

ABSTRACT

Benzema Embroidery Company is a company that is growing in the midst of rapid business competition in this global era. Benzema Embroidery Company was founded in 2009, Benzema Embroidery is an embroidery company that is quite well known among its competitors, at this time the company is facing several problems including the reduced interest and desire of consumers to buy the products offered so that it has an impact on sales turnover. Sales at the Benzema Embroidery company in 2020 tended to experience a decrease in sales volume between 2016 and 2018 which increased but in 2018 to 2020 there was a decline, this was due to several factors, including other companies that had made many innovations and improved quality. In addition, the competition in the embroidery business in Tasikmalaya City is getting tighter, influencing embroidery entrepreneurs to take various ways to retain their customers.

The purpose of this study is to determine the effect of Product Innovation and Product Quality, directly on the competitive advantage of the Benzema Embroidery Company, to determine the effect of Product Innovation and Product Quality, indirectly on the Competitive Advantage of the Benzema Embroidery Company.

This study uses quantitative research methods with descriptive methods and multiple linear regression, through the use of non-probability sampling technique with the number of respondents as many as 75 people. Data collection techniques used are interviews, observations and questionnaires.

The results of the research and data processing show that innovation has a partial effect on competitive advantage, product quality has a partial effect on competitive advantage and product innovation and product quality have a simultaneous effect on competitive advantage.

The results of this study are expected to be used as direction and evaluation in decision making for the Benzema embroidery company to be able to maintain its consumers and to be able to continue to compete in maintaining its sales turnover with competitors.

Keywords: Product Innovation, Product Quality, Competitive Advantage, Creative Economy