

Integrating Product Quality Dimensions into Competitive Advantage Strategies: A Thematic Synthesis Toward Sustainable Value Creation

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Abstract

This study explores how product quality dimensions can be strategically integrated into competitive advantage frameworks to create sustainable value. Despite extensive discussions on product quality and business strategy, few studies have systematically examined how quality functions within cost leadership, differentiation, and focus strategies in the digital economy era—particularly among SMEs. Using a thematic synthesis approach, this study reviews and critically analyzes academic publications from 2020–2025 obtained from Scopus, DOAJ, and Google Scholar. The findings reveal that product quality acts as a multidimensional strategic lever that connects cost efficiency, innovation-driven differentiation, and adaptive focus strategies. The study further highlights that digitalization and data-driven management systems enhance the synergy between quality, price, and promotion, enabling firms to sustain competitive advantage in volatile markets. Theoretically, this review contributes an integrative conceptual framework linking product quality to strategy typologies, while practically offering guidance for SMEs and business managers to design efficient yet value-creating quality strategies.

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INTRODUCTION

In today's hypercompetitive and digitalized business environment, product quality is no longer perceived as a purely operational attribute but as a core component of strategic management. Firms across industries increasingly recognize that quality excellence determines not only short-term profitability but also long-term sustainability and brand legitimacy. According to Porter (1985), competitive advantage arises when firms effectively implement strategies of cost leadership, differentiation, or focus each requiring consistent alignment with value-creating activities. However, Douglas (1987) and Garvin (1987) argue that such strategies must be supported by robust quality management to ensure that competitive advantage is both sustainable and replicable. Quality thus evolves from a technical construct into a multidimensional strategic asset.

Classical perspectives emphasize quality as conformance to standards, reliability, and product performance. Yet, in the contemporary business landscape characterized by rapid digital transformation and consumer empowerment, quality now encompasses broader dimensions emotional, aesthetic, and experiential (Ulrich & Eppinger, 2016; Kim & Mauborgne, 2004). The integration of advanced technologies such as Artificial Intelligence (AI), Internet of Things (IoT), and big data analytics has further redefined the relationship between product quality and competitive advantage (Tojiri, 2023; Du & Wang, 2023). Within this context, firms are challenged not only to maintain cost efficiency but also to sustain differentiation and adaptability to changing consumer preferences. The tension between cost leadership and perceived quality, often referred to as the "efficiency–quality paradox," remains a critical managerial challenge (Hill et al., 2014).

From the theoretical standpoint, the Resource-Based View (RBV) suggests that quality-related capabilities—such as superior design, innovation, and brand trust constitute valuable, rare, and hard-to-imitate resources that lead to sustained competitive advantage (Barney, 1991; Barney & Mackey, 2021). More recent frameworks such as dynamic capabilities (Teece, 2020) and digital transformation theory (Müller, 2022) further expand this logic by positioning quality adaptability as a strategic mechanism that enables firms to renew competitive advantage in volatile digital markets. Yet, despite extensive literature on both competitive strategy and quality management, few studies systematically integrate product quality dimensions across the three generic strategies in the context of SMEs and digital ecosystems. Most research remains fragmented either focusing on cost efficiency (Du & Wang, 2023), differentiation (Kusnanto & Aprilia, 2024), or niche adaptation (Prima et al., 2023) without providing a unified conceptual synthesis.

In emerging economies like Indonesia, this challenge is particularly salient for small and medium enterprises (SMEs), which face resource constraints while competing in increasingly digitalized markets. Research by Harjadi et al. (2020), Fauzi (2021), and Farida & Setiawan (2022) has shown that SMEs adopting quality-based differentiation supported by digital marketing and process innovation experience superior competitiveness and brand resilience. However, these studies are often descriptive, focusing on single variables rather than systemic integration. SMEs frequently struggle to balance cost efficiency with quality enhancement, leading to inconsistent product performance and weak consumer loyalty. The inability to institutionalize quality within strategic planning processes has become a structural obstacle to sustained competitiveness in the SME sector.

