

Exploring Market Orientation, Entrepreneurship, Pricing, Product Quality, and Innovation as Drivers of Competitive Advantage in E-Commerce Platforms

Novita Iswandini¹, Efriyani Sumastuti², Qristin Violinda³, Sutrisno⁴

^{1,2,3,4} Universitas PGRI Semarang, Indonesia

Corresponding email: efriyanisumastuti@upgris.ac.id

Received: December,2, 2024 | Revised: December,18, 2024 | Accepted: December,20, 2024

Abstract. The competitive landscape in e-commerce demands platforms to leverage key drivers such as market orientation, entrepreneurial orientation, pricing, product quality, and innovation. This study investigates the influence of these factors on achieving competitive advantage in the dynamic e-commerce environment. The objective is to evaluate the extent to which these elements contribute to sustained marketplace competitiveness and consumer retention. Employing a quantitative research methodology, data were collected through structured questionnaires distributed to 100 respondents using purposive sampling. The collected data were analyzed using multiple regression analysis to identify the relationships between the independent variables and competitive advantage. The findings reveal that market orientation and entrepreneurial orientation significantly enhance competitive advantage by aligning organizational strategies with market trends and fostering proactive innovation. Additionally, competitive pricing and high-quality products emerge as critical factors in influencing consumer purchasing decisions and loyalty. However, the study emphasizes that continuous product innovation remains a key differentiator in a crowded marketplace. These results underscore the importance of integrating consumer-focused strategies and innovative practices in maintaining a competitive edge in e-commerce. Platforms must prioritize adaptive strategies to address evolving consumer needs while ensuring value delivery through quality and innovation. This research contributes to the understanding of strategic priorities in e-commerce and offers practical insights for businesses aiming to excel in competitive digital markets.

Keywords: Competitive Advantage; Market Orientation; Entrepreneurial Orientation; Product Innovation; E-Commerce Strategies

INTRODUCTION

The rapid advancement of technology and the evolution of consumer behavior have dramatically transformed the retail landscape, leading to increased competition among e-commerce platforms (Firmansyah, 2018). In Indonesia, the e-commerce sector has witnessed significant growth, with platforms like Tokopedia playing a crucial role in shaping online shopping experiences (Aydin, 2021). The intense competition in the marketplace demands that these platforms continuously innovate and adapt to maintain a competitive edge (Poerwanto et al., 2022).

Market orientation has been identified as a critical factor influencing competitive advantage in businesses. It involves understanding customer needs and market trends to deliver superior value (Mamengko et al., 2023). Studies have shown that a strong market orientation enables companies to respond effectively to market changes, thereby enhancing their competitiveness (Dedy & Soelaiman, 2023). However, there is a need to explore how market orientation interacts with other strategic factors in the context of e-commerce platforms like Tokopedia.

Entrepreneurial orientation, characterized by innovativeness, proactiveness, and risk-taking, is essential for businesses operating in dynamic markets (Nuvriasari et al., 2020). It reflects an organization's willingness to innovate and seize new opportunities, which can lead to sustainable competitive advantage (Handini & Pangestuti, 2021). Despite its importance, the combined effect of entrepreneurial orientation with other factors such as market orientation, pricing, and product quality on competitive advantage in the e-commerce sector remains underexplored.

Pricing strategies play a significant role in influencing consumer purchasing decisions in online marketplaces (Kotler & Armstrong, 2018). Competitive pricing, when aligned with perceived product quality, can enhance customer satisfaction and loyalty (Halimah & Yanti, 2020). Nevertheless, the interplay between pricing and other strategic factors, such as innovation and market orientation, requires further investigation to understand their collective impact on competitive advantage.

Product quality and innovation are crucial determinants of success in the e-commerce industry. High-quality products that meet or exceed customer expectations can lead to increased customer satisfaction and repeat purchases (Amrullah et al., 2017). Additionally, continuous product innovation allows companies to differentiate themselves from competitors and adapt to changing market demands (Prasetyo, 2020). However, the synergistic effects of product quality and innovation on competitive advantage, particularly in conjunction with market and entrepreneurial orientations, have not been fully examined.

Previous research has provided insights into the individual impacts of market orientation, entrepreneurial orientation, pricing, product quality, and innovation on competitive advantage. However, there is a gap in understanding how these factors collectively influence competitive advantage in the e-commerce context (Khairi & Supriyanto, 2023; Noviani, 2020). Addressing this gap is essential for developing integrated strategies that can enhance the competitiveness of platforms like Tokopedia.

