

# The Influence of Product Innovation and Marketing Tools on The Competitive Advantage of Fashion Products in Jakarta Barat Area

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**Abstract:** Fashion is a stylish dress equipped with accessories used every day by someone, be it in their daily life or at a particular event to support the appearance. This research was conducted with the knowledge to know the effects of product innovation and marketing tools to the competitive advantage of fashion products in the West Jakarta area. This study uses quantitative data, where the data use is primary data in the form of questionnaires and secondary data obtained from websites and institutions. The technique of collecting data using a survey with a Likert scale. The population is students who come from private universities in the area of West Jakarta. Samples of the study were 628 people and tested the instrument as many as 60 people. Data analysis methods used in this research include descriptive inferential, validity test, reliability test, normality test, correlation test and simple regression analysis, and multiple regression analysis using software processed by IBM SPSS Statistics 22. The results showed that product innovation and marketing tools have an effect on the competitive advantage of fashion products in the West Jakarta region with both have medium criteria. This means product innovation and marketing must be maintained and upgraded to achieve a High Competitive Advantage on Fashion products.

**Keywords :** Product Innovation, Marketing Tools, Competitive Advantage, Fashion

## I. INTRODUCTION

Fashion in Indonesia has enormous potential to continue to be developed and is expected to become a center of fashion in the local region, and plays a vital role at the global level. It is in line with the growing public awareness of fashion that leads to fulfilling lifestyles, so the fashion industry is developing very rapidly. In the industry fashion, the superiority (competitiveness) of fashion products can be seen from the aspects of design, material, and value of their functions as well as their suitability with the developing fashion trends. One of the factors that determine the competitive advantage of fashion products is product innovation. The development of successful innovation will be an appropriate

strategy to maintain the position of the product in the market so that the product has a competitive advantage. One way to win a competition through product innovation is by preparing new products. The purpose of the innovation is to satisfy consumers by providing new products by observing consumers through the needs and satisfaction of the products they use. Fashion companies must be able to create innovation in order to have a strategic position in the market and be superior to competitors with the main objective to meet the market demand, so as to gain a competitive advantage in business. Besides product innovation, another factor that influences the competitive advantage of fashion products is the marketing strategy. Marketing is an activity aimed at influencing customers so they know the products that will be offered by the company, so they can attract customers to buy them. An important task for a company's marketing is how to do a marketing strategy so that customers will not only make a purchase once but will also make multiple purchases or repeat purchases. Marketing affects consumer loyalty; this result shows that the promotion is an important activity to be implemented in the marketer's product. Marketing is also one part of marketing tools that play an important role in increasing the volume of sales of goods and services by offering to the consumer community [1]. The company must create something new. However, the obstacle is whether product innovation and marketing tools can create a competitive advantage for the company to remain superior when compared to its competitors. Based on consumer sex and age, which one dominates more in creating a competitive advantage for companies. Therefore, the formulation of the problem in this study are (1) is there a positive and significant influence between product innovation on the competitive advantage of fashion products in West Jakarta ?, (2) Is there a positive and significant influence between marketing tools on competitive advantage fashion products in West Jakarta ?, (3) Is there a positive and significant influence between product innovation and marketing tools together on the competitive advantage of fashion products in the West Jakarta area?

## A. Literature Review

Product innovation is the change of knowledge into new processes, products, and services. Innovation can also be defined as the application of new ideas into products, processes, or other aspects of a company's activities. Innovation focusing on idea commercialization process right into something we consider important.

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Innovation divided into five different types namely new products, new production methods, new sources of supply for exploitation, new markets and new ways of managing a business [2]. The definition of marketing is "meeting needs in a profitable way" it means marketing has the dual purpose of attracting new customers by promising the best value and price and looking for many customers by giving satisfaction. Both of these meanings allude to the need for awareness to serve consumers as well as possible and at the same time, benefit from these efforts [3]. Competitive advantage in companies can provide advantages over competitors, which if the company offers more value to consumers than competitors [4] Competitive advantage is expected to be able to achieve profits according to plan, increase market share, increase customer satisfaction, and continue the survival of a business [5].

