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The effect of innovation on sustainable competitive advantage through local wisdom in Padang restaurants in Pekanbaru

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ABSTRACT

Business competition due to a dynamic business environment that makes Padang restaurant businesses must have the ability to have a sustainable competitive advantage. This study aims to analyze the effect of innovation on sustainable competitive advantage through local wisdom as a mediating variable. A quantitative explanatory approach was used in this study with 100 respondents. It uses the accidental sampling technique of the Padang restaurant business in Pekanbaru. The analytical tool used is PLS, with research showing that innovation affects competitive advantage through local wisdom as a mediating variable. Local wisdom as a mediating variable shows the novelty of this research as a form of cultural integration to achieve sustainable competitive advantage. The unique value contained in the product is a symbol of a strong identity so that it can appear different from competitors. The value of the authenticity and uniqueness of Padang food as a culinary and cultural heritage passed down from generation to generation is different from competitors. So, every innovation made by Padang restaurants in Pekanbaru based on the values of local wisdom will increase sustainable competitive advantage.



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Introduction

Sustainable competitive advantage in regional specialty food businesses in the era of globalization competition is increasingly interesting to study because of the value of authenticity and uniqueness of traditional dishes as a cultural heritage passed down from generation to generation (Aaltonen, 2015; Mardatillah, 2020). Consumers' saturation of the homogeneity of globalization can be answered by the presence of regional specialties, including desert food which presents a high heterogeneity of authenticity (Barney, 2007). Competition in the food business is increasingly competitive, so business actors must provide a unique concept different from competitors. It can be seen from the growth in the number of restaurants in Pekanbaru. According to the Pekanbaru Central Statistics Agency, until 2020, as many as 1913 restaurants, including Padang restaurants. The wealth of culinary traditions owned by ethnic Minangkabau culture is known for its savory and spicy taste that all consumers can generally accept. Padang restaurants are spread across 12 sub-districts in Pekanbaru, ranging from large to small businesses.

The problem of the dynamics of business competition due to changes in the fast-paced business environment makes the Padang restaurant business require innovation to achieve sustainable competitive

advantage. However, according to previous research, innovation can be carried out to achieve competitive ability if business organizations, including restaurant businesses, know products and how their development potential (Ali, 2021). Padang restaurant products are advantageous because their authentic side dishes come from the distinctive Minangkabau culture in West Sumatra. Padang food, which has a distinctive and unique taste, uses original spices that are processed by an exact process from generation to generation to become authentic values that are difficult for competitors to imitate. It is a creative potential to continue to be developed with innovations that provide different added values from competitors without losing their original values.

The current innovations reflect the efforts of Padang restaurant businesses to provide new and different experiences while prioritizing customer satisfaction, for example, the innovation of rendang, which is made not only from beef but also from scallops and chicken rendang. The innovation of packaging changes has also been carried out by presenting frozen packs, and rendang rice served in rice bowl packaging, not always wrapped in banana leaf packaging. Meanwhile, process innovation so far has found the process of cooking Padang food using the help of technology such as a spice crusher machine which is usually done manually.

Previous research stated that innovation activities meet market demand to achieve a competitive advantage. Martim et al., (2016), business actors must be able to think creatively and innovatively to achieve sustainable competitive advantage. Furthermore, it is emphasized in the research findings of Kuncoro & Suriani (2018) that new product innovation affects sustainable competitive advantage when competitors do not easily imitate it to support long-term business success. Hasnatika & Nurnida, (2019) states the influence of innovation on competitive advantage. Meanwhile, according to research by Andiyanto & Sufian (2017), innovation is a variable that highly influences achieving business performance through the mediation of competitive advantage.

