

Improving Innovation And Differentiation At PT. Ayo Menebar Kebaikan In Developing New Quality Products

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Abstract

This research aims to determine strategies for increasing innovation and product differentiation at PT. Ayo Menebar Kebaikan. A company operating in the chemical sector as well as raw materials for soap and perfume, in an effort to increase competitiveness in the market, and in facing challenges to create products that are innovative and different from competitors. This research uses a qualitative approach with information collection methods obtained through in-depth interviews with management and employees as well as analysis of company documents. The research results show that the combination of a strong innovation culture, collaboration between departments, and a consumer needs-oriented approach plays a key role in the success of new product development. This study provides insight into the importance of innovation and differentiation strategies in strengthening a company's position in the market and suggests practical steps that can be implemented by other companies wishing to achieve similar goals.

Keywords: Marketing strategy, product innovation, product differentiation.

INTRODUCTION

In the era of globalization and increasingly fierce business competition, companies must continue to innovate and produce different high-quality products. The ability to offer new products that meet consumer needs and are unique is very important to maintain and improve the company's position in the market. The two main components of an effective business strategy are innovation and differentiation.

Innovation is the key to success in the dynamic business world. Innovation doesn't just mean creating something completely new, it also includes improving and perfecting existing products to meet changing consumer needs. In this context, innovation can take the form of developing new technology, improving product quality, or finding new ways to make production processes more efficient. Through innovation, companies can adapt their products to the latest trends, increase operational efficiency, and provide greater added value to consumers. Continuous innovation allows companies to remain relevant and competitive in an ever-changing market.

While innovation is important for product progress and development, differentiation is the process of creating unique products that are more attractive and valuable in the eyes of customers compared to competitors' products. Differentiation can be achieved through various means, such as unique product designs, features that competitors do not have, or exceptional customer service. With differentiation, companies can stand out in a crowded market and build stronger consumer loyalty. Effective differentiation makes consumers choose a company's products over competitors' products, even though the price is higher. This is because consumers feel they are getting better value from these different and unique products.

PT. Ayo Menebar Kebaikan is currently facing challenges that are common to many companies, namely the emergence of many new competitors who each have their own advantages. This condition requires PT. Ayo Menebar Kebaikan not only rely on existing products, but also continue to innovate and look for ways to differentiate themselves from competitors. These new competitors bring new products and services that may be more attractive or better suited to current consumer needs, thereby adding competitive pressure to the market.

To overcome this challenge, PT. Ayo Menebar Kebaikan needs to implement innovation and differentiation strategies effectively. This involves not only developing new products but also improving existing products to ensure that they remain relevant and attractive to consumers. Additionally, companies should focus on understanding consumer needs and preferences better through in-depth market research. With the right information about consumer trends, PT. Ayo Menebar Kebaikan can develop products that are not only unique but also relevant and desired by consumers.

LITERATURE ANALYSIS AND METHODOLOGY

Marketing

Marketing is an activity related to actions to create benefits, time, place and ownership. Marketing moves goods from one place to another by transferring ownership through buying and selling. Marketing is the interaction process before and after the process of buying and selling goods to customers.

According to Kottler (2009) "Marketing is one of the main activities that needs to be carried out by companies, whether goods or service companies, in an effort to maintain the survival of their business," while according to Laksana (2008) "marketing strategy is a company's actions taken to provide product offers. to consumers according to their needs and desires."

Innovation

The word "innovation" usually refers to properties such as: updating, changing, or creating processes or products, as well as methods to do something more effectively. Bias in business or enterprise means implementing new concepts, improving existing services, and creating other more dynamic products. As stated by Goldenbreg, Mazursky, and Salomon in Moreau, Lehman, and Markman in Sutrasnawati (2008:92) The innovation process is a series of actions carried out by individuals or companies, from understanding innovation to implementing it.

Differentiation

Creating a product or image that is different from those already in circulation to attract customers is known as product differentiation. Kotler (2007:385) Apart from that, making changes to make production more attractive can also be considered product differentiation. According to Gunara and Utus (2007), differentiation is a difference or way to be different from other products or businesses. According to Kartajaya (2004), differentiation can be defined as all efforts by a brand or company to make a difference from competitors by providing the best value to customers. Companies must focus on three dimensions of differentiation: content, context, and infrastructure to make a significant difference.

