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Analysis of Differentiation, Quality and Price Strategies on Competitive Advantages and Their Effect on Customer Satisfaction of Noodle Products PT Sukabumi Alam Mandiri

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Abstract. This research aims to analyze the effect of differentiation strategy, product quality, and price on competitive advantage, and its impact on marketing performance of PT Wings Group's instant noodle products. In the Fast Moving Consumer Goods (FMCG) industry, intense competition forces companies to continuously innovate and offer added value to consumers. Competitive advantage becomes a key factor in maintaining market share and enhancing marketing performance, especially in the highly competitive instant noodle product category. This research uses a quantitative approach with data collected through surveys from consumers of PT Wings instant noodle products. The analysis was conducted using a multiple regression analysis model to examine the influence of differentiation strategy, product quality, and price on competitive advantage, as well as the relationship between competitive advantage and marketing performance. This study is expected to provide insights into how elements of differentiation strategy, product quality, and price can create a significant competitive advantage and positively impact marketing performance. The findings are expected to serve as a guide for the company to develop more effective strategies in facing competition in the FMCG market.

Keywords: differentiation, quality, price, competitive advantage, marketing

INTRODUCTION

The Fast-Moving Consumer Goods (FMCG) industry in Indonesia is one of the most competitive sectors, with various large companies competing for market share. The high level of competition forces FMCG companies to innovate and strengthen their positions. To achieve these goals, companies must leverage strategies that create sustainable competitive advantage. Among these, three key pillars are product differentiation, product quality, and pricing strategy. These pillars are crucial not only for attracting consumers but also for building loyalty and improving long-term performance in an increasingly tight market (Sumantri B.; Widyantoro H., 2023; Tehuayo, 2021).

Product differentiation is essential in winning FMCG market competition. This differentiation includes features, packaging, innovation, or the consumer experience. Kotler and Keller (2020) explain that effective differentiation creates value for consumers and establishes a unique market position. Companies that succeed in differentiation can stabilize demand despite price competition, avoiding price wars and fostering long-term consumer

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relationships (Ho H. F. L., 2020). Kuncoro (2020) reveals that differentiated products gain larger market shares by offering added value. For example, Unilever uses innovative packaging for its beauty brands, while Indomie leverages localized flavors (Sembiring, 2022). Additionally, eco-friendly products serve as effective differentiation in sustainability-conscious markets (Suyadi, 2021). Company (2023) underscores that innovation in differentiation is critical in competitive markets.

Product quality is another indispensable element. High-quality products meet expectations and build brand reputation (Mappahata, 2019). Nimfa et al. (2021) found that quality drives sustainable competitive advantage, particularly for SMEs, fostering growth and market appeal. Superior quality also enables premium pricing, boosting profit margins and competitiveness. Simanjuntak (2021) notes that Indonesian consumers prioritize quality, especially in food and beverages, where taste and packaging are key (Herlina & Sitompul, 2020). Consistent quality, as seen in trusted instant noodle brands, reinforces consumer trust (Lestari, 2022; (Suryadi I., 2021).

Pricing strategy is equally vital. Competitive pricing must reflect consumer-perceived value. Hinterhuber R. (2022) advocate value-based pricing, while Kim and Mauborgne (2017) highlight how combining pricing with differentiation can create "blue ocean" markets. In Indonesia, flexible pricing strategies are crucial. Nurhasanah (2022) emphasizes segment-specific pricing, exemplified by Indofood's varied noodle prices (Wibowo, 2021). Promotions and discounts also boost sales in mass markets Rahayu B. (2020), with local dynamics influencing success (Setiawan, 2021). Saikrishnan (2023) adds that consumer preferences hinge on price, quality, and innovation. These three pillars—*product differentiation*, *quality*, and *pricing*—must integrate to strengthen competitiveness. Kotler and Keller (2016) stress that successful marketing strategies synergize these elements. Thus, FMCG companies must align them to sustain market positions.

PT Wings, a major Indonesian FMCG player, faces stiff competition from Indofood and Mayora. To compete, PT Wings must innovate in differentiation, ensure quality, and align pricing with consumer expectations (Riani, 2024). This research examines how PT Sukabumi Alam Mandiri (a Wings distributor) leverages these strategies to enhance competitive advantage and customer satisfaction for instant noodles, measured through sales, market share, and loyalty (Rasyid, 2022).

Existing literature reveals gaps. Kim R. (2017) discuss differentiation but not its application in price-sensitive markets like instant noodles. Studies like Sinurat I. M. B. (2021) and Haque et al. (2022) broadly analyze FMCG without focusing on instant noodles' unique dynamics. Others Tutuk Safirin D. at,al. (2023) examine individual variables (quality or price) but neglect their combined impact. This study fills these gaps by testing the interplay of differentiation, quality, and price in Indonesia's instant noodle market. Keller (2020) links differentiation to loyalty, but few explore its synergy with price and quality—a focus of this research.

The study's problem formulation addresses: (1) Does differentiation affect competitive advantage in *Sedaap* noodles? (2) Does product quality influence competitive advantage? (3) Does pricing impact competitive advantage? (4) Does competitive advantage affect customer satisfaction?

