

Strategies for Achieving Sustainable Competitive Advantage: Systematic Literature Review

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ABSTRACT

Companies are required to have a competitive advantage and maintain it on an ongoing basis, having a qualified competitive advantage will help the company to outperform its competitors. Maintaining a sustainable competitive advantage is achieved through the production of high- quality goods and services at low costs to increase sales. The series of processes in realizing competitive advantage in the company are still so rarely integrates the digitization of business processes and innovation in products. By systematically reviewing the literature, the purpose of this study is to investigate how to characterize and explain the impact of product innovation and business process digitalization on competitive advantage in an organization. The result of the review of the literature used in the preparation of this systematic literature review is that most of the research on the effect of business process digitalization on competitive advantage and the effect of product innovation on competitive advantage results in a conclusion that both variables are able to significantly affect the competitive advantage of a company or business organization.

Keywords: *Competitive Advantage, Digitalization, Product Innovation, Sustainable.*

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1. | INTRODUCTION

Business development in the era of globalization and modernization has been running rapidly and undergoing continuous metamorphosis, companies are competing and aggressively on their tips in improving business processes including distributing them to consumers (Widiarta et al. 2020). In the current era of globalization and digitalization, every large and small company must be able to adapt, compete, and have maximum competitive advantage in order to survive amid increasingly fierce market competition. The competitive advantage can be built through the process of product innovation and digitalization in the business process. Company's competitive advantage. A competitive advantage may be directly or indirectly influenced by the digitization of business processes and product innovation. According to Artanto et al. (2022) in the modern world of the business world, digitalization is very important to maintain competitiveness because it increases operational efficiency.

To gain a competitive edge or competitive advantage, businesses need to integrate digitalization into all aspects of their operations as they are aware of the significant impact that technological disruption can have (Rahmayanti et al. 2023). Sepulloh & Susila (2021) argue that mastery of technology is a factor that can drive competitiveness in the era of the industrial revolution, based on this, in order to compete, businesses need to continue to innovate by incorporating new technologies into operations. Companies must also be able to control productivity and production costs to fulfill price flexibility in order to achieve competitive advantage through lower production prices than competitors in the same industry (Falahat, 2019). According to Subagja (2021) In this increasingly global competition, companies must be able to modify the products they have produced to provide added value to their products and must be able to fulfill what consumers want according to consumer needs and tastes. Innovation is defined as a product as an explanation of a series of interconnected processes that begin with the emergence of new ideas, the latest inventions, and the process of creating new markets.

The core concept of innovation is an idea that innovation in a product occurs due to the entry of new elements that come from old elements (Handoyo 2021). Companies can make various innovations through creating a variety of product designs and increasing the benefits of a product. However, businesses can also innovate in areas such as work processes, production processes, finance, marketing, and so on in the field of management innovation. Creating innovative products and winning business plans is often what makes an enterprise successful or not and ensures its survival, but creating new items is a difficult task. Product development and innovation require effort, ability, time and readiness to bear the amount of risk and cost if product development and innovation are not successful (Widiarta et al. 2020). Innovation is a very crucial thing for companies to do. According to Yunitasari & Anwar (2022) rapid technological change has an impact on product innovation. Increasingly advanced technology and higher competition place demands on companies to continuously innovate products that will have an impact on increasing the competitive advantage of the company. The

uncertainty of the business environment has led to intensified competition for market share and opportunities to win. Shorter product life cycles are a result of corporate competition, as businesses strive to provide innovative and valuable offerings to their customers (Ellitan 2021).

The strategy for businesses to maintain their competitive advantage is through product innovation. Businesses develop product innovations using various product designs which in this case will give customers more choices, increase benefits, or add value (Yunitasari et al. 2022). According to Budianto and Setiawan (2020) there are several steps that companies can take to win the competition, one of which is by innovating products that have been or will be produced. Innovation can be defined as the process of changing a business model or design; innovation must be able to adapt to a changing environment to provide better products or services. Based on what has been described above, it can be seen that there is a possibility of a relationship between product innovation and business process digitalization on competitive advantage. This systematic literature review aims to further examine research - research that has previously been conducted by several researchers regarding the effect of product innovation and digitalization of business processes on competitive advantage.

