

THE INFLUENCE OF DYNAMIC CAPABILITIES, INNOVATION, AND TECHNOLOGY INFORMATION ON COMPETITIVE ADVANTAGE (SURVEY ON CLOTHING MSMEs IN SUKABUMI CITY)

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Abstract

The phenomenon of increasingly fierce business competition requires entrepreneurs to adapt quickly to survive and thrive in a constantly changing market. This competition does not only come from fellow local MSMEs, but also from industrial-scale products with larger production capacities and more competitive prices. This study aims to analyze the influence of dynamic capabilities, innovation, and information technology on the competitive advantage of clothing MSMEs in Sukabumi City. The main problems faced are low adaptation to market changes, lack of product innovation, and lack of optimal use of information technology. The methods used are quantitative with descriptive and associative approaches, as well as multiple linear regression analysis. Data was collected through a questionnaire to 104 MSME actors in clothing with saturated sampling techniques. The results of the study show that the three variables have a positive and significant effect on competitive advantage, both simultaneously and partially. This emphasizes the importance of adaptation, innovation, and the use of technology in increasing the competitiveness of MSMEs in the midst of dynamic market competition.

Keywords: Competitive Advantage, Dynamic Capability, Innovation Capability, Information Technology Capability

Abstrak

Fenomena persaingan bisnis yang semakin ketat menuntut para pelaku usaha untuk beradaptasi dengan cepat agar tetap bertahan dan berkembang di pasar yang terus berubah. Persaingan ini tidak hanya berasal dari sesama UMKM lokal, tetapi juga dari produk-produk skala industri dengan kapasitas produksi lebih besar dan harga lebih kompetitif. Penelitian ini bertujuan untuk menganalisis pengaruh kemampuan dinamis, inovasi, dan teknologi informasi terhadap keunggulan bersaing pada UMKM pakaian di Kota Sukabumi. Permasalahan utama yang dihadapi adalah rendahnya adaptasi terhadap perubahan pasar, kurangnya inovasi produk, serta belum optimalnya pemanfaatan teknologi informasi. Metode yang digunakan adalah kuantitatif dengan pendekatan deskriptif dan asosiatif, serta analisis regresi linear berganda. Data dikumpulkan melalui kuesioner kepada 104 pelaku UMKM pakaian dengan teknik sampling jenuh. Hasil penelitian menunjukkan bahwa ketiga variabel berpengaruh positif dan signifikan terhadap keunggulan bersaing, baik secara simultan maupun parsial. Hal ini menegaskan pentingnya adaptasi, inovasi, dan pemanfaatan teknologi dalam meningkatkan daya saing UMKM di tengah persaingan pasar yang dinamis.

Kata Kunci: Keunggulan Bersaing, Kemampuan Dinamis, Kemampuan Inovasi, Kemampuan Teknologi Informasi



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INTRODUCTION

One of the main drivers of the Indonesian economy is Micro, Small, and Medium Enterprises (MSMEs), which play a strategic role as a supporting sector of the national economy, thus becoming the backbone of the country's economy.¹ MSMEs absorb approximately 64 million MSMEs and contribute as much as 8.73 trillion rupiah or 61% of Indonesia's total Gross Domestic Product (GDP). contribute as much as 8.73 trillion rupiah or 61% of Indonesia's total Gross Domestic Product (GDP).

Sukabumi City has a thriving MSME-based economy, particularly in the creative and trade industries. The city's clothing sector continues to grow in line with increasing market demand, both locally and internationally. The clothing MSME sector is a promising sector, amidst constantly changing fashion trends and strong interest in local products.

The increasingly fierce business competition demands that businesses adapt quickly to survive and thrive in a constantly changing market. This competition comes not only from fellow local MSMEs but also from industrial-scale products with larger production capacities and more competitive prices.² Therefore, MSMEs need to increase their competitiveness with more innovative and adaptive strategies.

