity, and the regression results can be considered suitable as a basis for decision making.

4. **Multiple Linear Regression Test**

Regression analysis was carried out to assess the impact of differentiation strategy (X1) and product innovation (X2) on competitive advantage (Y), both separately and simultaneously.

Table 7 Results of Multiple Linear Regression Analysis

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig
	B	Std. Error	Beta		
(Constant)	1.357	0.375		3.601	.001
Differentiation strategy (X1)	.384	.090	.381	4.243	.000
Product innovation (X2)	.298	.078	.336	3.752	.000

a. Dependent Variable: Competitive advantage (Y)

In table 7, the regression coefficients are known and the regression model is obtained as follows:

$$Y = 1.357 + 0.384X1 + 0.298 X2$$

Looking at the analysis model above, it can be concluded that if the differentiation strategy variable (X1) increases by one Likert scale unit and the other variable, namely product innovation (X2), remains constant, then competitive advantage (Y) increases by 0.384. If the product innovation variable (X2) increases by one Likert unit and the other variable, namely differentiation strategy (X1), remains constant, then competitive advantage (Y) increases by 0.298. The differentiation strategy variable (X1) has a greater value, namely 0.384, while the product innovation variable (X2) is 0.298, so the differentiation strategy variable (X1) has a greater influence than the product innovation variable (X2).

5. Hypothesis testing
Simultaneous Test (f Test)

In this research, the F test is used to assess the level of significance of the impact of the independent variables collectively on the dependent variable (in a simultaneous context) .

Table 8 Simultaneous Test Results (F Test)

ANOVA [a]

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	4.776	2	2.393	23.581	.000 [a]
Residual	9.135	90	0.102		
Total	13.923	92			

a. Predictor: (Constant), product innovation (X2), differentiation strategy (X1)
b. Dependent variable: competitive advantage (Y).

Table 8 shows the F value of 23.581 with a significance value of 0.000 and the significance value is smaller than 0.05. This shows the influence of the independent variables, namely differentiation strategy (X1) and product innovation (X2) on the dependent variable, namely customer satisfaction (Y) simultaneously or together.

Partial test (t test)

The t test is used to test the significance of the relationship between variables X and Y, whether variables X1 and X2 really influence variable Y separately or partially.

Table 9 Partial Test Results (t test)

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	sig
(Constant)	1.357	0.375		3.601	.001
Differentiation strategy (X1)	.384	.090	.381	4.243	.000
Product innovation (X2)	.298	.078	.336	3.752	.000

a. Dependent Variable: Competitive advantage (Y)

From the results of the statistical analysis contained in Table 9, it can be concluded that the significance value for the differentiation strategy (X1) and product innovation (X2) variables is 0.000, which is smaller than the significance level of 0.05. These results indicate that individually, both the differentiation strategy variable and the product innovation variable have a significant influence on the competitive advantage variable (Y). This means that changes in differentiation strategy variables and product innovation can partially be associated with significant changes in competitive advantage. Therefore, these findings strengthen the conclusion that the implementation of differentiation strategy policies and a performance-based product innovation system has a positive impact on the competitive advantage of Bu Imas restaurants.

6. **Coefficient of Determination Test (R2)**

The coefficient of determination (R^2) is used to measure how far the model is able to explain variations in the dependent variable.

Table 10 Coefficient of determination test
Model Summary

Model	R	R Square	Adjusted R Square	Std Error of Estimate
1	.586	.343	.328	.31861

Table 7 shows that the coefficient of determination (R2) is 0.344, which means that 34.3% of the dependent variables, namely Differentiation Strategy (X1) and Product Innovation (X2) can be explained by the independent variable Competitive Advantage. in this study, while the remaining 65.7% can be explained by other variables outside this study.

Explanation
The Influence of Differentiation Strategy on Competitive Advantage.

From table 9 above, it is found that the differentiation strategy variable has a Sig value of 0.000 which is smaller than 0.05, so it partially shows that the differentiation strategy has a positive and significant influence on the competitive advantage of the Bu Imas restaurant. Differentiation strategy, which includes product differentiation, service differentiation, and brand differentiation, plays a crucial role in influencing a company's competitive advantage. Product differentiation involves developing and offering products that have unique characteristics or special advantages that set them apart from competitors. By offering products that are considered more valuable or have unique features, companies can create a competitive advantage that can attract and retain customers.

Service differentiation involves providing added value to customers through superior service and a better customer experience. More personalized, responsive, or innovative service can create a competitive advantage by increasing customer satisfaction and creating loyalty. Brand differentiation, on the other hand, involves building a strong and positive brand image.

A positive brand image can improve customer perceptions of a company's quality and reputation, creating greater appeal in the market.

Overall, a differentiation strategy that combines product differentiation, service differentiation, and brand differentiation can create competitive advantage by creating added value that is recognized by customers. Through this strategy, the company can position itself in the market as a unique and valuable provider, helping to maintain and increase its market share and competitiveness. The results of this research are in line with research by Firmansyah et al., (2019) which states that there is an influence of differentiation strategy on competitive advantage.

The influence of product innovation on competitive advantage

From table 9 above, it is found that the product innovation variable has a Sig value of 0.000 which is smaller than 0.05, so it partially shows that product innovation has a positive and significant influence on the competitive advantage of the Bu Imas restaurant. Product innovation plays a critical role in establishing and maintaining a company's competitive advantage. As a key element in competitive strategy, product innovation involves the development and implementation of new ideas, technologies, or designs in the products a company offers. By continuing to implement product innovation, a company can create a competitive advantage in several ways.

First, product innovation can create significant differences between a company's products and competitors' products in the market. By introducing new features, the latest technology, or unique designs, companies can attract customers' attention and make their products stand out from the competition. Second, product innovation can improve product efficiency and quality. The use of the latest technology or more efficient production methods can produce products at lower production costs or of higher quality, giving the company a competitive advantage in terms of price or quality.

Apart from that, product innovation can also create new market opportunities or expand a company's market share. Innovative new products can fulfill unmet customer needs or desires, create new market segments or expand a company's presence in existing segments. Thus, product innovation not only increases a company's competitiveness, but also helps build and maintain long-term competitive advantage. Companies that continually commit to product innovation can be better prepared to face market changes and meet customer demands, ensuring a strong and sustainable position in the industry. The results of this research are in line with research conducted by Ani (2020) which states that product innovation has an influence on competitive advantage.

The influence of differentiation strategy and product innovation on competitive advantage

Table 8 shows the F value of 23.581 with a significance value of 0.000 and the significance value is smaller than 0.05. This shows that product differentiation and innovation strategies influence the competitive advantage of Bu Imas's restaurant. Differentiation strategies and product innovation each have a positive impact on a company's competitive advantage. Through a differentiation strategy, companies can highlight the uniqueness of the products or services offered, creating the perception of added value in the eyes of customers. By offering products that have unique features or features, companies can differentiate themselves from competitors, build customer loyalty, and maintain a stable market share.

