The Influence of Product Innovation on Competitive Advantage in the Beverage Business Tekun.id

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Abstract. This study discusses the Effect of Product Innovation on Competitive Advantage in Tekun.id Beverage Business. The researchers used a causal research design with a survey type of 58 respondents who were consumers Tekun.id. The data analysis technique used is a linear regression test using the SPSS version 25 application. Product Innovation has a positive and significant effect on Competitive Advantage. This research benefits from developing *an applied theory* that competitive advantages in the beverage industry are strongly influenced by competitive advantages. For further research, it is hoped that it can examine dependent variables that are not listed in this research model and can conduct even better research. This research has practical benefits for business actors to increase value by continuously developing product innovations to achieve competitive advantage. This research model is compiled based on gaps in previous studies and methods of collecting data from populations or samples that can be measured. The novelty in this study is the testing of how much influence Product Innovation has on Competitive Advantage and the selection of different research sites.

Keywords: Product Innovation · Competitive Advantage

1 Introduction

Companies are currently faced with various opportunities and risks both domestically and abroad, and one of the threats of competition. For that, every company must always know and understand what is happening in the market and what consumers want and pay attention to the state of competing products to compete in the market [1]. In the development of a business field, there will be many similar businesses emerging. This can also lead to competitive business competition.

The food and beverage industry are the most promising industry in Indonesia for now. Drinks are liquids drunk by humans as a body's necessity and a source of human life's energy. Various contemporary drink brands and types continue to appear in Indonesian society. One type of contemporary drink is the boba drink. Boba drink is a Taiwanese drink that is popular worldwide, including in Indonesia, especially for teenagers and adults. Contemporary drink is a term used for innovative and popular drinks because

of their unique taste and characteristics. In addition to boba drinks, there are also other contemporary drinks such as cheese tea, milk coffee with brown sugar, thai tea, and regal drink [2]. This phenomenon shows that the food and beverage industry has promising opportunities for businesspeople, both those who are already doing business in the fields of food and beverages and new businessmen. Some people make contemporary drinks a lifestyle, and others make this drink a necessity. This drink has spread near all parts of Indonesia. So that causes much competition between these companies. The consumption of boba drinks / contemporary drinks is currently higher than others, such as tea and coffee.

Based on Adolescent Drink Consumption Habits for Body Immunity (2021), shows the subject's consumption habits for tea, coffee, boba drinks, and the like. The consumption of boba drinks, which are contemporary drinks, was more commonly consumed by subjects (66.67%) than tea (50%) and coffee (43.59). Due to people's lifestyles and a large number of people consumption today of boba drinks, and the tight competition, there is a need for product innovation to maintain the advantages of their respective products. Many companies are competing to create and produce quality beverage products because consumers need contemporary drinks that are more selective and varied, not only looking at their appearance but also their taste. By innovating products, it will generate more value for companies that have the opportunity to get a positive image amid fierce competition [4].

Product Innovation can be categorized more concisely into three categories:

1) Product Expansion (line extensions) Product expansion is a product that is still familiar to business organizations but new to the market.
2) Impersonation Products (me-too products) Product impersonation is a product considered new by the business but familiar to the market.
3) New Products (new-too-the-world products): New products are considered new both by the business and by the company. No. 5.

Competitive advantage is determined by creativity and innovation, making it possible to meet customer needs better than competitors [6]. Businesses need to understand consumers so that marketers can influence consumer decisions and make consumers want to buy products. Creating product innovations that suit the needs and desires of the target market is the key to the company's success. In general, product innovation is a method of creating new products designed to meet the needs and desires of consumers. This is because product innovation is the application of new ideas and ideas to the product to create new products that attract consumers to buy. Product innovation is a process that cooperates and influences each other [7].

Four factors are used to measure competitive advantage, namely:

1. Product uniqueness

The distinctiveness sets the company's products from those of its rivals or other products available on the market. The creation made by the business as a consequence of ideas or inventions to make something distinctive or different from others (competitors) may attract customers.

2. Competitive price

The business's capacity to create goods at costs allows the company to compete in the market. With the development of a unique and superior product, the business must be able to change the pricing so that it is reasonable for the buyer.

3. Rarely encountered

The existence of products is rarely found so that it can win the competition.

4. Not easy to imitate

Because of the high quality of the profitable product developed by the company, the competitors cannot duplicate in the same way because the company can successfully pick premium raw materials to produce great items [8].

2 Methods

2.1 Hypothesis Development

This research employed a causal research strategy. The causal research approach is a way to determine how independent variables affect constrained dependent variables (Hashim et al., 2020). In this study, the independent variable, product innovation, will be compared to the independent variable, Tekun.id's competitive advantage in the beverage industry. The way to obtain data on causal research design is through a survey. The survey method obtains data from a certain natural place (not made by the researcher). However, the researcher carries out processes in data collection such as disseminating questionnaires, testing, structured interviews, and many others (Not experimental treatment) [13]. This study aims to collect research data using questionnaires based on structured questions. Questionnaires are a data collection technique that presents a series of written questions for respondents to respond to [14]. The way to distribute the questionnaire that will be carried out in this study is in the form of a Google Form.

From the explanation before, the framework model in this study can be systematically described as shown in Fig. 1.

The development of a hypothesis is a temporary answer to a problem still presumptive in nature because it still must be proven true. The alleged answer is a temporary fact; the truth will be tested with the data collected by the study. Based on the formulation of the problem and the literature review that has been described earlier, the hypotheses in this study are:

H_0 = Product innovation has no significant effect on the competitive advantage of the business Tekun.id.