RESEARCH FRAMEWORK

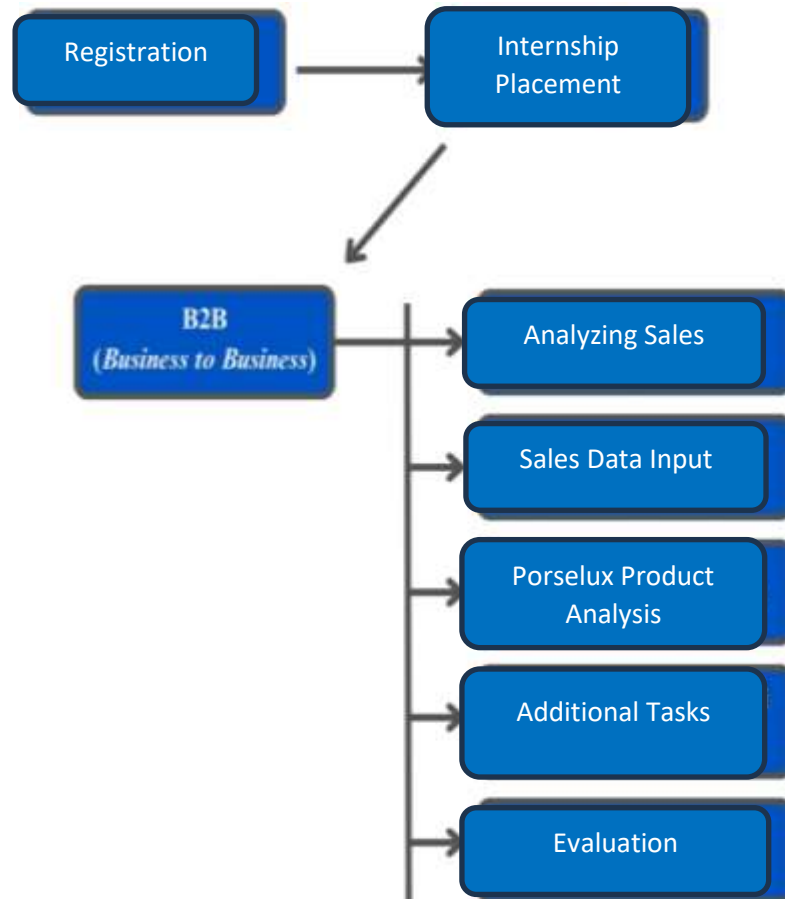


Figure 1. Research Framework

RESEARCH METHODS

This research was conducted at PT. Ayo Menebar Kebaikan for four months, focusing on the B2B (Business to Business) marketing division, with researchers responsible for analyzing and inputting sales data. Using a qualitative approach, this research emphasizes an in-depth understanding of the problems faced by companies. Qualitative methods were chosen because they can provide more detailed and contextual insight into specific issues that cannot be generalized. Data was collected from primary sources through direct observation and unstructured interviews with B2B marketing team members, to gain their perspectives, experiences and feelings. Observation techniques allow researchers to observe

behavior and interactions in a natural environment, while interviews provide in-depth information about the marketing strategies and concepts used. The unit of analysis in this research includes key individuals in the company, such as Muhammad Arief Setiyawan from the Human Growth team and Muhammad Arif Nur Abhnar from the B2B & B2C Marketing team, who have authority in managing HR and marketing strategy.

RESULT AND DISCUSSION

Results

The product innovation process that occurs at the company PT. Ayo Menebar Kebaikan starting from several stages. The first stage is analyzing looking for ideas, market share, analyzing product categories, analyzing rising trends. (Dwijo Wiyono et al., 2020). The second stage is to process the data and sort it according to the company's capabilities and according to the market that has been analyzed. In this second stage, discussions are held between marketing and operational parties to confirm production capabilities. In the third stage, after data processing and production have been carried out, market testing will be carried out by selling fifty products with a flash sale concept at low prices or large discounts with the aim of increasing these products into the marketplace. In this stage, contact searches are also carried out from random buyers to ask for feedback on purchasing the product. The fourth stage, after it is deemed sufficient and the product is ready to be commercialized, PT. Ayo Menebar Kebaikan carries out mass production and sells at a predetermined price, as well as conducting product evaluations every week.

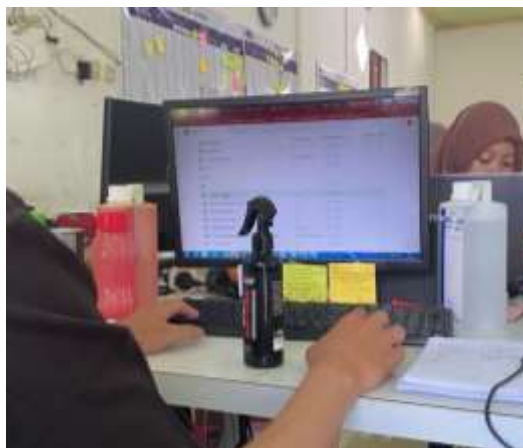


Figure 2. Product Innovation Data Analysis Process

Product innovation carried out by PT. Ayo Menebar Kebaikan is very important to maintain competitiveness and meet customer needs. Innovations that are unique and superior compared to competitors increase the value of the product in the eyes of consumers. In facing diverse market demands, companies must move quickly to meet these needs. The advantages of product innovation include the ability to design products according to customer needs and offer a variety of options that increase competitive advantage and increase revenue and profit margins. However, product innovation also has drawbacks, such as the high costs associated with developing, technology, and marketing new products. Innovation failure can cause significant financial losses for companies.

