Indonesian Clothing SME’s Sustainable Supply Chain Operations: Mobility and Competitive Action on Competitive Advantage

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Abstract—The purpose of this study is to find out how mobility and competitive action affect the competitive advantage of SMEs business sector in the clothing industries in Indonesia. This research is based on a quantitative approach using a population of clothing industries in Bandung Regency. Samples are taken with random sampling techniques. Samples are 110 SMEs producing clothing. Data is processed using Descriptive Analysis and Path Analysis. The findings show that mobility has no impact on competitive advantage but has high impact on competitive action also has a positive effect on competitive advantage in SMEs in Bandung Regency. This research shows that mobility and competitive action can create a competitive advantage in the clothing industries in Bandung Regency although in small impact.

Keywords—Mobility, Competitive Action, Competitive Advantage, SMEs, Clothing Industries.

1. Introduction

In the era of the Industrial Revolution, 4.0, there is an alternative purchase of goods and services to be the trend that online shopping, where consumers can directly interact with the seller via the Internet, without having to travel physically, either via computer, laptops and even smartphones. IT infrastructure is an integral part of the provision of this internet service.

The business world is currently in the digital economy era. In ref [1], suggest that every company in the digital economy era faces different challenges in achieving Competitive Advantage because the current business environment must be supported by Information and Communication Technology (ICT) infrastructure. In ref [2], proposed that companies build companies that are ready to face Techno-Business Environment to Achieve Competitive Advantage. These suggestions are in accordance with the conditions of the current business environment where the progress of Information and Communication Technology is growing rapidly, so ICTs are becoming a new factor in creating company Competitive Advantages [3].

SMEs in West Java has a very important role in the economy. Based on Table 1, SMEs in West Java Province experienced growth seen from several indicators including the number of business units which experiencing an increase from 910.00 units (in 2013) to 1,093,000 units (in 2015) with total investment in 2013 amounting to IDR 8,003,147 billion, and in 2015 amounted to IDR 8,505,265 billion. In addition, the number of workers that can be absorbed by SMEs has also increased from 15,007,695 people (in 2013) to 31,414,000 people (in 2015).

The Clothing Industries sub-sector in Bandung Regency ranks second after the textile Industries. As with other businesses, there are always dynamics in the business development of business people in this sector. Competitive advantage is a key success factor in the sustainability of a business. Therefore, the Bandung Regency Government seeks that entrepreneurs have a decent place of business that is supported by adequate business infrastructure facilities by establishing industrial centres that produce superior products. The aim is to make it easier to carry out promotions and at the same time market the products they produce. Thus, it is expected that the quality of goods will be better and the competitiveness of Bandung Regency business will increase.

The independence or entrepreneurship of a business or business becomes a jargon at this time that shows how meticulously and tenaciously a business is using existing infrastructure, were competing for action is one of its instruments. The industrial sector also plays a role in overcoming labour problems and contributing greatly to
economic activities. Industrial development in Bandung Regency is directed at small and medium industries, one of which is the Clothing Industries. The Clothing Industries in Bandung Regency spreads in almost every district, such as the area of Dayeh Kolot, Rancaekek, Solokanjeruk, Majalaya, Margahayu, Kutawaringin, and Katapang. So this study focused on researching the Clothing Industries sector in Bandung Regency.

In ref [4], also state that Competitive Advantage is currently very important to note because the competition is currently very dramatic as a result of globalization, technological innovation, and a chaotic business environment. This situation causes action and reaction between companies to occur quickly. Addressing these conditions strategies are entrepreneurial a priority since the business environment is increasingly competitive and chaotic [5]-[7]. Empirically it is known that companies are entrepreneurial more responsive to responding to rapid environmental change [8]-[9]. Companies are Entrepreneurial also able to identify opportunities and create competitive advantage to exploit these opportunities [10]. One form of companies entrepreneurial is SMEs [11]. SMEs are entrepreneurial companies and they are the main object in this study.

Problem: How Does the Effect of Mobility and Competitive Action on Competitive Advantage in the Clothing Industries in Bandung Regency?

The second push relates to the emergence of new perspectives in achieving competitive advantage called competitive action. The existence of Competitive Action in the model is consistent with Schumpeter's view [4]. Markets are a mechanism by which companies experiment with certain actions. Some companies take action to lead the market while others are only followers and imitators. Further, when it does not involve competitive action as part of the behavior of organizations that try to achieve certain goals, it does not describe reality.