Furthermore, research by Aziz & Samad, (2016) also states that there is a strong influence between innovation and competitive advantage. However, research by Bahren et al., (2018) does not show that innovation positively affects competitive advantage, be it product innovation, process innovation, market innovation, or organizational innovation. From this, there may be moderating variables that influence the competitive advantage. The positive influence of integrating cultural values on competitive advantage is conveyed in the results of Tupamahu (2015). However, previous research has not discussed the possibility of local wisdom as a moderating variable between innovation and sustainable competitive advantage. So that highly heterogeneous forms of innovation that are not easily imitated and cannot be replaced by competitors can be carried out. Several other previous studies also explain the positive influence of local wisdom on competitive advantage, as stated in Harahap, (2016) and Wahyudiono & Soekiman (2019), stating the same thing that local wisdom has a positive effect on competitive advantage. Its because the content of local values becomes an opportunity to have a different value-added identity from competitors.

Past research, unfortunately, still focuses on discussing the effect of innovation on improving marketing performance as a form of creating new products from new raw materials and or updating revised versions of previous products (Rosli & Sidek, 2013). Even though Fernández & Briones (2020) say otherwise, Product innovation is not only the process of discovering something new but must provide added value. Distinctive and unique added value with high heterogeneity is likely to be obtained from the capability of cultural integration that contains authentic and unique local values as a rare resource that is valuable, not easily imitated, and cannot be replaced entirely (Barney, 1991; Tupamahu, 2015). Furthermore, this study aims to identify and analyze innovation for sustainable competitive advantage through local wisdom as a moderator at Padang restaurants in Pekanbaru.

Innovation is a step taken to face market competition and a sustainable strategy. According to (Volná et al., 2015) innovation is intellectual capital as an effort to develop and market new products to industrial markets to meet consumer needs. Innovation is not only in production but also in attitude, the process of movement toward change. Kotler (2018) states that there are three innovation indicators: product quality, product variants, product style, and design. According to research by Andiyanto & Sufian (2017) the positive effect of innovation on business performance through the mediation of competitive advantage and the results of research by Aziz & Samad, (2016) also states that there is a strong influence between innovation and competitive advantage. Nevertheless, Bahren et al., (2018) stated otherwise that innovation does not positively affect competitive advantage. It indicates the possibility of the innovation variable being moderated by other variables to achieve a competitive advantage.

Previous research stated that a company could not compete in sustainability if it does not have four indicators that can provide a potential source of sustainable competitive advantage. It is not easy to imitate because the causal ambiguity that produces value-added differs from competitors even though these resources

are valuable, rare, and not easily replaced but can still be imitated. It is difficult for companies to obtain good sustainability (Barney, 1991; Herman et al., 2018 ;Hermundsdottir & Aspelund, 2021). Then the next thing that can be done is to give a patent on immobility (Barney, 1991). Ownership of highly heterogeneous resources and then harmonized with impaired mobility it is easier to achieve a competitive advantage because of the difference in the level of profitability with competitors. In its application, homogeneously distributed resources will affect the entire organization because it has the same power (Barney, 1991).

The conceptual approach to the Resource-Based View (RBV) theory emphasizes the company's internal factors and criticizes the industrial organization approach, which focuses on external factors. The uniqueness of the company's resources will determine its ability to achieve its sustainable competitive strategy. Sustainable competitive advantage relates to the company's ability to manage resources as strategic assets to create sustainable superior competitiveness. The company's scarce resources are unique, rare, not easy to imitate, and have no substitute. Its core competencies are that the company must own to have high heterogeneity.

Local wisdom is an intangible resource owned by business organizations as a way of life and knowledge in the form of various activities in the daily life of local communities (Das & Teng, 2000;Sartini, 2004). The wealth of tradition, petiti petatah, and life motto symbols are contained as the wisdom of the noble values of local culture (Sartini, 2004). Local wisdom functions as a filter controlling external culture, integrating outside culture into indigenous culture, and giving direction to cultural development. According to (Tupamahu, 2015), cultural integration is a capability to achieve sustainable competitive advantage because of the value of uniqueness as a potent symbol of identity so that it can appear different from competitors. So from the explanation of the theory above, the hypothesis for this research is:

H1: There is an effect of innovation on sustainable competitive advantage

H2: There is an influence of innovation on local wisdom

H3: There is an influence of local wisdom on sustainable competitive advantage

H4: There is an influence of innovation on sustainable competitive advantage through local wisdom

