



Building the Religious Product Advantage to Increase Marketing Performance in Indonesia's Halal Food Industry

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Abstract

This study aims to examine the role of religious product advantage as a new concept that mediates marketing performance with its antecedent variables. Empirical tests of 115 MSMEs in the halal food sector in Indonesia with AMOS SEM show that the hypothesized research model has a high level of validity. Statistical results also prove the significant role of product excellence in religiosity in mediating the relationship between product development potentiality and marketing performance. This research contributes to the development of the concept of product advantage, which is studied in terms of religious values, which are still limited to being explored in the food industry. Through this research, business people can sharpen the aspects of religious advantage from products that are jointly owned with the superior values of other product peculiarities.

Membangun Keunggulan Produk Religiusitas untuk Meningkatkan Kinerja Pemasaran pada Industri Makanan Halal Indonesia

Abstrak

Penelitian ini bertujuan menguji peran keunggulan produk religiusitas sebagai konsep baru yang memediasi kinerja pemasaran dengan variabel-variabel antesedennya. Uji empiris terhadap 115 UMKM di bidang makanan halal di Indonesia dengan SEM AMOS menunjukkan bahwa model riset yang dihipotesiskan mempunyai tingkat kesahihan yang tinggi. Hasil statistik juga membuktikan peran yang signifikan dari keunggulan produk religiusitas dalam memediasi hubungan antara kapabilitas pengembangan produk dan kinerja pemasaran. Riset ini memberikan kontribusi tentang pengembangan konsep keunggulan produk yang dikaji dari sisi nilai-nilai religius yang masih terbatas dieksplorasi pada industri makanan. Melalui riset ini pelaku bisnis dapat mempertajam aspek keunggulan religiusitas dari produk yang dimiliki bersama dengan nilai keunggulan dari kekhasan produk yang lain.

JEL Classification: C31; L69; M31

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INTRODUCTION

The growth of the Muslim population in the world has increased; the world's Muslim population is estimated to reach 2.2 billion people in 2030, or 23% of the world's population. Asia-Pacific, as the region with the largest Muslim population in the world, reaching 62%, is a potential market for halal products. Indonesia, India, Pakistan and Bangladesh are recorded as the largest contributors to the population (Badan Penyelenggara Jaminan Produk Halal, 2019). Indonesia become the country with the largest Muslim population in the world in 2022. According to a report by The Royal Islamic Strategic Studies Center, the Muslim population in Indonesia is estimated at 237.56 million. The total Muslim population is equivalent to 86.7% of the population in the country. When compared globally, the number is equivalent to 12.30% of the world's Muslim population of 1.93 billion (Rizaty, 2022).

The growth of the world's halal market and products triggers a world-scale halal lifestyle. At the personal level, the trend of the halal lifestyle is marked by the increasing awareness of the halal community, which is influenced by the perspectives, principles, and values that a person adheres to in carrying out his daily life. In Indonesia, the phenomenon of consumers choosing Halal food, shopping for Halal products, wearing Muslimah clothing, recreation to Muslim-friendly destinations, or transacting using sharia products is not uncommon. All of these behaviors can be called a halal lifestyle because they are based on the awareness that halal is not only due to religious orders but is good and useful for life. During the Covid-19 pandemic, implementing the halal lifestyle as a daily routine found its relevance. Maintaining body immunity opens opportunities for halal food, beverage, medicine and vaccine products (Badan Penyelenggara Jaminan Produk Halal, 2019).

Halal certification for products produced by MSMEs is very important. Halal certificates aim to implement halal product guarantees well, which has implications for improving the

quality and competitiveness of halal products (Article 3 Undang - Undang Number 33 Year 2014). The atmosphere in the halal industry has become more conducive after the enactment of Undang - Undang Number 33 Year 2014 concerning Guarantees for Halal Products, of which several articles have been revised by Undang - Undang Number 11 Year 2020 concerning Job Creation. The halal industry has an opportunity to sustainably grow (Fathoni & Syahputri, 2020).

