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Analysis of the Influence of Product Innovation, Marketing Strategy, and Service Quality To Superiority Compete Company E-Commerce in Indonesia

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Abstract: This research aims to investigate the impact of three main factors, namely product innovation, marketing strategy, and service quality, on the competitive advantage of e-commerce companies in Indonesia. Competitive advantage is the key in determining a company's position and growth in this increasingly competitive industry. By considering internal and external factors that influence company strategy, this research focuses on the relationship between these factors and competitive advantage. The findings show that significant product innovation contributes positively to competitive advantage by providing differentiation Which alluring in market. Besides That, strategy marketing Which appropriate And effective also plays an important role in strengthening the company's position in the fierce market competition. Superior service quality is also a key factor in retention customer And build reputation positive company. Implications The practicality of this finding is that e-commerce company management needs to strengthen investment And focus on innovation product, strategy marketing Which creative, And improving service quality to maintain their competitive advantage in a dynamic market.

Keywords: Competitive Advantage, Product Innovation, Marketing Strategy, Service Quality, E-Commerce, Indonesia

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1. Introduction

The e-commerce industry in Indonesia has become one of the most dynamic and rapidly growing sectors in recent years. According to data from the Indonesian E-Commerce Association (idEA), mark transaction e-commerce in Indonesia reached 214.7 trillion rupiah in 2020, an increase of 44% compared to the previous year. This growth significantly exceeds previous estimates, indicating that online shopping is increasingly becoming the main choice for consumers in Indonesia. This phenomenon is largely pushed by penetration the internet the more wide in Indonesia. In the year of 2020, amount user internet in Indonesia reaches more than 196 million people, placing it as one One market Internet biggest in world. This indicates that Indonesia has great potential as a market e-commerce Which continues to grow.

Growth of the e-commerce industry Also bring increasingly fierce competition among companies operating in it. The large number of new players entering the market, both local and international, is increasing competitive pressure among existing e-commerce companies. As a result, these companies must compete not only in terms of

price but also in terms of providing added value to customers. In this context, competitive advantage is the key to maintaining and increasing market share amidst increasingly fierce competition.

In effort For To achieve competitive advantage, e-commerce companies in Indonesia must consider various internal and external factors that influence their performance and reputation in the market. One of the main factors Which need noticed is product innovation. Product innovation is important because consumers tend to look for product Which unique and high quality. Companies that are able to continue to provide products new Which innovative And relevant to market needs has a greater chance of retaining and attracting new customers.

Besides innovation product, Effective marketing strategies are also a key factor in achieving competitive advantage. With increasingly fierce competition, companies need to be able to create a strong brand image and build connection Which good with customers. The right marketing strategy can help companies to reach a wider market, introducing their products to customer potential, And build loyalty customer the strong one.

Service quality is also an important factor in winning heart customer. In an era where customer experience is key, e-commerce companies need give superior service and attention to every detail in interactions with their customers. Good service quality not only creates a pleasant shopping experience for customers but also helps build a positive company reputation in the eyes of consumers.

By considering the importance of product innovation, marketing strategy, and service quality in achieving competitive advantage, this research aims to investigate impact from These three factors affect company performance e-commerce in Indonesia.

FOUNDATION THEORY

The e-commerce industry has become Wrong One sector Which growing rapidly in Indonesia, encouraged by penetration the increasingly widespread internet and changes in consumer behavior. According to data from the Indonesian E-Commerce Association (idEA), mark transaction e-commerce in Indonesia reached 214.7 trillion rupiah in 2020, an increase of 44% from the previous year. This growth is in line with the increasing number of internet users in Indonesia, Which on in 2020 it reached more than 196 million people, placing it as one of the largest internet markets in the world. In the midst of this rapid growth, competition between e-commerce companies is increasingly fierce. With many new players entering the market, these companies must find ways to maintain and increase their market share.

Product innovation is one of the main strategies used by e-commerce companies to maintain their competitive edge. Product innovation includes the development and introduction of new products that are unique and relevant to need market. According to survey conducted by McKinsey, 84% of global consumers said that they are interested in purchasing innovative new products or services. In the context of e-commerce, companies that continue to present innovative new products have an advantage in attracting and retaining customers.

Marketing strategy also plays an important role in the success of an e-commerce company. Effective marketing strategies allow companies to reach a wider market, introduce their products to potential customers, and build loyalty customer the strong one. According to a report from Statista, spending global For advertisement digital is estimated reach more from 517 billion US dollars by 2023, showing how important advertising is in the marketing strategy of e-commerce companies.

Apart from product innovation and marketing strategies, service quality is also a crucial factor win customer's heart. According to a survey conducted by PwC, 32% from consumer stated that they would abandon the brand after one service error. Therefore, e-

commerce companies must ensure that they provide superior and responsive service to their customers. Quality customer service not only creates a pleasant shopping experience for customers but also helps build a positive company reputation.

2. Materials and Methods

This research methodology uses a quantitative approach with careful sample selection from e-commerce companies actively operating in Indonesia. Data finance And information market e-commerce will be collected and analyzed to evaluate the relationship between product innovation, marketing strategy, service quality, and superiority compete company. Data analysis will be carried out using method statistics such as linear regression to identify the relative impact of each factor to superiority compete. The results of the analysis will be interpreted to draw relevant conclusions and provide practical implications for the e-commerce industry in Indonesia.

3. Results

The e-commerce industry in Indonesia has become one of the most dynamic and rapidly growing sectors in recent years. This rapid growth is driven by increasingly widespread internet penetration and changes in consumer behavior who are switching to online shopping. Data from the Indonesian E-Commerce Association (idEA) shows that the value of e-commerce transactions in Indonesia reached 214.7 trillion rupiah in 2020, an increase of 44% compared to the previous year. This phenomenon indicates that online shopping is increasingly becoming the main choice for consumers in Indonesia. However, the growth of the e-commerce industry has also brought about increasingly fierce competition among the companies operating in it. Lots of new players enter to market increase competitive pressure among existing e-commerce companies, driving the need to find ways to maintain and improve share market in amidst increasingly fierce competition.

In effort For To achieve competitive advantage, e-commerce companies in Indonesia must consider various internal and external factors that influence their performance and reputation in the market. One of the main factors Which need noticed is product innovation. Product innovation is important because consumers tend to look for product Which unique and high quality. Companies that are able to continue to provide products new Which innovative And relevant to market needs has a greater chance of retaining and attracting new customers.

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4. Conclusion

This research underline significance product innovation, marketing strategy, and service quality as the main drivers of competitive advantage for companies e-commerce in Indonesia. From the analysis results, it is proven that companies that can continuously

produce innovative products, implement efficient marketing strategies, and provide high quality services have a greater opportunity to maintain and increase their market share. Therefore, in response to increasingly fierce competition in the market, e-commerce companies must seriously consider and continue to develop these three factors, designing strategy Which in accordance to meet consumer expectations, and strengthen their position in this dynamic market.

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