
The Role of Product Innovation in Increasing Business Competitiveness

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Abstract: *The aim is to identify effective innovations for national companies so that their products remain high quality and relevant amidst increasingly fierce business competition. Through the narrative approach, researchers can deeply understand the experiences and perspectives related to product innovation needed. Product innovation is very important to increase the competitiveness of the food and beverage industry business. Innovation strategies include utilizing local raw materials, government support through incentives and policies, company investment in research and development, and community participation. The challenges are lack of government support, low investment, and limited quality human resources. Collaboration between the government, companies and the community is essential to create a conducive environment for innovation and improve Indonesia's economic competitiveness. Product innovation is critical to business competitiveness, especially in the food and beverage industry. Developing new products, improving existing products, and utilizing the latest technology can expand markets, increase customer loyalty, and create differentiation from competitors. Innovation includes not only new products, but also improvements in product quality, safety and convenience. Utilizing local raw materials can also improve Indonesia's economic competitiveness globally.*

INTRODUCTION

In this era of globalization, all parts of human life can be easily accessed throughout the world because there are no limitations of distance and time, one of which is the presence of the global market (Supriandi, 2020). The rapid development of information technology and. Globalization has had a significant impact on the global economy. So the rapid development in the era of globalization on the economy has had a big impact, especially on business people in various countries. This is because every country wants to provide the best for the interests of its

country by being able to compete to advance its country's economy. So in this case, the innovation context is a key factor to help countries improve their economies, because at the international level high innovation has a dense intensity. These countries can produce more sophisticated and creative products and increase efficiency (Jones & Lee. 2019).

Product innovation is an important perspective in expanding business seriousness in various fields, including the food and beverage industry. So in this case, in encouraging economic growth innovation becomes an incentive in creating products and services. new because it makes it easier and helps companies to add advantages. competitive for companies in creating products. Apart from that, the role of product innovation in increasing business competitiveness, especially in the food and beverage industry, is very important. Product innovation allows companies to introduce new or updated products that meet consumer needs and desires, thereby expanding share. market and increase customer loyalty. Case studies in the food and beverage industry can show how companies that adopt product innovation successfully overcome market challenges, create differentiation, and strengthen their competitive position.

In addition, to increase economic seriousness, Indonesia needs to strengthen efforts to progress in its financial situation. One way progress can be made is by helping expand the value of human resources in the field of progress and improvement (Anggraini, 2020, Sulaiman et al., 2021). Advances can help increase added value, produce new products or services, increase production effectiveness, and empower organizations to overcome the challenges faced in the cutthroat global marketplace. In addition, development can also strengthen a country's cruel situation by empowering financial development and job creation. However, although development can provide many benefits for the economy, there are still several elements that can influence the level of progress of a country. These factors include lack of government support, lack of interest in work. imaginative, lack of acceptance of quality human resources, and lack of connection between the population as a whole and the fields ordered (Apriliana & Nawangsari, 2021).

Therefore, the state, associations and society must pay attention to the importance of progress in expanding financial competition, one of which is the food and beverage industry. Countries can offer assistance through progress plans that involve organizations to secure resources and organizations critical to progress. Associations can also promote advancement through interest in creative work and relationships with research foundations and universities. Likewise, society can increase progress by using skills and data in the field of progress and fortifying creative minds. Usually, progress has an important role in expanding financial realities. Apart from that, the food and beverage industry at that time was growing rapidly so it was necessary to increase innovation in food and beverage production. to be able to compete internationally. Therefore, the aim of this scientific paper is. what is the role of innovation specifically in the food and beverage industry to increase global competitiveness and help the country's economy.

METHOD

The research method used in this research is qualitative with a narrative approach because researchers use a narrative approach to focus on individual experiences of events. Narrative research is a study that explores individual experiences through the stories they share and the meaning contained in these experiences (James Schreiber & Kimberly Asner-Self, 2011; Nugrahani, 2014 in Agnes., 2022). Narrative is a research method in the field of social sciences that focuses on understanding a person's identity and worldview through the stories they tell

every day. This research aims to find out what innovations are effective in helping national companies maintain the quality of their products so that they remain relevant in increasingly fierce business competition.

RESULT AND DISCUSSION

The Role of Product Innovation in Increasing Business Competitiveness

Product innovation plays a crucial role in increasing business competitiveness in various industrial sectors, including the food and beverage industry. The concept of product innovation not only includes the development of new products, but also improvements or modifications to existing products, as well as the use of the latest technology to improve production processes or product quality. In general, product innovation allows companies to better respond to changing consumer needs and preferences, enabling them to maintain and even increase their market share (Irvanto, O., & Sujana, D. 2020). In the context of the food and beverage industry, where competition is very tight and consumption trends continue to change, product innovation is the key to winning the competition. By introducing new products that are unique, attractive, and meet evolving market needs, food and beverage companies can expand their market share, increase customer loyalty, and create significant differentiation from their competitors.

