

## PRODUCT UNIQUENESS VALUE ADVANTAGE TO IMPROVE MARKETING PERFORMANCE

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### ABSTRACT

*This study investigates how product uniqueness value advantage mediates the relationship between product innovation and marketing performance. Data were gathered from 342 food-producing SMEs in Central Java, Indonesia. The owners and managers of food product SMEs in Central Java are the respondents of this study's survey. Data collection was conducted over a three-month period using structured questionnaires distributed directly and supplemented by interviews. The research model includes five assumptions that were investigated using Structural Equation Modelling (SEM). Product innovation, product uniqueness value advantage, long-term competitive advantage, and marketing performance were the variables studied. The findings suggest that all hypotheses have a favorable and significant effect. Among these, product uniqueness value advantage has the greatest influence on marketing performance. Several recommendations are suggested to utilize this advantage and thus boost marketing performance: SMEs should: actively and quickly create new product variations for the market; be creative in creating food products that showcase unique qualities that suit consumer tastes; (3) strive to be leaders in launching new product concepts; and (4) be flexible and responsive to changing market trends, especially when it comes to adjusting to the food industry's explosive growth. The findings of this study have several limitations that must be addressed in future research. The impact of sustainable competitive advantage on marketing success is minimal compared to the influence of other variables. To better understand its impact on marketing performance, future research could examine increasing the number of indicators for the sustainable competitive advantage variable to provide a more comprehensive measure of this concept.*

*Keywords: product innovation, product uniqueness value advantage, sustainable competitive advantage, marketing performance.*

### A. INTRODUCTION

Small and Medium Enterprises (SMEs) must adopt innovation to maintain business continuity in the rapidly changing business environment and increasingly competitive market (Le & Lei, 2018; Maldonado-Guzmán, Garza-Reyes, Pinzón-Castro, & Kumar, 2019). They must continually modify their products to meet changing consumer tastes and enhance

their marketability in order to succeed. Those that continuously innovate expand their market reach and improve their competitiveness (Kolbe, Frassetto, & Calderon, 2022).

The food industry plays a crucial role in the Indonesian economy. This sector employs workers, increases incomes, and contributes to poverty reduction. However, small and medium-sized enterprises (SMEs) in the food sector face various challenges, including increasingly fierce competition. Innovation plays a crucial role in enhancing the competitiveness of SMEs, particularly in an increasingly competitive local and global market. Through innovation, SMEs can create unique and value-added products or services that differentiate them from their competitors (Meilantika & Sihotang, 2024; Nuraeni & Santia, 2024).

Product innovation is essential for improving marketing effectiveness because it helps SMEs foresee future trends and adjust to shifting market conditions (Kafetzopoulos, Psomas, & Skalkos, 2020). In dynamic market situations, SMEs can enhance their sustained competitive advantage by promoting product innovation (Issau, Acquah, Gnankob, & Hamidu, 2022). Three main factors can be used to analyze the connection between enhanced marketing performance and product innovation. First, product innovation is a vital component of SMEs' success as it develops distinctive value propositions for the market (Heng, Ferdinand, Afifah, & Ramadania, 2020). Second, it functions as a fundamental determinant of sustainable competitive advantage (Otache, 2024). Third, product innovation provides strategic leverage to enhance marketing performance significantly (D'Souza, Nanere, Marimuthu, Arwani, & Nguyen, 2022).

Empirical studies have consistently demonstrated that product innovation serves as a critical determinant of marketing performance. Product innovation has the biggest impact on improving marketing results among the many competitive considerations. This relationship is particularly evident in successful new product development, which directly contributes to SME growth and market expansion (Afriyie, Du, & Musah, 2019; Arsawan et al., 2022; W. Liu & Atuahene-Gima, 2018; Maldonado-Guzmán et al., 2019; Otache, 2024; Zuhroh & Rini, 2024). Existing research, however, yields contradictory results, with multiple studies indicating no significant correlation between marketing performance and product innovation. This null effect may stem from inadequate collaboration among key stakeholders and insufficient environmental alignment within business ecosystems (Larios-Francia & Ferasso, 2023; Pang, Wang, Li, & Duan, 2019; Yadav, Tripathi, & Goel, 2019). The current literature reveals

inconsistent findings regarding innovation-performance linkages, with notable variations across studies. These empirical discrepancies highlight the need for further investigation

