

PRODUCT INNOVATION: MAINTAINING COMPETITIVENESS IN A COMPETITIVE MARKET

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ABSTRACT

Today's global market is characterized by increasingly fierce competition, with rapid changes in consumer preferences and technological advances. The aim of this research is to analyze how product innovation can be a key strategy for companies to remain relevant and superior in a changing market. This research uses a qualitative approach with descriptive methods. The research results show that product innovation has been proven to have a significant positive impact on the company's business growth and success. By continuing to develop innovative products that are responsive to market needs and consumer preferences, companies can increase revenue and profits, strengthen their brand image, and expand their market share. Product innovation also plays a crucial role in maintaining a company's competitiveness in a competitive market, by helping companies identify new opportunities, create product distinctiveness, and strengthen relationships with customers. Through a planned and integrated approach to product innovation, companies can remain major players in an ever-changing and dynamic industry.

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1. INTRODUCTION

The era of globalization which is characterized by rapid change and increasingly fierce competition has encouraged companies in various sectors to actively adopt product innovation strategies (Suryani, 2017). In an effort to remain relevant and maintain a competitive advantage, these companies have begun to prioritize sustainable research and development (Rahayu, 2016). By implementing appropriate product innovation, companies can respond effectively to market changes and meet increasingly diverse consumer needs (Chadiq, 2015).

Rapid technological developments have also played a central role in driving product innovation. Companies must adapt to technological changes to produce products that are more efficient, environmentally friendly, and in line with consumer preferences (Dalimunthe, 2017). By utilizing the latest technology, such as artificial intelligence, advanced data analytics, and process automation, companies can produce more innovative products, improve quality, and speed up development time (Idris & Nurmajamuddin, 2022). Thus, strong investment in product innovation is important for companies to ensure that they remain key players in a dynamic and constantly changing market (Budiarti, 2022).

The broad definition of product innovation refers to a strategic process that involves changing or developing products to adapt to changing market needs (Al-Rasyid & Indah, 2018). The product innovation process does not only pay attention to creative aspects in creating new products, but also considers improving quality, improving features, and adapting to changing customer preferences (Silaban et al., 2019). With a strong focus on sustainable development, companies can optimize existing products, encouraging efficiency, increasing competitiveness, and expanding the customer base (Fadhilah & Cahya, 2022).

Product innovation not only has an impact on increasing the value of the product itself, but can also influence the company's position in the market as a whole (Curatman, 2016). By continuing to implement product innovation, companies can strengthen their brand image, expand market reach, and meet increasingly complex consumer needs (Sukarmen et al, 2013). Therefore, continuous efforts in developing and updating products are a crucial element in maintaining a company's competitiveness amidst increasingly fierce competition and an ever-changing market (Haryono & Marniyati, 2017).

In the competitive business world, product innovation is an important element for companies to maintain and improve their position in the market (Wijaya et al, 2019). Through planned and sustainable

product innovation, companies can ensure that their products remain relevant and can meet the ever-growing needs of consumers (Lestari, 2019). By carefully monitoring market trends and adapting to changing customer preferences, companies can produce products that not only meet consumer expectations, but also create increased satisfaction, thereby strengthening customer loyalty and supporting long-term business growth (Aripin, 2021).

However, the product innovation process is not easy, and often requires significant resource allocation and close collaboration between various departments within the company (Saragih, 2017). In addition, comprehensive market research and developing creative ideas are important parts of the steps to create truly innovative products (Bunyamin, 2021). Companies must continue to analyze industry trends, analyze customer needs, and respond to market feedback to produce products that meet consumer expectations, so that they can expand market share and achieve long-term success amidst increasingly fierce competition (Tjokroaminoto, 2014).