Aiming to enrich FMCG marketing literature, this research tests Porter's Generic Strategies and Competitive Advantage Theory within PT Wings' context. It offers actionable insights for refining strategies via innovation, pricing, and quality enhancements. The scope is limited to PT Wings' instant noodles distributed by PT Sukabumi Alam Mandiri, providing a

focused analysis applicable industry wide (Wulandari, 2019).

RESEARCH METHODS

This study employs a quantitative approach to analyze numerical data statistically, ensuring objective and reliable findings. It adopts an explanatory research design to examine cause-effect relationships between variables—differentiation strategy, product quality, and price (independent variables), competitive advantage (mediation variable), and customer satisfaction (dependent variable). Hypotheses are tested using multiple linear regression, allowing researchers to measure each variable's contribution. Data is collected via Likert-scale questionnaires, ensuring measurable insights that can be generalized to PT Sukabumi Alam Mandiri's noodle consumers in West Java.

The research was conducted at PT Sukabumi Alam Mandiri, a PT Wings distributor, over four months. The first month involved preparation (instrument design, approvals), months 2–3 focused on data collection (surveys, interviews, observations), and the final month covered analysis and reporting. The study targets end-users of *Sedaap* noodles as the population, as their direct feedback reflects real purchasing behavior and satisfaction. A random sample of 151 respondents (calculated via the Proportion Sample Size Formula) ensures statistically valid insights with a 5.5% margin of error, capturing consumer perceptions of differentiation, quality, and pricing.

Primary data (questionnaires) measures consumer agreement (1–5 Likert scale) on variables like differentiation (X1), quality (X2), price (X3), competitive advantage (Y1), and satisfaction (Y2). Secondary data (market reports, industry trends) supports context. By analyzing these factors, the study aims to reveal how PT Wings' strategies influence competitive advantage and satisfaction, offering actionable recommendations for PT Sukabumi Alam Mandiri's distribution and marketing approaches in Indonesia's instant noodle market.

Table 1. Variables and Indicators with measurement scales

Variable	Measurement Attributes	Measurement Scale
Differentiation Strategy (X1)	- Product innovation (the extent to which the product offers something new)	Likert 1–5 (strongly disagree – strongly agree)
	- Unique flavor variants of the product	
	- Promotional strategy	
Product Quality (X2)	- Product durability	
	- Product taste	
	- Product texture	
	- Conformance to consumer expectations	
Price (X3)	- Price affordability	
	- Price equality with quality	
	- Price comparison with competitors	
Competitive Advantage (Y1)	- Perception of added value	
	- Product uniqueness	
Customer satisfaction (Y2)	- Increased sales	
	- Increased market share	
	- Consumer loyalty	

This study examines five key marketing variables: Differentiation Strategy (X1), measured through product innovation, unique features, and creative marketing to create competitive value; Product Quality (X2), assessed via durability, taste, texture, and alignment with consumer expectations to boost trust and loyalty; Price (X3), evaluated based on perceived affordability and proportionality to quality for market competitiveness; Competitive Advantage (Y1), reflecting the company's unique market position derived from differentiation, quality, and pricing strategies; and Customer Satisfaction (Y2), gauged through sales growth, market share, and satisfaction levels. By analyzing these variables, the research aims to determine how differentiation, quality, and pricing collectively enhance competitive advantage and drive customer satisfaction in the market.

RESULTS AND DISCUSSION

The method used to test normality is to use *scatterplots* and histogram graphs. If in the *scatter plot* the dots are spread around the diagonal line, and the spread follows the direction of the diagonal line, then the model fulfills the assumption of normality. Likewise with the Histogram graph, where if the dependent curve and *regression standardized residual* form a bell-like image, then the model meets the assumption of normality (Suliyanto, 2011:69).

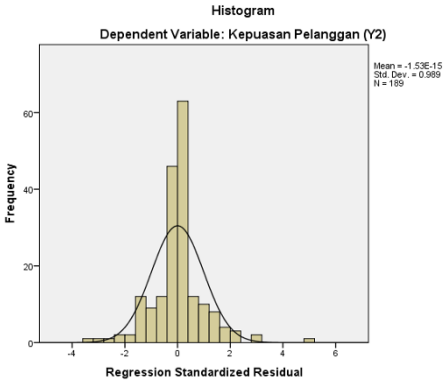

Figure 1. Histogram

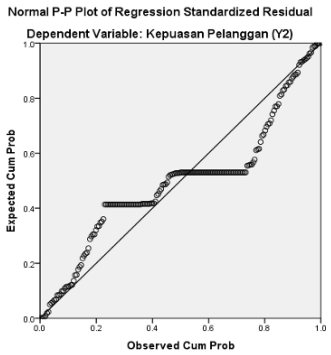

Figure 2. Normal P-Plot

The chart shows a pattern that is quite close to the normal distribution, but there is a slight tilt. The dots should follow a diagonal line. There are deviations, especially in the middle part which appears horizontal. This indicates a deviation from normality.