This study aims to analyze the combined effects of market orientation, entrepreneurial orientation, pricing, product quality, and innovation on competitive advantage in the e-commerce sector. By examining these factors collectively, the research seeks to provide a comprehensive framework that can guide e-commerce platforms in developing strategies to strengthen their market position and achieve sustainable competitive advantage.

METHOD

This study employs a quantitative research approach to analyze the influence of market orientation, entrepreneurial orientation, pricing, product quality, and innovation on competitive advantage. The rationale for this approach lies in its capacity to objectively measure relationships between variables and validate findings using statistical analysis (Darma et al., 2022). Quantitative methods are particularly suitable for this research as they enable the analysis of large-scale data from respondents, ensuring reliability and generalizability.

Data were collected using structured questionnaires distributed to 100 respondents who are users of Tokopedia in Pekalongan. This purposive sampling method was chosen to ensure that respondents have relevant experience with the e-commerce platform under study. The questionnaire included Likert-scale items designed to capture insights on variables such as market orientation, entrepreneurial orientation, pricing strategies, product

quality, and innovation, following frameworks established by Mamengko et al. (2023) and Kotler & Armstrong (2018).

The research instruments were developed based on validated measures from previous studies. For instance, indicators for market orientation included customer orientation and competitor analysis (Mamengko et al., 2023). Entrepreneurial orientation measures encompassed innovation, proactiveness, and risk-taking (Handini et al., 2023). Pricing strategies were assessed based on affordability and competitiveness (Dewi et al., 2022). Product quality and innovation were evaluated using dimensions such as durability and unique features (Amrullah et al., 2017; Prasetyo, 2020).

Data were analyzed using multiple regression analysis to evaluate the influence of independent variables on competitive advantage. Statistical analysis was performed using SPSS software to ensure accuracy and robustness. The model's validity was tested through reliability analysis and confirmatory factor analysis, ensuring that the measurement items appropriately captured the constructs under investigation (Darma et al., 2022).

The application of these methods ensures that the study captures the multifaceted nature of competitive advantage in the e-commerce sector. Quantitative analysis provides a clear understanding of causal relationships, while the use of validated measures from previous literature enhances the study's credibility. Furthermore, this methodology aligns with prior research emphasizing the importance of integrating diverse strategic factors for achieving competitive advantage (Anggraini & Graciafernandy, 2023).

The study's validity was ensured through expert review during instrument development and pilot testing to refine the questionnaire. Reliability was assessed using Cronbach's alpha, with a threshold of 0.7, ensuring consistency in responses across items (Yusra & Rizki, 2021). These measures enhance the overall robustness of the research design, allowing readers to critically evaluate its reliability and applicability.

RESULTS AND DISCUSSION

The respondents in this study were selected using purposive sampling to ensure they had relevant experience with Tokopedia, an e-commerce platform. The following table summarizes the key demographic characteristics of the respondents:

Table 1. Characteristics Of The Respondents

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	52	52.0
	Female	48	48.0
Age Group	15–24 years	35	35.0
	25–34 years	40	40.0
	35–44 years	15	15.0
	45 years and above	10	10.0
Education Level	High School	30	30.0
	Undergraduate Degree	50	50.0
	Postgraduate Degree	20	20.0
Frequency of Purchases	Rarely (1–2 times/year)	20	20.0
	Occasionally (3–6 times/year)	50	50.0

Characteristic	Category	Frequency	Percentage (%)
	Frequently (7+ times/year)	30	30.0

Source: processed primary data (2024)

The gender distribution was nearly equal, with a slight majority being male (52%). This indicates balanced representation, allowing for generalizable insights across genders. The majority of respondents (75%) were aged between 15 and 34 years, aligning with the dominant age group for online shopping in Indonesia. Over 70% of respondents held undergraduate or postgraduate degrees, suggesting that a well-educated demographic forms a significant portion of Tokopedia's user base. Half of the respondents reported shopping occasionally, indicating that Tokopedia attracts a mix of regular and infrequent users.

The study identified significant relationships between market orientation, entrepreneurial orientation, pricing strategies, product quality, and innovation on the competitive advantage of e-commerce platforms, specifically Tokopedia. Table 2 provides an overview of the regression analysis results, demonstrating that all five factors positively influence competitive advantage, with product innovation showing the strongest effect.