This study employs Service-Dominant Logic (SDL) as a robust theoretical framework to investigate the mediating processes between product innovation and marketing performance, aiming to reconcile the contradictory results of earlier research. SDL elucidates the critical role of co-created value among stakeholders, providing a framework to assess how product innovation enhances product value and strengthens sustainable competitive advantage (Vargo, Koskela-Huotari, & Vink, 2020)

This study presents a framework for enhancing marketing effectiveness through value co-creation by leveraging SDL. According to the idea, key success criteria are well-crafted value propositions that are in line with the demands of the target market (Tardivo, Thrassou, Viassone, & Serravalle, 2017). Three main mechanisms underlie this strategy. The first is that SDL places a strong emphasis on using both core offerings and experiential components to create unique client value (Sugiyarti, Ferdinand, & Nurchayati, 2018). Second, businesses can create sustainable competitive advantages in dynamic markets by creating unique value (Battisti, Miglietta, Nirino, & Villasalero Diaz, 2020). Third, through enhanced consumer preference and loyalty, for instance, these competitive advantages eventually lead to greater marketing success (Battisti et al., 2020).

To address the important issues that Indonesian SMEs encounter, this study introduces *product uniqueness value advantage* as a novel mediating variable in the conceptual model. By operationalizing the process by which unique product value is ingrained in consumer perception, SMEs can create a distinct market positioning and enhance customer acquisition and retention. In the food industry, where uniqueness has a significant impact on consumer choices, the value of a unique product is particularly crucial. Due to the importance of product uniqueness in influencing consumer preferences, the sector's economic significance and regional diversity throughout Central Java, as well as its representative qualities for evaluating the model's efficacy, the food product industry serves as our empirical backdrop (Hutahayan, 2019; Wijaya, 2019).

This study employs a sample of food product SMEs in Central Java, Indonesia, to empirically test the proposed model. Two important factors led to the choice of Central Java's food SMEs as the study location. First, with consistently high-quality output, the sector makes a significant contribution to the region's economy. Second, these SMEs face the critical challenge of enhancing product uniqueness value, a pressing need that directly corresponds to

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our model's focus on improving marketing performance through differentiated value propositions.

## **B. LITERATURE REVIEW**

### ***Service Dominant Logic***

From the perspective of SDL theory, products are designed and offered with a focus on the value they deliver to customers. SDL places a strong emphasis on businesses and consumers working together to create value rather than as passive consumers (Vargo, 2020; Vargo & R. Lusch, 2017). Therefore, value propositions that focus on customer collaboration can be adopted by SMEs as a strategic basis for differentiation and growth (Dahlin, Moilanen, Østbye, & Pesämaa, 2020; Vargo, Akaka, & Wieland, 2020).

According to the SDL perspective, value propositions are crucial for helping companies establish a strong market position. One important strategy for establishing a unique position in the market is to differentiate your value from that of the rivals (Vargo et al., 2020). The concept of product uniqueness stems from the shared value creation principle for several reasons. First, according to Tregua, Brozovic, & D'Auria (2021), SDL emphasizes that a product's distinct value advantage, catered to the demands of the target market, is essential for creating enduring client relationships and guaranteeing long-term business viability. Second, to stand out in the target market, the product's value needs to be different from that of rivals (Ferdinand & Fitriani, 2015; Hollebeek, Srivastava, & Chen, 2019).

The goal, therefore, is to build strong consumer preferences within the target market (Ferdinand & Fitriani, 2015). According to this study, companies must utilize characteristics that stand out as unique and significant throughout various phases of value delivery to provide the most compelling value proposition and maintain a competitive edge in the eyes of consumers. First and foremost, the product design needs to be more distinctive than that of its rivals, integrating components such as a variety of flavors and regional cultural values embedded in the product's features (Ferdinand & Zuhroh, 2021). Second, the distinctive value inherent in the product itself should serve as the foundation for a long-term competitive advantage (Battisti et al., 2020).

### ***Product Innovation and Product Uniqueness Value Advantage***

For SMEs to improve their durable competitive edge, especially as they negotiate fiercer market competition, product innovation is essential (Olazo, 2023). New product values that provide a distinct value advantage can be created by SMEs through innovation (Martins &

Fernandes, 2015). In a dynamic market, this procedure is crucial for adjusting to changing consumer demands and preferences (Al-Khatib & Al-ghanem, 2022). SMEs can generate greater product value by concentrating on innovation, and one important differentiation technique is uniqueness (Widjojo, Fontana, Gayatri, & Soehadi, 2020).