In addition, the role of product innovation is not only limited to developing new products, but also improving and modifying existing products to meet changing market demands. Therefore, this research is also important to understand how companies can optimize existing resources to produce product innovations that are relevant to current consumer needs. By understanding the importance of product innovation and the strategies related to it, companies can develop strategies that are more adaptive and responsive to market changes, so that they can continue to compete and grow amidst increasingly fierce competition. Thus, this research will provide an important contribution to the development of sustainable and future-oriented business strategies.

2. METHOD

This research employs a qualitative methodology. Qualitative research is to comprehend the significance or extract meaning from events and their associations with regular individuals in specific circumstances (Moleong, 2014). Qualitative research seeks to uncover the significance of behavioral events in human existence, including individuals, groups, and society as a whole. This research is specifically focused on understanding the dynamics of political communication in shaping the image of political parties. The research employs the data gathering methods of observation, in-depth interviews, and documentation. The data analysis technique is descriptive and utilizes a qualitative approach. The gathered data is accurately and clearly presented in sentences. The process of qualitative research data analysis, based on the framework proposed by Huberman & Miles (1992), can be divided into four main stages: data collection, data reduction, data presentation, and drawing conclusions. The data analysis phases in this research comprise a sequential series that establishes a connection between each component.

3. RESULTS AND DISCUSSION

The Importance of Product Innovation for Companies

Product innovation is the main key in maintaining the company's business success amidst increasingly fierce competition. Through appropriate innovation, companies can produce products that meet consumer needs in a better way, create significant added value, and increase competitiveness in the market (Djodjobo & Tawas, 2014). Apart from that, product innovation can also help companies to expand market share, identify new opportunities, and create sustainable competitive advantages. By understanding the importance of product innovation, companies can position themselves as leaders in an ever-changing industry, while maintaining long-term business relevance and resilience (Syukron & Ngatno, 2016). It also helps companies adapt to consumer trends, anticipate market changes, and respond proactively to technological developments, so they can stay at the forefront of change and maintain sustainable growth. Here are several reasons why product innovation is very important for companies

a) Support business growth

Product innovation is an important catalyst in supporting business growth for companies. By continuously developing and updating their products, companies can expand their market share by attracting new consumers and retaining old ones. Through adding new features, improving quality, or even through developing entirely new products, companies can create added value that is attractive to consumers. This not only drives increased revenue through increased sales, but also allows companies to expand their presence in different markets. Thus, product innovation is a key strategy for companies to expand and strengthen their customer base and achieve sustainable growth amidst intense competition and an ever-changing market.

b) Keep Business Relevant

Keeping the business relevant is another important reason why product innovation is crucial for company development. In a dynamic and ever-evolving business environment, consumer needs and preferences continue to change along with changing trends and technological developments. Through continuous product innovation, companies can ensure that the products they offer remain relevant to ongoing market demands. By paying attention to and responding actively to changing consumer preferences and industry trends, companies can avoid the risk of losing relevance in the marketplace. By continuing to produce products that meet customer needs and desires, companies can maintain the appeal of their business, strengthen their brand image, and ensure their position as leaders in their industry. This allows the company to remain the first choice for consumers who are increasingly discerning and always demand the best.

c) Create product distinctiveness

Creating product distinctiveness is an important aspect of product innovation that can help companies differentiate themselves from competitors in the market. By innovating creatively, companies can develop products that have certain characteristics or advantages that differentiate them from similar products on the market. This allows companies to highlight the uniqueness of their products, whether through design, special features, premium quality, or other added value that competitors cannot offer. By creating strong product distinctiveness, companies can build a unique brand identity and win ongoing customer loyalty. Product distinctiveness also allows companies to set higher prices, in line with the added value offered, and strengthens the brand image as a major player in the market. Through the right innovation strategy, companies can achieve significant differentiation, open new opportunities, and strengthen their position as unique and innovative industry leaders.

Functions and Benefits of Product Innovation

Furthermore, the functions carried out by product innovation for companies so that they can compete in a competitive market include, among others, the first function of product innovation is to improve the quality of the products offered. By continuously innovating, companies can improve the quality of their products by integrating the latest technology, high-quality materials, and innovative features. This allows companies to offer products that are more reliable, efficient, and in line with customer expectations. Through improving product quality, companies can build a strong reputation and win customer trust, which in turn will increase customer loyalty and strengthen their market share amidst intense competition.

