



## Developing the competitive advantage of small and medium enterprises through an ergo- iconic value approach in Indonesia

 Andriyansah\*

 Ginta Ginting\*

 Abdul Rahman Rahim\*

<sup>1,2,3</sup>Department Management of Faculty  
Economics and Business, Universitas  
Terbuka, Indonesia.

<sup>1</sup>Email: [andri@ecampus.ut.ac.id](mailto:andri@ecampus.ut.ac.id)

<sup>2</sup>Email: [ginta@ecampus.ut.ac.id](mailto:ginta@ecampus.ut.ac.id)

<sup>3</sup>Email: [rahman.mks@ecampus.ut.ac.id](mailto:rahman.mks@ecampus.ut.ac.id)

### Licensed:

This work is licensed under a Creative  
Commons Attribution 4.0 License.

### Keywords:

Ergo-iconic value

Iconic architectures

Positional advantages

SMEs.

### JEL Classification:

M100; M110; M310.

Received: 26 April 2023

Revised: 23 September 2023

Accepted: 6 October 2023

Published: 10 October 2023

(\* Corresponding Author)

### Abstract

The present study seeks to examine the effects of ergo-iconic positional advantages on the competitive performance and innovation of small and medium enterprises (SMEs) in the province of West Java. By analysing these impacts, the study aims to contribute to the understanding of strategies that can enhance the competitive benefits of SMEs. The study involves three dimensions of ergo-iconic positional advantages involving iconic service marketing, ergonomic product value, and positional advantages to analyse their impact on achieving small and medium enterprises' performance in West Java Province. The group of respondents for this study consisted of 186 commercial establishments. The participants were selected using a process known as proportionate stratified random sampling. The data will be analysed using AMOS and path analysis in order to examine the study hypotheses. The results showed that iconic service marketing, ergonomic product value, and positional advantages positively and significantly affect SMEs' performance in West Java Province. The study resoundingly supports the idea that the presence of ergo-iconic positions in SMEs buildings may boost competition and innovation in SMEs goods and customer service standards.

**Funding:** This research is supported by the Directorate General of Higher Education, Research and Technology of the Republic of Indonesia (Grant number: DIPA-023.17.1.690.523/2022).

**Institutional Review Board Statement:** The Ethical Committee of the Universitas Terbuka, Indonesia has granted approval for this study on 22 April 2022 (Ref.No. B/1352/UN31.LPPM/PJ.00.01/2023).

**Transparency:** The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

**Data Availability Statement:** The corresponding author may provide study data upon reasonable request.

**Competing Interests:** The authors declare that they have no competing interests.

**Authors' Contributions:** All authors contributed equally to the conception and design of the study. All authors have read and agreed to the published version of the manuscript.

## 1. Introduction

There is a growing recognition of the significant attention being given to the ergo-iconic positioning advantages that small and medium firms (SMEs) in Indonesia possess, particularly in terms of their competitive advantages. It is imperative for various enterprises, including businesses and the private sector, to engage in efforts aimed at enhancing their competitiveness and innovativeness in the realm of business management. (Andriyansah, 2018). These two approaches have still been uncovered and discussed. However, surprisingly, these approaches have attracted the attention of scholars in business administration, management, and public administration. Ergo-iconic positional advantages are a new strategy to develop SMEs' quality and innovation, and it needs organizational dynamic capabilities, quality orientation, innovation management, learning capabilities, improvement, and change (Andriyansah, Fatimah, Hidayah, & Daud, 2020). Organisational managers ought to prioritise the ergo-iconic positional capacity of the firm in order to provide innovative competitive advantages (López-Mielgo, Montes-Peón, & Vázquez-Ordás, 2009).

According to the extant literature on the value of ergo-ionic service, it is based on the dominant service logic and viewed as a new perspective on marketing service that focuses on how to create the service and process of exchanging goods (Lusch & Vargo, 2006). There exists a correlation between service-dominant logic and customer co-creation values in the development of iconic ergonomic service values (Grissmann & Stokburger-Sauer, 2012). In addition, firm performance and SME development have been related to the achievement of iconic ergonomic service values, which are divided into various dimensions, for example, iconic power and performance (Alexander, 2012) and ergonomic environment to provide better iconic ergonomic service values (Murrell et al., 2012). Nevertheless, scholars in the fields of public administration and business have yet to extensively investigate the impact of iconic ergonomic service values on the performance of firms, particularly small and medium-sized enterprises (SMEs) (Birger Wernerfelt, 1984). Then, the purpose of the research is to analyse the effect of the iconic ergonomic service values perspective, which consists of three dimensions such as iconic service marketing, ergonomic product value, and positional advantages on firm performance (Wernerfelt, 1995; Wernerfelt & Montgomery, 1988) and SMEs development (Musa & Chinniah, 2016; Singh, Garg, & Deshmukh, 2008).

