



RESEARCH ARTICLE

The Influence of Marketing Strategies and Promotion on Gaining a Competitive Advantage Mediated by Customer Loyalty

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Abstract

This study aims to analyze the influence of marketing strategies and promotion on gaining a competitive advantage with customer loyalty as a mediating variable in the furniture SMEs sector in Kalimantan. The population involved 84 respondents so this research using a quantitative descriptive approach, the research involved 84 respondents selected through a saturated sampling technique. Data were processed using SmartPLS 3.0. The results indicate that marketing strategies have a negative but significant effect on competitive advantage, suggesting the need for careful strategy implementation to ensure alignment with market needs. Promotion shows a positive and significant effect on competitive advantage, emphasizing the role of effective promotional efforts in increasing business competitiveness. While customer loyalty is significantly influenced by both marketing strategies and promotion, it does not significantly mediate the relationship between these two factors and competitive advantage. These findings highlight the importance of strategic marketing alignment and consistent promotional efforts in enhancing competitive positioning, while also underlining that customer loyalty, although important, may not directly strengthen competitive advantage without other supporting factors.

Keyword: Marketing Strategies, Promotion, Customer Loyalty, Competitive Advantage

Introduction

Indonesia is one of the countries significantly impacted by the developments of the globalization era. The current situation has made business actors compete to seize high-value business opportunities. One of them is the furniture SMEs on Kalimantan Street, where the competition from both domestic and foreign players is increasing. Although competition is increasing, the Indonesian furniture market is experiencing extraordinary growth, projected to grow by 6.33% (2023-2028), generating a market volume of USD 4.24 billion by 2028, an average figure from various research reports (Dery, 2024).

Kotler and Armstrong state that competitive advantage is an edge over competitors obtained by offering value to consumers, either through lower prices or by providing more benefits that justify higher prices. The dimensions of competitive advantage are retaining customers,

Gaining their loyalty, and improving the quality of service technology, which means producing higher quality products and using superior service technology, are dimensions of competitive advantage (Tarigan et al., 2024). Competitive advantage, according to (Kasmawati, 2021), is the growth of the company's capacity to create value for its customers, so competitive advantage cannot be understood by looking at the company as a whole. The company's ability to design, produce, market, deliver, and support its products in various ways gives it a competitive advantage.

Competitive advantage is certainly not free from various influences, one of which is marketing and promotional strategies. Marketing strategies have an influence on

competitive advantage according to research (Tumbuan, 2022). Supported by (Rendelangi et al., 2023) which has similar results that marketing strategies have a positive and significant impact on competitive advantage. Marketing encompasses the entire system, from planning and setting prices to promoting and distributing goods and services that can meet the needs of actual and potential buyers (Tjiptono, 2023). However, research by (Listawati et al., 2024) reveals that marketing strategy has a negative impact on competitive advantage. This finding is supported by (Irsyi & Sabrina, 2024) who state that there is no relationship between the marketing strategy variable and competitive advantage.

Another factor that can influence competitive advantage is promotion. Promotion is viewed as a flow of information or one-way persuasion created to direct an individual or organization towards actions that generate exchanges in marketing. The combination of promotional elements is known as the promotional mix, which consists of advertising, publicity, personal selling, and sales promotion (Riadi et al., 2021). According to (Panguriseng & Nur, 2022), promotion has a positive effect on competitive advantage. This is supported by (Claudy & Dharmawan, 2021) with results showing that promotion significantly affects competitive advantage. According to (Claudy & Dharmawan, 2021), promotion has a negative effect on competitive advantage. This means there are differing opinions in previous research. The research findings are supported by (Suryani & Syafarudin, 2021) who state that promotion does not significantly affect competitive advantage.

Marketing and promotional strategies do not always influence competitive advantage in business. Therefore, one of the supporting factors in bridging the gap between marketing strategy and promotion is customer loyalty. Loyal customers are considered something challenging and very crucial in determining success (Hariyati & Sovianti, 2021). Customers for a commercial company are considered a targeted public that must be maintained in relation to trust and the sustainability of the company. Customer loyalty plays a significant role in the

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success indicators of a company and becomes more important when linked to long-term success (Asan et al., 2022).