Dynamic capabilities relate to the flexibility of MSMEs in responding to market changes, developing more adaptive products, and increasing efficiency in business management. These capabilities enable MSMEs to recognize and capitalize on new opportunities, increase competitiveness, and adapt their businesses to be more responsive to market changes.³

A company's success depends on its ability to create and develop innovation. This capability includes developing new products that meet market needs, implementing appropriate process technologies, and adopting innovations and technologies to meet future demand.⁴

Information technology capabilities encompass the capabilities of management, human resources, and the company in facilitating investment, using technology for communication, and utilizing the internet. This technology drives innovation, increases profits, and reduces operational

¹ Heru Sulistyo dan Sri Ayuni, "Competitive Advantages of SMEs: The Roles of Innovation Capability, Entrepreneurial Orientation, and Social Capital," *Contaduría y Administración* 65, no. 1 (2019): 156, <https://doi.org/10.22201/fca.24488410e.2020.1983>.

² Christopher Idemudia Ebegbetale dan Samuel Essien Okon, "Relationship Between Industry-level Dynamic Capabilities and Competitive Advantage of Nigerian SMEs," *Business and Entrepreneurial Review* 22, no. 2 (2022): 189–202, <https://doi.org/10.25105/ber.v22i2.13983>.

³ Z. Zatia dkk., "Pengaruh Kapabilitas Dinamis dan Kapabilitas Inovasi terhadap Keunggulan Kompetitif," *Manajemen Kreatif Jurnal* 1, no. 4 (2023): 176–88, <https://doi.org/10.55606/makreju.v1i4.2168>.

⁴ R.P.J. Rajapathirana dan Y. Hui, "Relationship between Innovation Capability, Innovation Type, and Firm Performance," *Journal of Innovation and Knowledge* 3, no. 1 (2018): 44–55, <https://doi.org/10.1016/j.jik.2017.06.002>.

costs.⁵

This is evident in several clothing MSMEs in Sukabumi City that are unable to utilize digital technologies, such as e-commerce, to reach a wider market. As a result, many of them struggle to compete, leading to a decline in the number of active MSMEs. The following data shows the development of the number of clothing MSMEs in Sukabumi City over the past three years:

Data on the Number of Clothing MSMEs in Sukabumi City in 2021-2023

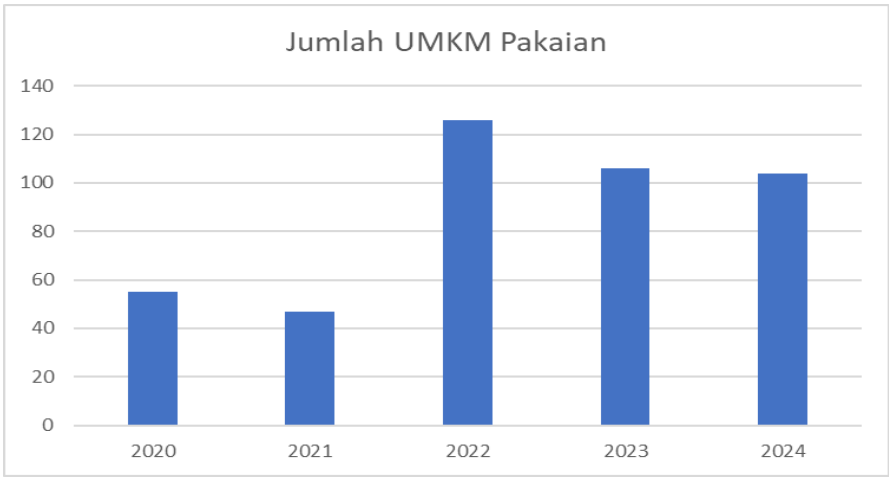


Figure 1. Number of MSME Clothing in Sukabumi City

Source: Ministry of Investment and One-Stop Integrated Services, 2023

Figure 1.1 explains that the number of clothing MSMEs in 2020 was 55, but this number decreased to 47 in 2021. Then, there was a significant spike in 2022, reaching 126 MSMEs. However, this number decreased again to 106 in 2023 and slightly decreased again to 104 in 2024. This data reflects the dynamics of clothing MSME growth, with a rapid increase in 2022, followed by a decline in the following two years, although it remained higher than at the beginning of the period.

