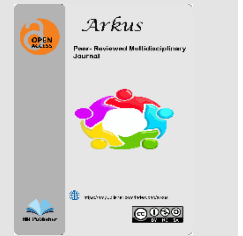




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Competitive Advantage of SMEs Through Innovation to Reach International Markets

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ABSTRACT

This study aims to identify various characteristics related to competitive advantage in SMEs through innovation. This research is a scoping review using PRISMA. The stages in conducting a scoping review that must be carried out are the focus of the review, using the PEO framework (problem, exposure, and outcome), identification of relevant studies, process descriptions, and identification of literature with PRISMA flowcharts, data extraction, and mapping or scoping. The inclusion criteria used in selecting the scoping review study were publication of manuscripts in the last five years (2018-2022), nationally accredited and internationally indexed journals, original articles, and articles in Indonesian or English. The keywords used in the article search were "SME" OR "competitive advantage" OR "innovation" OR "culinary" AND "international market." SME product innovation must continue to be carried out in the face of current market competition to reach the international market, especially MSMEs engaged in traditional food or culinary. SMEs must innovate in products, namely innovation in shape, taste, color, and innovation in packaging. The role of using social media to introduce culinary products in the international market is an effective way to expand the market share of culinary SMEs in the international market.

1. Introduction

The development of various business fields in Indonesia will have an impact on the tight competition in SMEs, one of which is the culinary field. Competitive advantage is the advantage of a business in presenting the value of a product or service that is superior to competitors' products and provides benefits to customers. Business competitive advantage is defined as the ability to achieve economic profit by earning a profit over its competitors in the same market and industry.¹ This can be realized through the provision of more discounts and benefits at an appropriate price.

Based on data from the Indonesian Ministry of

Cooperatives and SMEs, there are 163,713 SME actors affected by the Covid-19 pandemic, especially the food and beverage sector.² The Ministry of Cooperatives and SMEs has also prepared a number of stimuli for SMEs in an effort to revive the Indonesian economy by presenting quality products, being disciplined, focused, creative, innovative, able to see opportunities, and daring to take risks.

Competitive strategy, in general, can be interpreted as a process of building and developing various strategic resources that have the potential to generate a competitive advantage within a company. These advantages have two roles, namely as a tool to

generate performance and neutralize assets and competitive competencies owned by competitors.³

Innovation is needed so that businesses can compete and products are always up-to-date. Innovation can drive increased sales and will ultimately increase profits. This strategy is widely used in the type of culinary business that demands high innovation in the products it produces. Several studies state that there is a relationship between competitive advantage and innovation in SME competitive strategies. SME actors must have a competitive advantage and also have the ability to think innovatively and creatively. Continuous innovation is also needed so that companies can survive and grow in various economic situations. The higher the level of competitive advantage in controlling the market, the business will have greater the opportunity to achieve a good competitive position. This study aims to identify various characteristics related to the competitive advantage of SMEs through innovation.

2. Methods

This study is a scoping review that is used as a precursor to a systematic review to identify the types of evidence available according to the topic under

discussion, to seek an overview of how research is carried out on a particular topic or field, to identify key characteristics or factors associated with a concept.⁴ Studies related to competitive advantage for SMEs through innovation in penetrating international markets will be reviewed, including the sampling method, the variables contained in the articles taken, and the results of the research. The stages in conducting a scoping review that must be carried out are the focus of the review, using the PEO framework (problem, exposure, and outcome), identification of relevant studies, process descriptions, and identification of literature with PRISMA flowcharts, data extraction, and mapping or scoping.⁵

To develop the review focus and search strategy, the researcher used the population, exposure, and outcome (PEO) framework to manage and solve the review focus. The use of PEO will assist in identifying key concepts in the focus of the review, developing appropriate search terms to describe the problem, and determining inclusion and exclusion criteria. The focus of the search for articles is qualitative research, so PEO is considered appropriate to use.⁶

Table 1. PEO framework for determining questions

Population	Exposure	Outcome
Culinary SMEs	Innovation	Competitive advantage

An article search strategy was developed using several databases and several sources to search for gray literature. There are several stages used in identifying relevant studies, namely using databases and gray literature. The databases used in this study are Crossref, Google Scholar, Pubmed, Scopus, Sciencedirect, Proquest, and FreefullPdf. The gray literature specification is used to index manuscripts related to the study. In addition, several sources were searched until they were saturated so that there was no misinformation obtained. The gray literature used

is Google scholar, government regulations on SMEs, and the Trade Law. The inclusion criteria used in selecting the scoping review study were publication of manuscripts in the last five years (2018-2022), nationally accredited and internationally indexed journals, original articles, and articles in Indonesian or English.