The halal industry has a large share and continues to increase until 2022 as many as 10,643 micro, small, and medium enterprises (MSMEs) have received halal certification. Halal products have grown into a new trend in marketing; halal certification increases consumer trust in choosing and consuming products. By implementing halal certification, manufacturers will increase their market share while strengthening industry competitiveness (Wajdi, 2019).

Knowledge about awareness and intention to choose and buy halal products is influenced by personal intrinsic religiosity (Nurhayati & Hendar, 2019). Islam requires every adherent to investigate and pay close attention to every product that will be consumed. Therefore, MSMEs must have good faith in providing information about the composition of the products they produce and distribute in the market (Wulandari, 2022). The first problem in this study is that the number of halal industry MSMEs in Brebes Regency from 2016 to 2020 has experienced several increases and decreases. A sharp decline in the number of MSMEs in the halal industry in Brebes Regency occurred in 2020 as many as 470 from 735 to 265 MSMEs. The decline occurred due to the covid 19 pandemic, which caused low consumer purchasing power.

The conceptual problem that underlies this research is the existence of a research gap that arises due to differences in conclusions regarding the relationship between product development potentiality (PDP) and marketing performance (MP). Companies that have high resources in driving product development potentiality are able to achieve marketing perfor-

mance as revealed in their sales reports (Dutta, 1999). Baker & Sinkula (2005) also emphasized that the product development capability that a company has is directly affected by the marketing environment and has a positive effect on improving marketing performance. Company employees who have qualified hand skills, which are part of the dimension of product development ability, are able to face innovation challenges and ultimately have an impact on increasing marketing performance (Lubatkin et al., 2006; Li & Huang, 2012). In contrast, Tooksoon & Mohamad (2010) concluded that product development capability and distribution capability are not positively related to marketing performance because the company's capabilities are easily imitated by competitors. Liu et al. (2014) found that the capability to develop products with dimensions of functional innovation and marketing innovation did not significantly affect marketing performance due to the company's inability to maintain the quality of products resulting from innovations in a sustainable manner. As an effort to provide a solution to the research gap, this study proposes religious product superiority derived from the concept of religiosity and the concept of sustainable competitive advantage.

Hypothesis Development

Sustainable Competitive Advantage (SCA)

Philip & Armstrong (2018) define sustainable competitive advantage as an advantage achieved by a company in competition by offering lower value or significantly more benefits than competitors. A company has a competitive advantage position if it has a competitive advantage in resources that can generate superior value.

Studies examining the relationship between competitive advantage and courage when formulating goals found that analysis of competitive advantage and courage in formulating goals in successful companies can bring new findings about the differences and similarities between the average company and companies that leave competitors far behind (Pelc, 2014).

Competitive advantage in companies occurs when companies can create knowledge, develop competencies and capabilities, both organizational and technical (Peteraf & Barney, 2003).

Religiosity (R)

Individuals who are religiously oriented tend to prioritize moral judgments (Piazza & Sousa, 2013). The religious concept embodies a peaceful existence in social life (PaulIkechukwu & Clara, 2015). Religiosity provides the advantage of being a symbol because it is clear and open to the public and can be identified and measured (Startup, 2022).

Religion is an interesting topic for researchers and social science practitioners who wish to reveal consumption habits, well-being, and life in general (Rakrachakarn et al., 2015). So that religiosity is related to a person's faith in God and the extent to which that person takes the path that is considered to have been determined by God. Religiosity is a multidimensional concept that concerns beliefs, practices, knowledge, experiences, and the effects of these elements in daily activities (Abou-Youssef et al., 2015). Religiosity and halal certification has a positive and significant influence on interest of consumer to buy product (Najmudin & Syihabudin, 2021). Halal label, religiosity, attitude, subjective norm and perceived control have a positive effect on muslim students' intentions to buy halal packaged food (Wirakurnia et al, 2021).

