

Research Article

Model Of Sustainable Competitive Advantage In Culinary Small And Medium Enterprises In Bogor Regency

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Abstract: *This study aims to develop a conceptual model of Sustainable Competitive Advantage (SCA) for small and medium-sized enterprises (SMEs) by integrating various relevant theoretical perspectives. The study is motivated by the increasing dynamics of business competition and the need for SMEs not only to achieve competitive advantage but also to sustain it over time. The approach used is a conceptual study based on a literature review of the Resource-Based View (RBV), Dynamic Capabilities, and Relational View theories. The main contribution of this study is a comprehensive conceptual framework for understanding the formation of SCA in SMEs, particularly in the face of the digital era and global competition. The theoretical implications of this study enrich the literature on the integration of cross-perspectives in building sustainable competitive advantage, while its practical implications provide guidance for SME stakeholders in designing adaptive and long-term-oriented business strategies. Further research is recommended to empirically test this model to validate the relationships among the proposed constructs.*

Keywords: *Sustainable Competitive Advantage; SMEs; Resource-Based View; Dynamic Capabilities; Bogor Regency*

1. Introduction

Small and Medium Enterprises (SMEs) play a very important role in the Indonesian economy because they contribute significantly to employment and the formation of Gross Domestic Product (GDP). Data from the Ministry of Cooperatives and SMEs (2023) shows that SMEs dominate more than 99% of the national business structure and employ more than 97% of the workforce. This situation is also reflected at the regional level, including in Bogor Regency, which is one of the centers of SME growth in West Java. Data from Open Data Jabar (2024) shows that the number of SMEs in Bogor Regency has continued to increase in recent years, particularly in the culinary sector, which has become one of the most developed and adaptive business sectors in response to changes in people's lifestyles and consumption patterns. This shows that there are huge economic opportunities, but it also reflects the increasingly fierce competition among SME players, especially in maintaining long-term sustainable competitive advantage. To address these competitive challenges, the Bogor Regency Government has enacted Bogor Regent Regulation No. 43 of 2024 concerning Micro Business Development and Guidance, which affirms the local government's commitment to creating an ecosystem that supports SME growth through guidance, assistance, and improved market access. However, the implementation of this policy still faces obstacles, such as low digital literacy, limited access to technology, and a lack of effective collaboration between SMEs and other stakeholders, both from the private sector and government agencies (Permana et al., 2024). These conditions reveal a gap between the policies that have been formulated and the real conditions experienced by SMEs in the field.

In an era of increasingly dynamic and complex business competition, it is no longer enough for organizations to simply achieve a competitive advantage; they are also required to sustain it over the

long term. Rapid environmental changes, technological disruption, and shifting market preferences demand that companies possess the ability to maintain their leading position in the long run. In this context, the concept of Sustainable Competitive Advantage (SCA) has become increasingly relevant as a cornerstone of modern business strategy. Sustainable Competitive Advantage (SCA) refers to an organization's ability to create and maintain an advantage that is not easily replicated by competitors over an extended period. Unlike temporary competitive advantage, SCA emphasizes sustainability, resilience, and the ability to adapt to environmental changes. Sustainable advantage is determined not only by current market position but also by an organization's ability to consistently renew and maintain the value it offers.

Although the concept of SCA has been extensively discussed in the strategic management literature, there remains a gap in understanding how this advantage can be comprehensively explained as a dynamic process. Most previous studies tend to treat competitive advantage as an end result, rather than as an evolving process. This highlights the need for a more integrative conceptual approach to explain the characteristics, mechanisms, and sustainability of competitive advantage itself. Furthermore, the complexity involved in the formation of SCA often makes it difficult to identify the primary sources of such advantage. The unique, hard-to-imitate nature of the advantage, coupled with causal ambiguity, makes SCA a phenomenon that is not easily explained in simple terms. Therefore, a deeper understanding is needed regarding how competitive advantage can be sustained in the long term amidst the ever-changing dynamics of the business environment. Based on this background, this article aims to develop a conceptual framework capable of explaining Sustainable Competitive Advantage (SCA) more comprehensively. The primary focus of this study is on understanding SCA as a dynamic process that reflects the sustainability of advantage through value renewal, resilience to competitive pressures, and continuous adaptability.