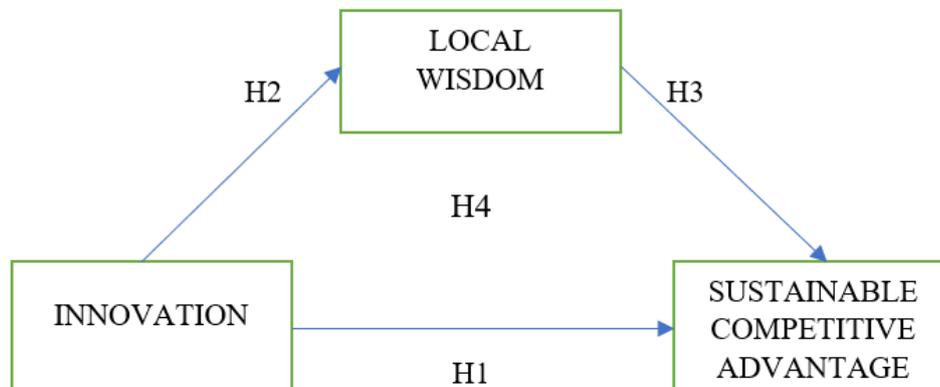


Figure 1. Research Framework

Method

This study uses a quantitative explanatory survey approach. The unit of analysis of the research is the Padang Restaurant business in Pekanbaru. The analytical tool in this study uses the Structural Equation Modeling (SEM) method with PLS. Partial Least Square (PLS) analysis is used because, according to (Ghozali& Latan, 2015). PLS can be used without a solid theoretical basis, ignoring non-parametric assumptions and the accuracy of the prediction model parameters based on the value of the determinant coefficient (R-square) so PLS is very appropriate for research that aims to develop theory.

Sampling in this study was conducted using a purposive sampling technique by determining based on the criteria for a minimum business duration of 5 years and a minimum number of 5 employees at 50 Padang restaurant business units in Pekanbaru. The primary data collection technique was from observation, we make observations on all aspects of innovation that have been carried out, especially those based on local wisdom or those that still prioritize local wisdom in their innovations. We use questionnaires and interviews for collect the primary data, while the secondary data was from relevant journals, books and documentation.

Results and Discussions

Structural Equation Model Analysis (SEM)

Testing the results of the structural model equation (SEM) with the partial least squares (PLS) approach was carried out by testing the results of the measurement model (external model) and structural model (internal model) of the model. is being studied. Testing the measurement model (external model) Convergent validity refers to the principle that the manifest variables of a structure must be highly correlated. Convergent validity using PLS software can be seen from the loading factor for each constituent index. Covergent validity, the loading factor value precision must be greater than 0.7 and the average extraction (AVE) and commonality score must be greater than 0.5, so that the following results are obtained:

Table 1. Loading Factor

Variable	Variable Manifest	Loading Factor
Inovation (X1)	X1.1	0.800
	X1.2	0.773
	X1.3	0.788
	X1.4	0.832
	X1.5	0.897
	X1.6	0.847
	X1.7	0.846
	X1.8	0.763
Local Wisdom (Y)	Y1	0.720
	Y2	0.842
	Y3	0.838
	Y4	0.834
	Y5	0.797
	Y6	0.686
	Y7	0.768
	Y8	0.742
	Y9	0.673
	Y10	0.794
Sustainable Competitive Advantage (Z)	Y11	0.768
	Y12	0.861
	Y13	0.838
	Y14	0.818
	Y15	0.692
	Y16	0.470
	Y17	0.807
	Y18	0.745
	Z1	0.647
	Z2	0.708
	Z3	0.629
	Z4	0.809
	Z5	0.881
	Z6	0.859
	Z7	0.823
	Z8	0.865
Z9	0.836	
Z10	0.897	
Z11	0.915	
Z12	0.903	
Z13	0.799	
Z14	0.885	
Z15	0.927	
Z16	0.786	

Source : Research Data Processing 2022

Information about the loading factor value for each manifest variable can be seen in the table above. All latent variable indicators show loading factor values >0.6 , so all indicators are validated, and variables can be measured correctly. The AVE value of the four latent variables is greater than the reported value of 0.5.

