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THE INFLUENCE OF LOCAL WISDOM, REPUTATION, AND INNOVATION ON CONSUMER SATISFACTION THROUGH COMPETITIVE ADVANTAGE IN FOUR-STAR HOTELS IN MAKASSAR CITY

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ABSTRACT

Research objectives:

- 1) To partially analyze the influence of local wisdom, reputation and innovation on competitive advantage,
- 2) To partially analyze the influence of local wisdom, reputation and innovation on consumer satisfaction,
- 3) To analyze the influence of competitive advantage on consumer satisfaction,
- 4) To analyze the influence of local wisdom, reputation and innovation partially on consumer satisfaction through competitive advantage,

Quantitative research approach. The population was 122,450 people and the sample was 399 people. Data collection methods use questionnaires. Method of collecting samples by purposive sampling. The analysis method uses the Structural Equation Model (SEM)-Partial Least Square.

The results showed that:

- 1) Local wisdom, reputation and innovation partially positively and significantly affect competitive advantage,
- 2) Local wisdom, reputation and innovation partially positive and significant influence on consumer satisfaction,
- 3) Competitive advantage positively and significantly on consumer satisfaction,
- 4) Local wisdom, reputation and innovation partially positive and significant to consumer satisfaction through competing advantages,

KEYWORDS: Local Wisdom, Reputation, Innovation, Consumer Satisfaction, Competitive Advantage

INTRODUCTION

A. Background

One of the business sectors affected is quite severe with the Covid-19 pandemic is the hospitality business. The impact of the Covid-19 pandemic made the hotel industry very bad and even forced to close its activities and lay off a number of its employees. Hotel is one form of business engaged in service to hotel guests both physically, psychologically and safely while guests use facilities or enjoy services at the hotel. (Agusnawar, 2000:1). However, in the midst of the Covid-19 pandemic, the hotel industry still proclaims consumer satisfaction as its strategic goal.

Satisfied consumers are mirrored through re-purchase, word of mouth, creating a purchase decision at the same hotel, no complaints (Suwardi, 2011). Conversely, if the performance of products and services function worse than expected, then consumers will have feelings of disappointment and consumers feel dissatisfied (negative discount). Consumers who feel dissatisfied cause complaint behavior, such as negative communication, stop buying products, complain, and complain third party (Santos & Boote, 2003).

Objects of research on Hotel Claro Makassar, Swiss-Belhotel Makassar, Makassar Golden Hotel, Hotel Horizon Ultima, and Hotel Gammara. In general, hotel products have four special characteristics: real products (hotel rooms, restaurants & bars), meeting rooms, sports facilities, swimming pools, entertainment, laundry & dry cleaning), unreal products (safety, order, cleanliness, beauty, coolness, hospitality), perishable products (selling food restored & souvenirs), non perishable products (toiletries, soft drinks, free Wi-Fi, and free mineral water).

The survey results showed consumer satisfaction at each hotel was not yet up to standard. It also indicates that consumers who feel dissatisfied can cause various negative impacts for the hotel, such as the emergence of complaints, negative Tulare, disloyalty and lack of recommendations. There are several factors that affect consumer satisfaction based on findings from some previous researchers, such as local wisdom (Andi, 2017; Adnan, 2019), hotel reputation (Cempakasari and Yoestini, 2003; Shite et al., 2016; Alan and William, 2016; Bachelor & Khayati, 2017), reputation (Balakrishnan, 2020; Rimsha, 2019; Winda et al., 2020; Vista and Mukarram, 2020; Antanegoro and Sanusi, 2017), innovation (Mulyadi, 2016; Zainurosaalama et al., 2016), and competitive advantage (Junida, 2019).

Competitive advantage is created by equal competence, so that hotels are able to create differences and create critical factors for industry success, causing hotels to have achievements than their competitors (Yuni, 2010: 125). The advantage of competing can be seen from the position of hotel competition analyzed using the strengths and weaknesses of hotels when compared to competitors (Nicky, 2015: 71). Hotels that have the advantage of competing can increase consumer satisfaction. This is because the hotel has a unique service, rarely found, not easily imitated, and competitive prices. Research from Junida (2019) proves that competitive advantage has a positive and significant effect on consumer satisfaction.

Local wisdom is related to the personality, cultural identity of the community, which is in the form of values, norms, ethics, beliefs, customs, and special rules accepted by the community and tested its ability so that it can survive continuously (Dewi, 2012). Bugis and Makassar tribes inhabit many central and central zones of South Sulawesi. These two tribes, almost indistinguishable, because both are obedient adherents of Islam, in addition to the intermingling through marriage. The main difference is evident in the particular language and aspects of culture that are typical of communities in rural areas.