Table 2. Kolmogorov S Test Results - 1

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		189
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.92132139
Most Extreme Differences	Absolute	.205
	Positive	.205
	Negative	-.185
Test Statistic		.205
Asymp. Sig. (2-tailed)		.000[c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Table 3. Kolmogorov S Test Results - 2

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		189
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.24670623
Most Extreme Differences	Absolute	.157
	Positive	.157
	Negative	-.150
Test Statistic		.157
Asymp. Sig. (2-tailed)		.000[c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Based on the results of the significant K-S test ($p < 0.05$), the residual was not normally distributed. Although histograms and P-P plots show an almost normal pattern, statistically the K-S test shows the opposite. Therefore, normality has not been fully fulfilled. The estimation of regression coefficients using *Ordinary Least Squares* (OLS) remained consistent and efficient even though the residual was not normally distributed, as long as there was no serious heteroscedasticity or extreme outlier. The residual distribution does not have to be normal, but the distribution of the estimated regression parameters (e.g. regression coefficient) will be close to normal if the sample size is large, corresponding to the CLT.

Statistical inference (t-test, F-test, and confidence interval) is still valid, because the average of the sampling distribution will follow the normal distribution. The Central Limit Theorem (CLT) states that if we take a large number of random samples from a population with a large enough sample size, then the distribution of the average sample will be close to the normal distribution, regardless of the form of distribution of the population from which it originated.

Table 4. CLT Results - Competitive Advantage Variable (Y1)

Descriptives

					Bootstrap[a]			
							95% Confidence Interval	
			Statistic	Std. Error	Bias	Std. Error	Lower	Upper
Keunggulan Bersaing (Y1)	Mean		22.14	.205	.00	.20	21.72	22.53
	95% Confidence Interval for Mean	Lower Bound	21.73					
		Upper Bound	22.54					
	5% Trimmed Mean		22.32		.00	.19	21.94	22.69
	Median		22.00		-.19	.65	21.00	23.00
	Variance		7.960		-.115	1.551	5.760	11.338
	Std. Deviation		2.821		-.033	.269	2.400	3.367
	Minimum		5					
	Maximum		25					
	Range		20					
	Interquartile Range		5		0	0	5	5
	Skewness		-1.275	.177	.256	.719	-2.202	.064
	Kurtosis		5.666	.352	-1.898	4.099	-1.615	9.709

a. Unless otherwise noted, bootstrap results are based on 2000 bootstrap samples

With a sample n = 189, the law *of the Central Limit Theorem* (CLT) applies, as the sample

size is large enough to make the sampling mean distribution close to normal, even though the original data has *skewness* (-1.275) and high kurtosis (5.666). *The confidence interval* (CI) of *bootstrapping* is stable, indicated by low bias (0.00), small standard error (0.20), and bootstrap CI (21.72 – 22.53) which is almost identical to *non-bootstrapping* CI (21.73 – 22.54), indicating a reliable estimate. Therefore, regression remains valid even if the assumption of normality is not fully met, with *bootstrapping* as an alternative approach that reinforces the accuracy of the estimates.

Table 5. CLT Results - Customer Satisfaction Variable (Y2)

Descriptives

					Bootstrap[a]			
							95% Confidence Interval	
			Statistic	Std. Error	Bias	Std. Error	Lower	Upper
Kepuasan Pelanggan (Y2)	Mean		17.72	.165	.00	.16	17.39	18.03
	95% Confidence Interval for Mean	Lower Bound	17.40					
		Upper Bound	18.05					
	5% Trimmed Mean		17.89		-.01	.15	17.58	18.17
	Median		18.00		-.12	.39	17.00	18.00
	Variance		5.115		-.034	1.025	3.682	7.511
	Std. Deviation		2.262		-.018	.221	1.919	2.741
	Minimum		4					
	Maximum		20					
	Range		16					
	Interquartile Range		4		0	0	4	4
	Skewness		-1.357	.177	.228	.698	-2.317	-.088
	Kurtosis		5.741	.352	-1.773	4.059	-1.391	10.130

a. Unless otherwise noted, bootstrap results are based on 2000 bootstrap samples

Based on the descriptive output using *the Bootstrapping method, analysis related to* the Central Limit Theorem *(CLT)* can be carried out. *The mean* of customer satisfaction (Y2) is 17.72 with a standard error of 0.165, which indicates that the average estimate is quite stable. *The 95% Confidence Interval* (CI) for the mean of the conventional method is 17.40 - 18.05, while of *bootstrapping* it is 17.39 - 18.03, which is almost identical. This shows that the sampling mean distribution is quite *robust* despite indications of skewness in the original data.

From the values *of skewness* (-1,357) and kurtosis (5,741), the distribution of the initial data has an abnormal tendency (skewed and leptokurtic). However, through *the bootstrapping* approach, *the bootstrapped skewness* values (-2.317 to -0.088) and *bootstrapped kurtosis* (-1.391 to 10.130) showed that the sampling mean distribution tended to be more stable and did not experience extreme changes. This corresponds to CLT, where the mean distribution tends to be more normal even though the original data is abnormal.