By developing and establishing distinctive product values, SMEs can counter market competition and bolster the growth of a clear value advantage through the application of product innovation (Ganbaatar, Myagmar, & Douglas, 2024). According to Mamun, Mohiuddin, Fazal, & Ahmad (2018), strategic product innovation entails investigating new value dimensions, such as creating unique designs, differentiating products, offering design variations, and integrating regional cultural components.

An SME's ability to create and improve new value offers catered to its target market is shown in its ability to innovate in response to changing client needs (Ferreira & Coelho, 2020). The development of product innovation and value propositions highlights key differences from competitors, thereby establishing a unique product value advantage (Elgarhy & Abou-Shouk, 2023). The continuous development of product innovation and value propositions not only differentiates SMEs from competitors but also strengthens their unique product value advantage (Le & Lei, 2018). Based on the description above, the first hypothesis can be given as follows:

H1: Product innovation enhances product uniqueness value advantage

### ***Product Innovation and Sustainable Competitive Advantage***

It is often acknowledged that one of the most important processes for creating and enhancing a sustainable competitive advantage is product innovation (Quaye & Mensah, 2019). Reactive and anticipatory tactics are both necessary to maintain an advantage in a dynamic market and develop a sustained competitive advantage through product innovation (Otache, 2024). In practice, SMEs that prioritize innovation demonstrate how businesses can effectively adapt to evolving demands to maintain a competitive edge (Piñera-Salmerón, Sanz-Valle, & Jiménez-Jiménez, 2023). As a strategic asset, innovation contributes significantly to enhancing competitive advantage (Buli, 2017).

A market position that is difficult for rivals to imitate, enabling a business to maintain and sustain leadership over time, is known as a sustainable competitive advantage (Anning-Dorson, 2018; Otache, 2024). Innovation supports this by adding value, differentiating the business, and enabling long-term market dominance (Zairbani & Jaya Prakash, 2023). Whether in small or large firms, across various industries, the application of product innovation enables

businesses to remain competitive, expand their reach, and build enduring value (Kamboj & Rahman, 2017).

A company's survival is closely tied to its ability to gain and sustain a competitive advantage through product innovation, which demands flexibility, adaptability, and responsiveness (Elgarhy & Abou-Shouk, 2023). Product innovation is a crucial factor for companies seeking to create value and drive sustainable competitive advantage (Magistretti, Dell'Era, Frattini, & Messeni Petruzzelli, 2020). Successful product innovation enables companies not only to create but also to maintain a competitive edge over time (Alsafadi & Aljuhmani, 2024). The following is a proposal for the second hypothesis based on the preceding description:

H2: Sustainable Competitive Advantage Benefits from Product Innovation

***Product Uniqueness Value, Advantage and Sustainable Competitive Advantage***

Businesses with a distinct product value advantage can set themselves apart from rivals by offering a superior value proposition, strengthening their long-term competitive edge (Battisti et al., 2020; Southworth & Ha-Brookshire, 2016). The acceptance of a product's unique value, experienced through sensory engagement such as seeing or feeling, is integral to forming a positive perception of its value. This process contributes to the creation of long-term value memories in consumers' minds (Fouladi, Ekhlassi, & Sakhdari, 2021; Magistretti et al., 2020).

According to William, Suresh, & Subramanian (2024), sustainable competitive advantage highlights the significance of strategic skills in distinguishing goods or services through value-added activities that provide customers with greater value. According to the SDL hypothesis, a business's capacity to provide unique value to its target market is what determines its level of success (Ajmal, Jan, Khan, Hussain, & Salameh, 2024). Businesses may create and preserve a sustainable competitive advantage by utilizing their capacity for product innovation and distinctive value advantages, guaranteeing that their market position will continue to be solid and robust over time (Hiong, Ferdinand, & Listiana, 2020).

