# Building Competitive Advantage and Business Success through Self-Efficacy, Product Diversity, and Promotion Strategy

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*Abstract-Business success is essentially the success of a business in achieving its goals from all activities in a company, namely to achieve business success. The focus of this research is to explain the impact of self-efficacy, product diversity, competitive advantage, and promotion on business success in the creative industry. This research was conducted in Majalengka Regency, West Java, Indonesia. The respondents were creative economy industry players using purposive sampling technique. The data collection technique in this study used an online questionnaire via google form. The data analysis technique uses verification analysis, hypothesis testing and the coefficient of determination and is processed using SPSS. The conclusion of this study is that self-efficacy has a positive and significant effect on business success, product diversity has a positive and significant effect on business success, competitive advantage has a positive and significant effect on business success, promotion has a positive and significant effect on business success, and self-efficacy, product diversity, competitive advantage, and promotion have a positive and significant effect on business success.*

*Keywords: Self-efficacy, Product Diversity, Competitive Advantage, Promotion, Business Success.*

## I. INTRODUCTION

The growth of the creative industry is growing very rapidly in the world as technology develops from year to year [1] UNCTAD (2022) explained that the global value of creative products and services in the world in 2022 reached US $ 7.7 Trillion, this value is a staggering figure with an increase of around USD 1 trillion compared to the first quarter of 2021. In Indonesia itself, the creative economy and the Creative Industry are increasingly being discussed by both the government, the private sector and the actors themselves. According to the coordinating ministry for the economy (2022), there are currently more than 8.2 million creative businesses in Indonesia, dominated by culinary, fashion, and craft businesses, which are leading subsectors that make a major contribution to national GDP. In addition, there are creative economy subsectors with the fastest growth. namely film, animation, and video, performing arts, and visual communication design which are priority subsectors and act as drivers of other subsectors [1].

The creative industry has an important role in economic development, but creative economy entrepreneurs still face many problems in business development and business sustainability [1]. The Ministry of Trade of the Republic of Indonesia

defines the creative industry as an industry that comes from the utilization of creativity, skills and talents of individuals to create prosperity and employment through the creation and utilization of the individual's creative power and inventiveness. Creative industries are based on renewable resources, create innovation and creativity which are the competitive advantages of a nation and have a positive social impact [2]. The development of creative industries has an important position not only in the absorption of labor and the welfare of the people in the region, in many ways they become a bond and stabilize the problem of social inequality [3]. The establishment of the Creative Regencies and Cities (KaTa) program by the Ministry of Tourism and Creative Economy can be a driving force for every regency and city throughout Indonesia, especially in Majalengka district.

Regional economic development often hinges on the effective utilization of available resources, both tangible and intangible. Majalengka Regency, located in West Java, Indonesia, is endowed with abundant potential, including diverse natural resources, an expanding pool of human capital, and a growing base of skilled labor. These assets, in principle, provide a strong foundation for fostering entrepreneurship, enhancing competitive

advantage, and achieving sustainable economic growth. However, the economic performance and business competitiveness in Majalengka have not fully reflected this potential. While resource abundance offers strategic opportunities, its transformation into measurable business success requires the interplay of individual capabilities and effective marketing strategies. Prior studies in the Indonesian context have tended to focus either on resource mapping at the macro level or on isolated determinants of business performance, without integrating personal, strategic, and marketing factors into a comprehensive analytical model. opportunities, its transformation into measurable business success requires the interplay of individual capabilities and effective marketing strategies.