The survey results showed local wisdom measured through adatongeng (according to words and deeds), lempu (honesty), getting (determination and firmness of attitude), sipakatau (humanizing each other), and mappesona ri dewata seuwae (relationship with its creator) apparently still needs to be a concern from the hotel manager. This is because it affects consumer satisfaction. Research from Adnan Tahir (2019) explains the philosophy of siri' na pacce reflected in the main principle that there are 'tongngeng, lempu, getteng, sipakatau, pacce and mappesona ri dewata seuwae' influence on business development.

The quality of hotel service is felt closely related to reputation (Sialangan, 2019). The reputation of a good hotel is formed from a reputation for good service (Keller in Rahmadevita, 2013: 51). Aspects of shaping a hotel's reputation are related to a focus on consumers and excellence (Maria, 2014; Hana et al., 2015). Fomburn (1996) is quoted in Kotler (2010) as suggesting that a good reputation will increase a company's competitiveness because a good reputation will attract consumers to products, attract investors to securities, and attract the best workers to fill positions within the company. Research from Shite et al. (2016), Alan and William (2016) that reputation has a positive and significant influence on competitive advantage. However, the findings from Bachelor &Khayati (2017), show a reputation for positive and insignificant influence on competitive advantage. Meanwhile, the findings of Bayu et al. (2019) prove that reputation has a positive and significant effect on consumer satisfaction.

Hotel owners must improve their ability to stay competitive, one way is to innovate. The importance of innovation is mainly due to the unpredictable and rapidly changing market environment, so consumers become more demanding due to the variety of offerings of organizations competing in the same industry (Lemy, 2010, Nanggong, 2013). Innovation as a mechanism used by hotels to be able to adapt to a changing environment. Consumers will be satisfied if the hotel manager has a broad understanding of new ideas, new thinking and offers of new, more innovative products (Farha, Samsir, &Restuti, 2016).

Based on the phenomenon and inconsistencies of previous researchers' findings, the main theme of this study is: **"The Influence of Local Wisdom, Reputation, and Innovation on Consumer Satisfaction through Competitive Advantages in Four-Star Hotels Makassar city"**

B. Problem Formula

From the background that has been stated above, it can be formulated some of the following problems:

1. Does local wisdom, reputation, and innovation partially affect the competitive advantage of competing in four-star hotels in Makassar City?
2. Does local wisdom, reputation, and innovation partially affect consumer satisfaction in four-star makassar hotels?
3. Does competitive advantage affect consumer satisfaction in four-star makassar hotels?
4. Does local wisdom, reputation, and innovation partially affect consumer satisfaction through competitive advantage in four-star hotels in Makassar City?

C. Research objectives

1. To test and analyze local wisdom, reputation, and innovation partially against the competitive advantages in four-star hotels in Makassar City.
2. To partially test and analyze local wisdom, reputation, and innovation to consumer satisfaction at four-star makassar hotels.
3. To test and analyze the competitive advantages of consumer satisfaction in four-star hotels in Makassar City.
4. To partially test and analyze local wisdom, reputation, and innovation to consumer satisfaction through competitive advantage in four-star makassar hotels.

D. Benefits of Research

For the development of science and enriching studies in the fields of local wisdom, reputation, innovation, competitive advantage and consumer satisfaction in four-star hotels in Makassar City.

THEORETICAL STUDIES

A. Concept of Local Wisdom

Local wisdom can be understood as human effort by using his mind (cognition) to act and behave towards something, object, or event that occurs in a particular space (Keraf, 2002). Ethics and moral values contained in local wisdom that has been taught down decreased, passed down from several generations to generations through oral literature, among others in the form of proverbs and language (Suyastno, 2014). Local wisdom starts from ideas or ideas, which are then applied in the stages of practice, and the creation of cultural materials (Alus, 2014). Understanding of local wisdom quoted from various sources, namely as follows:

- a) Local wisdom is interpreted as a view of life and knowledge and various life strategies that are tangible activities carried out by local communities in answering various problems in meeting their needs (Department of Social Affairs, RI, 2006).
- b) Local wisdom is defined as certain principles and ways that are embraced, understood, and applied by local communities in interacting and interacting with their environment and transformed in the form of value systems and customary norms (Zulkamain. 2008: 72).

- c) Local wisdom is defined as the personality, cultural identity of the community, which is in the form of values, norms, ethics, beliefs, customs, and special rules accepted by the community and tested its ability so that it can survive continuously (Dewi, 2012).
- d) Local wisdom is defined as all forms of knowledge, beliefs, understanding, or insight and customs of istriadat where a habit or ethics of society that leads to human behavior in an ecological group (Keraf, 2002).