In conclusion, although the raw data is not completely normal, *the bootstrap* results show that the average distribution of the sample is close to normal, so CLT applies in this context. Therefore, normality-based statistical methods, such as t-tests or linear regression, can be used with valid assumptions.

Multicollinearity Test

The multicollinearity test aims to test whether the regression model finds a correlation between independent variables, where a good regression model should not occur correlation between independent variables (Ghozali, 2007: 91). The basis for decision-making for the multicollinearity test (Sarjono and Julianita, 2011: 70):

1. If the VIF value is < 10, then there are no symptoms of multicollinearity among the independent variables.
2. If the VIF value is > 10, then there are symptoms of multicollinearity among the

independent variables.

Table 6. Results of Multicollinearity-Competitive Advantage Analysis (Y1)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.534	.739		3.430	.001		
	Strategi Diferensiasi (X1)	.053	.052	.058	1.026	.306	.332	3.010
	Kualitas Produk (X2)	.386	.064	.421	6.082	.000	.220	4.545
	Harga (X3)	.759	.083	.480	9.123	.000	.382	2.620

a. Dependent Variable: Keunggulan Bersaing (Y1)

The results of the regression analysis showed that competitive advantage (Y1) was significantly positively influenced by product quality (X2) and price (X3), while differentiation strategy (X1) had no significant effect. Product quality has a coefficient of 0.386 with a significance of 0.000, indicating that the higher the product quality, the greater the competitive advantage obtained. Similarly, price has a significant effect with a coefficient of 0.759 and a significance of 0.000, which indicates that competitive prices increase competitive advantage. Meanwhile, the differentiation strategy has a coefficient of 0.053 with a significance of 0.306, which means that it does not have a significant impact on competitive advantage. In terms of multicollinearity, a VIF value below 10 and a tolerance above 0.1 indicates the absence of serious problems, so this regression model is valid for analyzing the factors that affect competitive advantage.

Table 7. Multicollinearity-Customer Satisfaction Analysis Results (Y2)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.294	.565		2.293	.023		
	Strategi Diferensiasi (X1)	-.005	.038	-.006	-.120	.904	.330	3.027
	Kualitas Produk (X2)	.167	.052	.227	3.240	.001	.183	5.454
	Harga (X3)	.204	.074	.161	2.755	.006	.263	3.799
	Keunggulan Bersaing (Y1)	.460	.054	.574	8.449	.000	.195	5.121

a. Dependent Variable: Kepuasan Pelanggan (Y2)

The results of the regression analysis showed that the Differentiation Strategy (X1) did not have a significant influence on Customer Satisfaction (Y2) (B = -0.005, Sig = 0.904), so the differentiation strategy applied did not directly increase customer satisfaction. On the other hand, Product Quality (X2) has a significant positive effect on customer satisfaction (B = 0.167, Sig = 0.001), which means that the higher the product quality that customers feel, the higher their satisfaction level. In addition, Price (X3) also has a significant positive influence (B = 0.204, Sig = 0.006), suggesting that a price that matches the value that customers receive can increase their satisfaction. Competitive Advantage (Y1) has the strongest effect on customer satisfaction with a coefficient of B = 0.460 and a significance level of 0.000, which indicates that the higher the competitive advantage of a product, the higher the customer satisfaction. In addition, the results of the multicollinearity test showed that there were no serious problems in the

regression model because all VIF values were < 10 and Tolerance > 0.1, so this model could be used for further analysis.

Heteroscedasticity Test

Heteroscedasticity means that there are variants in the model that are not the same or change systematically as the value of independent variables changes. The consequence of the existence of heteroscedasticity is that regression analysis will produce biased estimators for the value of the variation u_t and thus the variation of the regression coefficient. As a result, the t-test, the F test and the estimation of the value of the dependent variables became invalid. Heteroscedasticity in this study was tested by looking at *a scatterplot* graph between *standardized predicted value* **(ZPRED)** and *studentized residual* **(SRESID).** There is or is a certain pattern on the *scatterplot* graph between SRESID and ZPRED where the Y axis is the predicted Y and the X axis is residual (Y prediction - Y is actually Y). The decision-making policy is:

a. If there is a certain pattern, such as the dots that exist forming a certain regular pattern (wavy, widening and then narrowing), then heteroscedasticity occurs.
b. If there is no clear pattern, such as dots spreading above and below the number 0 on the Y axis, then heteroscedasticity does not occur (Suliyanto, 2011:95).

Table 7. Heteroscedasticity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.978	.519		5.732	.000
	Strategi Diferensiasi (X1)	-.071	.036	-.234	-1.946	.053
	Kualitas Produk (X2)	-.054	.045	-.180	-1.217	.225
	Harga (X3)	.044	.058	.084	.749	.455

a. Dependent Variable: abs_Res1

The results of the analysis show that the constant in the regression model has a value of 2.978 with a significance of 0.000, which means that if all independent variables are zero, then the mean of the residual absolute is 2.978. The differentiation strategy (X1) has a coefficient of -0.071 with a significance value of 0.053, which is close to 0.05, but still not significant enough. This suggests that the differentiation strategy has little to do with residuals but is not strong enough to give rise to heteroscedasticity problems. Meanwhile, product quality (X2) has a coefficient of -0.054 with a significance of 0.225, and price (X3) has a coefficient of 0.044 with a significance of 0.455, both of which are insignificant (p > 0.05), so they do not affect the residual pattern systematically. Thus, it can be concluded that there is no heteroscedasticity problem in this regression model.