At the global level, firms are facing similar strategic realignments. Digital ecosystems, sustainability imperatives, and shifting consumer values have forced companies to rethink the meaning of "quality." According to Müller (2022) and Teece (2020), sustainable

competitive advantage in the digital age depends on a firm's ability to integrate quality management into broader organizational agility and innovation systems. This integration allows firms to balance efficiency, differentiation, and adaptability simultaneously what scholars refer to as strategic ambidexterity. The interplay between technological capability, cost management, and customer perception of quality thus becomes a decisive factor for long-term survival. The literature, however, has not yet provided a coherent synthesis linking these multidimensional aspects into a unified theoretical model.

Furthermore, existing studies rarely explore how the synergy among price, quality, and promotion operates as an integrated mechanism for sustainable value creation. Kotler and Keller (2016) and Lopez et al. (2021) suggest that value perception is not determined solely by superior quality but by how that quality is communicated and priced in the market. Yet, few studies have connected this triadic relationship within the framework of competitive advantage strategies. In the context of Indonesia's local industries, digital marketing platforms such as Tokopedia, Shopee, and Instagram provide new opportunities for SMEs to enhance perceived quality through storytelling, certification, and customer engagement (Antaranews, 2023). However, the strategic alignment between these promotional tools and core quality management remains underexplored in academic literature.

Another critical gap lies in the limited discussion of sustainability orientation in competitive advantage models. The global shift toward green production, ethical consumption, and circular economy practices has significantly altered how quality is perceived and managed. Studies by Ahmad et al. (2022) and Rukaiyah et al. (2025) emphasize that integrating sustainability indicators such as eco-efficiency, ethical sourcing, and digital transparency enhances both quality reputation and strategic resilience. Despite this, few reviews have conceptually mapped how sustainability-oriented quality strategies operate within the cost differentiation focus triad. Addressing this omission can contribute to the advancement of sustainable management theory and provide actionable insights for policymakers and business practitioners.

In summary, the existing literature offers rich but fragmented insights into the relationship between product quality and competitive advantage. While previous research has separately examined cost leadership, differentiation, and focus strategies, limited integrative reviews have mapped how product quality dimensions function across these typologies particularly in the digital economy and sustainability contexts. Addressing this gap, the present study aims to develop a conceptual integration between product quality and competitive advantage strategies using a thematic synthesis of recent literature (2020–2025). By critically reviewing empirical and theoretical contributions, this research seeks to construct a framework that links quality dimensions, strategic orientation, and sustainable value creation providing both academic insight and practical guidance for SMEs and large corporations navigating digital competition.

METHODS

This study adopts a library research design using a thematic synthesis approach, aiming to integrate theoretical and empirical insights on how product quality dimensions shape competitive advantage strategies. The methodological orientation follows the principles of qualitative content analysis as described by Raco (2020) and Neuman (2022), emphasizing systematic data collection, critical interpretation, and conceptual integration across diverse scholarly sources. Unlike a conventional literature review, thematic

synthesis enables the identification of cross-cutting themes and theoretical linkages that contribute to model building and framework development (Thomas & Harden, 2008).

Data Sources and Search Procedure

To ensure data credibility and replicability, the literature search was conducted systematically through multiple academic databases: Scopus, DOAJ (Directory of Open Access Journals), Google Scholar, and ScienceDirect. The inclusion of open-access and indexed databases aimed to balance global and local scholarly representation. The search was limited to the publication period 2020–2025 to capture the most recent developments in strategic management, product quality, and digital transformation studies.

The following keywords and Boolean operators were used:

(“product quality” OR “quality management”) AND (“competitive advantage” OR “business strategy”) AND (“SMEs” OR “digital transformation” OR “sustainability”).

The initial search yielded 186 articles, from which 57 were retained after screening for relevance, language (English or Indonesian), and conceptual focus on the relationship between quality and strategy. Exclusion criteria included: (1) papers with purely quantitative focus without conceptual discussion, (2) studies unrelated to strategy or quality management, and (3) non-peer-reviewed materials such as theses or conference summaries. Reference snowballing was also applied to identify additional seminal works (e.g., Porter, 1985; Garvin, 1987; Barney, 1991) that remain foundational to contemporary analysis.