## **2. Theoretical Review**

### *2.1. Perspectives on Ergo-Ionic Service Values*

In terms of improving marketing service performance, Ergo-Ionic Service Values (EISV) are needed as the core of modelling in business, technology capabilities, and marketing (Andriyansah & Fatimah, 2020). EISV has become a model of quick business services in the case of providing service values differently to stakeholders or groups of a community of business targeting and performance (Zailani, Jeyaraman, Vengadasan, & Premkumar, 2012). Empirically, EISV has three core dimensions, such as iconic architecture, ergonomic product value, and positional advantages for firm performance (Wernerfelt, 1995; Wernerfelt & Montgomery, 1988). The service industry firm's market orientation requires a competitive advantage and organizational performance, with customer value being a consequential factor (Zhou, Brown, & Dev, 2009). Iconic business models have emerged because all stakeholders and markets need a kind of capability for developing innovative business and firm or SMEs performance (Mikhalkina & Cabantous, 2015).

### *2.2. Competitive Advantages of Small and Medium Enterprises*

Competitive advantage performance for SMEs is still applicable and innovative in the new era of competitiveness and marketization. Marketing and innovation for SMEs are viewed as the base of capabilities of SMEs to get different sources of firms and models and capture the innovative ability and customer's needs (Bianchini, Pellegrino, & Tamagni, 2016). In developing the competitive advantages in this study, we use Porter Diamond's conceptual approach. In this context, Porter tries to expand the five forces of theory, including the microenvironment context and the microeconomic one (Porter, 1990).

Since 1979, Porter has formulated the model of competitive advantages of firms, known as the Diamond Theory. This approach has been utilised to enhance the competitive advantages of firms, thereby improving their value chain, strategy, and overall competitive edge. Porter elucidates the significance of a country attaining a competitive edge in the industrial sector and how firms' demands for buyers and markets can exert pressure on companies to innovate, thereby enhancing their competitive advantages (Porter, 1990).

Companies need several important elements that can support their production. The study on Ergo-Ionic Service Values (EISV) also highlights the importance of several factors such as skilled labour, land, natural resources, infrastructure, and capital for companies to effectively navigate competition. Specifically, this research focuses on small and medium-sized enterprises (SMEs) (Andriyansah, 2018; Garba, Salleh, Hafiz, & Bakar, 2022; Loan, Brahma, Nuong, & Binh, 2023). Empirically, there is a strong relationship between EISV and competitive advantages. This context relates to Porter (1990), who defines that the clusters of geographic concentration now have been interconnected between companies and institutions in a particular field. However, the role of governments in the competitive development of industries such as SMEs is essential but not directly influenced by the policy of developing SMEs (Andriyansah, 2018).

The five major strategies of Porter's Five Forces model are widely used as key analytical components for assessing the competitive advantages of small and medium-sized enterprises. Porter (1990) stressed that competitiveness involves more than just macro-economic issues such as deficits, interest rates, and political stability. Porter categorises five forces of competitive advantages, such as industry infrastructure, industry profitability, competitors, buyers, and the power of suppliers (Porter, 1990).

## **3. Research Frameworks**

### *3.1. Iconic Service Marketing*

According to Andriyansah (2018), EISV has one aspect that has influenced the performance of SMEs: iconic service marketing. This aspect is needed in developing a firm to get its benefits and sustainability (Andriyansah, 2018). Iconic service marketing helps the industries and firms to build and maximize company performance in the long term. It is imperative for companies to establish and sustain mutually beneficial collaborative associations with customers in order to achieve profitability. Aaker states that the company

needs better capabilities to create superiority through one of the three generic strategies, namely differentiation, low cost, and focus strategies, and then the company will get a competitive advantage (Aaker, 1989). Dutta et al. assert that in the realm of iconic service marketing, firms that possess a strong capacity for product development stand to gain advantages in their efforts to improve their iconic service marketing (Dutta, Narasimhan, & Rajiv, 1999). Moreover, market orientation has impacted iconic product advantages. Meanwhile, product innovation influences iconic product advantages; dynamic capability influences iconic product advantages; and iconic product advantages influence marketing performance. Based on the existing literature review, the first hypothesis will be presented below:

*Hypothesis 1: Iconic Service Marketing effects the competitive advantages of SMEs.*

### *3.2. Ergo-iconic Product Value*

According to the literature, ergo-iconic product values are essential for building and developing worker's and firm's performances, quality improvement, product quality and productivity, and human performance enhancement (Andriyansah, 2018). Ergo-iconic products are designed to enhance product usability and mitigate the potential risk of firm failure resulting from product usage. Ergo-iconic product values have influenced product developments, strategies for prevention, and avoiding work-related injuries among employees at the moment of the manufacture of new products (Broberg, 1997). The perspective of EISV states that many ergonomics products have increased in firms to create a better value of production and utilization rate because their benefits have been claimed to be able to develop better standards of products with functions (Pratama, Nurfitriani, & Widyanti, 2020).

