



The Effect Of Product Uniqueness And External Environmental Analysis On Competitive Advantage

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ABSTRACT

Product uniqueness and external environmental analysis, towards competitive advantage in the context of strategic management. Product uniqueness is the basis for maintaining the company's competitiveness and relevance in a competitive market. External environmental analysis helps companies understand market dynamics and adjust their competitive strategies effectively. The research method applied uses information sources from e-books and e-journals that can be accessed for free, by applying qualitative descriptive analysis. The results of this study provide valuable insights for practitioners and researchers in developing comprehensive strategies to achieve and maintain competitive advantage in the dynamics of an ever-evolving business environment.

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INTRODUCTION

Online an era of increasingly dynamic and competitive global business competition, companies must be able to adapt and innovate in order to survive and thrive amidst the challenges of the market environment. One of the main keys to success is the development of sustainable competitive advantage. This advantage is not based on a single factor but rather

the result of a combination of various strategic aspects, such as product uniqueness and external environmental analysis, which can provide the company with a better strategic position than its competitors (Hitt, Ireland, & Hoskisson, 2017). Product uniqueness is one of the main strategies to differentiate a company from its competitors. This uniqueness can be in the form of innovation in product features, quality, design, or added value that competitors do not have.

According to Keller (2013), product uniqueness can increase consumer appeal and strengthen brand position in the market. Products that have high uniqueness are usually able to build long-term consumer loyalty and provide competitive advantages that are difficult to imitate. Therefore, companies need to continuously improve their innovation and creativity so that products remain relevant and have high competitiveness. In addition to product factors, external environmental analysis is also very important in creating competitive advantage. The ever-changing external environment requires companies to be able to read and understand market trends, government regulations, technological changes, and consumer behavior accurately and quickly. Kotler and Keller (2016) emphasize that a deep understanding of the external environment allows companies to identify strategic opportunities and anticipate threats, so that they can proactively adjust business strategies. Failure to conduct this analysis can have a negative impact on the continuity and sustainability of the company.

Recent studies have shown that these two factors have a significant influence on competitive advantage. A study by Rahmawati et al. (2022) found that product uniqueness and adaptation to the external environment simultaneously increase the competitiveness of companies in the creative industry. This emphasizes the importance of integration between product innovation and understanding external conditions in a company's strategy to achieve sustainable competitive advantage.

LITERATURE REVIEW

Competitive Advantage

Competitive Advantage is an element or combination of elements that differentiates a company, product or service from its competitors and thereby provides a significant competitive advantage. Competitive advantage encompasses various aspects such as product innovation, quality, price, customer service, operational efficiency, sales and branding. All companies must continuously pursue and strengthen their competitive advantages to maintain their presence in a competitive market. This can be achieved through thorough market analysis, a deep understanding of needs and a commitment to continuous improvement of processes and products or services. Essentially, a company's competitive advantage develops from the value or benefits that a company or organization can provide to its customers. (Rahmidani, 2015)

Competitive Advantage All companies must understand their competitive advantage and strive to maintain, strengthen and develop it over time. This requires a deep understanding of the market, customers and competitors, and the ability to adapt to changes in the business environment. The resource and expertise advantages of a company arise from capabilities in marketing, manufacturing and innovation. Companies that have competence in these three areas can use them as a basis for competitive advantage. By utilizing expertise in these three areas, companies can design strategies to produce products that are in demand by the market (Dalimunthe, 2017). Dimensions, indicators, syntheses or factors that influence Competitive Advantage are price factors, prices can have a significant impact on the

competitiveness of a product or service. When a product or service is offered at a lower price than its competitors, a competitive advantage will be created in the form of lower prices for consumers. According to (Lenggogeni et al., 2016) Competitive prices are prices that potential consumers consider appropriate because they are comparable to the value of the product, affordable, and are expected to compete with the prices of products from other companies. Basically, consumers want a fair price for a product or service. Many previous studies have investigated Competitive Advantage, including: (Naningsih, 2022), (Cahyani et al., 2021), and (Merakati et al., 2017).

