



The Effect of Direct Marketing and Product Quality on Competitive Advantage at PT. Fauzan Water Filterindo

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Abstract	
Keywords: <i>Direct Marketing; Product Quality; Competitive Advantage.</i>	Purpose: This study aims to examine and analyze the effects of direct marketing and product quality on competitive advantage at PT. Fauzan Water Filterindo.
Conflict of Interest Statement: The author(s) declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.	Research Design and Methodology: The research employed a quantitative approach with 95 respondents selected through a purposive sampling method. Data were collected using a structured questionnaire and analyzed using multiple linear regression via SPSS 26.
Copyright © 2025 POVREMA. All rights reserved.	Findings and Discussion: The results indicate that both direct marketing and product quality have a positive and significant impact on competitive advantage. Direct marketing strategies, including face-to-face selling and digital engagement, enhance the company's market positioning. Meanwhile, high product quality improves customer satisfaction and brand loyalty.
	Implications: The findings suggest that companies should invest in direct marketing initiatives and maintain high-quality standards to gain sustainable competitive advantage.

Introduction

In an increasingly competitive market environment, achieving a sustainable competitive advantage has become essential for companies seeking to survive and grow. PT. Fauzan Water Filterindo, a company operating in the water filtration industry, is confronted with challenges related to maintaining its market position and expanding its market share. Two major factors that are believed to influence competitive advantage are direct marketing and product quality.

Direct marketing is a promotional strategy that enables companies to establish direct communication with their consumers without intermediaries. By utilizing channels such as telemarketing, emails, and social media platforms, PT. Fauzan Water Filterindo can tailor its messages more personally, build stronger relationships with customers, and reduce marketing costs while increasing brand loyalty and recognition (Wono et al., 2023). Previous research by Wolsing et al. (2022) also suggests that effective direct marketing can lead to enhanced customer satisfaction and organizational performance.

In addition, product quality plays a pivotal role in shaping competitive advantage. High-quality products are more likely to meet consumer expectations, foster trust, and minimize returns or complaints (Qian et al., 2024). For a company like PT. Fauzan Water Filterindo, maintaining the quality of its water filtration products ensures compliance with safety standards and enhances its reputation in the market. Product excellence also enables firms to differentiate themselves from competitors in terms of durability, conformity to specifications, and reliability (Tjiptono & Chandra, 2017; Wijaya, 2018).

Despite the strategic importance of these two factors, many organizations face difficulties in implementing effective direct marketing strategies while simultaneously upholding superior product quality. These challenges require efficient resource allocation and innovation capabilities, especially amid the rapid digital transformation affecting business environments (Yulianto, 2023). Therefore, a comprehensive understanding of how direct marketing and product quality influence competitive advantage is crucial for business success.

Several prior studies have explored these variables individually; however, research that simultaneously examines the impact of direct marketing and product quality on competitive advantage in the context of water filtration companies remains limited. This study seeks to fill that gap by focusing on PT. Fauzan Water Filterindo. Thus, the primary research questions are:

1. To what extent does direct marketing influence competitive advantage?
2. To what extent does product quality influence competitive advantage?

The novelty of this research lies in its integration of both marketing and production aspects in determining competitive performance within the manufacturing and home utility industry. The study offers insights for companies seeking to balance strategic marketing initiatives with quality control efforts.

Literature Review

Direct Marketing

Direct marketing refers to a form of marketing that allows businesses to communicate directly with targeted consumers to generate a response and foster long-term relationships (Kotler & Armstrong, 2008). According to Kotler and Armstrong (2001), direct marketing encompasses direct interactions with individual customers, often through face-to-face communication, telemarketing, email, and social media. The primary benefit lies in its ability to deliver personalized messages, enhance customer engagement, and create measurable marketing outcomes.

Anggraini et al. (2023) argue that direct marketing is no longer limited to promotional functions but serves as a critical tool for establishing long-term customer loyalty. The growth of digital platforms has further accelerated the use of direct marketing, allowing companies to tailor offerings based on specific consumer needs while minimizing costs. Additionally, the emergence of e-commerce and big data analytics supports marketers in reaching segmented audiences more effectively.

Product Quality

Product quality is the capability of a product or service to meet or exceed customer expectations (Tjiptono & Chandra, 2016). High product quality is typically associated with dimensions such as durability, reliability, and conformance to specifications (Haris & Welsa, 2018). Kotler and Armstrong (2018) describe product quality as a set of attributes that allow a product to fulfill its intended function, which includes performance, features, conformance, reliability, and aesthetics.

Wijaya (2018) adds that quality is ultimately determined by the customer based on their actual experience with the product or service. A product that consistently meets expectations is more likely to gain consumer trust, reduce complaints, and increase repeat purchases. In competitive markets, superior product quality can serve as a strategic differentiator that enhances a firm's reputation and customer retention.

Competitive Advantage

Competitive advantage is defined as a firm's ability to deliver greater value to customers than its competitors, either through lower prices or by providing greater benefits and services (Porter, 1985, as cited by Natalia, 2024). According to Kotler (2000), competitive advantage is derived from the unique value a company creates for its customers that is not easily replicated by competitors.

Reed and Defillippi (1990) emphasize that competitive advantage is a strategic goal rooted in an organization's internal resources and capabilities. Ly (2024) notes that value-creation strategies that are difficult to imitate enable organizations to outperform their competitors. Moreover, Almarri & Gardiner (2014) suggest that sustainable competitive advantage can be achieved when resources are effectively leveraged to deliver superior customer value and performance outcomes.

In the context of the current study, both direct marketing and product quality are considered strategic tools for achieving and sustaining competitive advantage, particularly in industries that are subject to dynamic technological and consumer changes.