Micro, Small and Medium Enterprises Halal Industry (MSMEs HI)

MSMEs are business by individuals, households or business entities of micro, small and medium sizes. The classification of MSMEs is usually done by limiting annual turnover, total wealth or assets. In addition to using monetary value as a criterion, a number of government agencies, such as Badan Pusat Statistik (BPS), so far have also used the number of employees as a measure to differentiate business scale between micro, small, medium, and large businesses. According to BPS, micro businesses are business units with up to 4 permanent emplo-

yees, small businesses with 5 to 19 workers, and medium businesses with 20 to 99 people. Companies with more than 99 employees are included in the large business category. The Job Creation Law changed a number of provisions regarding micro, small, and medium enterprises in Undang-Undang Number 20 Year 2008 concerning MSMEs. One of them is Undang-Undang Number 11 Year 2020 .Concerning Job Creation changing the criteria for MSMEs, in Article 87, number 1 of the Job Creation Law amending Article 6 so that the criteria for MSMEs can include business capital, turnover, indicators of net worth, annual sales results, or investment value.

Halal industry MSMEs are businesses run by individuals, households or micro, small, and medium-sized business entities whose business processes, in obtaining raw materials, processing, and producing halal products, must use resources and methods permitted by Islamic law. Its industrial focus is on food and beverages, the tourism sector, cosmetics, education, finance, fashion, recreational media, and arts and culture (Rahdhiwiyasa, 2021). Product categories subject to the obligation to be halal certified include goods and services. The halal industry does not only cover food and beverages but extends to lifestyles such as the tourism sector, cosmetics, education, finance, fashion, recreational media, as well as arts and culture, medicine, herbs, biological products, chemical products, genetic engineering, slaughter animals, logistics, to goods for use such as household appliances and medical devices, in addition to banking and non-banking transactions.

Religious Product Advantage Concept

The proposition put forward is to build the religious product advantage as a novelty variable. Religious product advantage concept is derived from the religiosity and the sustainable competitive advantage concept. Religiosity is defined as belief in God accompanied by a commitment to follow the principles believed to have been established by God (Bakar et al., 2013). Glock & Stark in Pearce et al., (2017)

describes religiosity in five main indicators: ritual (sharia), ideological (aqidah), intellectual (science), experience and appreciation (experiential), and consequences.

Competitive advantage strategies must be designed to achieve a sustainable competitive advantage so that companies can dominate the market (Porter, 1990). Zou et al., (2003) stated that sustainable competitive advantage is not only built from durability, imitability, and the ability to match what is imitated from various superior resources, but this sustainable competitive advantage can be increased through differentiative advantages possessed and short-term marketing performance. Economic value is generally created by producing products and services that have greater benefits at the same cost than competitors (differentiation) or the same benefits at lower costs than competitors (efficiency).

The concept of competitive advantage is relevant to be used to underlie this research. In particular, a competitive advantage is the result of implementing a strategy that utilizes various internal resources owned by the company. In order to have a sustainable competitive advantage, resources must meet four conditions. Namely, they must be valuable, rarely owned by the company, either current or potential competitors, cannot be perfectly imitated, and strategically cannot be replaced. To gain a competitive advantage, companies must focus on using internal resources, competencies, and capabilities. Unique capabilities and assets are seen as sources of competitive advantage (Barney, 1991).

Religious product advantage (RPA) is the superiority of the company's products in placing products in the minds of consumers by using the uniqueness of syariah products, the uniqueness of consequence products and irreplaceable experiential products.

Relationship between PDP and RPA

PDP is a company's competence in developing original products, improving old products, modifying new products through the company's product development efforts

(Hanfan & Setiawan, 2018). PDP can be demonstrated through the organizational routines that make up the innovation process, which is aimed at reconfiguring a company's product portfolio. It is aimed at creating concrete physical assets from an idea, and it relates to innovation i.e. the mechanism by which companies produce new products, processes and systems which are important to adapt to changes in market, technology, and types of competition (Abdullah, 2019). Khattab (2017) found that there was a significant impact between PDC, technical capabilities, research, and human resource capabilities on product innovation, supply chain innovation and organizational innovation. The most important recommendation is adapting the use of new technology and extensive employee involvement in the entire innovation process. Farhana & Swietlicki (2020) proposes dynamic capabilities serve as the foundation for companies to develop their innovation breakthroughs. Organizational learning culture has a strong influence and a significant moderating effect on both competitiveness and performance and strengthens the effect of dynamic capabilities on innovation capabilities (Ferreira et al., 2020). Nimfa et al., (2021) and Adedapo & Bamiduro (2020) recognize SME managers in improving product quality through innovative competitive advantage strategies and technology adoption will benefit sustainable growth. Based on the description above, the following hypothesis is proposed:

H1 : PDP has positive effects on RPA.

