DIJEFA: Dinasti International Journal of Economics, Finance & Accounting
E-ISSN: 2721-303X
P-ISSN: 2721-3021
https://dinastipub.org/DIJEFA dinasti.info@gmail.com +62 811 7404 455

DOI: https://doi.org/10.38035/dijefa.v6i2.4561
https://creativecommons.org/licenses/by/4.0/
Received: 01 April 2025 | **Revised:** 17 April 2025 | **Accepted:** 02 Mei 2025

The Influence of Customer Relationship Strategy, Innovation Strategy and Capability Strategy on Competitive Advantage and Its Implications on Marketing Performance in Small and Medium Enterprises in the City of Bekasi

Widi Winarso[1*], Nandan Limakrisna[2], Hari Muharam[3]
[1]Pakuan University Management Science Doctoral Student[1], widi.winarso@dsn.ubharajaya.ac.id
[2]Pakuan University Management Science Doctoral Lecturer[2], amarta.nandan@gmail.com
[3]Pakuan University Management Science Doctoral Lecturer[2], hari.muharam@unpak.ac.id

[*]Correspondence Author: widi.winarso@dsn.ubharajaya.ac.id[1]

Abstract: Indonesia's position in global competitiveness is considered low compared to other ASEAN countries. This indicates that the competitive advantage of the industry and other SME sectors is considered not optimal. The competition for SMEs in the fashion sector to compete for the market and the increasing number of SMEs has caused the SMEs in the fashion sector to determine the right strategy in marketing their business products. The purpose of this study was to analyze the effect of Customer Relationship Strategy, business innovation strategy and capability strategy on competitive advantage and the performance of SMEs in Bekasi City. This research approach is a quantitative approach. Exogenous variables include Customer Relationship Strategy, innovation and capability strategy. Endogenous variables are competitive advantage and competitive advantage. The endogenous variable in this study is marketing performance. The population of this research is the owners and employees of SMEs in Bekasi City, totaling 561 SMEs. Based on calculations with the Slovin formula, the total sample is 235 SMEs. The analytical method used is the Structural Equation Model (SEM). SEM assumption test consists of outliers, multicollinearity, minimum number of samples. Hypothesis testing using CR and t test.

Keywords: Capability Strategy, Customer Relationship Strategy, Innovation Strategy, Competitive Advantage and Marketing Performance.

INTRODUCTION

The role of Small and Medium Enterprises (SMEs) as mover the economy is very large, where the Indonesian business world at the moment This Still dominated by MSMEs. The number of business This reach more from 26 million business or 98.68 percent of total effort non-agricultural in Indonesia. This business is also capable of absorb power Work more of 59 million people or around 75.33 percent from of total power Work non-agricultural (Central Bureau of Statistics , 2022). There are Lots The advantages of SMEs are: First , generally produce goods consumption and services that are close with need society . Second , no depend

on material standard import and more utilise source Power local Good from side source Power human , capital, materials standard , and equipment . Third , using your own capital. or No supported loan from SMEs (BPS, 2022).

Urata (2011) which has observe development business small in Indonesia, stressed that business small in Indonesia playing role important in a number of matter among others: 1) Small businesses is player main activity Indonesian economy , 2) Providers chance work , 3) Players important in development economy local and development society , 4) Market creators and innovation through its dynamic flexibility and sensitivity as well as its relevance with with a number of company , 5) Provide contribution to improvement non- oil and gas exports . the development of SMEs in Indonesia is visible From data reported by the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM), the total number of SMEs in Indonesia will reach 8.71 million business units in 2022. Java Island dominates sector This . It is noted that West Java is UKM champion with total 1.49 million business units . Thin in the ranking second There is Central Java which reaches 1.45 million units. Third , there is East Java as many as 1.15 million units. Outside three big that 's the gap Enough far away . DKI Jakarta won position fourth Can to carve almost 660 thousand units. Fifth , there is North Sumatra with achievement 596 thousand unit.Meanwhile amount least effort there are three regions , namely West Papua 4.6 thousand business units , North Maluku 4.1 thousand units, and Papua 3.9 thousand units. Based on type , industry food is the most types of SMEs compared to group industry other with total of 1,518,924 businesses . Indonesia's position in Power global competitiveness is assessed Still low compared to other ASEAN countries . This is indicates that superiority compete industry and sector other rated not optimal, source Power nature and resources Power Indonesian people are like that abundant Not yet optimized with good . This is also explained in the value Power competition like following .

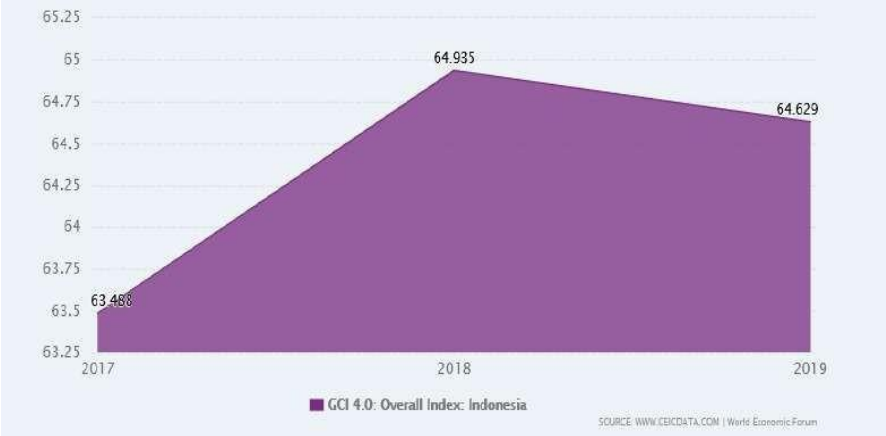


Figure 1. Indonesia's Competitiveness Value

Based on mark Power Indonesia's competitiveness then development mark Power competition from 2020 to 2022. Power value competition in 2017 it was 63.48. Then 2018 increased to 64,935. But in 2022 it experiences decline mark index as many as 64,625.

Rita and Irma (2014) explain that the inability of SMEs in increase Power competition due to because SMEs have various limitations, such as lack of ability For adapt with environment , less agile in opportunities effort , lack of creativity and innovation in anticipate various challenge environment . Besides that , internally, SMEs are lacking have ability managerial and skills and lack of capital and markets (Tambunan, 2018).