B. Concept of Reputation

Reputation is a value given to an individual, institution or state (Basya, 2006:6). The reputational influences of Louisot J.P and Rayner J in Tarigan (2014:62) are as follows:

- a) Stakeholder considerations in buying, selling, and holding hotel shares. Reputation will also be used as a basis for consideration in determining the fair value for the stock price of the hotel.
- b) The desire of consumers to buy products or services from the organization. This will affect market share and bargaining power hotels that will later affect hotel profitability.
- c) The supplier's desire to build a partnership. Reputation illustrates the credibility of the hotel. A good reputation can open up new business opportunities for hotels, through the arrival of parties who offer cooperation.
- d) Considering competitors to enter the market. The arrival of competitors often brings pressure on hotel profitability. A hotel's strong reputation can lead to reluctance for competitors to enter the industry.
- e) The cost of capital where reputation will affect the ease of the hotel in obtaining new funds to run or develop business operations.
- f) Recruiting individuals who have potential. A good reputation can foster the desire of superior individuals to work in the hotel.
- g) Worker motivation where a good hotel reputation can foster a sense of pride and encourage workers to have a better work ethic.

C. Concept of Innovation

Innovation is defined as a combination of vision to create a good idea and determination and dedication to maintaining the concept through implementation (Machfoedz&Machfoedz, 2004). According to Kotler and Bes (2004: 31) approaches to new product development are based on fixed market assumptions, namely:

- a) Modulation-based innovation. Modulation-based innovation involves changing a basic characteristic of a product or service, by raising or decreasing those characteristics. It generally refers to functional or physical characteristics. In modulation innovation that the basic characteristics of the product need to be improved and derived.
- b) Size-based innovation. Size-based innovation is the launch of a new product to market without changing anything but its volume.
- c) Packaging-based innovation. The way a product is packaged can change a consumer's perception of the benefits, functions, or reasons for consumption of a product or service.

- d) Design-based innovation. Design-based innovation is an innovation in which products, containers, or packaging and sizes are sold equally, but the design or appearance is modified.
- e) Innovation based on the development of complementary materials. Complement-based innovation involves adding complementary ingredients or additional services to a basic product or service.
- f) Innovation is based on effort reduction. Innovation-based effort reduction does not change a product or service, but increases the size of the market. This kind of innovation raises value by lowering denominators, not raising numerators.

According to Ayuningrum&Pangestuti (2018) there are two innovation strategies as follows:

1. Incremental Innovation. This strategy is done by adding something new to the product that has been created before and expanding the share of the product.
2. Radical Innovation. This strategy seeks to lead to the economics of a business by developing new market share. Where the market share is combined with the latest technological ideas or by reducing costs substantially. In addition, through the competence of exploiting various activities related to the improvement and expansion of pre-existing products and processes.

D. Concept of Consumer Satisfaction

Consumer satisfaction is a psychological concept that is defined in different ways. Traditionally understanding consumer satisfaction or consumer dissatisfaction is the difference between expectations (expectations) and perceived perception or perceived performance (Donni, 2016). Kotler and Keller (2016) suggest that consumers can experience one in three levels of satisfaction. First, if the performance level is below the level of consumer expectations, they will feel disappointed. Second, if the level of performance is in line with the level of consumer expectations, they will feel satisfied. Third, if the performance level is above the level of consumer expectations, they will feel very satisfied. Customer satisfaction or dissatisfaction as an emotional response to the evaluation of the consumer experience of a product or service (Tjijtono, 2012: 111).

According to Lupiyoadi (2013: 31) that the factors that must be considered by hotels to increase consumer satisfaction are as follows:

- 1) Product quality, i.e. consumers will feel satisfied if their results show that the product they use is quality.
- 2) Quality of service or service, i.e. consumers will feel satisfied if they get good service as expected.
- 3) Emotions, namely consumers will feel proud and get confidence that others will be amazed at him when using products with certain brands that tend to have a higher level of satisfaction. Satisfaction obtained is not due to the quality of the product but social or self esteem that makes consumers feel satisfied with a particular brand.
- 4) Price, which is a product that has the same quality but sets a relatively cheap price, will provide higher value to consumers.
- 5) Cost, i.e. consumers who do not need to spend additional costs or do not needs to waste time to get a product or service tend to be satisfied with the product or service.

E. Concept of Competitive Advantage

Competitive advantage is something that cannot be understood by looking at the hotel as a whole (Aprizal, 2018). The competitive advantage that has been achieved by a hotel must be maintained to make the competitive advantage into a sustainable competitive advantage (Sunyoto, 2015).

The types of competitive advantages according to Hitt (2016) are as follows:

- 1) The advantage of competing because of price. The price that is intended in the advantage of competing here does not mean a cheaper price than competitors of similar products. However, it can be at a higher price, but has significant added value.
- 2) The advantage of competing because the hotel is able to quickly respond to what consumers need and want.
- 3) Competitive advantages due to product design and quality over competitors
- 4) Competitive advantage because of the continuous innovation carried out by the hotel or often called superiority in innovation.

