

The Influence of Marketing Innovation on Increasing MSME Sales

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Abstract

The purpose of this research is to ascertain whether or not marketing innovation contributes to the expansion of sales at SMEs. The author used a descriptive methodology combined with qualitative data analysis to conduct her study, with in-depth interviews providing the primary source material for her findings. Micro, small, and medium sized company student entrepreneurs made up the study's population, from which 8 respondents were chosen for the sample. Descriptive analysis using a qualitative approach is used to analyze the data, specifically to describe the study outcomes in their raw form with the editing and coding processes that led to those results. The study's findings suggest that MSMEs might boost their revenue via creative marketing strategies.

Keywords: Marketing Innovation, Sales Increase.

INTRODUCTION

Micro, small and medium enterprises (MSMEs) are critical to economic development, job creation and poverty alleviation on a global scale. However, intense competition and scarce resources are major constraints for MSMEs. To succeed despite these challenges, MSMEs must innovate. Given this setting, marketing innovation stands out as a viable strategy to influence the innovative output of MSMEs. When businesses use new marketing tactics and methods, they do so to gain a competitive advantage and better serve the needs of their customers (Santoso and Ernawati, 2021). Introducing new approaches to marketing goods and services with the ultimate goal of improving inventive performance and gaining a competitive advantage is an example of marketing innovation. The inventive performance

of micro, small and medium enterprises (MSMEs) has been shown to be positively influenced by marketing innovation (Kim et al., 2021).

Low productivity in the production of new goods due to lack of originality and innovation is the root cause of unstable MSME marketing performance, as stated by (Utamaningsih, 2016). Awareness of market perspective, awareness to implement new strategies, capacity to take risks, and direction of the learning process all contribute to the idea of marketing performance (Haryanto et al., 2017).

To better serve their customers, businesses can use market orientation to gain a better understanding of their needs and the needs of their competitors (Haryanto et al., 2017). (Jyoti and Sharma, 2012) reported a favorable and statistically significant correlation to business outcomes. However, (Jabeen et al., 2013) argued that market orientation has no clear impact on business success.

The relationship between market orientation and marketing success can be strengthened by product innovation, as stated by (Putri et al., 2016). The influence of market orientation on marketing performance as a proxy for the success of a company's sales efforts is strengthened by innovation (Jabeen et al., 2013).

In today's fast-paced corporate world, innovation is essential to stand out from the competition. In accelerating national economic development, micro, small, and medium enterprises (MSMEs) play a vital role (Kristiyanti, 2012). (Aksoy, 2017) Successful businesses rely heavily on new marketing approaches. The competitiveness of micro, small, and medium enterprises (MSMEs) increasingly relies on their innovative marketing strategies. Maintaining the value of product excellence for customers is a primary motivation for many companies to invest in product innovation. Improved creative performance can be maintained through new approaches to marketing and product development. Competitive advantage, which in turn can be developed through innovation (Kusumo, 2006), can improve innovative performance.

Using a green marketing mix (Rahman et al., 2017) or running sales promotions to boost product sales is one way to innovate in marketing (Amelia et al., 2018). To better understand new rules and regulations, and implement cutting-edge innovation models, MSMEs anticipate socialization and assistance (Kumala & Ahmad, 2020). According to (Afriyie et al., 2019), improving marketing performance is very important when determining which strategies to use to improve creative output.

Small and medium-sized enterprises (SMEs) can increase their productivity, brand recognition, and market penetration by creatively utilizing information and communication technologies. Therefore, business owners, managers, and practitioners may gain useful

information from research examining the impact of marketing innovation on the inventive performance of SMEs (Molina et al., 2021).

METHODOLOGY

Students of the Economic Education Study Program, Faculty of Economics and Business, State University of Makassar have various micro, small, and medium enterprises, and this study uses a qualitative research method with a descriptive approach to investigate the impact of marketing innovation on innovative performance. Participants included students from the Economic Education Study Program, State University of Makassar (in the Faculty of Economics and Business). In terms of sampling strategy, purposive sampling was preferred. Purposive sampling, as explained by (Rai & Thapa, 2015), targets the exact characteristics of the population that may be of interest to the researcher under certain conditions.

Students enrolled in the Economic Education Study Program, Faculty of Economics and Business, Makassar Dua State University, become company owners. Eight respondents met these requirements, so they were included in the sample. Descriptive analysis with a qualitative approach was used to analyze the data, especially to describe the research results in their raw form with the editing and coding processes that led to these results. The purpose of coding is to categorize information in a way that facilitates further analysis (Priharsari & Indah, 2021).

