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ENHANCING ECONOMIC COMPETITIVENESS THROUGH INNOVATIVE MARKETING STRATEGIES

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Abstract

Increasing economic competitiveness is a major challenge for companies and countries in the face of increasingly fierce global competition. One effective approach to achieve this goal is to implement innovative marketing strategies. These strategies include the use of digital technology, data analysis, product personalisation, and the development of creativity in promotion. Through innovative marketing, companies are not only able to fulfil customer needs more effectively but also create differentiation in a competitive market. With continuous innovation, companies can strengthen brand positioning, optimise interactions with customers, and open up opportunities for stable economic growth. Therefore, creative and tactical marketing strategies are key to improving economic competitiveness in the era of globalisation.

Keywords: Improvement, Economic Competitiveness, Innovative Marketing Strategy.

Introduction

In the era of rapid globalisation and digitalisation, the level of economic competition at the local, national and global levels is increasingly high. Economic competition at the local level has a direct impact on the sustainability of small and medium enterprises (MSMEs), which are often the backbone of the regional economy. On the one hand, competition encourages businesses to continue to innovate to meet the needs of the local community. This creates quality products that can be tailored to the characteristics of local consumers (Moorman & Rust, 1999) . But on the other hand, too much competition can make it difficult for small businesses with limited capital to compete with companies that have greater resources. As a result, many MSMEs are forced to go out of business or lose their market share, resulting in increased unemployment and weakened regional economies (Srivastava et al., 2001) .

At the national level, economic competition encourages large companies to develop more competitive strategies to compete for domestic market share. This competition provides benefits in the form of increased efficiency and productivity of companies, which in turn contributes to national economic growth. However, if not balanced with appropriate regulations, national competition can lead to economic inequality, where large companies increasingly dominate while small and medium enterprises lose access to growth. In addition, in certain industrial sectors, competition can lead to over-exploitation of natural resources, which is potentially detrimental to environmental sustainability (Reichheld, 2003) .

At the global level, the phenomenon of economic competition has a more complex impact. The internationalisation of markets opens up opportunities for countries to increase exports of local products, expand investment networks, and access more advanced technologies. However, global competition also creates great pressure, especially for developing countries that have inadequate infrastructure and resources (Prahalad & Krishnan, 2002) . These countries often find it difficult to compete with developed countries that have access to advanced technology and large capital, leading to economic dependency. In addition, unbalanced global competition can trigger unfair trade practices, such as dumping and protectionism, leading to economic instability for more vulnerable countries (Porter, 2008) .

Thus, this condition forces businesses, whether small, medium or large scale, to continue to innovate in order to survive and thrive. In this dynamic business environment, one of the key factors that determine a company's success is the ability to market products or services effectively. Marketing is no longer just an activity to promote products, but a comprehensive strategy that determines the economic competitiveness of an entity or region (Holbrook & Hirschman, 1982) .

However, challenges arise when companies are required to update their marketing strategies amidst technological disruption. Consumers today are becoming more critical and selective in choosing products and services, while market preferences are changing very rapidly. On the one hand, digital technology has opened up opportunities to reach a wider market at a more efficient cost, but on the other hand, companies that are unable to adapt to these changes are losing their market share. These conditions indicate an urgent need to create innovative marketing strategies as a key tool to improve economic competitiveness (Narver & Slater, 1990) .

In a micro context, innovation in marketing can help companies create added value for their products or services, increase customer satisfaction, and build brand loyalty. While in a macro context, the widespread application of innovative marketing strategies in various sectors can contribute to the improvement of national economic competitiveness through investment growth, the creation of new jobs, and the encouragement of the growth of the creative economy sector (Hamel & Prahalad, 1990)

Although the benefits of innovative marketing strategies have been widely discussed, there is still a gap in the literature that explores how these strategies can be optimally implemented and have a significant impact on improving economic competitiveness. Therefore, this study was conducted to identify effective innovative marketing strategies and evaluate their effects on improving economic competitiveness, both at the firm and region-wide levels.

Research Methods

The study in this research uses the literature method. The literature research method, also known as a desk study, is a data collection approach that aims to review relevant information from various written sources, such as books, scientific journals, articles, research reports, and other documents (Green et al., 2006) ; (Galvan & Galvan, 2017) . This method involves the process of identifying, evaluating and interpreting previously published works in order to gain an in-depth understanding of the topic or research problem under study. Literature research is essential for building theoretical foundations, identifying research gaps, and obtaining historical context and recent developments in the field of study under investigation. This technique is particularly useful in the early phases of research to formulate problems, develop hypotheses, and determine appropriate methodologies (Torraco, 2005) ; (Tranfield et al., 2003) .

Results and Discussion

Innovative Marketing Strategies to Improve Economic Competitiveness

Innovation in marketing strategy is increasingly becoming a crucial aspect in improving the economic competitiveness of companies in this digital era. As a strategic move, companies must design approaches that are not only attractive, but also relevant to changing trends and consumer behaviour. Digital transformation, for example, has changed the way companies interact with customers, demanding adjustments in the way value and product information are delivered (Homburg et al., 1999) .

One important element in marketing innovation is personalisation. By utilising data analytics, companies can understand consumer needs and preferences in greater depth. This enables the development of more targeted marketing campaigns, which not only improves the efficiency of advertising budgets but also builds stronger relationships with customers through a customised approach (Wirtz & Lovelock, 2016)

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In addition, content marketing is becoming a highly effective trend. Today's consumers are more interested in informative, educational, and entertaining content than direct advertising. Creating valuable blogs, video tutorials, and content on social media can help companies increase their visibility and build consumer trust, ultimately contributing to increased competitiveness (Slater & Olson, 2001) .