Literature Review

The purpose of study This is :

1. For analyze influence *Customer Relationship Strategy* to superiority competing SMEs in Bekasi City.
2. For analyze influence of business strategy innovation to superiority competing SMEs in Bekasi city .
3. For analyze influence *capability strategy* to superiority competing SMEs in Bekasi City.
4. For analyze influence *Customer Relationship Strategy* to performance SME marketing in Bekasi City.
5. For analyze influence of business strategy innovation to performance SME marketing in Bekasi City.
6. For analyze influence *capability strategy* to performance SME marketing in Bekasi City.
7. For analyze influence superiority compete to performance SME marketing in Bekasi City.
8. For analyze whether *Customer Relationship Strategy* , business strategy innovation and *capability strategy* influential in a way together The same to superiority competing SMEs in Bekasi City.
9. For analyze whether *Customer Relationship Strategy*, business strategy innovation, *capability strategy* and excellence compete influential in a way together The same to performance SME marketing in Bekasi City

This research has several innovations, including:

a. Development of a proposed basic theoretical model.

Difference study This with study previously is in general study about *Customer Relationship Strategy* , innovation and *capability strategy* and performance marketing only use draft *market based view* or *resource based view* only No in a way comprehensive so that often No capable explain *Customer Relationship Strategy* , Innovation and capability *strategy* increase performance marketing , while in study This integrate draft *resource based view theory* with objective For can give explanation about difference results study about connection *Customer Relationship Strategy* , Innovation and *capability strategy* and performance marketing in a way comprehensive . The originality of the theoretical model proposal in this study contributes to the development of marketing management science on the integration between *resource based view theory.*

b. Hypothesis Development and Empirical Models.

Originality of the research model empirical First is study This started from factor factors that can influence superiority compete , so that can obtained clarity about How increase *Customer Relationship Strategy* , innovation and *capability strategy* in A organization in frame increase performance marketing . Different with study previously which in general more emphasize connection causal between *Customer Relationship Strategy* , innovation and *capability strategy* with performance organization , so that research that tests about influence *Customer Relationship Strategy* , Innovation and *capability strategy* towards performance through superiority compete

Originality of the empirical model second is in study This will testing strategies focused on producers in matter This *Customer Relationship Strategy* , innovation and *capability strategy* towards performance marketing through superiority compete so that with existence variable *intervening.*

Originality development hypothesis and empirical models will give contribution to development knowledge management marketing Because explain influence *Customer Relationship Strategy* , innovation and *capability strategy* towards performance marketing, *Customer Relationship Strategy* , innovation and *capability strategy* towards innovation , innovation to performance marketing as well as explain factors For develop *Customer Relationship Strategy* , Innovation and *capability strategy* , and transformation process

market orientation becomes performance marketing . Different with study previously which in general only test influence direct *Customer Relationship Strategy* , innovation and *capability strategy* with performance organization , so that cause controversy results study about *Customer Relationship Strategy* , Innovation and *capability strategy* towards performance marketing .

This research is based on the right theoretical framework to prove the truth in this research, so that the researcher compiles a management theory framework. This research uses *the Grand Theory* of marketing performance. *Middle Range Theory* in this research is a marketing strategy that can be interpreted as a company's plan to be able to introduce *a brand* as widely as possible in order to achieve customer and sales targets. Furthermore, *the Applied theories* used in the research include *Customer Relationship Strategy* , Innovation Strategy, *Capability Strategy* and competitive advantage.

1. Marketing Performance

Menurut Kotler dan Keller (2016) pemasaran adalah *"Marketing is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is meeting needs profitably".*Pemasaran menurut Kurtz (2011) adalah *"Marketing is an organizational function and set of process for creating communicating and delivering value to customers and for managing customer relationships in that benefit the organization andils stakeholders".*

Marketing performance as a result of a series of company activities is the impact of the role of all parts of the organization. One of the strategic roles developed by the company is the development of strategy. *selling-in* as an effort to build market access for company products to enter the market evenly and competitively. Ferdinand (2016:46) stated that distribution policies can be developed based on two basic choices, namely *selling-in policies* that are within the control area of the distribution company and *selling-out policies* that are outside the control area of the distribution company. According to Ferdinand (2016), marketing performance is a factor that is often used to measure the impact of the strategy implemented by the company. Marketing performance is an important element of company performance in general, namely to measure the marketing performance of a company. Every company is interested in knowing its achievements as a reflection of business success in market competition.

2. Superiority Compete

According to Kotler and Armstrong (2018), the advantages compete is : " *An advantage over competitors gained by offering consumers greater value".* (A superiority on competitors obtained with offer consumer mark more). Kotler and Armstrong (2018), explains There is three dimensions that is :

a. *Overall Cost Leadership* (Leadership Total Cost)
   Companies strive to achieve low production and distribution cost levels. most low. Cost Which low can make price sell be lower than competitors so that it can gain a large market share. Examples of companies that have successfully adopted This low-cost strategy is Walmart and JetBlue Airways.
b. *Differentiation (Differentiation)*
   This differentiation strategy is a company that concentrates on creating product lines and marketing programs that are different from those of competitors, so that this can lead the company to gain an advantage. from for its competitors. Example company Which do This strategy is Nike and Caterpillar.
c. *Focus*
   Companies try to serve a few market segments well, rather than trying to go after the

entire market. An example of a company that has adopted this strategy is Ritz-Carlton. Dessler like quoted by Pack (2011) state that "*Competitive advantage is any factor that allow an organization to differentiate its product or service from those of its competitors to increase market share".* (Superiority Competing is a factor that allows an organization to differentiate its products or services from competitors to increase market share. market). Pakaya (2011) explains the indicators competitive advantages such as:

a) Uniqueness Product is uniqueness product company which combines artistic value with customer taste.
b) Quality product is design quality from company products .
c) Price compete is ability company For adapt the price of the product at general market prices

According to Dalimunthe (2017), superiority compete is ability effort to create superiority competitive so that can compete with competitors.

As for the indicators superiority compete Dalimunthe (2017) that is

a) Competitive price
b) Ability management
c) Profit
d) Position
e) Place strategic.

3. Customer Relationship Strategy

Customer Relationship Strategy according to Kotler And Keller in Parvatiyar and Sheth explain Parvatiyar and Sheth in Laksmana et al (2018) is the process of maximizing customer loyalty by managing detailed information about each customer as well as possible. Parvatiyar and Sheth explain that there is three indicators in measuring *customer relationship management,* namely

a. *Continuity marketing*
   Continuity marketing is a program marketing to maintain and increase loyalty customer through service special Which long-term, and increase value by studying customer characteristics. *Continuity marketing programs* can take the form of programs card membership Where customer given award in the form of service special in a way individual, discount And points For *upgrades,* as well as cross selling program.
b. *One to One Marketing*
   one to one marketing program is a program that is carried out individually. Which intended For fulfil satisfaction on need Which unique from customers. *One to one marketing programs* use customer information derived from *online information* and *databases,* which is continued with individual interactions with customers to meet the unique needs of customers. Individual customer information is used to build interactive marketing and post-marketing programs in developing customers.
c. *Partnering Program*
   The partnering program is a collaborative relationship between marketers with other companies to serve end customer needs. In other words, the company will trying to help customer For get what is desired with method cooperate with companies other out there.

