
MARKETING PERFORMANCE IN MSMEs CULINARY SECTOR: THE EFFECT OF MARKET ORIENTATION, PRODUCT INNOVATION, AND COMPETITIVE ADVANTAGE

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Abstract

This study aims to analyze the influence of market orientation, product innovation, and competitive advantage on marketing performance in culinary micro, small, and medium enterprises in Bukateja District, Purbalingga Regency. This study employed a quantitative approach and purposive sampling, with 120 culinary business owners as respondents. The criteria for respondents in this study are MSMEs operating in Bukateja District, Purbalingga Regency, that have conducted promotional activities or product innovations in their culinary businesses and have been operating for at least two years. Data were collected through online questionnaires using Likert-scale measures. The analysis technique used in this study is multiple linear regression analysis supported by the statistical software SPSS 27. The instruments in this study have passed the validity and reliability test, as well as the classical assumption test. The results of the study show that market orientation, product innovation, and competitive advantage have a positive and significant influence on marketing performance. These findings highlight the importance of strengthening market orientation, enhancing product innovation, and building a competitive advantage to improve marketing performance.

Keywords: Marketing Performance, Market orientation, Product Innovation, Competitive Advantage.

INTRODUCTION

The development of micro, small, and medium enterprises (MSMEs) in Indonesia, especially in the culinary sector, plays an important role in encouraging regional economic growth. However, increasing competition and changing consumer preferences require MSMEs to implement the right marketing strategy to survive and thrive. One important factor affecting business success is market orientation, as market-oriented MSMEs tend to be more responsive in understanding customer needs, monitoring market changes, and adjusting business strategies to improve performance (Prajna et al., 2024). In addition, product innovation is an important strategy for creating added value and product differentiation to increase competitiveness amid increasingly fierce competition (Kotler & Keller, 2016).

The culinary MSME sector in Indonesia is experiencing rapid development, but still faces significant challenges in maintaining marketing performance. Based on a report by the Ministry of Cooperatives and SMEs (2023), culinary MSMEs are one of the largest contributors to creative economy growth. However, many business actors are still unable to respond optimally to changes in consumer preferences. These findings are in line with recent research that shows that business actors with a low market orientation tend to have difficulty understanding customer needs and reading market dynamics (Hair et al., 2019; Prajna et al., 2024), so that marketing strategies are not effective. In addition, limitations in product innovation remain a common problem for many MSMEs, making the products offered less able to provide added value compared to competitors. Research (Safira et al., 2024; Yaskun et al., 2023) emphasized that innovation is an important element to maintain product relevance and increase the competitiveness of culinary MSMEs. The latest marketing literature also reinforces this, where Kotler et al. (2021) stated that innovation is the primary foundation for sustaining business in an increasingly competitive market.

Data on culinary MSMEs in Purbalingga Regency for 2021–2024 show inequality in growth across sub-districts. Districts such as Purbalingga, Bojongsari, Kalimanah, and Kejobong have experienced an increase in the number of culinary MSMEs, indicating growing market potential but also increasingly fierce competition. On the other hand, sub-districts such as Bukateja, Kertanegara, and Karangmoncol experienced a decline in culinary MSMEs in 2023–2024, reflecting weaker business sustainability and potential weaknesses in marketing strategies, innovation, and the competitiveness of culinary MSME actors. Data on the number of culinary MSMEs in Purbalingga Regency from 2021 to 2024 is shown in the following table.

Table 1.
Data on Culinary MSMEs in Purbalingga Regency in 2021-2024

No	Kecamatan	2021	2022	2023	2024
1	Kemangkon	3.701	3.797	3.832	4.605

2	Bukateja	7.558	7.564	7.598	5.122
3	Kejo bo ng	4.350	4.375	4.415	3.745
4	Pengadegan	2.405	2.413	2.446	3.031
5	Kali go ndang	6.640	6.681	6.732	4.271
6	Purbali ngga	9.555	9.605	9.677	3.702
7	Kali manah	7.023	7.058	7.089	3.970
8	Padamara	4.066	4.091	4.137	3.296
9	Kutasari	7.402	7.408	7.439	2.830
10	Bo jo ngsari	6.799	6.819	6.844	4.077
11	Mrebet	8.034	8.125	8.183	4.340
12	Bo bo tsari	6.302	6.320	6.358	3.831
13	Karangreja	4.681	4.738	4.793	2.581
14	Karangjambu	1.754	1.846	1.882	595
15	Karanganyar	3.683	3.713	3.745	3.741
16	Kertanegara	3.570	3.640	3.664	2.268
17	Karangmo ncol	3.512	3.522	3.559	4.037
18	Rembang	6.502	6.532	6.574	5.564
	Total	97.537	98.247	98.967	65.606