H_a = Product innovation has a significant effect on the competitive advantage of the business Tekun.id

Fig. 1. Thinking Framework

2.1.1 Sample and Data Collection

The research population is a generalized area that involves objects or subjects with a certain quantity and features [15]. The target population is consumers who have purchased Tekun.id.

A sample is a portion of the quantity and traits owned by a population [16]. Given the formula used, N = 50 + 8m (where m is the sum of the free variables) [17].

$$N = 50 + 8m$$
$$N = 50 + 8(1)$$
$$N = 58$$

Information:

N = Number of samples
m = Number of free variables

The sample in this study was 58 consumers who had purchased Tekun.id products.

The criteria for respondents determined by researchers in this study were productive men and women aged 15 to 40 years who resided in Garut. The reason for choosing the age of the respondents is adjusted to the target market Tekun.id. This data is processed using SPSS version 25.

2.1.2 Measurements

The analysis technique in this study employed quantitative descriptive methods. The descriptive method is a study to ascertain the value of an independent variable, either one or more independent variables, without comparing or attributing it to another variable [18]. Moreover, the method used in this study is to use linear regression. Linear Regression is a statistical method used to test the degree of causality between the causal factor variable (X) and the influencing variable.

The scale that researchers use is an interval scale. An interval scale is a scale that represents the distance between one data level and another and has the same weight [19]. This measurement has no real zero value. Each question indicator in the questionnaire was measured using the Likert scale. The Likert scale is the most regularly used in survey research and is a psychometric scale frequently used in surveys. Responses on the Likert scale include (Table 1).

3 Results and Discussion

3.1 Consumer Characteristics

The number of respondents in this study amounted to 58 respondents of Tekun.id customers domiciled in Garut Regency, as shown in Table 2.

Table 1. Likert Scale

No.	Answer	Value
1.	Strongly Agree	5
2.	Agree	4
3.	Neutral	3
4.	Disagree	2
5.	Strongly Disagree	1

Table 2. Characteristics of Respondents' Results Conclusions

PROFILE	CRITERION	TOTAL	PERCENT
GENDER	Man	39	35%
	Woman	19	65%
AGE	19–23	54	83,3%
	24–32	4	9,3%
WORK	Student	49	86%
	Work	7	8,8%
	Not Yet/Not Working	2	5,3%
PERSEVERANCE	Friend	25	41.7%
	Assiduous walks	19	31.7%
	Internet	8	15%
	Brother	4	8.3%
	Advertisement	2	3.3%
LONG TIME AS A CUSTOMER	<1 Year	30	50%
	2–3 Years	25	45%
	4 Years	3	5%
FREQUENTLY PURCHASED PRODUCTS	Green Tea Series	18	30%
	Milk Tea Series	10	18.3%
	Choco Mousse Series	10	18.3%
	Ice Cream	9	15%
	Yakult And Summer	6	10%
	Thai Tea Series	5	8.3%

3.2 Validity and bfeReability Tests

A validity test is used to see if a measuring instrument is valid or invalid [21]. Data processing was carried out on 58 respondents and then tested the validity and reliability of research instruments using SPSS and Microsoft Excel. Based on the output, researchers can find out the items of valid or invalid instruments. Interpreting the above data requires the r table to compare r from the output. The value of the table r is obtained from N = 58 and $\alpha = 0.05$. That is, the r of the table = 0.254.

Validity test decision-making is:

Table 3. Validity Test

NO GRAIN	R CALCULATE	INFORMATION	INTERPRETATION
1.	0.550	≥ 0.254	Valid
2.	0.535	≥ 0.254	Valid
3.	0.525	≥ 0.254	Valid
4.	0.693	≥ 0.254	Valid
5.	0.659	≥ 0.254	Valid
6.	0.500	≥ 0.254	Valid
7.	0.637	≥ 0.254	Valid
8.	0.615	≥ 0.254	Valid
9.	0.216	< 0.254	Invalid
10.	0.631	≥ 0.254	Valid
11.	0.627	≥ 0.254	Valid
12.	0.705	≥ 0.254	Valid
13.	0.507	≥ 254	Valid
14.	0.496	≥ 0.254	Valid
15.	0.644	≥ 0.254	Valid
16.	0.528	≥ 0.254	Valid
17.	0.725	≥ 0.254	Valid
18.	0.707	≥ 0.254	Valid
19.	0.734	≥ 0.254	Valid
20.	0.668	≥ 0.254	Valid
21.	0.599	≥ 0.254	Valid

- *If r counts $\geq$ r table, then the data is valid*
- *If r counts $<$ r table, then invalid data*

Decision:
See Table 3.

4   Conclusions

After analyzing the theory analysis and the results of the previous research, then conducted research on 58 respondents of Tekun.id customers, the researcher obtained results to answer the formulation of the research problem with the following conclusions: 1. The purpose of this study is to find out the influence of Product Innovation on Competitive Advantage 2. This study aims to see the influence of product innovation on competitive advantage. The intended respondents are consumers of Tekun.id. This research has

benefits in the development of an applied theory that competitive advantage in the beverage industry is strongly influenced by competitive advantage because the magnitude of influence found for this reason is expected that further research is expected to be able to examine dependent variables that are not listed in this research model, and can conduct even better research.

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