Product Uniqueness

Product uniqueness is a valuable asset for business actors because it helps differentiate their products from competitors, attracts consumer attention, and strengthens customer loyalty. Product uniqueness refers to the special characteristics or features that distinguish the product from similar products on the market. This uniqueness is a major attraction for consumers and provides a competitive advantage for the company. Suppliers produce highly specialized products, thus providing high bargaining power for the company compared to companies that produce products in large quantities (Permana et al., 2019)

Product uniqueness is a special attraction for consumers and can be a key factor in the success of marketing and selling your product. Clear and attractive uniqueness makes your product stand out in the market and attract the attention of potential consumers. If knowledge is difficult to access, competitors will find it difficult to imitate. Unique products can create certain products that provide a profitable bargaining position for the company compared to its competitors. In addition, unique products look different and can offer better value than competitors (Nofrizal, 2021)

Dimensions, indicators, synthesis or factors that influence Product Uniqueness are Product design, attractive product design, unique beauty, and practicality can be the main factors behind the uniqueness of a product. A prominent design can be a differentiator that distinguishes your product from competitors. Good design is one that gives a product specialness so that it distinguishes it from other brands, and the uniqueness of this product design creates a positive brand image. (Reven et al., 2017) Many previous studies have investigated Product Uniqueness, including: (Rosnani, 2009), (Yunitasari & Anwar, 2022), and (Sofia et al., 2024).

External Environment Analysis

External environmental analysis allows companies to recognize opportunities and threats that exist outside the organization, and to formulate more effective and adaptive strategies. This is a key element of strategic planning and decision-making processes. External environmental examination examines factors outside the direct control of the company that can affect its performance and success. It is carried out to identify the main opportunities and threats facing the organization and changes that may occur in the company's external environment. Thus, managers can develop strategies to exploit and realize these opportunities, while avoiding or minimizing the impact of the external environment. (Susanthi, 2017). External environmental analysis is an evaluation of factors that are outside the direct control of a company but have the potential to affect its operations, strategies, and performance. External environmental analysis helps companies understand the external context in which they operate and identify appropriate strategies to address challenges and

take advantage of existing opportunities. The external environment refers to elements outside the direct control of an organization that can affect its performance and success (Zamsiswaya et al., 2023). Dimensions, indicators, synthesis or factors that influence External Environmental Analysis are Social and Cultural, Economic, and Environmental. Many previous studies have investigated External Environmental Analysis, including: (Aulia et al., 2021), (Retnowati, 2010), and (K. Sari et al., 2021)

METHOD

The method of writing a Literature Review article includes two main approaches: Library research and Systematic Literature Review (SLR), which are analyzed qualitatively. The sources of information used include online applications such as Google Scholar, Mendeley, and other academic platforms. Systematic Literature Review (SLR) is described as a process that includes the identification, evaluation, and interpretation of all available research evidence with the aim of providing specific answers to research questions. In the context of qualitative analysis, the use of literature reviews must be consistent with methodological assumptions. One of the main objectives of the qualitative analysis approach is to conduct exploration in the research.

RESULTS AND DISCUSSION

The Influence of Product Uniqueness on Competitive Advantage

Product uniqueness refers to the special attributes or characteristics that set a product apart from similar products in the market. This includes unique features, special benefits, or added value that cannot be found in other products. Product uniqueness can be an important factor in attracting consumer attention, differentiating a brand from competitors, and building customer loyalty. In a competitive market environment, product uniqueness can be an important strategy for achieving differentiation and competitive advantage. This can include innovative design, state-of-the-art technology, high-quality materials, superior product performance or functionality, or a unique user experience.