Source: Purbalingga Regency Co-operatives and MSEs Office

Data on culinary MSMEs in Purbalingga Regency in 2021–2024 shows that Bukateja District has experienced a significant decrease in the number of culinary MSMEs, especially in 2023–2024. This decline indicates issues with business sustainability and weak marketing strategies. This finding is consistent with Praja et al. (2024), who stated that the marketing performance of MSMEs declines when business actors do not understand market needs and are slow to respond to changes in consumer behavior. This condition shows that the market orientation of Bukateja MSMEs may not be optimal.

In addition, stagnation and decline in MSMEs can be caused by a lack of product innovation, as explained by Yaskun et al. (2023), which, in turn, makes products less developed and reduces business activities. Another symptom is a weak competitive advantage. MSME actors in Bukateja District have experienced a decline in recent years, from 2023 to 2024, due to a lack of differentiation, quality, or pricing strategies. Ikbar et al. (2023) point out that competitive advantage is important for improving marketing performance, but Praja et al. (2024) emphasize that this is not effective when the product is highly homogeneous. Thus, the decline in culinary MSME actors in the Bukateja area from 2023 to 2024 is attributable to low market orientation, suboptimal product innovation, and weak competitive advantage, which together reduce marketing performance.

Marketing performance reflects the extent to which the organization can create value for customers and win the competition through the right strategy (Kotler et al.,

2021). Recent research also confirms that the marketing performance of MSMEs is reflected in sales volume, purchase growth, and market coverage expansion as a result of effective marketing activities (Kusuma et al., 2022). In the context of MSMEs, marketing performance is a determinant of business sustainability, as it depends on the ability to understand market changes, develop relevant marketing strategies, and maintain competitive advantages (Prajā et al., 2024). To improve their marketing performance, MSME players must not only focus on product quality but also develop a strong strategy grounded in market orientation, product innovation, and competitive advantage. To overcome the problems described above, market orientation can be used as a strategy to improve marketing performance.

Market orientation includes an in-depth understanding of customer needs, competitor analysis, as well as functional coordination that contribute to achieving superior results in a competitive business environment (Rizan & Utama, 2020). Research (Prajā et al., 2024) shows that market orientation is important for MSMEs to adjust to the dynamics of market needs and trends. Based on the results of previous research from (Syahyono et al., 2025; Dahmiri et al., 2024; Hardilawati et al., 2023; Ingsih et al., 2021) which states that market orientation has a significant positive effect on marketing performance. However, based on the results of the study (Abidin et al., 2024; Safira et al., 2024) Market orientation does not affect marketing performance.

Product Innovation is product development, making product design changes, which are customer-centered, that starts and ends with solving customer problems (Kotler & Armstrong, 2018). Innovation can take the form of taste modification, quality improvement, packaging development, or new products. Safira et al. (2024) affirms that product innovation is an important determinant in attracting consumers and expanding the culinary MSME market. Innovation affects marketing performance because innovative products are better able to attract and retain customers. This is reinforced by the results of the research (Syahyono et al., 2025; Abidin et al., 2024; Harini et al., 2024; Safira et al., 2024; Hardilawati et al., 2023; Adistia & Sanaji, 2022; Nina et al., 2022; Rompi et al., 2022; Ingsih et al., 2021) Who states that bringing product innovation has a significant positive effect on marketing performance. However, the results of the research from (Kusuma et al., 2022; Yaskun et al., 2023) states that product innovation does not affect marketing performance.

Competitive advantage can be described as a company's strategy to work together in creating a more effective competitive advantage in its market (Ingsih et al., 2021). Ikbar et al. (2023) emphasized that MSMEs with strong differentiation and product quality tend to have better marketing performance, as the consumer has a clear reason to choose the product. Competitive advantage affects marketing performance by underpinning MSMEs' ability to maintain customer loyalty and expand market share. This is reinforced by the results of the research (Nina et al., 2022; Rompi et al., 2022; Ingsih et al., 2021; Suherman, 2021) Who states that bringing a competitive advantage has a significant positive effect

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on marketing performance. However, the results of the research from Praja et al. (2024) states that competitive advantage does not affect marketing performance.