CONCEPTUAL FRAMEWORK

The theory of expectations (Oliver, 1977, quoted in Tjiptono and Gregorius, 2016) explains that after-sales satisfaction is determined by consumers' evaluation of the difference between initial expectations and perceptions of actual post-use product/service performance. When consumers decide to consume, then they have expectations about how the product performance / as a function. Consumers are satisfied if the hotel provides services in accordance with or exceeds expectations. Consumer expectations that hotels uphold the values of local wisdom have a good reputation, and innovation in products and services, so as to create competitive advantages.

Siri and Pacce theory (Koentjaraningrat, 2010) explains hotels must have good cultural value. Cultural values are mirrored by upholding the values of siri (self-esteem and dignity) and pacce (caring). Siri and pacce is part of the culture of local wisdom. Hotels that maintain the value of siri and pace will provide products and services that match consumer expectations, so that consumers feel satisfied. Hotels that uphold the value of siri and paccé will have employees who always voice the truth, have honesty, have firm standing, treat others humanely and have good spirituality.

The results of research from Andi (2017) explained that elements of local wisdom values are born from the encouragement of siri' and pacce. Meanwhile, the findings of Adnan Tahir (2019) prove that siri and pacce is operationally manifested into several things, namely presenting God in every economic activity, work ethic as a result of equal rights in seeking a livelihood on earth, the concept of pacce (solidarity and solidarity as a form of responsibility and a form of distributive balance, humanizing each other (sipakatau), always saying right (there is 'tonging) in every economic activity, And keep honesty.

The theory of legitimacy (Deegan et al., 2002) explains that the legitimacy of the hotel will be obtained, if there are similarities between the results and those expected by consumers, so as to minimize complaints. The relationship between consumers and hotels is often seen as a social contract. A reputable hotel reflected through emotional interest, products and services, work

environment, financial performance, vision and leadership, and social responsibility are expected to increase competitive advantage and consumer satisfaction.

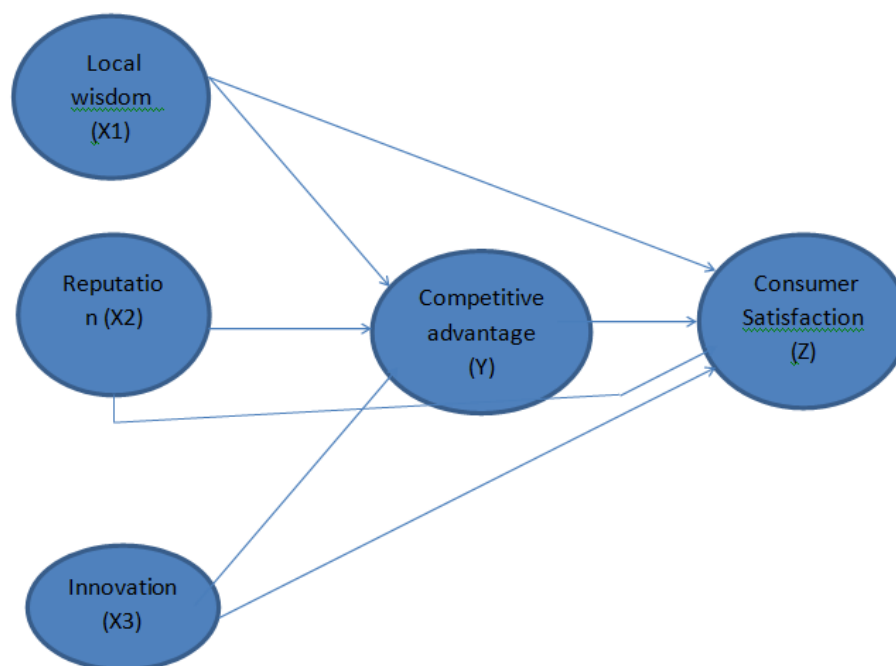
Andreasen's opinion in Rahmadevita (2013:52) suggests the hotel's reputation contributes to competitive excellence. This opinion supports the findings of some previous researchers, such as findings from Cempakasari and Yoestini (2003) that prove the reputation of the hotel can be seen from the competence of the hotel and its advantages over other competitors. Similarly, the findings from Shite et al. (2016), Alan and William (2016) that reputations have a positive and significant influence on competitive advantage. However, the findings from Bachelor & Khayati (2017) show a reputation for positive and insignificant influence on competitive advantage. Meanwhile, the findings of Bayu et al. (2019) prove that reputation has a positive and significant effect on consumer satisfaction.

Knowledge based view theory (Penrose, 1959 in Schroeder, Roger G. et al., 2002) explains hotels need to develop new knowledge that is essential to build a competitive advantage from the unique combinations that exist in knowledge that are difficult to rival and emulate. Innovation as an important component of competitiveness. Consumers are satisfied when the hotel has a broad understanding of new ideas, new thinking and offers of new, more innovative products. Hotels that deliver innovative products and services related to products, processes, and services will increase competitive advantage and consumer satisfaction.