The second function of product innovation is to provide added value for customers. By understanding customer needs and desires, companies can develop products that not only meet basic needs, but also provide significant added value. Through adding innovative features, attractive designs, or unique user experiences, companies can increase customer satisfaction and strengthen long-term relationships with them. By providing prominent added value, companies can differentiate themselves from competitors, attract new customers, and maintain a stable market share amidst intense competition. This will also help the company build a positive brand image and become the first choice of customers in an increasingly competitive industry.

The third function of product innovation is expanding market share. By producing innovative and attractive products, companies can reach wider market segments and diversify their customer base. Through a deep understanding of consumer preferences and changing market trends, product innovation can help companies to identify new opportunities and develop products that suit emerging market needs. By expanding market share, companies can increase their growth potential, reduce the risk of dependence on certain market segments, and strengthen their position in the competitive global market.

The fourth function of product innovation is to strengthen the company's position in the market. By continuing to innovate, companies can maintain their relevance in a rapidly changing industry. Through proactive adaptation to market changes and product development that is responsive to consumer needs, companies can strengthen their position as market leaders. By maintaining a reputation as a leading innovator, companies can attract investors, attract top talent, and build strong strategic partnerships. Thus, product innovation not only plays an important role in business growth, but also becomes a major determining factor in strengthening a company's position as a key player in a dynamic industry. Top of Form

Furthermore, product innovation can provide benefits such as increasing income and profits, which is one of the main benefits of product innovation. By producing innovative and attractive products, companies can attract new customers and retain old customers, which in turn will increase company sales and revenues. Through the introduction of new products that are in demand in the market or through

increasing the value of existing products, companies can significantly increase their profits and financial growth. By optimizing revenue potential through product innovation, companies can achieve sustainable financial success and strengthen their financial position in the market.

Improving brand image is also an important benefit of product innovation. By producing high quality and innovative products, companies can strengthen their brand image as industry leaders who are innovative and responsive to consumer needs. By maintaining a reputation as a manufacturer of quality and leading products, companies can win customers' trust and build closer relationships with them. This brand image enhancement not only helps in maintaining a stable market share, but also opens up new opportunities for business expansion in a wider market.

Increasing competitiveness is another benefit of product innovation. By developing unique and innovative products, companies can create a competitive advantage that differentiates them from competitors in the market. Through improving product features, design, and functionality, companies can attract consumer attention and reduce the appeal of competitors. Thus, product innovation can help companies maintain a strong position in a competitive market and win the competition with other competitors.

Expanding market share is also an important benefit of product innovation. By responding to diverse consumer needs and preferences, companies can develop products that can reach new market segments that were previously unexplored. Through developing products that suit emerging market needs, companies can expand their customer base and diversify their revenues from various market segments. By expanding market share, companies can achieve sustainable growth and strengthen their position as key players in diverse and dynamic industries.

Lastly, product innovation can help strengthen relationships with customers. By understanding and responding to customer needs through innovative product development, companies can build close and sustainable relationships with their customers. Through products that meet customer expectations and desires, companies can strengthen customer loyalty and build a dedicated customer community. By maintaining strong relationships with customers, companies can gain valuable feedback, increase customer retention, and create a loyal customer base over the long term. Thus, product innovation not only produces innovative products, but also helps build meaningful relationships between companies and their customers.

Product Innovation to maintain competitiveness in the competitive market

Conducting market research is an important first step in the product innovation process. By understanding the latest market trends, consumer behavior and developing needs, companies can identify new opportunities to develop innovative products that suit market demand. Through comprehensive market analysis, companies can gather relevant and in-depth data to guide effective product development, which can provide a competitive advantage in an increasingly tight market.