The research to be carried out is development research, building on previous research conducted by Hardilawati et al. (2023), focusing on the variables market orientation and product innovation, as these variables have a significant positive effect on marketing performance. The difference between this study and the previous study lies in its independent variables. In this study, the researcher added the competitive advantage variable from previous research by Ingsih et al. (2021) Because this variable has a significant positive effect on buying interest, the researcher added the competitive advantage variable to identify other factors that could affect marketing performance.

REVIEW OF LITERATURE

Stimulus-Response

The S-R (Stimulus–Response) theory is a basic theory in behavioral psychology that holds that human behavior is a direct response to external stimuli. Rooted in the thinking of John B. Watson (1913) as a pioneer of behaviorism, this theory argues that behavior can be studied and predicted through the cause-and-effect relationship between stimuli (stimuli) and responses (individual actions). This theory was also influenced by Ivan Pavlov's (1902) experiments on classical conditioning, which showed that organisms can associate certain stimuli with certain responses. In the context of the marketing performance of MSMEs in Bukateja District, the stimulus comprises three forms of business and marketing strategies employed by culinary MSMEs: market orientation, product innovation, and competitive advantage. These three stimuli are the primary factors that influence how consumers evaluate, assess, and respond to MSME culinary products in Bukateja District. The response in this case is Marketing performance, reflected in increased sales, customer growth, and market share expansion. When MSME actors can provide the right stimuli, such as understanding consumer needs (market orientation), presenting relevant innovations, and offering consumer product differentiation, this will elicit a positive response. This response can take the form of increased buying interest, repurchases, loyalty, and consumer recommendations, which ultimately strengthen marketing performance.

Market orientation

Market orientation includes an in-depth understanding of customer needs, competitor analysis, and functional coordination that contribute to achieving superior results in a competitive business environment (Rizan & Utama, 2020). Safira et al. (2024) affirms that market orientation encourages product customization to customer preferences and increases awareness of competitors, thereby strengthening marketing effectiveness and consumer buying interest. Yaskun et al. (2023) stated that MSMEs with a low market orientation tend to fail to adapt to changing preferences and competitive conditions, thus impacting turnover and marketing performance. Thus, market orientation plays an important role in determining the effectiveness of MSMEs in

reading the needs and responding to local market dynamics. Based on the results of previous research from (Syahyono et al., 2025; Dahmiri et al., 2024; Harini et al., 2024; Hardilawati et al., 2023; Ingsih et al., 2021) which states that market orientation has a significant positive effect on marketing performance. Based on the explanation above, the following hypotheses can be obtained:

H1: Market orientation has a positive and significant effect on marketing performance.

Product Innovation

Product Innovation is product development, making product design changes, which are customer-centered, that start and end with solving customer problems (Kotler & Armstrong, 2018). Yaskun et al. (2023) show that MSMEs that do not innovate tend to experience stagnant sales and reduced competitiveness because they cannot keep pace with changing market needs. On the contrary, the right innovation helps MSMEs adapt their products to consumer tastes, increasing satisfaction and purchase interest. Thus, product innovation enhances marketing performance by increasing product appeal, creating differentiation, and meeting consumer preferences sustainably. This is reinforced by the results of the research (Syahyono et al., 2025; Abidin et al., 2024; Harini et al., 2024; Safira et al., 2024; Hardilawati et al., 2023; Adistia & Sanaji, 2022; Nina et al., 2022; Rompi's et al., 2022; Ingsih et al., 2021), which states that bringing product innovation has a significant positive effect on marketing performance. Based on the explanation above, the following hypotheses can be obtained:

H2: Product Innovation has a positive and significant effect on marketing performance.

Competitive advantage

Competitive advantage can be described as a company's strategy to work together in creating a more effective competitive advantage in its market (Ingsih et al., 2021). Praja et al. (2024) shows that competitive advantage enhances MSMEs' ability to stand out, even when their effectiveness is reduced in a homogeneous market or when differentiation is weak. That is, competitive advantage, it is only effective if the product truly has a distinguishing value. Without menu differentiation, consistent quality, or an effective pricing strategy, MSMEs struggle to survive in a competitive culinary market. Thus, competitive advantage drives marketing performance by determining MSMEs' ability to attract, retain, and satisfy consumers amid market competition. This is reinforced by the results of the research (Nina et al., 2022; Rompi's et al., 2022; Ingsih et al., 2021; Suherman, 2021) Who states that bringing a competitive advantage has a significant positive effect on marketing performance. Based on the explanation above, the following hypotheses can be obtained:

H3: Competitive advantage has a positive and significant effect on marketing performance.

