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The Influence Of Product Innovation And Digital Marketing Implementation On The Business Success Of Sasirangan Msme In Sasirangan Village Banjarmasin

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Abstract

This study investigates the influence of product innovation and digital marketing on the business success of Sasirangan MSMEs (Micro, Small, and Medium Enterprises) in Sasirangan Village, Banjarmasin. Product innovation encompasses the creation and enhancement of products to meet consumer needs, while digital marketing involves the use of digital technologies to promote and sell products. The research aims to determine the extent to which these factors contribute to the success of Sasirangan MSMEs.

Utilizing a quantitative research method, data was collected from 30 respondents who are owners and managers of Sasirangan businesses. The research employed purposive sampling and used questionnaires to gather data, which was then analyzed using SPSS software.

Results indicate that both product innovation and digital marketing have a positive and significant effect on the business success of Sasirangan MSMEs. Specifically, the implementation of innovative product features, design, and quality, alongside effective digital marketing strategies such as traffic, conversion, and engagement, significantly enhance business performance.

The findings suggest that Sasirangan MSME owners should focus on continuous product innovation and adopt comprehensive digital marketing practices to improve their business success. This study contributes to the understanding of key factors driving the success of MSMEs in the textile industry, particularly in the context of traditional fabric production in Indonesia.

Key words: Product Innovation, Digital Marketing, Business Success, MSMEs, Sasirangan, Banjarmasin.

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INTRODUCTION

MSMEs play an important role in national economic development through MSMEs that develop in each region. Each region has unique MSMEs, both those that produce food or culinary fields, art fields such as sculptures and fabrics originating from their respective regions. Like other provinces in Indonesia, South Kalimantan Province has a distinctive fabric, which is included in the type of batik. The typical fabric originating from South Kalimantan is called Sasirangan. Sasirangan MSMEs in Banjarmasin City are one of the sectors that affect the economy in Banjarmasin City. In Banjarmasin City itself, there is a place that produces Sasirangan cloth known as Kampung Sasirangan. Sasirangan Village is divided into two places, namely Sasirangan Village one is Sasirangan Sei Jingah village and Sasirangan Village two is Sasirangan Sungai Mesa village.

Business competition requires MSME players to think critically in processing products made from Sasirangan Fabric so that the business being run can achieve business success. The efforts made by Sasirangan MSMEs are to innovate products. Further efforts so that Sasirangan products can be more widely recognized, Sasirangan MSMEs promote and sell Sasirangan products through the implementation of digital marketing. Based on the phenomenon and background of the problems found, the purpose of the research is to analyze the effect of product innovation and digital marketing on the success of Sasirangan MSME businesses in Sasirangan Village, Banjarmasin.

LITERATURE ANALYSIS AND METHODOLOGY

Product Innovation

Product innovation is not only a form of creating new products produced by the company, but can also be interpreted as improving quality both in terms of raw materials, physical form or the ability of goods that have previously been marketed Dhewanto et al., (2015). According to Kotler et al., (2005) product innovation includes various product development activities, improvements to entirely new products and expansions that increase the range or number of product lines that can be offered by a company or organization. Meanwhile, another opinion states that product innovation is defined as the result of new product development carried out by a company or industry, both existing and non-existing, which comes from old products that have reached a saturation point in the market so that an innovation is needed to replace the old product (Dhewanto et al., 2014). Based on the theories of the experts, it can be concluded that product innovation is the development of new products derived from old products. Product innovation is an

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effort to meet the needs of consumers. Product innovation does not have to be something that has never existed before, but product innovation can be interpreted as an update on a product that previously existed.

Digital Marketing

Digital marketing or the use of internet marketing is using the internet as a marketing medium (Muljono, 2018). Meanwhile, according to Rauf et al., (2021) digital marketing is a subcategory of marketing that uses digital technology in placing and selling products. Digital marketing according to Chaffey & Chadwick, (2016) is defined as achieving marketing goals through the application of technology and digital media. Based on the theories from experts, it can be concluded that digital marketing is marketing through the application of digital media. Based on the theories from experts, it can be concluded that digital marketing is a marketing channel that implements strategies in introducing and marketing products with the aim of presenting new opportunities and challenges.

Business Success

According to Noor, (2017) business success is the success of a business in achieving its goals. Meanwhile, according to Alifuddin & Razak, (2015) a successful entrepreneur is someone who can gather the strength and potential that exists within him. Based on the theories of the experts, it can be concluded that business success is the ability of a business to maximize its potential and achieve its goals.