Therefore, all variables are declared valid when declaring latent variables, which indicates that the use of manifest variables meets the requirements of the AVE. Therefore, all manifest variables are declared to meet the requirements of convergence validity. Convergence validity proves validity when the concept measuring instrument or the concept measurement results using different methods are highly correlated—discriminant validity. Discriminant validity can be seen from the cross-loading coefficient with constituents and the comparison of AVE with the correlation of latent variables. A variable is said to have high discriminant validity if the correlation between a component and its major scale (each index) is greater than the magnitude of the other components. The value of the lateral load is expressed as:

Table 2. Cross Loading Factor

	Inovation	LW	SCA
X1.1	0.800	0.615	0.258
X1.2	0.733	0.590	0.268
X1.3	0.788	0.475	0.008
X1.4	0.832	0.507	0.258
X1.5	0.897	0.513	0.349
X1.6	0.847	0.459	0.317
X1.7	0.634	0.535	0.364
X1.8	0.763	0.631	0.223
Y1	0.496	0.720	0.491
Y2	0.682	0.842	0.321
Y3	0.568	0.838	0.491
Y4	0.717	0.834	0.383
Y5	0.547	0.797	0.311
Y6	0.452	0.686	0.564
Y7	0.728	0.768	0.495
Y8	0.587	0.742	0.513
Y9	0.500	0.673	0.637
Y10	0.676	0.794	0.333
Y11	0.451	0.768	0.619
Y12	0.706	0.861	0.479
Y13	0.492	0.838	0.584
Y14	0.592	0.818	0.306
Y15	0.526	0.692	0.599
Y16	0.327	0.470	0.358
Y17	0.507	0.807	0.437
Y18	0.521	0.745	0.446
Z1	0.391	0.525	0.647
Z2	0.377	0.520	0.708
Z3	0.287	0.556	0.629
Z4	0.448	0.500	0.809
Z5	0.448	0.447	0.881
Z6	0.483	0.526	0.859
Z7	0.494	0.488	0.823
Z8	0.466	0.538	0.865
Z9	0.441	0.500	0.836
Z10	0.441	0.451	0.897
Z11	0.445	0.489	0.915
Z12	0.424	0.415	0.903
Z13	0.396	0.536	0.799
Z14	0.573	0.564	0.885
Z15	0.445	0.491	0.927
Z16	0.404	0.518	0.786

Source : Research Data Processing, 2022

Based on the results of the PLS software above, we can see that the value of the correlated cross-loading coefficient for each latent structure in the index is higher than the other structures. So the metrics used to measure the latent variables meet the requirements. Confidence tests There are two methods available to test

the reliability of Partial Least Squares (PLS): Composite Reliability (CR) and Cronbach's Alpha and AVE, expressed as:

Table 3. Validity, Construct Reliability & Average Variance Extracted

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Inovation	0.93	0.941	0.619
Market	0.8	0.909	0.833
Product	0.902	0.927	0.728
Proces	0.8	0.881	0.711
Local Wisdom	0.957	0.962	0.587
Local Value	0.721	0.843	0.642
Resources	0.883	0.919	0.74
Skill	0.762	0.863	0.677
Group Solidarity	0.729	0.877	0.781
Local Knowledge	0.875	0.916	0.735
Sustainable Competitive Advantage	0.968	0.972	0.685
Value	0.853	0.901	0.696
Resources	0.926	0.948	0.822
Immatability	0.913	0.945	0.853
Non Substitution	0.935	0.951	0.795

Source : Research Data Processing, 2022

The test results from the table above show that the Combined Reliability (CR) value is above 0.7 and Cronbach's alpha value is above 0.6. Therefore, this concludes that the data is reliable, meaning that all indicators are consistent.

