



## Competitive Strategy Analysis of Production Growth and Consumer Buying Interest in UKM Arumanis in Laren District – Lamongan

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### ABSTRACT

#### Keywords:

Competitive Strategy, Regulatory Context, Purchase Intention

Current business developments are demanded in competition in all business fields as well as a dynamic consumer mindset. At this time companies are required to be able to create a product that is able to compete. The purpose of this research was to determine how the influence of competitive strategies and regulatory contexts on buying interest in UKM. By using the Arumanis UKM in Pesanggarahan Village as a sample. This type of research uses quantitative research methods while the analysis used is multiple linear regression. The analysis method used is quantitative method using validity test, reliability test, multiple linear regression assumption, correlation test, determination coefficient, F test, T test. Based on the validity test for the three independent variables (X) and the dependent variable (Y) above obtained  $r_{hitung} > r_{tabel}$  (0.300), so that all indicators of the two variables are declared valid. The results of reliability testing with SPSS Alpha Cronbach's method obtained alpha coefficients on the independent variables. Product variation  $X_1 = 0.928$ .  $r_{hitung} X_2 = 0.956$ ,  $r_{count} Y = 0.885$  greater than the reliability standard (0.600) with a significant level, it can be concluded that the instrument in the independent and dependent variables is reliable. From all the results above, it can be concluded that the Competitive Strategy ( $X_1$ ) has a significant effect on Buying Interest (Y). Regulatory context ( $X_2$ ) has no effect on Buying Interest (Y). Competitive Strategy and Regulatory Context jointly (simultaneously) affect Buying Interest in Arumanis UKM in Pesanggarahan Village. The Competitive Strategy variable ( $X_1$ ) becomes the dominant variable that affects Buying Interest (Y).

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### 1. Introduction

Today's business developments have been colored by various kinds of competition in all types of business fields as well as a dynamic consumer mindset. At this time companies are being asked to create a product that is able to compete with other products if they want to survive in the current business competition. The growing domestic market share makes business competition continue to increase, thus spurring companies to continue to develop their superior products in order to become market leaders. In increasing competitiveness, a company is required to have a competitive advantage by presenting the best products that meet consumer tastes. (Nugraha, 2016)

Competitive advantage is the development of a competitive strategy that aims to allow companies to objectively see internal and external conditions so that they can anticipate environmental changes to gain competitive advantage and have products or services according to consumer desires with optimal support from existing resources. Companies can develop a competitive strategy by finding a match between the strengths of the company's internal strengths and the strengths of the external forces of the company. Companies that are large and small in scale need a competitive strategy that is correct and precise, so that it will be useful in facing their competitors. (Ernawati, 2016)

Basically, a competitive strategy is an effort to find a profitable competitive position in an industry in a fundamental arena where competition takes place. Competitive strategy aims at fostering a strong and profitable position against the forces that determine competition in the industry. Competitive strategy is an initial strategy with various analyzes, to produce a competitive advantage. This strategy is also influenced by various factors because it plays in the scope of the market and its share. One of the factors is the role of the government as drafters of regulations in it. (Ernawati, 2016)

The government has a program to build small companies in rural villages, namely by providing funds for programs such as skills training and infrastructure development. These efforts were made with various policies and regulations that were made to support these activities. Government policies as a bound institution can regulate the allocation of entrepreneurship requiring a specific regulatory context in regulating equitable development allocations in each region. (Diyah, 2013)

Entrepreneurship, including Small-Medium Enterprises (UKM) or what is commonly referred to as Home Industry, that wants to grow must be able to provide goods or services of high value to customers. In Indonesia, the economy is supported by the existence of SMEs (Home Industry) which make a major contribution to employment, Gross Domestic Product (GDP) and exports. The characteristics of this business are that the types of goods or commodities of the business are not always fixed, and can change places at any time. Sometimes they have not done financial management either, the workforce still does not have an adequate entrepreneurial spirit, they do not have access to banking, and what is most striking is that sometimes they do not have a business license. (Ghanimata, 2012)

Products of UKM or Home Industry as local products also have a competitive advantage. One way that can be done is to increase consumer buying interest. Nowadays, with the rapid development of the times it demands to be creative and innovative in working and doing business. The intense competition between businesses has made the business world currently experiencing the peak of competition, be it in the form of small, medium and large companies. However, if we



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look at the small businesses that are now starting to be loved by many people, they will be more often affected by business failure because there is still little scope for small businesses. (Ghanimata, 2012)

These various factors then become the basis for consumers to increase or decrease their buying interest, which is something that is obtained from the learning process and the thought process that forms their perception in determining decisions as buyers or consumers.