Increasingly fierce product competition is a challenge for clothing MSMEs in Sukabumi City. Many businesses struggle to maintain competitiveness because their products don't fully meet evolving market preferences. Consumers now prioritize variety, quality, and uniqueness, while larger competitors are introducing innovative products that meet trends, reducing MSME competitiveness.

Another possible cause of dynamic capabilities is that clothing businesses in Sukabumi City face challenges in identifying market opportunities and adapting to changing trends. In terms of

⁵ Adam Saunders dan Erik Brynjolfsson, “Valuing Information Technology Related Intangible Assets,” *MIS Quarterly* 40, no. 1 (2016): 83–110.

sensing, their ability to detect business opportunities and understand consumer preferences in the digital age is still suboptimal.

Meanwhile, another suspected cause is innovation capacity related to product innovation. The inability to develop products according to changing trends or consumer needs can make it difficult for MSMEs to compete with larger or more innovative competitors.⁶

On the other hand, most MSMEs have not yet fully utilized digital technology, such as e-commerce to expand market reach. Limitations in information technology management also further reduce operational efficiency and undermine MSME competitiveness.^{7,8} Information technology operations encompass the management, use, and optimization of technology across all operational aspects to improve efficiency and effectiveness.⁹

Dynamic Capabilities

According to Maulana¹⁰, dynamic capabilities are the ability of an organization to adapt strategies and manage internal resources to face environmental changes, which are important for sustainability and competitiveness amidst challenges.

Innovation Ability

According to Pasifikus Maisirata¹¹, innovation capability is an organization's ability to create or develop products and services that meet market needs. It also reflects an organization's ability to respond to technological changes and capitalize on new opportunities arising from competitive dynamics.

⁶ Muhammad Taufik Ibrahim dkk., "Analisis Kapabilitas Teknologi Informasi Dan Pemasaran Digital Terhadap Keunggulan Bersaing," *PERFORMANCE: Jurnal Bisnis & Akuntansi* 14, no. 2 (2024): 206–23, <https://doi.org/10.24929/feb.v14i2.2673>.

⁷ Lejla Turulja dan Nijaz Bajgorić, "Human Resources or Information Technology: What Is More Important for Companies in the Digital Era?," *Business Systems Research Journal* 7, no. 1 (2016): 35–45, <https://doi.org/10.1515/bsrj-2016-0003>.

⁸ Asep Saepulloh dan Ela Susila, "Analisis Entrepreneurial Leadership dan Inovasi Digital terhadap Keunggulan Bersaing dan Dampaknya pada Kinerja Organisasi dalam Menghadapi Industri 4.0," *REVITALISASI* 10, no. 1 (2021): 39, <https://doi.org/10.32503/revitalisasi.v10i1.1658>.

⁹ Lani Diana Wijaya dan Virgo Simamora, "Pengaruh Kapabilitas Teknologi Informasi Dan Kapabilitas Inovasi Terhadap Strategi Dan Dampaknya Terhadap Keunggulan Bersaing UMKM Kuliner," *Jurnal Ilmiah Akuntansi Dan Bisnis* 7, no. 1 (2022): 51–65, <https://doi.org/10.38043/jiab.v7i1.3474>.

¹⁰ M.A. Maulana, "Pengaruh Dinamisme Lingkungan, Kemampuan Dinamis, dan Literasi Keuangan terhadap Kinerja UMKM di Kota Mojokerto," *Jurnal Ilmu Manajemen* 9, no. 2 (2021): 559, <https://doi.org/10.26740/jim.v9n2.p559-571>.

¹¹ Pasifikus Maisirata, "Pengaruh Fokus pada Pesaing, Fokus pada Pelanggan, dan Kapabilitas Inovasi terhadap Peningkatan Kinerja Pemasaran Penggiat UMKM (Studi Kasus pada Penggiat UMKM Kerajinan Manik-Manik di Kota Pontianak)," *At-Tawassuth: Jurnal Ekonomi Islam* 8, no. 1 (2023): 1–19.