2. | LITERATURE REVIEW

Digitalization of Business Processes

According to Rahmayanti et al. (2023), a conceptual series called “digitalization” describes the extent to which the application of digital technology can change business operations and improve the provision of customer services. Some of the factors that motivate companies to use business process digitalization or platform digitalization will allow them to promote products, build brands, interact with customers faster, and gain access to international markets (Tasdik et al. 2022). The indicators used to measure digitalization according to Rozak et al. (2021) include the use of digital technology in the product marketing process with the aim of attracting consumers, the use of digital technology to save costs, the use of digital technology by organizations to maintain commitment with stakeholders, and the use of digital technology for transaction handling processes in business.

Product Innovation

The demand for fulfillment of current needs continues to increase, this encourages business people to continue to make efforts to meet various consumer needs through the latest ideas and innovations to produce more differentiated products (Ramadhani 2021). In general, the term “innovation” refers to terms such as updating, changing, or creating a procedure, as well as a way to do things more effectively. In the context of a business or endeavor, it can mean implementing newer ideas, making improvements to available service processes, or creating other products that are considered more dynamic (Budianto & Setiawan, 2020).

According to Setiawardani (2022) Innovation is defined as changing what the market demands to provide something new and valuable to consumers. Datta, et al., (2013) conveyed that Innovation is the ability to make something impossible become something impossible become real. The idea of innovation theory mentioned by several researchers states that “Something that is impossible, unsolvable, and unresolvable will become possible, but accompanied by earnest effort” (Kazinguvu, 2016). According to Kotler (2007) a collection of all activities that influence each other in some way; innovation is a description of all these processes and is not the idea of a new concept, a recent invention, or the creation of a new market. Indicators of product innovation according to Lukas (2000) adapted by Wahyudin (2015) include: Expanding lines, new products, and products that are truly newly created. According to Freeman & Soete (1997) product innovation can be measured through 3 indicators, namely as follows: 1) development for new products, 2) development of new service processes, and 3) development of marketing processes.

Competitive Advantage

Competitiveness or competitive advantage is defined by Widiarta et al. (2020) as the capacity of a business to generate greater revenue than its competitors in the industrial world. One of the crucial advantages that a company may have is its competitiveness, every company must strive to create a new competitive environment or dimension (Febrian et al. 2023). The ability of a business to maximize all its resources to create goods that surpass competitors in every way, resulting in happier customers and a larger share of the pie is known as competitive advantage (Baihaqi et al. 2023). To stay in business and gain the greatest possible competitive advantage, companies need to have an effective and efficient plan (Ratayah et al. 2021) Shodiqin & Rhain (2020) assumes that the ability of a business to make goods using more efficient methods than other businesses gives it a competitive advantage that can please customers. In short, it assumes that a company's perception that its goods and services are better than its competitors in the same industry is known as competitive advantage.

Porter (2007) argues that companies can generate competitive advantage through three different processes, namely cost leadership, differentiation, and focus. In the cost leadership concept, the organization will strive to achieve the lowest possible cost compared to other companies in the same industry environment. The cost advantage of a business can result from several things, including the benefits of economies of scale, the use of relevant production technologies, ownership or access to raw resources that are more favorable than competitors, and more. Businesses will benefit greatly from this advantage, as low prices present challenges or barriers to potential competitors who wish to participate in the same industry. In the differentiation concept, organizations aim to offer their products with distinctive qualities in specific areas, which customers find valuable. The business will decide which features are most important and will work to position itself to meet customer needs.

Meanwhile, in the focus concept, organizations will have one or more groups of segments within an industry, and the company will then create relevant strategies for those market segments that customers cannot obtain from competitors with larger market segments. Companies that develop this strategic optimization will gain an advantage over their competitors in a particular market segment, even if the entire business environment does not give them a competitive advantage. The following are some indicators of competitive advantage proposed by Anwar et al. (2023), including gaining cost advantages in providing raw materials, being able to form a good product image, providing lower costs than competitors, creating consumer value based on product support services, working at a lower cost as it gains efficiencies in its operational activities, and creating products that meet the changing needs of consumers. Then, according to Bharaswaj et al. (1993), the indicators that can be used in the competitive advantage variable consist of the uniqueness of the product, prices that can compete, being difficult to find, being difficult to imitate by competitors, and not being easy to replace.