RESEARCH METHOD

This research is quantitative and uses a non-probability sampling method. The sample used was 120 MSMEs in the culinary sector in Bukateja District. Sample selection using teknik purposive sampling, i.e., sampling with consideration of certain criteria (Sugiyono, 2017).

The sampling criteria in this study are as follows:

1. Active culinary MSMEs that are still operating in Bukateja District, Purbalingga Regency
2. MSMEs that have carried out promotional activities or product innovation in the culinary business.
3. MSMEs have been running for at least 2 years.
4. MSMEs that have consistently run a culinary business since the first time the business was established

In this study, the research methodology is a Likert scale. The data collection technique used is to distribute a list of questions to MSME owners in the culinary sector as respondents through a questionnaire (Google Form). This questionnaire was used to obtain data from respondents regarding market orientation, product innovation, competitive advantage, and marketing performance. This study used multiple linear regression analysis with SPSS version 27.

Research Hypothesis

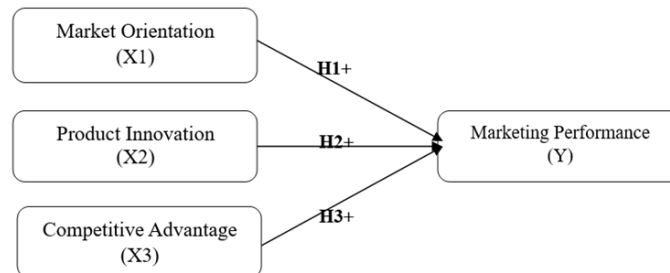
This study aims to analyze the influence of market orientation, product innovation, and competitive advantage on marketing performance. Based on the literature review and previous research, the hypotheses proposed in this study are as follows:

- H1 : Market Orientation has a significant positive effect on marketing performance.
- H2 : Product innovation has a significant positive effect on marketing performance.
- H3 : Competitive advantage has a significant positive effect on marketing performance.

Research Model

This research model describes the relationship between the independent variables (market orientation, product innovation, and competitive advantage) and the dependent variable (marketing performance). This model can be illustrated as follows:

Figure 1.
Research model



The model image of the study shows that the variables Market Orientation (X1), Product Innovation (X2), and Competitive Advantage (X3) have a direct relationship with Marketing Performance (Y). The relationship between these variables is shown through the H1, H2, and H3 hypotheses, which state that each independent variable is suspected to have a positive effect on the marketing performance of MSMEs in the culinary sector. The results of this research are expected to provide a deeper understanding for MSME actors on how to improve marketing performance through the implementation of market orientation, the development of product innovation, and the creation of sustainable competitive advantages.

RESULTS AND DISCUSSION

Respondent Characteristics

The characteristics of MSME actors in the food sector were analyzed based on gender, age, marital status, level of education, length of business, monthly income, and number of workers. Based on the distribution of questionnaires to 120 food MSME actors in Bukateja District, female respondents accounted for 55%. By age group, business actors aged 41-50 accounted for 35.83%, and those who were married accounted for 71.67%. By level of education, respondents who graduated from high school accounted for 48.33%. In terms of business experience, MSME actors who have been running their businesses for 2-3 years accounted for 49.17%. Meanwhile, respondents with monthly gross income in the range of IDR 10-20 million accounted for 45.83%, while those with 1-5 workers accounted for 55.83%.