In alignment with the Service Dominant Logic perspective, companies operating in competitive markets are well-positioned to achieve a sustainable competitive advantage by combining unique values in their offerings (Ferdinand & Zuhroh, 2021). The ability to deliver value through product innovation is recognized as one of the most influential marketing capabilities, serving as a strategic tool for maintaining long-term competitive advantage

(Benson, Glanfield, Hirst, & Wakenshaw, 2024). Based on the insights provided, the third hypothesis can be proposed as follows:

H3: Product Uniqueness Value Advantage has a positive effect on Sustainable Competitive Advantage

#### ***Sustainable Competitive Advantage and Marketing Performance***

A company's leverage over its rivals in the market is reflected in its sustainable competitive advantage (Olazo, 2023). It reflects the unique capabilities of a company, contributing to the enhancement of marketing performance (Martin, Javalgi, & Cavusgil, 2017). For SMEs aiming to achieve superior marketing performance, developing a strategy for sustainable competitive advantage is essential (Davcik & Sharma, 2016). Several strategies, such as providing unique products, market sensing, and market responsiveness, can provide businesses with a competitive edge (Al-Khatib & Al-ghanem, 2022).

The idea of competitive advantage includes several essential elements, all of which are necessary to attain superior marketing performance, including quality, responsiveness, innovation, and adaptability (D.P. Tran, Vo T.N, & Thai N.B, 2024). Since the development of successful business strategies directly affects business continuity and the attainment of exceptional marketing performance, a company's ability to maintain a competitive edge over competitors is essential to its survival in the marketplace (Martin et al., 2017). The fourth hypothesis can be put out as follows, based on the above description:

H4: Marketing Performance Benefits from Sustainable Competitive Advantage

#### ***Product Uniqueness Value, Advantage, and Marketing Performance***

Companies must engage in co-creation with customers to uncover valuable learning opportunities that encourage the integration of new and existing knowledge, enabling the generation of fresh ideas (Hoskins, Verhaal, & Griffin, 2021; Martins & Fernandes, 2015). Through this process, consumers will assess the uniqueness of the products they are considering purchasing. Co-creation between companies and customers thus plays a significant role in contributing to enhanced marketing performance (Chen, Shen, Zhang, & Chen, 2023; Itani, 2020). By presenting products with distinctive characteristics, companies can effectively communicate the value they offer, which helps attract customers based on the uniqueness of the product. SMEs, in particular, strive to leverage the advantage of product uniqueness by delivering tailored value to their customers (Zehir & Vural, 2024).

From the perspective of Service Dominant Logic theory, marketing performance is determined by the strength and positioning of the value generated (Harrigan, Roy, & Chen,

2020). Excellence based on unique values can be linked to the superior qualities inherent in innovative products, such as distinctive features, quality, or design (Ferdinand, 2021). Therefore, the process of delivering value becomes more effective when companies clearly and consistently emphasize these values. When values are effectively communicated, they become more attractive to the market, resulting in a significant improvement in marketing performance (Ferdinand & Fitriani, 2015). The following is a proposal for the fifth hypothesis based on the previous description:

H5: Marketing Performance Benefits from Product Uniqueness Value Advantage

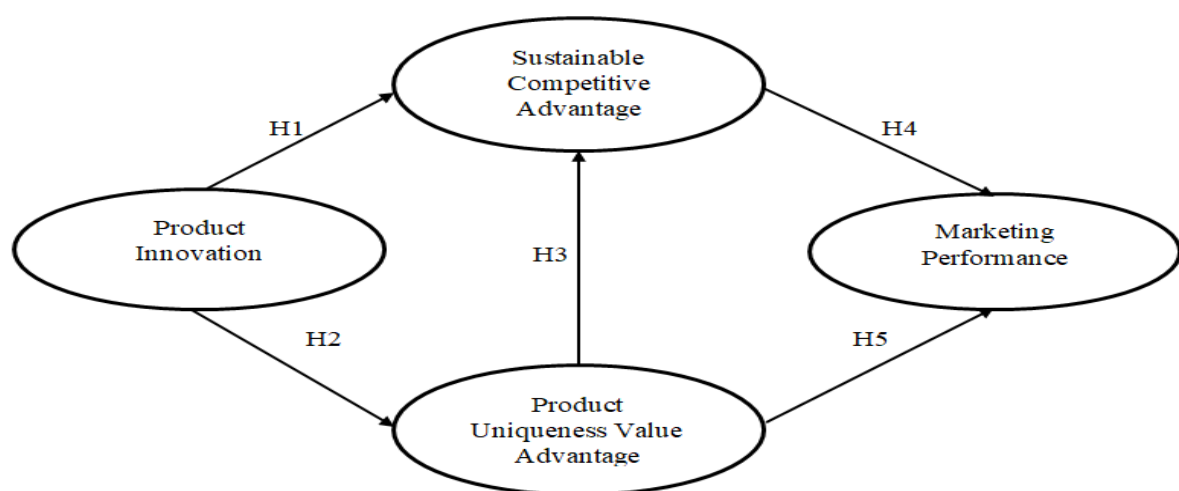


Figure 1. The Research Model

Source: developed based on several previous studies

### C. RESEARCH METHOD

The owners and managers of food product SMEs in Central Java are the respondents of this study's survey. Data collection was conducted over a three-month period using structured questionnaires distributed directly and supplemented by interviews. Both closed-ended and open-ended items were included in the survey. Closed-ended answers were scored on a 10-point Likert scale, where 1 represented strongly disagree and 10 represented strongly agree. Data normality testing, as indicated by the Critical Ratio values, falls within the range of  $\pm 2.58$ . Outlier testing utilizes the Mahalanobis Distance calculation generated by the AMOS program, with a significance level of  $p < 0.001$ . To determine the Mahalanobis Distance value, the chi-square distribution is used, where the total study variable indicators determines the degree of freedom (Ghozali, 2017).



Based on the specifications of SEM for the suggested model, which consists of four variables and seventeen indicators, the sample size was established. Following guidelines recommending 100-300 samples for SEM analysis (Hair, Black, Babin, & Anderson, 2019), this study secured 342 responses to ensure model robustness. Participants were selected through purposive sampling, with the following inclusion criteria: SME owners/managers in Central Java's food sector, businesses actively implementing product innovation, and 3 enterprises consistently developing unique food offerings.

**Table 1. Variable Measurement**

Variable	Indicator	Source
Product Innovation	<ul style="list-style-type: none"> <li>Product development using the latest technology</li> <li>Ability to provide new ideas to the market quickly</li> <li>Different products can be developed</li> </ul>	(Aksoy, 2017; Hiong et al., 2020; Zuhroh & Rini, 2024)
Product Uniqueness Value Advantage	<ul style="list-style-type: none"> <li>Products highlight unique attributes</li> <li>Products reflect unique characters</li> <li>Products are designed with unique product variants</li> <li>Unique product aesthetic appearance</li> <li>Products follow trends by emphasizing uniqueness</li> </ul>	(Keiningham et al., 2019; Southworth & Ha-Brookshire, 2016; Tardivo et al., 2017)
Sustainable Competitive Advantage	<ul style="list-style-type: none"> <li>Product development advantages</li> <li>Advantages of diverse product variations</li> <li>Advantages of adapting flexibly to the market</li> <li>Advantages of learning more than competitors</li> <li>Advantages of reacting quickly to changes in the market</li> <li>Advantages of product selling power</li> </ul>	(D.P. Tran et al., 2024; Otache, 2024; Quaye & Mensah, 2019)
Marketing Performance	<ul style="list-style-type: none"> <li>Sales targets can be achieved</li> <li>Sales volume increases</li> <li>Profit level increase</li> </ul>	(Heng et al., 2020; Larios-Francia & Ferasso, 2023; Sudarti & Masfufah, 2019)

Source: based on several previous studies

## D. RESULTS AND DISCUSSION

The study collected demographic data on gender, education level, and company position from survey participants. The sample consisted predominantly of female respondents (67.84%). In terms of educational background, the largest proportion of participants held bachelor's degrees (38.90%), followed by high school graduates (29.82%), diploma holders (27.19%), those with other qualifications (2.63%), and junior high school graduates (1.46%). Regarding organizational roles, the majority of respondents (83.00%) served as both owner-managers, while smaller proportions were owners only (13.46%) or managers only (3.22%). Table 2 displays all demographic information.

**Table 2. Respondent Data**

Description	Frequency	Percentage
<b>Gender</b>		
Men	110	32.16
Women	232	67.84
Total	342	100.0
<b>Education</b>		
Junior High School	5	1.46
Senior High School	102	29.82
Diploma Degree	93	27.19
Bachelor's Degree	133	38.90
Others	9	2.63
Total	342	100.0
<b>Position</b>		
Business Owners	45	13.16
Managers	11	3.22
Business Owners and Managers	286	83.62
Total	342	100.0

Source: Processed Primary Data, 2025

The technique for measuring construct reliability requires a cutoff value of 0.70. Additionally, the Average Variance Extracted (AVE) value must exceed 0.50. Testing for validity and reliability should verify that every item is legitimate and has a loading factor higher than 0.5. All variables in this study are valid, as their AVE values are above 0.5. Additionally, all variables have construct reliability ratings greater than 0.7, indicating their reliability and validity. The validity and reliability findings of this study can therefore be approved. Table 3 presents the details.