On the other hand, product innovation creates the foundation for competitive advantage by introducing products that are more sophisticated, efficient, or in line with developing market needs. Companies that are able to innovate can provide more value to customers, win competition in the market, and increase their competitiveness. By continually producing new products or improving existing products, companies can ensure that they remain relevant and responsive to changing trends and consumer needs. Thus, a combination of differentiation

strategies and product innovation can be the key to success in achieving and maintaining competitive advantage in an increasingly dynamic market. These results are in line with research conducted by Fatahillah et al, (2023).

E.   CONCLUSION

Differentiation strategies and product innovation each have a positive impact on the competitive advantage of Bu Imas restaurants. Through a differentiation strategy, companies can highlight the uniqueness of the products or services offered, creating the perception of added value in the eyes of customers. By offering products that have unique features or features, companies can differentiate themselves from competitors, build customer loyalty, and maintain a stable market share. On the other hand, product innovation creates the foundation for competitive advantage by introducing products that are more sophisticated, efficient, or in line with developing market needs. Companies that are able to innovate can provide more value to customers, win competition in the market, and increase their competitiveness. By continually producing new products or improving existing products, companies can ensure that they remain relevant and responsive to changing trends and consumer needs. Thus, a combination of differentiation strategies and product innovation can be the key to success in achieving and maintaining competitive advantage in an increasingly dynamic market.

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Commented [SCG8]: The conclusion summarizes the main findings concisely. However, it could be strengthened by highlighting the practical implications of the study's results and suggesting directions for future research

Commented [SCG9]: The references are well-cited, and the sources are relevant and up-to-date. However, it's essential to ensure that all sources cited in the text are included in the reference list.

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The influence of differentiation strategy and product innovation on competitive advantage

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Abstract

Competitive advantage is a crucial factor in ensuring the success of a company in an increasingly competitive market. Differentiation strategy is implemented through creating added value in products or services that differentiates the company from its competitors, while product innovation involves the development and implementation of new ideas to increase the product's appeal. This research aims to investigate the influence of differentiation strategy and product innovation on competitive advantage at the Bu Imas restaurant. This research uses a quantitative approach with a simple random sampling technique so that a sample of 93 customers is obtained. Data collection was done by distributing questionnaires with regression analysis and hypothesis testing with the help of the SPSS.25.0 tool. The research results show that the differentiation strategy and product innovation partially have a positive and significant effect on the competitive advantage of the Bu Imas stall. Furthermore, the differentiation strategy and product innovation simultaneously have a positive and significant effect on the competitive advantage of the Bu Imas food stall with a magnitude of 34.3%.

Keywords: Differentiation strategy, Product Innovation, competitive advantage, Rumaha Makan Bu Imas.

A. INTODUCTION

In general, every company has the main goal of achieving achievements as a reflection of the success of its business in market competition (Zairi, 1997). In an increasingly developing business world, the number of competing companies is also increasing, creating intense competition to be at the forefront in the eyes of consumers (Bitner & Borwn, 2008). Gaining competitive advantage is a major challenge for companies operating in today's business environment (Elahi, 2013).

Before formulating a marketing strategy, a company needs to observe the environmental factors that influence its business (Menon & Menon, 1997). Understanding competitors' objectives, strengths and weaknesses is also an important key to identifying opportunities and threats that may arise (Ashton & Stacey, 1995). In this context, the link between competitive position and business strategy becomes a crucial element (Proctor, 1997). Each company holds a unique competitive position, and a deep understanding of this position allows the company to develop strategies that suit market conditions and its advantages (Days & Wensley, 1988).

Changes in the industry are not only limited to company products, but also include critical aspects related to overall company performance (Galbreath & Galvin, 2008). Therefore, adapting and responding to changes in markets, technology and consumer trends is essential for companies that want to remain relevant and competitive in this ever-changing era (Prastacos et al., 2002). Thus, a holistic business strategy, including a deep understanding of competitive position, the business environment, and adaptation to change, is the key to success in achieving competitive advantage in a dynamic market (Li & Liu, 2014).

Several factors that influence competitive advantage between companies can be identified, and one significant aspect is the implementation of a differentiation strategy, as explained by Semuel et al. (2017). Differentiation strategy is an important element that

differentiates an organization from its competitors. By implementing this strategy, companies can create uniqueness in their products or services, making target consumers more likely to become loyal customers (Spitzeck & Chapman, 2012). Through differentiation, innovative products that are able to meet consumer needs can become an area where a company can excel compared to its competitors (Fuchs et al., 2000). The principle of product differentiation is not just about differentiating in physical aspects, but also involves specific elements that are carefully built by the company (Ardichvili et al., 2003).

By implementing a differentiation strategy effectively, companies can build a strong image and identity in the eyes of consumers, thereby creating sustainable customer loyalty (Urde, 1994). Innovative products resulting from this strategy can provide added value and satisfaction to consumers, strengthening the company's position in the market (Bhattacharya & Sen, 2003). Therefore, product differentiation is not only an effort to differentiate oneself from competitors, but also a basis for taking a company's business to a higher level, ensuring sustainable competitiveness in an ever-growing market (Gure & Karugu, 2018).

A factor that also influences competitive advantage is product innovation, as stated by Smith (1956). Products are the core of marketing strategy, considering that products are the result or output of company activities that are offered to the target market to meet consumer needs and desires. In the context of purchasing a product, consumers not only obtain the physical product, but also purchase the benefits or advantages that can be obtained from the product (Calantone et al., 2006), it is important for a product to have advantages that differentiate it from similar products, and product innovation is one significant aspect.

Product innovation is the key to competition between business actors, because consumers tend to choose products that not only fulfill basic needs, but also provide added value or certain advantages (Hobday, 1998). Innovative products are able to provide new experiences and better solutions to consumers, creating strong attraction in the market. Therefore, companies need to continue to encourage product innovation to remain relevant and competitive. By integrating product innovation into business strategy, companies can create significant differentiation, increase product value, and ultimately, gain competitive advantage in dynamic markets (Kindstrom & Kowalkowski, 2014).

. Business development in Indonesia is experiencing rapid progress, especially in the current era of globalization, where business opportunities are increasingly wider and open (Setyowati et al., 2021). This phenomenon not only creates new opportunities for entrepreneurs, but also triggers the emergence of various businesses in various sectors. In the midst of increasingly fierce competition, the culinary business sector is one of the most affected (Hasbullah et al., 2021). In Bandung City Regional Regulation Number 7 of 2012 article 18, it is explained that a food and beverage service business is a business that provides food and drinks with equipment and supplies for the manufacturing, storage and serving processes.

This regulation reflects the government's attention to the regulation and standardization of culinary businesses. With so many culinary businesses emerging, competition in this sector is becoming increasingly fierce. Culinary entrepreneurs are required to not only serve delicious food, but also have an effective marketing strategy to attract consumer attention (Balazs, 2022). As technology and food trends develop, culinary companies are also faced with the need to continue to innovate in serving menus and providing unique experiences to customers (Horng & Tsai, 2012).