This gap is particularly evident in the limited empirical evidence on how self-efficacy, product diversity, and promotion strategy jointly contribute to building competitive advantage and achieving business success in resource-rich but under-optimized regions. Addressing this gap, the present study develops and empirically tests a model that links these factors to competitive advantage and performance outcomes in the context of Majalengka Regency. The novelty of this research lies in its integrative approach, combining psychological (self-efficacy), strategic (product diversity), and promotional (marketing communication) dimensions to explain how regional resource potential can be effectively converted into sustainable business achievements

This region has the potential to develop creative industry facilities, Majalengka is expected to be able to carry out creative industries to attract and encourage all the potential that exists in the Majalengka region. Each creative industry subsector certainly has a different GRDP (Gross Regional Domestic Product) between one subsector and another. SME business turnover in Majalengka has so far contributed to the Gross Regional Domestic Product (GRDP) of the creative industry.
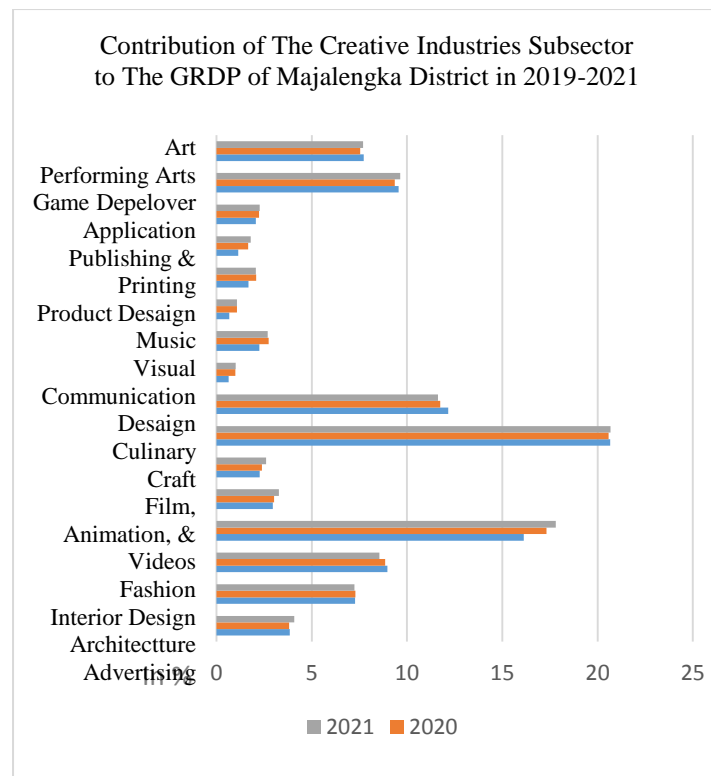


**Figure 1.** Contribution of Creative Industry Subsector to GDRP of Majalengka Regency in 2019-2021
*Source: Office of Cooperatives and UMKM Kab. Majalengka, 2022*

Based on Figure 1, it shows that the contribution of the creative industry to the Gross Regional Domestic Product (GRDP) of Majalengka Regency from 2019 to 2021 is not growing rapidly from year to year. In the development of this industry, of course, competent entrepreneurs are needed. Entrepreneurship can be defined as the ability to see and assess business opportunities, gather resources that can be used to take advantage of them and be able to take appropriate action to ensure the achievement of success [4].

Companies experience competitive advantage when actions in an industry or market create economic value and when several competing companies engage in similar actions. The main activity in the success of the creative industry, namely promotional activities carried out, can change the attitudes and behavior of buyers who previously did not know to know and when consumers have purchasing power, with awareness and recognition of a product, potential customers will become buyers remembering the product [3]. Apart from the promotional activities carried out, of course, creative industry players need to pay attention to the diversity of products offered.

Based on what has been described, this research has implications as a reference for decision making for creative industry players and whit a contribution that is expected to be used as empirical evidence for creative industriy players. The researcher is interested in raising the research title, namely Determining Factors For the Success of Creative Industries: Case Study of Creating Industries in Majalengka Regency, Indonesia.

## II. LITERATURE REVIEW

### 2.1 Building Competitive

Competitive advantage is defined as a strategy of companies that cooperate to create a more effective competitive advantage in their market [5]. Competitive advantage is expected to be able to achieve profits as planned, increase market share, increase customer satisfaction, and continue the survival of a business [6]. Competitive advantage is a profit strategy of companies that cooperate to compete more effectively in the market [7]. Prior studies in the Indonesian context have tended to focus either on resource mapping at the macro level or on isolated determinants of business performance, without integrating personal, strategic, and marketing factors into a comprehensive analytical model.

