Abstract—This research begins with the phenomenon of decreasing the sale of Emergency Medical Kit (EMK) products from 2008 to 2013 while the need for this equipment is always increasing in line with frequent disasters, increasing number of hospitals and many more. EMK customers in Indonesia are predominantly governmental agencies or other government-related agencies, where the procurement process of goods and services using E-Purchasing or if not included in the E-Catalog then it will be auction to be transparent and accountable. EMK products have not been included in the E-Catalog. Another constraint is that all equipment in the EMK product must be made using a single brand. Therefore, it takes a competitive advantage model that can increase sales so that opportunities can be utilized properly. Based on this, this study aims to build a model of competitive advantage, especially in the field of EMK and products not included in E-Purchasing. This model is built on the competitive advantage influenced by customer relationship management and business competence through the company's reputation. And how the impact on sales. Meanwhile, the research method used is descriptive-verbatimic with PLS-SEM as its statistical method. This research was conducted on customer of EMK product that is government institution that made purchasing EMK product.

The results show that customer relationship management that has been built is closely related to the reputation of EMK companies in Indonesia. And the competitive advantage of EMK products is related to business competence and customer relationship management. In contrast to the company's reputation that has no impact on competitive advantage. In addition, EMK product sales are closely related to competitive advantage. Furthermore, customer relationship management, corporate reputation and business competence have no bearing on EMK product sales. The resulting model can be used as a reference to increase the competitive advantage of products that have not been registered in the E-Catalog.

Index Terms—competitive advantage model; emergency medical kit; customer relationship management; company's reputation; business competencies; competitive advantage; sales.

I. INTRODUCTION

Emergency Medical Kit (EMK) industry in Indonesia has enormous potential because it is driven by the geographical position and the development of the health industry today. The rapid development of the world of transportation also has an impact on the increasingly high level of accidents. To deal with this, of course, first aid is needed so that victims, both victims of disaster and accident, can be given preliminary help before being taken to hospital or other health institutions. This enormous potential turns out to be inversely related to the sale of EMK products in Indonesia. Since 2007 until 2013, EMK product sales have decreased.

The largest consumer of this product is a government institution. In the procurement of goods or services within the Indonesian government follow the relevant rules. Goods or services contained in E-Purchasing (previously registered in the E-Catalog), the provider of goods or services shall follow the rules to offer the price of the goods shall not be more expensive than those listed in the E-Catalog. So the auction in the procurement of goods or services can be more transparent and accountable. Different if the procurement of goods or services has not been listed in the E-Catalog. Then the procurement process of goods or services (for nominal over two hundred million rupiah) is done by auction.

EMK products up to now can not enter E-Catalog. This is because EMK products consist of a lot of equipment that each has specific technical specifications. An example is the Fire Rescue Kit which has 40 health equipment in one package of equipment. So if we want to be included in the E-Catalog, then each of the existing equipment must be made separate technical specifications and put together. We can imagine how many documents should be available for one EMK product only. In addition to requiring such documents, another constraint is that all equipment existing in the EMK product must be made using only one brand. With the example already mentioned, all equipment in the Fire
Rescue Kit must use a single brand, for example Trimed. This is certainly a big obstacle for EMK companies because to make one type of EMK products alone is much more equipment if it makes other product lines. This condition will make them have to invest enormously to be able to produce their own tools. These constraints are the biggest obstacles in the EMK industry.

In addition, this constraint is also related to government policy, namely in terms of the auction process itself. The auction process begins with the needs of users of the EMK product itself, which in this case are doctors and other medical personnel. As a user, surely doctors or medical personnel know which brand products are qualified and able to assist them in carrying out the task. At the time of submission of the need for EMK products, of course, they want a quality EMK product in accordance with their needs but in the submission of these needs submitted by the user is a technical specification and not allowed to refer to one particular brand.

This condition does not only occur in EMK products only. But also on other products or services that have not been registered in the E-Catalog. So this research becomes important for all parties, because the products made in the country still have problems in terms of competitive advantage. This makes domestic products difficult to compete with competing products that have better competitive advantage (eg in terms of price and technical specifications, etc.). Therefore, it is necessary to build a model to increase the competitive advantage of domestic products / services, which have not been listed in the E-Catalog.

The objective of this research is to build a competitive advantage model for products / services not listed in the E-Catalog.