One of the famous culinary businesses in Bandung is Sundanese culinary. If you are visiting Bandung and want to taste delicious and cheap Sundanese food, we can try Warung Nasi Bu Imas. This stall has been established since 1980 and is one of the famous rice stalls in Bandung. Warung Nasi Bu Imas serves a variety of typical Sundanese side dishes, such as grilled chicken, empal, pepes, fried fish, tamarind vegetables, karedok, and of course chili sauce. You can choose side dishes according to your taste, and enjoy them with warm rice and

sweet tea. One of the mainstay product innovations at Warung Nasi Bu Imas is the chili sauce, which has three types, namely shrimp paste chili sauce, green chili sauce and red chili sauce. These chili sauces have a spicy, sour and savory taste, which is suitable for increasing your appetite. And what differentiates it from competing restaurants is the specialty of its grilled chicken. Besides that, the price of food at Warung Nasi Bu Imas is also affordable, starting from IDR 10,000 to IDR 30,000 per portion. Quite cheap compared to competitors such as Ampera Restaurant which already has a big name.

B.   LITERATURE REVIEW
Differentiation Strategy

Differentiation is the process of adding and providing a series of differences that are considered important, to differentiate the products offered by the company from competitors, although sometimes this is done based on irrelevant attributes (Carpenter et al., 1994). Differentiation can be intended as a company's efforts in marketing strategy to differentiate its product from competing companies, so that the product has its own characteristics (Collis & Montgomery, 2008). The marketing strategy that can be chosen by companies that implement a differentiation strategy, so that they always have a competitive advantage in the market (Varadarajan, 2010), can be done by choosing the following strategies:

1. Product Differentiation Providing high creativity in creating unique products that are more attractive, comfortable, safe, so that they are more popular with consumers compared to competing products.
2. Service Quality Differentiation Realizing high creativity in combining elements of the marketing mix with friendliness and broad insight of employees, so that the quality of service perceived by consumers exceeds expectations.
3. Image Differentiation. Image is a special or distinguishing characteristic of the appearance of a person or object. Image differentiation is a mixture of elements.

Product Innovation

According to Utterback & Abernathy (1975) Product innovation is an interesting new inspiration that can be developed. Innovation is used intentionally to create interesting development and strategy goals. In order to be able to compete with other companies, innovation must continue to be carried out and developed (Cooper & Kleinschmidt, 1987). According to Smith et al. (2012) Product innovation is one way to provide additional points which is one of the key components of successful business operations, which can provide a competitive advantage for companies that require quality products.

Product innovation is a change in a set of information related to efforts to increase or improve existing resources, namely by modifying the product to make something more valuable, creating new and different things, namely by changing a material into a resource and combining (Un et al., 2010) These resources become new innovations or more productive product specifications, either directly or indirectly, which are influenced by the certainty of profit or loss or the time process for implementing them, in order to achieve a competitive advantage (Karlsson & Olsson, 1998). There are four dimensions of innovation, namely: product innovation, process innovation, followership innovation, and sources of innovation.

Competitive Advantage

Advantage is the ability obtained through the characteristics and resources of a company or organization to have higher performance and capabilities than other companies in the same industry or market (Vorhies et al., 1999). Every company will always try to fulfill whatever the wants and needs of its customers are. Porter (1985) considers that competitive advantage grows from the value a company is able to create for buyers exceeding the company's

costs to create it. Barney (1991) continued that the value strategy created by a company will not be able to be implemented or imitated by other streams or other potential competitors.

According to Baia et al., (2020) competitive advantage is the ability of a business to create competitive advantages so that it can compete with competitors. The competitive advantage indicators were developed from several experts, namely competitive prices, management capabilities, profits, strategic position and location. Meanwhile, according to (Paryanti, 2015), the description of these dimensions is: visitor retention, increasing visitor loyalty, developing the quality of service technology.

C.   METHOD

The study employed a quantitative research paradigm, specifically utilizing a research methodology that predominantly relies on statistical analysis for data interpretation. The study methodology employed is causal comparative, specifically focused on obtaining valid tests to establish causal links between variables. The study encompassed the entire unidentified population of patrons visiting the Bu Imas eatery. The sample selection technique employed was simple random sampling, resulting in the acquisition of 93 samples. The research employed a questionnaire as the data gathering method. Researchers employ a closed questionnaire with a Likert scale. A closed questionnaire is a type of questionnaire that presents predetermined answer alternatives for respondents to select from. Subsequently, the gathered data will be scrutinized for its validity, reliability, adherence to classical assumptions, regression testing, and hypothesis testing using the SPSS 25.0 for Windows software.

> **Commented [SCG5]:** The theoritical aspects have been mentioned sufficiently, however the methodology doesn't depict the interrelation between computation (modeling) and experimental. Need more explanationabout of variable used

D.   RESULTS AND DISCUSSION

1. Validity test

Validity is related to the "accuracy" of a measuring instrument. An instrument is considered valid if it is able to measure exactly what is intended. In this research, validity testing is used to evaluate the extent to which the measuring instrument used can provide results that are in accordance with the variable or concept to be measured.

Table 1 Validity Test results

Variable	Code	Mark	Information
Differentiation strategy (X1)	X1.1	0.756	Valid
	X1.2	0.770	Valid
	X1.3	0.676	Valid
Product innovation (X2)	X2.1	0.778	Valid
	X2.2	0.832	Valid
	X2.3	0.694	Valid
	X2.4	0.768	Valid
	X2.1	0.778	Valid
Competitive advantage (Y)	Y1	0.818	Valid
	Y2	0.891	Valid
	Y3	0.767	Valid

Data Processed 2023

Based on the information in the table, it can be concluded that all indicators in the employee transfer, employee incentives and employee performance variables are considered valid. This conclusion is based on the validity coefficients used by the researchers, all of which exceed 0.5. These values indicate an adequate level of validity according to the criteria that have been applied in this research

2. Reliability Test

Reliability is "a measurement scale score that shows the stability and consistency of a score. A variable is said to be reliable if it provides a Cronbach Alpha value > 0.60 and Cronbach Alpha if item deleted < Cronbach Alpha.

Table 2 Reliability test results

Variable	Cronbach Alpha	Cross of Values	Information
Differentiation strategy (X1)	0.720	0.60	Reliable
Product innovation (X2)	0.764	0.60	Reliable
Competitive advantage (Y)	0.632	0.60	Reliable

Table 3 shows that all variables in this study have a Cronbach alpha value > 0.6 and a Cronbach alpha value if item deleted < Cronbach alpha, so they are declared reliable.

3. Classic assumption test

Normality test

The normality test is carried out to determine whether the residuals in a regression model follow a normal distribution or not. In evaluating the normality of data distribution, the method that can be used is the Kolmogorov-Smirnov test, according to Santoso's explanation (2007:154). This test aims to assess whether the residuals in the regression model have a distribution that is close to or the same as a normal distribution.

