

أثرتبني نظام التركيز على التخصيص في الميزة التنافسية: الشركات الصناعية في الأردن

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الملخص

بحثت الدراسة الحالية في أثر تبني نظام التركيز على التخصيص (الإيصاء)، الذي يشمل تخصيص المنتج، والخدمة، والخلق المشترك للعملاء، والتفاعل مع العملاء والقدرة التكنولوجية، على الميزة التنافسية في الشركات الصناعية الأردنية. استخدم الباحث منهجاً كمياً باستخدام نمذجة المعادلات الهيكلية الجزئية للمربعات الصغرى (PLS-SEM) لتحليل 334 من الاستجابات، والتي تم جمعها من خلال استبانات منظمة من موظفي الشركات الصناعية في الأردن. وأظهرت النتائج وجود علاقة إيجابية مهمة بين تبني نظام التركيز على التخصيص والميزة التنافسية. على وجه التحديد، بينت الدراسة أن تخصيص المنتج والخدمة والخلق المشترك للعملاء والتفاعل مع العملاء، والقدرة التكنولوجية تعتبر محركات رئيسية للميزة التنافسية في الشركات الصناعية الأردنية. هذه النتائج لها آثار عملية، عدا عن أنها سلطت الضوء على أهمية استراتيجيات التخصيص ومشاركة العملاء والقدرات التكنولوجية للشركات التي تهدف إلى تعزيز مركزها التنافسي. ومع ذلك، فإن الدراسة لها قيود من حيث طبيعتها الخاصة بالسياق واستخدام PLS-SEM. ويجب أن تكون هناك دراسات مستقبلية في سياقات أوسع وأن تُستخدم طرق تحليل بديلة للتحقق من صحة مثل هذه النتائج والتوسع فيها.

الكلمات الدالة: الميزة التنافسية، نظام التركيز المخصص، الشركات الصناعية الأردنية، PLS-SEM.

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The Effect of Adopting the Customization Focus System on Competitive Advantage: A Study on Industrial Companies in Jordan

ABSTRACT

This study examines the effect of adopting the customization focus system, encompassing product customization, service customization, customer co-creation, customer interaction, and technological capability, on competitive advantage in Jordanian industrial companies. The research employs a quantitative approach using Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyze 334 data collected through structured questionnaires from employees of industrial companies in Jordan. The findings reveal a significant and positive relationship between the adoption of the customization focus system and competitive advantage. Specifically, product customization, service customization, customer co-creation, customer interaction, and technological capability are identified as key drivers of competitive advantage in Jordanian industrial companies. These findings have practical implications, highlighting the importance of customization strategies, customer involvement, and technological capabilities for firms aiming to enhance their competitive position. However, the study has limitations in terms of its context-specific nature and the use of PLS-SEM. Future research should consider broader contexts and employ alternative analysis methods to validate and expand upon these findings.

Keywords: Competitive Advantage, Customization Focus System, Jordanian Industrial Companies, PLS-SEM

Introduction:

Globalization refers to the increasing of integration and interdependence of national, regional, and local economies across the world through an intensification of cross-border movement of goods, services, technologies, and capital (Yennie, & Kasmawati, 2023). This is accomplished by accelerating the flow of capital, goods, services, and technologies across international borders. Due to the ability to reach consumers outside of their local markets, this phenomenon has increased competition among businesses on a global scale. However, it also means that they must contend with foreign rivals who are trying to break into their local markets (Nambisan, et al., 2019; Ali, et al., 2020). Organizations constantly strive to establish a competitive advantage over their rivals in this fast-paced and fiercely competitive business climate. This is done by developing a sustainable competitive advantage. This advantage may be attained through a variety of means, including cutting-edge technology, efficient production techniques, first-rate customer service, or a distinctive brand identity (Ali et al., 2019; Ferreira et al., 2021). In order to enjoy higher profit margins, a larger market share, or both, the company must differentiate its offerings in a way that makes them difficult for rivals to duplicate. The significance of securing a lasting competitive advantage is increased in developing economies like Jordan (Al-Abdallah & Al-Salim, 2021). These nations frequently exhibit unstable economic conditions, low levels of industrialization, and a stronger reliance on a small number of crucial industries for their economic growth and development. In Jordan, industrial businesses account for a sizable portion of the country's GDP (Al-Smadi, A, et al., 2023; Al-Hawamdeh, 2020). A large portion of Jordan's GDP is contributed by the industrial sector, which also creates jobs and fosters technological advancement and innovation (Alfawaire & Atan, 2021). It can be difficult for these businesses to compete successfully against more established or resource-rich rivals from developed economies because they frequently face obstacles like limited access