3. | RESEARCH METHOD

Systematic Literature Review (SLR) is the research method used in this study. The SLR method is a method that uses the process of interpreting, analyzing, evaluating, and identifying some previously existing research (Solihah, 2023). Future researchers will review articles that have a relationship with the digitization of business processes, product innovation, and competitive advantage. The SLR method will identify several journals systematically with several stages that have been determined by the researcher. Researchers use the Publish or Perish ver 8 tool with the source of the article used, namely Google Scholar. Searching for related articles is also done manually to support the search results to be more relevant to the variables being searched. Articles that have been found through manual searches or using tools are then analyzed and filtered before being used and examined further. The article selection procedure, taken from the Publish or Perish ver 8 tool, is based on the year of publication of the article, the source or source of the journal to ensure that the article is published from a clear and reliable source, then the next selection is the availability of the document URL and the type of document provided such as HTML, PDF, or possibly citation. The last process in selecting articles used in this SLR is related to whether or not the content contained in the article is relevant, because considering the tools available has the possibility of providing search results that are relevant to what is intended.

However, to support the results of this SLR, the researcher then conducted a manual search directly on Google Scholar. Relevant articles will be discussed further in the results and discussion section, both articles found through the Publish or Perish search and articles found by manual search. The results of the review of these articles will then be concluded in the conclusion section at the end of this systematic literature review to find out how many articles can support the statement that product innovation and business process digitization have an impact on competitive advantage. There are three

key sentences used in this study to search for related articles in the Publish or Perish ver 8 tool, namely “The effect of business process digitization on competitive advantage,” “The effect of product innovation on competitive advantage,” and “digitalization of business processes, product innovation, competitive advantage.” In the step of searching for related articles, one of the foreign language keywords is used to add and expand the range of references obtained. The search results for each keyword will then be selected according to what has been previously stated, and each selected article will be reviewed regarding its suitability for the contents to be discussed from this systematic literature review. Articles that are relevant and selected to be used as references will then be discussed further in the results and discussion section.

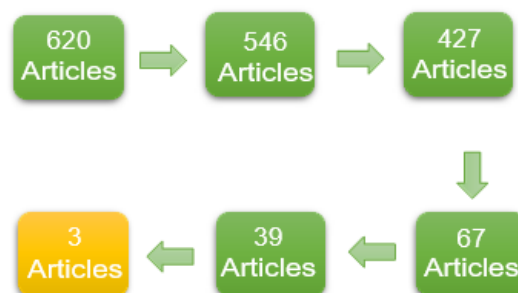
4. | RESULTS AND DISCUSSION

Any keywords that have been searched in the Publish or Perish ver 8 tool will be reviewed in this section. This literature review procedure excludes literature that does not match the inclusion requirements outlined in the exclusion criteria. The following inclusion and exclusion criteria are presented in Table 1.

Table 1. Inclusion & Exclusion Criteria

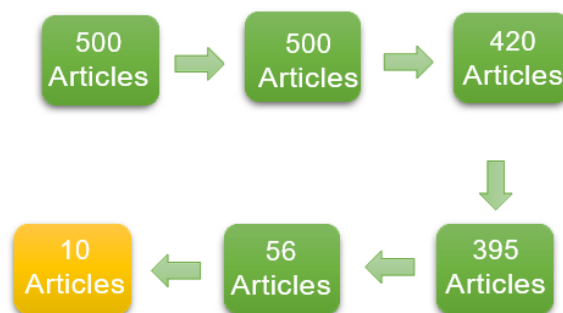
Inclusion	Exclusion
Literature published between 2018 - 2024	Literature published before 2018
Literature published by a clear publisher (<i>source</i>)	Literature that is published but does not have a clear publisher (<i>source</i>)
Literature that clearly contains the source url	Literature that does not contain the source url
Literatur with <i>document type</i> pdf, HTML, and citations	Literature with document types that do not meet the inclusion criteria (<i>pdf, HTML, and citations</i>)
Literature that has relevance, similarity, and attachment to the keywords searched.	Literature that has no correspondence, similarity, attachment to the searched keywords

The first key sentence search results use the Publish or Perish ver 8 tool with the key sentence: the effect of business process digitization on competitive advantage. The amount of literature obtained is as follows:



Based on the results of the search for related literature that has been described in the chart above, it is known that the final result of searching for key sentences using the Publish or Perish tool is as many as 3 related articles. The search results are 620 articles and then sorted into 3 articles that have suitability and relevance between the effect of digitalization on the company's business processes on competitive advantage. The literature uses different research methods and research objects. In the selection process, several other variables were found that are similar to business process digitization variables, such as accounting information systems, digital leadership, technological capabilities, digital marketing, digital literacy and so on. However, the variables used in the literature do not examine or examine the relationship of these variables to competitive advantage so they cannot be selected and used as references in this systematic literature review. To increase the number of references used in this SLR, a search for related literature is carried out using manual methods on Google Scholar with the same search sentence. The number of related literature found was 6 articles with different research objects.