Table 3 Kolmogorov-Smirnov test

		Standardized Residual
N		93
Normal Parameters [a, b]	Mean	0E-7
	Std. Deviation	.31513469
Most Extreme Differences	Absolute	.097
	Positive	.097
	negative	- .090
Kolmogorov-Smirnov Z		.337
Asymp. Sig. (2-tailed)		.789

From Table 3, it can be seen that the residual significance value is greater than 0.05, namely 0.337. This indicates that the residuals follow a normal distribution. Therefore, it can be concluded that the resulting regression is reliable for decision making.

Autocorrelation Test

The autocorrelation test is carried out to test whether in a linear regression model there is a correlation between the error at one point in time and the error at the previous time point. If there is a correlation, it is called an autocorrelation problem. Autocorrelation detection can be done using the Durbin Watson test. If the Durbin-Watson value is less than one (1) or more than three (3), this indicates the presence of autocorrelation.

Table 4 Autocoelation Test Results

Model	Durbin-Watson

1	1.602

In this study, Table 4 shows the Durbin-Watson value of 1.602, which indicates that there is no autocorrelation. Therefore, it can be concluded that the results of this regression are reliable for decision making.

Multicollinearity Test

The multicollinearity test is used to identify whether there is a correlation between the independent variables in the regression model (Ghozali, 2009). Detection of symptoms of multicollinearity in the regression model of this research can be done through the multicollinearity test. If the Variance Inflation Factor (VIF) value is less than 10, it can be concluded that there is no multicollinearity.

Table 5 Multicollinearity Test Results

Variable	Tolerance	VIF
Differentiation strategy (X1)	0.897	1.112
Product innovation (X2)	0.897	1.112

From Table 5, it can be seen that the VIF value for the two independent variables is 1.112, which is below 10. This shows that there is no indication of multicollinearity between the two observed variables. Therefore, it can be concluded that the regression results are reliable for decision making.

Heteroscedasticity Test

The heteroscedasticity test is carried out to determine whether there is non-uniformity in the variance of the residuals between observations in a regression model. If the residual variance remains constant from one observation to another, this is called homoscedasticity; whereas if the variances are different, it is called heteroscedasticity. Heteroscedasticity detection can be done using the Glejser test. If the significance value is >0.05 for all variables, it can be concluded that the residual variance is homogeneous.

Table 6 Heteroscedasticity Test Results

Variable	Tolerance
Differentiation strategy (X1)	0.099
Product innovation (X2)	0.518

In Table 6, it can be seen that the significance value is greater than 0.05 for both variables, namely 0.099 for the differentiation strategy variable (X1) and 0.518 for the product innovation variable (X2). This shows that there is no indication of heteroscedasticity, and the regression results can be considered suitable as a basis for decision making.

4. **Multiple Linear Regression Test**

Regression analysis was carried out to assess the impact of differentiation strategy (X1) and product innovation (X2) on competitive advantage (Y), both separately and simultaneously.

Table 7 Results of Multiple Linear Regression Analysis

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig
	B	Std. Error	Beta		
(Constant)	1.357	0.375		3.601	.001
Differentiation strategy (X1)	.384	.090	.381	4.243	.000
Product innovation (X2)	.298	.078	.336	3.752	.000

a. Dependent Variable: Competitive advantage (Y)

In table 7, the regression coefficients are known and the regression model is obtained as follows:

$$Y = 1.357 + 0.384X1 + 0.298 X2$$

Looking at the analysis model above, it can be concluded that if the differentiation strategy variable (X1) increases by one Likert scale unit and the other variable, namely product innovation (X2), remains constant, then competitive advantage (Y) increases by 0.384. If the product innovation variable (X2) increases by one Likert unit and the other variable, namely differentiation strategy (X1), remains constant, then competitive advantage (Y) increases by 0.298. The differentiation strategy variable (X1) has a greater value, namely 0.384, while the product innovation variable (X2) is 0.298, so the differentiation strategy variable (X1) has a greater influence than the product innovation variable (X2).

5. Hypothesis testing

Simultaneous Test (f Test)

In this research, the F test is used to assess the level of significance of the impact of the independent variables collectively on the dependent variable (in a simultaneous context) .

Table 8 Simultaneous Test Results (F Test)

ANOVA [a]

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	4.776	2	2.393	23.581	.000 [a]
Residual	9.135	90	0.102		
Total	13.923	92			

a. Predictor: (Constant), product innovation (X2), differentiation strategy (X1)
b. Dependent variable: competitive advantage (Y).

Table 8 shows the F value of 23.581 with a significance value of 0.000 and the significance value is smaller than 0.05. This shows the influence of the independent variables, namely differentiation strategy (X1) and product innovation (X2) on the dependent variable, namely customer satisfaction (Y) simultaneously or together.

Partial test (t test)

The t test is used to test the significance of the relationship between variables X and Y, whether variables X1 and X2 really influence variable Y separately or partially.

Table 9 Partial Test Results (t test)

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig
	B	Std. Error	Beta		
(Constant)	1.357	0.375		3.601	.001
Differentiation strategy (X1)	.384	.090	.381	4.243	.000
Product innovation (X2)	.298	.078	.336	3.752	.000

a. Dependent Variable: Competitive advantage (Y)

From the results of the statistical analysis contained in Table 9, it can be concluded that the significance value for the differentiation strategy (X1) and product innovation (X2) variables is 0.000, which is smaller than the significance level of 0.05. These results indicate that individually, both the differentiation strategy variable and the product innovation variable have a significant influence on the competitive advantage variable (Y). This means that changes in differentiation strategy variables and product innovation can partially be associated with significant changes in competitive advantage. Therefore, these findings strengthen the conclusion that the implementation of differentiation strategy policies and a performance-based product innovation system has a positive impact on the competitive advantage of Bu Imas restaurants.

6. **Coefficient of Determination Test (R2)**

The coefficient of determination (R^2) is used to measure how far the model is able to explain variations in the dependent variable.

Table 10 Coefficient of determination test
Model Summary

Model	R	R Square	Adjusted R Square	Std Error of Estimate
1	.586	.343	.328	.31861

Table 7 shows that the coefficient of determination (R2) is 0.344, which means that 34.3% of the dependent variables, namely Differentiation Strategy (X1) and Product Innovation (X2) can be explained by the independent variable Competitive Advantage. in this study, while the remaining 65.7% can be explained by other variables outside this study.

Explanation
The Influence of Differentiation Strategy on Competitive Advantage.

From table 9 above, it is found that the differentiation strategy variable has a Sig value of 0.000 which is smaller than 0.05, so it partially shows that the differentiation strategy has a positive and significant influence on the competitive advantage of the Bu Imas restaurant. Differentiation strategy, which includes product differentiation, service differentiation, and brand differentiation, plays a crucial role in influencing a company's competitive advantage. Product differentiation involves developing and offering products that have unique characteristics or special advantages that set them apart from competitors. By offering products that are considered more valuable or have unique features, companies can create a competitive advantage that can attract and retain customers.