Empirically, that ergonomic product values will have worthiness not only for customers but also for manufacturers and products. Meanwhile, ergonomic values will appear as the one component which becomes a strategy that can be used to increase business. Then, the manufacturers can carry out the ergonomic-product values to design the firm with the highest competitive advantages (Dul & Neumann, 2009). Based on the literature review, the next hypothesis is presented as follows:

*Hypothesis 2: Ergo-iconic product values effect the competitive advantages of SMEs.*

### *3.3. Firm Positional Advantages*

Competitive positioning becomes the management strategy in the firm and marketing to reach the highest advantages in business. The literature shows that the competitive positioning of firms has concentrated on how business differentiates as a whole in valuable ways from its competitors and suppliers to deliver the products and customer's segments (Chang, Fernando, & Tripathy, 2015; Jiménez-Jiménez & Sanz-Valle, 2011; Waggoner, Neely, & Kennerley, 1999). Firm positional advantages reveal the capabilities of the firm, market orientation, and entrepreneurship of the firm to get the positional advantages over its competitors (Jogarathnam, 2017). Empirically, prior research has demonstrated a correlation between a firm's positional advantage in ambidextrous innovation and its marketing capabilities. Positional advantage is seen as an essential mediating role in the relationship between marketing capabilities and export venture performance (Christian, 2020). Weerawardena and Mavondo (2011) have studied that the positional advantages of firms are part of competitive advantages elements, which have benefits to encourage the firm to develop their capabilities, innovation, and competitive advantages. Based on the literature review, the next hypothesis will be presented as follows:

*Hypothesis 3: Firm positional advantages effects the SMEs competitive advantages.*

## **4. Methods**

The research employed a quantitative methodology conducted through a survey among firms in West Java Province. West Java is a province in Indonesia with a capital city called Bandung. The population of West Java province in 2021 will be 48,782,408 people, and the population density is 1,379 people per kilometer. According to the 2010 census conducted by the Central Bureau of Statistics (CBS), West Java province has the highest population in Indonesia. However, it is noteworthy that the indigenous population of the region is predominantly Sundanese. West Java is central to the Sundanese culture and commonly referred to as Tatar Sunda or Pasundan, together with the province of Banten. However, many immigrants have settled and lived from various other ethnic groups in Indonesia, especially in the metropolitan area of Jakarta, and migration in Cirebon began centuries ago. In this research, the researcher uses proportionate random sampling in selecting the population sample because, in West Java, many firms have various infrastructures, characteristics, capabilities, finances, and values. There are 206 firms and their personnel involved in this survey, and this research has a variety of firm characteristics and respondents. In order to enhance the efficacy of the study, the researcher initially conducted a pilot study to assess the dependability and authenticity of the research tools and to assess the feedback provided by the participants through the completion of the survey.

In the pilot study, 120 participants were involved and accepted for this research. After doing pilot research, the pilot data must be analysed using SPSS as a fundamental statistical analysis. Then, the data have to be condensed into a larger number of components based on a theory of ergo-iconic service values (EISV) and competitive advantages (Porter, 1980). Furthermore, the researcher makes the pilot data manageable in

numbers, so exploratory factors analysis (EFA) was employed to count the reliability and validity of the pilot data. We have to use a period of at least two months from August to September 2022 to make the necessary adjustments to the questionnaire to get the final data processed.

Following the comprehensive calibration of instruments in the pilot study, 206 questionnaires were disseminated to a sample population for research purposes. The data collection phase spanned approximately twelve weeks, from October to December of 2022. The study yielded a response rate of 92% from the original research sample, with a total return of 186 instruments. This indicates that the acquired instruments are suitable for examination in order to evaluate the hypotheses that are put forth in this research. Eight instruments were excluded from the study due to incomplete responses; two instruments were deemed defective, and three were deemed illegible. Additionally, seven responses yielded identical results on the Likert scale and were therefore excluded based on the Mahalanobis distance criterion. As a result, a total of 186 questionnaires were retained for further analysis. Table 1 shows the final dimension of the variables and indicators of independent and dependent variables. According to the theory of Ergo-Iconic Service Values (EISV), they consist of three core dimensions such as iconic service marketing, ergonomic product value, and firm positional advantages (Andriyansah & Fatimah, 2020; Wernerfelt, 1995; Wernerfelt & Montgomery, 1988; Zailani et al., 2012; Zhou et al., 2009). The present study aims to analyse the competitive advantages of small and medium-sized enterprises (SMEs) through the application of Porter's Five Diamond Advantages framework. This theoretical construct comprises five distinct dimensions, namely industry infrastructures, industry profitability, competitors, buyers, and power of suppliers (Porter, 1980).

In this study, the respondents were asked to rate their level of answers on a 6-point Likert scale that ranged from strongly disagree to strongly agree.