The findings of this study are expected to enrich the literature in the field of strategic management, particularly regarding the conceptual understanding of SCA. Furthermore, this study also offers implications for business practice in formulating strategies that are not only focused on achieving competitive advantage but also on sustaining that advantage over the long term.

2. Literature Review And Hypothesis Development

Sustainable Competitive Advantage (SCA)

Sustainable Competitive Advantage (SCA) is a key concept in strategic management that explains how organizations are able to maintain their competitive advantage over the long term. This concept is rooted in the view that competitive advantage is determined not only by the ability to achieve superior performance, but also by the ability to maintain that position in the face of competitive pressure (Barney, 1991). In its original perspective, SCA is associated with the characteristics of sources of advantage that are valuable, rare, inimitable, and non-substitutable (VRIN). These characteristics create strong barriers to imitation for competitors, thereby enabling the organization to maintain its advantage over the long term (Barney, 1991). Additionally, the concept of causal ambiguity explains that the lack of clarity regarding the relationship between resources and performance serves as a critical factor hindering competitors' imitation efforts (Rumelt, 1984).

The concept of Sustainable Competitive Advantage (SCA) refers to an organization's ability to maintain long-term competitive advantage through the management of resources and capabilities that are difficult for competitors to imitate. This concept is rooted in the Resource-Based View (RBV) developed by (Barney, 1991) which states that sustainable competitive advantage is achieved when an organization possesses resources that are valuable, rare, inimitable, and non-substitutable, known

as the VRIN criteria. These resources can include tangible and intangible assets such as employee competencies, organizational knowledge, operational systems, customer relationships, business reputation, and organizational culture. In the context of SMEs, VRIN resources are often not advanced technologies, but rather product uniqueness, customer proximity, operational flexibility, and experience-based knowledge that are difficult for competitors to replicate. If a resource meets the VRIN criteria, it can generate sustainable competitive advantage because it is difficult for competitors to imitate in the long term.

Although RBV emphasizes the importance of internal resources, this theory was later developed through Dynamic Capabilities Theory introduced by (Teece, 2007; Teece et al., 1997). This theory explains that competitive advantage is not only obtained by having unique resources, but also through the organization's ability to identify opportunities (sensing), seize those opportunities (seizing), and reconfigure resources (reconfiguring) to align with environmental changes. This is particularly relevant for SMEs operating in volatile and highly competitive markets. SMEs that are able to quickly adjust their menus, marketing strategies, service models, or production methods will be better able to maintain their competitive advantage compared to those that are rigid in their operations. Sustainable Competitive Advantage (SCA) in SMEs is the result of a combination of unique internal resources (RBV) and the ability to adapt and innovate continuously (Dynamic Capabilities). These theories provide an understanding that SCA is not a static condition, but a dynamic process that involves strengthening resources, improving capabilities, and optimizing external relationships on an ongoing basis

SCA is also understood as a path-dependent phenomenon, in which competitive advantage is formed through a unique historical process that cannot be instantly replicated (David J. Teece et al., 1997). This suggests that the sustainability of competitive advantage is determined not only by current conditions but also by the accumulation of experience, organizational learning, and consistent strategic decisions over time. However, early literature tended to view SCA as a relatively static condition. This perspective was later criticized for failing to explain the dynamics of an increasingly complex and rapidly changing business environment. Therefore, SCA needs to be understood as a dynamic concept, emphasizing an organization's ability to continuously renew and adapt its advantages to remain relevant (Teece et al., 1997).

Furthermore, SCA has a multidimensional nature that encompasses sustained performance, resilience to competitive pressures, and the ability to maintain market position (Peteraf, 1993). Thus, sustainable competitive advantage is measured not only by short-term results but also by its resilience to environmental changes and market disruptions. Although various studies have discussed SCA from diverse perspectives, there remains a gap in the literature regarding how this concept can be explained integrally as a continuous process. Most research emphasizes the sources or determinants of advantage but has not comprehensively explained the mechanisms of its sustainability. Therefore, there is a need to develop a conceptual framework capable of explaining SCA as a dynamic process involving interrelated continuity, adaptability, and complexity.