### 2.2 Business Success

Business success is essentially the success of the business in achieving its goals. The main purpose of all activities in a company is to achieve business success [8]. If the company experiences a decrease in profit or profit instability, then the company will find it difficult to survive and continue its business activities. Efforts to achieve success in business require several factors such as self-efficacy, product diversity, competitive advantage and promotion. Self-efficacy is one that affects the success of a business, because self-efficacy has a significant impact on achievement and goals by influencing motivation, personal choices, and emotional patterns and reactions [8].

Self-efficacy is an employee's attitude related to personal beliefs about competence and ability to carry out tasks [9]. Success in the creative industry can also be seen from the diversity of products offered. Product diversity is the total number of all products and raw materials [10]. Product diversity is also one of the factors that must be considered by business owners, and good product diversity will encourage business actors to visit and shop with consumers which will generate profits for creative industry players [11].

## III. RESEARCH METHODS

This study utilizes both primary data and secondary data as its main sources of information. Primary data were obtained directly from respondents through structured questionnaires, while secondary data were gathered from existing literature, including books, journal articles, and credible online sources relevant to the research topic. The combination of these data sources enhances the validity and reliability of the study, as recommended by previous researchers in mixed-methods or quantitative research approaches [12][13]. The primary data source in this study is the results of a questionnaire filled out by active students in Majalengka Regency. The primary data source in this study is data on the number of creative industry players in the Majalengka Regency area. The population in this study was 1,905. The sampling technique in this study used simple purposive sampling, so that 95 creative industry players were obtained. The data collection technique in this study used an online questionnaire via google form. The data analysis technique uses testing validity, reliability, classical assumptions, multiple linear regression, hypothesis testing and the coefficient of determination and is processed using SPSS version 26.

## IV. RESULTS AND DISCUSSION

### Results

To get research results that can be accounted for, first the validity test and reliability test are carried out on the instrument (questionnaire) of individual characteristics, compensation and job satisfaction.

**Table 2.** Research Instrument Test Results

| Variabel | Question Item | Validity | | Reliability | |
|---|---|---|---|---|---|
| | | Correlation Coefficient | Description | Cronbach's Alpha | Description |
| Self-Efficacy ($X_1$) | No. 01 - 11 | | | 0,677 | |
| Product Diversity ($X_2$) | No 12 – 19 | ≥ 0,2( | Valid | 0,689 | Reliabel |
| Competitive Advantage ($X_3$) | No. 20 - 27 | | | 064 0 | |

| | | |
|---|---|---|
| Promotion (X₄) | No. 28 - 37 | 0,773 |
| Business Success (Y) | No 38 – 54 | 0,827 |

*Source: SPSS Data Processing, 2025.*

Based on table 1. the results of the validity test calculation using the *product moment correlation* formula obtained the correlation coefficient value for each questionnaire statement *item* is more than 0.263 so that 46 questionnaire statement *items* are declared valid. The next step is to conduct a reliability test using the *Cronbach alpha* formula with the provisions of rcount ≥ rtable with a significance level of 1%, and the results of all questionnaire statement *items for* each variable are said to be reliable, so they can be used for research.

**Table 2.** Normality Test Results

**One-Sample Kolmogorov-Smirnov Test**

| | | Unstandardized Residual |
|---|---|---|
| N | | 95 |
| Normal Parameters[a,b] | ,0000000 5,20478469 | 0,0000000 0,55692182 |
| Most Extreme Differences | ,056 ,056 -,056 | 0,101 0,097 -0,101 |
| Test Statistic | | ,056 |
| Asymp. Sig. (2-tailed) | | ,200[a] |

*Source: SPSS Data Processing, 2025.*

Based on table 2, the *Asymp. Sig value* is 0.200, this can be said to be greater than 0.05, with this the data from this study has normally distributed data. Therefore, the regression model has been considered in fulfilling the test requirements