Service differentiation involves providing added value to customers through superior service and a better customer experience. More personalized, responsive, or innovative service can create a competitive advantage by increasing customer satisfaction and creating loyalty. Brand differentiation, on the other hand, involves building a strong and positive brand image.

A positive brand image can improve customer perceptions of a company's quality and reputation, creating greater appeal in the market.

Overall, a differentiation strategy that combines product differentiation, service differentiation, and brand differentiation can create competitive advantage by creating added value that is recognized by customers. Through this strategy, the company can position itself in the market as a unique and valuable provider, helping to maintain and increase its market share and competitiveness. The results of this research are in line with research by Firmansyah et al., (2019) which states that there is an influence of differentiation strategy on competitive advantage.

The influence of product innovation on competitive advantage

From table 9 above, it is found that the product innovation variable has a Sig value of 0.000 which is smaller than 0.05, so it partially shows that product innovation has a positive and significant influence on the competitive advantage of the Bu Imas restaurant. Product innovation plays a critical role in establishing and maintaining a company's competitive advantage. As a key element in competitive strategy, product innovation involves the development and implementation of new ideas, technologies, or designs in the products a company offers. By continuing to implement product innovation, a company can create a competitive advantage in several ways.

First, product innovation can create significant differences between a company's products and competitors' products in the market. By introducing new features, the latest technology, or unique designs, companies can attract customers' attention and make their products stand out from the competition. Second, product innovation can improve product efficiency and quality. The use of the latest technology or more efficient production methods can produce products at lower production costs or of higher quality, giving the company a competitive advantage in terms of price or quality.

Apart from that, product innovation can also create new market opportunities or expand a company's market share. Innovative new products can fulfill unmet customer needs or desires, create new market segments or expand a company's presence in existing segments. Thus, product innovation not only increases a company's competitiveness, but also helps build and maintain long-term competitive advantage. Companies that continually commit to product innovation can be better prepared to face market changes and meet customer demands, ensuring a strong and sustainable position in the industry. The results of this research are in line with research conducted by Ani (2020) which states that product innovation has an influence on competitive advantage.

The influence of differentiation strategy and product innovation on competitive advantage

Table 8 shows the F value of 23.581 with a significance value of 0.000 and the significance value is smaller than 0.05. This shows that product differentiation and innovation strategies influence the competitive advantage of Bu Imas's restaurant. Differentiation strategies and product innovation each have a positive impact on a company's competitive advantage. Through a differentiation strategy, companies can highlight the uniqueness of the products or services offered, creating the perception of added value in the eyes of customers. By offering products that have unique features or features, companies can differentiate themselves from competitors, build customer loyalty, and maintain a stable market share.

On the other hand, product innovation creates the foundation for competitive advantage by introducing products that are more sophisticated, efficient, or in line with developing market needs. Companies that are able to innovate can provide more value to customers, win competition in the market, and increase their competitiveness. By continually producing new products or improving existing products, companies can ensure that they remain relevant and responsive to changing trends and consumer needs. Thus, a combination of differentiation

strategies and product innovation can be the key to success in achieving and maintaining competitive advantage in an increasingly dynamic market. These results are in line with research conducted by Fatahillah et al, (2023).

E.   CONCLUSION

Differentiation strategies and product innovation each have a positive impact on the competitive advantage of Bu Imas restaurants. Through a differentiation strategy, companies can highlight the uniqueness of the products or services offered, creating the perception of added value in the eyes of customers. By offering products that have unique features or features, companies can differentiate themselves from competitors, build customer loyalty, and maintain a stable market share. On the other hand, product innovation creates the foundation for competitive advantage by introducing products that are more sophisticated, efficient, or in line with developing market needs. Companies that are able to innovate can provide more value to customers, win competition in the market, and increase their competitiveness. By continually producing new products or improving existing products, companies can ensure that they remain relevant and responsive to changing trends and consumer needs. Thus, a combination of differentiation strategies and product innovation can be the key to success in achieving and maintaining competitive advantage in an increasingly dynamic market.

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Commented [SCG6]: The conclusion maintains its conciseness but could be improved by summarizing the key findings and their practical implications. Additionally, it should reiterate the study's significance and offer directions for future research

Commented [SCG7]: Mostly updated references and suitable with the scope of the studies

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The influence of differentiation strategy and product innovation on competitive advantage

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Abstract

Competitive advantage is a crucial factor in ensuring the success of a company in an increasingly competitive market. Differentiation strategy is implemented through creating added value in products or services that differentiates the company from its competitors, while product innovation involves the development and implementation of new ideas to increase the product's appeal. This research aims to investigate the influence of differentiation strategy and product innovation on competitive advantage at the Bu Imas restaurant. This research uses a quantitative approach with a simple random sampling technique so that a sample of 93 customers is obtained. Data collection was done by distributing questionnaires with regression analysis and hypothesis testing with the help of the SPSS.25.0 tool. The research results show that the differentiation strategy and product innovation partially have a positive and significant effect on the competitive advantage of the Bu Imas stall. Furthermore, the differentiation strategy and product innovation simultaneously have a positive and significant effect on the competitive advantage of the Bu Imas food stall with a magnitude of 34.3%.

Keywords: Differentiation strategy, Product Innovation, competitive advantage, Rumaha Makan Bu Imas.

A.   INTODUCTION

In general, every company has the main goal of achieving achievements as a reflection of the success of its business in market competition (Zairi, 1997). In an increasingly developing business world, the number of competing companies is also increasing, creating intense competition to be at the forefront in the eyes of consumers (Bitner & Borwn, 2008). Gaining competitive advantage is a major challenge for companies operating in today's business environment (Elahi, 2013).

Before formulating a marketing strategy, a company needs to observe the environmental factors that influence its business (Menon & Menon, 1997). Understanding competitors' objectives, strengths and weaknesses is also an important key to identifying opportunities and threats that may arise (Ashton & Stacey, 1995). In this context, the link between competitive position and business strategy becomes a crucial element (Proctor, 1997). Each company holds a unique competitive position, and a deep understanding of this position allows the company to develop strategies that suit market conditions and its advantages (Days & Wensley, 1988).

Changes in the industry are not only limited to company products, but also include critical aspects related to overall company performance (Galbreath & Galvin, 2008). Therefore, adapting and responding to changes in markets, technology and consumer trends is essential for companies that want to remain relevant and competitive in this ever-changing era (Prastacos et al., 2002). Thus, a holistic business strategy, including a deep understanding of competitive position, the business environment, and adaptation to change, is the key to success in achieving competitive advantage in a dynamic market (Li & Liu, 2014).