The importance of innovation in the food and beverage industry lies not only in the creation of new products, but also in improving the quality, safety and convenience of existing products (Rifa, M. et al. 2019). By implementing innovations in formulations, production processes, packaging, and marketing strategies, companies can improve the appeal of their products, increase operational efficiency, and meet increasingly stringent safety and regulatory standards. Additionally, innovation also allows companies to adapt their products to health and sustainability trends that are increasingly important to modern consumers. Thus, product innovation not only strengthens the competitiveness of food and beverage companies' businesses in local markets, but also enables them to compete more effectively in an increasingly connected and diverse global market.

Innovation Strategy to Increase Indonesia's Economic Competitiveness

An innovation strategy that can be implemented is to develop new products by utilizing abundant local raw material resources in Indonesia. For example, by utilizing the wealth of spices and other natural ingredients that can only be found in Indonesia, food and beverage companies can create unique products that attract the interest of domestic and international consumers. A concrete example of this strategy is the development of functional drinks such as herbal medicine-based drinks or energy drinks that use traditional Indonesian ingredients (Khotimah, K., et al. 2022). To improve the herbal medicine business requires developing innovation and improving the quality of the herbal medicine sold so that people are more interested. To get the good taste and properties of herbal medicine, the quality and freshness of the raw materials must be considered. In addition, herbal preparations can be converted into powder or jelly candy. Consumer value is when consumers feel satisfied or loyal with the quality of the herbal medicine provided. This contributes to improving the Health and preserving the younger generation. (Khotimah, K., et al. 2022).

In addition, the importance of government support, corporate investment and community participation in driving innovation cannot be ignored. The government can provide incentives and facilities to encourage research and development of new products in the food and beverage sector. This includes tax incentives, easier access to research and development funding, and the formation of policies that support innovation (Rosmadi, M. L. N. 2021). Companies also need to allocate sufficient resources for research and development in order to produce innovative

products that meet consumer expectations.

No less important is community participation in supporting product innovation. Consumers who are involved in the product development process can provide valuable input to companies to improve product quality and relevance to market needs. Apart from that, consumer participation in adopting innovative products is also an important factor in the success of a company's innovation strategy (Nasrullah, M. H., & Faizin, M. 2020). Overall, an effective innovation strategy in increasing business competitiveness in the food and beverage industry involves collaboration between government, companies and society. With strong support from all relevant parties, Indonesia can exploit the enormous potential in the food and beverage industry to become a major player in the global market and increase its overall economic competitiveness.

Challenges in Increasing the Level of Innovation

The challenge of increasing the level of innovation in the food and beverage industry is an important issue that needs to be understood in depth. Factors such as lack of government support, low investment, and lack of access to quality human resources are the main obstacles that hinder the progress of innovation in this sector (Yuhendri LV. 2022). Government support in the form of conducive regulations, tax incentives, and quality training and education programs will be key to facilitating an environment that supports innovation. Apart from that, companies in this industry also have an important role in overcoming these challenges by increasing investment in research and product development and creating a culture of innovation that stimulates creativity. In addition, involving the community in the innovation process through participation in product testing and providing feedback can also be an effective strategy in encouraging the creation of new products that suit consumer needs.

The collaborative role between government, companies and society is crucial in overcoming these obstacles and encouraging innovation in the food and beverage industry. The government can act as a facilitator in creating policies that support innovation, such as through budget allocation for research and development and providing adequate infrastructure. On the other hand, companies need to strengthen their commitment to innovation by allocating sufficient resources, whether in the form of funds, labor or time, to advance research and development of new products. Meanwhile, the community also has an equally important role in providing support for innovative products through product acceptance and adoption, as well as providing constructive feedback for the company. With synergistic collaboration between these three parties, it is hoped that a conducive environment can be created for product innovation in the food and beverage industry, so that business competitiveness can continue to increase.

CONCLUSION

New product innovation plays a crucial role in increasing the competitive ability of a business, especially in the food and beverage industry. By carrying out innovations such as developing new products, improving existing products, and utilizing the latest technology, companies can expand market reach, grow customer loyalty, and create differentiation from competitors. Product innovation is the key to excelling in business competition. The importance of innovation is not only in creating new products, but also in improving the quality, safety and comfort of existing products. Apart from that, strategic innovations such as utilizing local raw materials can help increase the competitiveness of the Indonesian economy in the global market.

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