

## Implementation of innovation management strategies for company competitiveness in the e-commerce industry

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Article Info	ABSTRACT
<p><b>Keywords:</b> Innovation management strategy, competitiveness, e-commerce industry</p>	<p>Technological advances thanks to the internet have opened new business opportunities, the growth of e-commerce is one of them. E-commerce is one of the advanced technologies that best drives the progress of Indonesia's digital business, the growth of the e-commerce industry is growing very rapidly, of course, it brings its own challenges for business people to be able to compete and survive in this industry, companies need to have the right strategy, one of which is an innovation management strategy. The purpose of this study is to analyze the application of innovation management strategies for company competitiveness in the e-commerce industry. This research uses qualitative research methods. The data collection technique in this research uses the literature study method. The data that has been collected is then analyzed in three stages, namely data reduction, data presentation and conclusion drawing. The results showed that a good innovation management strategy can help organizations to remain competitive in a growing market, because it can expand market share with new consumers, increase customer satisfaction, and increase company productivity and efficiency. Companies that do not carry out innovation strategies will be at a disadvantage and the company will be more difficult to compete and survive in an era of increasingly fierce competition. The implementation of strategies that can be carried out by companies such as product and service innovation strategies, process innovation strategies, marketing innovation strategies, organizational innovation strategies and business model innovation strategies. Companies that innovate regularly will be able to increase their competitive advantage with their competitors, besides that innovation can also help companies to achieve their business goals. For this reason, it can be concluded that the application of innovation management strategies can increase the competitiveness of companies in the e-commerce industry.</p>
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### INTRODUCTION

In the era of globalization, industrial development is characterized by rapid and continuous changes in various fields. This shows that business competition is getting tougher where the focus of competition is technological strength. Competition in the industrial world is currently very tight, all companies are competing to increase their competitiveness in order

to remain able to survive and compete in the global market. Information technology is an inseparable part of the business world, especially in facing increasingly competitive business competition (Indrayani, 2012) . This competition makes business strategy issues more important to company management. Mistakes in making strategic choices will have fatal consequences for the company's competitiveness and even survival.

Technological advances thanks to the internet have opened up new business opportunities. The growth of e-commerce is one of them. E-commerce is one of the advanced technologies that most drives the progress of Indonesian digital business (Yuliani, 2020) . Currently, e-commerce is an activity or place to sell products and buy physical or electronic products online. E-Commerce (Electronic Commerce) is a buying and selling transaction process that uses electronic devices such as telephone and internet (Yadewani & Wijaya, 2017) . In the world of commerce, e-commerce offers many changes, the buying and selling process no longer requires face-to-face meetings like in conventional stores. Sellers and buyers only need to process transactions online. Due to the increasing number of internet users, developments in information technology and changes in people's consumption patterns, the growth of the e-commerce industry is growing very rapidly, of course bringing its own challenges for business actors. Companies that are able to compete in this competition are companies that are able to implement technology and information into their companies. One type of technology implementation in terms of increasing business competition and product sales is by using electronic commerce (e-commerce) to market various kinds of products or services, both in physical and digital form (Irmawati, 2011) . To be able to compete and survive in this industry, companies need to have the right strategy, one of which is an innovation management strategy.

Innovation is one of the main keys to increasing a company's competitiveness. Companies need to continue to innovate to create new products and services that are better and suit customer needs. Innovation management is the process of managing innovation in a company so that it can be useful for creating sustainable competitive advantages for the company (Lestari, 2019) . Innovation management is needed because it can produce the latest ideas in anticipation of increasingly rapid, diverse and dynamic world developments. Innovation management strategy is a series of policies and actions taken by a company to achieve its innovation goals. Innovation management strategies must be adapted to the needs and conditions of each company.

