

ABSTRACT

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When a business entity is able to offer more value or advantages to consumers compared to competitors, it will produce competitive advantages. Competitive advantage is achieved in activities within an industry or market through the creation of creative economic value. In the high turbulence of business competition, every businessman is demanded to present a competitive advantage, including through creativity and product innovation. Product innovation will expand the market so that product innovation has become an important strategic part in future business activities.

This study uses the theory of Product Creativity, Product Innovation and Competitive Advantage. And aims to determine the effect of product creativity and product innovation on competitive advantage, especially the creative industry in the fashion sub-sector at Kinandara Butik. The aspects studied are product creativity, product innovation, and competitive advantage.

This research is a type of descriptive research. The method used by researchers is associative quantitative method, namely research that aims to determine the relationship between two or more variables. Source of research data is primary data. The sampling technique used was random sampling with 49 respondents. While the data collection technique in this study was a questionnaire technique by distributing questionnaires to Kinandara Butik consumers. In addition, it also uses data from observations and documentation obtained from Kinandara Butik.

From the results of the study it was found that 1) There is a positive influence of the product creativity variable (X1) on competitive advantage (Y) with a coefficient of determination of 46.5%. Then H01 is rejected and Ha1 is accepted. 2) There is a positive influence of the Product Innovation variable (X2) on competitive advantage with a determination coefficient of 34.1%. Then H02 is rejected and Ha2 is accepted. 3) there is a positive and significant influence of product creativity (X1) and product innovation (X2) simultaneously on competitive advantage with a coefficient of determination of 52.2%. Then H03 is rejected and Ha3 is accepted.

So it can be concluded that product creativity (X1) and product innovation (X2) have an effect on competitive advantage (Y) both partially and simultaneously.

Keywords: Product Creativity, Product Innovation, Competitive Advantage and Creative Economy