

Navigating the Competitive Landscape: Unraveling the Threads of Sustainable Advantage, Value Co-Creation, and Brand Excellence in a Global Market

The intensifying competition in the worldwide market compels businesses to set themselves apart from rivals, securing a competitive advantage crucial for survival and capitalizing on current growth prospects. According to T.W. Zimmerer and Scarborough (2005), merely establishing a competitive advantage is insufficient; the key to success lies in building a sustainable competitive advantage. Teece et al. (1997) argue that an escalating competitive advantage allows companies to achieve superior performance over a specific period, deriving from the strategic resources they possess. The resource-based approach asserts that companies can attain sustainable competitive advantage and superior benefits by owning and controlling strategic assets, tangible and intangible alike. Among the intangible resources, the brand stands out as a vital asset, often becoming the foundation for competitive advantage and future earnings. Therefore, companies must cultivate competitive advantages, especially in the realm of branding.

Acquiring a superior brand necessitates engaging with customers to create value that translates into excellence, a process achieved through co-creation during consumer experiences (Prahalad and Ramaswamy, 2004). High-quality interactions, emphasizing involvement, risk-benefit analysis, and transparency, are the keys to unlocking new sources of competitive advantage. Over the past decade, the concept of value co-creation has gained prominence, particularly in marketing research (Wong and Lai, 2019; Frempong et al., 2019). Although the direct relationship between value co-creation and brand performance, specifically brand advantage, remains underexplored, it serves as a strategic approach for extracting value from a brand.

Beyond co-creating value with customers, achieving brand benefits requires a perception of quality, known as Perceived Quality (Aaker, 2009). This encompasses the customer's overall perception of a product or service's quality and excellence in alignment with its intended purpose. Meeting consumer expectations with good quality and positive perceived quality builds excellence for a brand or product. Unlike the traditional view of value creation confined within the company (Kotler, 2009), Fuller (2011) argues for collaboration between consumers and companies (value co-creation) to align perceived value with customer expectations, leading to positive perceived quality.

In the pursuit of a competitive advantage, companies worldwide strive for creativity and innovation. However, creativity and innovation demand the exploration of new business opportunities and perspectives to differentiate offerings from competitors. This perspective involves customer engagement and making customers active partners in value and innovation processes (Mane and Diop, 2017), placing customer behavior and attitudes at the forefront of marketing strategies.

Reference:

Mulyana, Deden, Dedi Rudiana, and Adhitya Rahmat Taufiq. "The role of value co-creation based on engagement to develop brand advantage." *Polish Journal of Management Studies* 20.1 (2019): 305-317.