Inclusion and Exclusion Criteria

Table 1. Inclusion and Exclusion Criteria

Criterion	Inclusion Standard	Exclusion Standard
Publication Year	2020–2025	Prior to 2020 (unless seminal)
Source Type	Peer-reviewed journal articles, books, and indexed reports	Theses, non-academic papers, or news articles
Language	English or Indonesian	Other languages
Focus	Product quality, strategy, or sustainable competitive advantage	Studies without strategic context
Methodological Scope	Theoretical, conceptual, or mixed-method	Purely quantitative descriptive statistics

Data Extraction and Thematic Coding

The selected studies were analyzed using a content analysis framework, involving three main stages (Neuman, 2022):

1. Data Familiarization – each paper was read in full, focusing on research purpose, theoretical framework, and findings related to quality–strategy relationships.
2. Coding and Categorization – key statements, concepts, and variables were coded using open and axial coding procedures. Emerging themes were grouped according to strategic typologies (cost leadership, differentiation, focus, and synergy).
3. Thematic Integration – patterns and conceptual overlaps were synthesized to develop higher-order themes, leading to the construction of a conceptual model linking quality dimensions, strategy types, and outcomes.

To enhance methodological rigor, the thematic synthesis followed a modified PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) flow, ensuring transparency in the selection process. Two independent coders validated the thematic clusters, and discrepancies were resolved through discussion to ensure reliability.

Summary of Reviewed Studies

Table 2 presents a condensed summary of representative studies that informed the synthesis process. The table illustrates the diversity of contexts and highlights how product quality has been operationalized across strategic typologies and industry sectors.

Table 2. Summary of Key Reviewed Studies (2020–2025)

Author(s) & Year	Context / Sector	Key Findings	Thematic Category
Harjadi et al. (2020)	Batik SMEs, Indonesia	Digitalization of quality processes enhances competitiveness and efficiency.	Cost Leadership & Digital Quality
Fauzi (2021)	Halal SMEs	Product innovation and quality orientation strengthen sustainable differentiation.	Differentiation Strategy
Du & Wang (2023)	A-share Firms, China	Big data analytics improve cost control and quality performance simultaneously.	Cost–Quality Integration
Prima et al. (2023)	Batik Lendah SMEs	Localized quality adaptation improves niche competitiveness.	Focus Strategy
Vidiastutik & Kartono (2024)	PT Unilever Indonesia	Integration of quality and financial strategy increases brand loyalty.	Quality–Finance Synergy
Müller (2022)	Global review	Digital transformation enhances sustainable competitive advantage.	Dynamic Capability & Sustainability

Analytical Procedure

After thematic coding, a conceptual mapping process was conducted to visualize relationships among the key constructs:

- Independent Dimensions: Product Quality Elements (performance, reliability, aesthetics, sustainability, perceived value).
- Strategic Typologies: Cost Leadership, Differentiation, Focus.
- Mediating Mechanisms: Digitalization, Innovation, and Organizational Capability.
- Outcomes: Sustainable Competitive Advantage and Value Creation.

The mapping process involved iterative refinement—each theme was linked to theoretical foundations (Porter, 1985; Garvin, 1987; Barney, 1991; Teece, 2020) and validated through cross-case evidence from reviewed literature. The resulting conceptual framework will be presented in the Discussion section, illustrating how quality dimensions operate synergistically within strategic typologies.

Validity and Reliability Considerations

To ensure analytical credibility, triangulation was applied by comparing findings across databases, sources, and theoretical perspectives. Reflexivity was maintained throughout the synthesis process to minimize researcher bias. Furthermore, reliability was supported through systematic documentation of coding decisions, ensuring that the study can be replicated by future scholars seeking to expand or empirically test the proposed model.

RESULT AND DISCUSSION

RESULTS

Data Extraction Outcomes

From the systematic screening of 186 publications, 57 peer-reviewed studies were retained after applying the inclusion and exclusion criteria (Table 2). The extraction process identified four dominant variables across the literature: (1) *Product Quality Dimensions*, (2) *Competitive Strategy Typologies*, (3) *Digital Transformation Factors*, and (4) *Sustainability Orientation*. Each article was coded manually using NVivo-assisted open and axial coding procedures.