RESEARCH AND RESULTS

The method in this study uses quantitative methods. This research was conducted in Sasirangan Village, Banjarmasin City, South Kalimantan Province. Sasirangan Village itself consists of two villages, namely Sasirangan Sei Jingah Banjarmasin Village and Sasirangan Sungai Mesa Village. The population in this study were Sasirangan MSME actors in Sasirangan Village Banjarmasin. The population in this study were Sasirangan MSME actors in Sasirangan Village, Banjarmasin City. Samples were taken using non-probability sampling techniques using purposive sampling methods. The sample determination in this study uses Roscoe's theory in Sugiyono, (2022), which states that if the research is carried out with multivariate analysis or multiple regression, the number of sample members must be at least ten times the number of variables studied. The variables in this study consist of three (3) variables, namely product innovation (X1),

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digital marketing (X2) and business success (Y). Based on this, the minimum sample size is 30 respondents. The data collection technique used in completing the data in this study was obtained through a questionnaire. Meanwhile, in assessing respondent data using a measurement scale, namely a Likert scale. The data collected in this study were processed and analyzed using statistical tools, namely the Statistical Package for Social Sciences (SPSS) version 25 software.

This research focuses on the owner and manager of Sasirangan cloth in Sasirangan Village, Banjarmasin. The total sample as respondents collected at the time of this research amounted to 30 respondents, who were the owners and managers of the Sasirangan business and had met the requirements in this study. The statements in this study amounted to 22 statements, consisting of 6 statements related to product innovation as variable X1, 6 statements related to digital marketing as variable X2 and 10 statements related to business success as variable Y. Characteristics in the form of data describing respondents based on respondent age, gender, last education and age of the Sasirangan business.

Product Innovation

The product innovation variable according to Dhewanto et al., (2015) has three indicators, namely product features, product design and layout as well as product quality. There are several statement items that clearly describe the indicators, namely:

Table 1 Result of Questionnaire Distribution on Product Innovation Variables

Indicator		Responden Response Score				Score	Average
	S	ST	RG	KS	TS		
Product Features							
X1.1	10 (33%)	8 (27%)	12 (40%)			118	3.93
X1.2	11 (37%)	10 (33%)	5 (17%)	4 (13%)		118	3.93
					Mean Indicator		3.93
Product Design and Layout							
X1.3	12 (40%)	11 (37%)	4 (13%)	2 (7%)	1 (3%)	121	4.03
X1.4	15 (50%)	7 (23%)	6 (20%)	2 (7%)		125	4.17
					Mean Indicator		4.10

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Product Quality							
X1.5	9 (30%)	13 (43%)	8 (27%)			121	4.03
X1.6	13 (43%)	12 (40%)	4 (13%)	1 (4%)		127	4.23
					Mean Indicator		4.13
		Total Average					4.05

Based on the table 1, it can be seen the results of the distribution of questionnaires related to the product innovation variable (X1) which has 6 statement items, with a mean or average value of 4.05. So, it can be concluded that Sasirangan MSMEs in Sasirangan village, Banjarmasin City have and implement product innovation well.

Digital Marketing

Digital marketing variables according to Muljono, (2018) have three indicators, namely traffic, conversion and engagement. There are several statement items that clearly describe the indicators, namely:

Table 2 Result of Questionnaire Distribution on Digital Marketing Variables

Indicator		**Responden Response Score**				**Score**	**Average**
	S	**ST**	**RG**	**KS**	**TS**		
Traffic							
X2.1	9 (30%)	11 (37%)	10 (33%)			119	3.97
X2.2	9 (30%)	14 (47%)	7 (23%)			122	4.07
					Mean Indicator		4.02
Conversion							
X2.3	14 (47%)	10 (33%)	4 (13%)	2 (7%)		120	4.00
X2.4	15 (50%)	8 (27%)	5 (16%)	2 (7%)		126	4.20
					Mean Indicator		4.10
Engagement							
X2.5	6 (20%)	13 (43%)	8 (27%)	3 (10%)		112	3.73
X2.6	13 (44%)	9 (30%)	6 (20%)	1 (3%)	1 (3%)	122	4.07
					Mean		3.90

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					Indicator		
		Total Average					4.01

Based on table 2, it can be seen the results of the distribution of questionnaires related to the digital marketing variable (X2) which has 6 statement items, with a mean or average value of 4.01. So, it can be concluded that Sasirangan MSMEs in Sasirangan village, Banjarmasin City have implemented digital marketing well.