Several factors that influence competitive advantage between companies can be identified, and one significant aspect is the implementation of a differentiation strategy, as explained by Semuel et al. (2017). Differentiation strategy is an important element that

differentiates an organization from its competitors. By implementing this strategy, companies can create uniqueness in their products or services, making target consumers more likely to become loyal customers (Spitzeck & Chapman, 2012). Through differentiation, innovative products that are able to meet consumer needs can become an area where a company can excel compared to its competitors (Fuchs et al., 2000). The principle of product differentiation is not just about differentiating in physical aspects, but also involves specific elements that are carefully built by the company (Ardichvili et al., 2003).

By implementing a differentiation strategy effectively, companies can build a strong image and identity in the eyes of consumers, thereby creating sustainable customer loyalty (Urde, 1994). Innovative products resulting from this strategy can provide added value and satisfaction to consumers, strengthening the company's position in the market (Bhattacharya & Sen, 2003). Therefore, product differentiation is not only an effort to differentiate oneself from competitors, but also a basis for taking a company's business to a higher level, ensuring sustainable competitiveness in an ever-growing market (Gure & Karugu, 2018).

A factor that also influences competitive advantage is product innovation, as stated by Smith (1956). Products are the core of marketing strategy, considering that products are the result or output of company activities that are offered to the target market to meet consumer needs and desires. In the context of purchasing a product, consumers not only obtain the physical product, but also purchase the benefits or advantages that can be obtained from the product (Calantone et al., 2006), it is important for a product to have advantages that differentiate it from similar products, and product innovation is one significant aspect.

Product innovation is the key to competition between business actors, because consumers tend to choose products that not only fulfill basic needs, but also provide added value or certain advantages (Hobday, 1998). Innovative products are able to provide new experiences and better solutions to consumers, creating strong attraction in the market. Therefore, companies need to continue to encourage product innovation to remain relevant and competitive. By integrating product innovation into business strategy, companies can create significant differentiation, increase product value, and ultimately, gain competitive advantage in dynamic markets (Kindstrom & Kowalkowski, 2014).

. Business development in Indonesia is experiencing rapid progress, especially in the current era of globalization, where business opportunities are increasingly wider and open (Setyowati et al., 2021). This phenomenon not only creates new opportunities for entrepreneurs, but also triggers the emergence of various businesses in various sectors. In the midst of increasingly fierce competition, the culinary business sector is one of the most affected (Hasbullah et al., 2021). In Bandung City Regional Regulation Number 7 of 2012 article 18, it is explained that a food and beverage service business is a business that provides food and drinks with equipment and supplies for the manufacturing, storage and serving processes.

This regulation reflects the government's attention to the regulation and standardization of culinary businesses. With so many culinary businesses emerging, competition in this sector is becoming increasingly fierce. Culinary entrepreneurs are required to not only serve delicious food, but also have an effective marketing strategy to attract consumer attention (Balazs, 2022). As technology and food trends develop, culinary companies are also faced with the need to continue to innovate in serving menus and providing unique experiences to customers (Horng & Tsai, 2012).

One of the famous culinary businesses in Bandung is Sundanese culinary. If you are visiting Bandung and want to taste delicious and cheap Sundanese food, we can try Warung Nasi Bu Imas. This stall has been established since 1980 and is one of the famous rice stalls in Bandung. Warung Nasi Bu Imas serves a variety of typical Sundanese side dishes, such as grilled chicken, empal, pepes, fried fish, tamarind vegetables, karedok, and of course chili sauce. You can choose side dishes according to your taste, and enjoy them with warm rice and

sweet tea. One of the mainstay product innovations at Warung Nasi Bu Imas is the chili sauce, which has three types, namely shrimp paste chili sauce, green chili sauce and red chili sauce. These chili sauces have a spicy, sour and savory taste, which is suitable for increasing your appetite. And what differentiates it from competing restaurants is the specialty of its grilled chicken. Besides that, the price of food at Warung Nasi Bu Imas is also affordable, starting from IDR 10,000 to IDR 30,000 per portion. Quite cheap compared to competitors such as Ampera Restaurant which already has a big name.

B.   LITERATURE REVIEW

Differentiation Strategy

Differentiation is the process of adding and providing a series of differences that are considered important, to differentiate the products offered by the company from competitors, although sometimes this is done based on irrelevant attributes (Carpenter et al., 1994). Differentiation can be intended as a company's efforts in marketing strategy to differentiate its product from competing companies, so that the product has its own characteristics (Collis & Montgomery, 2008). The marketing strategy that can be chosen by companies that implement a differentiation strategy, so that they always have a competitive advantage in the market (Varadarajan, 2010), can be done by choosing the following strategies:

1. Product Differentiation Providing high creativity in creating unique products that are more attractive, comfortable, safe, so that they are more popular with consumers compared to competing products.
2. Service Quality Differentiation Realizing high creativity in combining elements of the marketing mix with friendliness and broad insight of employees, so that the quality of service perceived by consumers exceeds expectations.
3. Image Differentiation. Image is a special or distinguishing characteristic of the appearance of a person or object. Image differentiation is a mixture of elements.

Product Innovation

According to Utterback & Abernathy (1975) Product innovation is an interesting new inspiration that can be developed. Innovation is used intentionally to create interesting development and strategy goals. In order to be able to compete with other companies, innovation must continue to be carried out and developed (Cooper & Kleinschmidt, 1987). According to Smith et al. (2012) Product innovation is one way to provide additional points which is one of the key components of successful business operations, which can provide a competitive advantage for companies that require quality products.

Product innovation is a change in a set of information related to efforts to increase or improve existing resources, namely by modifying the product to make something more valuable, creating new and different things, namely by changing a material into a resource and combining (Un et al., 2010) These resources become new innovations or more productive product specifications, either directly or indirectly, which are influenced by the certainty of profit or loss or the time process for implementing them, in order to achieve a competitive advantage (Karlsson & Olsson, 1998). There are four dimensions of innovation, namely: product innovation, process innovation, followership innovation, and sources of innovation.

Competitive Advantage

Advantage is the ability obtained through the characteristics and resources of a company or organization to have higher performance and capabilities than other companies in the same industry or market (Vorhies et al., 1999). Every company will always try to fulfill whatever the wants and needs of its customers are. Porter (1985) considers that competitive advantage grows from the value a company is able to create for buyers exceeding the company's

costs to create it. Barney (1991) continued that the value strategy created by a company will not be able to be implemented or imitated by other streams or other potential competitors.

According to Baia et al., (2020) competitive advantage is the ability of a business to create competitive advantages so that it can compete with competitors. The competitive advantage indicators were developed from several experts, namely competitive prices, management capabilities, profits, strategic position and location. Meanwhile, according to (Paryanti, 2015), the description of these dimensions is: visitor retention, increasing visitor loyalty, developing the quality of service technology.