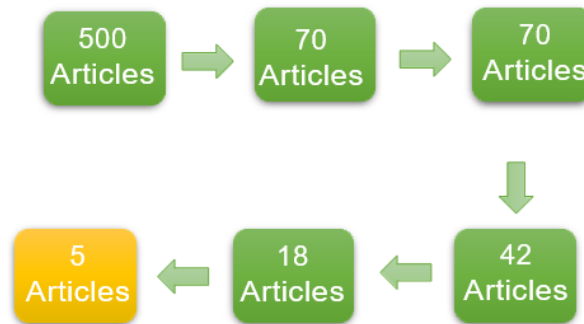
The second key sentence search results use the Publish or Perish ver 8 tool with the key sentence: the effect of product innovation on competitive advantage. The amount of literature obtained is as follows:



Based on the results of the search for related literature that has been described in the follow chart above, it is known that the final result of searching for key sentences using the Publish or Perish tool is 10 related articles. The search results when it was first carried out were as many as 500 articles and then narrowed down to 10 articles that had suitability and relevance between the effect of product innovation carried out by the organization on its competitive advantage. The literature uses different research objects. In the selection process, several other variables were found that are similar to product innovation variables such as digital innovation, business process innovation, technological innovation, and so on. However, the variables used in the literature do not examine or examine the relationship of the variables mentioned to competitive advantage so that they cannot be selected and used as references in this systematic literature review. Compared to competitive advantage, there are more studies that use company performance or organizational performance as the dependent variable. To increase the number of references used in this SLR, a search for related literature is carried out using manual methods on Google Scholar with the same search sentence.

The number of related literature found was 8 articles with different research objects. The literature selected for use in this SLR uses the relationship between product innovation and competitive advantage.

The third key sentence search result, using the Publish or Perish ver 8 tool with key sentences: digitalization of business processes, product innovation, competitive advantage. The amount of literature obtained is as follows:



In the results of searching for related literature that has been illustrated in the follow chart above, it can be seen that the final result of searching for key sentences using the Publish or Perish tool is 5 related articles. The search results when first conducted were as many as 500 articles and then sorted into 3 articles that had compatibility with the literature that could be used in the preparation of the SLR. In the selection process, several other variables were found apart from the variables used in the writing of this SLR, such as marketing influences, business capital, dynamic capability effect, knowledge exploitability, business intelligence, innovative performance, sustainability, digital disruption, and so on. The variables used in the exclusion literature do not examine or examine the relationship between the variables used in this SLR. Table 4.2 is an overview of the amount of literature obtained for the SLR preparation process, either obtained through searching using the Publish or Perish Ver. 8 software or using manual search steps.

Table 2. Metadata of search results

Key Sentence	Using Publish or Perish Tools Ver. 8	Using manual search steps
The effect of business process digitization on competitive advantage	3 literature	6 literature
The effect of product innovation on competitive advantage	10 literature	8 literature
Digitalization of business processes, product innovation, competitive advantage	5 literatures (2 literatures on digitalization and 3 literatures on product innovation)	-
	18 literature	14 literature

In Table 2. the amount of literature that will be used in the preparation of this SLR has been presented, namely 38 literature obtained using the Publish or Perish Ver 8 tool and 14 literature obtained through manual searches, so that the total literature to be reviewed in this systematic literature review is 32 literature. The next stage in the process of preparing this SLR is to review each article that will be used. Table 3. below is a table that will explain each content of each article used.