**Table 3. Validity and Reliability Test**

<b>Variables, Indicators, and References</b>	<b>Std Loading</b>	<b>CV AVE ≥ 0,50</b>	<b>CR ≥ 0,70</b>
<b>Product Innovation</b>		0.708	0.878
<ul style="list-style-type: none"> <li>Product development using the latest technology</li> <li>Ability to provide new ideas to the market quickly</li> <li>Differentiated product development (Aksoy, 2017; Hiong et al., 2020; Zuhroh &amp; Rini, 2024)</li> </ul>	0.721 0.894 0.898		
<b>Product Uniqueness Value Advantage</b>		0.637	0.897
<ul style="list-style-type: none"> <li>Products highlight unique attributes</li> <li>Products reflect unique characters</li> <li>Products are designed with unique product variants</li> <li>Unique product aesthetic appearance</li> <li>Products follow trends by emphasizing uniqueness</li> </ul>	0.813 0.800 0.817 0.805 0.753		
(Keiningham et al., 2019; Southworth & Ha-Brookshire, 2016; Tardivo et al., 2017)			
<b>Sustainable Competitive Advantage</b>		0.638	0.913
<ul style="list-style-type: none"> <li>Product development advantages</li> <li>Advantages of diverse product variations</li> <li>Advantages of adapting flexibly to the market</li> <li>Advantages of learning more than competitors</li> <li>Advantages of reacting quickly to changes in the market</li> <li>Advantages of product selling power (D.P. Tran et al., 2024; Otache, 2024; Quaye &amp; Mensah, 2019)</li> </ul>	0.794 0.741 0.807 0.813 0.836 0.798		
<b>Marketing Performance</b>		0.650	0.847
<ul style="list-style-type: none"> <li>Sales targets can be achieved</li> <li>Sales volume increases</li> <li>Profit level increases</li> </ul>	0.745 0.834 0.837		
(Heng et al., 2020; Larios-Francia & Ferasso, 2023; Sudarti & Masfufah, 2019)			

Source: data processing results, 2025

SEM AMOS version 23 is used in this work to test the suggested model and get test and model findings. The model, the suggested hypothesis, and the model's statistical appropriateness were all assessed using SEM AMOS. The analysis's findings revealed that, at a significance level of 0.085,  $\chi^2 = 135.255$ . According to the statistical analysis, the model's

appropriateness was good and acceptable. GFI = 0.956, CFI = 0.994, TLI = 0.993, and RMSEA = 0.023 were the fit indices. The model was approved based on these indices, and further research was conducted to evaluate the study's hypotheses.