to cutting-edge technology, a lack of skilled labor, and financial constraints (Al-Smadi, A, et al., 2023). Therefore, developing a durable competitive edge is important for Jordan and other nations with comparable economic frameworks for reasons other than only ensuring the survival and expansion of their businesses. It is essential for the country's overall economic growth and prosperity (Alkhawaldeh, et al., 2020; Alkhawaldeh, & Mahmood, 2021; Alkhawaldeh, et al., 2022). Industrial businesses with a long-term competitive edge can stimulate economic growth by luring in outside capital, boosting exports, generating employment, and supporting technical advancement. As a result, the study's emphasis on comprehending the role of customization in attaining a competitive edge has broad implications for both the companies engaged and the development of Jordan's economy. However, businesses have historically concentrated on mass production tactics in Jordan's industrial sector, which prioritize efficiency and economies of scale (Malkawi, & Al Hawamdeh, 2018; Haniyi, et al., 2020; Mahmood, et al., 2020; Lehyeh, et al., 2021). However, a trend towards increasingly specialized goods and services is discernible in an age of discriminating consumers and cutting-edge technology. According to Al-Waely et al. (2021) and Kukurba et al., (2021) and other researchers, the core of customization is adapting goods or services to each individual client's needs. This increases customer satisfaction and creates value that is unique. Given its ability to provide a clear competitive advantage, this strategy—known as the Customization Focus System (CFS)—has gained substantial attention in strategic management and marketing literature (Siurumaa, 2021). By using CFS, businesses can more effectively meet the different demands of their clients, increase client loyalty, and thus strengthen their position in the market (Annarelli et al., 2020; Al-Waely et al., 2021). The application and impacts of CFS in the context of Jordan's industrial sector, however, have not been sufficiently studied, despite the theoretical consensus on its advantages (Qi et

al., 2020). Although the idea of customization is understood by many industrial companies, it has only sometimes and frequently been implemented ad hoc. Additionally, the backdrop of Jordan's industrial environment has not allowed for a thorough evaluation of the empirical relationship between the adoption of CFS and competitive advantage. By analyzing the effects of implementing a Customization Focus System on the competitive advantage of industrial companies in Jordan, this study seeks to close this research gap. The main goal was to comprehend how the use of CFS impacts several facets of competitive advantage. Given Jordan's lofty economic objectives, which include elevating its industrial sector to the status of a substantial national contributor and a prominent player in international markets, this inquiry is essential. Policymakers and business executives aiming to improve the competitiveness of Jordan's industrial companies might get useful insights from an understanding of the possible advantages and difficulties of implementing a CFS. The study's importance comes from its investigation of how Jordanian industrial companies' competitive advantage is impacted by the adoption of a customer customization focus system, which includes product customization, service customization, customer co-creation, customer interaction, and technological capabilities. The study offers important insights into how these factors interact to affect a firm's capacity to differentiate itself from the competition, meet customer needs, and achieve a sustainable advantage in a competitive market environment through the use of advanced statistical techniques like Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings of this study offer practical advice to businesses looking to maximise their plans and assets in order to get a competitive advantage.

Literature Review:**Theoretical Framework:**

Two key theories of strategic management, the Resource-Based View (RBV) and Dynamic Capabilities Theory, can be utilised to describe how the implementation of a Customization Focus System (CFS) influences competitive advantage. A company can acquire and maintain a competitive edge, according to the Resource-Based View (RBV), if it has and makes use of valuable, uncommon, unique, and non-substitutable resources (Barney, 1991). Customization might be considered a unique and important resource inside CFS. A company that successfully implements a CFS may offer highly customised products or services that are difficult for competitors to emulate (Wassmann et al., 2022). According to the RBV, this distinction may help to create a long-lasting competitive advantage. Co-creation, product customisation, and service customization can all be viewed as special resources under the RBV. Each sort of customization demands particular skills, such as cutting-edge technologies, knowledgeable staff, and complex procedures, which not every rival will have (Sharma, 2021). These resources can offer a long-lasting competitive advantage if they are uncommon, precious, unique, and non-substitutable. On the other side, the Dynamic Capabilities Theory contends that in quickly changing markets, a firm's capacity to integrate, grow, and reconfigure internal and external competencies can address changing surroundings and obtain a competitive advantage (Teece, Pisano, & Shuen, 1997). As it enables businesses to adapt to changing market conditions and consumer demands, a CFS can be thought of as a dynamic capability. The ability to gather, analyse, and act on customer data utilising AI and data analytics is critical to the successful deployment of a CFS. Businesses with this flexibility can quickly adjust their offers in response to shifting client desires and preferences, assisting in the establishment and maintenance of a competitive advantage. In essence, the theory

states that by implementing a CFS, a firm can achieve a competitive advantage by using unique resources (RBV) and dynamic capabilities that enable quick and efficient response to evolving market conditions and client needs.