Table 2. Regression Analysis Results

Variable	Beta Coefficient	t value	Significance (p-value)
Market Orientation	0.529	6.418	0.000
Entrepreneurial Orientation	0.865	40.862	0.000
Pricing Strategies	0.005	.320	0.749
Product Quality	0.043	2.175	0.032
Product Innovation	0.457	5.506	0.000

Source: processed primary data (2024)

The analysis revealed that market orientation has a significant positive impact on competitive advantage ($\beta = 0.529$, $t = 6.418$, $p < 0.001$). This finding aligns with Mamengko et al. (2023), who emphasized that understanding customer needs and analyzing competitors enables businesses to respond proactively to market demands. Tokopedia's ability to leverage market orientation ensures its competitive positioning by aligning product offerings and services with consumer expectations. This highlights the importance of continuously gathering and utilizing market intelligence to stay relevant in the dynamic e-commerce landscape.

Entrepreneurial orientation demonstrated the strongest influence on competitive advantage ($\beta = 0.865$, $t = 40.862$, $p < 0.001$), underscoring its critical role in fostering proactive, innovative, and risk-taking behaviors. This finding supports Handini et al. (2023), who highlighted the importance of entrepreneurial orientation in navigating rapidly changing markets. Tokopedia's entrepreneurial strategies likely enable the platform to identify emerging opportunities, implement innovative solutions, and maintain adaptability

amidst competition. The strong effect observed here suggests that entrepreneurial orientation is a cornerstone of sustainable competitive advantage in the e-commerce sector.

Surprisingly, pricing strategies showed no significant impact on competitive advantage ($\beta = 0.005$, $t = 0.320$, $p = 0.749$). This result contrasts with Dewi et al. (2022), who found competitive pricing to be a significant factor in consumer decision-making. The difference may be due to the perception that consumers prioritize other factors, such as product quality and innovation, over pricing when shopping on platforms like Tokopedia. This suggests that while competitive pricing remains important, its role may be diminished when other value-added attributes, such as quality and innovation, are present.

Product quality exhibited a small but significant positive influence on competitive advantage ($\beta = 0.043$, $t = 2.175$, $p = 0.032$). This aligns with Amrullah et al. (2017), who identified product quality as a critical determinant of customer satisfaction and loyalty. High-quality products enhance trust and repeat purchases, contributing to Tokopedia's ability to differentiate itself in the market. However, the relatively small beta coefficient indicates that while product quality is important, it may need to be combined with other factors, such as innovation, to maximize its impact.

Product innovation emerged as a significant factor influencing competitive advantage ($\beta = 0.457$, $t = 5.506$, $p < 0.001$). This result reinforces Prasetyo's (2020) findings that innovation is essential for differentiation and staying competitive. Tokopedia's ability to introduce innovative features and services likely resonates with consumers, making it a key driver of sustained advantage. This underscores the importance of continuous innovation in adapting to evolving consumer preferences and technological advancements.

CONCLUSION

This study investigated the influence of market orientation, entrepreneurial orientation, pricing strategies, product quality, and product innovation on competitive advantage in the e-commerce sector, focusing on Tokopedia. The findings reveal that entrepreneurial orientation and product innovation play the most significant roles in driving competitive advantage, highlighting their importance in fostering adaptability, proactive innovation, and differentiation in a competitive marketplace. Market orientation also demonstrates a strong positive impact, indicating that aligning strategies with consumer needs and market dynamics remains crucial for sustaining competitive positioning.

Interestingly, pricing strategies were found to have no significant effect on competitive advantage, suggesting that factors like quality and innovation may overshadow price considerations in consumer decision-making. Product quality contributes positively but moderately, emphasizing its importance in building trust and loyalty but necessitating integration with innovation for greater impact.

These findings advance the field by demonstrating the synergistic effects of strategic factors on competitive advantage and providing a comprehensive framework for e-commerce platforms. The study highlights the need for businesses to adopt a holistic approach, integrating market insights, entrepreneurial strategies, and innovative practices to remain competitive.

The practical implications of this research suggest that e-commerce platforms like Tokopedia should prioritize continuous innovation and entrepreneurial agility to differentiate themselves. Future studies could explore the moderating effects of technological advancements and cultural factors on these relationships. Additionally, longitudinal research could examine how these variables influence competitive advantage

over time, offering deeper insights into sustainable growth strategies. These extensions would further enrich the understanding of competitive dynamics in e-commerce and related industries.