3. Hypothesis Development

This section develops a set of conceptual propositions aimed at explaining how Sustainable Competitive Advantage (SCA) can be built and maintained through the integration of strategic resources. The following are the propositions in this conceptual paper:

P1: Sustainable Competitive Advantage (SCA) in SMEs is determined by the company's ability to sustainably manage and integrate valuable, rare, imitable, and non-substitutable (VRIN) resources

4. Method

This study employs a conceptual research approach aimed at developing a comprehensive theoretical framework to explain the formation of Sustainable Competitive Advantage (SCA) in culinary Small and Medium Enterprises (SMEs). Unlike empirical research, this study does not involve primary data collection or statistical testing, but instead focuses on the development and integration of relevant theories to build a robust conceptual model. The research is conducted using a theory-building method, which emphasizes the synthesis of prior literature and the integration of multiple theoretical perspectives. This approach is considered appropriate because the main objective of the study is to address gaps in the existing literature by proposing a more comprehensive and integrative framework that explains how SMEs can achieve and sustain competitive advantage in a dynamic business environment. In this model, Sustainable Competitive Advantage is conceptualized based on the VRIN criteria, emphasizing the importance of valuable, rare, inimitable, and non-substitutable resources. This study contributes through theoretical development and model construction, offering a conceptual basis that can be used for further empirical investigation as well as practical guidance for SMEs and policymakers in enhancing sustainable competitiveness.

The analytical techniques employed are conceptual analysis and deductive logic, in which existing concepts are critically analyzed to identify relationships, gaps, and opportunities for theoretical development. This process enables researchers to redefine their understanding of Sustainable Competitive Advantage (SCA) as a construct that is not merely static but also evolves over time. Furthermore, this study employs a narrative synthesis approach to integrate various theoretical ideas into a coherent conceptual framework. Through this process, propositions are developed that explain the characteristics, mechanisms, and sustainability of Sustainable Competitive Advantage (SCA). By employing this approach, the study is expected to provide a more in-depth theoretical contribution to the understanding of Sustainable Competitive Advantage (SCA) and offer new perspectives that can serve as a foundation for future empirical research.

5. Results And Discussion

These conceptual findings reinforce the argument within the Resource-Based View (RBV) that competitive advantage stems from unique internal resources. However, this study also confirms that in a dynamic business environment, the RBV approach alone is insufficient. Integration with the dynamic capabilities perspective is essential to explain how companies are able to sustain that advantage over the long term. This model demonstrates that Sustainable Competitive Advantage (SCA) is dynamic and contextual. This means that the sustainability of an advantage is determined not only by what a company possesses but also by how it responds to changes in the business environment, including technological advancements and shifts in market preferences. This aligns with the Dynamic Capabilities perspective, which emphasizes the importance of continuous adaptation and transformation.

In a conceptual context, Sustainable Competitive Advantage (SCA) can be understood as the result of a cumulative, path-dependent process, in which the advantages that exist today are the result of consistent decisions and developments made in the past. This explains why not all organizations are able to replicate the same advantages, even when operating in similar industries. Furthermore, SCA also contains an element of causal ambiguity – a condition where the relationship between the sources of advantage and performance outcomes cannot be simply explained by outsiders. This ambiguity serves as a natural protective mechanism that reinforces the sustainability of competitive advantage, as competitors struggle to accurately identify and replicate those sources of advantage. From a

sustainability perspective, SCA also demands consistency in creating value relevant to the market. Advantages that fail to adapt to changing customer needs or environmental dynamics will eventually erode. Therefore, the essence of SCA lies in the balance between the stability of the advantage and flexibility in responding to change. Furthermore, SCA can be viewed as a multidimensional phenomenon that reflects superior performance, resilience to competitive pressures, and the ability to maintain market position over the long term. Sustainable excellence is measured not only by current achievements but also by its resilience to future disruptions and changes.

6. Conclusion

This conceptual study confirms that Sustainable Competitive Advantage (SCA) is a form of strategic advantage that is oriented not only toward achieving superior performance but also toward the ability to sustain and renew that advantage over the long term. SCA is understood as a dynamic condition that reflects a balance between the stability of a leading position and the flexibility to respond to changes in the business environment. Furthermore, SCA possesses key characteristics: uniqueness that is difficult to imitate, complexity that is not easily understood by competitors, and a path-dependent nature formed through long-term processes. These characteristics make SCA a source of advantage that is not merely temporary but capable of withstanding competitive pressures and market disruptions. Moreover, the sustainability of competitive advantage is largely determined by an organization's ability to maintain the relevance of the value it generates. An advantage that is not continuously renewed risks a decline in competitiveness; thus, the essence of SCA lies in the continuity of adaptive, long-term value creation.

7. References

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