Research Design and Methodology

This study applied a quantitative research method to analyze the effect of direct marketing and product quality on competitive advantage at PT. Fauzan Water Filterindo. The research employed an explanatory approach to identify causal relationships among the variables. Data were obtained from 95 respondents selected through purposive sampling, ensuring that participants had sufficient knowledge and experience with the company's marketing and product offerings.

Primary data were collected using a structured questionnaire consisting of statements measured on a Likert scale. The instrument covered indicators related to direct marketing, product quality, and competitive advantage, which were adapted from previous studies to ensure content validity. The validity of the questionnaire was assessed through corrected item-total correlation, where all indicators surpassed the threshold value of 0.30, confirming their validity. In addition, the reliability of the instrument was tested using Cronbach's Alpha, with values of 0.851 for direct marketing, 0.819 for product quality, and 0.931 for competitive advantage—all exceeding the minimum criterion of 0.60, thereby indicating high internal consistency.

Data analysis was performed using multiple linear regression with the assistance of SPSS version 26. This statistical technique was used to simultaneously examine the influence of direct marketing and product quality on competitive advantage.

Findings and Discussion

Findings

To ensure the integrity and accuracy of the data collection instrument, both validity and reliability tests were conducted prior to hypothesis testing.

The validity test employed the Corrected Item-Total Correlation approach, using a minimum threshold of 0.30. All items under the constructs of direct marketing, product quality, and competitive advantage exceeded the threshold, indicating valid measurement instruments.

Table 1. Validity Test Results

Variable	Corrected Item-Total Correlation	Result
Direct Marketing (X1)	0.814	Valid
Product Quality (X2)	0.817	Valid
Competitive Advantage (Y)	0.800	Valid

Source: Primary Data Processing, 2024

Reliability Test

Cronbach's Alpha was used to test internal consistency. All variables demonstrated a Cronbach's Alpha greater than 0.60, indicating high reliability.

Table 2. Reliability Test Results

Variable	Cronbach's Alpha	Threshold	Result
Direct Marketing (X1)	0.851	> 0.60	Reliable
Product Quality (X2)	0.819	> 0.60	Reliable
Competitive Advantage (Y)	0.931	> 0.60	Reliable

Source: Primary Data Processing, 2024

Multiple regression analysis was conducted to test the influence of direct marketing (X1) and product quality (X2) on competitive advantage (Y). The following table presents the results of the regression coefficients:

Table 3. Regression Coefficients

Model	Unstandardized Coefficients (B)	Std. Error	Beta	t-value	Sig.
(Constant)	-5.568	3.242	—	-1.718	.089
X1 (Direct Marketing)	0.549	0.127	0.419	4.323	.000
X2 (Product Quality)	0.589	0.133	0.430	4.434	.000

Dependent Variable: Competitive Advantage (Y)

Source: Primary Data Processing, 2024

This model indicates that a 1% increase in direct marketing will result in a 0.549% increase in competitive advantage, while a 1% improvement in product quality will contribute to a 0.589% rise in competitive advantage, assuming all other variables remain constant. Both independent variables are statistically significant at the 0.05 level ($p < 0.001$).

Discussion

The empirical results confirm that both direct marketing and product quality positively and significantly affect the competitive advantage of PT. Fauzan Water Filterindo. The significant coefficient of direct marketing implies that targeted communication through digital platforms, face-to-face interactions, and telemarketing has strengthened customer engagement. These findings are consistent with the research of Wono et al. (2023) and Anggraini et al. (2023), which emphasize the importance of personalized marketing strategies in enhancing market positioning.

Product quality also demonstrated a strong influence on competitive advantage. Respondents acknowledged that the company's products consistently meet safety and performance expectations, which translates to customer satisfaction and repeat purchases. This aligns with prior findings from Tjiptono & Chandra (2017), Kotler & Armstrong (2018), and Wijaya (2018), who argue that product quality is a key source of sustainable advantage in saturated markets.

Together, these variables illustrate that a firm's ability to combine effective customer communication and high-quality output can significantly elevate its strategic position. These results support the resource-based view (RBV) theory by showcasing how internal capabilities—such as marketing systems and quality control—can create value that is difficult for competitors to imitate.

The quantitative findings are further supported by qualitative insights, as several customers reported improved satisfaction and trust in both the company's promotional efforts and product performance. These perceptions reinforce the model's applicability and confirm the strength of the hypothesized relationships in the water filtration industry context.

Conclusion

This study has empirically demonstrated that both direct marketing and product quality have a significant and positive impact on the competitive advantage of PT. Fauzan Water Filterindo. The statistical analysis revealed that direct marketing contributes to enhancing consumer relationships and

brand perception, while high product quality reinforces customer satisfaction and loyalty. Together, these factors help the company achieve a stronger market position and sustain its competitive edge in the water filtration industry.

The findings of this research offer valuable contributions to both academic inquiry and business practice. From a theoretical perspective, the study supports the resource-based view (RBV), confirming that firm-specific resources such as marketing capabilities and product excellence play a crucial role in strategic advantage. From a managerial standpoint, the results emphasize the need for integrated strategies that combine effective marketing execution with consistent product quality, particularly in industries where consumer trust and differentiation are critical.

Nevertheless, this study has certain limitations that should be acknowledged. The sample was limited to a single company and geographic area, which may constrain the generalizability of the results. Additionally, the study relied on cross-sectional data, which restricts causal inference over time. Future research may explore broader samples across different industries, apply longitudinal designs, and incorporate moderating or mediating variables such as brand image or customer satisfaction to gain a deeper understanding of the dynamics between marketing, quality, and competitive advantage.

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