Structural Model Testing (Inner Model)

The measurement of this structural model consists of testing the effect of latent variables on other latent variables. Testing is done by looking at the path score and checking whether the effect is significant from the t-score of the path score (Boothstraping can obtain a t-score). Below is a picture of the results of the cab strapping carried out in this study.

R-square test. The R-squared value can show the effect of the dependent variable. Below is the detection of the R-squared value.

Table 4. R Square

	R Square
Sustainable Competitive Advantage (SCA)	0.383
Local Wisdom (LW)	0.682

Source : Research Data Processing, 2022

Predictive Relevance (Q2)

Q-square measures how well the model's observed values and parameter estimates are generated. a Q-square value greater than 0 (zero) indicates the model has predictive relevance, while a Q-square value less than 0 (zero) indicates that the model has no predictive relevance. Calculate Q2, the formula can be used as follows:

$$Q2 = 1 - (1 - R12)(1 - R22)$$

$$Q2 = 1 - (1 - 0.383)(1 - 0.682)$$

$$Q2 = 1 - (0.617)(0.318)$$

The Q2 value achieved is 0.803, which means that the Q2 value above zero provides evidence that the model has Predictive Relevance.

Hypothesis test

The hypothesis in this study was tested using path coefficient values and t-values to see whether there was a significant effect or not. The path significance test results also show the parameter coefficients' value (original sample). The parameter coefficient shows the significant value of the influence of each research variable.

Table 5. Path Analysis

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Inovation -> SCA	0.179	0.178	0.138	1.296	0.196
Inovation -> LW	0.361	0.373	0.100	3.602	0.000
LW -> SCA	0.433	0.414	0.147	2.936	0.003
Inovation-> LW -> SCA	0.156	0.153	0.067	2.325	0.020

Source : Research Data Processing, 2022

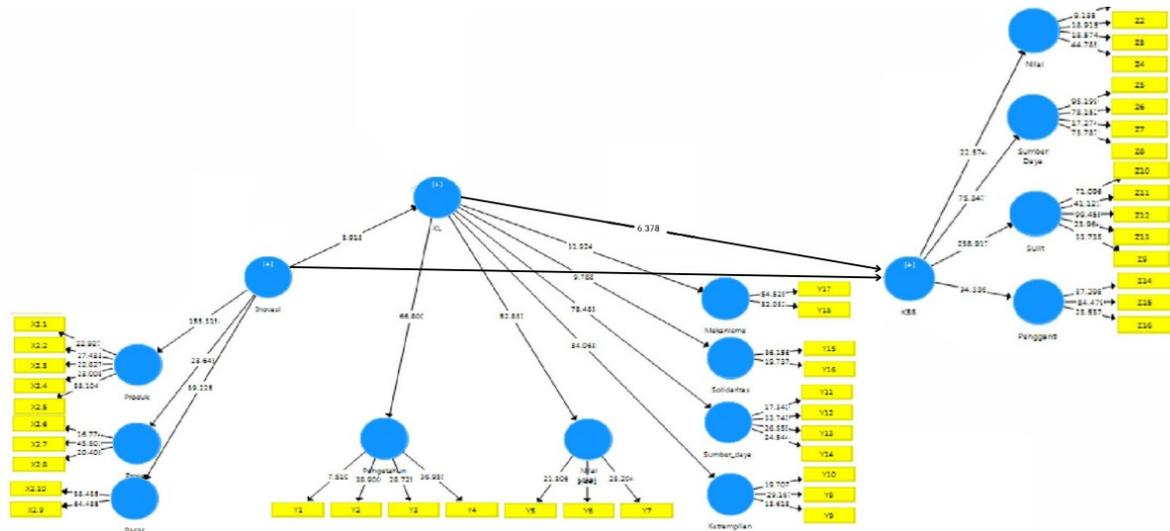


Figure 2. Bootstrapping Model

Innovation towards Sustainable Competitive Advantage with a t-value of 1.296 is more significant than 1.96 with $\alpha = 0.05$, so it can be concluded that H1 is rejected, meaning that there is no direct effect of innovation on sustainable competitive advantage. This study's results align with Bahren et al., (2018) that innovation does not positively affect competitive advantage because, according to Martim de Conto et al., (2016), entrepreneurs think innovatively, which provides added value to be able to compete. Innovation on Local Wisdom with a t-value of 3.602 is more significant than 1.96 with $\alpha = 0.05$, so it can be concluded that H2 is accepted, meaning that there is a significant effect of Innovation on Local Wisdom. The results of this study are confirmed in the research findings of Kuncoro & Suriani (2018) that new product innovations affect sustainable competitive advantage when competitors do not easily imitate them to support long-term business success.