Information Technology Capabilities

According to Cao et al.,¹² information Technology Capability is the company's ability to utilize information technology to increase efficiency, effectiveness, internal control, and provide protection through the application of technology in work processes and human resource management.

Competitive Advantage

According to Sunarya et al.,¹³ competitive advantage can be defined as a company's ability to implement strategies effectively by utilizing existing resources, such as workforce and technology, to achieve market superiority.

RESEARCH METHODS

In general, a research method is a scientific way to obtain data for a specific purpose and use. Based on the research objectives, the research method used by the author is quantitative research with a descriptive and associative approach. Sandu Siyoto¹⁴ states that "quantitative research methods are a type of research that is specifically systematic, planned, and clearly structured from the beginning to the creation of the research design."

In the associative research method, the aim is to determine the relationship between the influence of Dynamic Capabilities on Competitive Advantage, the influence on Competitive Advantage, Innovation Capabilities and Information Technology Capabilities on Competitive Advantage for MSMEs in Sukabumi City.

The method used for sampling in this research is "saturated sampling". According to Nurhasanah, saturated sampling technique is a sampling method that involves all members of the population as samples. In this study, the number of samples used was all clothing MSMEs in Sukabumi City, namely 104 clothing MSMEs with the consideration of the criteria used in this study as follows:

1. Willing to participate in filling out the questionnaire.
2. Clothing MSMEs that have been operating for at least 1 year, so they have experience in implementing business and marketing strategies.
3. Clothing MSMEs located in the region Sukabumi City.

¹² J. Cao dkk., *Can Information Technology Investment Improve Internal Control Effectiveness? Evidence from China*, Edisi 8 (Badan Penerbit Universitas Diponegoro, 2017).

¹³ E. Sunarya dkk., "The Role of Furniture SMEs on the Community Economy in Cikujang Village (Peran IKM Furniture terhadap Perekonomian Masyarakat Desa Cikujang)," *Management Studies and Entrepreneurship Journal* 3, no. 4 (2022): 2126–32.

¹⁴ Sandu Siyoto dan Muhammad Ali Sodik, *Dasar Metodologi Penelitian* (Literasi Media Publishing, 2015).

RESULTS AND DISCUSSION

The respondents for this study were 104 clothing MSMEs in Sukabumi City. Each respondent was asked to complete a two-part questionnaire: biographical data and business identity, as well as statements related to the research variables. The biographical data collected included the name of the business owner, the name of the business, age, gender, type of clothing business, length of operation, and number of employees. This is done to ensure the validity of the data and the relevance of the respondent's information to the questionnaire answers provided. Data processing in this study was assisted by SPSS 30 software, as follows:

Validity and Reliability Test

Validity Test Results

Variables	Item No.	R count	R critical	Information
Dynamic Ability (X1)	X1.1	0.503	0.3	Valid
	X1.2	0.422	0.3	Valid
	X1.3	0.633	0.3	Valid
	X1.4	0.623	0.3	Valid
	X1.5	0.569	0.3	Valid
	X1.6	0.408	0.3	Valid
	X1.7	0.341	0.3	Valid
	X1.8	0.568	0.3	Valid
	X1.9	0.636	0.3	Valid
Innovation Ability (X2)	X2.1	0.401	0.3	Valid
	X2.2	0.530	0.3	Valid
	X2.3	0.480	0.3	Valid
	X2.4	0.497	0.3	Valid
	X2.5	0.530	0.3	Valid
	X2.6	0.568	0.3	Valid
	X2.7	0.459	0.3	Valid
	X2.8	0.476	0.3	Valid
	X2.9	0.416	0.3	Valid
	X2.10	0.451	0.3	Valid
	X2.11	0.564	0.3	Valid
	X2.12	0.458	0.3	Valid
Information Technology Skills (X3)	X3.1	0.544	0.3	Valid