4. Innovation Strategy

According to Jauch and Gleuck (Amirullah, 2015), strategy is a unified, comprehensive and integrated plan that links the company's strategic advantages with environmental challenges and is designed to ensure that the company's main objectives can

be achieved through proper implementation by the company. Strategy is understood not only as various ways to achieve goals but also includes determining the various goals themselves.

According to Chandler, strategy is a pattern that includes both strategies that... planned or strategies that were not initially intended by the company but became strategies that were considered and even chosen by the company to be implemented. Strategic management according to Ismail (2012), namely as a process of planning, directing, organization and control of various decisions and strategic actions of the company with the aim of achieving competitive advantage. This strategic management is related to strategic decision making, namely various managerial decisions that will affect the existence of the company in the long term. Strategic decisions can be taken by top management at the corporate level or at the business unit (division) level.

This strategy also requires that workers must be creative, capable and able to cooperate with each other, implement long-term goals, have attention and responsibility for the quality and quantity of goods and services produced, and can limit ambiguity. Formal organizational policies need to be considered in order to support the creation of innovation conditions. A company that is successful is a company that has a commitment to support the decision of top managers to carry out a spontaneous creative business development.

Overall, a company that implements innovation, the profile of behavioral roles its employees have a high level of creative behavior and a high level of risk return. Strategy comes from the word *Strategos* in Greek which is a combination of *Stratos* or army and ego or leader. A strategy has a basis or scheme to achieve the intended target. So basically strategy is a tool to achieve goals. Quinn (1999). According to Marrus (2002) strategy is defined as a process of determining the plans of top leaders who focus on the long-term goals of the organization, accompanied by the preparation of a way or effort on how to achieve these goals. Strategy is also defined as a unified, comprehensive and integrated linking corporate strategy advantages with challenge environment and designed For ensure that objective main company can achieved through proper implementation by the company. This is as expressed by Ohmae (1999) that business strategy, in a word, is about superiority competitive.

5. Capability Strategy

Capability *Strategy* can be interpreted as a pattern applied by a company in using resources and becomes a routine from time to time. *Capability Strategy* can help companies feel and respond to market changes such as competitor movements, technological changes, allowing companies to utilize partner capabilities and resources to create value and facilitate companies to understand *customer needs* (Day, 1994). *Capability Strategy* is measured by several dimensions, including:

a. *Marketing culture capability,*
   This means that the culture in each region always has differences. By knowing the cultural differences in each region or area that exist, then the company can determine the right strategy to apply the strategy through the company's operational activities. An example of an operation that exists within the company is the SOP (*Standard Operational Procedures*) that exist in the company.
b. *Operational capability*
   This shows the ability to fulfill the company's operational activities.
   Capability Strategy can make a company reach its maximum point because of the improvements made inside and outside the company. The development of service and products does not only develop from within, but also follows the competition in the market together with competitors. With this reality, companies are required to be able to produce new products or develop new products with good functions to be used in the

competitive world (Saleh, 2015). Sensitivity to the development of this product can be obtained when the company has good marketing capabilities.

According to Blesa and Ripolles (2008) who adopted (Day, 1994) the definition of *Capability Strategy* is a complex collection of skills and accumulated knowledge, carried out through organizational processes that allow companies to coordinate activities and utilize their assets and resources. Optimal *Capability Strategy* can provide superior market sensing, connecting customers and distribution channel capabilities as a result, and can be the key to success in the international market. *Capability Strategy* has eight fundamental indicators in and for companies to measure their success (Blesa and Ripolles, 2008), namely:

a) *Pricing Capability*
   The company has the ability to set prices that are commensurate with the value given to *customers* , the prices offered are also in accordance with the purchasing power of the target market and looking at the conditions of competitors.
b) *) New Product Development Capabilities*
   The company has the ability to develop and create new products that suit the dynamic desires and needs *of customers* .
c) *Channel Management Capabilities*
   The company has the ability to manage the company's distributors in providing added value to distribution practices.
d) *Marketing Communication Capabilities*
   The company has ability For arrange perception *customer value*, able to make *customer* has perception positive product so that can build good *brand image* in the eyes *customer* .
e) *Selling Capabilities*
   The company has ability For develop management and systems sale as well as provide training for sales *representatives Market Information Management Capabilities*. The company has ability For to obtain information regarding the main target *customers* as well as do analysis of this information to carry out effective marketing programs.
f) *Marketing Planning Capabilities*
   The company has the ability to prepare effective marketing programs by looking at the results of analysis of information from *the customer side* .
g) *Marketing Implementation*
   The company has the ability to apply marketing strategies that have been analyzed and marketed to customers well.

METHOD

Study This use quantitative in general study quantitative more emphasizes on freedom/liberty information, so that method This suitable used For wide population with limited variables (Sugiyono, 2018: 18). Furthermore the conclusion obtained from results observation to limited variables the done generalization , namely give conclusion sample applied to population from which the sample is drawn the taken . With the approach quantitative also more give meaning in the relationship with interpretation number statistics . Therefore researcher use questionnaire as tool For measure matter said . Research This including in study explanation *(explanatory research)* Because study This mean to explain connection causal (cause) result) between variable through testing hypothesis that has been formulated (Kuncoro , 2014:67).

Data retrieval in study This done with using coverage data time horizon which is cross sectional in nature, where data is obtained at one time time certain. The data to be analyzed

collected from phenomenon that has There is without try For intervene in it . Based on data analysis, research This is study analytical Because analyze data and samples with use statistics generalized inductive For going to population.

Types of research used is explanatory research or study explanation, namely a type research that highlights connection variable study this and test hypothesis that has been formulated previously. Research This test the influence of Customer Relationship Strategy, innovation and capability strategy on Competitive Advantage as well the implications to performance marketing in Bekasi SMEs.

RESULTS AND DISCUSSION

a. Validity Test Construct for Variables Exogenous

Construct test results variable performance marketing evaluated based on *goodness of fit index* shown in Figure 2.