Relationship between PCC and RPA

PCC is the company's capability to dynamically configure products with visibility of product origin, products that are different from competitors, and products that are difficult to imitate so that the products produced by the company are more efficient in terms of cost and quality (Hanfan, 2021). PCC helps company managers plan and execute strategies successfully while securing a sustainable competitive advantage (Abdullah, 2019). Hosseini et al. (2018) found

PCC was influenced by competitive advantage factors, namely quality, efficiency, innovation, and accountability. Prabowo et al. (2021) shows the positive and significant influence of using dynamic capabilities to determine sustainable competitive advantage through marketing entrepreneurship as an intermediary variable for food, beverage, and clothing MSMEs. Naguib et al. (2017) support the notion that there is a significant relationship between the four dynamic capabilities (experience, skills, company characteristics, and knowledge) for the sustainability of a company's competitive advantage. Bari et al. (2022) obtained a conceptual model of sustainable competitive advantage by developing sustainable PCC and achieving corporate sustainability. Based on this description, we formulate the following hypothesis:

H2 : PCC has positive effects on RPA.

Relationship between RPA and MP

The purpose of competitive strategy is to achieve sustainable competitive advantage and improve business performance (Bharadwaj et al., 1993). Competitive advantage is the heart of MP to face competition. Competitive advantage is defined as a profitable strategy for companies that cooperate to create a more effective competitive advantage in their market. Competitive advantage basically grows from the values or benefits created by the company for its buyers. Customers generally prefer to buy products that have more value than they want (Porter, 1990). MSMEs that have the goal of improving MP need to consider how to increase regiocentric product advantage (Hanfan & Setiawan, 2018). Good management knowledge and competitive advantages possessed by batik MSMEs have an effect on MP (Kusuma et al., 2021). Hanfan (2021) found that PCC had an effect on the MP of SMEs. Hendar et al. (2020) stated that a religion-centric product strategy has an effect on marketing performance. Likewise, the religion-centric relational marketing strategy is able to mediate the relationship between marketing innovations and marketing performance (Mulyana et al., 2019). Therefore, the research formu-

lated a hypothesis:

H3 : RPA has positive effects on MP.

Relationship between PCC and MP

New product quality has a positive direct effect on financial performance and MP (Akroush, 2012). Market-oriented MSMEs contribute to competitive advantage by creating product uniqueness, product quality, and competitive prices, which can improve MP (Puspaningrum, 2020). MP is defined as a performance measurement effort including sales turnover, number of buyers, profits, and sales growth (Voss & Voss, 2000). PCC indicates that the products produced by the company are more efficient and of better quality than others. This capability can increase product success, growth in MP, and market share to cope with a constantly changing business environment (Hanfan, 2021). The study of Lin & Huang (2012) provides a detailed understanding of strategic dynamic capabilities which are very significant in successful MP. The availability of dynamic capabilities implies that companies can be protected from negative impacts by planning strategic steps to deal with challenges and uncertainties while still doing their best to achieve organizational goals and objectives. Based on the description above, this research has a hypothesis as follows:

H4 : PCC has positive effects on MP.

METHOD

This research uses primary data obtained by interviews based on a list of questions to a number of selected respondents. The research method is a quantitative method using descriptive statistical analysis; the questionnaires were processed and analyzed by structural equation modeling (SEM) using the analysis tool AMOS version 22 and IBM SPSS version 22. The test was conducted on the test data quality, the goodness of fit test, the partial test influence, and the Sobel test. Data collection was carried out using a survey method through a structured questionnaire with a ten-point rating scale.