The findings of this study are also in line with the research of Fernández & Briones (2020) that product innovation is not only the process of discovering something new but must provide added value. Innovations that bring added value can be in the form of product authenticity values that competitors do not own. For example, seen from the value of the source of raw materials, the historical value of the philosophy of product authenticity to the value of benefits that are different from competitors so that they are not easily imitated and cannot be easily replaced. Furthermore, local wisdom on sustainable competitive advantage with a t-value of 2.936. This value is more significant than 1.96 with $\alpha = 0.05$, so it can be concluded that H3 is accepted, meaning that local wisdom significantly influences sustainable competitive advantage. In the context of this study, it shows the value of the authenticity of the raw material source originating from local resources. Also, native regional spices whose processing contains the value of Minangkabau cultural philosophy in each dish as a different value of benefits based on local wisdom that competitors do not have.

Innovation towards sustainable competitive advantage is mediated by local wisdom with a t-value of 2.325, and this value is more significant than 1.96 with $\alpha = 0.05$. so it can be concluded that H4 is accepted, meaning that innovation has a significant effect on sustainable competitive advantage mediated by local wisdom. The Variable of Innovation on Sustainable Competitive Advantage mediated by Local Wisdom has an original sample of 0.156 with a positive direction meaning that the better the innovation mediated by local wisdom, the sustainable competitive advantage will also increase by 0.156. The results of this study confirm that innovation can increase competitiveness if using local wisdom as a resource and knowledge and innovation skills to

appear different and provide different added value than competitors. Local wisdom, in this case, serves as a filter from outside culture, integrating outside culture into an indigenous culture as a guide for cultural development. According to (Tupamahu, 2015) cultural integration with the content of unique values serves as a potent identity symbol to appear different from competitors to achieve sustainable competitive ability.

Local wisdom is part of a community culture based on values believed and commonly applied in everyday life from the first to continue from generation to generation (Ife, 2002). This is realized because it comes from the mindset and deep feelings of love for the area of birth. The philosophy of thinking about ingrained character and habits creates a great desire to continue carrying out these customs from generation to generation. The value of local culture in a nation can be seen in the diversity and complexity of cultural arts in all aspects of life. *Traditional food* is an intangible cultural heritage born from the efforts of the people at that time. They build local/traditional knowledge based on an approach to how to comprehensively utilize available natural resources for human life to survive (Maclean et al., 2007).

Food as a cultural heritage marker of ethnic identity is now essential to be discussed further when the era of globalization makes the phenomenon of the commodification of traditional foods possible to eliminate the values of authenticity. The threat to the authenticity of traditional food has become an interesting object that encourages many parties to maintain and preserve it (Stiles et al., 2011). Regional specialties are considered to have a higher quality value because of their historical processes (Chambers et al., 2007).

Traditional food with a distinctive taste can unite strong emotions, experiences, and sensations among these people to unite the taste together as individuals (Di Giovine & Brulotte, 2014). The process is quite long to produce delicious food, for example. To cook rendang, Minang cooks must stand in front of the stove for at least eight hours. Liquid coconut milk is made by mixing various spices and leaves, then boiling until dark brown. Cook the rendang on low heat and stir constantly. With this complex recipe, it is no wonder that rendang is one of the world's most delicious dishes. In Minangkabau, rendang is more than just beef. Chicken, liver, lungs, and eggs can also be used as essential ingredients for rendang. There is also a shop that sells eel rendang in Payakumbuh rice fields and Batu Cage. This rendang is made from dried rice eel mixed with surian leaves, lemongrass, kuesambi root, yam shoots, and bay leaves. All these ingredients are mixed by hand and grilled over coconut leaf charcoal. Apart from rendang, balado dendeng is another popular dish at Padang restaurants. There is also a unique technique for making crispy jerky. Meat sprinkled with spices should be peeled until smooth. The meat is then dried in the sun until slightly dry. After that, grease with oil and fry on low heat. The roast beef is covered with a pre-prepared chili sauce. Slices of red chili are placed on top as a topping to make the dish look special. Minangkabau cuisine does not use machines or dyes.