Competitive Advantage:

Strategic management and economics have both done a great deal of research on the idea of competitive advantage. Due to its distinctive value offer, a company has a competitive advantage when it outperforms its rivals by increasing sales or keeping more consumers (Haseeb et al., 2019). One of the top researchers in the area, Michael Porter, proposed two fundamental forms of competitive advantage: cost advantage and differentiation advantage. A company gains a cost advantage if it can deliver the same value as its rivals but at a cheaper price. On the other hand, a company gains a differentiation advantage if it can command a higher price by offering distinctive value in comparison to its rivals (Chong & Ali, 2022). The three strategies a company might employ to gain and retain a competitive advantage are cost leadership, differentiation, and focus (niche market targeting), according to Porter's "Generic Strategies" model (Gowan et al., 2022). Another essential theoretical framework for analyzing competitive advantage is the firm's Resource-Based View (RBV). According to this view, a firm's fundamental source of competitive advantage is its resources and capabilities (Kaur, 2023). For these resources to produce a long-lasting competitive advantage, they must be valuable, uncommon, unique, and non-substitutable (VRIN). Taking into account the unstable business environment, the Dynamic Capabilities Framework, an extension of RBV, proposes that businesses can obtain a competitive edge by developing the skills necessary to recognize, seize, and reconfigure resources in response to the shifting environment (Wu et al., 2023). In connection with customer relationships, the idea of competitive advantage has also been studied. Building and keeping excellent relationships with consumers can be a source of competitive advantage, according to

the Customer Relationship Management (CRM) methodology (Lee & Slater, 2022). More recently, the idea of a "Blue Ocean Strategy" has been put up, which suggests entering a brand-new market, or "blue ocean," as opposed to vying for existing market share, or "red ocean."

Dimension of Competitive Advantage:

There are several dimensions or types of competitive advantage that companies can use to differentiate themselves from the competition and succeed in the marketplace. Here are the dimensions of competitive advantage that were used to measure competitive advantage in this study:

Cost Leadership: This dimension is about becoming the lowest cost manufacturer in an industry. By minimizing production and operating costs, a company can offer products or services at lower prices than the competition and thus appeal to cost-conscious customers (Kharub, et al., 2019).

Differentiation: Companies with a differentiating competitive advantage offer products or services that are perceived as unique, innovative, or superior in some way. This can be achieved through product features, quality, branding, customer service, design, or other factors that set the company apart from others (Andersen, 2021).

Focus: A focused competitive advantage involves targeting a specific market segment and tailoring products or services to the particular needs of that segment. This strategy enables a company to build deep expertise and relationships within a particular niche (Fishman, 2021).

Adopting the Customization Focus System:

A strategy method known as the Customization Focus System (CFS) has arisen in response to shifting consumer trends and technology development. Instead of using a one-size-fits-all approach common in mass production, it entails designing and

producing products depending on the specific needs of each consumer. Customization is the process of giving clients something special in order to increase their happiness, loyalty, and perhaps even competitive advantage. One of the first references to customization in scholarly writing comes from Levitt's (1980) critique of the "myth of globalization." The winning businesses, according to his argument, will be those that can standardize their offerings as marketplaces become more homogenous and worldwide. However, mass customisation was then proposed as a counterargument to Levitt's claim. According to Pine (1993), businesses can offer personally tailored products or services on a mass scale by adopting flexible organizational structures and procedures. This is the new frontier in commercial rivalry. Three ideas—customized products, customized services, and customer co-creation—are the main focuses of the literature on the Customization Focus System. Customizing goods and services entails making changes to them in order to make them more suitable for a given customer's demands. This can involve anything from minor customization, like changing the product's color or appearance, to major customization, such modifying the product's essential functionality. While customer co-creation incorporates customers in both the innovation and manufacturing stages, it is a more interactive approach. According to Frank et al. (2022), businesses can improve their product/service offerings and boost customer satisfaction and loyalty by co-creating value with their customers. But putting in place a Customization Focus System is not without its difficulties. Customization may increase production costs, complicate operations and supply chain management, and enhance the need for customer connection, according to academics (Belhadi et al., 2022). Because of this, businesses must carefully strike a balance between the requirement for customisation and operational effectiveness and profitability. New opportunities for Customization have been made possible by technological breakthroughs, notably in the fields of big data and artificial intelligence. Large