	X3.2	0.527	0.3	Valid
	X3.3	0.503	0.3	Valid
	X3.4	0.497	0.3	Valid
	X3.5	0.669	0.3	Valid
	X3.6	0.497	0.3	Valid
	X3.7	0.665	0.3	Valid
	X3.8	0.624	0.3	Valid
	X3.9	0.513	0.3	Valid
Competitive Advantage (Y)	Y1	0.480	0.3	Valid
	Y2	0.389	0.3	Valid
	Y3	0.422	0.3	Valid
	Y4	0.374	0.3	Valid
	Y5	0.457	0.3	Valid
	Y6	0.553	0.3	Valid
	Y7	0.514	0.3	Valid
	Y8	0.581	0.3	Valid
	Y9	0.531	0.3	Valid
	Y10	0.412	0.3	Valid
	Y11	0.409	0.3	Valid
	Y12	0.364	0.3	Valid
	Y13	0.462	0.3	Valid
	Y14	0.413	0.3	Valid
	Y15	0.412	0.3	Valid

Source: Questionnaire Data Processing Results, 2025

The results of the validity test show that all items from the variables above have a coefficient value of more than 0.1, so they are declared valid.

Reliability Test Results

Variables	<i>Cronbach's Alpha</i>	N of Item	Information
Dynamic Ability (X1)	0.683	9	Reliable
Innovation Ability (X2)	0.707	12	Reliable
Information Technology Skills (X3)	0.727	9	Reliable
Competitive Advantage (Y)	0.722	15	Reliable

Source: Questionnaire Data Processing Results, 2025

Based on the tested data, it was declared reliable because the Cronbach's Alpha value exceeded 0.600. Therefore, the data can be used in this study.

Normality Test

This test aims to measure whether the data obtained is normally distributed or not by using the Kolmogorov Smirnov test, where if the probability value is greater than the 0.05 confidence level, the regression model is declared normal using SPSS 30 with the following test results:

Results of Normality Test of X1, X2, against Y One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		104
Normal Parameters ^{a,b}	Mean	0.0000000
	Standard Deviation	4.31963874
Most Extreme Differences	Absolute	0.060
	Positive	0.053
	Negative	-0.060
Test Statistics		0.060
Asymp. Sig. (2-tailed) ^c		.200 ^d

Source: Questionnaire Data Processing Results, 2025

The results of table 4.6 show that the normality test of dynamic capabilities (X1), innovation capabilities (X2), information technology capabilities (X3) against competitive

advantage (Y) obtained a probability value of 0.200 so that it can be declared normal because it exceeds the confidence value of 0.05.

Multicollinearity Test, Tolerance and VIF

The multicollinearity test is used to find whether there are independent variables that are similar to other dependent variables in a model.If the value*Variance Inflation Factor*(VIF) is not > 10 and the Tolerance value is not less than 0.1, then the model can be said to be free from multicollinearity and the VIF value = 1/Tolerance, if VIF = 10 then Tolerance = 1/10 = 0.1. The higher the VIF, the lower the Tolerance or the VIF value < 10.00 then there is no multicollinearity.

By using the same data and variables used in the regression test in the previous chapter, the classical assumption of multicollinearity statistics can be detected from the SPSS 30 output in the coefficients table below:

Table 1. Results of Multicollinearity Test of Variables X1 and X2 Against Y
Coefficientsa

		Standardized					
		Unstandardized		Coefficient		Collinearity	
		Coefficients		s	t	Sig.	Statistics
		Std.		Tolerance			
Model		B	Error	Beta			VIF
1	(Constant)	13,168	4,139		3,181	0.002	
	Dynamic Capabilities	0.421	0.128	0.263	3,297	0.001	0.686
	Innovation Ability	0.335	0.095	0.297	3,527	0.001	0.615
	IT capabilities	0.437	0.106	0.348	4.107	0.000	0.607

a. Dependent Variable: Competitive Advantage

Source: Questionnaire Data Processing Results, 2024

Based on table 4.7 testing*Variance Inflation Factor* (VIF) in the SPSS output research results table of each independent variable, namely Dynamic Ability, Innovation, and Information Technology, has a VIF of no more than 10.00 and a Tolerance value of no less than 0.10. then it

can be stated that the multiple linear regression model of independent variables against dependent is free from classical statistical assumptions and can be used in research.