PRISMA flowcharts are used to describe in detail and transparently the process of identifying literature. PRISMA (Preferred Reporting Items for Systematic review and Meta Analyses) was developed to assist

authors in reporting systematic reviews (SR) and Meta-analyses (MA). PRISMA is considered appropriate to use because in its use it can improve the quality of publication reporting. The keywords used in the search for articles are "SMEs" OR "competitive advantage" OR "innovation" OR "culinary" AND "international markets".

After obtaining evidence, a critical appraisal is carried out using a form from the Critical Appraisal Skills Programme (CASP) to assess the quality of the evidence. The data selected is in accordance with the criteria that researchers have determined. The data filtering stage is spelled out in figure 1.

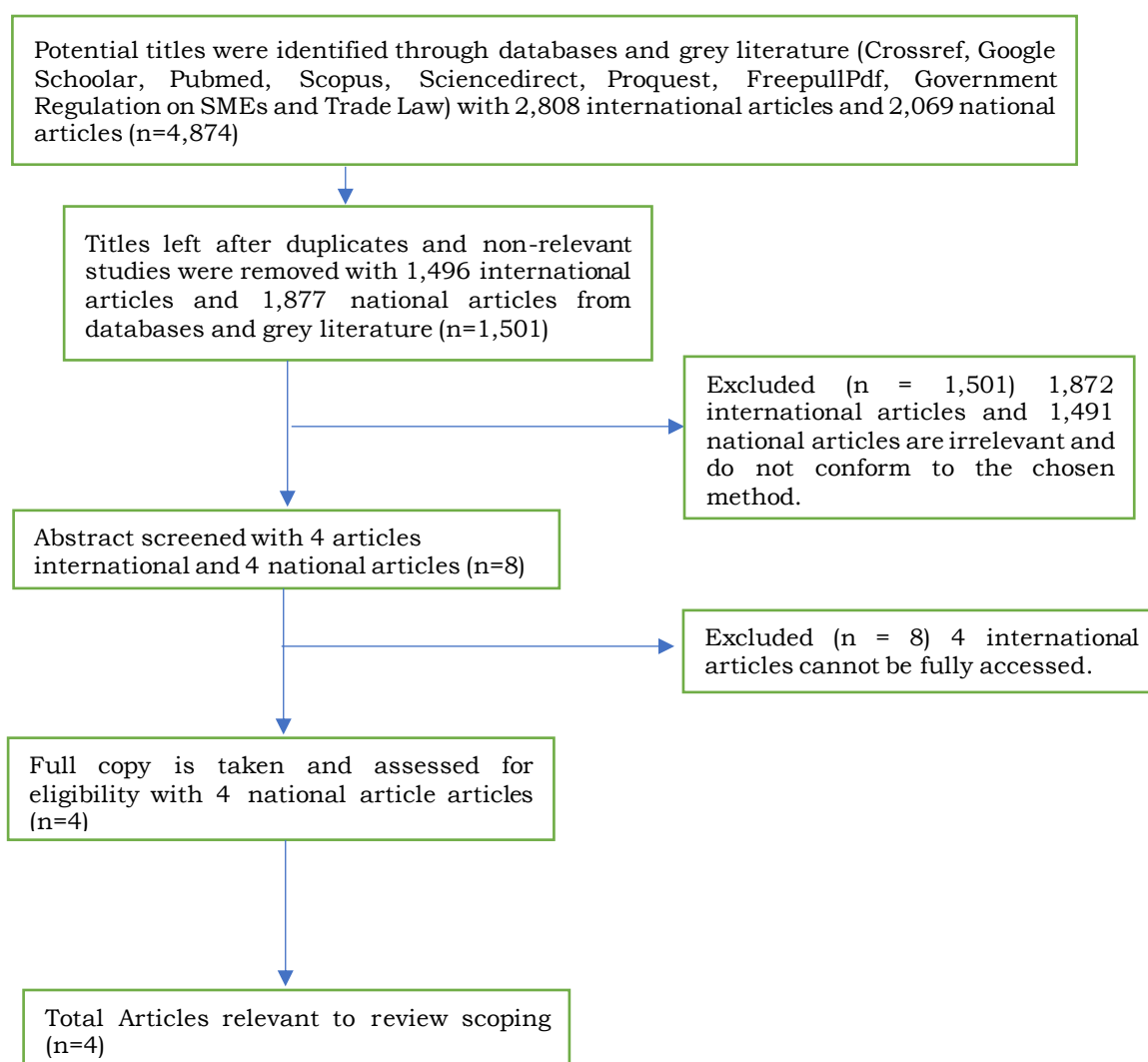


Figure 1. PRISMA flowchart

Table 2. Charting data

No.	Name/year/title of research	Variables	Population Sample	Analysis Tools	Research Results
1	Verbyani et al., (2021) Effect of innovation, entrepreneurial orientation, and market on the competitive advantage of culinary SMEs. ⁷	<ul style="list-style-type: none"> Independent: Innovation, entrepreneurial orientation, market orientation. Dependent: Competitive advantage 	Sample of 52 culinary SMEs	PLS-SEM	Innovation, entrepreneurial orientation, and market orientation have a positive and significant influence on the competitive advantage of culinary SMEs in West Jakarta
2	Lestari et al. (2019) The effect of innovation and entrepreneurial orientation on the competitive advantage of SME culinary. ⁸	<ul style="list-style-type: none"> Independent: Innovation, entrepreneurial orientation Dependent: Competitive advantage 	Sample of 36 Culinary SMEC	PLS	The innovation variable has a significant influence on SMEC's culinary competitiveness and entrepreneurial orientation has a significant influence on SMEC's culinary competitiveness.
3	Dermawan et al., (2021) The effect of taste innovation and the use of social media on the competitive advantage of culinary SMEs in Medan Denai District, Medan City. ⁹	<ul style="list-style-type: none"> Independent: Social media, Dependent Innovation: Competitive advantage 	Sample of 30	SPSS	Taste innovation and the use of social media together have a significant effect on the competitive advantage of Culinary SMEs in Medan Denai District, Medan City.
4	Siswati et al., (2020) The competitive advantage of innovation-based culinary SMEs (Study on Samiler Kasper Chips SMEs in Sidoarjo). ¹⁰	<ul style="list-style-type: none"> Independent: Innovation Dependent Competitive advantage 	Population of Cassava chips "Casper" Sidoarjo	Triangulation	carried out by Kasper crackers is in line with Oslo's theory, namely innovation in product, process, marketing, and organizational innovation. From the results of interviews, observations, and documentation, it can be seen that the competitive advantage of Samiler cracker products lies in the superiority of products with high taste.

Based on the geographical characteristics of the origin of the article, manuscripts were obtained from the territory of Indonesia, namely West Cilandak, West Jakarta, Medan, and Sidoarjo. The four articles are

quantitative and qualitative research studies. Based on the thematic script, several themes are obtained that are in accordance with the focus of the review (Table 3).