Table 8. Heteroscedasticity *Coefficients Test Results*

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.198	.411		5.342	.000
	Strategi Diferensiasi (X1)	-.035	.028	-.151	-1.246	.214
	Kualitas Produk (X2)	-.065	.038	-.279	-1.721	.087
	Harga (X3)	.018	.054	.044	.325	.746
	Keunggulan Bersaing (Y1)	.015	.040	.058	.369	.713

a. Dependent Variable: abs_Res2

The differentiation strategy (X1) has a coefficient of -0.035 with a significance value of 0.214, which is insignificant (p > 0.05), so it is not related to the residual and does not cause heteroscedasticity. The product quality (X2) has a coefficient of -0.065 with a significance of 0.087, which is almost significant but still above 0.05, showing little influence on residuals, but not strong enough to give rise to heteroscedasticity issues. The price variable (X3) has a coefficient of 0.018 with a significance of 0.746, which is also insignificant, so it does not affect the residual pattern. Competitive advantage (Y1) with a coefficient of 0.015 and a significance of 0.713 was also not related to residual and did not cause heteroscedasticity. Therefore, it can be concluded that there is no heteroscedasticity problem in the regression model.

Hypothesis Testing

The test was carried out by multiple linear regression analysis using independent variables (Differentiation Strategy, Product Quality, Price), mediating variables (Competitive Advantage), and dependent variables (Customer satisfaction). In this study, the mediation variable is used to explain the mechanism or process of how independent variables (differentiation strategy, product quality, and price) affect the dependent variable (customer satisfaction) through the mediation variable (competitive advantage). The mediation variables are considered important because they provide a deeper insight into the contribution of each independent variable to the achievement of customer satisfaction.

Theoretically, competitive advantage reflects the combined impact of differentiation strategies, product quality, and price. Therefore, placing competitive advantage as a mediating variable can help explain whether customer satisfaction is directly affected by independent variables, or through increased competitive advantage as an intermediary.

The research hypothesis is as follows:
H1: Differentiation Strategy (X1) has a positive effect on Competitive Advantage (Y1).
H2: Product Quality (X2) has a positive effect on Competitive Advantage (Y1).
H3: Price (X3) has a positive effect on Competitive Advantage (Y1).
H4: Competitive Advantage (Y1) has a positive effect on Customer Satisfaction (Y2).
H5 : Differentiation Strategy (X1) has a positive effect on Customer Satisfaction (Y2).
H6: Product Quality (X2) has a positive effect on Customer Satisfaction (Y2)
H7 : Price (X3) has a positive effect on Customer Satisfaction (Y2)
H8 : Competitive Advantage (Y1) mediates the influence of the Differentiation Strategy (X1) on Customer Satisfaction (Y2).
H9 : Competitive Advantage (Y1) mediates the influence of Product Quality (X2) on Customer Satisfaction (Y2).
H10 : Competitive Advantage (Y1) mediates the influence of Price (X3) on Customer Satisfaction (Y2).

Discussion

The mediation test was carried out with the approach of Baron and Kenny (1986**),** namely at points 1-3, and strengthened by the Sobel Test (point 4) to test the significance of mediation. The steps of the mediation test are as follows:

1. Testing the direct influence between independent variables (X1, X2, X3) and dependent variables (Y2).
2. To test the influence of independent variables (X1, X2, X3) on the mediating variables (Y1).
3. Testing the influence of the mediating variable (Y1) on the dependent variable (Y2), while

controlling for the independent variable (X1, X2, X3).

4. Using the Sobel Test to test the significance of the mediation effect.

Influence of Independent Variables (X1, X2, X3) on Customer Satisfaction (Y2) - Step 1

Table 9. Regression Test Results Step 1

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.913[a]	.834	.830	.931

a. Predictors: (Constant), Keunggulan Bersaing (Y1), Strategi Differensiasi (X1), Harga (X3), Kualitas Produk (X2)

b. Dependent Variable: Kepuasan Pelanggan (Y2)

Table 10 ANOVA Data – Regression 1

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	802.112	4	200.528	231.213	.000[b]
	Residual	159.581	184	.867		
	Total	961.693	188			

a. Dependent Variable: Kepuasan Pelanggan (Y2)

b. Predictors: (Constant), Keunggulan Bersaing (Y1), Strategi Differensiasi (X1), Harga (X3), Kualitas Produk (X2)

In the Anova table. F = 231.213, Sig = 0.000 indicates that the regression model is significant in explaining the relationship between independent and dependent variables (since Sig < 0.05). The value of R = 0.913 shows a very strong correlation between independent variables, namely Competitive Advantage, Differentiation Strategy, Price, and Product Quality, and dependent variables, namely Customer Satisfaction. This indicates that the relationship between the variables in the model is quite close. The *R-Square* value = 0.834 means that 83.4% of the variation in Customer Satisfaction can be explained by the independent variables in this model. Meanwhile, *Adjusted R Square* = 0.830 shows that even though adjustments have been made to the number of variables, the model still has the power to explain variations in Customer Satisfaction. The *Standard Error of the Estimate* value = 0.931 indicates the level of error in predicting the value of Customer Satisfaction, which is still within reasonable limits.