Research from Balakrishnan (2020), Rimsha (2019), Winda et al (2020), Vista and Mukarram (2020), and Antanegoro and Sanusi (2017) proves that innovation has a positive and significant effect on consumer satisfaction. While the findings from Mulyadi (2016) prove that innovation has a positive and significant effect on competitive advantage. However, the findings of Zainurosaalama et al. (2016) prove that innovation has a positive and insignificant effect on competitive advantage.

Resources based theory (Penrose, 1959 in Schroeder, Roger G. et al. (2002) describes resources as the primary controller behind hotel performance and competitiveness. Hotels that have a different pool of resources and capabilities to competitors will provide a competitive advantage. Hotels can compete with competitors for the advantage of competing by managing the resources they have according to the company's capabilities. Consumers are satisfied if the hotel has a competitive capability measured through unique products and services, rarely found, not easily imitated and competitive prices.

Barney's opinion in Yustika (2013) suggests that hotels that have the ability to use resources and capabilities to create uniqueness and difficulty degrees for competitors to follow or imitate can provide added value that has the potential to increase consumer satisfaction (Yustika, 2013). Kotler (2010) argues that consumer intimacy through building loyalty and focusing on consumer convenience for future repurchases is part of a competitive advantage strategy. Research from Junida (2019) proves that competitive advantage has a positive and significant effect on consumer satisfaction.



HYPOTHESIS

1. Local wisdom, reputation, and innovation partially positively and significantly affect the competitive advantage of four-star hotels in Makassar City.
2. Local wisdom, reputation, and innovation partially positively and significantly affect the customer satisfaction of four-star hotels in Makassar City.
3. Competitive advantage has a positive and significant effect on the customer satisfaction of four-star hotels in Makassar City.
4. Local wisdom, reputation, and innovation partially positively and significantly affect competitive advantage through customer satisfaction of four-star hotels in Makassar City.

RESEARCH METHODS

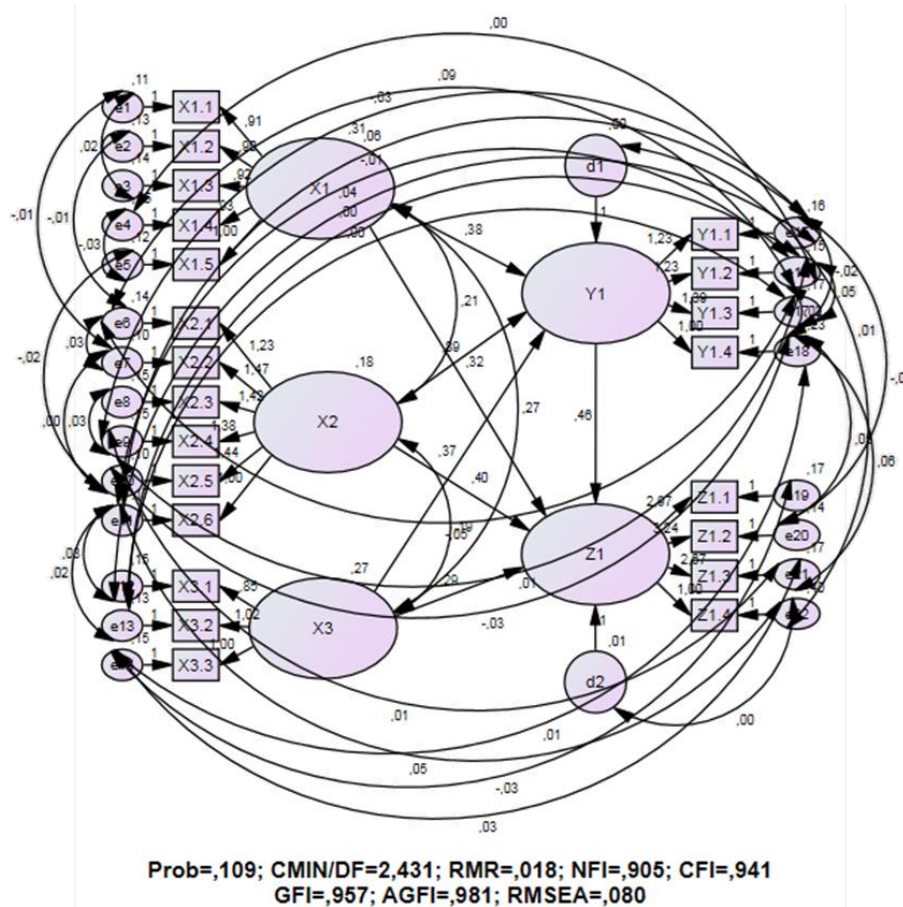
- A. The research approach used is a quantitative approach.
- B. Research locations in Claro Makassar, Swiss-Belhotel Makassar, Makassar golden hotel, Hotel Horison ultima, and Hotel Gammara
- C. The type of data used is quantitative and primary data source.
- D. The data collection method uses questionnaires.
- E. Population and sampel: The population in the study was 70,010 people and the sample was 399 people.
- F. Data Analysis Method using The Structure Equation Model (SEM)
- G. Variable Indicator