2. Literature Review

2.1.1 Competitive Action

Competitive Action as an intentional action that it desires to achieve or maintains a competitive advantage and believes that the action will contribute to the fulfilment of this desire [12]. Also, not every action taken by a company is Competitive Action. It could be that the company's actions are accidental or accidental. Competitive Action, in this case, is an action deliberately carried out by the company so that the company's position is more competitive in competition [12].

Therefore Competitive Action must be an action that can be seen and detected by both customers and competitors in the market. This is consistent with the views of other experts that Competitive Action aims to achieve or maintain Competitive Advantage [13]-[14]. Competitive Action can be in the form of corporate actions that are tactical or strategic [15]. Strategic Competitive Action includes: improved facilities, cooperation agreements, promotions, and new product introductions [16]-[17]. Tactical competitive activities such as price and advertising changes. These actions are potential that can be done by companies to change the status quo in competing because they can cause disequilibrium market.

It is clear that competitive action is a term that describes various actions in information system research. Different competitive actions will have different effects on competitive advantage and the performance of different companies. Most examples of actions mentioned in this study are market-oriented. All of these definitions assume that competitive action will increase the competitive advantage (competitive position) for an organization. In studies that examine the impact of competitive action, there are two characteristics in competitive action, action capacity and complexity of action often used empirically to examine the impact of competitive action. Action capacity is defined as the total number of competitive actions initiated by the organization over a period of time [18]. The complexity of action refers to the extent to which a range of various types of competitive action is carried out by a company in a given period.

2.2 Competitive Advantage

In [19], Competitive Advantage in small businesses according to its unique advantage possessed by an SMEs that differentiates it from other similar small businesses so that it can be used to win a competition. In ref [20]-[21], suggest that Competitive Advantage in SMEs in the context of Mobility and Competitive Action is needed because it relates to the ability of SMEs to strengthen their
knowledge and proactively conduct learning to suit the demands of the environment.

RBV assumes that IT competency-based corporate activities are the basis for creating Competitive Advantage. The company's main role in digital economics is to create, to store and to apply technologies in the framework of long-term survival [22].

The term Competitive Advantage means companies can create economic value more than their competitors [23]. In ref [24], extends Porter's concept and asserts that Competitive Advantage is generally conceptualized as the implementation of a company's strategy to achieve the goals of cost reduction, market opportunity exploitation, and/or neutralization of the threat of competition. This assumption implies that competitive advantage will consider the dimensions of: (1) leadership cost (cost leadership), (2) capitalized opportunities (opportunities capitalized), and (3) the avoidance of competitive threats (competitive threat avoidance).

In the indicator of leadership costs, the scale refers to the research question by [19]. This mainly measures when there a company or store provides lower-cost products than competitors and whether these cost advantages increase the competitiveness of their products. The second indicator of competitive advantage is the opportunity that is utilized, especially measuring whether the owner of the company maximizes resources in the group to the maximum, to market groups, or product categories to enhance competitive advantage. Furthermore, the third indicator of competitive advantage is the avoidance of competitive threats, which primarily measures whether managers, through product and brand quality, distinguish themselves in order to create value for customers and, again, increase competitive advantage.

Competitive advantage is the unique capacity or position developed by the organization to outperform its competitors. Competitive advantages grow from value creation strategies. Two domains of the research model of competitive dynamics that explain where competitive advantage arises, which is the first model that examines competitive advantage from the industrial level, represented by a model of five forces porters. The five-strength model shows that organizations can gain more advantage than competitors if they have more power over customers, partners, or new competitors and can weaken the intensity of competitive competition or the threat of substitute products or services. The other two models examine competitive advantage at the organizational level, represented by RBV and DCF. These two models together provide a complete picture of how competitive advantage is obtained. This shows that organizations can have a competitive advantage if they have Valuable, Rare, Inimitable, Non Substitutable (VRIN) resources and can have a competitive advantage if they have the dynamic ability to build VRIN resources.

Based on the explanation above and referring to the views and findings of experts such as [25]- [27], it can be said that in achieving competitive advantage based on the perspective RBV, aspects of cost leadership, opportunities and maintaining the excellence of organizations/companies/shops to compete competitively (competitive threat avoidance).