Literature Review

Marketing Strategy

Marketing strategy is a series of goals, objectives, and policies that guide the company's marketing activities at various levels and locations, particularly in response to changes in the environment and existing competition (Tumbuan, 2022). According to Kotler and Armstrong (2012, 72), marketing strategy is the marketing logic by which the company hopes to create value for customers and achieve profitable relationships with them. Marketing strategy is a plan that outlines the company's expectations regarding the impact of various marketing activities or programs on the demand for its products or product lines in specific target markets. A marketing strategy is an overall system of business activities through planning, pricing, promoting, and distributing goods and services that satisfy and meet the needs of buyers (Rendelangi et al., 2023).

The marketing mix strategy includes factors that influence the marketing strategy, namely product, price, place, and promotion. In service marketing, there are additional marketing tools, namely people, process, and physical evidence. The indicators of marketing strategy according to Philip Kotler and Gary Armstrong are:

1. Segmentation.
2. Targeting.
3. Positioning.

Promotion

According to Lupiyoadi in (Claudy & Dharmawan, 2021), promotion is an action that includes advertising activities, personal selling, sales promotion, and public relations. Meanwhile, according to Kotler & Keller in (Dharmawan, 2022), promotion is an activity of conveying product advantages and influencing target customers to purchase it. According to (Suryani & Syafarudin, 2021) in an international journal, promotion is an important factor in achieving a company's sales objectives. According to Michael J. Etzel, there are four factors that influence promotion, among others:

1. The available funds.
2. Market characteristics.
Market characteristics that influence include:
 - a. The geographical market size.
 - b. Type of customers.
 - c. Market concentration.
3. Product Characteristics.
4. Stages in the product life cycle
Stages in the product life cycle include:
 - a. Introduction stage.
 - b. Growth stage.
 - c. Stage of decline

According to Kotler and Armstrong in (Dede, 2020), there are five indicators that represent promotion, namely:

1. Advertising.
2. Personal selling.
3. Sales promotion.
4. Direct marketing.
5. Publicity.

Competitive Advantage

According to (Porter in Arianty, et al, 2019), competitive strategy is the search for a favorable competitive position within an industry, the fundamental arena where competition occurs, and competitive advantage is the ability of a company, obtained through its characteristics and resources, to achieve higher performance compared to other companies in the same industry or market (Yudanto et al., 2020). Competitive advantage can be realized in terms of achieving strategic, tactical, or operational superiority. At the highest managerial level with strategic planning, information systems can be used to change the direction of a company in gaining strategic advantages. At the

management control level (middle), managers can provide specifications on how the strategic plan will be implemented, thereby creating a tactical advantage (Hermawan, 2022). Competitive advantage is an edge over existing competition that cannot be replicated by competitors and can be sustained over a long period (Nurudin et al., 2021). Several factors to determine competitive advantage in the field of marketing are:

1. Product quality.
2. Quality of service.
3. Brand image.
4. Cost.
5. Market share.
6. Distribution.

According to (Porter in Arianty, et al, 2016), the indicators used to measure competitive advantage are as follows:

1. Differentiation advantage.
2. Cost/low-price advantage.
3. Advantage of entering the market.

Customer Loyalty

Customer loyalty is a high commitment to repurchasing preferred products or services in the future (Nalita et al., 2022). Loyalty can be defined as an emotional bond with the company by making repeat purchases over time and recommending the company to others, even when they have other options (Setyaningrum, 2021). According to (Nalita et al., 2022), customer loyalty is the customer's commitment to a store brand or supplier, based on a very positive attitude and reflected in consistent repeat purchases.

Factors that influence customer loyalty include transparency, integrity, and the company's reputation (Yani & Sugiyanto, 2022). According to (Aminsyah & Yulianti, 2019), there are several indicators commonly used to measure loyalty:

1. Melanjutkan Pembelian.
2. Diga algo positive.
3. Rekomendar amigos.

The hypotheses in this study are (1) it is suspected that there is an influence of marketing strategies on competitive advantage, (2) it is suspected that there is an influence of promotion on competitive advantage, (3) it is suspected that there is an influence of customer loyalty on competitive advantage, (4) it is suspected that there is an influence of marketing strategies on customer loyalty, (5) it is suspected that there is an influence of promotion on customer loyalty, (6) it is suspected that there is an influence of marketing strategies on competitive advantage mediated by customer loyalty, (7) it is suspected that there is an influence of promotion on competitive advantage mediated by customer loyalty.