Table 3. Research Details and Results from selected literature

No	Article Topic	Author, Year, Country	Journal	Research Methods	Research Results
Innovation to Competitive Advantage Literature (Using Publish or Perish Tools)					
1	The Influence of Product Innovation and Market Orientation on the Competitive Advantage of Jeans Brands in Jakarta	(Subagja 2021), Indonesia	Journal of Business Management Krisna dipayana	Quantitative Methods	The research findings show that product innovation can have a significant effect on competitive advantage.
2	Analysis of Product Uniqueness and Product Innovation on Marketing Performance through Competitive Advantage in Muslim Clothing in Surabaya	(Yunitasari et al. 2022), Indonesia	Widya Manajemen	Quantitative Methods	The research results have concluded that product innovation has a significant effect on competitive advantage.
3	The Influence of Innovation, Entrepreneurial and Market Orientation on the Competitive Advantage of Culinary SMEs	(Handoyo 2021) Indonesia	Journal of Managerial and Entrepreneurship	Quantitative Methods	The research results have concluded that product innovation has a significant effect on competitive advantage.
4	Analysis of the Influence of Innovation and Market Orientation on Marketing Performance of Restaurants in Kuningan Regency	(Harjadi 2021) Indonesia	Scientific Journal of Business Administration and Innovation	Development	The research results found that product innovation has an insignificant effect on competitive advantage.
5	Analysis of Entrepreneurial Leadership and Digital Innovation on Competitive Advantage and its impact on organizational performance in facing industry 4.0	(Sepullohet al. 2021) Indonesia	Journal of Management Science	Interdependent Method	The research results found that product innovation has a significant effect on competitive advantage.
6	The role of Product Innovation mediates Technology Orientation towards Competitive Advantage	(Widiarta et al. 2020) Indonesia	E-Journal of Economics & Business,	Quantitative Methods	The research results found that product innovation has a significant effect on competitive advantage.

No	Article Topic	Author, Year, Country	Journal	Research Methods	Research Results
			Udayana University		
7	Analysis of product innovation in the creative economy of the craft sector of the Tabir Riau Batik gallery in Pekanbaru City	(Ramadhani 2021) Indonesia	Synergy, Journal of Business and Management	Qualitative Methods	The results reveal that product innovation carried out by the object of research can Provide good competitiveness in the organization.
8	The Role of Market Orientation and Innovation in Creating Competitive Advantage and Marketing Performance Among Muslim/Muslim Women Consumers in Batik SMEs in the Jember Region	(Shodiqin et al. 2020) Indonesia	At-Tasharruf; Journal of Sharia Economics and Business Studies	Quantitative method with explanatory type	The research results found that product innovation has a significant effect on organizational competitive advantage.
9	Innovation and Competitive Power of MSME Entrepreneurs: The Impact of Globalization of Information Technology	(Ratiyah et al. 2021) Indonesia	Ecodemic Journal: Journal of Economics, Management, & Business	Quantitative Methods	The research results found that product innovation has a significant effect on organizational competitive advantage.
10	The Influence of Market Orientation and Product Innovation on Competitive Advantage in Creative Home Business PT. Baturaja Cement	(Priharti et al. 2021) Indonesia	COLLEGIAT	Quantitative Methods	The research results found that product innovation has a significant effect on the competitive advantage of PT Semen Baturaja.
Innovation to Competitive Advantage Literature (Manual Search)					
11	The Influence of Product Innovation, Product Creativity, and Entrepreneurial Motivation on Competitive Advantage at the Bratang Binangun Culinary Tourism Center, Surabaya	(Fitri et al. 2023) Indonesia	SOSIALITA	Quantitative Methods	The research results found that product innovation has an insignificant effect on competitive advantage.

No	Article Topic	Author, Year, Country	Journal	Research Methods	Research Results
12	The Role of Innovation in Building Competitive Advantage in the MSME Sector in the Culinary Sector Post Disruption Due to the Covid 19 Pandemic in Bandung City	(Setiawar dani 2022) Indonesia	Journal of Business and Investment Research	Quantitative research method	The research results found that product innovation has an insignificant effect on competitive advantage.
13	The Influence of Product Innovation, Product Creativity, and Product Quality on Competitive Advantage (Case Study on "Wild" Water Hyacinth Mat Crafts	(Noviani 2020) Indonesia	Journal of Management and Business (JUMANIS) Entrepreneurship Study Program	Quantitative Research Methods	The research results found that product innovation has a significant effect on competitive advantage.
14	The Influence of Entrepreneurial Orientation, Innovation and Use of Information Technology on Business Performance Through Competitive Advantage for Clothing Traders in the Kliwon Market, Kudus Regency	(Dewi 2022) Indonesia	Journal of Business Management Studies (JSMB)	Quantitative Research Methods	The research results found that product innovation has a significant effect on competitive advantage.
15	The Influence of Entrepreneurial Orientation and Product Innovation Towards Competitive Advantage (Study of Culinary MSMEs in Central Banjarmasin District)	(Asvia et al. 2022) Indonesia	Journal of Management Science and Entrepreneurship	Quantitative Research Methods	The research results found that product innovation has a significant effect on competitive advantage.
16	The Influence of Innovation, Entrepreneurship and Market Orientation Towards the Competitive Advantage of Culinary SMEs	(Handoyo 2021) Indonesia	Journal of Managerial and Entrepreneurship	Quantitative Research Methods	The research results found that product innovation has a significant effect on competitive advantage.