2.3 State of the Art (Novelty Research)

This research is trying to test and explain the Competitive Advantages of Small and Medium Enterprises (SMEs) in the clothing Industries sector in Bandung Regency based on the Creation Theory of Entrepreneurial Action. In this case, there are three variables involved, they are: Mobility, Competitive Action, and Competitive Advantage. Competitive action is the ability of SMEs to explore and exploit opportunities because SMEs have mobility in carrying out their business operations. Competitive Action also indicates creating an entrepreneurial activity to achieve a Competitive Advantage.

In [27], categorizes mobility into several indicators, which are the proportion of various modes of transportation use in the total number of trips per kilometer, to run SMEs business activities with vehicle ownership to support businesses in achieving business distribution time by connecting to company actions that are tactical or strategic. Based on the explanation above, the hypothesis proposed in this study are:

H1: There are Impact of Mobility Significantly on Competitive Action The Impact of Mobility on Competitive Advantages

In the effect of mobility on competitive advantage, a network can be interpreted as an arrangement of paths interconnected, where objects can move from
one point to another. A network built by a company that aims to expand the operating area in conducting sales and distribution. Market expansion is needed to support strategic competitiveness competitive and advantages of the company. By having a network marketing company can find out how wide and optimal a network point is. Besides being useful for management and salespeople by having a marketing network, the transportation process in order to deliver goods to consumers is more effective and efficient. There are consumers who can only receive goods at certain times because of their busy life. By using existing access, the effectiveness and efficiency of delivering goods can be increased [28].

In [29], says that there are two important focuses on managing mobility, namely the even distribution of products in the market area that is entered and the activation of distribution channels that have been used. Evenly distributed distribution results in a fast level of customer access, while active distribution channels produce a rapid purchase and repurchase response rate which in turn results in selling-out a good and balanced rate against the sell-in level carried out. Based on the explanation above, the hypothesis proposed in this study is:

**H2: There Are Impact of Mobility Significantly on Competitive Advantage**

The Impact of Competitive Action on Competitive Advantage

In this study, the influence of Competitive Action on Competitive Advantage is theoretically based on Entrepreneurial Action Theory. Based on the theory, the relationship as follows: Competitive action is an action that is desired to achieve or maintain competitive advantage and believes that the action will be fulfilled. So competitive action, in theory, aims to achieve or maintain Competitive Advantage. Grimm et al. (2006) based on the action theory explains that Competitive Action carried out by the company provides learning about the success of the actions taken, the reaction of competitors, and making adjustments to the next action [4].

The relationship between competitive action and competitive advantage is worthy of discussion because this relationship has been explained inconsistently in previous research. Research on strategic management shows that competitive action reflects the organization's strategy to achieve certain competitive advantages. However, information system research has expanded the definition of competitive action. The expansion makes inconsistent empirical results. Competitive advantage must be directly related to competitive action, and both are almost inseparable due to competitive advantage to determine the organization's final performance. In this section, we will discuss further in the context of issues related to the relationship between competitive action and competitive advantage.

In this study, the focus is on the relationship between competitive action and competitive advantage. The relationship between competitive action and competitive advantage is assumed and elaborated in the most strategic research and system information. Also, the competitive advantage grows fundamentally from improvement, innovation, and change. In [30], found that differences in company performance are not so much can be explained by existing market positions but by competitive action (action) over time. However, several questions arise regarding the relationship between competitive action and competitive advantage: What is capable of producing competitive action, Is there a causal relationship between competitive advantage and competitive action, Is competitive action itself sufficient to create competitive advantage and increase competitive action in all circumstances, Based on the explanation above, the hypothesis proposed in this study are:

**H3: There are Impact of Competitive Action Significantly on Competitive Advantage**

Next, the researcher builds the conceptual framework by adopting the variables described above, then simplifying it into a research model that will test the relationship and its relevance in the framework research as follows:

**2.3 Hypothesis:**

The hypothesis in this study is:

1. Mobility has a significant impact on Competitive Action
2. Mobility has a significant impact on Competitive Advantage
3. Competitive Action has significant impact on Competitive Advantages
4. Mobility and Competitive Action has significantly impact on Competitive Advantage

3 Methodology

This Variable used in this research is:

1. Mobility (X1)
2. Competitive Action (X2)
3. Competitive Advantages (Y)

Samples are taken with random sampling techniques. The survey was conducted on 110 clothing industries. The data is processed using the Descriptive Analysis and Path Analysis. The research methodology can be seen in Figure 1.

