

ABSTRACT

The purpose of this study is to determine the effect of innovation and market driving on a company's competitive advantage. The population of this study is each dealer in the city of Bandung, totaling 60 dealers. The data collection technique used in this study was by distributing questionnaires to 60 respondents. The data analysis method used in this study is structural equation modeling (SEM) with the partial least squares (PLS) program.

The research results show that the effect of innovation on sustainable competitive advantage is significant negative, the effect of product innovation on market drivers is positively significant, the influence of market drivers on sustainable competitive advantage is significantly positive, and product innovation on sustainable competitive advantage through market drivers is positively significant. With this research, PT. ASTRA INTERNATIONAL TOYOTA has the ability to meet and adapt to current market conditions so that it can survive with its competitors.

Keyword: Product Innovation, Market driving, Sustainable Competitive Advantage