Table 3. Summary of Extraction Results (Simplified Example of 10 Representative Studies)

Author (Year)	Sector / Context	Key Conceptual Focus	Extracted Codes	Emerging Themes
Harjadi et al. (2020)	Batik SMEs	Digital process standardization	cost efficiency, defect reduction	Cost-Quality Integration
Fauzi (2021)	Halal SMEs	Product innovation & differentiation	innovation, consumer trust	Differentiation
Du & Wang (2023)	Manufacturing China	Big data and cost control	analytics, reliability, cost efficiency	Digitalized Efficiency
Prima et al. (2023)	Batik Lendah SMEs	Localized adaptation	local taste, niche strategy	Focused Quality Adaptation
Farida & Setiawan (2022)	Culinary SMEs	Service consistency	consumer loyalty, local value	Experiential Quality
Ahmad et al. (2022)	Malaysian SMEs	Digital quality systems	digitalization, TQM	Digital Transformation
Vidiastutik & Kartono (2024)	Manufacturing	Integration of quality and finance	synergy, performance	Quality-Finance Synergy
Soemali (2023)	Service (Bicycle workshop)	Loyalty through quality control	reliability, satisfaction	Quality-Loyalty Link
Müller (2022)	Global Review	Digital transformation and sustainability	green innovation, adaptive quality	Sustainability Synergy
Tojiri (2023)	Tech Industry	AI, IoT for product innovation	smart manufacturing, aesthetics	Smart Quality Differentiation

After multiple rounds of extraction, 312 initial codes were generated. These were refined through axial coding into 12 sub-themes, and finally collapsed into 4 major thematic categories that represent the structure of the findings.

Overview of Thematic Coding Process

A total of 57 journal articles were analyzed using open and axial coding procedures. From 312 initial codes, 12 sub-themes were identified and then condensed into 4 dominant thematic clusters that explain the link between product quality and competitive advantage. The distribution of thematic occurrences is presented below.

Table 4. Distribution of Codes and Theme Frequency (N = 57 articles)

Major Theme	Sub-Themes (Condensed)	Frequency of Occurrence	Representative Sources
Digitalized Cost Leadership	Lean process, cost control, efficiency, digital monitoring	48 (84%)	Du & Wang, 2023; Harjadi et al., 2020
Sustainable Differentiation	Innovation, sustainability, halal value, brand story	52 (91%)	Ahmad et al., 2022; Kusnanto & Aprilia, 2024
Contextual Quality Focus	Local adaptation, niche identity, customer intimacy	43 (75%)	Prima et al., 2023; Farida & Setiawan, 2022
Triadic Synergy (Quality–Price–Promotion)	Value communication, pricing fairness, digital branding	38 (67%)	Lopez et al., 2021; Kotler & Keller, 2016

The coding reliability (inter-coder agreement) reached Cohen’s Kappa = 0.84, indicating high internal consistency among coders. The next subsections detail the empirical characteristics of each theme.

Digitalized Cost Leadership

Findings from 48 out of 57 studies confirm that firms are shifting from traditional low-cost competition to data-driven efficiency models. Coding analysis revealed recurring clusters: “big data analytics,” “lean production,” “standardization,” and “process monitoring.”

SMEs in Indonesia (Harjadi et al., 2020; Farida & Setiawan, 2022) and Malaysian SMEs (Ahmad et al., 2022) showed a similar pattern—cost savings of 15–30% after applying digital-based quality control systems.

Key Empirical Patterns:

- 81% of analyzed studies link cost leadership directly to product reliability and defect reduction.
- 65% emphasize the role of digital systems as the mediator between cost reduction and quality assurance.
- 42% report improved customer satisfaction as a secondary outcome of cost–quality integration.

These patterns empirically confirm that cost leadership in the digital economy no longer implies quality sacrifice but value-efficient performance, supported by technological control systems.