Durbin Watson Autocorrelation Test

This test aims to determine whether in research with This regression model accounts for sample changes over time. This test was conducted using SPSS 30 and compared with the Du value in the Durbin-Watson table. In this test, the final result can be considered to be free of autocorrelation if it meets the following test criteria:

1. If $D_w < D_l$ or $D_w > 4 - D_l$, then H_0 rejected, meaning there is autocorrelation
2. If $D_u < D_w < 4 - D_u$ then H_0 accepted, meaning there is no autocorrelation
3. If $D_l < D_w < D_u$ or $4 - D_u < D_w < 4 - D_l$, it means there is no conclusion

The results of the autocorrelation test are presented in the following table:

Table 2. Autocorrelation Test Results

Model Summary					
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.752a	0.565	0.552	4.38395	2,086

a. Predictors: (Constant), Information Technology Capabilities, Dynamic Capabilities, Innovation Capabilities

b. Dependent Variable: Competitive Advantage

Source: Questionnaire Data Processing Results, 2025

Based on Table 4.8 shows the results of the autocorrelation test with a Durbin-Watson value of 2,086 while the Du value, searched in the Durbin-Watson table listed in the appendix based on the number of independent variables ($k = 3$) and the total number of samples ($n = 104$) then the Du value = 1,740. and the result of $4 - D_u$ (2.26). The results of the autocorrelation test show that $D_u < D_w < 4 - D_u$ ($1,740 < 2,086 < 2.26$). So it can be concluded that there is no autocorrelation in this study.

Heteroscedasticity Test

This test was conducted to determine whether there was a difference in the research between observations of each sample and the testing criteria. If the significance value exceeds 0.05, it can be concluded that there is no heteroscedasticity. The following are the results of the heteroscedasticity test using SPSS 30.

Table 3. Heteroscedasticity Test Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3,034	2,253		1,347	0.181
Dynamic Capabilities	0.014	0.069	0.024	0.203	0.839
Innovation Ability	0.025	0.052	0.061	0.482	0.631
Information Technology Capabilities	-0.031	0.058	-0.070	-0.543	0.589

a. Dependent Variable: RES_2

Source: Questionnaire Data Processing Results, 2025

Based on Table 4.9, it can be seen that the significance value of the Dynamic Capability variable is 0.839, the significance value of the Innovation Capability variable is 0.631, and the significance value of the Information Technology Capability variable is 0.589. This indicates that all three have significance values exceeding 0.05. Therefore, it can be concluded that in this study there are no differences in observations for each sample.

Multiple Correlation Coefficient Test Results

Multiple correlation is used in research to determine the relationship between two or more independent variables with one dependent variable and is a number that indicates the direction of the strength of the relationship between two variables with another variable, usually symbolized by R Juniar & Narlan¹⁵. The following are the results of the multiple correlation test using the SPSS 30 application.

¹⁵ T. Juniar dan A. Nuryadin, *Statistika dalam Penjas: Aplikasi Praktis dalam Penelitian Pendidikan Jasmani* (Deepublish, 2018), 78.

Table 4. Multiple Correlation Test Results
Model Summary

		Change Statistics							
				Standard	R				
		Adjusted	Error of	the	Square	F			Sig. F
Model	R	d R	Estimate	Change	Change	Change	df1	df2	Change
1	.752	0.565	4.38395	0.565	43,290	3	100		0.000
a									

a. Predictors: (Constant), Information Technology Capabilities, Dynamic Capabilities, Innovation Capabilities
b. Dependent Variable: Competitive Advantage
Source: Questionnaire Data Processing Results, 2024

Based on Table 4.10, it can be seen that the linear relationship value between the variables of Dynamic Capabilities, Innovation, and Information Technology towards Competitive Advantage is 0.752. Based on the Guilford criteria, it can be seen from the results of the correlation calculation of 0.752 with an error of 5% or $\alpha = 0.05$. Therefore, the resulting value lies in the strong criteria, meaning that the variables, Dynamic Capabilities, Innovation Capabilities and Information Technology Capabilities towards Competitive Advantage empirically have a strong linear relationship.

