

The Influence of Differentiation Strategy to Superiority Competing in the Creative Industry

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Abstract. This study aims to analyze the effect of differentiation strategy on superior competitiveness in the creative industry. The creative industry faces increasingly fierce competition, so business actors strive to create unique products, innovations, and trademarks that are able to differentiate themselves from competitors. Differentiation strategy is seen as one of the strategic approaches that can increase competitiveness and business sustainability. This study uses a quantitative study method with a survey approach. Data were collected by distributing questionnaires to creative industry business actors in Sumedang Regency as research respondents. A total of 93 samples were obtained. Data analysis used included validity tests, reliability tests, and simple regression analysis to examine the effect of differentiation strategy on superior competitiveness. The results of the study indicate that differentiation strategy has a positive and significant effect on superior competitiveness in the creative industry. This finding indicates that the better the implementation of differentiation strategies, such as product innovation, quality, design, and service, the higher the superior competitiveness of creative industry actors. This study is expected to provide practical contributions to industry players in formulating effective business strategies and serve as a reference for further research.

Keywords: *Differentiation Strategy, Competitive Advantage, Compete, Industry Creative.*

A. INTRODUCTION

The creative industry has developed into a sector that significantly contributes to economic growth, innovation, and the creation of added value based on creativity and knowledge (Abdullah, 2023). The creative industry's reliance on ideas, creativity, and innovation makes it a dynamic sector. However, it also faces intense competition. In this context, creative industry players strive to develop strategies that can create sustainable competitive advantage (Wahyudi et al., 2024).

Competitive advantage is an organization's ability to create greater and superior value than its competitors, either through cost efficiency or product and service differentiation (Sulistiani, 2013). According to Hajar (2019), sustainable competitive advantage can be achieved if a company's resources are valuable, rare, difficult to imitate, and irreplaceable. In the context of the creative industry, these resources often include creativity, innovation, and the ability to create unique products.

One of the many strategies used to build competitive advantage is a differentiation strategy. A differentiation strategy focuses on creating unique products or services that consumers perceive as valuable, enabling a company to gain a stronger competitive position (Tampi, 2015). Differentiation can be achieved through innovative design, quality products, branding, technology, and superior service (Satyarini, 2016).

In the creative industry, a differentiation strategy is particularly relevant because consumers tend to identify the symbolic, aesthetic, and experiential value offered by a product (Heryani et al., 2020). Research by Marlina et al. (2020) confirms that strong differentiation can enhance consumer perception and strengthen a brand's position in the market. Thus,

differentiation serves not only as a marketing tool but also as a key strategy in building competitive advantage.

However, not all creative industry players successfully implement a differentiation strategy effectively. Limited innovation capabilities, a lack of understanding of market preferences, and weaknesses in strategic management often hinder sustainable differentiation (Ratry & Astuti, 2025). Several empirical studies have shown that failure to manage differentiation can cause a product to lose its uniqueness and struggle to compete in a competitive market (Nikmah & Siswahyudianto, 2022; Setiawan et al., 2024).

Based on these conditions, this study aims to analyze the effect of differentiation strategy on superior competitiveness in the creative industry. This research is expected to provide an empirical contribution to the development of strategic management literature, particularly regarding the application of differentiation strategy in creativity-based industries, as well as provide practical implications for creative industry practitioners in formulating strategies capable of sustainably enhancing competitiveness.

B. LITERATURE REVIEW

1. Competitive Advantage

Competitive advantage is the core of management strategy, describing a company's ability to achieve superior performance compared to competitors. Porter (1985) stated that competitive advantage can be achieved through two main strategies: cost leadership and differentiation. Competitive advantage is reflected in a company's ability to create greater value for customers, both through competitive pricing and through unique products and services.

Barney (1991) emphasized that sustainable competitive advantage stems from the ownership and management of internal strength resources that meet the criteria of valuable, rare, inimitable, and irreplaceable (VRIN). In the context of the creative industry, strength resources generally include creativity, innovation, brand reputation, and capabilities that are difficult for competitors to imitate. Therefore, competitive advantage is determined not only by external factors but also by a company's internal capabilities in managing strategic assets.

2. Differentiation Strategy

Differentiation strategy is a competitive strategy that focuses on creating unique products or services that differentiate it from its competitors (Spencer et al., 2009). Differentiation aims to create a higher perceived value in the eyes of consumers, thereby gaining customer loyalty and reducing price sensitivity. Uniqueness can be realized through design, quality, innovation, technology, branding, and service.