C.   METHOD

The study employed a quantitative research paradigm, specifically utilizing a research methodology that predominantly relies on statistical analysis for data interpretation. The study methodology employed is causal comparative, specifically focused on obtaining valid tests to establish causal links between variables. The study encompassed the entire unidentified population of patrons visiting the Bu Imas eatery. The sample selection technique employed was simple random sampling, resulting in the acquisition of 93 samples. The research employed a questionnaire as the data gathering method. Researchers employ a closed questionnaire with a Likert scale. A closed questionnaire is a type of questionnaire that presents predetermined answer alternatives for respondents to select from. Subsequently, the gathered data will be scrutinized for its validity, reliability, adherence to classical assumptions, regression testing, and hypothesis testing using the SPSS 25.0 for Windows software.

> **Commented [SCG5]:** The research method must be described in detail so that each process is carried out.

D.   RESULTS AND DISCUSSION
1. Validity test

Validity is related to the "accuracy" of a measuring instrument. An instrument is considered valid if it is able to measure exactly what is intended. In this research, validity testing is used to evaluate the extent to which the measuring instrument used can provide results that are in accordance with the variable or concept to be measured.

> **Commented [SCG6]:** While the results remain clear and well-structured with relevant tables and figures, the discussion section needs to provide a more profound analysis. This should include a thorough interpretation of the results, their implications, and a stronger connection to the research questions and literature

Table 1 Validity Test results

Variable	Code	Mark	Information
Differentiation strategy (X1)	X1.1	0.756	Valid
	X1.2	0.770	Valid
	X1.3	0.676	Valid
Product innovation (X2)	X2.1	0.778	Valid
	X2.2	0.832	Valid
	X2.3	0.694	Valid
	X2.4	0.768	Valid
	X2.1	0.778	Valid
Competitive advantage (Y)	Y1	0.818	Valid
	Y2	0.891	Valid
	Y3	0.767	Valid

Data Processed 2023

Based on the information in the table, it can be concluded that all indicators in the employee transfer, employee incentives and employee performance variables are considered valid. This conclusion is based on the validity coefficients used by the researchers, all of which exceed 0.5. These values indicate an adequate level of validity according to the criteria that have been applied in this research

2. Reliability Test

Reliability is "a measurement scale score that shows the stability and consistency of a score. A variable is said to be reliable if it provides a Cronbach Alpha value > 0.60 and Cronbach Alpha if item deleted < Cronbach Alpha.

Table 2 Reliability test results

Variable	Cronbach Alpha	Cross of Values	Information
Differentiation strategy (X1)	0.720	0.60	Reliable
Product innovation (X2)	0.764	0.60	Reliable
Competitive advantage (Y)	0.632	0.60	Reliable

Table 3 shows that all variables in this study have a Cronbach alpha value > 0.6 and a Cronbach alpha value if item deleted < Cronbach alpha, so they are declared reliable.

3. Classic assumption test

Normality test

The normality test is carried out to determine whether the residuals in a regression model follow a normal distribution or not. In evaluating the normality of data distribution, the method that can be used is the Kolmogorov-Smirnov test, according to Santoso's explanation (2007:154). This test aims to assess whether the residuals in the regression model have a distribution that is close to or the same as a normal distribution.

Table 3 Kolmogorov-Smirnov test

		Standardized Residual
N		93
Normal Parameters [a, b]	Mean	0E-7
	Std. Deviation	.31513469
Most Extreme Differences	Absolute	.097
	Positive	.097
	negative	- .090
Kolmogorov-Smirnov Z		.337
Asymp. Sig. (2-tailed)		.789

From Table 3, it can be seen that the residual significance value is greater than 0.05, namely 0.337. This indicates that the residuals follow a normal distribution. Therefore, it can be concluded that the resulting regression is reliable for decision making.

Autocorrelation Test

The autocorrelation test is carried out to test whether in a linear regression model there is a correlation between the error at one point in time and the error at the previous time point. If there is a correlation, it is called an autocorrelation problem. Autocorrelation detection can be done using the Durbin Watson test. If the Durbin-Watson value is less than one (1) or more than three (3), this indicates the presence of autocorrelation.

Table 4 Autocoelation Test Results

Model	Durbin-Watson

1	1.602

In this study, Table 4 shows the Durbin-Watson value of 1.602, which indicates that there is no autocorrelation. Therefore, it can be concluded that the results of this regression are reliable for decision making.

Multicollinearity Test

The multicollinearity test is used to identify whether there is a correlation between the independent variables in the regression model (Ghozali, 2009). Detection of symptoms of multicollinearity in the regression model of this research can be done through the multicollinearity test. If the Variance Inflation Factor (VIF) value is less than 10, it can be concluded that there is no multicollinearity.

Table 5 Multicollinearity Test Results

Variable	Tolerance	VIF
Differentiation strategy (X1)	0.897	1.112
Product innovation (X2)	0.897	1.112

From Table 5, it can be seen that the VIF value for the two independent variables is 1.112, which is below 10. This shows that there is no indication of multicollinearity between the two observed variables. Therefore, it can be concluded that the regression results are reliable for decision making.

Heteroscedasticity Test

The heteroscedasticity test is carried out to determine whether there is non-uniformity in the variance of the residuals between observations in a regression model. If the residual variance remains constant from one observation to another, this is called homoscedasticity; whereas if the variances are different, it is called heteroscedasticity. Heteroscedasticity detection can be done using the Glejser test. If the significance value is >0.05 for all variables, it can be concluded that the residual variance is homogeneous.

Table 6 Heteroscedasticity Test Results

Variable	Tolerance
Differentiation strategy (X1)	0.099
Product innovation (X2)	0.518

In Table 6, it can be seen that the significance value is greater than 0.05 for both variables, namely 0.099 for the differentiation strategy variable (X1) and 0.518 for the product innovation variable (X2). This shows that there is no indication of heteroscedasticity, and the regression results can be considered suitable as a basis for decision making.

4. **Multiple Linear Regression Test**
Regression analysis was carried out to assess the impact of differentiation strategy (X1) and product innovation (X2) on competitive advantage (Y), both separately and simultaneously.

Table 7 Results of Multiple Linear Regression Analysis
Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig
	B	Std. Error	Beta		
(Constant)	1.357	0.375		3.601	.001
Differentiation strategy (X1)	.384	.090	.381	4.243	.000
Product innovation (X2)	.298	.078	.336	3.752	.000

a. Dependent Variable: Competitive advantage (Y)

In table 7, the regression coefficients are known and the regression model is obtained as follows:

$$Y = 1.357 + 0.384X1 + 0.298 X2$$

Looking at the analysis model above, it can be concluded that if the differentiation strategy variable (X1) increases by one Likert scale unit and the other variable, namely product innovation (X2), remains constant, then competitive advantage (Y) increases by 0.384. If the product innovation variable (X2) increases by one Likert unit and the other variable, namely differentiation strategy (X1), remains constant, then competitive advantage (Y) increases by 0.298. The differentiation strategy variable (X1) has a greater value, namely 0.384, while the product innovation variable (X2) is 0.298, so the differentiation strategy variable (X1) has a greater influence than the product innovation variable (X2).