This research was conducted with a population of 735 Halal Industry MSMEs in Brebes Regency, Central Java Province, Indonesia. This paper selected 115 small halal food and tested the regressive relations of the 4 constructs. This sample meets the standard minimum sample criteria suggested by Hair et al. (2021) which states that the number of samples is five times the number of indicators. This research has 12 indicator; the number of samples used in this study is $5 \times 12 = 60$ samples. Then the recommended sample size is between 100 and 200 companies. By using a sample of 115 MSMEs, the sample size requirements can be met.

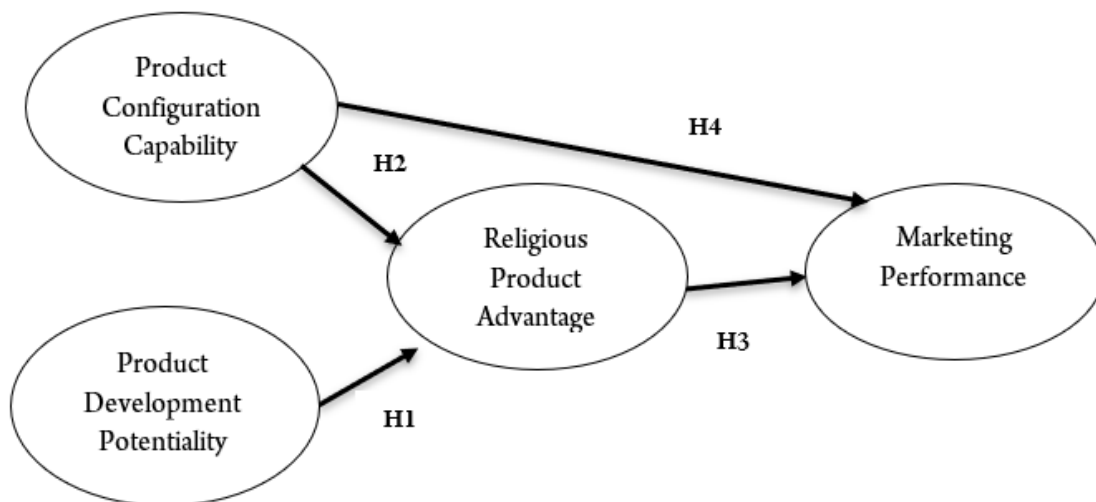


Figure 1. Empirical Model

This research sampling technique uses random sampling, which provides a population opportunity to be selected as a respondent. This technique was chosen because every company in the population has relatively the same knowledge to develop innovative products and to enrich products with a religious touch. Thus, the use of random techniques provides equal opportunities for each respondent to be selected objectively as a research sample (Ferdinand, 2016). Then the respondents were contacted and visited to assess a number of statements in the questionnaire so that primary data about company perceptions could be collected.

The variable definition must be explained in a more operational measure. Variables generally describe what will be studied, but the me-

asurement of these variables needs to be concretized through rational measurements, which then become reflective variable indicators (Hanfan & Setiawan, 2018).

RESULT AND DISCUSSION

The value of the goodness of fit, as shown in Figure 2, is as follows: Chi-Square=57.049; CMIN/DF=1.11; probability = 0.201; RMSEA= 0.038; GFI=0.926; AGFI=0.882; TLI=0.987; CFI = 0.990. Critical analysis N Hoelter 0.05 and Hoelter 0.01, namely Hoelter 0.05 = 133 and Hoelter 0.01 = 150, all of which meet the fit criteria because the total sample size is 115 below that recommended by (Hoelter, 1983).