Boehe & Barin Cruz (2010) state that effective differentiation must be relevant to consumer needs, difficult for competitors to imitate, and capable of delivering tangible benefits. In the creative industry, differentiation often stems from continuous creativity and innovation, making it a crucial strategy in facing dynamic market competition. Strong differentiation also enables companies to build a unique identity and enhance the emotional appeal of product brands.

3. Creative Industries

The creative industry is an economic sector that relies on individual creativity, skills, and talent to create added value and employment through the utilization of intellectual property (Sadillah, 2010). This industry encompasses various subsectors, such as design, fashion, culinary arts, music, film, performing arts, and digital content. The main characteristic of the creative industry is its heavy reliance on innovation and creative ideas as its primary source of strength.

According to Kamil (2015), the creative industry plays a crucial role in driving economic growth based on knowledge and culture. However, its dynamic and easily imitated nature requires businesses to continuously innovate and create differentiation to maintain a competitive advantage. Therefore, a differentiation strategy is a relevant approach to enhancing the competitiveness of the creative industry amidst global competition.

4. The Relationship Between Differentiation Strategy and Competitive Advantage

Differentiation strategy is believed to be closely linked to achieving competitive advantage. Porter (1985) emphasized that differentiation enables companies to create a unique position that is difficult for competitors to match. By offering differentiated value, companies can increase customer loyalty and strengthen their market position.

Several empirical studies have shown that differentiation strategy has a positive effect on competitive advantage, particularly in industries based on innovation and creativity. Sadilah (2019) states that differentiation supported by strong internal capabilities will result in sustainable competitive advantage. In the creative industry, implementing an effective differentiation strategy is believed to increase competitiveness, strengthen brand image, and create a long-term brand image for the company.

C. METHOD

This research uses a quantitative approach with a survey method. This quantitative approach was chosen to empirically test the effect of differentiation strategy on competitive advantage in the creative industry through structured variable measurement and statistical analysis. This research is exploratory in nature, as it aims to explain the causal relationship between the independent and dependent variables.

The population in this study comprised all creative industry business actors operating in Sumedang Regency. Given the large and underdeveloped population, the sample selection technique used simple random sampling, resulting in 93 samples. The respondent criteria for this study included: (1) creative industry business practitioners who had been operating for at least one year, and (2) business owners or managers who understood the implemented business strategy.

The data in this study consisted of primary and secondary data. Primary data were obtained by distributing questionnaires to creative industry respondents. The questionnaires were structured using a five-point Likert scale to measure respondents' perceptions of differentiation strategy and competitive advantage. Meanwhile, secondary data were obtained from scientific literature, official reports, and publications related to creative industry management and strategy.

The independent variable in this study is differentiation strategy, measured through indicators of product innovation, quality, design, uniqueness, and service. The dependent variable is superior competitiveness, measured through indicators of product superiority, market position, customer loyalty, and competitiveness. All indicators were measured using a Likert scale and tested for validity and reliability before further analysis.

Data analysis was conducted using descriptive and inferential statistical techniques. Validity and reliability tests were used to ensure the feasibility of the research instrument. Next, hypothesis testing was conducted using simple linear regression analysis to determine the effect of differentiation strategy on superior competitiveness. The entire data analysis process was conducted using statistical software, such as SPSS.

D. RESULTS AND DISCUSSION

Validity test results indicate that all indicators in the studied variables have correlation coefficients above 0.5. This finding indicates that each indicator is capable of correctly measuring the construct under study, thus all research instruments are declared valid and suitable for use as measuring tools in this study.

Table 1 Validity Test of the Differentiation Strategy

Indicator	R Count	R table	Conclusion
Item 1	0.874	0.361	Valid
Item 2	0.893	0.361	Valid
Item 3	0.817	0.361	Valid
Item 4	0.825	0.361	Valid

Table 2 Validity Test Competitive Advantage

Indicator	R Count	R table	Conclusion
Item 1	0.898	0.361	Valid
Item 2	0.523	0.361	Valid
Item 3	0.784	0.361	Valid
Item 4	0.586	0.361	Valid

After all question items declared valid, stage furthermore is conduct reliability tests to assess level consistency instrument study in measure the same construct in a way repeating.

Table 3 Reliability Test Results

Variables	Cronbach Alpha	Information
Differentiation Strategy (X)	0.963	Reliable
Competitive Advantage (Y)	0.903	Reliable

Based on Table 3, Cronbach's Alpha value for Differentiation Strategy variable (X) is 0.963 and for variables Superiority Competitive (Y) is 0.903. Second mark the exceeding the minimum reliability limit of 0.6, so that questionnaire containing statement related to Differentiation and Superiority Strategy Compete can stated reliable.