1. Local Wisdom (X1) with indicators: Lempu (honesty) (X1.1), Getteng (firmness of attitude) (X1.2), Adatongeng (guarantee) (X1.3), Sipakatau (humanizing) (X1.4), Mappesona ri dewata seuwae (good spiritual) (X1.5).
2. Reputation (X2) with indicators: Emotional attraction (X2.1), Products and services (X2.2), Work environment (X2.3), Financial performance (X2.4), Vision and Leadership (X2.5), Social responsibility to (X2.6).
3. Innovation (X3) with innovation indicators are: Product innovation (X3.1), Process innovation (X3.2), Service innovation (X3.3).
4. Competitive advantages (Y) with indicators: uniqueness (Y1), rarely found (Y2), not easily imitated (Y3), and competitive prices (Y4).
5. Consumer satisfaction (Z) with indicators: interest in return visiting (Z1), willingness to recommend (Z2), creating purchasing decisions on the same company (Z3), no complaints (Z4).

RESULTS OF RESEARCH AND DISCUSSION

A. Research Results

1. Goodness of Fit



<i>Goodness of Fit Index</i>	<i>Cut-off value</i>	Model Results	Information
<i>Chi square (χ^2)</i>	$\leq 521,487$	401,152	Good
Probability	≥ 0.05	0,109	Good
RMSEA	≤ 0.08	0,080	Good
GFI	≥ 0.90	0,957	Good
AGFI	≥ 0.90	0,981	Good
TLI	≥ 0.95	0,917	Less Good
CFI	≥ 0.95	0,941	Pretty Good

2. Hypothesis Testing Results

HP	Variable			Direct Effect	Indirect Effect	Total Effect	P-Value	Information
	Exogenous	Intervening	Endogenous					
1	Local Wisdom (X1)		Competitive Advantages (Y1)	0.378		0.378	0.000	Positive and Significant
2	Reputation (X2)		Competitive Advantages (Y1)	0.386		0.386	0.000	Positive and Significant
3	Innovation (X3)		Competitive Advantages (Y1)	0.369		0.369	0.001	Positive and Significant
4	Local Wisdom (X1)		Consumer Satisfaction (Z1)	0.321		0.321	0.009	Positive and Significant
5	Reputation (X2)		Consumer Satisfaction (Z1)	0.404		0.404	0.000	Positive and Significant

HP	Variable			Direct Effect	Indirect Effect	Total Effect	P-Value	Information
	Exogenous	Intervening	Endogenous					
6	Innovation (X3)		Consumer Satisfaction (Z1)	0.294		0.294	0.011	Positive and Significant
7	Competitive Advantages (Y1)		Consumer Satisfaction (Z1)	0.463		0.463	0,000	Positive and Significant
8	Local Wisdom (X1)	Competitive Advantages (Y1)	Consumer Satisfaction (Z1)	0.321	0,184	0.505	0,002	Positive and Significant
9	Reputation (X2)	Competitive Advantages (Y1)	Consumer Satisfaction (Z1)	0.404	0,142	0.546	0,015	Positive and Significant
10	Innovation (X3)	Competitive Advantages (Y1)	Consumer Satisfaction (Z1)	0.294	0,163	0.457	0,010	Positive and Significant

B. Discussion

a. Reputational Influence on Consumer Satisfaction through Competitive Advantage

Reputation has a positive and significant influence on consumer satisfaction through competitive advantage ($P=0.002 \leq 0.05$ and loading factor = 0.142). So that the statement of the ninth hypothesis is acceptable and this means that the growing competitive advantage can intervene in the influence of reputation on consumer satisfaction.

b. The Impact of Innovation on Consumer Satisfaction through Competitive Advantage

Innovation has a positive and significant effect on consumer satisfaction through competitive advantage ($P=0.010 \leq 0.05$ and loading factor = 0.163). So that the statement of the tenth hypothesis is acceptable and this means that the increasing competitive advantage can intervene in the influence of innovation on consumer satisfaction.

B. Discussion

1. The Influence of Local Wisdom on Competitive Excellence

Hypothesis testing results showed local wisdom had a positive and significant effect on competitive advantage. This means that hotels that attach importance to local wisdom in providing services to consumers will have the advantage of competing. Local wisdom with indicators of lempu (honesty), getting (firmness of attitude), adatongeng (assurance), sipakatau (humanizing), and mappesona ri dewata (piety of God Almighty) is a variable that has an important role in increasing competitive advantage. This is supported by consumer perception of each indicator of local wisdom categorized as satisfied.