Regression model: $$Y2 = \beta_0 + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + e$$

Table 11. Step 1 Regression Results

Variable	Coefficient B	T-Statistics	Sig. (p-value)	Conclusion
Differentiation Strategy (X1)	-0.005	-0.120	0.904	Insignificant
Product Quality (X2)	0.167	3.240	0.001	Significant (+)
Price (X3)	0.204	2.755	0.006	Significant (+)
Competitive Advantage (Y1)	0.460	8.449	0.000	Significant (+)

Based on the results of the significance test, the Differentiation Strategy (X1) had no significant effect on Customer Satisfaction, with a value of p = 0.904. In contrast, Product Quality (X2) has a significant positive influence on Customer Satisfaction, with a value of p = 0.001. This indicates that the better the quality of the product, the higher the level of customer satisfaction.

In addition, Price (X3) also has a significant positive effect on Customer Satisfaction, with a value of p = 0.006 (< 0.05). This shows that pricing that matches customer expectations can increase their satisfaction. Competitive Advantage (Y1) has the strongest influence on Customer Satisfaction, with a value of p = 0.000 (< 0.05) and a coefficient of 0.460, which indicates that the higher the competitive advantage of a product, the greater its influence in increasing customer satisfaction. Competitive Advantage (Y1), Product Quality (X2), and Price (X3) have a significant positive effect on Customer Satisfaction. Differentiation Strategy (X1)

has no significant effect on Customer Satisfaction. The results of the analysis show that Competitive Advantage, Product Quality, and Price have a positive and significant effect on Customer Satisfaction, with Competitive Advantage being the most dominant factor. Meanwhile, the Differentiation Strategy does not have a significant influence, so this factor does not play a role in increasing Customer Satisfaction.

Influence of Independent Variables (X1, X2, X3) on Competitive Advantage (Y1) -Step 2

Table 11.1 *Model Summary* Step 2

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.897[a]	.805	.802	1.257

a. Predictors: (Constant), Harga (X3), Strategi Differensiasi (X1), Kualitas Produk (X2)

b. Dependent Variable: Keunggulan Bersaing (Y1)

Table11.2 Anova Data – Step 2

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1204.219	3	401.406	254.138	.000[b]
	Residual	292.204	185	1.579		
	Total	1496.423	188			

a. Dependent Variable: Keunggulan Bersaing (Y1)

b. Predictors: (Constant), Harga (X3), Strategi Differensiasi (X1), Kualitas Produk (X2)

In the Anova table above F = 254.138 with Sig. = 0.000 (below 0.05) shows that the regression model is significant, meaning that there is a real relationship between independent variables and Competitive Advantage. The value of R = 0.897 shows a very strong correlation between independent variables, namely Differentiation Strategy, Product Quality, and Price, and dependent variables, namely Competitive Advantage. This high correlation indicates that the relationship between the variables in the model is quite close. The *R-Square value* = 0.805 means that 80.5% of the variation in Competitive Advantage can be explained by all three independent variables in this model. Meanwhile, the remaining 19.5% was influenced by factors outside the model that may not have been considered in this study. In addition, *the Adjusted R Square* = 0.802, which is almost the same as *the R Square*, shows that this model remains strong in explaining dependent variables even though it has been adjusted for the number of variables. This confirms that the model used is quite good and reliable in analyzing the relationship between the variables studied.

Regression model: $Y1 = \beta_0 + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + e$

Table 12. Step 2 Regression Results

Variable	Coefficient B	T-Statistics	Sig. (p-value)	Conclusion
Constant	2.534			
Differentiation Strategy (X1)	0.053	1.028	0.306	Insignificant
Product Quality (X2)	0.386	6.414	0.000	Significant (positive)
Price (X3)	0.759	12.089	0.000	Significant (positive)

The Differentiation Strategy (X1) has a positive coefficient (0.053) but is not significant (p-value 0.306). This means that the differentiation strategy does not have a significant effect on competitive advantage. In other words, customers don't consider product differentiation to be a major factor in creating a competitive advantage. Product Quality (X2) has a positive coefficient (0.386) and a significant (p-value of 0.000). This shows that the higher the quality of the product, the stronger the company's competitive advantage. Product quality plays an important role in forming a competitive advantage in the market. Price (X3) has a positive (0.759) and significant (p-value 0.000) coefficient. Price has the greatest influence on

competitive advantage. This shows that a competitive pricing strategy is essential in building a company's competitive advantage. Competitive advantage is significantly influenced by product quality and price, but not by differentiation strategies.