Table 1. Operational Measurement and Indicator

Variable	Operational Definition	Indicator
Product Development Potentiality (PDP)	The company's competence in developing original products, improving old products, modifying new products through the company's product development efforts (Hanfan & Setiawan, 2018)	X1: Original product development competence X2: Old product repair competence X3: Competency of product modification and new brands
Product Configuration Capability (PCC)	The company's ability to develop products in a sustainable manner taking into account the uniqueness of the origin of the product, product advantages that are different from competitors, and product values that are difficult to imitate, so that the products produced by the company are more competitive, more efficient in terms of costs and of better quality (Hanfan, 2021)	X4: Capability of configuring the product with visibility of the product origin X5: Capability of forming a product that is different from competitors' products X6: Capability of forming products that are difficult to imitate
Religious Product Advantage (RPA)	The advantages of the company's products in placing products in the minds of consumers by using the uniqueness of syariah products, product uniqueness consequences, and irreplaceable experiential products (Hanfan & Setiawan, 2018; Pearce et al., 2017; Zou et al., 2003; Barney, 1991)	X7: Specificity of sharia products X8: Consequence product uniqueness X9: An irreplaceable experiential product
Marketing Performance (MP)	Performance measurement effort including sales turnover, number of buyers, profits and sales growth (Voss & Voss, 2000), (Setiawan & Ferdinand, 2021)	X10: Sales volume X11: Number of buyers X12: Sales profit

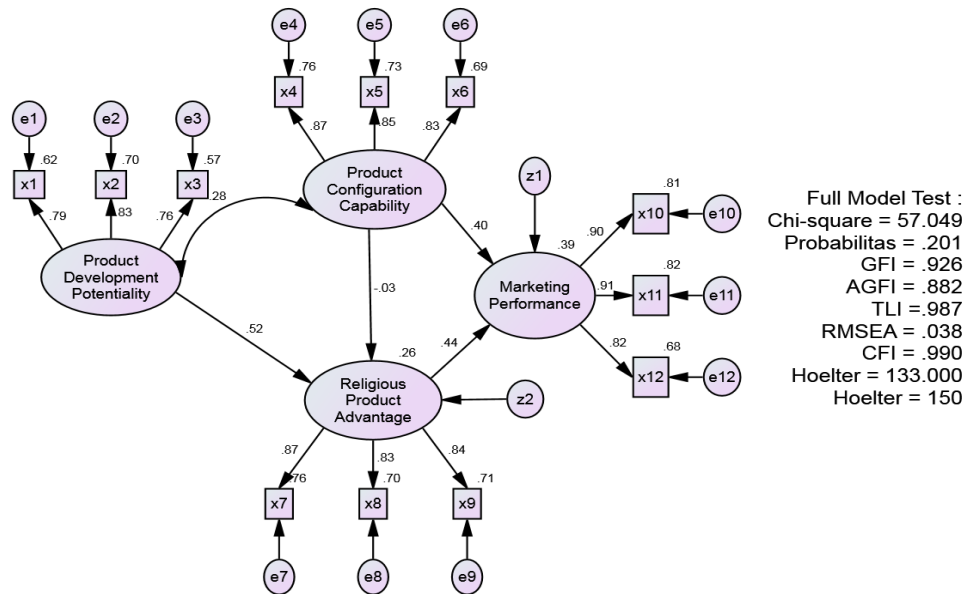


Figure 2. The Output of Full Model Analysis

Table 2. Goodness of Fit Full Model

Goodness of Fit Index	Cut-Off Value	Analysis Result	Model Evaluation
Chi-Square	Expected low	57.049	Good
CMIN/DF	≤2.00	1.11	Good
Probability	≥0.05	0.201	Good
RMSEA	≤0.08	0.038	Good
GFI	≥0.90	0.926	Good
AGFI	≥0.90	0.882	Marginal
TLI	≥0.95	0.987	Good
CFI	≥0.95	0.990	Good
Hoelter's 0,05	≤133	115	Good
Hoelter's 0,01	≤150	115	Good

Table 3. Test for Loading Factors

Variable	Indicator
PDP	X1 : 0.79
	X2 : 0.83
	X3 : 0.76
PCC	X4 : 0.87
	X5 : 0.85
	X6 : 0.83
RPA	X7 : 0.87
	X8 : 0.84
RPA	X9 : 0.84
MP	X10:0.90
	X11:0.91
	X12:0.83

The goodness-of-fit test of the model obtained through comparison with the cut-off value of the model validity indicates a good level of acceptance good acceptance (Table 2).