The results of this study support the findings of Adnan (2019) showing that in building a business that has a competitive advantage, there needs to be an integration of siri' na pacce philosophy and Islamic business ethics operationally manifested into several things, such as presenting God in every economic activity, work ethic as a result of equal rights in seeking a livelihood on earth, the concept of pacce (solidarity and solidarity as a form of responsibility and the form of Distributive balance, humanizing each other, always telling the truth in every economic activity, and always maintaining honesty.

2. The Impact of Reputation on Competitive Advantage

Hypothesis testing results show a reputation for positive and significant influence on competitive advantage. This means that hotels that have a better reputation in providing services to consumers will have the advantage of competing. Reputation with indicators of emotional interest, products and services, work environment, financial performance, vision and leadership, and social responsibility are variables that have an important role in increasing competitive advantage.

The results of this study support the findings of Mombang (2016), Alan (2016) which generally shows that reputation has a positive and significant influence on competitive advantage. However, the results of this study do not support the findings of Bachelor and Khayati (2017) which show that reputation has a positive and insignificant influence on competitive advantage. This is because competitive advantage is influenced by other variables not observed in the model.

3. The Impact of Innovation on Competitive Excellence

Hypothesis testing results show innovation has a positive and significant effect on competitive advantage. This means that hotels that have better innovation will increase competitive advantage. Innovation with indicators of product innovation, process innovation, and service innovation has an important role in increasing competitive advantage this is supported by consumer perception of each indicator of innovation categorized as satisfied.

The results of research from Mulyadi et al (2016), Junida (2019) showed that innovation has a positive and significant effect on competitive advantage. However, the results of this study do not support the findings of Zainurosaalama et al. (2016); Vista (2020) demonstrates innovation has a positive and insignificant effect on competitive advantage. This is because competitive advantage is influenced by other variables not observed in the model.

4. The Effect of Local Wisdom on Consumer Satisfaction

Hypothesis testing results showed local wisdom had a positive and significant effect on consumer satisfaction. This means that hotels that prioritize local wisdom in providing services, consumers will feel more satisfied. Local wisdom with indicators of lempu (honesty), getting (firmness of attitude), adatongeng (assurance), sipakatau (humanizing), and mappesona ri dewata (piety of God Almighty) is a variable that has an important role in increasing consumer satisfaction. This is supported by consumer perception of each indicator of local wisdom categorized as satisfied.

Findings from Terziovski (2010) explain that the competitive advantage of a hotel can be achieved if the hotel has a high heterogeneity with elements of value, rare resources, in-imitable and

nonsubstitutable. While the findings from Mardatillah et al. (2020) show that local knowledge and local skills are elements of ideas that contain the values of authenticity of local culture as a form of originality that other hotels do not have so that it will be easier for hotels to achieve competitive advantage. Meanwhile, the findings of Ayuningrum&Pangestuti (2018) explained that competitive advantage is a state of gaining a higher average profit than its competitors, so the hotel is considered one step ahead of its competitors. This can be achieved if the hotel has a unique product, competitive prices, is not easy to find, not easily imitated, and difficult to replace.

The results of this study support the findings of Adnan (2019) showing that in building a business that has a competitive advantage, there needs to be an integration of siri' na pacce philosophy and Islamic business ethics operationally manifested into several things, such as presenting God in every economic activity, work ethic as a result of equal rights in seeking a livelihood on earth, the concept of pacce (solidarity and solidarity as a form of responsibility and the form of Distributive balance, humanizing each other, always telling the truth in every economic activity, and always maintaining honesty.

5. The Impact of Reputation on Consumer Satisfaction

Hypothesis testing results showed a reputation for positive and significant influence on consumer satisfaction. This means that a hotel that has a good reputation will increase consumer satisfaction. Reputation with indicators of emotional interest, products and services, work environment, financial performance, vision and leadership, and social responsibility are variables that have an important role in improving consumer satisfaction. This is supported by the consumer's perception of each of the categorized reputation indicators as satisfied.

The results of this study support the findings of Bayu et al (2019) which show that reputation has a positive and significant effect on consumer satisfaction. Consumers who have a positive experience with hotels that are frequented will feel satisfied. This is because the reputation of the hotel creates a positive perception for consumers based on their experience.

6. The Effect of Innovation on Consumer Satisfaction

Hypothesis testing results showed that innovation had a positive and significant effect on consumer satisfaction. This means that hotels that have better innovation will increase consumer satisfaction. Innovation with indicators of product innovation, process innovation, and service innovation has an important role in increasing consumer satisfaction. This is supported by consumer perception of each indicator of innovation categorized as satisfied.

The results of this study support the findings of Bayu et al (2017), Antonegoro (2017), Junita (2019), Rimsha (2019), Balakrishnan (2020) which show that innovation has a positive and significant effect on consumer satisfaction. Consumers will feel satisfied when offering a different product with competitors. However, the results do not support the findings of Zainurosaala (2016) which show that innovation has a positive and insignificant effect on consumer satisfaction.