II. LITERATURE REVIEW

A. Customer Relationship Management

Kotler and Keller [1] stated that patron relationship is the system of the management of exact managers of the customer and all clients "touch factors" to maximize loyalty. A client contact point is any occasion on which a consumer encounters the brand and product-from actual enjoy to private and mass communications to casual observations. In the meantime, Lovelock and Wirtz [2] said that customer courting is A form of advertising activity to supply deeper or meaningful relationships with clients. Moreover, Kotler and Bowen [3] stated that client dating control is described narrowly as a tangent factor with customers to maximize purchaser loyalty. Zeithaml and Bitner [4] stated that consumer dating control is a philosophy in strolling a commercial enterprise, a strategic orientation that makes a speciality of keeping and enhancing client relationships these days.

Baran, Galka and Strunk [5] also see client dating control as a advertising and marketing strategy that focuses attention on coping with the purchaser enjoy by way of higher understanding their desires as well as their shopping behavior. So it is with Dyche [6] said that Infrastructure that enables the delineation of and boom in purchaser fee, and the best means by means of which to motivate precious clients to stay loyal-indeed to shop for again.

The dimension of client relation control additionally has many versions. For instance, Rahaman, Ferdous and Rahman [7] use the 5 dimensions of consumer relation management: grateful, responsiveness and relationship appropriateness, worrying and keep in touch. Meanwhile, Lee et al. [8] using dimensions advanced with the aid of Suh and Park specifically "contents differentiation, touch frequency, content material repetition". And Ghafari, Karjalian and Mashayekhnia [9] use the size of "records sharing, client partnership, lengthy-term relationship, joint hassle-fixing and era-primarily based CRM".

Parvatiyar and Sheth [10] deliver that customer dating management packages have a shape of continuity advertising, one-to-one advertising, and partnering / co-advertising.

B. Business Competencies

Competence is the knowledge, competencies, and primary values contemplated inside the addiction of questioning and performing. The addiction of wondering and appearing constantly and continuously can permit someone to grow to be able, inside the sense of getting the know-how, talents and basic values to do something. Gibson and Ivancevich [11] outline competence as a talent or knowledge that can be applied to fixing specific problems.

McAhsan as proposed by Mulyasa [12], defines competence as the information, talents and talents of a person who has grow to be a part of himself a good way to carry out cognitive, affective and psychomotoric behaviors in addition to viable.

C. Company Reputation

Bennett and Rentschler [13] formulate that reputation is an photograph-associated idea, however it refers to a public evaluation of the first-class of the agency established over a long period of consistency, agree with and reliability. Company popularity can affect the credibility and effectiveness of a organization in seizing key relationships both internally and externally, inclusive of customers, employees and the media.

Marken [14] defines popularity as an asset that consists of the nice of services and products, the ability to innovate, the cost of long-time period investment, financial stability, the potential to attract customers, expand, retain gifted personnel, use organization assets, and first-rate management.

In the meantime, Dowling [15] indicates that corporate popularity is the result of actions that will shape a mixture of key elements that encompass pleasure, appreciate, confidence and self-self belief that impact the enterprise inside the destiny. And most vital is the corporation's image and popularity issue that is guarded through the organization through all and sundry's relationships inside the employer.

D. Competitive Advantage

Porter mentions that in tackling the five competitive forces, there are three normal strategic strategies that probably constitute a corporation's aggressive gain: the general price, differential, and awareness blessings. competitive advantage gives a top level view for groups in deciding on and imposing commonplace techniques to
Slater [17] states that groups in various environments want to make use of their talents of best, service, and mastering of marketplace situations to attain competitive benefit. Slater believes that necessities in accomplishing aggressive benefit, the employer wishes to bear in mind aggressive parity and provide superior fee to its clients.

Barney [18] investigates the linkage between corporate sources and sustainable competitive gain thru 4 signs of corporation resources resulting in competitive gain. These indicators are fee, rareness, imitability and substitutability. This version became later up to date and referred to as VRIO version: cost, Rarity, Imitability and corporation.

The resource-primarily based model includes all assets, skills, organizational tactics, statistics, know-how and so on that are supervised by way of the company and are the attributes used in developing efficiency and effectiveness [19]. This version is in keeping with Peteraf who sees a aid-based approach because the cornerstone of competitive benefit. This approach combines resources and abilities into aggressive benefit for the employer [19]. Leadership and organizational commitment are regularly visible as contributing to the success of the company. And this can handiest prevail if supported through solid financial basics to obtain aggressive advantage [16].

