

Product Differentiation Strategy in Achieving Competitive Advantage of CV Tirta Emas

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Info Artikel

Keywords:

Characteristic, Competitive Advantage, Differentiation Strategy

ISSN (print): 1978-6387

ISSN (online): 2623-050X

Abstract

Differentiation strategy is an effort made by the company by providing a difference between its products and products in the market. Business has unique or different characteristics so that they are easily recognized by the public. This research aims to analyze the product differentiation strategy carried out in achieving competitive advantage. This research, the author uses the theory stated by Feranita that there are six factors that can be done in carrying out a differentiation strategy to achieve competitive advantage. Excellence can be measured by the uniqueness, quality and selling price of the product. The method applied is the descriptive qualitative case study method to generate data from the competent source person. The data collection is carried out by conducting observation techniques, interviews and documentation. The essence of this research is to maintain the differentiation strategy that has been implemented in achieving competitive advantage of CV Tirta Emas.

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1. Introduction

The development of the digital world that is happening today has rapid development progress. Digital provides positive value for business owners, because they can promote their products so that they can be known by the wider community. Business owners can carry out appropriate strategies to support business sustainability and success so that they can create a competitive advantage. Especially for MSME businesses which stands for micro, small and medium enterprises, meaning a productive business owned by an individual or can also be owned by a business entity that has a maximum asset of 50 million (Ayodya, 2020). There are three generic strategies that can be carried out by business owners such as overall cost advantage, differentiation and focus (Feranita, 2020). Differentiation strategies can be carried out by business owners in achieving competitive advantage with the same or different

business ventures. Comfortable noodles are one of the healthy food business that implement a differentiation strategy because they have unique products that can be used as opportunities to achieve competitive advantage.

This study aims to analyze the product differentiation strategy used in achieving competitive advantage CV Tirta Emas. The author hopes to be able to provide a framework of understanding regarding the formulation of the right differentiation strategy. This research can be used as a means of developing science that can be studied theoretically in the field of strategic management, especially related to differentiation strategies.

2. Method

This research was conducted at CV Tirta Emas with healthy food products, that is comfortable noodles. Research location on Jl. Rembangan no. 77, Darungan, Jember. This research uses a descriptive qualitative method, a qualitative approach is used to research natural objects where the researcher acts as a key instrument in the research. A qualitative approach in this research was used to analyze the product differentiation strategy at CV Tirta Emas.

The approach used in this research is a qualitative approach with descriptive research methods. Qualitative is used to examine natural objects where the researcher acts as a key instrument in the research. This research was conducted at CV Tirta Emas which is located on Jl. Rembangan No. 77 Jember, from march to may 2024. Data collection used in this research used observation, interview and documentation techniques. Observations were carried out by researchers directly in the field. Interview were conducted with owners, employees and consumers of comfort noodles. While the documentation is in the form of sales turnover records in 2023.

The data sources in this research are primary data and secondary data. Primary data in this research was obtained from four research informants, namely the business owner, two employees and one consumer. Secondary data obtained by researchers indirectly from sources or research objects but from articles, books and so on regarding differentiation strategies in realizing competitive advantage.

3. Results

Research Findings

Competitive advantage can be achieved by business owners. Competitive advantage can be achieved by carrying out a differentiation strategy by focusing on quality, product design, technology, distribution network, image and service. So that competitive advantage is influenced by product quality, product uniqueness and price offered. Because with the implementation strategy, It will make the business grow.

Informant 1

Based on the results of an interview with informant 1 Mrs. Rizka Catur Anggelina as business owner of CV Tirta Emas, creating a competitive advantage can be done by every business owner. CV Tirta Emas creates competitive advantage using product differentiation strategies. Implementation of differentiation strategies such as good quality, attractive product design, establishing a good distribution network with consumers, sophisticated technology in the production process, creating a good business image and optimal service to consumers.

Informant 2

The results of interviews with informant 2, namely Mrs. Irna as an employee of CV Tirta Emas as an employee who makes noodles and serves consumers. CV Tirta Emas has uniqueness in its noodle products, this uniqueness can create a competitive advantage that can be achieved by CV Tirta Emas. CV Tirta Emas has implemented a differentiation strategy which includes product quality that is not easily destroyed, product design that is not much different from other instant noodle products, sophisticated technology that makes the process easier, good distribution network, good image to the public to add positive value to business and service by implementing standar operasional prosedur that create consumer satisfaction and trust.

Informant 3

Interview with informant 3 with Mr. Gusti as one of CV Tirta Emas consumers. CV Tirta Emas has good product quality which can be seen from the texture of the noodles which do not crumble easily, the unique product design the combination of different noodle colors for each raw material used in the noodles, the promotion process uses good technology and follows existing trends, a good distribution network in receiving suggestions and input, a fairly good image in building a business and satisfactory service foe consumers. So that CV Tirta Emas is able to achieve competitive advantage.

4. Discussion

Differentiation is a strategy carried out by business owners by difference between the products they own from products on the market with a design that is good enough according to plans that have been made previously so that it becomes a distinctive characteristic for the business owners. Differentiation made a business owner can be based on features, performance, or other factors that are not directly related to the costs and prices set by the business owner. According to (Feranita, 2020), differentiation strategy prioritizes several factors, namely :

First, Quality

The capabilities possessed by the business owner in the product produced so that the product can carry out its function and product capabilities which include durability, reliability obtained by the product as a whole.