After understanding market trends and customer needs, the next step is to develop new ideas for innovative products. Through collaboration between departments and strong teamwork, companies can encourage creativity in creating unique and attractive solutions for consumers. Structured and focused idea development plays an important role in ensuring that the resulting product not only meets customer needs, but also provides significant added value in a competitive market.

After developing new ideas, the next stage is prototyping to test the product concept. By building representative prototypes, companies can test a product's functionality, design, and performance before putting it on the market. Through a careful prototyping process, companies can identify potential problems and fix product weaknesses before entering the mass production stage, thereby reducing the risk of failure and improving the quality of the final product.

The next step is to test the product and make improvements based on the test results. Through comprehensive testing, companies can evaluate product performance objectively, get feedback from consumers, and make necessary improvements to ensure that the product is ready to be launched to the wider market. By continuously improving products based on feedback and test data, companies can ensure that the products they produce meet high quality standards and can compete successfully in a competitive market.

Collaboration with other parties, such as suppliers and customers, is an important strategy in promoting sustainable product innovation. Through close partnerships with suppliers, companies can access high-quality raw materials, the latest technology, and other resources necessary to develop innovative products. This kind of collaboration allows companies to optimize their supply chains, speed up production processes, and improve overall operational efficiency, thereby enabling companies to produce products more cost effectively and of higher quality.

Apart from that, involving customers in the product innovation process can also be the key to success for the company. Through continuous customer feedback, companies can understand consumers' needs and desires more deeply, as well as identify potential areas for better product development. By involving customers in the early stages of product development, companies can ensure that the products they produce accurately reflect emerging market needs. This kind of collaboration not only strengthens the relationship between companies and customers, but also allows companies to create products that are more relevant and attractive to their target market, thereby increasing the chances of success in a competitive market.

In an increasingly competitive business era, it is important for companies to implement product innovation consistently to maintain relevance and improve their performance in the market. By continuously developing and updating products, companies can respond to changing customer needs and expectations, as well as respond to changing market dynamics. Through targeted innovative efforts, companies can expand the scope of their operations, reach new market segments, and face competition with a strong strategy. In this context, attention to market trends, customer needs, as well as assessing financial aspects and business risks are the main factors that guide effective product innovation steps.

Thus, awareness of the importance of product innovation as a strategic foundation for business success is increasingly receiving attention in the view of modern companies. Through a planned and integrated approach, companies can exploit the potential of product innovation to expand market share, strengthen brand image, and generate significant added value for customers. By combining an adaptive innovation strategy with a deep understanding of markets and customers, companies can remain a major player in a rapidly changing industry, and carve out a sustainable competitive advantage in a dynamic global marketplace.

4. CONCLUSION

Product innovation is one of the main keys to success and sustainable business growth amidst intense competition in the market. Product innovation provides a variety of important benefits for companies, including increasing revenue and profits, enhancing brand image, increasing competitiveness, expanding market share, and strengthening relationships with customers. Through planned and integrated product innovation, companies can maintain their relevance in the market, maintain competitiveness amidst intense competition, and face challenges from changing trends and consumer preferences. The importance of product innovation also lies in its ability to support business growth by expanding market share, maintaining relevance in an ever-changing market, and creating product distinctiveness that differentiates the company from competitors. Through a structured innovation process, companies can identify new opportunities, develop products that are responsive to market needs, and strengthen their position as leaders in a dynamic industry. By understanding market trends, customer needs, as well as assessing financial aspects and business risks, companies can take effective product innovation steps. Collaborating with suppliers and customers, conducting comprehensive market research, developing innovative ideas, carrying out product prototyping and testing, and receiving continuous customer feedback are some of the key strategies that companies need to adopt to create successful innovative products. Thus, product innovation is not only an effort to create new products, but is also a strategy necessary to maintain competitiveness and long-term business growth. Through a strong focus on continuous product innovation, companies can strengthen their position in the market, increase customer loyalty, and expand their influence in an ever-evolving industry.

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