According to Ma [20] there are numerous forces and factors that decide, whether or not the environment, employer or non-public role in determining the competitive advantage of the agency.

In line with Logenecker, Moore and Petty [21], aggressive advantage consists of outcomes, techniques and foundations. Logenecker also adopted a method from Porter [16] wherein competitive benefit presents a top level view for corporations in choosing and implementing techniques to enhance and hold the competitiveness of firms which are fee-based totally and differentiation-based totally techniques.

Logenecker, Moore and Petty [21] also stated that business humans have a tendency to be less anticipatory whilst the competition that impacted the failure to fulfill the dreams or goals of the organization. The stairs toward competitive advantage begin with figuring out opportunities, then choosing the right method to seize the possibility to control the consequences acquired from the possibility.

### E. Sales

In expertise the sales it’s far essential to apprehend sides of advertising and marketing, particularly: (1) marketing is thought as a function of company corporation and (2) advertising and marketing is visible as a part of the procedure of sports in the business enterprise as a whole and the activities that join purchasers with the agency [22]. Assessing the income of a agency desires to see that advertising is an pastime including 3 tiers of input method, commercial enterprise procedures and effects of activities. on this view, performance includes several associated and inseparable variables: enter, behavior (tactics), outputs, and outcomes (value introduced or effect). Meanwhile, Wiklund [23] argues that boom is generally triggered via the rising call for for products / services presented by means of corporations this means that extended patron, every other growth indicator selected is the increase of marketplace proportion.

The research paradigm as Fig. 1:

![Research Paradigm](image-url)

### III. HYPOTHESIS

Hypothesis in this research is as follows:

- Customer relationship management influence sales.
- Customer relationship management influence competitive advantage.
- Customer relationship management influence company reputation
- Competitive advantage influence sales.
- Company reputation influence competitive advantage.
- Business competencies influence sales.
- Business competencies influence competitive advantage.
- Business competencies could influence company reputation.

### IV. METHODOLOGY

The way of determining the data in this research is done by census method. According to Sugiana [24] the census method means counting or observing one by one for the entire population. The population (unit of analysis) in this writing are the customers of EMK products in Indonesia: Indonesian Red Cross (PMI) center, National SAR Agency (Basarnas), National Disaster Management Agency (BNPB), Ministry of Health Republic of Indonesia, A and B Class of General Hospital. All of them are 51 institutions / organizations.

And EMK product sales data are obtained from two EMK companies listed in the Ministry of Health, Trimed and Pentamed. Meanwhile, the observation unit is the Committing Officer (PPK) of the customer agency.

The analysis approach and the solution technique that will be used as the analytical tool in this research are Partial Least Square-Structural Equation Model (PLS-SEM) method.

### V. DISCUSSION

From the results of primary data processing, descriptive study results can be seen in the following Table I:
From the table above, it can be seen that customer relationship management which has been built by EMK company has been considered communicative and focused by the customer. However, customer relationship management that has been built is too focused on the short term not in the long term. Neither EMK nor distributor companies have worked on relationships with other parties that will have a long-term impact on EMK product sales.

Overall EMK companies are also considered highly competent in the EMK industry. The highest indicator showing this is the competence in distributing this EMK product. However, this commitment has not focused on producing EMK products that are cheaper but of good quality. This causes the selling price is considered less expensive when compared with similar products.

EMK companies have a reliable reputation and trusted, but only limited to good quality in the country. The price of the product is still considered expensive compared to competitors’ products. In addition, the stigma that foreign-made medical devices, especially those made in the United States; Japan; and Germany, have better quality, making domestic customers prefer foreign-made. It also hampers the reputation of the company. In fact, these products are also made by companies in Indonesia. An example is Trimed. Trimed produces tensimeter for Omron which is a brand from Japan. Customers prefer to buy Omron brand rather than Trimed brand. Though the product has the same quality with different prices.

Indonesia’s EMK products also have competitive advantage. But this advantage is limited to the benefits not yet on cost. Though customers are more focused on EMK products that have the required technical specifications and have a cheap price. Thus, EMK companies in using resource driven strategies have not paid attention to products that customers actually need. The greatest benefit benefits customers perceive is the reliability of their products. And although distribution costs are superior but this indicator has the lowest value of all indicators in the competitive advantage variables. Assumed if EMK product has competitive advantage then its sales will be high. But this is the opposite of its sales. Therefore, in terms of product quality, the domestic EMK product is superior but can not offer at a lower price when compared to competitors.