**Table 1. Dimensions and indicators of independents and dependents variables.**

Concept	Dimensions	Code	Indicators
Ergo-iconic service values Andriyansah (2018)	Iconic service marketing	ISM2	Iconic service marketing relates to efforts to brand firm awareness and sales productions.
		ISM3	Iconic service marketing promotes the performance of firm services that a company provides while providing value to its customers.
		ISM4	Iconic service marketing will enable firms to build the trust of consumers and provide good services.
		ISM5	Iconic Service Marketing will improve the firm's values services and performance.
	Ergonomic product value	EPV1	Firms use ergonomic products that ensure quality.
		EPV2	Ergonomic product value will reduce high ergonomic risk factors as you can build a higher-quality product in a consistent and predictable way.
		EPV3	Utilising a cost-benefit analysis, ergonomic product value will influence assembly ergonomics on product quality and manufacturing productivity.
		EPV5	Ergonomic product value is a key to the success of firms in marketing and sales
	Firm positional advantages	FPA2	Positional advantage relates to marketing capabilities and export venture performance of the firm.
		FPA3	The firm's position may develop marketing capabilities and the firm's competitive advantage.
		FPA4	The firm's position may ensure firm it gets better advantages in its competitive environment.
		FPA5	A firm position will have advantages since it keeps an eye on capabilities and development.
	Competitive advantages of small and medium enterprises (SMEs) (Five diamond advantages); Porter (1980). (Independent variable)	Industry infrastructures facilities	CA1
Industry profitability competitors		CA2	To create industry profitability, SMEs should have the power to compete with environment.
Firm's competitors		CA3	Firms should make some product differentiation for competitor and capital requirements.
Buyers capabilities		CA4	Buyer capabilities need to expand SME's ability and success regarding their customers to survive and competition
Power of suppliers		CA5	SMEs have provided capabilities for supplier resources and inputs to maintain the benefits of SMEs.

4.1. Statistical Results

The subsequent section summarises the outcomes of statistical data analysis conducted for this investigation. The methodology employed involves the collection of data followed by its analysis via SPSS (Statistical Package for Social Sciences). In order to conduct a study of the research model, the utilisation of structural analysis software, specifically AMOS version 24, is employed. The aforementioned software is utilised for the purpose of organising models inside the framework of structural equation modelling (SEM). As previously mentioned, the participants in this study were comprised of managers and staff members from various enterprises located in the West Java Provinces. The sample included individuals of both genders. The demographic data of the respondents indicated that 53.8% of the 100 samples were men, whereas women accounted for 46.2%. The survey mostly comprises individuals aged 25 to 50, with around 65% having completed a college degree and 35% holding a master's degree. Moreover, based on the reported income rates of participants falling between the middle and high groups, it can be observed that all respondents maintain a neutral stance towards their political membership. It is posited that the selection of a research sample that can be deemed representative for further analysis, through the utilisation of a structural equation model and the testing of hypotheses, is contingent upon the demographic characteristics of the respondents.

The descriptive statistics of research variables will be presented regarding how participants responded to research instruments concerning Ergo-Iconic Service Values before structural model analysis and measured hypotheses were run. This dependent variable shows means values for each of three dimensions, such as iconic service marketing (ISM= 13.12), ergonomic product value (EPV=13.24), and firm positional advantages (FPA = 12.89), and Competitive Advantages of Small and Medium Enterprises (SMEs) (CA = 18.27).

Table 2. Convergent, discriminate, and nomological validity of variables.

Index	ISM	EPV	FPA	CA
AVE	0.906	0.700	0.825	0.749
CR	0.974	0.898	0.950	0.937

Table 2 indicates that exploratory factor analysis (EFA) has met the threshold criterion, which means that there were no violations of assumptions with respect to the convergent and discriminant validity of the instruments. In addition, the results show no violation of nomological validity. Each individual's reliability has been above 0.90, which means that there is good internal validity for each item. Further, according to the structural model of the value of standardized-based hypotheses that have been provided before, the analysis of the result will be presented in the following figure:

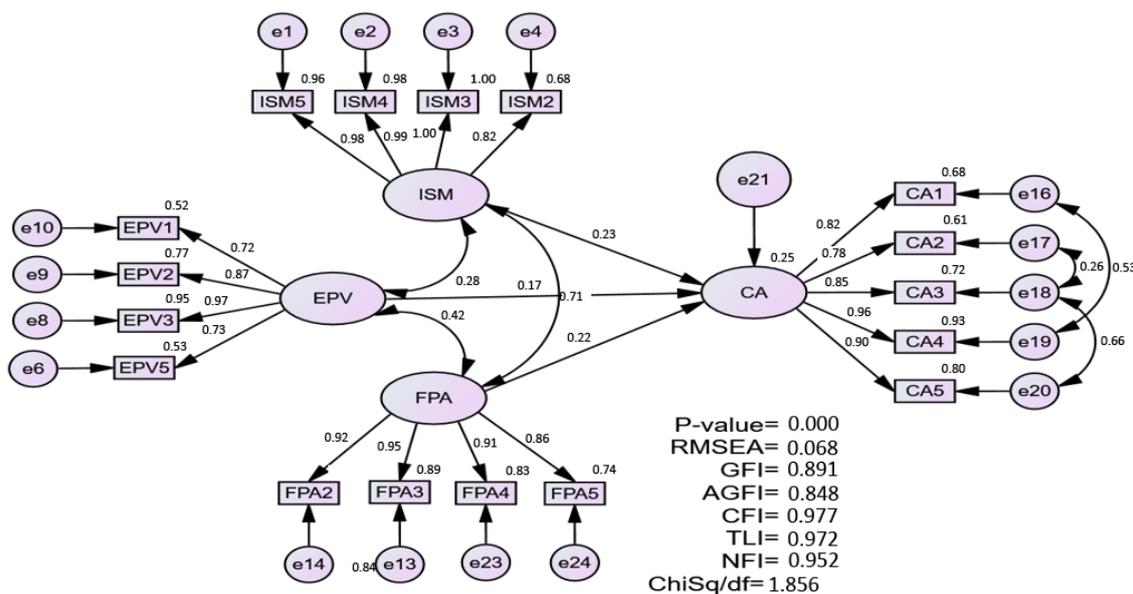


Figure 1. Illustrates the research model with data processing using AMOS software.

Note: RMSEA: Root mean square error approximation.  
 GFI: Goodness of fit index.  
 AGFI: Adjusted goodness-of-fit index.  
 CFI: Comparative of fit index.  
 TLI: Tucker-Lewis index.  
 NFI: Normed fit index.

Furthermore, the statistical results analysis of Goodness of fit (GoF) for the hypotheses structural model has shown fit indices as presented in the table below:

**Table 3.** The results analysis goodness of fit statistics for the hypothesis's measurements.

Index	Absolute measure				Incremental fit		Parsimony fit measure
	X <sub>2</sub>	CMIN/DF	GFI	RMSEA	NFI	CFI	AGFI
Criteria	>0.05	<5	≥0.90	<0.05	≥0.90	≥0.95	≥0.90
Obtained	0.000	1.856	0.900	0.068	0.952	0.977	0.900

**Note:** CMIN: Chi-square value.  
 DF: Default model.  
 GFI: Goodness of fit index.  
 RMSEA: Root mean square error approximation.  
 NFI: Normed fit index.  
 CFI: Comparative of fit index.  
 AGFI: Adjusted goodness-of-fit index.

According to the GoF results, Table 3 indicates that the proposed hypotheses based on the structural model confirmed the good fit of the data analyzed in the research model Figure 1. The results confirmed that the chi-square ratio got fit = 204.111; df= 110; p= 0.0001. The results findings were significant (p<0.0001).

In addition, the measures also confirmed that the model was adequately fit for the data observations. The absolute fit measures, for example, GFI and RMSEA, were approximately fitted with 0.900 and 0.068, respectively. The results verified that the model has a good fit. The incremental fir metrics, such as NFI and CFI, were then discovered to be above 0.90 and 0.95, or 0.952 and 0.977, respectively. However, the parsimony fit of the measure is 0.900. The findings verify that all of the results of the fit statistics have supported the hypotheses.

#### 4.2. Hypotheses Results

In order to determine if a research hypothesis should be accepted or denied, the structural model analysis of the research hypotheses shows a significant test for the path coefficient between the most recent variables. The measurements show the final estimate results for the effect of Ergo-Iconic Service Value effects on the Competitive Advantages of Small and Medium Enterprises (SMEs). The findings confirm that the impact of the independent variable on the dependent variable was positive and significant.

According to the results, Ergo-Iconic Service Values, which have three dimensions, including iconic service marketing, ergonomic product value, and a firm's positional advantages, have a positive and significant effect on the Competitive Advantages of Small and Medium Enterprises (SMEs) in West Java, Indonesia. Iconic service marketing has a positive and significant effect on the Competitive Advantages of Small and Medium Enterprises (SMEs) (β = 0.231; p = <0.001). Therefore, the hypothesis was accepted.

Then, it is predicted that the value of ergo-iconic products has a positive and significant effect on the Competitive Advantage of Small and Medium Enterprises (SMEs). Based on the results of statistical tests with the regression coefficient value Small and Medium Enterprises (SMEs), with the regression coefficient value found to be acceptable (β = 0.166; p = <0.001). Finally, the dimension of firm positional advantages have a positive and significant effect on the Competitive Advantages of Small and Medium Enterprises (SMEs) (β = 0.217; p = <0.001), The results confirm that the hypothesis was accepted. Table 4 displays the findings of the regression estimate with a latent construct for each dimension:

**Table 4.** The regression estimates values for latent constructs.

	Estimate	S.E.	C.R.	P
CA ← ISM	0.193	0.081	2.367	0.018
CA ← EPV	0.148	0.069	2.148	0.032
CA ← FPA	0.179	0.089	2.048	0.041

**Note:** Estimate, regression weight; S.E, standard error; C.R, critical ratio, P = Significance value p < .005.

The resume of hypotheses results analysis will be presented in the following table:

**Table 5.** Resume of hypotheses testing results.

Hypotheses	β	P	Accepted
Hypothesis 1: The iconic service marketing effects the SMEs competitive advantages.	0.231	P = <0.05	Yes
Hypothesis 2: The ergonomic product values effect the SMEs competitive advantages.	0.166	P = <0.05	Yes
Hypothesis 3: The firm's positional advantages effects the SMEs competitive advantages.	0.217	P = <0.05	Yes

**Note:** β = Standardized regression weight; p = Significant level (Two tailed).

Based on Table 5 findings, the structural model showed that iconic service marketing (ISM) had the strongest impact on the competitive advantages of small and medium-sized businesses (SMEs) ( = 0.193), followed by the impact of firm positional advantages (FPA) on these advantages ( = 0.179). Furthermore, the ergonomic product value (EPV) effect on Competitive Advantages of Small and Medium Enterprises (SMEs)

( $\beta = 0.148$ ). The findings confirmed that the exogenous variables of iconic service marketing, ergonomic product value, and firm positional advantages had predicted significant Competitive Advantages for Small and Medium Enterprises (SMEs). At least 52% of the Ergo-Iconic Service Values indicated Competitive Advantages of Small and Medium Enterprises (SMEs) or ( $R^2$ ) of 0.52. The results and findings of the hypothetical analysis show that Hypothesis 1 is accepted, which is that iconic service marketing affects SMEs' competitive advantages. Hypothesis 2 also accepted that ergonomic product values affect the SMEs competitive advantages. In addition, Hypothesis 3 confirmed that firm positional advantages affected the SMEs competitive advantages.

## 5. Discussions

Some researchers argued that the perspective of Ergo-Iconic Service Values (EISV) based on the dominant service logic (Lusch & Vargo, 2006) will have benefits and positive values towards customer co-creation and sales marketing performance (Grisseemann & Stokburger-Sauer, 2012), so it is developed as the ergo-iconic service value (Andriyansah, 2018; Mikhalkina & Cabantous, 2015; Torelli & Stoner, 2015). On the other hand, there is a relationship between firm or SMEs performance, which consists of two aspects of iconic power and performance (Alexander, 2012) and ergonomic environment (Murrell et al., 2012), which have impacted iconic ergonomic service value. According to the study, there is a strong correlation between the performance of businesses, or SMEs, and the development of sales, marketing, and firm innovation. (Andriyansah & Fatimah, 2020; Andriyansah, 2018).

Empirically, iconic service marketing affects the competitive advantages of SMEs. Some scholars argue that every firm or company always seeks strategies to provide better capabilities to create superiority and improve a competitive advantage (Aaker, 1989). Ergo-Iconic service value can boost technology and marketing performance as well as offer possibilities for competitive strategies and advancements of new technology and innovation (Korsakiene, 2004). Empirically, there is a close relationship between iconic ergonomic service values and firms or SMEs competitive advantages because greater iconic-ergonomic service will improve firms' competitive advantages in infrastructure and financial performance (Andriyansah, Rulinawaty, & Zainudin, 2022). Therefore, in terms of globalization, new technologies, intensive competition, fluctuating consumer demand, as well as economic and political changes, it needs to take greater risk and choose innovative strategies. Besides that, a company's ability to gain a competitive advantage becomes an urgent problem (Korsakiene, 2004). The better businesses or SMEs do in terms of iconic service marketing, the more competent they will be in developing sales marketing, lowering risk, and being competitive as they grow.

Moreover, the incorporation of ergonomic product values has had a significant impact on the competitive advantages of Small and Medium Enterprises (SMEs). The existing body of literature indicates that the incorporation of ergonomic principles has significantly contributed to the strategic performance of companies or firms. Furthermore, although there is a logical rationale for implementing ergonomics in order to enhance benefits and gain a competitive edge in enterprises, it appears that decision-makers are not consistently driven to pursue this course of action (Dul & Neumann, 2009). However, the ergonomic values must be taken into account as a first stage of product development in an industry or firm that produces items for industrial industry and business. Therefore, a major strategy for creating new products should be consistent with conditions and possibilities for integrating products and values into process development (Broberg, 1997).

Offering and utilising the ergonomic model value in the workplace or firm environment has some advantages for organisations or companies, such as improving workers' capabilities and optimising the work intersection environment, and employers will have to produce the best quality of products in an efficient and effective manner. (Chang et al., 2015; Dul & Neumann, 2009; Pratama et al., 2020). We can therefore say that the biggest competitive advantages of small and medium enterprises (SMEs) will be realised in terms of developing innovation and performance of firm human resources and stakeholders, the larger the ergonomic product values given by firms or SMEs.