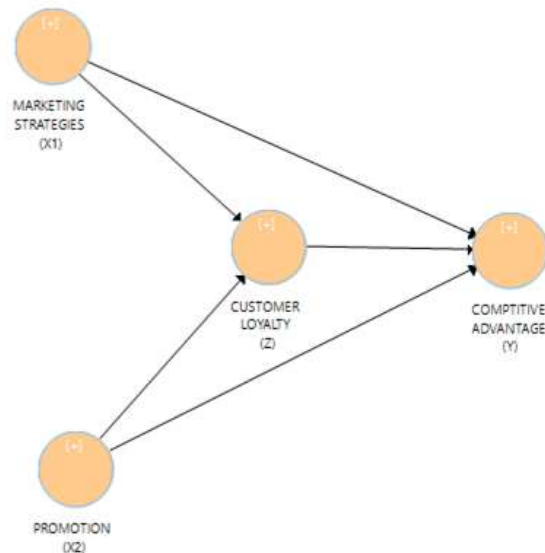


Figure 1. Framework

Method

The research method used in this study employs a quantitative descriptive method. The population in this study consists of all MSME business actors, totaling 84 individuals. The sample, which is the entire population, comprises 84 respondents. The sampling method for this research uses a saturated sample. Data processing uses the SmartPLS analysis tool. The author uses the survey method for data collection. Surveys are a research method that uses questionnaires as a data collection tool. A questionnaire (survey) is an instrument in the form of a list of questions or written statements that are answered or filled out by respondents according to the provided instructions (Sanjaya, 2015:255).

Results

Validity Test

Research indicators will be considered valid if they have an outer loading value above 0.7 on each instrument. However, an outer loading value of 0.5 is still considered sufficient. When the outer loading value is < 0.5, the question item must be removed. However, there are also those who use a guideline of < 0.6, so the statement item must be removed (Hamid & Anwar, 2019).

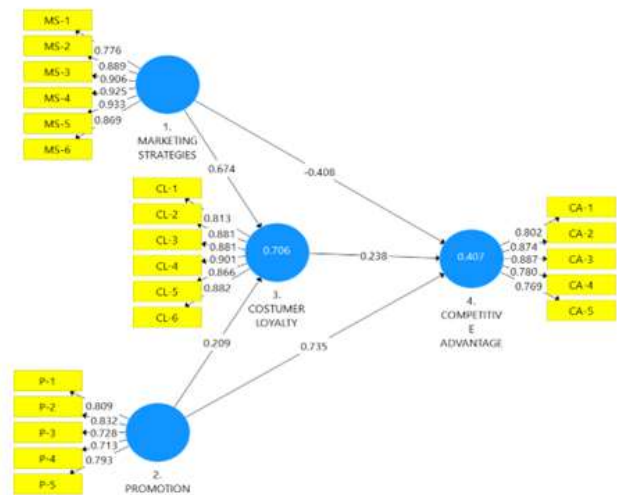
Table 1. Tabel Outer Loading

Variables	Indicator	Outer Loading	Validity
Marketing Strategies	MS-1	0.776	Valid
	MS-2	0.889	Valid
	MS-3	0.906	Valid
	MS-4	0.925	Valid
	MS-5	0.933	Valid
	MS-6	0.869	Valid
Promotion	P-1	0.809	Valid
	P-2	0.832	Valid
	P-3	0.728	Valid
	P-4	0.713	Valid
	P-5	0.793	Valid
Customer Loyalty	CL-1	0.813	Valid
	CL-2	0.881	Valid
	CL-3	0.881	Valid
	CL-4	0.901	Valid
	CL-5	0.866	Valid
	CL-6	0.882	Valid
Competitive Advantage	CA-1	0.802	Valid
	CA-2	0.874	Valid

CA-3	0.887	Valid
CA-4	0.780	Valid
CA-5	0.769	

Source: Primary data processed, 2025

Figure 2. Outer Loading



Source: Primary data processed, 2025

Based on the table above, it shows that the research variable values have an average outer loading factor above 0.5, so it can be concluded that the indicators are well accepted and can be used in this research.