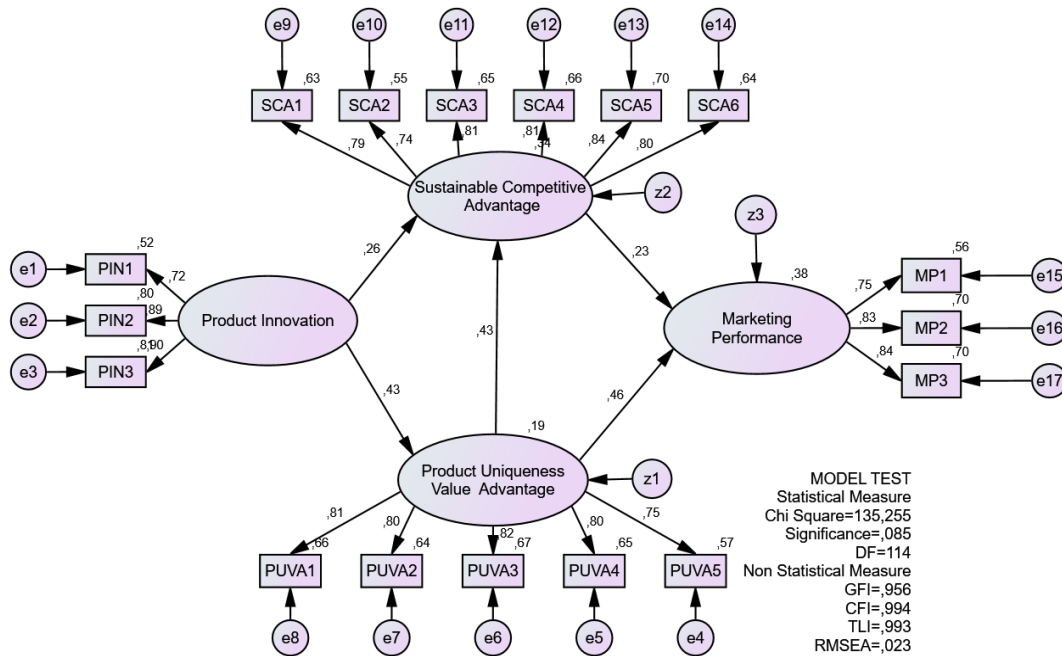


Figure 2. The SEM results

Source: data processing results, 2025

Table 4. Goodness of Fit Indexes

Parameter Goodness of Fit	Cut Off Value	Test Results	Interpretation
X <sup>2</sup> -Chi-Square	139.920	135.255	Small value, with DF = 114, then the test result 135.255 is still smaller than the cut-off value (fit)
DF		114	
Probability	≥ 0.05	0.085	Fit
GFI	≥ 0.90	0.956	Fit
CFI	≥ 0.95	0.994	Fit
TLI	≥ 0.95	0.993	Fit
RMSEA	≤ 0.08	0.023	Fit

Source: data processing results, 2025

According to the findings of this study's hypothesis testing, product innovation has a positive impact on a product's uniqueness value advantage (Hypothesis 1). Likewise, it is acknowledged that product innovation contributes to long-term competitive advantage

(Hypothesis 2). Furthermore, it is acknowledged that the value advantage of product uniqueness contributes to lasting competitive advantage (Hypothesis 3). Additionally, both the impact of product uniqueness value advantage and the impact of sustainable competitive advantage on marketing performance are acknowledged (Hypothesis 4 and Hypothesis 5). The results of every hypothesis test are shown in Table 5, along with the regression weights for the entire model and the standardized regression weights, all of which were approved.

**Table 5. Standardized Regression Weight & Regression Weight Full Model**

	Standardized Estimate	Estimate	S.E.	C.R.	P	Evaluation
Product Innovation → Product Uniqueness Value Advantage	0.434	0.379	0.052	7.213	***	Accepted
Product Innovation → Sustainable Competitive Advantage	0.256	0.257	0.059	4.376	***	Accepted
Product Uniqueness Value Advantage → Sustainable Competitive Advantage	0.425	0.490	0.073	6.741	***	Accepted
Sustainable Competitive Advantage → Marketing Performance	0.266	0.231	0.066	3.501	***	Accepted
Product Uniqueness Value Advantage → Marketing Performance	0.462	0.544	0.083	6.517	***	Accepted

Source: data processing results, 2025

The value of product uniqueness and advantage is significantly impacted by product innovation. The study backs up previous studies showing how important it is for SME owners to innovate their products in order to achieve excellence by emphasising uniqueness (Al-Khatib & Al-ghanem, 2022; Martins & Fernandes, 2015; Olazo, 2023; Widjojo et al., 2020). SMEs can innovate by showcasing unique product characteristics to create a strong impression in the

minds of customers. Therefore, SMEs can focus on the product's unique value proposition as a strong strategic foundation.

Similarly, product innovation has a significant impact on sustainable competitive advantage. This finding aligns with previous studies and underscores the critical role of product innovation in securing a sustainable competitive advantage (Battisti et al., 2020; Charters, Spielmann, & Babin, 2017; Fouladi et al., 2021; Itani, 2020; Magistretti et al., 2020; Southworth & Ha-Brookshire, 2016; Tardivo et al., 2017). Product innovation is a strategy for creating products that differentiate themselves from competitors while meeting customer needs and expectations. Therefore, SMES must be pioneers in innovation and find new methods to survive in the market, as innovation is a key driver of sustainable competitive advantage.

Furthermore, a product's uniqueness value advantage has a substantial impact on long-term competitiveness. These findings are consistent with previous research and show the need to emphasize product uniqueness value to gain a long-term competitive advantage (Anning-Dorson, 2018; Battisti et al., 2020; Fouladi et al., 2021; Otache, 2024). Delivering the value inherent in a product is considered one of the most influential marketing capabilities, as it serves as a strategic tool for maintaining a sustainable competitive advantage.