The significance test of loading factors aims to evaluate whether an indicator used confirms that the indicator can, together with other indicators, explain a variable. The required loading factor values must reach $\lambda \geq 0.50$ (Hair et al., 2021). Table 3 shows the value of the coefficient λ or loading factor has a value above 0.50, meaning that all criteria meet the requirements and the model is good.

The research measurement items used need to be tested for validity and reliability through testing the results of the questionnaires collected.

The results of the high validity and reliability tests indicate the level of accuracy of the measurement items where the cut-off value is allowed to be at least 0.5. It can be seen that the construct reliability and extracted variance values exceed the minimum required values which indicate the indicators used are feasible to use (Table 4).

Based on the hypothesis test in Table 5, it can be concluded that the H1 test shows significant results with $CR = 4.59 \geq 1.96$ with a probability of 0.00, where this value meets the requirements (below 0.05). Therefore H1 is accepted in this study so that PDP has an effect on RPA. Thus increasing the competence of companies in developing original products, perfecting old products, and modifying new products

and brands will further enhance the uniqueness of sharia products. Products that are unique and original also make consumers who enjoy having an experience that will always be remembered. This research is in line with Nimfa et al., (2021) and Adedapo & Bamiduro (2020), who recognize that product development capabilities increase sustainable competitive advantage for MSMEs. While the H2 test shows insignificant results with $CR = 0.34 \leq 1.96$ with a probability of 0.73; where the probability test does not meet the requirements (below 0.05). H2, which is not supported in this study indicates that the increase in companies in developing products through the uniqueness of original products, forming products that are different from com-

Table 4. Construct Reliability and Extracted Variance of Full Model

Indicator	Estimate	Squared loading	Error	Construct reliability	Variance Extract
X1	0.79	0.62	0.38		
X2	0.83	0.70	0.30		
X3	0.76	0.57	0.43		
Amount	2.38	1.89	1.11	0.84	0.63
X4	0.87	0.76	0.24		
X5	0.85	0.73	0.27		
X6	0.83	0.70	0.31		
Amount	2.55	2.19	0.82	0.89	0.73
X7	0.87	0.76	0.24		
X8	0.84	0.67	0.30		
X9	0.84	0.71	0.29		
Amount	2.55	2.14	0.83	0.87	0.72
X10	0.90	0.81	0.19		
X11	0.91	0.82	0.18		
X12	0.83	0.68	0.32		
Total	2.64	2.31	0.69	0.91	0.77

Table 5. Full Model Test Results

Variable Relations	Estimate	S.E.	C.R	P	Hypothesis Results
PDP → RPA	.60	.13	4.59		Support H1
PCC → RPA	.03	.10	.34	.73	Unsupport H2
RPA → MP	.50	.11	4.47		Support H3
PCC → MP	.45	.10	4.46		Support H4

petitors, and developing products that are not easily imitated, is not able to increase the uniqueness of Islamic products. The results of the H2 test are not in line with the research conclusions of Naguib et al. (2017) and Bari et al. (2022) which state that competitive advantage is obtained by developing sustainable product configuration capabilities to achieve sustainable company performance. MSMEs in the halal industry have certain characteristics of sharia products, the uniqueness of consequential products, and irreplaceable experiential products so that these products do not require changes in product configuration which are always dynamic. Thus, PCC has no effect on RPA.

The results of the H3 test obtained a high significant level with $CR = 4.74 \geq 1.96$ with a probability of 0.00, which indicates support for the required value (below 0.05). These results can also be concluded that increasing the uniqueness of sharia products, improving the uniqueness of consequential products and improving the irreplaceable experiential products will improve the achievement of marketing performance which is reflected in increasing sales turnover, number of buyers and sales profits. Because H3 in this study is acceptable, RPA has an effect on MP. This finding is in line with the research by Kusuma et al. (2021) and Putera et al. (2021), which states that qualified management knowledge and competitive advantage possessed by MSMEs have an impact on improving marketing performance. Likewise, the H4 test shows significant results with $CR = 4.46 \geq 1.96$ with a probability of 0.00. Because this probability value meets the specified requirements (lower than 0.05), H4 in this study is acceptable. Thus, PCC has an effect on MP. The results of this study are in accordance with the findings of Puspaningrum (2020) that MSMEs with superior characteristics such as market orientation and being able to create product uniqueness, product quality and competitive prices have great potential to increase sales. Companies that are able to manage existing resources so that they can configure products with visibility of product origin, form products that are different from competitors and develop