In order to test the structural model (inner model), then the calculation results obtained as follows after going through the twenty-third iteration as Table II follow:

From the Table II can be seen that the value of GoF is 0.6899, so it can be said that this research model is supported by empirical condition or fit model. Meanwhile, as a guide to interpret the value of Rsquare from the above table, then use criteria where the value of Rsquare = 0.67 means strong, the value Rsquare = 0.33 means moderate and the value of Rsquare = 0.19 means weak [25].

Competitive Advantage Variable has Rsquare Value which belongs to strong category. This means that independent variables that affect competitive advantage, namely customer relationship management and business competence, have a strong influence on competitive advantage. This also applies to sales variables. Variables that affect sales, namely competitive advantage, have a very strong impact on sales.

To measure the model (outer model) then used 2 (two) criteria, namely composite reliability and AVE and AVE roots. But before, it can be seen first from the value of Composite Reliability. The calculation results show that the value of Composite Reliability for all variables indicates a number above 0.7. So it can be seen that the construct is very reliable because it has a high composite reliability value above 0.70. This is also seen in the AVE root value whose value is above 0.50. This shows that the research model is good.

The result for AVE and AVE roots is as Table III shown below:

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>AVE</th>
<th>AVE root</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Advantage</td>
<td>0.391</td>
<td>0.625</td>
</tr>
<tr>
<td>Business Competencies</td>
<td>0.459</td>
<td>0.677</td>
</tr>
<tr>
<td>Customer Relationship Management</td>
<td>0.528</td>
<td>0.727</td>
</tr>
<tr>
<td>Sales</td>
<td>0.470</td>
<td>0.686</td>
</tr>
<tr>
<td>Company Reputation</td>
<td>0.451</td>
<td>0.672</td>
</tr>
</tbody>
</table>

Source: Results of calculation using SmartPLS 3.0 (student version)
From the Table III, to measure the relationship between constructs the parameters coefficient and statistical value of model are used. From result of calculation known that correlation between: company reputation to competitive advantage; customer relationship management to sales; company reputation to sales; and business competencies to sales; not significant. Meanwhile, for correlation among other variables is signified.

Customer relationship management and business competence have a significant influence on the company's reputation. The influence of customer relationship management on the company's reputation variable was considered strong enough. This is as proposed by Ferrand and Monique [26] that there is a positive relationship between customer relationship management and company's reputation. This can be interpreted that the better the management of customer relations done by the company then the company's reputation will be better too. In this study, customers see that customer relationship management undertaken by an EMK company shapes the company's reputation. So customer relationship management is needed to establish a good company's reputation. Meanwhile, the influence of business competence on the company's reputation is weak but certain. It is said that in the medical equipment industry, especially EMK, business competence will gradually build the reputation of the company itself. Through consistency in producing EMK products that have competitive advantages, gradually can create a good reputation as well.

Furthermore, customer relationship management and business competence have a significant influence on competitive advantage. Although the impact of customer relationship management on competitive advantage is very weak. Customers assess customer relationship management that has been done so far has been running well. These relationships result in collaborations that have an impact on performance. Nevertheless, the customer considers that competitive advantage is more determined by low price and good quality, availability of EMK units at all times and distribution reliability. These indicators are the determinants of competitive advantage of EMK products. Meanwhile, business competence has a very strong influence on competitive advantage. The competitive advantage in the short term can increase sales for the company. This is as suggested by Carson, et.al., [27] which mentions that for small and medium enterprises managed on an entrepreneurial basis, the development of business competence can create superior advantages for sales. This means that high competence in making a product / service can impact on high competitive advantage too.

From the table above can also be seen that only competitive advantage that affect sales. Meanwhile, customer relation management has no significant effect on EMK sales in Indonesia. This is different from Lee, et.al. [8] stating that ties with strong internal-customer-suppliers will improve supply chain performance, which is low cost-containment and high reliability. This means that sales are positively influenced by customer relation management. This condition can be understood that EMK product sales in Indonesia are not influenced by customer relationship management that has been formed. Although Trimed and Pentamed have been working with them for quite a long time, the customer purchasing decisions that will have an impact on EMK product sales are not determined by that. In accordance with the characteristics and conditions of purchase of this product (which involves the tender process) then the product has a competitive advantage to be purchased by the customer. Factors such as the functionality of EMK products, product quality, attractive prices, distribution capabilities are considered in purchasing EMK products. So, despite having good customer relationship management, customers are still buying superior products. This happens because of the rules that exist in purchasing the product.