No	Article Topic	Author, Year, Country	Journal	Research Methods	Research Results
17	Analysis of the Influence of Market Orientation and Innovation on Company Performance to achieve Competitive Advantage (Study of Food Product SMEs Riau in Pekanbaru City)	(Indra et al. 2019) Indonesia	Tepak Journal of Business Management	Quantitative Method with Causal research type	The research results found that innovation has a significant effect on competitive advantage.
18	The Influence of Innovation and Entrepreneurial Orientation Towards the Competitive Advantage of Culinary MSMEs	(I. Lestari et al. 2019) Indonesia	Journal of Management and Business Research (JRMB) Faculty of Economics UNIAT	Quantitative Methods	The research results found that innovation has a significant effect on competitive advantage.
Literature Influence of business process digitization on competitive advantage (Using Publish or Perish Tools)					
19	Developing the Competitive Advantage of MSMEs in the Fashion Sector in Denpasar City Based on Digitalization and Innovation Capabilities: The Mediating Role of Organizational Agility	(Rahmayanti et al. 2023) Indonesia	EKUITAS (Journal of Economic Education)	Quantitative Methods	The research results revealed in this study are that the digitization of business processes is able to have a significant influence on competitive advantage.
20	The Influence of Human Resources Development And Digital Transformation Towards Competitive Advantage Sustainability: Mediated by Innovative Behavior of SMEs	(Arif et al. 2023) Indonesia	Accounting and Management Journal	Quantitative Method with Causal research type	The results of the research revealed in this study are the digitization of business processes or the aligned concept of digital transformation is able to have a significant influence on competitive advantage.
21	The Influence of Digital Transformation and Product Innovation on Competitive Advantage and Performance of MSMEs in Pasuruan Regency	(Baihaqi et al. 2023) Indonesia	Triwikrama: Journal of Social Sciences	Associative research with a quantitative approach	The results of the research revealed in this study are process digitalization or digital transformation is able to have a significant influence on Competitive advantage.

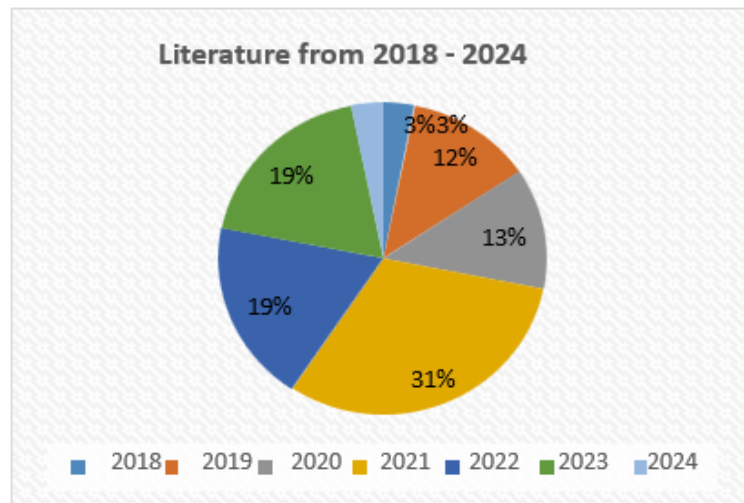
No	Article Topic	Author, Year, Country	Journal	Research Methods	Research Results
Literature Influence of business process digitization on competitive advantage (Manual Search)					
22	The Influence of Human Resource Development and Digital Transformation on Sustainable Competitive Advantage: mediation by Innovative UKM Actors (Case study of Food and Beverage UKM in Surabaya)	(Firmansyah et al. 2022) Indonesia	Journal of Finance and Business Digital (JFBD)	Quantitative Research Methods	The research results revealed in this study are that process digitization or digital transformation is able to have a significant influence on organizational competitiveness.
23	Do Service Quality, Work Culture, and Digital Transformation Affect Competitive Advantage? Empirical Study at Santo Antonio Hospital	(Innotata et al. 2021) Indonesia	MPPKI	Descriptive Quantitative Research Methods	The research results revealed in this study are that digital transformation is able to have a significant influence on the organization's Competitive Advantage.
24	The Influence of Capital, Digitalization of Information and Creativity on Increasing the Competitiveness of MSMEs at Tanjung Ringgit Port, Palapo City	(Yasir et al. 2022) Indonesia	Journal of Islamic Economic and Business	Quantitative Methods	The research results revealed in this study are that information digitization has an insignificant effect on Increasing the competitiveness of MSMEs.
25	Digital Transformation Support for the Competitiveness of PT Pembangkitan Jawa Bali Services	(Nahru et al. 2023) Indonesia	Syntax Literate: Indonesian Scientific Journal	Quantitative Approach Methods	The research results revealed in this study are that digital transformation can have a significant influence on the organization's competitive advantage.
26	Adaptation of Digital Technology Transformation and Entrepreneurial Skills to Competitive Advantage in Culinary MSMEs: Tiktok Shop Case Study	(Muhamad et al. 2024) Indonesia	Journal of Buana Ilmu	Descriptive and Verificative Methods	The research results revealed in this study are that digital technology transformation variables can have a significant effect on organizational competitive advantage.