**Table 3.** Multiple Regression Coefficient Analysis

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| 1 (Constant) | -18,987 | 9,204 | | -2,063 | ,042 |
| Self-Efficacy (X₁) | 1,061 | ,147 | ,546 | 7,198 | ,000 |
| Product Diversity (X₂) | ,352 | ,137 | ,191 | 2,575 | ,012 |
| Competitive Advantage (X₃) | ,296 | ,146 | ,148 | 2,029 | ,045 |
| Promotion (X₄) | ,301 | ,076 | ,289 | 3,954 | ,000 |

*Source: SPSS Data Processing, 2025.*

Based on table 3 through the results of data processing as described above, a prediction model for the variables of self-efficacy, product diversity, competitive advantage, and promotion on business success can be formed as follows:

$$Y = -18.987 + 1.061\ X_2 + 0.352\ X_2 + 0.296\ X_3 + 0.301\ X_4$$

Based on the prediction equation above, the regression coefficient of each independent variable can be interpreted as follows:

1) The constant of -18.987 means that if self-efficacy, product diversity, competitive advantage, and promotion are zero then business success is -18.987.
2) The regression coefficient of the self-efficacy variable is 1.061, stating that each addition of one unit of self-efficacy score will increase business success by 1.061, assuming other variables are constant.
3) The regression coefficient of the product diversity variable is 0.352, stating that each addition of one unit of product diversity score will increase business success by 0.352, assuming other variables are constant.
4) The regression coefficient of the competitive advantage variable is 0.296, stating that each addition of one unit of competitive advantage score will increase business success by 0.296, assuming other variables are constant.
5) The regression coefficient of the promotion variable is 0.301, stating that each addition

of one unit of promotion score will increase business success by 0.301, assuming other variables are constant.

**Table 4.** Result of the t-test

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| 1 (Constant) | -18,987 | 9,204 | | -2,063 | ,042 |
| Efikasi Diri (X$_1$) | 1,061 | ,147 | ,546 | 7,198 | ,000 |
| Keberagaman Produk (X$_2$) | ,352 | ,137 | ,191 | 2,575 | ,012 |
| Competitive Advantage (X$_3$) | ,296 | ,146 | ,148 | 2,029 | ,045 |
| Promosi (X$_4$) | ,301 | ,076 | ,289 | 3,954 | ,000 |

*Source: SPSS Data Processing, 2025.*

Based on table 4, the results of data processing for the t hypothesis test or partial test are as follows:

1) Self-efficacy variable obtained tcount value $\geq$ *t table* or 7.198 $\geq$ 1.986 and a significance value of 0.000 <0.050 so that it rejects H$_0$ and accepts H$_a$ which means that there is a positive and significant effect of self-efficacy on business success.

2) The product diversity variable obtained a tcount value $\geq$ *t table* or 2.575 $\geq$ 1.986 and a significance value of 0.012 <0.050 so that it rejects H$_0$ and accepts H$_a$ which means that there is a positive and significant effect of product diversity on business success.

3) Competitive advantage variable obtained tcount value $\geq$ *t table* or 2.029 $\geq$ 1.986 and a significance value of 0.045 <0.050 so that it rejects H$_0$ and accepts H$_a$ which means that there is a positive and significant effect of competitive advantage on business success.

4) The promotion variable obtained a tcount value $\geq$ *t table* or 3.954 $\geq$ 1.986 and a significance value of 0.000 <0.050 so that it rejects H$_0$ and accepts H$_a$ which means that there is a positive and significant effect of

promotion on business success.

**Table 5.** F Test Result

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| 1 Regression | 3039,350 | 4 | 759,837 | 26,855 | ,000[b] |
| Residual | 2546,440 | 90 | 28,294 | | |
| Total | 5585,789 | 94 | | | |

*Source: SPSS Data Processing, 2025.*

Based on table 5, the value of Fcount $\geq$ *Ftable* or 26.855 $\geq$ 2.705 and a significance value of 0.000 <0.050 so that H$_0$ is rejected and H$_a$ is accepted, meaning that self-efficacy, product diversity, competitive advantage, and promotion simultaneously have a positive and significant effect on business success.