![Figure 1. Research Methodology](image)

This study used a sample of 110 companies in the field of clothing. Data sources are primary and secondary data. Primary data is conducting interviews with the government. Interviews were carried out to:

1. SME Office at Bandung Regency.
2. Entrepreneurs who were become sampled for interviews.

Secondary data were a questionnaire to business owners in the field of clothing in Bandung Regency. Data analysis using descriptive analysis and Path Analysis.

4 Results

4.1 The Impact of Mobility on Competitive Action

The results of this study can be described in Table 1. The impact of mobility and competitive action is 54.3% and this value is quite large.

### Table 1. Competitive Action

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>Std. The error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.736</td>
<td>.544</td>
<td>.543</td>
<td>38120</td>
</tr>
</tbody>
</table>

4.2 The Impact of Competitive Action and Mobility on Competitive Advantage

The results showed that the impact of Competitive Action and Mobility on Competitive Advantage is not very close, which is 0.017 or only 1.7%.

### Table 2. Competitive Action and Mobility

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.077755</td>
<td>2</td>
<td>.0388728</td>
<td>2.018</td>
<td>1.524</td>
</tr>
<tr>
<td>Residual</td>
<td>11.528</td>
<td>297</td>
<td>.039</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>12.6034</td>
<td>299</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Simultaneously, there is a significant impact between Mobility and Competitive Action to Competitive Advantages. This is indicated by significance below 0.1. So it can be concluded that the hypothesis stated in this study can be accepted.

### Table 3. Mobility Competitive Action

- Dependent Variable: COMP_ADV

Model of this study are:

\[ Y = 3.991 - 0.126X1 + 0.183X2 + e \]
Table 4. The Relationship Between Mobility and Competitive Action

<table>
<thead>
<tr>
<th></th>
<th>Mobility</th>
<th>COMP_ACTION</th>
<th>COMP_ADV</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MOBILITY</strong></td>
<td>Pearson</td>
<td>.736</td>
<td>.013</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>300</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Stg. (2-tailed)</td>
<td>.000</td>
<td>.082</td>
<td></td>
</tr>
<tr>
<td>Correlation</td>
<td>.098</td>
<td>.090</td>
<td></td>
</tr>
</tbody>
</table>

**Table 5. The Measurement Value of Mobility**

<table>
<thead>
<tr>
<th>(X3) Mobility Peter Liu (2007)</th>
<th>1. Proportion of transportation use</th>
<th>2. Vehicle ownership</th>
<th>3. Travel length</th>
<th>4. Travel time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5. Maintaining superior</td>
<td>6. Excellence in identifying opportunities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 6. The Measurement Value of Mobility**

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.132*</td>
<td>.017</td>
<td>.011</td>
<td>.54115</td>
</tr>
</tbody>
</table>

*a. Predictors: (Constant), COMP_ACTION, MOBILITY*

The relationship between mobility and competitive action is 0.74 or very closely.

1. The relationship between competitive action and competitive advantage is 0.09 or not close.
2. The relationship of mobility and competitive advantage is 0.013 or very not very close.

While the value of the two variables namely mobility and competitive action on competitive advantage is very small. This is due to the fact that mobility and competitive action from Bandung Regency is still not tight.

**Figure 2. Research Paradigm**

Accessibility will affect the organization's competitive action on small businesses, because with adequate accessibility it can provide many business opportunities, customer relationships and resources. Accessibility is one of the factors possessed by small business actors to be used to support the business.

This finding means that the accessibility used by business actors can be integrated with competitive action. Business actors have understood that the development of increasingly rapid and rapid accessibility makes businesses understand that investing in more advanced aspects of accessibility will facilitate business operations. Indicators of increasing competitive action in the small clothing industries are affected by accessibility is the perceived ability to facilitate business managers and employees to do what is needed when competing and meeting the needs of consumers and customers. Based on interviews, it is known that business managers make use of accessibility to facilitate the distribution system.

For business actors, in running a business and to compete with the distribution of goods aimed at delivering goods produced from the producer to the final consumer. In addition, the distribution of goods also aims to expand the marketing area because with the existence of a good transportation...
infrastructure, the company will be able to reach a market that has not yet been entered. Even competitors with the same product often collaborate on the distribution of their products. Investment is often made by different business units independently, and that independent investment is often short-term, catching up and the resulting technology is often incompatible. This is also supported by [31], who argue that companies need to effectively integrate business to gain competitive action.