No	Article Topic	Author, Year, Country	Journal	Research Methods	Research Results
27	The Influence of Competitive Advantage on Marketing Performance Through Digital Marketing	(Naninsi h et al. 2022) Indonesia	YUME: Journal of Managemen	<i>Path analysis</i> research method	The research results revealed in this study are that digital marketing variables can have a significant influence on the organization's competitive advantage.
Digitalization of business processes, product innovation, competitive advantage (using Publish or Perish ver 8 tools)					
28	The Influence of Market Orientation and Product Innovation on the Competitive Advantage and Its Implication Toward Small and Medium Enterprises (SMEs) Performance	(Falahat 2019) Malaysia	Technology Innovation Management Review	Quantitative Research Methods	The research results revealed in this study are that digitalization has an insignificant effect on competitive advantage.
29	Digitalization and green supply chain integration to build supply chain resilience toward better Firmcompetitive advantage	(Setiawan et al. 2023) Indonesia	Uncertain Supply Chain Management	Quantitative Research Methods	The research results revealed in this study are that digitalization has a significant effect on competitive advantage.
30	The effects of market orientation and innovation on competitive advantage and business performance of textile SMEs	(Udriyah et al. 2019) Malaysia	Management Science Letters	Quantitative Research Methods	The research results revealed in this study are that product innovation has a significant effect on competitive advantage.
31	The role of Innovation in Creating a competitive advantage	(Distano et al. 2020) Thailand	Kasetsart Journal of Social Sciences	Quantitative Research Methods	The research results revealed in this study are that product innovation has a significant effect On competitive advantage.
32	The Influence of Market Orientation and Product Innovation on the Competitive Advantage and Its Implication toward Small and Medium Enterprises (SMEs) Performance	(Herman et al. 2018) Indonesia	International Journal of Science and Engineering Invention	Quantitative Research Methods	The research results revealed in this study are that product innovation has a significant effect on competitive advantage.

The researcher found that after analyzing the literature examined for this study, most of the literature states that the competitive advantage possessed by the organization can be improved through the application of digitalization to business processes and innovating its products. Many studies support that digitization of

business processes and product innovation can increase the competitive advantage of the organization. In addition to having a significant effect, there are studies that draw the opposite conclusion, namely that both digitalization of business processes and product innovation are unable to affect competitive advantage. Researchers give red color to the research column which results in the conclusion that neither product innovation nor business process digitization has a significant effect on competitive advantage to facilitate reference review.

In the business process digitization variable, 11 related articles have been found that examine the relationship between business process digitization and competitive advantage. A total of 9 articles state that digitization of business processes or aligned variables such as digital transformation, digital marketing, information digitization can have a significant impact on increasing the company's competitive advantage. However, there are still articles that are not in line with the statement that digitization of business processes affects organizational excellence, such as research conducted by (Falihat 2019; Yasir et al. 2022). Based on a review of 21 publications, 19 of which discuss the topic of how product innovation affects competitive advantage, it is determined that product innovation can positively and significantly affect an organization's competitive advantage. On the other hand, there are still 2 studies that have concluded that product innovation variables do not have a significant impact on competitive advantage, namely research conducted (Harjadi 2021; Setiawardani 2022).