Reliability Test

The reliability test was conducted on 84 research respondents with the criterion that the reliability test results become an index indicating the extent to which the measurement instrument of the research variable can be trusted. If the value of Alpha Reliability and Composite Cronbach is greater than the r table, then the value is declared reliable.

Table 2. Table Reliability Test Results

Variable	Cronbach's Alpha	rho_A	Composite Reliability	Description
Marketing Strategies	0.944	0.949	0.956	Reliable
Promotion	0.836	0.843	0.883	Reliable
Customer Loyalty	0.936	0.937	0.950	Reliable
Competitive Advantage	0.884	0.912	0.913	Reliable

Source: Primary data processed, 2025

Path Coefficient Results

Hypothesis testing is conducted on the coefficient values of each direction of influence in the form of direct, indirect, and total effects. Hypothesis testing is carried out using the t-test, which compares the probability value (sig t) with the research test level ($\alpha = 0.05$).

Table 3. Hypothesis Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STD EV)	p Values
Marketing Strategies -> Competitive Advantage	-0.408	-0.415	0.174	2.341	0.020
Promotion -> Competitive Advantage	0.735	0.747	0.123	5.992	0.000
Customer Loyalty -> Competitive Advantage	0.238	0.237	0.167	1.423	0.155
Marketing Strategies -> Customer Loyalty	0.674	0.678	0.098	6.864	0.000
Promotion -> Customer Loyalty	0.209	0.208	0.101	2.063	0.040
Marketing Strategies -> Customer Loyalty -> Competitive Advantage	0.160	0.161	0.120	1.341	0.180
Promotion -> Customer Loyalty -> Competitive Advantage	0.050	0.049	0.044	1.136	0.256

Source: Primary data processed, 2025

Discussion

The research results show that marketing strategies have a negative but significant impact on competitive advantage. This finding is interesting because it differs from the initial assumption that marketing strategies would have a positive impact. This can be interpreted that the implementation of marketing strategies that are less appropriate or do not meet market needs can actually have a negative impact on the company's competitive advantage.

On the contrary, promotion has been proven to have a positive and significant impact on competitive advantage. This indicates that effective promotional activities such as advertising, personal selling, sales promotion, and publicity can enhance the company's competitiveness in the market. Customers who are exposed to the right promotions will become more familiar with the product, increase their trust, and ultimately enhance the chances of making a purchase.

Customer loyalty in this study does not show a significant direct influence on competitive advantage. However, marketing strategies and promotions significantly affect customer loyalty. This indicates that strong marketing and promotion strategies can build customer loyalty, although this

loyalty has not yet fully become an effective bridge in enhancing competitive advantage.

Conclusions

Based on the research results that have been conducted, the following conclusions were obtained: marketing strategies influence competitive advantage. Promotion influences competitive advantage. Customer loyalty does not influence competitive advantage. Marketing strategies influence customer loyalty. Promotion influences customer loyalty. Marketing strategies do not influence competitive advantage mediated by customer loyalty. Promotion does not influence competitive advantage mediated by customer loyalty.

Based on research findings that show marketing strategies influence competitive advantage and customer loyalty, it is recommended for business operators to continuously develop and strengthen targeted, innovative marketing strategies that meet market needs to enhance competitive advantage while building customer loyalty. Additionally, since promotion has also been proven to influence competitive advantage and customer loyalty, companies need to focus more on designing attractive, consistent, and relevant promotional programs for the target audience to support the achievement of sustainable competitive advantage. However, considering that customer loyalty does not directly influence competitive advantage and does not mediate the influence of marketing strategies or promotion on competitive advantage, customer loyalty cannot yet be considered a primary determining factor in creating competitive advantage. Therefore, companies are advised to continue making customer loyalty a supporting element in long-term strategies, but not to rely exclusively on it as the link between marketing activities and competitive advantage.

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