Natural spices such as ginger, garlic, coriander, nutmeg, lemongrass, and coconut are enough to shape the taste and color of the dish. Another staple of the Padang restaurant is the crispy Rice that comes from Rice with the Super variety, commonly known as Nasi Padang. In addition to the delicious taste, the Padang restaurant manager also cares about how the food is served. However, these innovations can still be found in various packaging forms, such as frozen rendang and frozen lado sauce in various packaging sizes. In addition, we can also find Padang food serving methods in Padang restaurants today, not only served on plates or wrapped in banana leaves but also in rice bowl packaging with modern plastic bowls that are more practical. The competitive advantage that a company strives for can quickly disappear. Companies maintain their competitive advantage only as long as the way they provide it has different attributes according to the primary buying criteria of many customers. Companies must predict what will change rapidly because of the changing environment that changes the structure and culture and other related factors so that the company can benefit from the changing times.

The innovations made by Padang restaurants in the variety of food still prioritize the value of authenticity. It can be seen from the innovation of the production process, which does not fully use technology because they believe the traditional cooking process will produce a unique taste that is different from competitors. However, Padang restaurants have produced rendang with various contents and packaging forms. The primary taste of Minang cuisine is savory and spicy. The savory and spicy taste comes from coconut milk and red chili, which the Minang people widely use. This rich and spicy taste comes from coconut milk and chili and can be mixed with just about any ingredient. Beef, chicken or duck, sea fish, pond fish, chicken eggs, etc. These vegetables include long beans, cassava leaves, ferns, jackfruit, beans, petai, and jengkol. Minang people who process Padang food are known to never skimp on adding spices to their dishes. They mix dishes with wealthy ingredients and spices. Maybe that is why many Indonesians prefer this dish. The spread of Padang cuisine follows localization efforts.

The localization process of this dish resembles the localization of Islam in Minangkabau. It gave birth to a dish called Kari Kas Minang. In Minang, this type of curry is made with flavored coconut milk. Minang

special spices are added to traditional Minang spices. India, the country of origin of curry, does not use spices like those used in traditional Minang spices. However, use ghee with spices. Therefore, people are more familiar with Padang cuisine because the spices in Minang curry are also spices that exist on Indonesian soil and are widely accepted. Product differentiation is a strategy that places products in the market with unique characteristics different from those its competitors offer. Marketers put products and services on the consumer's mind to convince him that the company's products are of unique quality and as desired. Increased awareness of marketers creates a competitive advantage over competitors.

It is the same as what Mujahidin (2016) said: business activities are often related to the values and norms of culture and social life of the embraced community. This cannot be contradicted but must be related and integrated (Aaltonen, 2015; Rusdiyanto, 2013). Over the past decade, it has been known from previous research on food culture both from the perspective of food as a culture of identity and corporate management, emphasizing food culture as an advantage for sustainable competitiveness in global competition. Liu et al., (2015) emphasize that food culture is technology. In this science, there is an art in developing and processing foodstuffs, including production and consumption activities. Besides, there are habits and traditions as thoughts born from food that combine processes and processes in food production functions.

Meanwhile, previous research on the focus of corporate management emphasizes food culture as the unique value of cultural diversity and authenticity as a strength for companies to compete and win a market competition (Liu et al., 2015). Food culture is the accumulation of local culture as the authenticity of cultural heritage. In addition, Rianti et al., (2018) show culture as human intellectual thought that comes from the previous generation's legacy and can be passed on to the next generation.