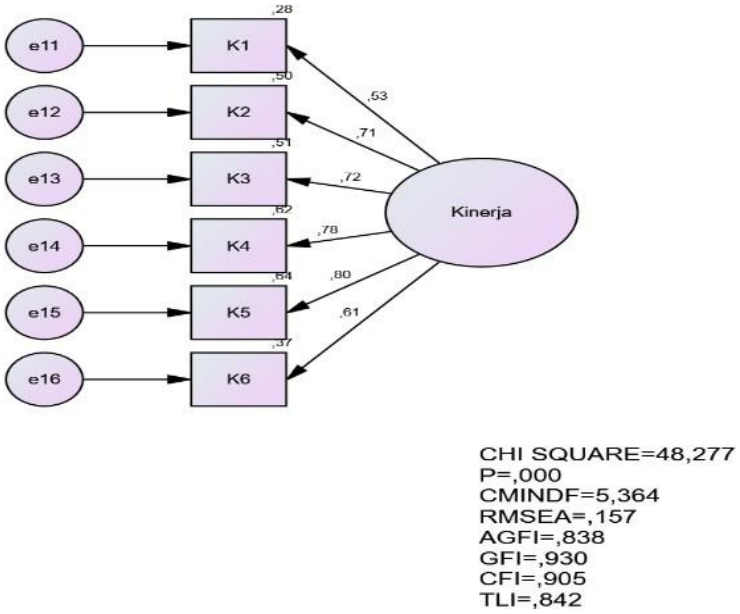


Figure 2. Results of *Confirmatory Factor Analysis of* Marketing Performance

Confirmatory Factor Analysis in Figure 2 shows that there are *goodness of fit* parameters that are met criteria from the fit model. The evaluation of the proposed model in Table 2 shows that model evaluation of construct performance in a way overall produce value above critical which shows that the model has in accordance with data, so that can further model suitability testing was carried out .

Variables that can be used as indicator from variable superiority compete , shown from mark *loading factor* or coefficient lambda of each indicator presented in Table 4.26 with provision all over latent variables constructed by their indicators own mark *loading* > 0.5 at level significance , α=0.05; with provision the size of the CR must be more big from 1.96 or mark significance more small from 0.05 so indicators This in accordance analyzed with *CFA* , in other words valid indicators in measure score variable latent . Evaluation results model criteria explained in Table 3.

Table 3. Evaluation Criteria *Goodness of Fit Index* Performance

Goodness of fit index	***Cut of value***	**Model Results**	**Information**
Chi Square	It is expected small	48,277	*Marginal Fit*
Significant Probability	≥ 0.05	0,000	*Marginal Fit*

RMSEA	≤ 0.08	0.157	*Marginal Fit*
GFI	≥ 0.90	0.838	*Good Fit*
AGFI	≥ 0.90	0.930	*Marginal Fit*
CMIN/DF	≤ 3.00	5,364	*Marginal Fit*
TLI	≥ 0.95	0.842	*Marginal Fit*
CFI	≥ 0.95	0.905	*Good Fit*

Variables that can be used as indicator from variable performance marketing shown from mark *loading factor* or coefficient lambda of each indicator presented in Table 4.27 with provision all over latent variables constructed by their indicators own mark *loading* > 0.5 at level significance , α=0.05; with provision the size of the CR must be more big from 1.96 or mark significance more small from 0.05 so indicators This in accordance analyzed with *CFA* , in other words valid indicators in measure score variable its latent.

Table 4. *Loading factors* (λ) Measurement Variables Performance

Variables and Indicators			Loading	SE	CR	P
K6	<---	Performance	0.605	*	*	*
K5	<---	Performance	0,800	0.169	7,913	0,000
K4	<---	Performance	0.784	0.170	7,825	0,000
K3	<---	Performance	0.716	0.171	7,381	0,000
K2	<---	Performance	0.707	0.165	7,315	0,000
K1	<---	Performance	0.528	0.160	5,868	0,000

Source : Appendix 8 (2024)
Description : * standard deviation approaching 0 (zero)

After CFA test was conducted per variable so Then valid indicators are selected which are tested based on CFA endogenous construct as following .

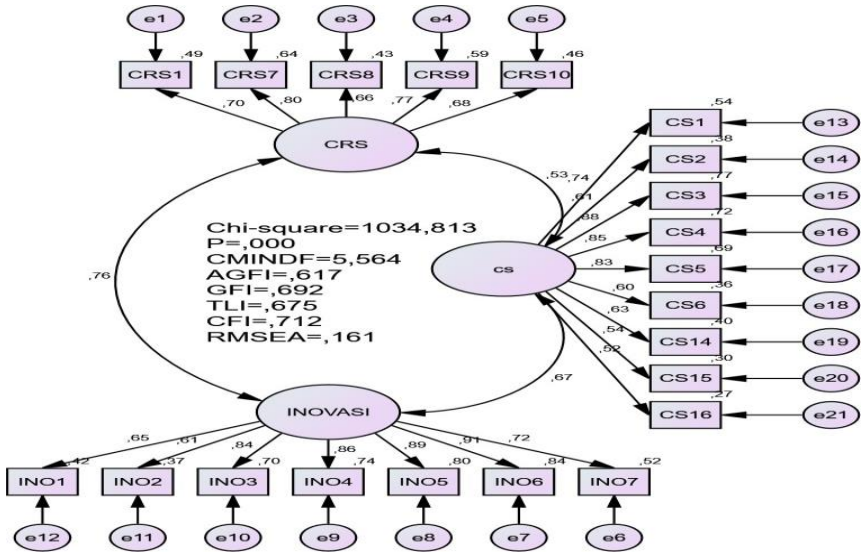


Figure 3. Results of *Confirmatory Factor Analysis* Construct Exogenous

Variables that can be used as indicator from variable performance marketing shown from mark *loading factor* or coefficient lambda of each indicator presented in Table 4.28 with provision all over latent variables constructed by their indicators own mark *loading* > 0.5 at level significance , α=0.05; with provision the size of the CR must be more big from 1.96 or

mark significance more small from 0.05 so indicators This in accordance analyzed with *CFA* , in other words valid indicators in measure score variable its latent .

Table 5. *Loading factors* (λ) Measurement Variables Exogenous

Variables and Indicators			Loading	SE	CR	P
CRS1	<---	CRS	0.700			
CRS7	<---	CRS	0.803	,103	9,487	0,000
CRS8	<---	CRS	0.659	,114	7,956	0,000
CRS9	<---	CRS	0,767	,103	9,136	0,000
CRS10	<---	CRS	0,680	,127	8,183	0,000
INO7	<---	INOVASI	0,724			
INO6	<---	INOVASI	0,914	,104	12,186	0,000
INO5	<---	INOVASI	0,892	,109	11,885	0,000
INO4	<---	INOVASI	0,863	,093	11,472	0,000
INO3	<---	INOVASI	0,838	,101	11,121	0,000
INO2	<---	INOVASI	0,610	,072	7,997	0,000
INO1	<---	INOVASI	0,649	,107	8,528	0,000
CS1	<---	cs	0,737			
CS2	<---	cs	0,614	,087	8,038	0,000
CS3	<---	cs	0,877	,111	11,768	0,000
CS4	<---	cs	0,850	,113	11,375	0,000
CS5	<---	cs	0,829	,111	11,087	0,000
CS6	<---	cs	0,603	,124	7,896	0,000
CS14	<---	cs	0,630	,106	8,262	0,000
CS15	<---	cs	0,543	,098	7,080	0,000
CS16	<---	cs	0,517	,120	6,729	0,000

Description : * standard deviation approaching 0 (zero)

b. **The results of** t

he CFA test for endogenous variables are explained in Figure 4.