7. The Impact of Competitive Advantage on Consumer Satisfaction

Hypothesis testing results show competitive advantages have a positive and significant effect on consumer satisfaction. This means that hotels that have the advantage of competing better will increase consumer satisfaction. The advantages of competing with indicators of product uniqueness, products are rarely found, products are not easily imitated, and competitive prices have an important role in increasing consumer satisfaction. This is supported by consumer perception of each indicator of competitive advantage categorized as satisfied. The results of this study support the findings from Junida (2019) which show that competitive advantage has a positive and significant effect on consumer satisfaction. Consumers will feel satisfied when offering unique products and competitive prices compared to competitors.

8. The Influence of Local Wisdom on Consumer Satisfaction through Competitive Advantage

Hypothesis testing results showed local wisdom had a positive and significant effect on consumer satisfaction through competitive advantage. This means that hotels that attach importance to local wisdom in providing services to consumers will have the advantage of competing. The advantage of competing with indicators of product uniqueness, not easy to find, not easily imitated, and difficult to replace can increase consumer satisfaction.

9. Reputational Influence on Consumer Satisfaction through Competitive Advantage

Hypothesis testing results show a reputation for positive and significant influence on consumer satisfaction through competitive advantage. This means that hotels with a good reputation have the advantage of competing. The advantage of competing with indicators of product uniqueness, not easy to find, not easily imitated, and difficult to replace can increase consumer satisfaction.

10. The Impact of Innovation on Consumer Satisfaction through Competitive Advantage

Hypothesis testing results show innovation has a positive and significant effect on consumer satisfaction through competitive advantage. This means that hotels with good innovation can increase competitive advantage. The advantage of competing with indicators of product uniqueness, not easy to find, not easily imitated, and difficult to replace can increase consumer satisfaction. The results of this study support findings from Junita (2019) that show that competitive advantage can significantly intervene between innovations and consumer satisfaction.

C. Research Findings

1. Local wisdom with indicators of lempu (honesty), getteng, adatongeng, sipakatau, and mapesonari dewata seuwae has a positive and significant influence on competitive advantage and consumer satisfaction. This is because local wisdom can reflect the cultural values that exist around the regional environment, participate in shaping character, (such as acting carefully in the response to consumer complaints and service delivery, full awareness in serving consumers, high self-control, high tolerance, increasing the desire to behave honestly, have a good sense of humanity and spirituality), and contribute to creating a hotel identity (such as using polite language, preaching halal food, and hosting events that uphold moral values).
2. Reputation with indicators of emotional interest, products and services, work environment, financial performance, vision and leadership, and social responsibility have a positive and

significant influence on competitive advantage and consumer satisfaction. Hotels with a good reputation can form consumer confidence in the product, high integrity of the services offered, close relationships with consumers. Legitimacy theory (Deegan et al., 2002) explains that the legitimacy of a hotel will be obtained, if the hotel has a good reputation and is in accordance with consumer expectations. A reputable hotel will create consumer confidence. This is because a good reputation will cause a positive perception for consumers based on their experience.

3. Innovation with product, process, and service indicators has a positive and significant influence on competitive advantage and consumer satisfaction. Innovation requires hotels to find new ways to solve problems, increase employee productivity, and compete very well with competitors. Hotels must establish the right type of innovation in order to increase competitive advantage and consumer satisfaction. Hotels can use incremental innovation and radical innovation. Incremental innovation is a strategy where hotels add something new to products that have been created before and expand the share of products. Furthermore, radical innovation where this strategy seeks to lead to the economics of a business by developing new market share. Innovation can help lift employees, showcase unique product qualities, and beat competitors.
4. The advantage of competing with uniqueness indicators, rarely found, not easily imitated, and competitive prices have a positive and significant influence on consumer satisfaction. The competitive advantage for consumers means hotel products can satisfy their needs. Hotels competing for a competitive advantage will increase consumer choice for cheaper or better quality hotels.

CONCLUSIONS AND SUGGESTIONS

A. Conclusion

1. Local wisdom with indicators of lempu, getteng, adatongeng, sipakatau, and mappesona ri dewataseuwae partially positively and significantly affects competitive advantage and consumer satisfaction.
2. Reputation with indicators of emotional discernment, products and services, work environment, financial performance, vision and leadership, and social responsibility partially positively and significantly influence competitive advantage and consumer satisfaction.
3. Innovation with product, process, and service indicators partially positively and significantly affects competitive advantage and consumer satisfaction.
4. The advantage of competing with uniqueness indicators, rarely found, not easily imitated, and competitive prices have a positive and significant effect on consumer satisfaction.
5. Local wisdom, reputation, and innovation partially positively and significantly impact consumer satisfaction through competitive advantage.

B. Suggestions

1. Hotel managers need to maintain local wisdom, reputation, and increase innovation because it has an important role to compete.
2. Hotel managers need to maintain local wisdom, reputation, and increase innovation because it has an important role in consumer satisfaction.

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