Based on previous research, this study emphasizes the value of authenticity heritage as a food culture, a unique habit for human life that has differences in each region. In the context of the food culture of Padang restaurants in Pekanbaru, there is a habitual way called food culture in processing and eating food, cultural heritage obtained from past cultural heritage as heritage value from generation to generation. However, food culture is from human habits that are prepared how eating their food becomes a regional cultural identity formed from the process of beliefs, values, norms, and social classes that identify that culture as part of the human self. For Minangkabau food at Padang restaurants, the food creates a Minangkabau cultural identity where they believe that the distinctive taste will reflect the strong cultural identity of the Minangkabau community.

Ultimately, competitive advantage is built and maintained by adding value to customers (Barney, 1997; 2007). Value and cost guide. That is, offering products and services of the same quality at low prices. As a competitor or by differentiation, i.e., It is considered unique in terms of some essential characteristics. Understanding how everyone competes for Relevant resources and skills affects cost and uniqueness is essential to understanding how each provides value to the services offered. Competitive advantage is at the core of our business performance. He refers to the interaction between types of competitive advantage, namely, cost and differentiation, as well as the scope of activities of the firm. The value chain plays an essential role in diagnosing and improving competitive advantage. Sustained competitive advantage creates several barriers that make imitation difficult. No sustainable competition, Fortunately, above-average performance is usually a sign of harvest.

Competitive advantage is providing more excellent value to consumers through low prices or providing products that provide more significant benefits and services to consumers justifying higher prices (Porter, 1985). Insight value creation ideas about sources of competitive advantage. There are three value-added Aspects: Profits received from customers, costs incurred, Specific combinations of the company and its suppliers, and customer giving. Because the company's total added value is also customer value added. Willingness to reduce the cost of using assets and operating costs incurred by suppliers and achieve competitive advantage means businesses increase customer profits and reduce or find innovative transaction supplier costs. With sustainable superior competitiveness, the company must be able to innovate in the form of products that are seen in quantity and quality. This research aligns with Setyawati et al., (2020) that companies must have an indigenous-based appeal to improve their marketing performance. However, Setyawati et al., (2020) do not say that the product attractiveness of the innovations will directly affect sustainable competitive advantage. Therefore, this study answers the gap from previous research that does not clearly explain that innovation based on local wisdom will significantly affect sustainable competitive advantage. It is in line with Barney's (1991) research that high heterogeneity of company resources will provide different added value compared to competitors for more sustainable superior competitiveness, scarce resources, not easily replaced and difficult to imitate.

This study's results align with Setyawati (2019) that products derived from traditional values result from the knowledge and skills of local creative wisdom. The product depicts the culture of the local population, which is an expression of cultural products that play an essential role in creating and reflecting the cultural identity of many cultures among the diversity of cultures around the world. Because this cultural product is considered unique, this product gives a unique charm different from competitors.

Conclusions

The study results are based on the data and analysis carried out. This study concludes that innovation does not directly affect sustainable competitive advantage at Padang restaurants in Pekanbaru. A mediating variable of local wisdom influences innovation toward sustainable competitive advantage. The higher the innovation based on local wisdom, the more sustainable the competitive advantage will be at Padang restaurants in Pekanbaru. Innovation directly affects local wisdom, and local wisdom affects sustainable competitive advantage. This research provides a scientific contribution to the development of the concept of sustainable competitive advantage based on local wisdom. The results of this study also contribute ideas to the Padang restaurant business in Pekanbaru to further increase innovation based on local wisdom by maintaining the value of authenticity of products and processes as a distinct added value as a highly heterogeneous resource different from competitors. The original value of the source of the raw materials used, processing processes that have unique authenticity values according to the Minangkabau cultural philosophy as a source of authenticity and uniqueness values that must be maintained in innovation. So that the innovations carried out to remain a force with different benefits and added value, scarce resources cannot be replaced and are difficult to imitate by competitors. This research has an impact on the development of the concept of sustainable competitive advantage theory based on local wisdom-based approaches.

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