amounts of client data can be collected and analyzed by businesses, allowing for more precise customer preference predictions and more individualized product offerings (Zhao et al., 2022). The literature suggests, in summary, that a Customization Focus System may strengthen a company's competitive advantage by providing higher customer value. However, careful evaluation of operational and market elements is necessary for the successful implementation of this strategy. Additionally, it calls for a dedication to lifelong learning and adaptability in response to changing consumer demands and market trends.

Dimension of Adopting the Customization Focus System:

A company's operations, strategy, and contacts with its customers are all impacted by adopting a Customization Focus System (CFS). The crucial aspects consist of:

Product Customization: Product Customization is a strategic dimension in which items are altered to satisfy unique client needs. This procedure can involve both surface-level and deep-level adjustments. Surface-level customization entails little alterations, like modifying a product's color or appearance, that allow buyers to express their particular preferences without impacting the product's primary functionality (Monroy-Osorio, et al., 2023). Changing the color of a phone's case, for instance. Deep-level customization, on the other hand, entails significant changes to the product's core attributes or capabilities. This could entail tweaking a product's design or performance characteristics to better suit a given customer's requirements, such as by altering a computer's hardware configuration. The firm's strategy, consumer demand, and operational skills all affect the decision between surface and deep level customization (Pech & Vrchota, 2022). Effective product customization can increase customer satisfaction and distinguish a company's offers despite operational obstacles.

Service Customization: The act of altering a service to satisfy particular consumer wants is referred to as service customisation. With the use of Customization, this method aims to increase consumer happiness. It could entail shifting the timing of service delivery to fit a customer's schedule or changing the delivery mode to meet their needs. The quality of assistance or the features offered by a software package are only two examples of specific parts of the service providing that can be adjusted (Lin, & Lin, 2023). In essence, service customization strives to produce a more relevant and individualized customer experience, improving client happiness and loyalty.

Customer Co-Creation: Co-creation is a strategic component that invites clients to actively take part in the development of goods or services. Customers go from being passive recipients to active participants in the value generating process (Shulga et al., 2023). They greatly aid in the customisation process by expressing their opinions, tastes, and ideas. Customers are more likely to feel satisfied and in control of their experiences thanks to co-creation's deep level of personalisation (Chung, Tan, & 2022). Businesses can gain useful insights from it to better understand the requirements and preferences of their customers. Co-creation improves consumer experience overall and may increase customer engagement and loyalty.

Customer Interaction: In order to fully understand the specific needs and preferences of each consumer, effective customization requires frequent and direct customer connection. In-depth insights can be gained by direct interactions, such as interviews or personal chats. A scalable method of gathering information on client preferences and satisfaction levels is through surveys. Social media platforms provide for immediate feedback and provide a glimpse into the opinions and experiences of clients. These lines of communication enable businesses to amass priceless knowledge about consumer requirements, enabling them to customize their goods and services accordingly (Ngelyaratan, & Soediantono, 2022). Successful

Customization requires this ongoing feedback loop, which increases consumer happiness and gives businesses an advantage.

Technological Capability: Effective Customization requires the use of customer data. To customize offerings to customers' tastes, this entails collecting, evaluating, and using client information. Artificial intelligence (AI) and data analytics are examples of advanced technologies that are crucial to this process. AI has the ability to process enormous amounts of data, identify patterns, and produce insights. Analyzing client behavior and preferences can also be aided by data analytics (Shin et al., 2022). Together, they can offer a detailed comprehension of unique customer requirements, enabling more accurate and pertinent Customization. This technologically advanced strategy can increase client happiness and strengthen a business's competitive advantage.

