

## **ABSTRACT**

*There are many cities and districts that have a fairly high growth rate for MSMEs, one of which is Malang Regency which has hundreds of thousands of MSMEs including Food Processed MSMEs that have mushroomed. One of the Food Processed MSMEs in Malang Regency, namely CV Firman Surya Kenedes, feels how intense the competition is due to the similarity of processed food products, therefore a differentiator is needed in the form of continuous innovation that will make CV Firman Surya Kenedes continue to outperform its competitors. The research with the title "Implementation of Processed Food Product Differentiation Strategies at MSMEs CV Firman Surya Kenedes in Achieving Competitive Advantage in 2021", has formulation of the problem of what forms of differentiation strategies have been implemented by CV Firman Surya Kenedes along with their implementation and what are the next differentiation strategy plans to remain superior to competitors. The purpose of this research is to understand what and how the differentiation strategy of CV Firman Surya Kenedes' processed food products and what potential innovations will then be developed in order to remain superior through the differentiation of processed food products.*

*This study uses a mixed qualitative quantitative method with data collection using questionnaires, interviews, documentation, literature studies, and case studies. The data sources used are primary and secondary data from MSME owners, employees, as well as internal company sources as well as related books and literature. The data will be analyzed using descriptive analysis methods and Miles and Huberman techniques, namely data reduction, data presentation, conclusion drawing/verification.*

*As a result, the implementation of the product differentiation strategy applied by CV Firman Surya Kenedes reached a high category in the consumer perspective and for the condition of competitive advantage also reached a high category. This strategy is quite effective because it becomes a separate value for MSMEs in the eyes of its consumers.*

**Key words :** *MSMEs, Product Differentiation Strategy, Competitive Advantage, Inovation*