Sustainable Differentiation through Innovation

Thematic analysis shows that sustainable differentiation emerged as the most dominant theme (52 occurrences, 91%). Most studies discuss the transformation of differentiation from purely functional superiority to innovation and ethical responsibility.

Table 5. Thematic Evidence for Sustainable Differentiation

Code Cluster	Frequency	% of Total Studies (N=57)	Illustrative Statements / Findings
Product Innovation & Design	37	65%	SMEs integrating eco-design report higher customer loyalty (Ahmad et al., 2022).
Ethical / Halal Assurance	29	51%	Halal certification enhances trust and brand legitimacy (Fauzi, 2021).

Code Cluster	Frequency	% of Total Studies (N=57)	Illustrative Statements / Findings
Sustainability Orientation	33	58%	Firms adopting green innovation achieve both environmental and economic benefit (Müller, 2022).
Emotional Branding & Storytelling	25	44%	Digital storytelling increases perceived quality and willingness to pay (Kusnanto & Aprilia, 2024).

Analytical Result:

- The convergence of innovation, ethics, and sustainability formed a new thematic construct termed “ethical differentiation.”
- Studies consistently reported that when sustainability and quality narratives are aligned, firms achieve stronger market positioning and reputation durability.
- Empirically, 61% of sources explicitly link differentiation success to digital transformation tools (AI, IoT, eco-monitoring apps).

Contextual Quality Focus

Contextual adaptation was identified in 43 studies (75%), especially within SME and creative industries. Quality adaptation themes include cultural fit, local material utilization, and digital micro-targeting of specific audiences.

Table 6. Thematic Evidence for Contextual Quality Focus

Code Cluster	Frequency	% of Total Studies	Key Findings
Local Cultural Adaptation	26	46%	Batik SMEs incorporating local motifs enhance sales and identity value (Prima et al., 2023).
Niche Market Personalization	21	37%	Custom menu or packaging increases loyalty in culinary SMEs (Farida & Setiawan, 2022).
Community-Based Marketing	18	32%	Peer endorsements on social media strengthen trust and repeat purchase (Smith & Wang, 2021).
Digital Feedback Systems	15	26%	Real-time reviews allow quick product improvements and reduced complaints.

Analytical Result:

- Data show that firms emphasizing cultural authenticity and customer intimacy outperform those pursuing broad standardization.
- The theme substantiates *Barney’s (1991)* claim that unique, socially embedded capabilities create inimitable value sources.
- The integration of local culture and digital responsiveness produces a hybrid model of “glocalized quality strategy.”

Triadic Synergy of Quality, Price, and Promotion

A total of 38 studies (67%) demonstrate that competitive advantage arises from coherent alignment between product quality, fair pricing, and effective promotion. This triadic pattern dominates literature on digital SMEs and consumer brands.

Table 7. Thematic Evidence for Triadic Synergy

Code Cluster	Frequency	% of Total Studies	Representative Findings
Quality-Price Balance	28	49%	Balanced pricing and quality consistency increase customer loyalty (Lopez et al., 2021).
Integrated Promotion Strategy	22	39%	Firms using consistent quality narratives achieve higher trust indices (Kotler & Keller, 2016).
Value Bundle or Loyalty Program	17	30%	Promotions emphasizing value rather than discount sustain margins (Antaranews, 2023).
Certification and Transparency	13	23%	Quality assurance labels (halal, ISO) elevate perceived brand credibility.

Analytical Result:

- Across 38 cases, customer perceived value emerged as the mediating construct linking these three variables.
- Statistical content comparison revealed that studies discussing all three elements reported 30–40% stronger loyalty outcomes than those discussing quality alone.
- The synergy reflects *Kotler's (2016)* integrated marketing model, where alignment among quality, pricing, and communication creates a self-reinforcing value loop.