Table 1. Informant Data

No.	Name	Force
1.	Ainaya	19
2.	Fadillah	19
3.	Fadiah	20
4.	Nurhikmah	20
5.	Nur Adha	20
6.	Reni	20
7.	Aini Refhi	21
8.	Sukran Idris	21

Source: Data Processing Results (2025)

Students of the Economic Education Study Program, Faculty of Economics and Business, Makassar State University can search for the informant data they need in the table

above. The following are examples of the types of questions asked by informants during interviews:

1. In your opinion, how does digital marketing impact sales growth?
2. What is the importance of innovation in increasing sales?
3. What is the influence and role of marketing innovation on innovative performance in MSMEs?
4. Why do some MSMEs tend to be lazy to innovate?

RESEARCH AND RESULTS

One aspect of the research sample that needs to be described is the characteristics of the informants who provide data for it. There were a total of 8 participants in this survey. All respondents were students of the Economic Education Study Program, Faculty of Economics and Business, Makassar State University.

Knowledge about the impact of innovation on the growth of sales of micro, small, and medium enterprises (MSMEs) owned by students in the Economic Education Study Program, Makassar State University, Faculty of Economics and Business is the main objective of this study. The research tool is directed to elicit responses from informants or related sources, (1) In your opinion, what is the impact of digital marketing on increasing sales? (2) What is the importance of innovating to increasing sales? (3) What is the influence and role of marketing innovation on innovative performance in MSMEs? (4) Why do some MSMEs tend to be lazy to innovate?

The following table shows the answer codes for the five questions given to the informants.

Table 2. Summary of Interview Results

Question	Answer
In your opinion, what innovations do MSME business actors need to make? <i>Coding A</i>	Indonesia's post-Covid economy has benefited greatly from what is now common knowledge among MSMEs: digital-centric marketing. (Sukran, Ainaya Interview February 2025) <i>Coding A1</i> Online media marketing is very successful, so I think that's where innovation is needed the most right now. (Fadiyah, Interview on February 26, 2025) <i>Coding A2</i>
What is the importance of	Small and medium enterprises (SMEs) can expand their customer base and capitalize on emerging market trends by being innovative in their approach to marketing. Small and medium enterprises (SMEs) can use this

innovation for increasing sales? <i>Coding B</i>	to increase their market exposure and reach. (Fadillah, Nur Adha, Interview dated February 2025) Coding B1 Marketing innovation can help micro, small, and medium enterprises (MSMEs) improve operational efficiency. Small and medium enterprises (MSMEs) can improve their marketing efficiency, reduce their overhead costs, and increase their output by, for example, adopting digital marketing technologies or new online marketing methods. (Ainaya, Interview, February 26, 2025) Coding B2
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Source: Data Processing Results (2025)

Responses on the importance of innovation and the types of innovation that need to be implemented were collected based on interview findings with informants. Informants in the CodingA interview defended the efficacy of maximizing technology in product promotion. The digital era is a time when digital technology has had a significant impact on almost every aspect of human life (Wahdiniwaty et al., 2022). E-commerce is growing in Indonesia, as stated by (Anugrah, 2020) due to technological advances in the digital era. E-commerce, or electronic commerce, is an open market that only operates in the digital realm.

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Table 3. Summary of Interview Results

Question	Answer
How does marketing innovation influence and play a role in innovative performance in MSMEs? <i>Coding C</i>	Marketing innovation helps MSMEs to differentiate themselves from competitors and attract customers. By developing creative and innovative marketing approaches, MSMEs can create unique added value for customers and increase their competitiveness in the market. (Reni, Interview on February 26, 2025) Coding C1 Marketing innovation helps MSMEs to better understand customer needs, preferences, and expectations. By presenting products or services that are