Marketing campaigns that utilise social media also offer great potential. Platforms such as Instagram, Facebook and TikTok are not only tools to communicate but also become powerful marketing channels. With the right strategy, such as the use of influencers, companies can reach a wider audience and increase brand awareness at a relatively low cost compared to traditional media (Leonidou et al., 2002).

Technological innovations such as the use of artificial intelligence and automation in marketing have also made a significant impact. With these tools, companies can manage campaigns more efficiently and effectively. For example, AI-powered chatbots can provide customer service, improve customer experience and at the same time reduce operating costs. In addition, the adoption of augmented reality (AR) and virtual reality (VR) in marketing strategies provides consumers with a more immersive experience. Companies in industries such as fashion and automotive, for example, can utilise these technologies to provide consumers with virtual product try- on experiences, increasing engagement and enabling consumers to make more informed decisions (Kotler & Keller, 2016) .

Innovative marketing strategies also involve collaboration and strategic partnerships. Cooperation with other companies, whether within a single industry or across industries, allows for the expansion of market reach and the development of new products that are accessible to a wider customer base. Such collaborations often generate synergies and added value that could not be achieved alone (Jaworski & Kohli, 1993) .

Awareness of environmental and social issues is also driving companies to integrate sustainability elements in their marketing strategies. Through this approach, companies not only contribute to sustainable development goals but also support positive brand perception in the eyes of increasingly environmentally conscious consumers (Morgan & Vorhies, 2009) .

Customer loyalty is an important focus in maintaining competitiveness. A well- designed loyalty programme can improve customer retention and increase customer lifetime value. By providing attractive incentives, such as exclusive discounts or early access to new products, companies can ensure customers keep switching to their products and services (Christensen & Raynor, 2003) .

Ultimately, the combination of these various innovative marketing strategies can create a sustainable competitive advantage. By understanding and anticipating consumer needs, as well as optimising the latest technologies, companies can not only improve their economic competitiveness, but also build a strong foundation for long- term growth.

Factors Affecting the Implementation of Marketing Strategies

Factors that influence the implementation of marketing strategies are important elements that can determine the success of a business in reaching the target market. One of the main factors is the analysis of the overall business environment. Changes in economic, social, technological, and regulatory conditions can affect a company's ability to execute marketing strategies. If the company is unable to adapt to these changes, then the strategy implemented can be less effective (Zaltman et al., 1973) .

Target markets also play a very significant role in determining the success of marketing strategies. An in-depth understanding of consumer needs, preferences, and behaviour allows companies to design relevant marketing strategies. Without accurate data about the target market, companies risk targeting the wrong audience, so they cannot explore the maximum potential of the products or services offered (Aaker, 2007).

Competitors are another external factor that must be considered in the implementation of marketing strategies. Analysing the position, strengths, and weaknesses of competitors helps companies to develop a competitive advantage. It is necessary to have an innovative and unique approach in order to be able to provide more value compared to competitors in the same market (Green et al., 2006) .

In addition, internal factors such as company resources also affect marketing strategies. Human, technological and financial resources are important aspects that must be considered to ensure the strategy can be implemented optimally. An organisational framework that supports innovation and collaboration will facilitate the execution of each marketing step (Chaffey & Smith, 2017) .

The quality and uniqueness of the product or service is also one of the elements that directly affect marketing effectiveness. Products that fulfil consumer needs, have added value, or offer solutions that are not yet available in the market tend to be more marketable (Sawhney et al., 2005) . Therefore, the marketing strategy should be able to highlight the advantages of the product in a compelling way.

Marketing technology is highly influential in implementing strategies in today's digital era. The utilisation of online platforms, social media, SEO strategies, and other digital marketing tools are key in reaching a wider audience efficiently. The inability to utilise modern technology can make a company lose competitiveness (Teece, 2010) .

Cultural factors and local values also influence the implementation of marketing strategies, especially if the company operates in a multicultural or international market. Marketing that lacks attention to local cultural values can create challenges in reaching consumers. It is important for companies to respect and understand local culture in order to build good relationships with customers (Kim & Mauborgne, 2005) .

Effective communication is another important aspect of marketing strategy. The message conveyed to consumers must be clear, persuasive, and consistent with the company's brand image. Errors in message delivery can lead to misperceptions that ultimately affect product reputation and sales.

External factors such as market trends also affect marketing strategies. Consumers tend to easily follow new trends in lifestyle, technology, or other things. Companies that are able to read and capitalise on opportunities from these trends can be more successful in implementing their strategies (Reichheld, 2003) .

The resilience and flexibility of businesses to deal with change is another determining factor. In the dynamic world of marketing, companies must be able to adapt quickly to new challenges such as changes in consumer preferences, economic situations, and technological advances. Flexible marketing will allow companies to continue to be relevant in the midst of intense competition.

Conclusion

In the face of ever-changing global market dynamics, the implementation of innovative marketing strategies has become essential to enhance economic competitiveness. Companies that are able to adapt quickly to changing trends and customer needs have a greater chance of surviving and thriving. Innovations in marketing, be it through digitalisation, personalisation of offers, or the use of data analytics, enable businesses to reach and retain customers more effectively.

Innovative marketing strategies also play an important role in creating differentiation in an increasingly saturated market. By utilising the latest technology and building more meaningful customer engagement, companies can create unique and value-added experiences. This not only helps in increasing customer loyalty, but also strengthens the brand's position in the competitive global market.

Overall, improving economic competitiveness through innovative marketing strategies requires a commitment from organisations to implement creative and adaptive approaches. By focusing on continuous innovation in marketing, companies can ensure steady and sustainable growth amidst existing economic challenges, as well as open up new opportunities for expansion and overall economic progress.

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