Graph 1. Literature by year

Graph 1. illustrate the amount of literature obtained in the last 6 years, starting from 2018 to 2024.

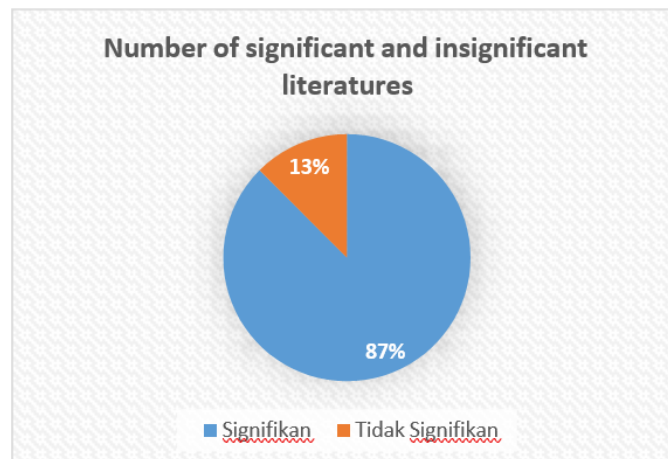


Figure 1. Research results from the literature used

Then Graph 2. shows the number of significant and insignificant literature from the entire literature used.

About 86.5% of all articles reviewed in this SLR writing which examined the relationship of business process digitization to competitive advantage resulted in a conclusion that business process digitization is able to have an impact on increasing the competitiveness or competitive advantage of a company or business organization. Likewise, the literature that conducted research on the effect of product innovation on the competitive advantage of an organization, 88.5% of the literature reviewed concluded that the company's ability to innovate new products or even old products can have an impact on increasing the company's competitive advantage.

Effect of business process digitization on competitive advantage

Digitalization brings innovation and revolution in the process of doing business. Digitalization has become a key driver in creating competitive advantage for organizations in various industries. Rapid adaptation to innovation, effective use of data and increased operational efficiency are concepts that can be the key to facing increasingly fierce market competition. Companies that have the ability to incorporate digital technology into well-conceived strategies such as product innovation, providing personalized customer service or implementing efficient operational procedures will have a better chance of succeeding in the market and building a long-lasting competitive advantage. Through the digitalization of business processes, companies can take advantage of strategies that will make them more competitive, especially in the process of facing the industrial era which is currently increasingly affected by globalization and increasingly stringent technological developments. Companies can prepare to face business competition in the future for a long time. Based on this description, the digitization of business processes carried out by the company can affect its competitive advantage.

Effect of product innovation on competitive advantage

Competitive advantage can be created and strengthened by more innovative products. Product innovation is the main thing in the success of a product so that

consumers can accept the product and be able to win competition in the market. This is because currently consumers are more critical of what they choose; consumers not only want products with affordable prices and quality, but also products that are more innovative and valuable. Then the company must be able to read opportunities in creating products and services that are different from other companies in the same industry. Innovation has the ability to investigate new ideas to be able to compete both now and in the future; with future changes, product innovation affects the company's competitive advantage.

5. | CONCLUSION

Based on the review of selected literature, it can be concluded that business process digitalization and product innovation play an important role in strengthening a company's competitive advantage in the era of globalization and digitalization. Digitalization enables companies to improve business processes, operational efficiency, adaptability, and responsiveness to changing market conditions, while product innovation allows companies to meet evolving consumer needs and create greater value. The integration of these two aspects can therefore contribute significantly to the development and sustainability of competitive advantage. However, further research is needed to provide a more comprehensive understanding of this relationship. Future studies are encouraged to examine additional variables related to business process digitalization, including digital transformation, digital security, and AI-based process innovation. Quantitative research should also be conducted to empirically measure the effects of business process digitalization and product innovation on competitive advantage, thereby providing stronger evidence to support the findings of systematic literature reviews. In addition, future researchers are encouraged to utilize a broader range of literature, particularly articles from reputable international journals, to expand the scope and strengthen the generalizability of the findings.

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Declaration of Conflicting Interests

The authors declare that there is no conflict of interest.

Ethical Approval and Originality Statement

Ethical approval was obtained for this study. The manuscript represents original work and has not been previously published, nor is it under consideration by another journal.

Data Disclosure Statement

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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