Table 3. Thematic

No	Theme	Sub-theme
1	Competitive advantage	Innovation, entrepreneurial orientation, market orientation.
2	Competitive advantage	Innovation, entrepreneurial orientation.
3	Competitive advantage	Social media, innovation.
4	Competitive advantage	Innovation.

3. Results and Discussion

Research by Verbyani et al. shows that the innovation variable has a positive and significant impact on the competitive advantage of culinary SMEs in West Jakarta.⁷ This research is also in line with research conducted by Wahyono, which explains that there is a significant and positive relationship between innovation and competitive advantage.¹¹ This research is also in line with Porter's (1990) opinion which explains that an organization that implements innovation will make the organization superior to its competitors, which means that the higher the innovation, the higher the competitive advantage.¹²

The relationship between innovation and entrepreneurial orientation has been found theoretically, both together and separately, in the competitive advantage of culinary SMEs in the West Cilandak area, South Jakarta. This research can contribute ideas for the culinary business actors of light and heavy food in the West Cilandak area, South Jakarta, in order to continuously improve competitive advantage through innovation and entrepreneurial orientation.⁸

Based on the results of research by Dermawan et al., there is a strong correlation between taste innovation and the use of social media with the competitive advantage of Culinary SMEs in Medan Denai District, Medan City by 86.5%.⁹ The innovations made by Kasper crackers are in line with Oslo's theory, namely innovations in products, processes, marketing, and organizational innovation. From the results of interviews, observations, and documentation, it can be seen that the competitive advantage of Samiler cracker products lies in the superiority of products with high taste and also attractive packaging for consumers. Kind. Another advantage of Kasper's Samiler crackers is its marketing strategy. Kasper's strategy in marketing its products uses various ways at low costs, including consignment at the souvenir center, direct sales, and also online marketing.

Previous research has shown that there is a positive and strong relationship between the variables

of innovation strategy and competitive advantage.¹³⁻¹⁴ Not much different from the research conducted by Lestari et al.⁸ The results of the study show that innovation has an effect on the competitive advantage of culinary SMEs in the West Cilandak area. This shows that the more culinary SMEs innovate on their products, the more competitive advantage against these businesses will increase.

4. Conclusion

SME product innovation must continue to be carried out in the face of current market competition to reach international markets, especially SMEs engaged in traditional food or culinary. SMEs must innovate in products, namely innovation in shape, taste, color, and innovation in packaging. The role of using social media to introduce culinary products in the international market is an effective way to expand the market share of culinary SMEs in the international market.

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