**Table 6.** Test Result of the Coefficient of Determination

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | ,738[a] | ,544 | ,524 | 5,319 |

*Source: SPSS Data Processing, 2025.*

Based on table 6, it is known that the joint influence given by self-efficacy, product diversity, competitive advantage, and promotion on business success is 0.544 or 54.4%, while as much as 0.456 or 45.6% is the contribution of the influence of other factors not examined (epsilon).

**Discussion**

Based on the results of hypothesis testing partially shows that self-efficacy has a positive and significant effect on business success. self-efficacy is measured by three indicators, namely individual beliefs, actions, and cognitive resources. The results of this study are in accordance with the results of research by [8] which state that self-efficacy has a positive and significant effect on business success. Explained that self-efficacy will control thoughts, feelings, and behavior [14]. Self-efficacy can provide individual confidence and confidence in carrying out tasks and becoming a business actor in the creative industry.

Based on the results of the partial hypothesis test, it shows that product diversity has a positive and significant effect on business success. product diversity is measured by four indicators, namely product brand variations, product completeness variations, product size variations, and product quality variations. Product diversity has a positive and

significant effect on business success. Diversity of products owned will produce creativity which will increase business success.

Based on the results of partial hypothesis testing, it shows that competitive advantage has a positive and significant effect on business success. Thus, to be able to continue to improve the creative industry business more successfully than other similar business competitors, the creative industry must increase competitive advantage. How to increase the competitive advantage by increasing each indicator, namely price, quality, time to market, and sales growth. The results of this study are in accordance with the results of [7] research which states that competitive advantage has a positive and significant effect on business success. Competitive advantage will provide its own uniqueness and attractiveness for creative industry players.

Based on the results of hypothesis testing partially shows that promotion has a positive and significant effect on business success. promotion is measured by six indicators, namely advertising, personal selling, sales promotion, public relations, and direct marketing [15]. The results of this study are which state that promotional activities will introduce the products of each creative industry which will increase business success. Marketing activities can give consumers an impression of product introductions so that they can support businesses.

Based on the results of partial hypothesis testing, it shows that self-efficacy, product diversity, competitive advantage, and promotion have a positive and significant effect on business success. The self-confidence of each creative industry player will have an impact on business success. When individuals have confidence, they will be able to overcome challenges and tend to take risks. In the creative industry, product diversity can expand the scope of consumers and increase market attractiveness. By offering a variety of products, businesses will have many opportunities for different consumer preferences. Effective promotion helps businesses to raise awareness of their brand and products .

## V. CONCLUSION AND SUGGESTION

Based on the findings of this study, it can be concluded that self-efficacy, product diversity, competitive advantage, and promotion each have a positive and significant influence on business success. Additionally, the combined effect of these four variables also demonstrates a significant contribution to business success, particularly within the context of the creative industry. The interrelationship among these factors indicates that self-efficacy plays a foundational role in motivating entrepreneurs to innovate and produce diverse products. These products, when supported by distinctive competitive advantages, become more attractive to the market. Moreover, effective promotional strategies serve as a crucial medium to communicate product value and uniqueness, thereby enhancing market reach and overall business performance. In essence, the synergy between self-efficacy, product diversity, competitive advantage, and promotion contributes meaningfully to the achievement of sustainable business success in the creative sector.

In light of these conclusions, several recommendations can be proposed. First, entrepreneurs in the creative industry should actively develop their self-efficacy through capacity-building initiatives such as training programs, mentoring, and real-world entrepreneurial experiences. Second, product development efforts should prioritize diversity and innovation, tailored to meet evolving consumer preferences and market trends. Third, identifying and leveraging unique competitive advantages is essential to maintain differentiation and market positioning. Fourth, promotion should be strategically implemented using digital platforms, including social media, influencer collaboration, and digital content marketing, to effectively engage consumers and strengthen brand presence. Lastly, future research is recommended to explore additional variables that may influence business success, such as digital literacy, customer relationship management, innovation capability, and environmental sustainability. Such studies could provide deeper insights into the multifaceted nature of success in the creative industry and offer broader implications for entrepreneurial development.

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