DISCUSSION

Innovation carried out by PT. Ayo Menebar Kebaikan is considered quite effective in accordance with the increase in sales of its products. Starting with products that have a complexity of benefits, raw materials of the best quality, competitive prices, safe and quality packaging, good after-sales service for each product.

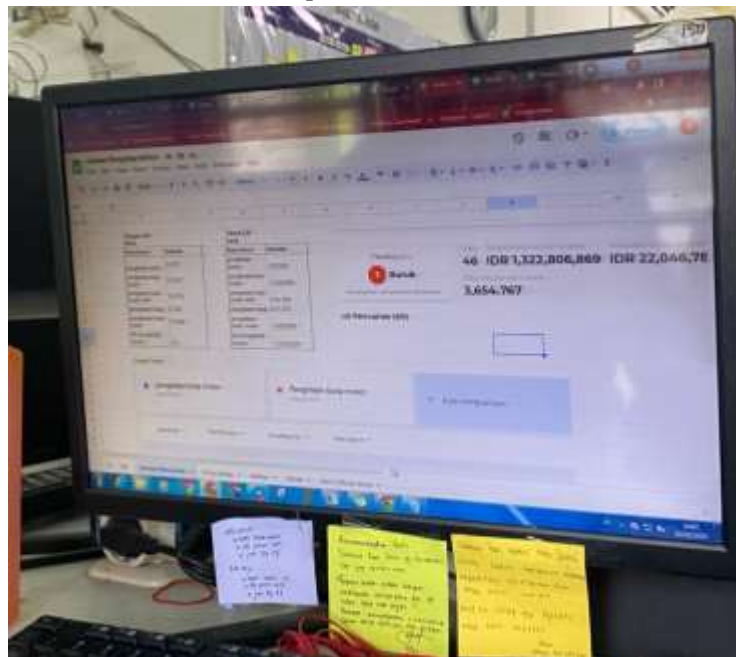


Figure 3. Demand Market Analysis Process

In Figure 6, the demand for motorbike body blackening products turns out to have poor opportunities, indicating the need for a different innovation strategy or perhaps the development of other, more promising products. Competitive advantage is greatly

influenced by product differentiation. Products that successfully highlight unique features and differ from their competitors tend to be more highly valued in the market, thereby increasing the company's competitive advantage. Effective differentiation not only makes products more attractive to consumers but also strengthens the company's position in the market. As stated by Ernawati & Ali (2024), when product differentiation is well appreciated by consumers, the company's competitive advantage will also appear more prominent and stronger. Therefore, continuing to innovate and adapting products to market trends and consumer needs is an important strategy to maintain and improve the company's competitive position.

CONCLUSION

PT. Ayo Menebar Kebaikan has carried out innovation and differentiation which can be said to be quite successful. In accordance with the discussion above, PT. Ayo Menebar Kebaikan can form products that not only meet market demand, but on continuous innovation and development of attractive designs that lead to increased product functionality.

In differentiating itself from its competitors, PT. Ayo Menebar Kebaikan has differentiation as an additional strategy. PT. Ayo Menebar Kebaikan can maintain a sustainable competitive advantage by offering unique value. The uniqueness of PT. Ayo Menebar Kebaikan includes the quality of ingredients and user experience. This strategy increases market share, retains old customers, and attracts new customers for PT. Ayo Menebar Kebaikan.

Overall, the innovation and differentiation strategy carried out by PT. Ayo Menebar Kebaikan has produced significant results. The company manages to maintain its relevance in the market, by continuing to develop quality and differentiated products. Apart from that, increasing sales, market share and brand reputation show the success of this strategy.

RECOMMENDATION

Based on the discussion and conclusions above, the author provides relevant suggestions and for future improvements, so that PT. Ayo Menebar Kebaikan, we can further develop this strategy:

1. Form a separate team that handles innovation and differentiation, so that you can maximize product potential without having to intervene in other work to find the latest information
2. Try to involve external agencies in developing product innovation and differentiation such as schools, campuses or other agencies that are able to provide added value to each product.

3. Utilizing renewable technology to analyze market developments and product developments, so that we have more renewable product quality.

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