Based on the above background, the authors are interested in taking the title of research, namely "Analysis of Competitive Strategies on Production Growth and Consumer Purchase Interest in UKM Arum Manis in Laren District - Lamongan".

## 2. RESEARCH METHODS

This research uses multiple linear regression models. Then the multiple linear regression equation is used with the following formula:

$$Y = a + b_1 X_1 + b_2 X_2$$

Information:

Y = Growth in buying interest

X1 = Competitive Strategy

X2 = Regulatory Context

## 3. Results and Discussion

### 3.1 Overview of Research Objects

This company was first founded by Sunandar in 1990. Initially, the arumanis business was only carried out by individuals, but over time, the arumanis business became a UKM in the village. Starting from the formation of UKM, this business grew rapidly because it received support from the surrounding community.

### 3.2 Partial Relationship Estimation

In this study using the T test approach partially because it saw the partial relationship between the independent variable and the dependent variable using SPSS 25 analysis. Then it can be explained as follows:

**Table 1**  
Uji T Result

		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	5,083	,469		10,842	,000
	X1 (Strategi Kompetitif)	,563	,140	,751	4,025	,000
	X2 (Konteks Regulasi)	,149	,140	,198	1,063	,291

a. Dependent Variable: Y

Competitive Strategy (X1) from the T test results obtained by the t value (4.025) is greater than the kt table value (1.664), so that  $t \text{ count} \geq t \text{ table}$  then  $H_0$  is rejected and  $H_a$  is accepted, which means that there is significant influence between the variable X1 and variable Y which means that there is a significant influence between the Competitive Strategy variable on the increase in buying interest.

From the results of the T test, the t value (1.063) is smaller than the t table value (1.664), so that  $t \text{ count} \leq t \text{ table}$ , then  $H_0$  is accepted and  $H_a$  is rejected, which means that there is no significant influence between the variables of the Competitive Strategy and the Regulatory Context on interest in buying arumanis in Pesangrahan village.

### 3.3 Simultaneous Relationship Estimation

In this research approach using the F test simultaneously looking at the relationship between the independent variables and the dependent variable using the SPSS 25 analysis tool, it can be explained as follows:

**Table 2**  
Uji F Result

		ANOVA <sup>a</sup>				
Model		Sum Of Square	Df	Mean Square	F	Sig.
1	Regression	213,223	2	106,661	295,001	,000 <sup>b</sup>
	Residual	25,298	70	,361		
	Total	238,521	72			

Dependent Variable: Y

Predictors: (Constant), X2, X1

Determining F count based on the table above obtained F count of 295,001. Determining the F table to find out the F table, then it can be seen directly in the F distribution table in the statistics book, which can be found at the percentage point of the F distribution for probability = 0.01 with degrees of freedom (df):

The numerator  $df_1 = k - 1 = 3 - 1 = 2$

The denominator  $df_2 = n - k = 80 - 2 = 78$

F table = F 0.01:  $df_1 = 2$ :  $df_2 = 77$

Then the result obtained for F table is 4.89

From the results of the F test, it is obtained that the F count is 295,001 while the F table is 4.89 because  $F \text{ count} \geq F \text{ table}$  then  $H_0$  is rejected and  $H_a$  is accepted, which means that the independent variables (Competitive Strategy and Regulatory Context) together have a significant influence on the variable bound (Purchase Interest).

### 3.4 Estimation of Dominance Between Variables

In this research approach that uses the determination test, looking at the dominant variable between the other



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independent variables using the SPSS 25 analysis tool, it can be explained as follows:

**Table 3**

**Determination Test**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	,945 <sup>a</sup>	,894	,891	,601	,894	295,001	2	70	,000
a. Predictors: (Constant), X2, X1									
b. Dependent Variable: Y									

Based on the data from the calculation of the regression analysis in the table above, the R2 (R Square) number is 0.894 which means 89.4%. This shows that the percentage of the contribution of the influence of the independent variable (Competitive Strategy and Regulatory Context) to the dependent variable (Buying Interest) or the variation of the independent variable Competitive Strategy and Regulatory Context) is able to explain 89.4% of the dependent variable (Purchase Intention). While the remaining 10.6% is determined by other variables outside the research variables.

#### 4. Conclusions

Based on the results of the analysis carried out as described in the previous chapter, then based on the results of the analyzed research conclusions can be drawn:

- Competitive strategy partially has a significant effect on buying interest (y) and the regulatory context partially has no effect on buying interest (in UKM Arumanis, Pesanggrahan Village).
- The competitive strategy and regulatory context jointly (simultaneously) affect buying interest (in UKM Arumanis, Pesanggrahan Village).
- Competitive strategy becomes the dominant variable that influences buying interest (in Arumanis UKM, Pesanggrahan Village).

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