Regarding the firm's positional advantages, the results confirmed that there is an effect on the Competitive Advantages of Small and Medium Enterprises (SMEs) in West Java. This is reasonable because a firm's position refers to the capabilities of firms or SMEs to compete with market orientation, sales, entrepreneurship capabilities, and human capital. The previous research confirmed that there is an effect of market orientation, entrepreneurial orientation, and human capital on positional advantages (Jogaratnam, 2017). In the term emerging market, positional advantages also provide innovativeness and competitive advantage among Small and Medium Enterprise (SMEs) (Ismail & Alam, 2019); however, a firm's position should build innovative strategies and firm growth (Bianchini et al., 2016). Based on the discussion above, we then argue that the better firm positional advantages have the greatest competitive advantages of Small and Medium Enterprises (SMEs) in terms of innovative and competitiveness.

## 6. Conclusion

The implementation of ergonomic service values (EISV) is crucial in fostering innovation and enhancing performance in small and medium-sized enterprises (SMEs), considering their numerous advantages. There

are three fundamental components of EISV that should be enhanced, including iconic service marketing, ergonomic product values, and firm positioning advantages. Based on the discovered evidence, it is anticipated that Porter's theory of competitive advantages, which encompasses five key aspects such as industry infrastructures and facilities, industry profitability rivals, firm rivals, customers, and supplier capability power, would undergo enhancements as the endorsement and profitability of the EISV become apparent. In summary, this research endeavour will make a valuable contribution to the field of decision-making, specifically in relation to firm managers in small and medium-sized enterprises (SMEs), the practises of service providers within firms, consumer behaviour, marketing strategies, and the evaluation of advantages and hazards associated with firms or SMEs. In the realm of community and industrial development, the concept of the ergonomic service values (EISV) and competitive advantages are intricately interconnected, serving a purpose beyond mere performance expectations.

## References

- Aaker, D. A. (1989). Managing assets and skills: The key to a sustainable competitive advantage. *California Management Review*, 31(2), 91-106. <https://doi.org/10.2307/41166561>
- Alexander, J. C. (2012). *Iconic power and performance: The role of the critic*. In *Iconic Power: Materiality and Meaning in Social Life*. US: Palgrave Macmillan.
- Andriyansah, & Fatimah, F. (2020). *Developing the concept of e-customer relationship management model to improve marketing performance*. Paper presented at the International Conference on E-Commerce, E-Business and E-Government.
- Andriyansah, Fatimah, F., Hidayah, Z., & Daud, A. (2020). Hotels by leveraging the value of ergo-iconic services. *Journal of Business, Management and Banking*, 6(1), 63-68.
- Andriyansah, A. (2018). *Positional advantage of ergo-iconic product value to improve marketing performance*. (Doctoral Dissertation) Universitas Diponegoro.
- Andriyansah, A., Rulinawaty, R., & Zainudin, A. (2022). The encouragement of ergo-iconic service values toward agile government to improve the government service performance. *CosmoGov, Journal of Government Science*, 8(1), 1-13. <https://doi.org/10.24198/cosmogov.v8i1.30495>
- Bianchini, S., Pellegrino, G., & Tamagni, F. (2016). *Innovation strategies and firm growth (No. 2016/03)*. LEM Working Paper Series.
- Broberg, O. (1997). Integrating ergonomics into the product development process. *International Journal of Industrial Ergonomics*, 19(4), 317-327. [https://doi.org/10.1016/s0169-8141\(96\)00041-8](https://doi.org/10.1016/s0169-8141(96)00041-8)
- Chang, H., Fernando, G. D., & Tripathy, A. (2015). An empirical study of strategic positioning and production efficiency. *Advances in Operations Research*, 2015, 11. <https://doi.org/10.1155/2015/347045>
- Christian, O. S. (2020). Competitive advantage and organisational performance in selected firms. *International Research Journal of Management, IT and Social Sciences*, 7(5), 1-12.
- Dul, J., & Neumann, W. P. (2009). Ergonomics contributions to company strategies. *Applied Ergonomics*, 40(4), 745-752. <https://doi.org/10.1016/j.apergo.2008.07.001>
- Dutta, S., Narasimhan, O., & Rajiv, S. (1999). Success in high-technology markets: Is marketing capability critical? *Marketing Science*, 18(4), 547-568. <https://doi.org/10.1287/mksc.18.4.547>
- Garba, M., Salleh, F., Hafiz, U. A., & Bakar, N. M. A. (2022). Insurance literacy, risk knowledge management, risk-taking propensity and economic sustainability among SMEs: The moderating effect of financial inclusion. *Journal of Social Economics Research*, 9(2), 92-110. <https://doi.org/10.18488/35.v9i2.3120>
- Grissemann, U. S., & Stokburger-Sauer, N. E. (2012). Customer co-creation of travel services: The role of company support and customer satisfaction with the co-creation performance. *Tourism Management*, 33(6), 1483-1492. <https://doi.org/10.1016/j.tourman.2012.02.002>
- Ismail, M. D., & Alam, S. S. (2019). Innovativeness and competitive advantage among small and medium enterprise exporters: Evidence from emerging markets in South East Asia. *The South East Asian Journal of Management*, 13(1), 5. <https://doi.org/10.21002/seam.v13i1.9872>
- Jiménez-Jiménez, D., & Sanz-Valle, R. (2011). Innovation, organizational learning, and performance. *Journal of Business Research*, 64(4), 408-417. <https://doi.org/10.1016/j.jbusres.2010.09.010>
- Jogaratnam, G. (2017). The effect of market orientation, entrepreneurial orientation and human capital on positional advantage: Evidence from the restaurant industry. *International Journal of Hospitality Management*, 60, 104-113. <https://doi.org/10.1016/j.ijhm.2016.10.002>
- Korsakienė, R. (2004). Determining competitive advantage: The analytic hierarchy process. *Journal of Business Economics and Management*, 5(4), 205-215. <https://doi.org/10.3846/16111699.2004.9636084>
- Loan, N. T., Brahmi, M., Nuong, L. T., & Binh, L. T. (2023). Do innovation and proactiveness impact the business performance of women-owned small and medium-scale enterprises in Vietnam? A study using the PLS-SEM approach. *Nurture*, 17(3), 253-271. <https://doi.org/10.55951/nurture.v17i3.314>
- López-Mielgo, N., Montes-Peón, J. M., & Vázquez-Ordás, C. J. (2009). Are quality and innovation management conflicting activities? *Technovation*, 29(8), 537-545.
- Lusch, R. F., & Vargo, S. L. (2006). Service-dominant logic: Reactions, reflections and refinements. *Marketing Theory*, 6(3), 281-288. <https://doi.org/10.1177/1470593106066781>
- Mikhalkina, T., & Cabantous, L. (2015). Business model innovation: How iconic business models emerge. *Advances in Strategic Management*, 33, 59-95.
- Murrell, D. F., Daniel, B., Joly, P., Borradori, L., Amagai, M., Hashimoto, T., . . . Werth, V. P. (2012). Definitions and outcome measures for bullous pemphigoid: Recommendations by an international panel of experts. *Journal of the American Academy of Dermatology*, 66(3), 479-485. <https://doi.org/10.1016/j.jaad.2011.06.032>