Table 2.
Descriptive Analysis of Variables

	N	Min	Max	Mean	Std.Dev
Market Orientation (X1)	120	1.0	5.0	4.008	.7605
Product Innovation (X2)	120	1.0	5.0	3.835	.7822
Competitive Advantage (X3)	120	1.0	5.0	3.907	.7324
Marketing Performance (Y)	120	1.0	5.0	4.092	.6610
N (listwise)	120				

Source: Data processed (2026)

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The results of data analysis using SPSS 27 software presented in Table 2 show that:

1. Market Orientation
It is known that the minimum value is 1, the maximum value is 5, and the mean value is 4,008 with a standard deviation of ,7605. The average value and standard deviation of market orientation indicate that the data are good, as the average value exceeds the standard deviation.
2. Product Innovation
It is known that the minimum value is 1, the maximum value is 5, and the mean value is 3,835 with a standard deviation of ,7822. The average value and standard deviation of product innovation indicate that the results are good, as the average value exceeds the standard deviation.
3. Competitive Advantage
It is known that the minimum value is 1, the maximum value is 5, and the mean value is 3,907, with a standard deviation of ,7324. The average value and standard deviation of competitive advantage indicate that the data are good, as the average is greater than the standard deviation.
4. Marketing Performance
It is known that the minimum value is 1, the maximum value is 5, and the mean value is 4,092 with a standard deviation of ,6610. The average value and standard deviation of marketing performance indicate that the results are good, as the average is greater than the standard deviation.

Table 3.
Validity Test and Reliability Test Results

Variable	Indicator	Validity Test		Reliability Test (Cronbach's Alpha)
		r count	sig	
Marketing Performance (Y)	1. Market share growth	0.760	0.000	0.859
	2. Sales growth	0.721	0.000	
	3. Advantages	0.707	0.000	
	4. Customer growth	0.733	0.000	
	(Ingsih et al., 2021)			
Market Orientation (X1)	1. Customer value	0.670	0.000	0.870
	2. Satisfaction	0.667	0.000	
	3. Share with consumers	0.585	0.000	

	4. Responding to competitor strategies	0.615	0.000	
	5. Coordination to formulate strategies (Ingsih et al., 2021)	0.632	0.000	
Product Innovation (X2)	1. Design changes	0.509	0.000	0.840
	2. Innovation Engineering	0.589	0.000	
	3. Product development (Nina et al., 2022)	0.584	0.000	
	4. Aggressive promotion planning (Ingsih et al., 2021)	0.600	0.000	
Competitive Advantage (X3)	1. Competitive price	0.595	0.000	0.860
	2. Exploration of opportunities	0.622	0.000	
	3. Competitive threat defense	0.582	0.000	
	4. Flexibility	0.628	0.000	
	5. Customer relations (Nina et al., 2022)	0.597	0.000	

Source: Data processed (2026)

Based on Table 3, the r count value is greater than the r in the table (0.178), and the significance value is 0.000 or less than 0.05 ($\alpha = 0.05$); all indicators are valid. Cronbach's alpha value for all variables is greater than 0.6. Based on the reliability criteria put forward by Sugiyono (2019) A research instrument is considered reliable if Cronbach's alpha is > 0.60; thus, all variables in this study are reliable.

Classic Assumption Test

Table 4.
Normality Test Results

One-Sample Kolmogorov-Smirnov Test	
	Unstandardized Residual
N	120
Asymp. Sig. (2-tailed)	,200d

- a. *Test distribution is Normal;* b. *Calculated from data;* c. *Lilliefors Significance Correction;*
d. *This is a lower bound of the true significance.*

Source: Data processed (2026)

Based on the results of the normality test in Table 4 using the One Sample Kolmogorov-Smirnov, the value of asymp. Sig (2-tailed) is 0.200 > from 0.05. Therefore, the null (H0) hypothesis is accepted, which means that the assumption of normality is met.

Table 5.
Multicollinearity Test Results

Independent Variables	Collinearity Statistics	
	Tolerance	VIF
Market Orientation (X1)	0.785	1.273
Product Innovation (X2)	0.860	1.163
Competitive Advantage (X3)	0.780	1.282

Source: Data processed (2026)

Based on the results of the multicollinearity test in Table 5, it is known that the market orientation (X1) has a value of Variance Inflation Factor (VIF) of 1,273, product innovation (X2) by 1,163, and competitive advantage (X3) by 1,282. The entire VIF value is <10.00. According to Imam Ghozali (2018). The regression model is considered free of multicollinearity symptoms if the tolerance is > 0.10 or the VIF is < 10.00. Thus, it can be concluded that the independent variables in this study do not exhibit multicollinearity and are suitable for use in regression models.