The Mediating Relationship of Competitive Advantage (Y1) to Customer Satisfaction (Y2) - Step 3

Table 13.1 Table *Model Summary* Step 3

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.913[a]	.834	.830	.931

a. Predictors: (Constant), Keunggulan Bersaing (Y1), Strategi Differensiasi (X1), Harga (X3), Kualitas Produk (X2)

b. Dependent Variable: Kepuasan Pelanggan (Y2)

Table 13.2 Anova Data – Step 3

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	802.112	4	200.528	231.213	.000[b]
	Residual	159.581	184	.867		
	Total	961.693	188			

a. Dependent Variable: Kepuasan Pelanggan (Y2)

b. Predictors: (Constant), Keunggulan Bersaing (Y1), Strategi Differensiasi (X1), Harga (X3), Kualitas Produk (X2)

The value of F = 231,213 with a p-value = 0.000, which means that the overall regression model is significant in explaining the variability of Customer Satisfaction (Y2). A value of R = 0.913 indicates that the relationship between independent variables (Competitive Advantage, Differentiation Strategy, Price, and Product Quality) versus dependent variables (Customer Satisfaction) is very strong. The *value of R Square* = 0.834 means that 83.4% of the variation in customer satisfaction (Y2) can be explained by a combination of the variables Competitive Advantage (Y1), Differentiation Strategy (X1), Price (X3), and Product Quality (X2). The remaining 16.6% was influenced by other factors outside of this regression model. These external factors can be in the form of brand image, promotion, distribution, customer experience, or other psychological factors that were not included in this study.

Regression model: $$Y2 = \beta_0 + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + \beta_4 Y1 + e$$

Table 14. Step 3 Regression Results

Variabel	Koefisien B	t-statistik	Sig. (p-value)	Kesimpulan
(Constant)	1.294	2.293	0.023	Signifikan
Strategi Diferensiasi (X1)	-0.005	-0.120	0.904	Tidak signifikan
Kualitas Produk (X2)	0.167	3.240	0.001	Signifikan
Harga (X3)	0.204	2.755	0.006	Signifikan
Keunggulan Bersaing (Y1)	0.460	8.449	0.000	Signifikan

The Differentiation Strategy (X1) has a negative coefficient (-0.005) with a p-value of 0.904 (>0.05), indicating that this variable has no significant effect on Customer Satisfaction (Y2). In other words, the differentiation strategy implemented does not have a significant impact on customer satisfaction levels. In contrast, Product Quality (X2) has a positive coefficient (0.167) with a p-value of 0.001 (<0.05), which indicates that the better the product quality, the higher the customer satisfaction. This confirms that product quality is the main factor that affects customer satisfaction. The Price variable (X3) also showed a positive and significant influence with a coefficient of 0.204 and a p-value of 0.006 (<0.05), which means that competitive pricing contributes to increasing customer satisfaction. As such, an appropriate pricing strategy is essential in attracting and retaining customers.

In addition, Competitive Advantage (Y1) has a positive coefficient (0.460) with a p-value of 0.000 (<0.05), indicating that the higher the competitive advantage of a product or brand, the greater its impact on customer satisfaction. Competitive advantage is a key factor in increasing customer loyalty and satisfaction. Overall, the results of the regression analysis showed that Product Quality (X2), Price (X3), and Competitive Advantage (Y1) had a positive and significant influence on Customer Satisfaction (Y2), while Differentiation Strategy (X1) did not have a significant influence.

Product quality (X2) and price (X3) have a significant effect on competitive advantage (Y1), which in turn also has a significant effect on customer satisfaction (Y2). Although product quality and price remain to have a direct influence on customer satisfaction, competitive advantage has a greater influence, thus indicating the role of mediation. In other words, product quality and good price not only directly improve customer satisfaction, but also strengthen competitive advantage, which in turn further improves overall customer satisfaction

Sobel Test

Formula:

$$Z = \frac{a \cdot b}{\sqrt{(b^2 \cdot \sigma_a^2) + (a^2 \cdot \sigma_b^2)}}$$

Where:

$$Z = \frac{(0.460 \times 0.204)}{\sqrt{(0.204^2 \times 0.054^2) + (0.460^2 \times 0.074^2)}}$$

- α: Coefficient X1 → Y1 (0.460)
- β: Coefficient Y1 → Y2 (0.054)
- σα1: Standard error for α (0.0204)
- σα2: Standard error for β (0.074)

This Z-value can be compared to the critical value of the standard normal distribution (for example, 1.96 for α = 0.05 or 2.58 for α = 0.01). Since Z = 2,623 > 1.96, the mediating effect was significant at a 95% confidence level. In other words, the Competitive Advantage variable (Y1) has a significant mediating role between Differentiation Strategy (X1) and Customer Satisfaction (Y2).