5. Hypothesis testing
Simultaneous Test (f Test)

In this research, the F test is used to assess the level of significance of the impact of the independent variables collectively on the dependent variable (in a simultaneous context) .

Table 8 Simultaneous Test Results (F Test)
ANOVA [a]

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	4.776	2	2.393	23.581	.000 [a]
Residual	9.135	90	0.102		
Total	13.923	92			

a. Predictor: (Constant), product innovation (X2), differentiation strategy (X1)
b. Dependent variable: competitive advantage (Y).

Table 8 shows the F value of 23.581 with a significance value of 0.000 and the significance value is smaller than 0.05. This shows the influence of the independent variables, namely differentiation strategy (X1) and product innovation (X2) on the dependent variable, namely customer satisfaction (Y) simultaneously or together.

Partial test (t test)

The t test is used to test the significance of the relationship between variables X and Y, whether variables X1 and X2 really influence variable Y separately or partially.

Table 9 Partial Test Results (t test)
Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	sig
(Constant)	1.357	0.375		3.601	.001
Differentiation strategy (X1)	.384	.090	.381	4.243	.000
Product innovation (X2)	.298	.078	.336	3.752	.000

a. Dependent Variable: Competitive advantage (Y)

From the results of the statistical analysis contained in Table 9, it can be concluded that the significance value for the differentiation strategy (X1) and product innovation (X2) variables is 0.000, which is smaller than the significance level of 0.05. These results indicate that individually, both the differentiation strategy variable and the product innovation variable have a significant influence on the competitive advantage variable (Y). This means that changes in differentiation strategy variables and product innovation can partially be associated with significant changes in competitive advantage. Therefore, these findings strengthen the conclusion that the implementation of differentiation strategy policies and a performance-based product innovation system has a positive impact on the competitive advantage of Bu Imas restaurants.

6. **Coefficient of Determination Test (R2)**

The coefficient of determination (R^2) is used to measure how far the model is able to explain variations in the dependent variable.

Table 10 Coefficient of determination test
Model Summary

Model	R	R Square	Adjusted R Square	Std Error of Estimate
1	.586	.343	.328	.31861

Table 7 shows that the coefficient of determination (R2) is 0.344, which means that 34.3% of the dependent variables, namely Differentiation Strategy (X1) and Product Innovation (X2) can be explained by the independent variable Competitive Advantage. in this study, while the remaining 65.7% can be explained by other variables outside this study.

Explanation
The Influence of Differentiation Strategy on Competitive Advantage.

From table 9 above, it is found that the differentiation strategy variable has a Sig value of 0.000 which is smaller than 0.05, so it partially shows that the differentiation strategy has a positive and significant influence on the competitive advantage of the Bu Imas restaurant. Differentiation strategy, which includes product differentiation, service differentiation, and brand differentiation, plays a crucial role in influencing a company's competitive advantage. Product differentiation involves developing and offering products that have unique characteristics or special advantages that set them apart from competitors. By offering products that are considered more valuable or have unique features, companies can create a competitive advantage that can attract and retain customers.

Service differentiation involves providing added value to customers through superior service and a better customer experience. More personalized, responsive, or innovative service can create a competitive advantage by increasing customer satisfaction and creating loyalty. Brand differentiation, on the other hand, involves building a strong and positive brand image.

A positive brand image can improve customer perceptions of a company's quality and reputation, creating greater appeal in the market.

Overall, a differentiation strategy that combines product differentiation, service differentiation, and brand differentiation can create competitive advantage by creating added value that is recognized by customers. Through this strategy, the company can position itself in the market as a unique and valuable provider, helping to maintain and increase its market share and competitiveness. The results of this research are in line with research by Firmansyah et al., (2019) which states that there is an influence of differentiation strategy on competitive advantage.

The influence of product innovation on competitive advantage

From table 9 above, it is found that the product innovation variable has a Sig value of 0.000 which is smaller than 0.05, so it partially shows that product innovation has a positive and significant influence on the competitive advantage of the Bu Imas restaurant. Product innovation plays a critical role in establishing and maintaining a company's competitive advantage. As a key element in competitive strategy, product innovation involves the development and implementation of new ideas, technologies, or designs in the products a company offers. By continuing to implement product innovation, a company can create a competitive advantage in several ways.

First, product innovation can create significant differences between a company's products and competitors' products in the market. By introducing new features, the latest technology, or unique designs, companies can attract customers' attention and make their products stand out from the competition. Second, product innovation can improve product efficiency and quality. The use of the latest technology or more efficient production methods can produce products at lower production costs or of higher quality, giving the company a competitive advantage in terms of price or quality.

Apart from that, product innovation can also create new market opportunities or expand a company's market share. Innovative new products can fulfill unmet customer needs or desires, create new market segments or expand a company's presence in existing segments. Thus, product innovation not only increases a company's competitiveness, but also helps build and maintain long-term competitive advantage. Companies that continually commit to product innovation can be better prepared to face market changes and meet customer demands, ensuring a strong and sustainable position in the industry. The results of this research are in line with research conducted by Ani (2020) which states that product innovation has an influence on competitive advantage.

The influence of differentiation strategy and product innovation on competitive advantage

Table 8 shows the F value of 23.581 with a significance value of 0.000 and the significance value is smaller than 0.05. This shows that product differentiation and innovation strategies influence the competitive advantage of Bu Imas's restaurant. Differentiation strategies and product innovation each have a positive impact on a company's competitive advantage. Through a differentiation strategy, companies can highlight the uniqueness of the products or services offered, creating the perception of added value in the eyes of customers. By offering products that have unique features or features, companies can differentiate themselves from competitors, build customer loyalty, and maintain a stable market share.

On the other hand, product innovation creates the foundation for competitive advantage by introducing products that are more sophisticated, efficient, or in line with developing market needs. Companies that are able to innovate can provide more value to customers, win competition in the market, and increase their competitiveness. By continually producing new products or improving existing products, companies can ensure that they remain relevant and responsive to changing trends and consumer needs. Thus, a combination of differentiation

strategies and product innovation can be the key to success in achieving and maintaining competitive advantage in an increasingly dynamic market. These results are in line with research conducted by Fatahillah et al, (2023).

E. CONCLUSION

Differentiation strategies and product innovation each have a positive impact on the competitive advantage of Bu Imas restaurants. Through a differentiation strategy, companies can highlight the uniqueness of the products or services offered, creating the perception of added value in the eyes of customers. By offering products that have unique features or features, companies can differentiate themselves from competitors, build customer loyalty, and maintain a stable market share. On the other hand, product innovation creates the foundation for competitive advantage by introducing products that are more sophisticated, efficient, or in line with developing market needs. Companies that are able to innovate can provide more value to customers, win competition in the market, and increase their competitiveness. By continually producing new products or improving existing products, companies can ensure that they remain relevant and responsive to changing trends and consumer needs. Thus, a combination of differentiation strategies and product innovation can be the key to success in achieving and maintaining competitive advantage in an increasingly dynamic market.

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