Table 6.
Heteroscedasticity Test Results

Coefficients ^a	
Model	Sig.
(Constant)	.042
Market Orientation (X1)	.978
Product Innovation (X2)	.265
Competitive Advantage (X3)	.272

a. *Dependent Variable: Abs_RES*

Source: Data processed (2026)

Based on the heteroscedasticity test in Table 6, the significance value for each independent variable, namely Market Orientation, Product Innovation, and Competitive Advantage, is greater than 0.05. According to Imam Ghozali (2018) Heteroscedasticity

testing with the Glejser method indicates that if the significance value of the independent variable is greater than 0.05, the regression model does not exhibit symptoms of heteroscedasticity. Thus, it can be concluded that, in this study, there is no heteroscedasticity, and the regression model meets the classical assumptions.

Table 7.

Multiple Linear Regression Analysis Results

Coefficients^a			
Independent Variable	Unstandardized Coefficients	t	Sig.
	B		
(Constant)	2,198	2,102	,038
Market Orientation (X1)	,273	6,086	<,001
Product Innovation (X2)	,343	6,597	<,001
Competitive Advantage (X3)	,176	3,777	<,001

Source: Data processed (2026)

Based on the regression output, multiple regression models are formulated as follows:

$$Y = 2.198 + 0.273X_1 + 0.343X_2 + 0.176X_3 + e$$

Y = Variable depend

X1 = Market Orientation

X2 = Product Innovation

X3 = Competitive Advantage

Model Fit Test (Goodness of fit)

Table 8.

Coefficient of Determination Test Results

Model Summary^b				
Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	,789a	,622	,612	1,646

Source: Data processed (2026)

Based on the results of the Coefficient of Determination test, the relationship between the independent and dependent variables in this study is strong, as the correlation coefficient (R) is 0.789. Moreover, the Adjusted R-Square value is 0.612. This means that the variables Market Orientation (X1), Product Innovation (X2), and Competitive Advantage (X3) explain 61.2% of the variance in the marketing performance variables.

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Meanwhile, factors not covered in this study will affect the remaining 38.8% of the marketing performance variable.

Table 9.
ANOVA

	F	Sig.
Regression	63,664	<,001 ^b
Residual		
Total		

Source: Data processed (2026)

Based on the results of the ANOVA test, an F value of 63,664 was obtained. Meanwhile, the significance value (Sig.) is < 0.001 , which means it is smaller than 0.05. Because the significance value < 0.05 , the regression model was declared significant. Thus, H_0 is rejected, and H_1 is accepted, so it can be concluded that the regression model used in this study fits.

Hypothesis

Testing Partial Test (t Test)

Based on the results of the regression test in Table 7, this can be interpreted as follows:

1. The effect of market orientation on marketing performance in MSMEs in the culinary sector in Bukateja District shows that the value of $t_{count} = (6.086) > t_{table} (1.97993)$ with the table yielding a significant value of $0.001 < 0.05$, then H_0 is rejected, and H_1 is accepted. This shows that the market orientation variable has a positive and significant influence on marketing performance in MSMEs in the culinary sector in Bukateja District.
2. The effect of product innovation on marketing performance in MSMEs in the culinary sector in Bukateja District shows that the value of $t_{count} = (6.597) > t_{table} (1.97993)$ with the table yielding a significant value of $0.001 < 0.05$, then H_0 is rejected, and H_2 is accepted. This shows that the product innovation variable has a positive and significant influence on marketing performance in MSMEs in the culinary sector in Bukateja District.
3. The effect of competitive advantage on marketing performance in MSMEs in the culinary sector in Bukateja District shows that the value of $t_{count} = (3.777) > t_{table} (1.97993)$ with the table yielding a significant value of $0.001 < 0.05$, then H_0 is rejected, and H_3 is accepted. This shows that the competitive advantage variable has a positive and significant influence on marketing performance in MSMEs in the culinary sector in Bukateja District.

Table 10.
Acceptance and Rejection of Hypotheses

Hipotesis	Influence	Sig.	$\alpha = 0.05$	Verdict	Conclusion
H1	Market Orientation → Marketing Performance	<0,001	0,05	H1 accepted	Significant Impact
H2	Product Innovation → Marketing Performance	<0,001	0,05	H2 accepted	Significant Impact
H3	Competitive Advantage → Marketing Performance	<0,001	0,05	H3 accepted	Significant Impact

The Influence of Market Orientation on Marketing Performance

The results of this study show that Market Orientation has a positive and significant influence on Marketing Performance. This means that the better MSME players understand customer needs and act quickly against competitors, the better their marketing performance will be. From a theoretical perspective, Stimulus–Response (S-R), market conditions, customer needs, and competitors' strategies are stimuli that the company receives. The stimulus is then addressed by MSME actors through the implementation of an appropriate market orientation, thereby improving marketing performance. The results of this study support previous research conducted by (Hardilawati et al., 2023) which states that Market Orientation has a positive and significant influence on Marketing Performance. In line with the results of the research (Syahyono et al., 2025; Dahmiri et al., 2024; Harini et al., 2024; Ingsih et al., 2021) also shows that Market Orientation has a positive and significant influence on Marketing Performance.