products that are difficult to imitate will also get great opportunities to improve marketing performance, such as sales turnover, number of buyers and sales profits.

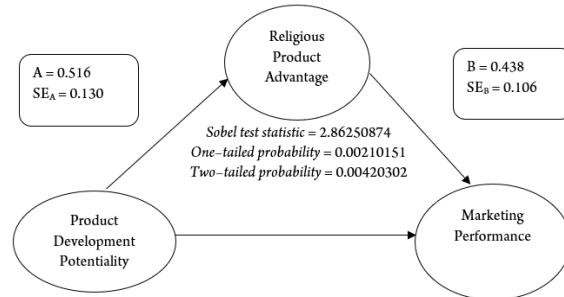


Figure 3. Sobel Test

The Sobel test detects the effect of the mediation role of RPA on the relationship between PDP and MP. In Figure 3, it can be seen that RPA functions significantly as a mediating variable between PDP and MP. This can be proven by the Sobel test value (z value) of 2.86250874, which is greater than 1.98, with a p value of 0.00210151 and 0.00420302, which is below 0.05 (Ferdinand, 2016). This means that all strategic capabilities work together to improve MP. The goal of a competitive strategy is to achieve a sustainable competitive advantage, thereby increasing the performance of a business (Bharadwaj et al., 1993). There is a significant relationship between the four dynamic capabilities (experience, skills, company characteristics and knowledge) for the sustainability of the company's competitive advantage (Naguib, et al., 2017). Competitive advantage is the heart of marketing performance to face competition. Customers generally prefer to buy products that have more value than they want or expect (Porter, 1990).

Popescu et al. (2013) suggest that the sustainable development of an organization's business is largely dependent on the quality of relationships built in the long term, and marketing communications play a key role in this process. MSMEs should be encouraged to increase their competitiveness in a sustainable manner, including by providing leverage that allows them to use specific tools for better marketing commu-

nications. Therefore, in order to promote sustainable advantage, MSMEs must learn to choose the most appropriate way of marketing communications, ensure strengthening relationships with customers and gain competitive advantage. In the context of competitive advantage, MSMEs owners increase their commitment to value-capturing innovation so as to achieve sustainable competitive advantage for their companies, and MSMEs owners must invest in the value proposition of innovation to create an effective intermediate route towards achieving sustainable competitive advantage for their companies (Abah et al., 2022).

CONCLUSION AND RECOMMENDATION

The managerial implication of this research is that SMEs in the halal industry selling food, beverages, halal cosmetics, beef products, medicines, and herbal medicine must maintain competence in developing original products, improving old products and modifying new products and brands. Increased competency in developing halal food, beverage, cosmetic, animal slaughter, medicines and herbal products will increase product excellence when selling these halal products. Thus, the MSME halal industry will become a top- of-mind product that is embedded more deeply in the minds of consumers. What's more, increasing all the advantages of MSME products in the halal industry will have an impact on increasing their MP.

Theoretical implications provide an overview of the references used in this study, namely modeling and future research agendas. The empirical models in this study are the effect of PDP on RPA, the effect of PCC on RPA, the effect of RPA on MP, and the effect of PCC on MP. Future research is recommended to examine the effect of market sensing capability on MP mediated by RPA. Market sensing capability gives a company the ability to learn about customer needs and wants and how to fulfill them, to learn and understand the strategies and tactics of the company's main competitors in the market, to get information about channel members in both

distribution and communication, to get information about channel members both in distribution and communication and the ability to learn to understand a changing market environment (Mulyana et al., 2019).

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