Hypotheses Development:

This study aims to investigate how a firm's competitive advantage is affected by implementing a Customization Focus System (CFS). We propose numerous hypotheses that link key features of CFS with competitive advantage based on the literature and theories we have reviewed. A firm's competitive edge is enhanced by adopting a CFS. This is grounded on the resource-based perspective, which highlights the importance of special and priceless resources in gaining a competitive edge (Barney, 1991). By its very nature, a CFS enables businesses to develop distinctive value propositions that are challenging for rivals to imitate, thus boosting competitive advantage (Tseng & Hu, 2014). Companies can diversify their goods and strengthen their market position and competitive advantage by tailoring items to specific client needs (Piller & Müller, 2004). Customized services can be a key difference in today's service-oriented economy, increasing consumer value and giving businesses a competitive edge (Lusch & Nambisan, 2015). Customers

participate in the value creation process through co-creation, which increases competitive advantage by fostering customer loyalty and enabling a high level of customization (Ranjan & Read, 2016). A competitive advantage may result from the technologies' ability to help businesses collect and analyze customer data, enabling accurate and efficient customization (Ng & Wakenshaw, 2017). A close relationship with clients is essential to fully grasping their individual wants and preferences. This improves the customizing process, increasing customer satisfaction and giving businesses a competitive edge (Katsikeas et al., 2016). Based on the above evidence, this study develops the following hypotheses:

H1a: Product customization has a significant and positive impact on competitive advantage

H1b: Service Customization has a significant and positive impact on competitive advantage

H1c: Customer Co-Creation has a significant and positive impact on competitive advantage

H1d: Customer Interaction has a significant and positive impact on competitive advantage

H1e: Technological Capability has a significant and positive impact on competitive advantage

Research Model:

Research hypotheses enabled the development of the conceptual research model depicted in Fig. 1. Incorporating the RBV perspective, the model assumes that the adoption of a system focused on customer customization (product customization, service customization, customer co-creation, customer interaction, and technological capabilities) leads to competitive advantage because of the unique and valuable resources and capabilities it enables. Following Barney (1991), the components of the customization focus system represent valuable and rare resources that can be a

source of competitive advantage. Following Ng & Wakenshaw (2017), technological capability is a distinctive resource that enhances a firm's ability to customize products and services, contributing to competitive advantage. According to Katsikeas et al. (2016), customer co-creation and customer interaction are unique capabilities that strengthen customer relationships and lead to greater loyalty and market differentiation. The purpose of this research is to shed light on how competitive advantage in Jordanian manufacturing firms has changed since the introduction of the Customization Focus System (product and service customization, customer co-creation, customer interaction, and technological capabilities).

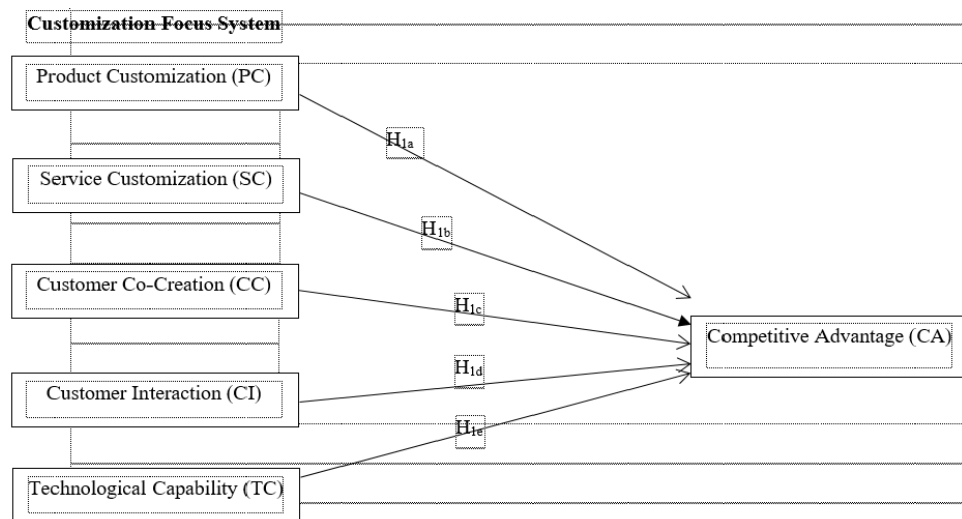


Figure 1 Research Model

Research Methodology:

This study uses a cross-sectional design and focuses on industrial companies in Jordan. The main objective of the study is to investigate the impact of implementing a Customization Focus System (CFS) on competitive advantage. Primary data was collected through structured questionnaires distributed to key respondents in the selected industrial companies. These respondents typically hold leadership positions

because they have in-depth knowledge of their company's strategies and practices. For this study, a convenience sample method was employed. To guarantee that the sample size is adequate to identify significant changes in the data, a power analysis was used to calculate the sample size for the present study. Data obtained from 334 employees of industrial companies in Jordan. The questionnaire designed to capture various aspects of CFS adoption (including product customization, service customization, customer co-creation, Customer Interaction, and the use of advanced technologies), and the company's competitive advantage. The questionnaire items for CFS and competitive advantage were based on existing validated scales from prior research (Chong, & Ali, 2022; Gowan, et al., 2022; Pech, & Vrchota, 2022; Shin, et al., 2022; Lin, & Lin, 2023). A ten-point Likert scale will be used for responses, ranging from "Strongly Disagree" (1) to "Strongly Agree" (10). After the data collection process, the data was analyzed using PLS-SEM. The analysis involves two steps: the measurement model assessment and the structural model assessment (Alkhawaldeh, et al., 2023). In conducting this research, ethical standards were strictly adhered to. All respondents were informed about the purpose of the study, and their participation is voluntary. Confidentiality of the data was assured, and all responses used solely for the purpose of this research.

Results:

Measurement Model:

The main focus of this section' is on the statistical analysis of the study model's reliability, validity, and potential biases. Latent variables, which are produced from observable variables, were evaluated for reliability using two coefficients: Composite Reliability (CR) and Cronbach's Alpha (CA). A high level of reliability is indicated by a rating of 0.7 or higher. Strong dependability, with CA values above 0.7 and CR values over 0.7, was seen in Table 1, in line with the findings of Hair and Alamer (2022). Convergent validity, which assesses the constructs' correctness and validity, was

assessed using factor loadings. A reasonable indicator of convergent validity was considered to be factor loadings of 0.50 or above. The results, which are displayed in the table, revealed that, with the exception of TC3, all factor loadings above the 0.5 limit, suggesting strong convergent validity. As a result, TC3 was eliminated. This corroborates the contention made by Kono and Sato in 2023 that significant convergent validity is indicated by factor loadings exceeding 0.5. Table 2 also displays the Average Variance Extracted (AVE) values for each construct. Legate et al. (2023) deem AVE values larger than 0.5 to adequately establish convergent validity. This study's constructs all had AVE values above 0.5, further proving their excellent convergent validity.

Table 1 Measurements Model

	Factor Loading	CA	CR	AVE
Competitive Advantage		0.863	0.898	0.595
CA1	0.769			
CA2	0.796			
CA3	0.775			
CA4	0.838			
CA5	0.715			
CA6	0.731			
Customer Co-Creation		0.865	0.899	0.597
CC1	0.841			
CC2	0.812			
CC3	0.735			
CC4	0.721			
CC5	0.773			
CC6	0.748			
Customer Interaction		0.858	0.893	0.581
CI1	0.754			
CI2	0.727			
CI3	0.764			

CI4	0.768			
CI5	0.802			
CI6	0.758			
Product Customization		0.862	0.901	0.647
PC1	0.817			
PC2	0.848			
PC3	0.872			
PC4	0.749			
PC5	0.726			
Service Customization		0.761	0.847	0.581
SC1	0.735			
SC2	0.773			
SC3	0.758			
SC4	0.782			
SC5	0.723			
Technological Capability		0.805	0.872	0.631
TC1	0.797			
TC2	0.860			
TC3	Deleted			
TC4	0.764			
TC5	0.752			

The Average Variance Extracted (AVE) square root for each latent variable is compared to other correlation values among any other constructs to determine the discriminant validity (Rasoolimanesh, 2022). Table 2 showed that the off-diagonal correlations were fewer than the square roots of the AVE values, proving the discriminant validity of the study.

Table 2 The Fornell and Lacker Discriminant Validity

	Competitive Advantage	Customer Co-Creation	Customer Interaction	Product Customization	Service Customization	Technological Capability
Competitive Advantage	0.772					

Customer Co-Creation	0.624	0.773				
Customer Interaction	0.509	0.602	0.762			
Product Customization	0.548	0.559	0.529	0.804		
Service Customization	0.658	0.606	0.528	0.512	0.762	
Technological Capability	0.630	0.532	0.611	0.586	0.506	0.794

Structural Model Assessment:

The findings in Table 3 and Fig. 2, reveal that Product Customization (PC) has significant and positive effect on Competitive Advantage (CA) in Jordanian industrial companies. The result indicated that 1% increase in PC would lead to 0.090% increase CA. Moreover, the results reveal that Service Customization (SC) has significant and positive effect on Competitive Advantage (CA) in Jordanian Industrial Companies. This imply that 1% increase in SC it would lead to 14.9% increase in CA. Additionally, the findings demonstrate that Customer Co-Creation (CC) has significant and positive effect on Competitive Advantage (CA) in Jordanian industrial companies. The result indicated that 1% increase in CC would lead to 34.1% increase in CA. Furthermore, the result reveal that Customer Interaction (CI) has significant and positive effect on Competitive Advantage (CA) in Jordanian industrial companies. The result indicated that 1% increase in CI would lead to 31.6% increase in CA. Finally, the outcome shows that Technological Capability (TC) has significant and positive effect on Competitive Advantage (CA) in Jordanian industrial companies. The result indicated that 1% increase in TC would lead to 10.4 % increase in CA. Hence, these results supported the research hypotheses.

Table 3 Path Analysis Result

Path Analysis	Beta	STDEV	T Statistics	P Values	Decision
Product Customization -> Competitive Advantage	0.090	0.039	2.321	0.021	Supported
Service Customization -> Competitive Advantage	0.149	0.072	2.062	0.039	Supported
Customer Co-Creation -> Competitive Advantage	0.341	0.065	5.253	0.000	Supported
Customer Interaction -> Competitive Advantage	0.316	0.054	5.86	0.000	Supported
Technological Capability -> Competitive Advantage	0.104	0.042	2.497	0.013	Supported