Companies that do not implement an innovation strategy will be in a disadvantageous position. These companies will find it more difficult to compete and survive in an era of increasingly fierce competition (Wijaya et al., 2019) . An example of a company that experienced negative consequences because it did not implement an innovation strategy is the Kodak company. Kodak is a photography company from the United States, and was once a photography market leader. However, Kodak failed to innovate and adapt to developments in digital technology. As a result, Kodak went bankrupt in 2012. Kodak went bankrupt after failing to adapt to technological advances amidst the popularity of digital cameras and smartphones with camera features. Kodak once dominated the camera and film industry but failed to quickly embrace more modern

technology such as digital cameras, which ironically was its invention (Ananto, 2015) . From this case, it can be seen that companies that do not implement an innovation strategy will be in a very risky position. Therefore, it is important for every company to have a clear and targeted innovation strategy.

Previous research conducted by (Triwijayati et al., 2023) in the title Business innovation strategies to increase competitiveness and organizational growth in the digital era, this research revealed various dimensions of digital innovation. These findings highlight the critical role of e-commerce, data-driven decision making, collaboration, and improved customer experience in enhancing competitiveness and growth. The implications extend to MSMEs seeking effective strategies, policymakers shaping an enabling environment, and researchers deepening their insights into the dynamic interactions between innovation and digitalization. Meanwhile, research entitled the role of innovation management in improving the performance of educational organizations, according to (Nurjanah, 2015), management innovation is needed by every organization to face change and global competition. The management that is currently running is scientific-based management which is still temporary, so it requires innovation to achieve the company's competitive advantage. Innovation breakthroughs that can be made in service organizations are by creating new business models, developing new services, creating new customer interfaces, creating administrative innovations. Innovation is realized if it is supported by creativity, knowledge, competence, and community needs.

Although there has been a lot of literature examining the role of innovation management as an effort to increase company competitiveness. The novelty of this research lies in the object studied, there has been no research examining the application of innovation management strategies for company competitiveness in the e-commerce industry. The e-commerce industry was chosen because e-commerce has a very important role in the global economy, e-commerce can help increase efficiency and effectiveness, increase accessibility, increase competition, and create jobs. The potential for e-commerce in Indonesia is very large because Indonesia has a large population and a population of internet users that continues to increase and can have a positive impact on the Indonesian economy.

## METHOD

This study used qualitative research methods. According to (Moleong, 2017), qualitative research is a research approach that aims to understand certain phenomena experienced by research subjects, such as behavior, perceptions, motivation, actions and other aspects holistically. This approach is carried out by describing the phenomenon using words and language. Qualitative research also focuses on certain natural contexts and uses various natural methods in the process of collecting and analyzing data. The data collection technique in this research uses literature study methods obtained from various trusted sources such as Google Scholar. The type of data used in this research is secondary data. The data that has been collected is then analyzed in three stages, namely data reduction, data presentation and drawing conclusions.

## RESULTS AND DISCUSSION

In the current development of the business world, the level of industrial competition is increasingly difficult, because along with the penetration of technology into all areas of life, it has resulted in the development of commerce towards electronics or e-commerce. An important key to surviving in such tight competition requires that business actors must have a competitive advantage to be able to continue to survive, otherwise the business will not last long. Rapidly developing information technology will really help an entrepreneur in running his business. Several entrepreneurs who previously ran businesses conventionally can now run their businesses online using e-commerce. Trading activities through the application of e-commerce are very practical, only using electronic devices such as laptops, computers or smartphones and using the internet as an intermediary.

The definition of e-commerce according to (Maryama, 2013) e-commerce (electronic commerce) is the process of buying and selling transactions using electronic devices, such as telephone and internet, while according to Laudon in (Maulana, 2015) e-commerce is a process of buying and selling products electronically by consumers and from company to company with computers as intermediaries for business transactions. The media that can be used in e-commerce activities is the world wide web internet. So it can be said that e-commerce or electronic commerce is all activities of buying and selling goods or services carried out via electronic media, such as the internet, television and other computer networks. In e-commerce, all sales, marketing and purchasing activities are carried out online. There are no longer geographic restrictions, so sellers and buyers can make transactions from anywhere in the world.

Several factors influence e-commerce to develop rapidly, such as the increasing number of internet users, developments in information technology, and changes in people's consumption patterns. Because of this factor, e-commerce has brought many conveniences to modern life for both sellers and buyers, resulting in the growth of the e-commerce industry growing very rapidly, of course bringing its own challenges for business people. Where company competition is very tight and competition to survive in this industry is increasingly difficult, so strategies are needed for company competitiveness.