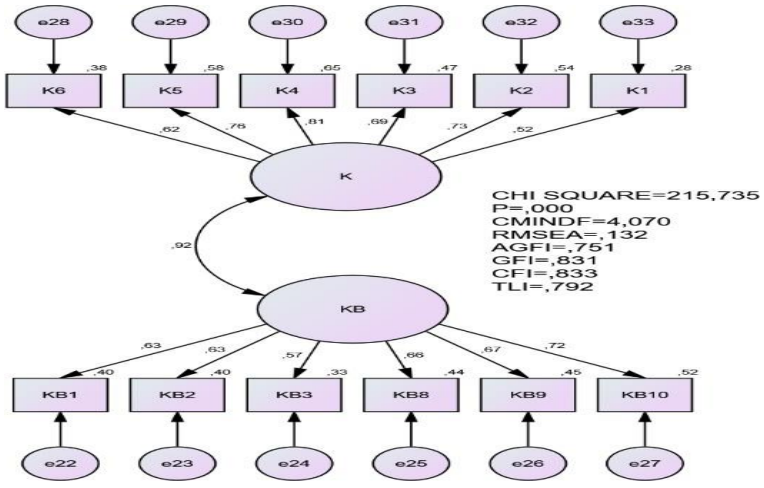


Figure 4. Results of *Confirmatory Factor Analysis* Endogenous Construct

Variables that can be used as indicator from variable performance marketing shown from mark *loading factor* or coefficient lambda of each indicator presented in Table 4.30 with provision all over latent variables constructed by their indicators own mark *loading* > 0.5 at level significance, α=0.05; with provision the size of the CR must be more big from 1.96 or mark significance more small from 0.05 so indicators This in accordance analyzed with *CFA* , in other words valid indicators in measure score variable its latent .

Table 6. *Loading factors* (λ) Loading factors Variable Edsogen

Variable method Indicator			*Loading Factor*	SE	CR	P.S
K6	<---	K	0.620	*	*	*
K5	<---	K	0.763	,154	8,130	0,000
K4	<---	K	0.807	,158	8,451	0,000
K3	<---	K	0,688	,157	7,540	0,000
K2	<---	K	0,735	,155	7,916	0,000
K1	<---	K	0,525	,150	6,063	0,000
KB10	<---	KB	0,722	*	*	*
*KB9	<---	KB	0,667	,117	8,280	0,000
KB8	<---	KB	0,662	,116	8,217	0,000
KB3	<---	KB	0,573	,124	7,115	0,000
KB2	<---	KB	0,630	,112	7,828	0,000
KB1	<---	KB	0,635	,106	7,880	0,000

Source : Appendix 10 (2024)
Description : * standard deviation approaching 0 (zero)

Based on method determination mark in the model, then variable first model testing This grouped become variable exogenous *(exogenous variables)* and endogenous variables *(endogenous variables).* Variables exogenous is variable whose value determined outside the model. Endogenous variables are variable whose value determined through equality or from the relationship model formed, including in group variable exogenous is CRS, innovation strategy, *capability strategy*, while endogenous variable of excellence compete, and performance marketing .

The model is said Good when hypothesis model development in a way theoretical supported by empirical data . The results of the SEM analysis are complete can seen in Figure 5.

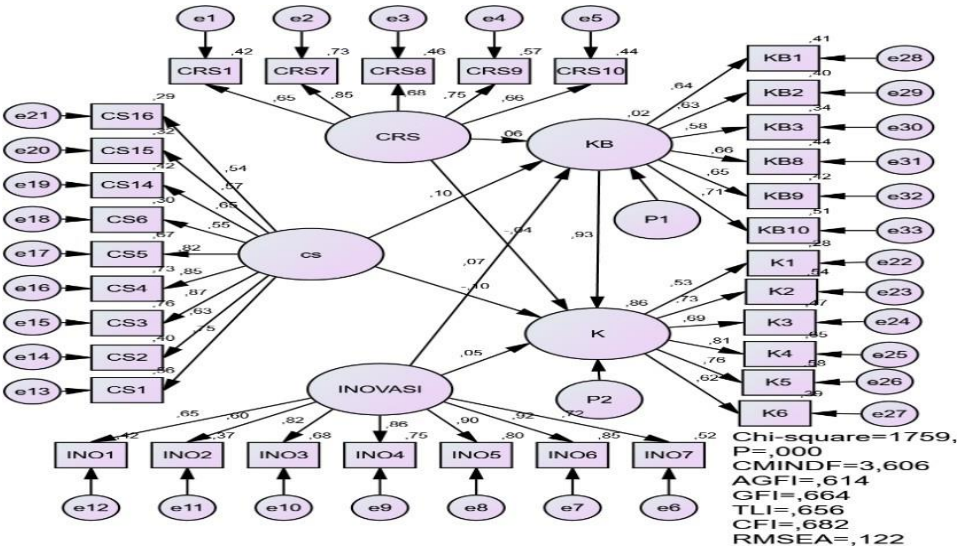


Figure 5. SEM analysis results

Initial model construct test results presented in Figure 5 is evaluated based on *goodness of fit Index*, model criteria and mark critical that has data conformity can seen in Table 4.31 below.

Table 7. Evaluation Criteria *Goodness of Fit Index*

Goodness of fit index	***Cutt of value***	**Hasil Model**	**Keterangan**
Chi Square	Diharapkan kecil	1759	*Marginal Fit*
Significane Probability	≥ 0,05	0,000	*Marginal Fit*
RMSEA	≤ 0,08	0,122	*Good Fit*
GFI	≥ 0,90	0,664	*Marginal Fit*
AGFI	≥ 0,90	0,614	*Marginal Fit*
CMIN/DF	≤ 3,00	3,606	*Marginal Fit*
TLI	≥ 0.95	0.656	*Good Fit*
CFI	≥ 0.90	0.681	*Good Fit*

The results of the model testing in Table 7 show that all index Not yet fulfil implied value, Therefore That Revised SEM model was conducted as following .