The model generated in this research is as Fig. 2:

The picture above shows that the company's reputation has no impact on competitive advantage. This means that in the process of procuring EMK products with auction system (not through E-Purchasing) where the procurement criteria are based on the technical specifications that meet and the cheapest price, the company's reputation has no impact in its purchase decision. A reputable EMK company that does not offer the cheapest price will not be purchased in the procurement process. It also means that to increase competitive advantage, the company focuses on improving business competency and customer relationship management. However, the main thing is to improve the competence to make EMK products that meet the technical specifications and low prices. For this reason, the company's reputation is eliminated in the final model.

Some interesting things were also found in this study. EMK product sales in Indonesia are determined by competitive advantage and competitive advantage determined by business competence. However, so far, resource-driven strategies have been used by EMK companies. This creates a gap, where the company makes quality EMK products but customers want products that meet the technical specifications at a low price. To improve competitive advantage, focusing on customer needs and wants is needed.
In contrast to competitive advantage, the company's reputation is determined by customer relationship management rather than business competence. In establishing the company's reputation, customer relation management is built on customer needs (customer / market driven). The EMK company seeks to build relationships in order to create a good reputation with a focus on the customer itself.

The above explanation shows that EMK companies are inconsistent in developing corporate strategy. When building competitive advantages using resource driven strategies, and also using customer / market driven strategies in building relationships with customers. This illustrates that EMK companies have no unique benefits or unique resources in exploiting the existing market potential. So that the re-formulation of corporate strategy in optimizing the market potential needs to be done.

The resulting model can be used not only on EMK products but also in other industries with certain assumptions. The first assumption is that the product consumer is a government agency and the procurement process has not been through the E-Purchasing system (the product is not registered in the E-Catalog). In the procurement of goods or services within the government, the procurement process of goods and services follows the rules of the Presidential Regulation (Perpres) no. 54 of 2010 on Procurement of Goods / Services Government [28] which was then renewed for the fourth time through Presidential Regulation No. 4 Year 2015 [29]. In such a regulation, the procurement of goods or services for the Government is done through E-Purchasing which implements efficient, effective, transparent, competing, fair or non-discriminatory and accountable principles. If the process of procurement of goods and services is through E-Catalog and E-Purchasing then this model is not applicable because the government institution can choose the desired product (with specification, price of goods and the range of services available) although in the E-Catalog there are several options a similar product / similar to a more expensive price. If this is the case, then the purchasing decision process of the customer may turn to emotional by choosing a product specification that refers to a particular brand even if there are competing products that have a cheaper price.

The next assumption is the procurement process of goods or services based on the auction system. In the process of procurement of goods or services with the auction system, then the key is the goods or services have met the technical specifications with the range of services required by customers and the offered price is the cheapest. With such emphasis, the eligible product or service offering the cheapest price will be purchased by the customer. Therefore, although the products of one company have added value in terms of quality and service but the price is more expensive then the product will not be selected. This condition shows that the type of purchase decision by the customer is rational. With the assumptions mentioned above then this model can be applied to increase competitive advantage.

The model can be described as Fig. 3:

![Figure 3. Competitive Advantage Model for Non E-CataLog Products in Indonesia](image)

**VI. CONCLUSION**

Customer relation management is not related to EMK product sales in Indonesia. In accordance with the characteristics of the purchase of this product, which uses an auction system, EMK products that have a competitive advantage that becomes the determinant of the purchase. Furthermore, the company’s reputation is also not related to the sale of EMK products in Indonesia because customers will only buy products that have competitive advantages in terms of function and lower prices. In addition, business competence is also not related to sales. Customers see that the business competence of the EMK company is unquestionable but in the buying process using the auction system resulted in the purchase of EMK products only on products offering the same functions and services but at a cheaper price. The competitive advantage of EMK products made in Indonesia is closely related to the sale of EMK products in Indonesia. Customers want the EMK products they buy have a high competitive advantage.

The model built in this study looks at how customer relationship management and business competencies in shaping competitive advantage and its impact on sales in the short term. This model can also be applied to other industries when it meets the assumption that the customer is a Government agency, the product is not listed in the E-Catalog and the purchase process is using the auction system.

**REFERENCES**


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