Business Success

The variable of business success according to Noor, (2017) has five indicators, namely the ability to earn profits, productivity and efficiency, competitiveness, competence and business ethics and the establishment of trust or trust from the wider community. There are several statement items that clearly describe the indicators, namely:

Table 3 Result of Questionnaire Distribution on Business Success Variables

Indicator		**Responden Response Score**				**Score**	**Average**
	S	**ST**	**RG**	**KS**	**TS**		
Ability to Earn Profit							
Y1	10 (33%)	17(57%)	3 (10%)			127	4.23
Y2	13 (43%)	11 (37%)	6 (20%)			127	4.23
					Mean Indicator		4.23
Productivity and Efficiency							
Y3	7 (23%)	13 (44%)	10 (33%)			117	3.90
Y4	10 (33%)	8 (27%)	10 (33%)	2 (7%)		116	3.86
					Mean Indicator		3.88
Competitiveness							
Y5	5 (17%)	12 (40%)	9 (30%)	4 (13%)		108	3.60
Y6	4 (13%)	13 (43%)	8 (27%)	3 (10%)	2 (7%)	104	3.47
					Mean Indicator		3.53

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Competence and Business Ethics							
Y7	8 (27%)	11 (37%)	9 (30%)	2 (6%)		115	3.83
Y8	6 (20%)	15 (50%)	7 (23%)	1 (3%)	1 (3%)	114	3.80
					Mean Indicator		3.81
Establishment of Trust or Trustworthiness							
Y9	15 (50%)	9 (30%)	4 (14%)	1 (3%)	1 (3%)	126	4.20
Y10	14 (47%)	12 (40%)	3 (10%)	1 (3%)		129	4.30
					Mean Indicator		4.25
		Total Average					3.94

Based on table 3, it can be seen the results of the distribution of questionnaires related to the business success variable (Y) which has 10 statement items, with a mean or average value of 3.94. So, it can be concluded that Sasirangan MSMEs in Sasirangan village,

Multiple linear regression analysis is used to measure the strength of the relationship between two or more variables, it also shows the direction of the relationship between the dependent variable and the independent variable.

Table 4 Multiple Linear Regression Test Result

Variable Y	Variable X	Coefficient	t-count	Significance	Decision
Business Success	Product Innovation	0.594	2.415	0.023	Significance
	Digital Marketing	0.759	3.019	0.005	Significance
Constant		= 6.599	F count		= 121.288
R		= 0.949	Significance F		= 0.000
R Square		= 0.900	t table		= 2.052
Standar Error of Estimated		= 1.773	F table		= 3.354
std. deviation predicted value		= 5.128			

Based on table 4, the multiple linear regression analysis equation is as follows:

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Business Success (Y) = 6.599 + 0.594 X1 + 0.759 X2 + 1.773

Based on the table 4, it shows that the t-count value on the product innovation variable (X1) is 2.415 > t table 2.052 with a significance value of 0.023 < 0.05, so H1 which states that product innovation affects business success in Sasirangan MSMEs in Sasirangan Village, Banjarmasin City can be accepted. The t value on the digital marketing variable (X2) is 3.019 > t table 2.052 with a significance value of 0.005 < 0.05, so H2 which states that digital marketing has an influence on business success at Sasirangan MSMEs in Sasirangan Village Banjarmasin can be accepted.

CONCLUSION

The conclusion of this study states that product innovation as variable X1 obtained positive and significant results on business success as variable Y in Sasirangan MSMEs in Sasirangan Village Banjarmasin. This shows that between product innovation and business success have a mutual effect, so that Sasirangan MSME owners in Sasirangan Banjarmasin Village need to pay attention to product features, product design and design as well as product quality to increase Sasirangan business success. The more business owners understand about product features, product design and design as well as product quality, the higher the level of business success of Sasirangan MSMEs in Sasirangan Village, Banjarmasin. Then Digital marketing as variable X2 obtained positive and significant results on business success as variable Y in Sasirangan MSMEs in Sasirangan Village, Banjarmasin. This shows that digital marketing and business success have a mutual influence, so that Sairangan MSME owners in Sasirangan Village, Banjarmasin City need to pay attention to traffic, conversion and engagement to increase the success of the Sasirangan business. The more Sasirangan business owners understand about traffic, conversion and engagement, the higher the level of business success of Sasirangan MSMEs in Sasirangan Village, Banjarmasin.

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