Results of the Determination Coefficient Test

The coefficient of determination is a value used to measure the magnitude of the contribution of the independent variable (X) to the rise and fall of the dependent variable (Y). In coefficient of determination analysis, there are criteria for determining the strength or weakness of the independent variable in influencing the dependent variable. These criteria are as follows:

- 1. If Kd is close to zero (0), then the influence of the independent variable on the dependent variable is weak.
- 2. If Kd is close to one (1), then the influence of the independent variable on the dependent variable is strong.

This research has collected data from various respondent sources and has processed the data using *IBM SPSS Statistics Version 30 software*.

Table 5. Results of the Determination Coefficient Test

Model Summary				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.752a	0.565	0.552	4.38395

a. Predictors: (Constant), Information Technology Capabilities, Dynamic Capabilities, Innovation Capabilities

b. Dependent Variable: Competitive Advantage

Source: Data Processing Results, 2025

The results of Dynamic Ability (X1), Innovation Ability (X2), Information Technology Ability are known.(X3) on Competitive Advantage (Y), namely:

$$R = r^2$$

So it can be calculated

$$Kd = 0.752^2 \times 100\%$$

$$Kd = 0.565504 \times 100\%$$

$$Kd = 56.5\%$$

Based on Table 4.11 above, the R Square value (coefficient of determination) of the variables Dynamic Capability, Innovation, and Information Technology on Competitive Advantage is 0.565. This means that these three variables have an influence of 56.5% on Competitive Advantage, while 43.5% is influenced by other variables not examined in this study.

Simultaneous Test Results (F Test)

The Simultaneous Test (F-Test) is used to test whether independent variables simultaneously have a significant effect on the dependent variable. The rules for testing significance are as follows:

1. If $F_{count} \geq F_{table}$ then it is significant
2. If $F_{count} < F_{table}$ then it is not significant

The results of the F-test calculation using SPSS 30 are as follows:

Table 6. Results of Simultaneous Significance Test (F-Test)

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2496.008	3	832,003	43,290	<.001b
Residual	1921,906	100	19,219		
Total	4417.913	103			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Information Technology Capabilities, Dynamic Capabilities, Innovation Capabilities

Source: Data Processing Results, 2025

Based on the results of the F test above, a significance value can be obtained for the influence of X1, X2, and X3 simultaneously on Y of $0.001 < 0.05$. Then for the F table value with $\alpha = 5\%$, $F(k; n - k)$ shows the value of $F(3; 100) = 2.70$. So it can be concluded that the calculated $F_{43,290} > 2.70$ which means that the independent variable has an influence on the dependent variable or in other words there is an influence of the variables Dynamic Capability, Innovation Capability, and Information Technology Capability on Competitive Advantage.

Multiple Linear Regression Analysis

In this study, multiple linear regression was used by the researcher to determine the conditions of the rise and fall of the dependent variable, where the one used in this study was the competitive advantage variable. The following are the results of multiple linear regression calculations using the SPSS 30 application:

Table 7. Results of Multiple Linear Regression Calculations

Coefficients ^a						
		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	13,168	4,139		3,181	0.002
	Dynamic Capabilities	0.421	0.128	0.263	3,297	0.001
	Innovation Ability	0.335	0.095	0.297	3,527	0.001
	Information Technology Capabilities	0.437	0.106	0.348	4.107	0.000