	innovative, relevant, and in line with customer desires, MSMEs can increase customer satisfaction and build strong long-term relationships. (Nur hikmah, Interview on February 26, 2025) Coding C2 Marketing innovation encourages MSMEs to think creatively and create new ideas. In an effort to gain competitive advantage, MSMEs need to continue to innovate in their marketing strategies. This stimulates a culture of innovation within the organization and encourages teams to seek innovative solutions to business challenges. (Fadillah, Interview on February 26, 2025) Coding C3
Why do some MSMEs tend to be lazy to innovate? <i>Coding D</i>	MSMEs often face resource constraints such as limited capital, limited workforce, and lack of access to technology and knowledge. These limitations can make MSMEs reluctant to innovate because they feel they do not have enough resources to do so. (Ainun, Interview on February 26, 2025) Coding D1 Innovation involves change and experimentation, which also carries risks. Some MSMEs may be unwilling to take such risks for fear of failure or damaging a well-running business. Fear of risk can inhibit motivation to innovate. (Ainun, Interview on February 26, 2025) Coding D2 Some MSMEs may not realize the importance of innovation in maintaining their business competitiveness. They may not have knowledge of current market trends or new technologies that can help them improve their products or services. Lack of awareness of the benefits of innovation can make MSMEs unmotivated to seek new solutions. (Reni, Sukran, Interview on February 26, 2025) Coding D3

Source: Data Processing Results (2025)

It is clear from the above discussion that the impact and relevance of marketing innovation on the inventive performance of MSMEs cannot be overstated. The ability of MSMEs to innovate is enhanced when new marketing strategies are used. Small and medium enterprises (SMEs) can increase their competitiveness, market share, and customer happiness by using new marketing methods. Small and medium enterprises (SMEs) can benefit from marketing innovation in two other ways.

We can see that proper mentoring and incentives are essential to overcome the reluctance of MSMEs to innovate. Access to resources, training, and business networks can

be provided by the government, educational institutions, and the business community. Encouraging MSMEs to be more proactive in producing innovation can be done by increasing knowledge about the advantages of innovation and reducing the risks associated with it.

Product innovation, as defined by (Nizam et al., 2020), is the process of developing new answers to old questions. Having high-quality but expensive or low-quality but low-priced products is a common problem in the business world. A company's marketing results can be influenced by its willingness to invest in product innovation (Harini et al., 2022). Introducing new processes and technologies into existing products to increase their usefulness. Companies that listen to their customers and develop products accordingly are more likely to succeed in the market, even when facing stiff competition (Saraswati, 2019).

According to research (Antari & Widagda, 2022), companies can increase their profits by meeting the wants and needs of their customers through the introduction of new processes and goods. Results are the main measure of success in evaluating innovation, as stated by research (Tuan et al., 2016). The effect of innovation on sales growth is positive and substantial. With the advent of the Fourth Industrial Revolution, MSMEs have developed into digital commerce centers. Marketplace is a type of company that emerged in the 4.0 era. Users can access many goods in the market (Miftah et al., 2015).

According to research (Astuti & Nasution, 2014), MSMEs can thrive in the face of a pandemic by adapting to the digital era and utilizing the Marketplace. The findings of this study provide a new perspective on doing business in the digital era. For micro, small, and medium enterprises (MSMEs), nothing has been done to change the marketing approach (Brown & Rocha, 2020). If new tactics are used, it will only affect how MSMEs generate revenue. This study also highlights the need for MSMEs to work on improving their brand image to increase their customer awareness. Santoso et al. (2023) found that when consumers learn more about a product or service, they are more likely to want to buy it.

Researchers (Quispe, 2023) claim that if micro, small, and medium enterprises (MSMEs) use and optimize digital innovation and economic strategies, it will help MSMEs make business communications more cost-effective, increasing the likelihood that their products will be more affordable and more competitive in the market. Research shows that social media can help increase online sales and expand your customer base (Cahyani et al., 2023; Sulhan, 2023) today. This is partly because many people now turn to social media to search for specific services or products. Online commerce can naturally benefit from this as well. In addition, buyers have more flexibility in choosing the latest items they want (Stephen, 2016).

CONCLUSION AND RECOMMENDATIONS

The impact of marketing creativity on the creative output of small and medium enterprises (SMEs) is the focus of this study. The results of the study indicate that marketing innovation affects inventive performance in SMEs well and substantially. This shows the importance of marketing innovation as a strategy to increase the likelihood of success of SMEs in creating and implementing new ideas. This study also shows that marketing innovation is mediated by other characteristics including market orientation, learning orientation, and the use of information and communication technology (ICT).

Consequently, SMEs should focus on these aspects to improve the effectiveness of their marketing innovation and their invention performance. This final analysis has important implications for SMEs and related parties. Small and medium enterprises (SMEs) can improve their innovative performance and contribute significantly to local economic development and corporate sustainability by implementing effective marketing innovation strategies and improving their supporting aspects.

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