Validity and Reliability of Findings

To ensure the robustness of results, the following validation techniques were applied:

Table 8. Validity and Reliability of Findings

Validation Dimension	Technique Used	Evidence / Score
Credibility	Source triangulation across Scopus, DOAJ, and Google Scholar databases	57 credible sources included
Dependability	Inter-coder agreement (Cohen's Kappa)	0.84
Confirmability	Cross-review audit trail and thematic memo validation	Completed in two cycles
Transferability	Comparative assessment across SME, manufacturing, and service sectors	Themes replicated in 87% of cases
Thematic Saturation	No new codes after 54th article	Achieved

This validation confirms that the four themes are empirically grounded and transferable across diverse industry contexts

DISCUSSION

The results of this thematic synthesis reveal that the relationship between product quality and competitive advantage strategies is multidimensional, dynamic, and contextually mediated by digital transformation. The four validated themes Digitalized Cost Leadership, Sustainable Differentiation, Contextual Quality Focus, and Triadic Synergy offer an integrated lens for understanding how organizations sustain value creation in modern business ecosystems. Beyond strategic and managerial implications, these themes resonate strongly with Islamic economic principles emphasizing efficiency (*ihsan*), justice (*‘adl*), and value-based competition (*maslahah*).

Digitalized Cost Leadership: Efficiency with Integrity

The theme of digitalized cost leadership emphasizes that technology has transformed cost efficiency from a trade-off mechanism into a quality enabler. Studies by Du & Wang (2023) and Kim et al. (2021) demonstrate that big data analytics, lean systems, and automated quality control allow firms to reduce waste while maintaining product consistency. This corresponds with Hill et al. (2014), who argue that cost optimization in the digital era relies more on knowledge and process integration than on price cutting.

In Islamic economics, the pursuit of efficiency aligns with the principle of *itqan* (perfection in work) and the moral obligation to avoid *israf* (wastefulness). The Qur'an explicitly warns, "*Indeed, the wasteful are brothers of the devils*" (Q.S. Al-Isra: 27). Cost leadership, when guided by ethical and technological efficiency, reflects stewardship (*khilafah*) and responsibility in managing resources. Prophet Muhammad ﷺ said: "*Allah loves that when anyone of you does a job, he should perfect it*" (HR. al-Bayhaqi). This principle transforms cost leadership into a form of *ihsan* a continuous improvement mindset grounded in moral accountability. Therefore, digitalized efficiency under an Islamic paradigm is not merely a strategic option but an ethical imperative for sustainable business.

Sustainable Differentiation: Innovation as Stewardship

The second theme, sustainable differentiation, emphasizes that product innovation now incorporates ethical and environmental dimensions. Ahmad et al. (2022) and Müller (2022) show that firms integrating sustainability indicators such as ecofriendly materials, halal assurance, and transparency create unique, hard-to-imitate market positions. This supports the *triple bottom line* approach, where competitiveness is achieved through economic, social, and ecological balance. From a resource-based perspective (Barney, 1991), sustainability becomes an intangible asset that enhances brand legitimacy and long-term advantage.

In the Islamic perspective, innovation (*tajdid*) must serve the collective good (*maslahah 'ammah*). The Qur'an reminds: "*And do good as Allah has done good to you, and do not seek corruption on the earth*" (Q.S. Al-Qasas: 77). This ethical command implies that innovation should generate benefit without exploitation or environmental harm. Differentiation in the form of halal-certified, environmentally friendly, and socially responsible products embodies the maqasid al-shariah principles of *hifz al-nafs* (preservation of life) and *hifz al-bi'ah* (preservation of environment). Thus, sustainable differentiation not only creates market value but also fulfills spiritual accountability by aligning innovation with divine stewardship.

Contextual Quality Focus: Local Adaptation and Cultural Authenticity

The focus strategy, as confirmed by Prima et al. (2023) and Farida & Setiawan (2022), highlights how SMEs can sustain competitiveness by tailoring product quality to cultural and local needs. The thematic coding revealed that *localized excellence* embedding local aesthetics, halal standards, and community-based branding drives deeper consumer trust. This supports the argument of Smith & Wang (2021) that personalization through data-driven market segmentation enhances niche competitiveness in digital ecosystems.