According to Porter 1985 in (Mohamad & Niode, 2020) states that competitiveness is an effort to create better customer value compared to competitors by carrying out specific activities economically or with superior quality/service or a combination of both compared to competitors. The reason why competitiveness is very important for companies is because firstly, to survive and develop, companies that do not have competitiveness will be eroded by circumstances or similar competitors who attract more consumers. Second, it increases the company's probabilities, probabilities are the company's ability to generate profits or profits in a certain period. Third, improve community welfare by creating new jobs.

The survival of a company depends on how quickly and responsively the company faces the existing dynamics. Companies are required to always produce better products and at lower costs than their competitors. Therefore, an effective competitive strategy is needed. To increase competitiveness and survive in this industry, companies need to have the right strategy, one of which is an innovation management strategy

In general, innovation is a process and/or result of developing the use of a product or resource that previously existed, so that it has more meaningful value (Rofaida et al., 2019) . Meanwhile, according to LAN, Abend, and Denning in (Wibowo & Soeprihattanto, 2020) innovation management is change management. Management that encourages innovation cannot be separated from several reforms, which include the creation or use of new technology that is more effective and capable of solving problems of business opportunities, capital, entrepreneurship, regulations, culture and methodology are variables that influence innovation practices in an organization as well as commitment to always carry out transformation. So it can be concluded that an innovation management strategy is a series of policies and actions taken by a company to achieve its innovation goals. Innovation management strategies must be adapted to the needs and conditions of each company. In several studies, it is stated that innovation will have an impact on a company's competitive advantage. Companies that innovate regularly will be able to increase their competitive advantage over their competitors. The following is the implementation of innovation management strategies to increase company competitiveness in the e-commerce industry based on 5 types of innovation according to experts quoted in research (Suatama, 2013) :

1. Product and service innovation strategy

The product and service innovation strategy aims to create new products and services that are better and suit customer needs. This strategy can be implemented by developing new products and services, improving the features of existing products and services, or re-branding products and services. Because according to (Permana, 2013) in his research, it is stated that increasing customer satisfaction can be done through improving product quality and service quality.

Examples of several product and service innovation strategies that can be implemented by companies, such as companies can develop new products that are not yet on the market or products that are developments of existing products, add new features to existing products, change product designs to make them better. attractive or functional, changing product packaging to make it more attractive or informative, and improving the quality of customer service to better meet customer needs.

2. Process innovation strategy

This strategy involves implementing improvements in the quality of new products or delivery of goods. This strategy can be implemented by implementing new technology in production, marketing or customer service processes. Process innovations emphasize new methods of operation by creating new technology or developing existing technology. So, with a more well-organized process innovation, it will produce a product that has superior value with its uniqueness, can shorten working time, and create products in accordance with consumer demand (Fahmila, 2018) .

The following are several process innovation strategies that can be implemented by companies, such as companies can use technology to automate business processes, automation can help companies to increase the efficiency and productivity of business processes. Second, re-engineer business processes to increase efficiency, effectiveness or

productivity of business processes, and third develop new business processes that are more efficient, effective or productive.

In implementing a process innovation strategy, companies need to have a structured and systematic innovation process. Because a structured and systematic innovation process can help companies increase the chances of innovation success.

### 3. Marketing Innovation Strategy

This strategy develops a method of seeking new market shares by improving the quality of design, packaging and promotion. The goal of a marketing innovation strategy is to increase brand awareness, attract new customers, and retain existing customers. Companies can take advantage of social media technology which is currently being widely used by consumers, in line with the statement by (Darma et al., 2022) which states that social media marketing has a positive and significant effect on competitive advantage.

Examples of several marketing innovation strategies that companies can implement include developing new product strategies, launching new products, improving product features, or changing product designs. Companies can also develop new pricing strategies, such as lowering prices, increasing prices, or offering discounted prices. Launch a new advertising campaign using social media to promote products or offer customer loyalty programs. Develop new distribution strategies, such as opening new stores, partnering with other retailers or selling products online. And can develop new customer service strategies, such as improving the quality of customer service, offering 24-hour standby customer service or providing customer service tailored to customer needs.