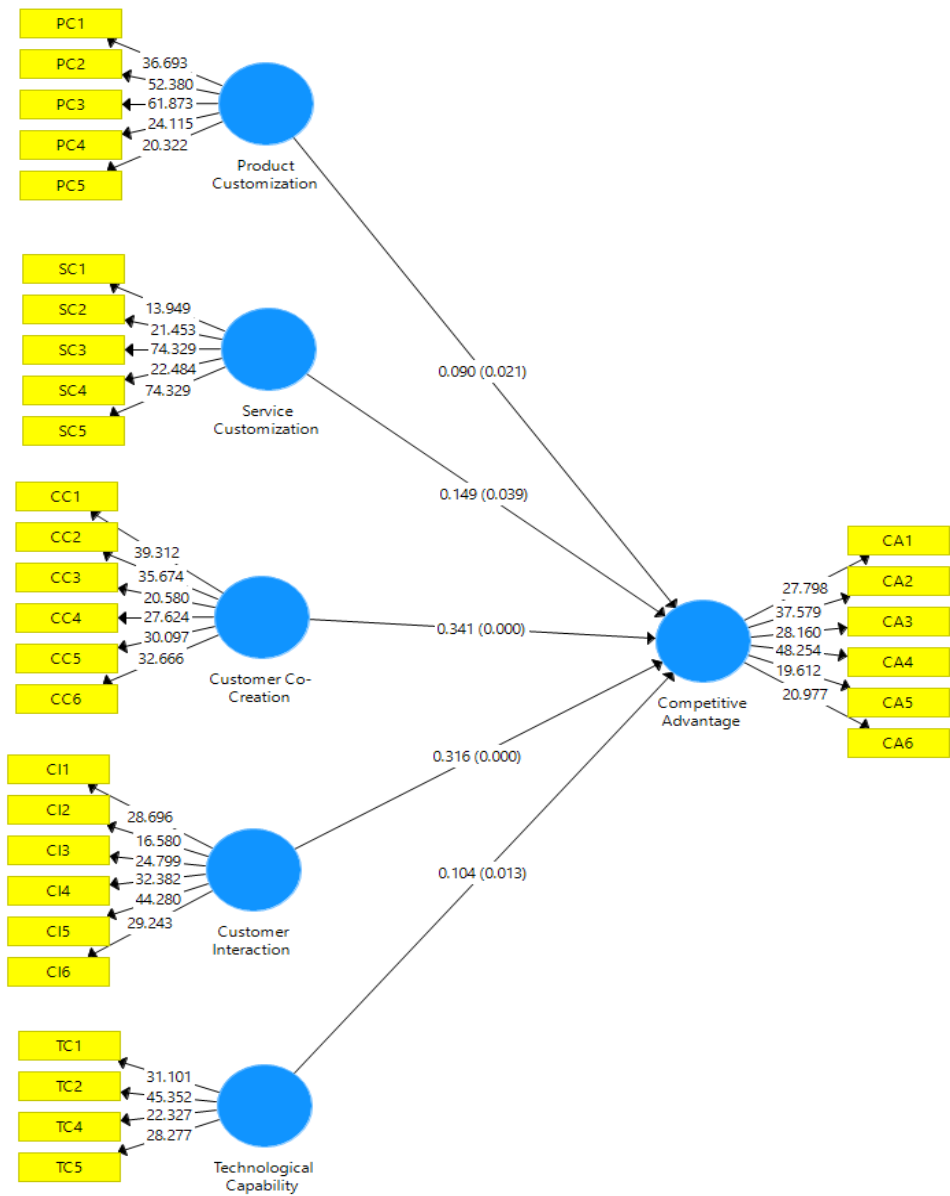


Fig 2 Path Analysis

Discussion:

In Jordanian industrial companies, product customization (PC) significantly and favorably affects competitive advantage (CA). Particularly in the fiercely competitive Jordanian industrial sector, product customisation (PC) is essential for boosting a company's competitive advantage (CA). Companies get a competitive edge by being able to customize products to meet particular client needs (Piller & Müller, 2004). According to empirical studies (Trentin et al., 2014; Gil-Saura et al., 2009), product Customization can greatly boost a company's competitive advantage. By addressing particular consumer needs, service customization (SC) considerably improves a company's competitive advantage (CA). This is especially true for the industrial sector in Jordan, where fierce rivalry calls for differentiation tactics. A company's competitive position is enhanced by customizing services since it fosters client loyalty and satisfaction (Chen & Tsou, 2007). According to empirical study, service customisation and competitive advantage are positively correlated (Rust & Huang, 2014). Customer Co-Creation (CC) is another effective tactic for boosting competitive advantage (CA). Customers' requirements can be better met by businesses by including them in the value creation process, which boosts customer satisfaction and loyalty (Prahalad & Ramaswamy, 2004). This is crucial in Jordan's cutthroat industrial sector, where differentiating products is essential. Co-creation, according to studies (Ranjan & Read, 2016; Grönroos & Voima, 2013), can considerably boost a company's competitive edge. Customer interaction (CI) helps businesses better understand and meet customer needs, which is a key component of competitive advantage (CA). The importance of CI is expanding in Jordan's industrial sector as a result of heightened competition. By promoting customer loyalty and improving the quality of products or services, research shows that effective customer engagement can greatly increase a firm's competitive advantage (Nguyen & Mutum, 2012; Trainor et al., 2014). Competitive Advantage (CA) is

significantly influenced by Technological Capability (TC). Adopting cutting-edge technologies can improve productivity, innovation, and customer happiness in Jordan's industrial sector's competitive environment. According to research (Lin & Chen, 2007; Li & Liu, 2014), technological prowess and a firm's competitive advantage are positively correlated. By enabling businesses to quickly adjust to market changes, technology has improved their strategic position.

Conclusion and Recommendation for Future Studies:

This study demonstrated a significant positive effect of adopting the Customization Focus System on competitive advantage in Jordanian industrial companies. It was found that product customization, service customization, customer co-creation, customer interaction, and technological capability all contribute significantly to enhancing firms' competitive advantage. For practitioners, especially those in Jordan's industrial sector, this research suggests that adopting customization strategies and leveraging technology to enhance interaction with customers can significantly boost competitive advantage. A focus on co-creation with customers can also lead to a more personalized, customer-centric approach. For managers in Jordanian industrial companies, this study highlights the importance of investing in customization and technological capabilities. Managers should also foster closer customer interactions and actively involve customers in co-creation processes to better meet their needs and expectations. The study's findings should be interpreted in light of certain limitations. Firstly, the study was context-specific, focusing on Jordanian industrial companies. The findings might not be generalized to other contexts or sectors. Additionally, the study used PLS-SEM, a variance-based method, which could limit the interpretation of relationships among the constructs to merely predictive explanations. Future research should consider examining the effect of the Customization Focus System on competitive advantage in different

industries and countries to understand its universal applicability. Moreover, other potential factors influencing competitive advantage, such as organizational culture or strategic alliances, could be included in future models. Also, it would be beneficial to use both variance-based (like PLS-SEM) and covariance-based SEM to provide a more holistic understanding of the relationships among the constructs. Furthermore, longitudinal studies could provide insights into how the effects of these strategies evolve over time.

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