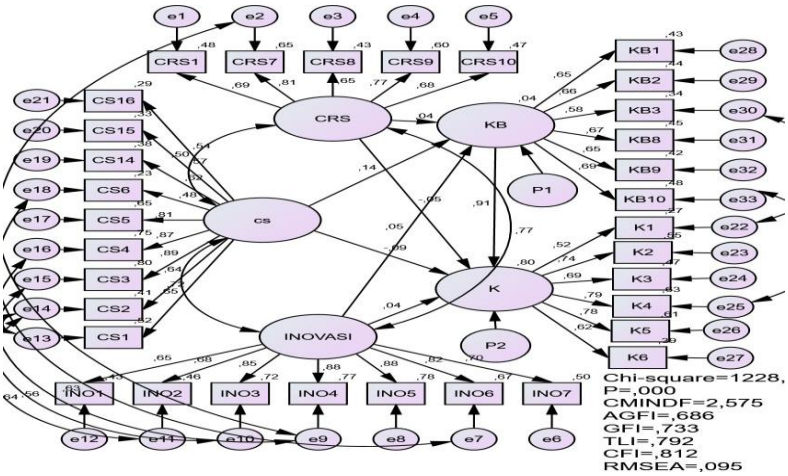


Figure 6. SEM analysis results

Based on Figure 6 then There is One criteria that meet condition with other criteria in the marginal fit position . Therefore the basic model *(default model)* has fulfill one of criteria *goodness of fit* so based on parsimony *theory* model has can accepted and not required For do modification , because can confirmed that modification will produce mark more *chi-* square good . In other words, based on *parsimony theory*, if the base model (*default model)* has been produce at least one criteria then the model is confirmed will produce expected criteria . So that results testing This can concluded that this model can accepted in a way Enough good (Ferdinand, 2006) and can used For estimate .

Based on CFA results of each endogenous construct showed that indicator former variable superiority and performance proven valid and meets criteria *goodness fit* model.

After known description connection between variables study This so furthermore will exposed results testing hypothesis . In case This will served mark coefficient track between variable following significance the results of the hypothesis test in Table 4.32, as following :

Table 8. Values Path Coefficient and Testing Hypothesis

Variables			Path Coefficient	CR	P	Information
KB	<---	CRS	0.037	3,230	0,000	Significant
KB	<---	CS	0.143	2,237	0,000	Significant
KB	**<---**	**INNOVATION**	**0.050**	**0.289**	**0.773**	**Not Significant**
K	<---	KB	0.906	5,810	0,000	Significant
K	**<---**	**CRS**	**-0.047**	**-0.454**	**0.876**	**Not Significant**
K	**<---**	**CS**	**-0.090**	**-1,196**	**0.232**	**Not Significant**
K	<---	INNOVATION	0.037	3,330	0,000	Significant

Source : Appendix 7 (2024)

The results of the analysis shown in Table 4.28 show that the competitive advantage variable has a significant effect on marketing performance. The coefficient value of *the Capability Strategy* (CS) path is 0.906 with a positive direction towards marketing performance and a *p-value* of <0.05 (*p-value* = 0.000) is obtained. Thus, it means that every time there is an increase in competitive advantage , it will not increase the marketing performance of SMEs. These results provide support for the hypothesis that competitive advantage has a significant effect on the marketing performance of SMEs in Bekasi City.

Summary results testing hypothesis served in Table 4.29, from table the known that from seven the hypothesis proposed in study this , no all in all hypothesis accepted

Table 8. Test Results Hypothesis Study

No.	Research Hypothesis	Information
1.	CRS is influential to superiority compete	Accepted Positive and Significant
2	Innovation strategy influential to superiority compete	Accepted Positive and Significant
3	*Capability strategy* influential to superiority compete	Rejected Not significant
4	CRS is influential to performance marketing	Rejected No significant
5	Innovation strategy influential to performance marketing	Accepted Positive and Significant
6	*Capability strategy* influential to performance marketing	rejected Not Significant
7	superiority compete influential to performance marketing	Accepted Positive and Significant

Source : Appendix 7 (2024)

CONCLUSION AND SUGGESTIONS

Based on results data analysis then conclusion study among others:

1. CRS is influential to superiority compete in SMEs in Bekasi City. That is show that CRS is capable increase superiority competing SMEs in Bekasi City.
2. Innovation Strategy No influential to superiority competing SMEs in Bekasi City. That is show that the innovation strategies carried out by SMEs are not increase superiority competing SMEs in Bekasi City.
3. Capacity Strategy No influential to superiority competing SMEs in Bekasi City. That is show that The capacity strategy carried out by SMEs is not increase superiority competing SMEs in Bekasi City
4. CRS does not influential to performance marketing of SMEs in Bekasi City. It is show that CRS does not capable increase performance marketing .
5. Strategy innovation influential to performance marketing of SMEs in Bekasi City. It is show that the innovation strategy is carried out UKM improves performance marketing.
6. Capability Strategy does not influential to performance marketing of SMEs in Bekasi City. It is show that Capability of the strategy implemented UKM does not increase performance marketing
7. Advantages compete influential to performance marketing of SMEs in Bekasi City. If the advantages compete the more tall so performance marketing will the more high too.
8. Customer Relationship Strategy, innovation strategy and capability strategy have an influence in a way together to superiority compete . The more good CSR, innovation and capability strategy will the more high also excellence compete .
9. Customer Relationship Strategy, business strategy innovation , capability strategy and excellence compete influential in a way together The same to performance SME marketing in Bekasi City.

REFERENCES

Adeyeye, Tolulope Charles, 2013, Impact of *Customer Relationship Strategy*t on Perceived Bank Performance in Oyo Town, Nigeria, *International Business and Management, Vol. 6, No. 2, 2013, pp. 137-146*

Alipour, M. dan Mohammadi, M. H. (2011, April). The Effect Of *Customer Relationship Strategy*t (*Customer Relationship Strategy*) On Achieving Competitive Advantage Of Manufacturing Tractor. *Global Journal of Management and Business Research*, 11(5) 26-36.