- Musa, H., & Chinniah, M. (2016). Malaysian SMEs development: Future and challenges on going green. *Procedia-Social and Behavioral Sciences*, 224, 254-262. <https://doi.org/10.1016/j.sbspro.2016.05.457>
- Porter, M. E. (1980). *Competitive strategy: Techniques for analyzing industries and competitors*. New York: Harvard Business School.
- Porter, M. E. (1990). New global strategies for competitive advantage. *Planning Review*, 18(3), 4-14. <https://doi.org/10.1108/eb054287>
- Pratama, G. B., Nurfitriani, N., & Widyanti, A. (2020). Observing knowledge of ergonomic product in Indonesia. *In IOP Conference Series: Materials Science and Engineering, IOP Publishing.*, 722(1), 012018.
- Singh, R. K., Garg, S. K., & Deshmukh, S. (2008). Strategy development by SMEs for competitiveness: A review. *Benchmarking: An International Journal*, 15(5), 525-547. <https://doi.org/10.1108/14635770810903132>
- Torelli, C. J., & Stoner, J. L. (2015). Managing cultural equity: A theoretical framework for building iconic brands in globalized markets. *Review of Marketing Research*, 12, 83-120. <https://doi.org/10.1108/S1548-643520150000012004>
- Waggoner, D. B., Neely, A. D., & Kennerley, M. P. (1999). The forces that shape organisational performance measurement systems: An interdisciplinary review. *International Journal of Production Economics*, 60(61), 53-60. [https://doi.org/https://doi.org/10.1016/S0925-5273\(98\)00201-1](https://doi.org/https://doi.org/10.1016/S0925-5273(98)00201-1)
- Weerawardena, J., & Mavondo, F. T. (2011). Capabilities, innovation and competitive advantage. *Industrial Marketing Management*, 40(8), 1220-1223.
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171-180.
- Wernerfelt, B. (1995). The resource-based view of the firm: Ten years after. *Strategic Management Journal*, 16(2), 171-174. <https://doi.org/https://doi.org/10.1002/smj.4250160303>
- Wernerfelt, B., & Montgomery, C. A. (1988). Tobin's q and the importance of focus in firm performance. *The American Economic Review*, 78(1), 246-250.
- Zailani, S., Jeyaraman, K., Vengadasan, G., & Premkumar, R. (2012). Sustainable supply chain management (SSCM) in Malaysia: A survey. *International Journal of Production Economics*, 140(1), 330-340. <https://doi.org/10.1016/j.ijpe.2012.02.008>
- Zhou, K. Z., Brown, J. R., & Dev, C. S. (2009). Market orientation, competitive advantage, and performance: A demand-based perspective. *Journal of Business Research*, 62(11), 1063-1070. <https://doi.org/10.1016/j.jbusres.2008.10.001>