Interpretation of Regression and Mediation Results

Table 15. Recapitulation of Regression Results

Langkah	Hubungan	Variabel Bebas	Koefisien B	t-Statistik	Sig. (p-value)	Kesimpulan
1	X1, X2, X3, Y1 → Y2	Strategi Diferensiasi	-0.005	-0.120	0.904	Tidak signifikan
		Kualitas Produk	0.167	3.240	0.001	Signifikan positif
		Harga	0.204	2.755	0.006	Signifikan positif
		Keunggulan Bersaing	0.460	8.449	0.000	Signifikan positif & dominan
		R^2	**0.834**			Model sangat kuat (83.4%)
2	X1, X2, X3 → Y1	Strategi Diferensiasi	0.053	1.028	0.306	Tidak signifikan
		Kualitas Produk	0.386	6.414	0.000	Signifikan positif
		Harga	0.759	12.089	0.000	Signifikan positif & kuat
		R^2	**0.805**			Sangat kuat (80.5%)
3	Mediasi (Y1 → Y2)	Y1	0.460	-	0.000	Mediasi signifikan
		Sobel Test Z	**2.623**			Mediasi signifikan (Z > 1.96)

The results of the regression test showed that the Differentiation Strategy (X1) did not have a significant influence on Customer Satisfaction (Y2) or Competitive Advantage (Y1). This means that the innovations or unique features implemented have not been strong enough to influence customer perception, both in terms of immediate satisfaction and in creating a competitive position. This indicates the need to evaluate the form of differentiation applied by the company.

On the other hand, Product Quality (X2) and Price (X3) have a significant positive influence on Y1 and Y2, which means that products that have good quality and prices that match customer values will increase competitive advantage and customer satisfaction. Interestingly, Y1 (Competitive Advantage) has also been shown to have a great influence on Y2, which indicates the role of mediation. The Sobel Test confirmed that Y1 mediated the relationship between X1 and Y2 significantly, although the direct influence of X1 on Y2 was not significant. This means that the differentiation strategy only has an impact on customer satisfaction if it is able to strengthen the competitive advantage first (Amalia, 2022).

Comparison of previous research results.

This study confirms that product quality and price significantly impact competitive advantage and customer satisfaction in the FMCG sector, while differentiation strategies show no significant effect - aligning with Ahmad N et al. (2022) and Suryadi I. (2021) findings on quality's importance, and Hinterhuber & Snelgrove's (2022) value-based pricing approach. However, it contrasts with Porter's (1998) differentiation theory and some previous studies, likely due to the instant noodle market's unique preference for affordability and basic quality over innovative features. The research notably validates competitive advantage's mediating role between quality/price and satisfaction, supporting Mathur S. (2021) value perception model and established mediation frameworks. These findings offer new insights by demonstrating how industry-specific factors can make traditional differentiation strategies less effective compared to core quality and pricing considerations in certain FMCG markets.

Implementation & Managerial Implications

Based on the results of this study, PT Sukabumi Alam Mandiri is advised to focus its marketing strategy on improving product quality and adjusting competitive prices. Instant noodle consumers are more sensitive to the taste, texture, and durability of the product than to differentiating features that are symbolic or visual (Zeithaml M. J.; Gremler D. D., 2020). This study recommends that PT Sukabumi Alam Mandiri (PT SAM) prioritize product quality and competitive pricing in its marketing strategy, as instant noodle consumers prioritize taste, texture, and affordability over symbolic or visual differentiation. Given the price sensitivity of the market—where price (X3) has a stronger influence (0.759 coefficient) on competitive advantage (Y1) than quality (X2) (0.386 coefficient)—the company must balance cost efficiency and value perception through strategies like bulk purchasing, supply chain optimization, and tiered product offerings (premium vs. standard variants) (Palod M.; Band G., 2021). Non-price enhancements, such as improved packaging or loyalty programs, can further strengthen appeal. As the main distributor, PT SAM ensures quality control via a strict 3-month shelf-life policy and FIFO system, maintaining freshness without price hikes. Competitive advantage, a key mediator, should be reinforced through expanded distribution, digital brand awareness, and a value-driven brand image. While differentiation alone lacks direct impact, quality and fair pricing shape customer satisfaction and loyalty, supporting a value-based marketing approach in the FMCG sector. Practical recommendations include aggressive price promotions

(discounts, bundling), stricter FIFO compliance, optimized inventory management to improve Order Fulfillment Rate (OFR), and enhanced in-store product visibility. These measures, already endorsed by PT SAM's management, aim to solidify market position, boost satisfaction, and sustain competitiveness in the instant noodle industry (Moreno-Gómez J. C.; Zapata-Upegui L. F., 2023; Purnawidya S. T., 2023).

CONCLUSION

This study highlights that while differentiation strategies are important, they must be complemented by strong product quality and competitive pricing to effectively enhance competitive advantage and customer satisfaction. Companies should prioritize quality improvements and value-based pricing to build brand loyalty and attract cost-conscious consumers, while also leveraging strategic differentiation through innovation and targeted marketing. Future research could explore how digital transformation and sustainability initiatives impact these variables, particularly in emerging markets, as well as the long-term effects of AI-driven pricing optimization and eco-friendly product innovations on consumer perceptions and competitive positioning. Additionally, cross-cultural studies comparing these dynamics across different regions could provide valuable insights for global FMCG strategies.

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