CV Tirta Emas has good quality comfortable noodle products. This quality can be seen in the durability of the packaging that comfortable noodle has, where the packaging where the packaging is not easily damaged or torn because CV Tirta Emas uses thick plastic material.

Second, Product Design

Business owners create new products or develop existing products to sell consumers, thereby making differences or changes to the product. The development of comfortable noodle products is based on the raw materials used, the different colors of each raw material used are one of the differentiators from healthy noodle products on the market. The product design is not much different from other products, but CV Tirta Emas cup packaging makes it easy for consumers to carry anywhere and is easy to cook, just need to brew it with hot water.

Third, Technology

Companies have different technologies in carrying out the production process until the product is in the hands of consumers. Technology can be in the form of tools or machines used in the production process, and ways of promoting with increasingly sophisticated technological developments. The technology used by CV Tirta Emas is quite sophisticated, in the production process carried out by CV Tirta Emas it uses production tools or machines such as forming noodles, baking noodles and pressing packaging. Using this machine makes it easier and faster for employees to carry out the production process.

Fourth, Distribution Network

This distribution network is a channel that has the function of distributing products owned by business owners to the hands of consumers. A distribution

network is very important to introduce your products. CV Tirta Emas maintains a good relationship with consumers by communicating after consumers try comfortable noodles, in this way consumers feel satisfied and will tell friends or relatives to try it. CV Tirta Emas also serves comfortable noodles to make things easier for consumers, and comfortable noodles are available at Jember souvenir outlets such as the primadona shop.

Fifth, Image

Image is a positive brand image that a business owner has. Having a positive image of the surrounding environment and the products they own can create opportunities for business owners to be better known by the public.

CV Tirta Emas has a good image to the surrounding community. CV Tirta Emas does this to build a good image to provide comfort with the business being run in the surrounding environment. CV Tirta Emas builds this good image by taking part in events held by the village by building a stand to enliven the event and CV Tirta Emas is also open to local people who want to learn to make and open the same business as comfortable noodles.

Sixth, Service

The services provided by business owners to consumers vary, according to established procedures. With good service, consumers will feel satisfied. Good service to consumers makes them satisfied, thus creating an opportunity for CV Tirta Emas to advance its business. CV Tirta Emas has provided good service to consumers, they implement standar operasional prosedur in accordance with their vision and mission. One example of this is giving a smile, answering questions well and explaining the product in detail.

By prioritizing good differentiation, it will create opportunities for business owners to get more consumers and be better known by the public. To get this opportunity, business owners must maintain the quality of the products they own, attractive product designs to differentiate them from other products, sophisticated technology in the production process, a wide distribution network so that the product is better known to the public, a positive image and good service. As has been done by CV Tirta Emas from the beginning of opening a business until now with increasingly fierce competition, CV Tirta Emas is able to persist consistently in carrying out the differentiation strategy carried out.

Another factor that CV Tirta Emas has done in creating competitive advantage, according to (Jumhur et al., 2020) namely:

First, Product Uniqueness

The uniqueness of this product varies from business to business. The uniqueness of this product can also be said to be the unique characteristics of the product, so that it becomes an attraction for consumers to choose.

The uniqueness of CV Tirta Emas products regarding comfortable noodles products is that the raw materials used use healthy raw materials such as spinach, katuk, carrots and dragon fruit. Comfortable noodles do not use eggs, preservatives, coloring or flavor enhancers. the manufacturing process does not involve frying, but the resulting taste of comfortable noodles is delicious and able to compete with other instant noodles.

Second, Product Quality

The quality of this product is one of the innovations or designs owned by the business owner. Every business owner has different innovations regarding the products they sell. This innovation can also be said to be a new design that a business owner has to attract consumers.

The good quality produced in comfortable noodles products is able to provide competitive advantage. CV Tirta Emas prioritizes the quality of the products produced because it is one of the satisfactions that consumers can feel and is an opportunity to develop business at CV Tirta Emas.

Third, Competitive Price

Competitive prices where the business owner has the ability to set prices according to the products he sells at regular prices on the market. Before setting a price, a business owner can calculate the profits he will gain so that he can minimize losses by setting that price. CV Tirta Emas sets prices in proportion to the raw materials, processes carried out and product quality. CV Tirta Emas has calculated prices according to the products they have.

5. Conclusions and Suggestions

Based on the results of the research conducted, there are several conclusions that can be drawn explained, among other things:

The product differentiation strategy that has been implemented by CV Tirta Emas is able to realize competitive advantage, can be seen in: Quality and uniqueness. Good quality by using the right and selected raw materials to produce quality products. Good quality is one of the attractions that consumers want. Quality can be measured by the durability of the comfortable noodles product and the taste it produces. Product design. CV Tirta Emas has a product design that is not much different from instant noodle products on the market. One of the differentiators in

product design is the difference in color produced by noodles according to the use of raw materials. The technology used in the production process uses machines to make it easier to make noodles in large quantities. The distribution network that has been implemented by CV Tirta Emas can develop its business, because CV Tirta Emas accepts suggestions and criticism to serve as evaluation material. Comfortable noodles are available at the central souvenir shop in Jember so it is easier for consumers to find this product. The positive image that CV Tirta Emas has created in the surrounding community is because CV Tirta Emas always provides learning for local communities who want to open the same business and participate when there are events held by the village. Prices are in accordance with the quality of the products owned and calculations have been carried out before setting the price.

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