Sustainable competitive advantage has a substantial impact on marketing performance. This study supports earlier research and underscores the significance of achieving a long-term competitive advantage in driving marketing success. Previous research has demonstrated that maintaining a competitive advantage is crucial for producing superior value, which in turn enhances marketing performance (Alsafadi & Aljuhmani, 2024; Ferreira & Coelho, 2020; Otache, 2024). Sustainable competitive advantage plays a major role in enabling a company to survive in the market. The evolution of effective business strategies is crucial for business continuity and achieving superior marketing performance.

Furthermore, product uniqueness and value advantage have a substantial impact on marketing performance. These findings support earlier studies and show the relevance of having a distinct product value advantage in enhancing marketing performance (Kolbe et al., 2022; H. Liu, Choi, & Kim, 2024; Maldonado-Guzmán et al., 2019). A unique value proposition can effectively attract customers by emphasizing how the product meets their needs and significantly influences their decisions. Creating specific values, such as authenticity and uniqueness, will increase a product's market appeal, enhancing marketing performance.

The significance of the mediating variable's role was tested using the Sobel Test. The Sobel test can be used to assess the significance of indirect or mediating influences in a

structural equation model (Ghozali, 2017). Testing the product uniqueness value advantage as a mediating variable in the relationship between product innovation and marketing performance is crucial to assess the significance and contribution of this value advantage in bridging the research gap outlined in the previous section. The calculation results obtained using the Sobel calculator (Soper, 2016) are presented in Figure 3.

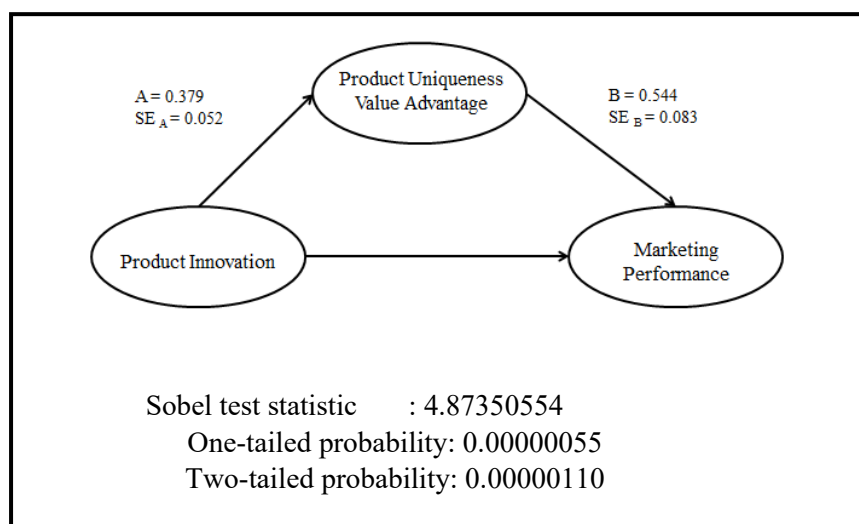


Figure 3. The Sobel results

Source: data processing results, 2025

The Sobel calculation results show that the Sobel value = 4.87350554 > 1.96 with a significance level of <0.05 for both one-way and two-way probabilities. These results provide evidence that product uniqueness value advantage can play a good role in mediating the relationship between product innovation and marketing performance

## E. CONCLUSION

The findings of this study suggest that SMEs that engage in product innovation are more adaptable and responsive to market changes, enabling them to capitalize more effectively on new opportunities. First, SMEs are encouraged to be proactive in generating product developments that align with current market trends. Second, there is a call for SMEs to foster creativity in developing food products, particularly through unique product variants and distinctive aesthetics that cater to customer preferences. Third, SMEs should strive to be pioneers in launching innovative product variants quickly, thereby establishing themselves as market leaders. Fourth, SMEs must maintain their ability to respond swiftly to changing market tastes and trends, particularly in the expanding food product industry. By effectively conveying

and emphasizing their product values, SMEs can enhance their market appeal and significantly improve their marketing performance. Ultimately, a lasting competitive edge is crucial to a company's success in the marketplace. The continuous evolution of business strategies is crucial for long-term success and effective marketing.

The findings of this study have several limitations that must be addressed in future research. The impact of sustainable competitive advantage on marketing success is minimal compared to the influence of other variables. To better understand its impact on marketing performance, future research could examine increasing the number of indicators for the sustainable competitive advantage variable to provide a more comprehensive measure of this concept. Furthermore, adopting observation methods could improve the data, particularly for food product SMEs that prioritize product innovation and originality. Future research could provide a more thorough and detailed description of the conditions associated with both the study's items and demographics if the data collection methods are expanded.

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