ABSTRACT

To achieve a company's competitive advantage, of course, there are many things that can be done, one of which is implementing innovation and differentiation strategies. Companies can make differentiation by trying to find uniqueness that is not owned by its competitors for things that are important to customers. This study aims to analyze the factors that influence and can increase the company's performance at the STO (Automatic Telephone Center) Telkom Central Java & Yogyakarta Region, namely the innovation variable , differentiation strategy and competitive advantage as intervening variables. Based on the research problem, namely what factors can improve company performance at STO Telkom Central Java & DIY.

The sample of this study amounted to 117 respondents who were distributed by researchers and all of them could return. The sample was determined by using the census method, where members of the population were the sample (Sugiyono, 2012). In this study the respondents were all heads of STO Telkom in Central Java & DIY. The tool used to analyze the data is AMOS 22.00 with the Structural Equation Modeling (SEM) method.

The results showed that the 5 hypotheses in this study were acceptable. The factors that have a significant effect are Innovation and Differentiation Strategy on Competitive Advantage and Company Performance. And Competitive Advantage has a significant positive effect on Company Performance.

Keywords: Innovation, Differentiation Strategy, Competitive Advantage and Company Performance. Automatic Telephone Center (STO).

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