REFERENCES

- Ajy, M. D. K. (2023). Pengaruh Inovasi Produk, Desain Produk dan Kualitas Produk Terhadap Keunggulan Bersaing Produk IKEA (Doctoral dissertation, Universitas Islam Indonesia).
- Aldiesi, D. R., & Wahyudin, N. (2024). Pengaruh Citra Merek, Kualitas Pelayanan dan Harga Terhadap Keputusan Pembelian Konsumen Indomaret Melalui Keunggulan Bersaing Sebagai Variabel Intervening. *Jurnal Aplikasi Bisnis dan Manajemen (JABM)*, 10(1), 301–301.
- Anggai, A. M., Wolok, T., & Niode, I. Y. (2021). Membangun Keunggulan Bersaing Produk Melalui Orientasi Pasar Dan Inovasi Produk (Studi Empiris Pada Industri Pengolahan Makanan Jadi Skala Kecil Dan Menengah Di Kotamobagu). *JAMBURA: Jurnal Ilmiah Manajemen dan Bisnis*, 3(3), 147–157.
- Anggraini, W. A., & Graciafernandy, M. A. (2023). Pengaruh Orientasi Pasar, Orientasi Kewirausahaan, Dan Promosi Online Terhadap Kinerja Pemasaran UMKM Kuliner. In *Prosiding Seminar Nasional Unars* (Vol. 2, No. 1, pp. 459–468).
- As'ad, M. A. I., Aziz, M. F. A., Yudhsitira, D. K., Astuti, T. T., & Suherman, U. (2024). Analisis Manajemen Persediaan Dalam Inovasi Pada Kedai Sultan Karawang. *Business and Investment Review*, 2(1), 36–44.
- Batara, M., Pundissing, R., & Uddu, L. (2023). Pengaruh Orientasi Pasar, Orientasi Kewirausahaan, Training Dan Kemampuan Manajemen Terhadap Keunggulan Bersaing. *Journal of Management: Small and Medium Enterprises (SMEs)*, 16(1), 139–154.
- Darma, D. A., Abdussamad, Z. K., & Rahman, E. (2022). Pengaruh Strategi Inovasi Produk Dan Pemasaran Media Sosial Terhadap Keunggulan Bersaing Pada UMK Kuliner Di Kota Gorontalo. *JAMBURA: Jurnal Ilmiah Manajemen Dan Bisnis*, 5(1), 238–250.
- Dewi, L. S., Falah, A. S., & Nurjamilah, Z. (2022). Pengaruh Strategi Harga Terhadap Keunggulan Bersaing Di Tengah Pandemi Covid-19 (Studi Kasus Pada Toko Besi Bardesi Baja Tasikmalaya). *Jurnal Ecodemica: Jurnal Ekonomi, Manajemen, dan Bisnis*, 6(2), 141–149.
- Erpurini, W., Alamsyah, N., & Kencana, R. (2022). Pengaruh Kualitas Produk dan Kualitas Pelayanan Terhadap Kepuasan Konsumen dan Dampaknya Pada Kepercayaan Konsumen Lazada. *Ekonomi, Keuangan, Investasi Dan Syariah (Ekuitas)*, 3(4), 763–767.
- Handini, Y., Poernomo, D., Karyadi, H., Sutrisno, S., & Mastika, I. K. (2023). Pengaruh Orientasi Kewirausahaan terhadap Keunggulan Bersaing yang Dimoderasi Kinerja Bisnis. *Jurnal Bisnis dan Kewirausahaan*, 19(1), 95–104.
- Mamengko, J., Riyanto, S., & Pambudi, D. D. (2023). Analisis Faktor Orientasi Pasar Terhadap Keunggulan Kompetitif. *Jurnal Ilmiah Manajemen dan Bisnis*, 5(2), 63–70.
- Noviani, I., & Aryansyah, A. F. (2023). Upaya Peningkatan Keunggulan Bersaing Melalui Orientasi Kewirausahaan Pada UMKM Usaha Kecil Sektor Kuliner. *Economics and Digital Business Review*, 4(2), 326–334.
- Prasetyo, B. D. (2020). Pengaruh Inovasi Produk dan Kualitas Terhadap Keunggulan Kompetitif di Industri Kreatif. *Jurnal Kreativitas dan Inovasi Bisnis*, 8(1), 22–28.

Yusra, I., & Rizki, W. W. (2021). Pengaruh Kualitas Produk, Kualitas Pelayanan dan Promosi Terhadap Kepercayaan Konsumen di Erha Skin Padang. *Indonesian Journal of Applied Accounting and Finance*, 1(1), 85–113.