Alshura, Mohammad Salem. 2018. *Customer Relationship Strategy*t (*Customer Relationship Strategy*) Capabilities dan Building a Sustainable Competitive Advantagein Mobile Phone Operators in Jordan. *International Journal of Business and Management; Vol. 13, No. 3; 2018 ISSN 1833-3850*

Al-zoubi, Ali Falah. 2016. The Role of Customer Relationships Management in Achieving Competitive Advantage (A prospective study on a sample of employees at UKMs in Irbid city). *Journal of Marketing Management June*, Vol. 4, No. 1, pp. 137-150

Argarwal , S.; MK Eramilli , And CS Dev. 2003. Market Orientation And Performance In Service Firms: Role Of Innovation, *Journal Of Services Marketing* Vol. 17. No. 1. p . 68-82

Armstrong , Harvey, and Jim *Taylor* . *2000* . *Regional Economics and Policy (third edition*), New York

Bank, I., and LPPI. 2015. Profile Micro, Small and Medium Enterprises (SMEs) Business . *Bank Indonesia and LPPI* , 1–138

Borsaly, Azza El, 2014, The Effect of *Customer Relationship Strategy*t on Organizations performance and Competitive AdvantageEffect of Process and Information Technology,

Proceedings of 9th International Business and Social Science Research Conference 6 - 8 January

BPS, 2018. *Bekasi in Figures* . Bekasi

Cavusgil, S. T. dan S. Zou 1994, Marketing Strategy Performance Relationship : An Investigation of The Empirical Link in Export Market Ventures, *Journal of Marketing*, vol. 58 January, pp. 1-21

C h a d h i q , U. 2007. *Customer Relationship Strategy t* (*Customer Relationship Strategy*) : Choice Strategy For M e r a i h Superiority Compete

Chang, H. H. (2007, July). Critical Factors and Benefits in the Implementation of *Customer Relationship Strategy*t. *Total Quality Management*, 18(5), 483-508.

Charlie, 2004. Measuring Organizational Performance: An Exploratory Study. Athens, Georgia: The University of Georgia

Chernev, A. 2014. *Strategic Marketing Management* 5th edition ed.. Chicago: Brightstar Media

Cole Ehmke, 2015, Strategies for Competitive Advantage, Western Center for Risk Management Eduacation, Vol. 23, pp 1-42

Coltman, T., Devinney, T. M. dan Midgley, D. F. 2007. *Customer Relationship Strategy*t and firm performance. Journal of Information Technology, 26 (3), 205-219.

Conto, S., Martim de, Junior, J. A. V. A., & Vaccaro, G. L. R. 2016. Innovation as a Competitive Advantage Issue: A Cooperative Study on an Organic Juice and Wine Producer. *Gest. Prod*, *23*(2), 397-407.

Darroch, Jenny. 2005, Knowledge Management, Innovation, and Firm Performance, *Journal of Knowledge Management*. Vol. 9 No. 3, hal. 01-115

Datta, Veto. 2017. *A Conceptual Study On Experiential Marketing:Importance, Strategic Issues And Its Impact*. International Journal of Research-Granthaalayah, 5(7), 26-30. https://doi.org/10.5281/zenodo.826667

Distanont, Anyanitha dan Khongmalai, Orapan. 2018. The Role Of Innovation In Creating A Competitive Advantage, *Kasetart Journal of Social Sciences*, Vol.4 No.2

Farida, Naili. 2016. Determinants Of Marketing Performance: Innovation, Market Capabilities And Marketing Performance. *Jurnal Dinamika Manajemen*, Vol.7, No, 1. hal. 56-65

Fazlzadeh, A., Ghaderi, E., Khodadadi, H. dan Nezhad, H. D. 2011. An Exploration of the Relationship between *Customer Relationship Strategy* Effectiveness and the Customer Information Orientation of the Firm in Iran Markets. *International Business Research*, 4(2), 238-249.

Ferdinand, Agusty. 2006. *Structural Equation Modeling in Study*

Fozia *et.al*. 2014 Firm Resources and Competitive Advantage. *Journal of Management*, 17(1), 99-120.

Hana, Urbancová. 2013. *Competitive Advantage Achievement through Innovation and Knowledge*

Handoyo, Ag. Sunarno. 2015. The Effect Of Marketing Innovation, Market Orientation, And Social Capital On Competitive Advantage And Marketing Performance: A Study In Msmes Of Embroidery Central Java Province. *Journal of Economics, Business, and Accountancy Ventura* Vol. 18, No. 3, December – March, hal. 351 – 366

Hapsari, Ria Mawar, Indriani, Farida. 2017. Quality Analysis of Support Marketing and Quality Of Sales Training on Sales Performance Capability On Performance Sales Performance Empirical Case on BNI Channel Direct Sales Credit Card Sales Team Semarang and Yogyakarta. *Jurnal Sains Pemasaran Indonesia*. Volume XVI, No. 3, Desember, hal. 145-166

Herman, Alexander and Matthias, Fink. 2010. Entrepreneurial Orientation and Small Business Performance – *A Replication Study.Entrepreneurial Orientation*. SBR Vol. 62Np. 4. hal.175-198.

Ibrahim, Essam B dan Harrison, Tina. 2020. The Impact Of Internal, External, And Competitor Factors On Marketing Strategy Performance. May. *Journal of Strategic Marketing 28(4):1-20*

Kotler, Philip dan Kevin L. *Keller. 2016. Marketing Management* 16 edition. New Jersey: Pearson

Kotler , Philip. 2018. *Management Marketing . Edition three twelve Languages* . Indonesia. Volume 1 and 2. Jakarta : The Great

Kraja. Ylvije Borici, Elez Osmani, 2015, Importance Of External And Internal Environment In Creation Of Competitive Advantage To Smes . (Case of Smes , In The Northern Region Of Albania), European Scientific Journal (ESJ), ISSN: 1857-7431, Vol.11, No.13

Kumar, AL 2011. Market Orientation, Government Regulation, Competitive Advantage and Internationalization of SMEs: A Study in Malaysia. *Journal of Business Administration Research* , Vol. 2, no. 2. Pg. 13-22.

Kuncoro, Wuryanti and Wa Ode Suriani. 2017. Achieving Sustainable Competitive Advantage Through Product Innovation And Market Driving. Asia Pacific Management Review Volume 23, Issue 3 , September 2018, Pages 186-192

Maupa , H., 2004. Factors The determinant Small Business Growth in South Sulawesi. *Analysis , 1 (2)*

Mehrdad Alipour, Mohammad Hallaj Mohammadi, 2011, The Effect Of *Customer Relationship Strategy*t *Customer Relationship Strategy* On Achieving Competitive Advantage Of Manufacturing Tractor, Global Journal of Management and Business Research, Volume 11 Issue 5 Version 1.0 April 2011

Moghli, A., Azmi, A., Al Abdallah, G. M., & Al Muala, A. 2012. Impact of Innovation on Realizing Competitive Advantage in Banking Sector in Jordan. *American Academic &Sch olarly Research Journal, 4*. Pp.213-223

Mohammed, Abdul Alem dan Rashid, 2012, *Customer Relationship Strategy*t *Customer Relationship Strategy* in Hotel Industry: A framework Proposal on the Relationship among *Customer Relationship Strategy* Dimensions, Marketing Capabilities and Hotel Performance, International Review of Management and Marketing, Vol.1, pp.1-56

Mu-Jeung Yang; Lorenz Kueng; Bryan Hong, 2015, Business Strategy and the Management of Firms, University of Washington, vol. 18, pp. 66-109

Munizu , M., 2010. The Influence of External and Internal Factors on the Performance of Micro and Small Enterprises (MSEs) in South Sulawesi. *Journal Management and Entrepreneurship* , 12 (1).