Product uniqueness involves various principles and concepts that help differentiate a product from similar products in the market. One of the main principles is innovation, where a product can be unique by introducing new features or technologies. In addition, differentiation is also important, by offering features or benefits that cannot be found in other products. High quality is also an important aspect in creating product uniqueness, both in terms of raw materials and production processes.

A pleasant or practical user experience can also be an added value that differentiates a product from others. A strong brand identity can also provide its own uniqueness, as well as a good understanding of the market and customer needs. The uniqueness of a product has a significant influence on a company's competitive advantage in the market.

When a product has a unique feature that sets it apart from similar products offered by competitors, this can be a key factor in attracting consumers. Consumers tend to be attracted to products that offer features or benefits that cannot be found in other products. By having a unique product, a company can position itself as a market leader and differentiate its brand from competitors. Product uniqueness can also help a company to create strong customer loyalty. Consumers who are impressed by the uniqueness of a product tend to become loyal

customers, and may even become passionate brand advocates. Factors that influence product uniqueness include various aspects.

1. First, innovation is a key element that can create product uniqueness. When a company is able to produce new features or technologies that have never existed before in its products, this can differentiate it from similar products in the market.
2. Furthermore, research and development plays a vital role in creating unique products. Investment in research allows companies to discover new solutions or features that have never existed before.
3. In addition, product design can also affect uniqueness. An attractive and different design from others can give a unique impression to consumers. The raw materials used and the quality of production also play an important role.

Product Uniqueness plays a role in Competitive Advantage, this is in line with research conducted by: (Rosnani, 2009), (Yunitasari & Anwar, 2022), and (Nofrizal, 2021)

The Influence of External Environmental Analysis on Competitive Advantage

External environmental analysis is the process of assessing and understanding the factors outside an organization that have the potential to affect its performance and success. The external environment encompasses a number of elements, including political, economic, social, technological, legal, and environmental aspects, that have a significant impact on an organization's strategy and operations. Through this analysis, companies can identify opportunities and threats that may arise from the external environment, and understand how these factors may affect business strategy and decision making. External environmental analysis provides management with important insights to develop strategic plans that are responsive to changes in the marketplace and the overall business environment. The principles or concepts of external environmental analysis involve a deep understanding of the factors outside the organization that have the potential to affect its performance and success.

This analysis process includes an evaluation of various aspects of the external environment, including political, economic, social, technological, legal, and environmental. By understanding the impact of these factors, companies can identify potential opportunities and threats, and plan appropriate business strategies. The principles of external environmental analysis also help organizations anticipate market changes and make informed decisions to maintain their competitive advantage. Overall, external environmental analysis allows organizations to be well prepared to face the dynamics and challenges of their external environment. External environmental analysis has a significant impact on an organization's competitive advantage. By understanding external factors such as market trends, regulatory changes, and shifts in consumer preferences, companies can plan more effective strategies to address challenges and capitalize on opportunities.

In other words, external environmental analysis allows a company to adapt its business plan to changing environmental conditions. When an organization can respond to these changes quickly and appropriately, it can create a competitive advantage. For example, by detecting emerging market trends, a company can direct its resources to develop new products or services that meet evolving customer needs.

In terms of regulation, companies that are able to understand and adapt to new regulations or changes in government policy will be better able to survive in a constantly changing business environment. Factors that influence external environmental analysis include politics, economics, social, technology, law, and the environment. Changes in these aspects can affect business strategy and company performance. By understanding and adapting to these factors, companies can identify opportunities and threats, and plan more

appropriate strategies for competitive advantage. External Environmental Analysis plays a role in Competitive Advantage, this is in line with research conducted by: (Aulia et al., 2021), (Retnowati, 2010), and (K. Sari et al., 2021)

CONCLUSION

Based on the objectives, results and discussion, the conclusion of this article is to formulate a hypothesis for further research, namely:

1. Effective Leadership Influences Competitive Advantage
2. Product uniqueness influences competitive advantage and
3. External Environmental Analysis Influences Competitive Advantage

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