

## **ABSTRACT**

This study of this research is to build a theoretical and empirical model of the acculturative iconic products to increase the competitive advantage of the product as well as the impact on marketing performance.

The populations of this study are the business owner or manager of SMEs Batik as much as 477 respondents. Data were collected by distributing questionnaires to the respondents. A total of 400 questionnaires were returned. The total samples of 310 were valid questionnaires. Secondary data were obtained from Disperindag Cirebon. The analysis used descriptive statistics and quantitative. The data analysis was based on Structural Equation Modeling (SEM) by employing AMOS ver. 16

The results showed that the innovation capability of the product line can directly influence acculturative iconic products. Acculturative iconic product can increase the competitive advantage of products and marketing performance. Other research findings is the adaptability of customer tastes has no effect on innovation capabilities and competitive advantages of product lines for the manufacture of products based on the idea of batik is mostly done with the employers idea based on customer needs unless there is a request or special order.

The theoretical contribution of this study is able to add to the literature of RBV theory, Social Interaction and MBV. Managerial implications are an increased competitive advantage and performance of marketing products can be done by increasing the attractiveness of acculturative iconic products.

**Keywords:** Innovation Product line Capability, Acculturative Iconic Product, Competitive Advantage Product and Marketing Performance.