Analysis Simple Linear Regression used for predict or test influence One variables free or variables independent to variables bound or dependent variable.

Table 4 Regression Test Results Simple Coefficients^a

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	b	Std. error	Beta		
Constant	8.457	1.951		4.323	.000
Differentiation Strategy	.755	.052	.921	13.052	.000

a. Dependent Variable: Competitive Advantage

From the table above, obtained equality regression: $Y = 8.457 + 0.755X$.

Table 5 Results of the Determination Coefficient Test Model Summary^b

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.920 ^a	.846	.832	8.157

Coefficient results determination of 0.846 or 84.6%, meaning If the higher Differentiation Strategy so the more increase Superiority Competing creative industries in the district Sumedang. Meanwhile, 15.4% is factor affecting variable Y from other factors that are not studied by researchers.

The t-test is used for know how much far influence in a way partial variables independent to variables dependent. The significance used is 0.05.

Table 6 t-Test Results

Coefficients^a

Model	Standardized Coefficient	t	Sig.
	Beta		
Constant		4,323	.000
Differentiation Strategy	.922	13,052	.000

a. Dependent Variable: Competitive Advantage

Based on results t-test analysis, there is influence significant between Differentiation Strategy (X) and Advantage variables Competing in the creative industry in the Regency of Sumedang. This is proven with the t-test value is 13.053, while the t- table is 2,048 at the level of significance of 5%, which means hypothesis alternative (Ha) is accepted and the hypothesis zero (Ho) is rejected. With thus, it can concluded that there is influence between Differentiation Strategy to Superiority Competing in the creative industry Regency of Sumedang.

The research results show that differentiation strategy influences competitive advantage in the creative industry in Sumedang Regency. This finding suggests that implementing an appropriate differentiation strategy can improve the competitive position of creative industry players amidst increasing competition. Competitive advantage is a crucial factor for business sustainability, particularly in industries based on creativity and innovation.

Differentiation strategy in this study is measured through several indicators, namely product innovation, quality, design, uniqueness, and service. Product innovation is a key element in creating a brand that differentiates creative industry products from competitors. Furthermore, product quality and design play a role in building positive consumer perceptions, enabling products to acquire not only functional branding but also aesthetic and symbolic value. Consistent product uniqueness and excellent service further strengthen differentiation and increase product appeal in the market.

Meanwhile, competitive advantage, as the dependent variable, is measured through indicators of product superiority, market position, customer loyalty, and the ability to compete with competitors. The research results indicate that creative industry players who are able to effectively implement differentiation strategies tend to have superior products and a stronger market position. Clear differentiation also contributes to building customer loyalty, as consumers tend to choose products with unique characteristics and values that align with their preferences.

The positive influence of differentiation strategy on competitive advantage. This aligns with the theory of Yucha & Cahyani (2022), which states that differentiation enables companies to create unique features that are difficult for competitors to imitate, thus generating competitive advantage. This finding also supports the view of Anggio et al. (2022), who emphasize the importance of internal strengths, such as creativity and innovation, as the basis for creating sustainable competitive advantage.

Thus, the results of this study confirm that differentiation strategy is a relevant strategic approach for creative industry players in Sumedang Regency. Implementing differentiation that focuses on innovation, quality, and service not only enhances competitiveness but also strengthens long-term business sustainability. These findings are expected to serve as a basis for creative industry players and stakeholders in formulating policies and development strategies in the creative industry sector.

E. CONCLUSION

Based on the research results and discussions, it can be concluded that differentiation strategy influences Competitive Advantage in the creative industry in Sumedang Regency. This finding indicates that the ability of creative industry players to create uniqueness through

product innovation, quality, design, uniqueness, and service is an important factor in increasing business competitiveness. The implementation of an effective differentiation strategy has been proven to strengthen product superiority, improve market position, build customer loyalty, and increase the ability to compete with competitors. This confirms that differentiation not only functions as a marketing strategy, but also as a business strategy that plays a role in creating sustainable competitive advantage in the creative industry. Thus, this study provides implications that creative industry players in Sumedang Regency need to consistently develop innovation and creativity-based differentiation strategies to maintain and improve Competitive Advantage. In addition, the results of this study are expected to be a reference for further research in examining competitive strategies in the creative industry by considering more variables and a broader context.

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