a. Dependent Variable: Competitive Advantage

Source: Questionnaire Data Processing Results, 2025

Based on the results of the multiple linear regression test in Table 4.13, it is known that Dynamic Capability, Innovation Capability, and Information Technology Capability have a positive and significant effect on Competitive Advantage in clothing MSMEs in Sukabumi City. The constant value of 13.168 indicates that without the contribution of the three independent variables, competitive advantage in clothing MSMEs in Sukabumi City is predicted to be at 13.168. Dynamic Capability with a coefficient of 0.421 (sig. 0.001), followed by Innovation Capability with a coefficient of 0.335 (sig. 0.001). Information Technology Capability has the strongest influence with a coefficient of 0.437 and a significance level of 0.000. All variables are proven to be significant at the 95% confidence level, which indicates that strengthening these three factors contributes to increasing business competitiveness, especially in the clothing industry in Sukabumi City.

Simultaneous Significance Test Results (t-Test)

To determine whether or not there is an influence of each independent variable on the dependent variable, it can be seen at a significance level of less than 0.05 and F count > F table. The T test is used to test the significance of the constant of each independent variable and the hypothesis is as follows: Ho = Insignificant Regression Coefficient Hi = Significant Regression Coefficient For decision making is as follows:

If Sig. > 0.05 then Ho is accepted

If Sig. < 0.05 then Ho is rejected, and Hi is accepted.

This T-test was conducted using SPSS 30 software as follows:

Table 8. T-Test Results

Coefficients ^a					
		Unstandardized		Standardized	
		Coefficients		Coefficients	
Model		B	Std. Error	Beta	
1	(Constant)	13,168	4,139		3,181 0.002
	Dynamic Capabilities	0.421	0.128	0.263	3,297 0.001
	Innovation Ability	0.335	0.095	0.297	3,527 0.001
	Information Technology Capabilities	0.437	0.106	0.348	4.107 0.000

a. Dependent Variable: Competitive Advantage

Source: Questionnaire Data Processing Results, 2025

Based on the results of the partial significance test (t-test) on the three independent variables Dynamic Capability, Innovation Capability, and Information Technology Capability, it shows a positive and significant influence on the Competitive Advantage of clothing MSMEs in Sukabumi City. Dynamic Capability has a t-value of 3.297 with a significance of 0.001, which means it has a significant influence on competitive advantage. Furthermore, Innovation Capability recorded a t-value of 3.527 with a significance of 0.001, which also shows a significant influence. Meanwhile, Information Technology Capability has the most significant influence with a t-value of 4.107 and a significance of 0.000. All significance values are below the threshold of 0.05 and the calculated t-value of each variable is greater than the t-table (1.660), so it can be concluded that these three variables contribute positively and significantly to increasing the competitiveness of clothing MSMEs in Sukabumi City.

CONCLUSION

Based on the results of the research conducted in the research and discussion presented above regarding the analysis of Dynamic Capabilities, Innovation Capabilities, and Information Technology Capabilities to Increase Competitive Advantage in Clothing MSMEs, the following conclusions can be drawn:

1. The dynamic capabilities, innovation, and information technology capabilities that contribute to competitive advantage in clothing MSMEs in Sukabumi City are high. This means that MSMEs have been able to respond quickly to market changes, strategically capitalize on opportunities, and reorganize their organizations through standardization and flexible human

resource management. In terms of innovation, MSMEs demonstrate a strong commitment to generating new ideas, developing innovative strategies, and developing processes and networks that support sustainable competitiveness. Meanwhile, their ability to utilize information technology is also high, as evidenced by the use of digital systems in business activities, internet access, and efficient use of information technology devices. Overall, this condition reflects that clothing MSMEs in Sukabumi City have strong readiness and competitiveness in facing dynamic market competition.

2. Based on the results of the study, it shows that Dynamic Capabilities on Competitive Advantage in Clothing MSMEs in Sukabumi City have a positive and significant effect.
3. Based on the results of the study, it shows that the Innovation Capability towards Competitive Advantage in Clothing MSMEs in Sukabumi City has a positive and significant effect.
4. Based on the results of the study, it shows that the ability of information technology to provide competitive advantage to clothing MSMEs in Sukabumi City has a positive and significant effect.

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