## II. RESEARCH METHOD

This study uses simple regression analysis and multiple regression, wherein this study the researchers wanted to find out whether there was a positive and significant influence between product innovation and marketing tools on the competitive advantage of fashion products in the West Jakarta area. In addition, researchers also want to find out whether there is a positive and significant influence between product innovation and marketing tools together on the competitive advantage of fashion products in West Jakarta. The research paradigm used in this study is quantitative research, which is an approach to test an objective theory by examining the relationship between variables. This variable can be measured using instruments so that existing data can be analyzed using statistical procedures [6]. The type of research used to discuss and analyze data in this study is descriptive-inferential research because in this study, the researcher explains each variable that exists and explains the relationship that exists between each variable.

The research method used in this study is a survey method, in which the questionnaire will be distributed to respondents. Researchers used 688 respondents from the minimum amount according to [7] in (Sekaran, 1992) with a population of 132,869 [8], then the minimum sample obtained was 384 respondents. The addition of the number of respondents is intended to get more generalized research results by conducting experiments on 60 respondents, and the remaining 628 respondent data will be used in the data processing.

The decision to check valid items in this study uses Carl Pearson's product-moment correlation with the degree of freedom ( $df = (n-2)$ ) and a significance level of 95% ( $\alpha = 0.05$ ). The value of  $n$  in this study is 628, so the value of  $df$  is 626. That way we can get the value of  $r$  table = 0.07. Based on these calculations, from the 11 item product innovation statements, 17 parts of the marketing tools statement and 12 items of the competitive advantage statement all declared valid with a product innovation index reliability of 0.698, marketing tools of 0.760 and competitive advantage of 0.738.

## III. RESULT AND DISCUSSIONS

The results of this exploratory study through various literature studies show that the highest product innovation by students enrolled in Private Universities (PTS) in West Jakarta is "I love the fashion because it suits my needs.". It

means with a capacity of fashion that in accordance with their needs provided by fashion companies in the West Jakarta area to meet the expectations of students as respondents, where the expectations of students can improve the competitive advantage of fashion products in the West Jakarta area. The highest point of marketing tools according to student respondents registered at private universities in West Jakarta is "I am impressed with the shop that is willing to accept criticism and suggestions from customers.". It means that the store is willing to accept criticism and suggestions from customers. Fashion companies in West Jakarta can meet the expectations of students as respondents, where the expectations of students can improve the competitive advantage of fashion products in the West Jakarta area.

## IV. CONCLUSIONS AND SUGGESTIONS

The results showed that:

1. Product innovation has a significant influence on the competitive advantages product fashion in West Jakarta and have a strong relationship and have a positive value with the variable of competitive advantages fashion products in West Jakarta.
2. Marketing tools have a significant impact on fashion products' competitive advantages in West Jakarta and have a strong enough relationship and is positive (unidirectional) with fashion products' competitive advantages variable in West Jakarta.
3. Product innovation and marketing tools are significantly influent for fashion product in West Jakarta and have a strong enough relationship simultaneously to the competitive advantage of products of fashion in West Jakarta. Product innovation has a positive value (directional), and marketing tools have a positive value (directional), it shows that when product innovation and marketing tools increased, competitive advantage will also be increased.

### A. Suggestion

Based on these conclusions, the practical suggestions and theoretical suggestions that can be considered in this study are:

1. Product innovation has a significant and positive effect on the competitive advantage of fashion products in West Jakarta. This shows that the product innovation variable towards the competitive advantage of fashion products in the West Jakarta region must be maintained and improved so that product innovation towards the competitive advantage of fashion products in the West Jakarta area can be high, so as to make fashion products superior and able to compete, especially in product innovation in accordance with customer needs.
2. Marketing tools have a significant and positive effect on the competitive advantage of fashion products in the West Jakarta area. Thus, fashion companies must be able to maintain and improve their marketing activities to achieve competitive advantage in fashion products in the West Jakarta area. Also, fashion companies in the West Jakarta also need to conduct a survey in order to find out what marketing tools are in accordance with customer needs so that marketing activities can be effective and efficient.

3. Product innovation and marketing tools together have a significant and positive effect on the competitive advantage of fashion products in the West Jakarta area. This shows that product innovation, accompanied by marketing tools, might increase the competitive advantage of fashion products in West Jakarta.

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