### 4. Organizational innovation strategy

To be able to display satisfactory organizational performance or not, strategic organizational changes are needed (Sartika, 2015) . An organization's innovation strategy aims to create an environment that supports innovation. This strategy can be implemented by forming an innovation team, providing innovation training to employees, or changing the company culture to make it more innovative.

The following are several organizational innovation strategies that can be implemented, such as establishing an innovation culture because organizations need to form an innovation culture that supports creativity, learning and risk taking. Second, develop employee innovation capacity, such as critical thinking and problem solving skills. Third, create an innovation environment that supports innovation, such as providing the necessary resources and support.

An example of an organizational innovation strategy is that a company can form an innovation team consisting of employees from various departments to develop new ideas. Companies can offer incentive programs to employees who innovate. And companies can hold innovation competitions to encourage employees to develop new ideas .

### 5. Business model innovation strategy

Business models continue to evolve as technology and customer behavior change. Companies must continue to innovate and adapt to ensure that they use the right business model to meet their customers' needs. According to D. Mitchell & Coles, 2003, business model innovation is often considered to be able to successfully increase an organization's

resilience to changes in its environment and constitute a sustainable competitive advantage (Firdausi et al., 2022) . The business model innovation strategy aims to change the way a company operates or does business. This strategy can be implemented by implementing a new business model, which is in accordance with the goals the company wants to achieve.

A business model is a framework that explains how an organization creates, delivers, and captures value. Some of the most common business models include a product business model that sells a product to its customers, a service business model that sells a service to its customers, a corporate subscription business model that charges customers for ongoing access to a product or service, a premium business model offering a version of a product or a free service with limited features and charging for a premium version with additional features, and finally the flatporm business model provides a platform that connects suppliers and buyers. Companies can adapt the business model that best suits the company's goals and the company's target consumers.

There are 4 factors that need to be considered in developing an innovation strategy, including customer needs. Companies must understand the needs and desires of their customers in order to develop innovation management strategies that suit their needs. Secondly, company competition, companies must understand the competition in their industry so they can develop new innovations that can compete with other companies. Third, technology, companies must follow technological developments in order to develop innovations that utilize the latest technology. And finally, company capability, the company must have the capability or ability to develop the latest management strategies.

A good innovation management strategy can help an organization to remain competitive in a market that continues to grow, because it can expand market share with new consumers, increase customer satisfaction, and increase the company's productivity and efficiency, so that it can increase its competitiveness by offering more diverse products and services. and attractive to consumers. Innovation can also help organizations achieve their business goals, such as increasing sales, increasing profitability, or increasing customer satisfaction. For this reason, it can be concluded that implementing innovation management strategies can increase company competitiveness in the e-commerce industry.

## CONCLUSION

As the penetration of technology into all areas of life has resulted in the development of electronic commerce or e-commerce, several entrepreneurs who previously ran their businesses conventionally can now run their businesses online using e-commerce. In the world of commerce, e-commerce offers many changes, the buying and selling process no longer requires face-to-face meetings like in conventional stores. Sellers and buyers only need to process transactions online. Trading activities through the application of e-commerce are very practical, only using electronic devices such as laptops, computers or smartphones and using the internet as an intermediary. Due to the increasing number of internet users, developments in information technology and changes in people's consumption patterns, the growth of the e-commerce industry is growing very rapidly, of course bringing its own challenges for business actors. Competition in the industrial world

is currently very tight, all companies are competing to increase their competitiveness in order to remain able to survive and compete in the global market. The survival of a company depends on how quickly and responsively the company faces the existing dynamics. Companies are required to always produce better products and at lower costs than their competitors. Therefore, an effective competitive strategy is needed. To increase competitiveness and survive in this industry, companies need to have the right strategy, one of which is an innovation management strategy. The following is the application of innovation management strategies to increase company competitiveness in the e-commerce industry based on 5 types of innovation according to experts, namely product and service innovation strategies, process innovation strategies, marketing innovation strategies, organizational innovation strategies and business model innovation strategies .

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