The Influence of Product Innovation on Marketing Performance

The results of this study show that product innovation has a positive and significant influence on Marketing Performance. This shows that increased product innovation can improve Marketing Performance by enhancing product quality, thereby building customer trust and driving profit growth. In addition, the diversity of product variations can increase consumer interest in buying and reduce product saturation, thereby increasing sales. Attractive product styles and designs also contribute to market growth by influencing consumer interest and purchasing decisions. In theory, Stimulus–Response (S-R) product innovation can be seen as a stimulus provided by the company to consumers through product quality, variety, and design, which consumers then respond to with buying interest, trust, and purchasing decisions that impact marketing performance. The results of this study support previous research by Hardilawati et al.

(2023), which shows that product innovation has a significant positive effect on marketing performance. In line with the results of the research (Syahyono et al., 2025; Abidin et al., 2024; Harini et al., 2024; Safira et al., 2024; Adistia & Sanaji, 2022; Nina et al., 2022; Rompis et al., 2022; Ingsih et al., 2021), product innovation has a significant positive effect on marketing performance.

The Effect of Competitive Advantage on Marketing Performance

The results of this study show that Competitive Advantage has a positive and significant influence on Marketing Performance. This means that increasing competitive advantage in MSMEs positively influences the improvement in marketing performance achieved. From a theoretical perspective, Stimulus–Response (S-R), the competitive advantage that the company has is a stimulus given to consumers through product value that is superior to competitors, then responded to by consumers in the form of buying interest, loyalty, and increased demand, which has an impact on marketing performance. Marketing performance can be improved by offering products with superior value, especially through better design than competitors'. Therefore, business actors need to develop sustainably so that their products have distinct characteristics and uniqueness. This uniqueness can create a distinct identity and added value for consumers, making products more attractive and in demand. This is in line with the S-R theory, which posits that stimuli such as product uniqueness and added value elicit positive consumer responses, thereby improving marketing performance. The results of this study support the findings Ingsih et al. (2021) which shows that competitive advantage has a significant positive effect on marketing performance. In line with the results of the research (Nina et al., 2022; Rompis et al., 2022; Suherman, 2021) also shows that competitive advantage has a significant positive effect on marketing performance.

CONCLUSION

This study concludes that market orientation, product innovation, and competitive advantage have a positive and significant influence on marketing performance in MSMEs in the culinary sector in Bukateja District, Purbalingga Regency. Market orientation has been shown to improve marketing performance by enabling MSME actors to understand customer value, increase consumer satisfaction, respond to competitors' strategies, and coordinate business strategies, thereby increasing sales growth, profits, and the number of customers. In addition, product innovation through changes in product design, innovation techniques, product development, and more aggressive promotion can increase product attractiveness and consumer buying interest, thereby improving marketing performance. Competitive advantage, reflected in competitive prices, business flexibility, the ability to explore market opportunities, maintain competitiveness, and build customer relationships, has also been shown to strengthen MSMEs' position in the culinary market.

Theoretically, this research contributes to the development of marketing studies on MSME actors, particularly by applying Stimulus-Response (S-R) theory to explain the

relationships among market orientation, product innovation, competitive advantage, and marketing performance. Practically, the results of this study have implications for culinary MSME actors to further improve market orientation, strengthen product innovation, and maintain competitive prices for customers, thereby increasing competitiveness and sustaining the business. However, this study has limitations due to the relatively small sample size, and its scope focuses only on MSME actors in the culinary sector in Bukateja District, so the results of the study cannot be generalized widely. Therefore, further research is recommended to expand the number and characteristics of respondents and add other more relevant variables, such as digital marketing capability, customer relationship management (CRM), customer satisfaction, customer loyalty, service quality, social media marketing, customer trust, perceived value, and customer engagement, in order to obtain more comprehensive research results.

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