In Islamic business ethics, contextual adaptation aligns with the value of *'urf* (local wisdom) as a legitimate source of economic practice, provided it does not contradict shariah principles. Prophet Muhammad ﷺ was known to respect local customs in trade as long as fairness and honesty were maintained. The Qur'an promotes inclusivity and contextual understanding: "*And We have made you peoples and tribes that you may know*

one another” (Q.S. Al-Hujurat: 13). Hence, the focus strategy becomes an instrument for *ukhuwah iqtisadiyyah* (economic brotherhood), where businesses respect cultural diversity while maintaining quality and compliance. In this light, contextual quality focus represents a form of *adl* (justice) in value creation serving specific communities according to their authentic needs.

Triadic Synergy of Quality, Price, and Promotion: Integrated Value Creation

The synergy among quality, price, and promotion emerges as the most holistic theme connecting the findings. Studies by Lopez et al. (2021), Kotler & Keller (2016), and Aaker & McLoughlin (2010) collectively highlight that long-term consumer trust arises from alignment between these three elements. In Islamic economics, this triadic integration corresponds to *al-mizan* (balance) ensuring fairness in trade, transparency in communication, and consistency in product performance. The Qur'an commands, “Give full measure and weight with justice and do not deprive people of their due” (Q.S. Al-A'raf: 85).

When businesses align fair pricing with authentic quality and truthful promotion, they embody *amanah* (trustworthiness), a core principle of shariah-based commerce. Prophet Muhammad ﷺ stated: “The truthful and trustworthy merchant will be with the Prophets, the truthful, and the martyrs” (HR. al-Tirmidzi). This synergy transforms marketing strategy into a moral practice rooted in honesty (*sidq*) and justice (*'adl*). Consequently, the harmony of quality, price, and promotion represents the operationalization of *falah* (well-being) ensuring that business growth delivers both material success and spiritual prosperity.

The Integrated Theoretical-Shariah Perspective

Synthesizing all four themes reveals that competitive advantage in the digital era cannot be separated from ethical and spiritual integrity. The proposed Multidimensional Quality Strategy Integration Model combines classical strategy theories (Porter, 1985), resource-based logic (Barney, 1991), and dynamic capabilities (Teece, 2020) with Islamic ethical foundations of *ihsan*, *adl*, and *maslahah*. From an academic standpoint, this integration represents a paradigm shift from value competition to value creation with purpose, where digital transformation becomes a means of realizing *maqasid al-shariah* in economic activity.

Empirically, the model offers a practical framework for SMEs and large corporations to implement quality-centered, ethically compliant business strategies. The balance between cost, differentiation, and focus mediated by digital tools and governed by ethical principles creates a sustainable competitive advantage that transcends material profitability. In the spirit of the Qur'an's principle, “So compete in doing good” (Q.S. Al-Ma'idah: 48), Islamic business competition should not merely seek market dominance but strive toward moral excellence and societal benefit.

CONCLUSION

This study concludes that competitive advantage in the digital economy is increasingly determined by the strategic integration of product quality across cost leadership, differentiation, and focus strategies. Thematic synthesis of 57 scholarly works reveals four dominant themes digitalized cost leadership, sustainable differentiation, contextual quality focus, and triadic synergy of quality price promotion each supported by strong empirical and theoretical evidence. These findings affirm that quality is no longer a supporting element of business operations but a strategic driver that aligns efficiency, innovation, and

market relevance. The validated results demonstrate that when digitalization mediates quality control and strategic coherence governs pricing and promotion, firms—especially SMEs—achieve superior customer loyalty and sustainable competitiveness.

From the Islamic economic perspective, this integrative model embodies the principles of *ihsan* (excellence), *adl* (justice), and *maslahah* (societal benefit). Quality improvement through ethical innovation and resource efficiency reflects stewardship (*khilafah*) in business conduct, as the Qur'an commands, "Indeed, Allah loves those who act with excellence" (Q.S. Al-Baqarah: 195). Therefore, sustainable competitive advantage is not merely an economic outcome but a moral pursuit rooted in trust (*amanah*) and responsibility. The proposed multidimensional framework offers both theoretical advancement for strategic management scholarship and practical guidance for businesses aiming to achieve *falah* holistic success encompassing profitability, sustainability, and ethical accountability.

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