Based on the results of Path Analysis processing it is proven that Mobility has a positive effect on Competitive Action. The test results indicate that:

1. The higher movement of mobility in the clothing industries will increase the Competitive action of the clothing industries.
2. Specifically, in this study it is known that an important dimension to consider in mobility is that business managers are able to use transportation for business operations effectively and quickly without obstacles in travel to carry out business operations activities. It is very necessary to have good public facilities such as convenient public transportation and good road access, travel time for product distribution can be done quickly. The results of the test indicate that clothing business people who pay attention to mobility will increase the competitive action of the clothing industries.

The evaluation results show that the increase in competitive action is influenced by high mobility in the small clothing business in Bandung Regency. In this study, an increase in competitive action in the clothing business in Bandung Regency was reflected in, among others:

1. Cheap transportation costs can trigger the growth of production figures in a region, agglomeration, and open up marketing of
2. Goods that is wider. Conversely, high transportation costs will cause high production costs which are related to affect the sale value of the commodity and reduce the competitiveness of the source region the commodity originates from. Further analysis is needed related to the reduction in the cost of transportation of goods and increased accessibility to growth or agglomeration of the manufacturing industries sector.

3. The results of the study indicate that at least there will be a reduction in the cost of distribution of goods from the clothing industries sector in Bandung Regency after the operation of the Soroja Toll Road. Likewise, an increase in the number of clothing industries players in Bandung Regency compared to before the operation of the toll road, but there are still other factors that influence that are not done in this study.

In [32], to win global competition, companies can collaborate with competitors to strengthen their market position. Companies that collaborate with competitors (competitive collaboration) will get increased skills and technology and transfer competitive advantage obtained from competitors. Business actors make efforts to remain competitive and reach a wider market. One way to improve the ability of a business actor is to collaborate with other business actors. In this case, certain business actors can break through the constraints of the domestic market, which is to collaborate with one particular local company. This collaboration looks like the right way to equalize itself, especially when companies look for unique and superior resources.

Strategy to fight or join is still often applied by business people. On the one hand the fight looks bolder, but with the consequences of winning or being destroyed. On the other hand joining will be felt to be weaker due to loss of control. From this basis created a new strategy phenomenon, where the two elements of the strategy can be combined to get a mutually beneficial strategic value, namely with strategic alliances. In response to this, there is no other choice not to compete and maintain the organization or company, in order to survive where in turbulent conditions the company must be adaptive and keep up with changes that occur by implementing strategic alliances [33]. The formation of strategic alliances and cooperation is primarily motivated to gain competitive advantage in the market [34]. Alliances have been described as the key to competitive success. Strategic alliances are the answer for many companies that strive to gain competitive advantage [35].
4 Discussions

Implications of this research in the development of business administration science can be described as follows:

1. These findings contribute to research in the field of Strategic Management because they enrich the antecedents of the Competitive Advantage variable. The relationship of competitive advantage and competitive action is an important finding, because it relates to Capability Building Process and Entrepreneurial Action Process at the level of small businesses that are typical based on the Grand Theory: Resource Based View (RBV) and Middle Range Theory: Capability Based View (CBV).

2. This research contributes to the testing of variables that are relevant to the creation of Competitive Advantages in the context of small businesses. It is known that experts who study Competitive Advantage criticize the coercive characteristics of the Competitive Advantage variables of large businesses on Small Businesses. Therefore, in this study the researchers used the Competitive Advantage variable in the context of SMEs in the clothing industries sector.

3. This research means that Competitive Advantage arises from within the company because small businesses are able to collaborate mobility to form competitive action based on business capability in competitiveness.

4. This research also supports the view that competitive action is something that can be raised in Competitive Advantage studies.

In [33], a company is said to have a competitive advantage when implementing a value creation strategy that is not simultaneously applied by potential competitors today. Strategic approach has the potential to increase the ability of competition to contribute to improving performance. Also, produce products or services must begin to pay attention to a concept of competitive advantage so that companies can survive which ultimately will make a profit.

Entrepreneurship at the organizational level, is instrumental important for the formation of strategic innovation, especially in the face of shifting conditions in the external environment.

5 Conclusions

The conclusion of this research as follows

1. Mobility significantly influence Competitive Advantage is not proven.
2. Mobility on Influential Significant Competitive Advantage is a proven.
3. The amount of influence between variable Mobility, Competitive Action on Competitive Advantage is 1.7% or very small.
4. The amount influence of Mobility on the Action Competitive is very high which is 54.4%.

References