Najib, M., Fahma , F., Abror, A., & Suhartanto , D. 2022. Organizational Capability, Market Perspective, and Green Innovation Adoption: Insight From Indonesian Food Processing Small and Medium-Sized Enterprises. *Journal of Small Business Strategy* , *32* (2), 51–66

Ngambi, Marcel T dan Prisca S. Ndifor, 2015, *Customer Relationship Strategy*t And Firm Performance: Revisiting The Case Of The Camcull Microfinance Intitutions, International Journal of Information Technology and Business Management, Vol. 6, pp. 77-126

Nguyen, T. U. H., Sherif, J. S. dan Newby, M. 2007. Strategies for Successful *Customer Relationship Strategy* Implementation. *Information Management* dan *Computer Security*, 15(2), 102-115

Nurmayanti, 2019.Peringkat Indeks Daya Saing Indonesia Turun. https://www.liputan6.com/bisnis/read/4082622/peringkat-indeks-daya-saing-indonesia-

turun

O'Regan, N. and Ghobadian, A. (2005) Innovation in SMEs: The Impact of Strategic Orientation and Environmental Perceptions. International Journal of Productivity and Performance Management, 54, 81-97. http://dx.doi.org/10.1108/17410400510576595

Onescu Alexandru dan Nicoleta Rossela Dumitru. 2015. The Role Of Innovation In Creating The Company's CompetitiveAdvantage. *Uropean Scientific Journal*. Vol.4 No.2

Oualid Kherbach, 2016, Increasing the performance of business process in Romanian SMES through customer relationship, Politehnica University of Timisoara, vol. 4, pp.1-28

Pardi, S., Suyadi, I. and Arifin, Z. 2014. The Effect of Market Orientation and Entrepreneurial Orientation toward Learning Orientation, Innovation, Competitive Advantages and Marketing Performance. *European Journal of Business and Management*, 6 (21), pp: 69-80

Parnell, Verreynne, M.L., Griffiths, A., 2016, The Relationship between Dynamic and Operating Capabilities as a Stage-Gate Process: Insights from Radical Innovation. *Journal of Management & Organization*, Vol.18 No.1, 121-135.

Potjanajaruwit, Pisit. 2018. Competitive Advantages And Company's Performance: Analyzing The Relationship. The Euraseans

Rania Ahmed Azmi, 2006, Business Ethics as Competitive Advantage for Companies In the Globalization Era, Business Administration AlexandriaUniversity, vol. 25, pp.134-187

Reimann, Martin, Oliver Schilke dan Jacquelyn S. Thomas, 2010, *Customer Relationship Strategy*t and firm performance: the mediating role of business strategy, J. of the Acad. Mark. Sci. vol. 3, pp. 1-27

Salem Al-Said, S.2010. The effects of *Customer Relationship Strategy*t (*Customer Relationship Strategy*) practices in the Egyptian mobile telecommunications market on customer satisfaction, loyalty and corporate image. *Arabic Journal of Management, 30*(1), 1-10.

Sefnedi, S., Sukma, T dan Yadewani, D. (2022). The Impact of Market Orientation and Entreprenurial Orientation on SME's Marketing Performance. *International Journal of Indonesian Business Review*, *1*(1), 12–20.

Soliman, H. S. 2011. Customer Relationship Management and Its Relationship to the Marketing Performance. *International Journal of Business and Social Science*, 2, 166-182.

Sofi, Maraj Rahman dan Hakim, Iqbal Ahmad. 2018. *Customer Relationship Strategyt as Tool to Enhance Competitive Effectiveness: Model Revisited*. First Published September 18, https://doi.org/10.1177/2319714518798410

Subin-Im dan Workman, John.P. 2004. Market Orientation, Creativity, and New Product Performance in Higt- Technology Firms. *Journal Of Marketing***,** Vol.5, No.1, hal 114 : 132

Sudarmiatin dan Suharto. 2016. Sustainable Competitive Advantage on SMEs: Bringing LocalProduct toward Global Market. *IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 18, Issue 7 .Ver. III (July 2016), PP 46-53*

Tambunan, T. 2002. Profile and Problems of Small Businesses in Indonesia Prosending National Conference , Small Business, Cipanas , 4-6 August, Jakarta, ISEI Kadin, Ford Fundation .

Urban Life Hana (2013). *Competitive Advantage Achievement through Innovation and Knowledge*

Voss, Glen. B. Dan Voss, Zannic G.. 2000. Strategic Orientation and Firm Performance in an Artistic Environment. *Journal of Marketing.* Vol. 64. No.2, hal.7-79

W ac h j u n i . 2014. INFLUENCE O r i e n t a t i o n Market , Innovation PRODUCTS AND SERVICING QUALITIES To performance marketing D a m Up a y a M e n a c p a i t i o n Superiority B e r c o m p e t i n g . *J o r n a l Econom ics and I nformatics T echniques* .V ol.2. N o. 1. p . 1-12

W a h y o n o . 2002. O r i e n t a s i P a s a r d a n I n o v a s i : I nfluence T here is the M arketing K ine . *Journal of Marketing Science I n d o n e s ia. V ol. 1*

Wang, Y., and Feng, H. 2012. *Customer Relationship Strategy Capabilities* Measurement , Antecedents and Consequences. *Management Decision, 50* (1), 115-129.

2016. The dilemma of innovation in silver craft SMEs in Gianyar Regency of Bali Province, Indonesia

Yee-Ching, dan Lilian Chan, 2004, Performance Measures and adoption of Balanced Scorecard: a Survey of Municipal Goverments in the USA and Canada, *The International Journal of Public Sector Management*, Vol.17, No.3, pp.204-221

Ylvije Kraja (Borici) and Dr. Elez Osmani. 2013. Competitive Advantage And Its Impact In Small And Medium Enterprises (SME's) (Case Of Albania). *June European Scientific Journal* DOI: 10.19044/esj.2013.v9n16p%25p

Zimmerer, Thomas W and Scarborough, Norman M. 2005. *Introduction Entrepreneurship and Management Small Business* . Jakarta: PT. Penebar Self-reliance .