THE INFLUENCE OF PRODUCT INNOVATION, MARKETING INNOVATION AND PROCESS INNOVATION ON PERFORMANCE OF FOOD BUSINESS MSMES IN LENGKONG DISTRICT, BANDUNG CITY, WEST JAVA

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Abstrak

The contribution of MSMEs to the Indonesian economy is significant. Equalising the economic status of small persons is one of the duties carried out by MSMEs. In this case, MSMEs can be located in various areas, even in remote areas, so that people do not need to go far to the city to find a decent living. One of the MSMEs developing in Bandung is Food MSMEs in Lengkong. Finding out how product innovation, marketing innovation, and process innovation affect the performance of MSMEs is the main goal of this study.

This study used a quantitative approach based on descriptive and causal kinds of questions measured using Likert scales. Only MSMEs make up the sample for this study. Researcher used a sample size of 71 respondents. This method of study makes use of SPSS 21 for Windows to conduct descriptive and multiple linear regression analyses.

According to the findings, product innovation, marketing innovation, and process innovation all have an impact on the performance of MSMEs.

Key words: product innovation, marketing innovation, process innovation, MSMEs performance

Abstrak

Kontribusi UMKM terhadap perekonomian Indonesia sangat signifikan. Menyetarakan status ekonomi masyarakat kecil merupakan salah satu tugas yang diemban oleh UMKM. Dalam hal ini, UMKM dapat berada di berbagai daerah, bahkan di pelosok-pelosok, sehingga masyarakat tidak perlu jauh-jauh ke kota untuk mencari penghidupan yang layak. Salah satu UMKM yang berkembang di Bandung adalah UMKM Makanan di Lengkong. Mengetahui bagaimana pengaruh inovasi produk, inovasi pemasaran, dan inovasi proses terhadap kinerja UMKM menjadi tujuan utama penelitian ini.

Penelitian ini menggunakan pendekatan kuantitatif dengan jenis pertanyaan deskriptif dan kausal yang diukur dengan menggunakan skala Likert. Hanya UMKM yang menjadi sampel dalam penelitian ini. Peneliti menggunakan jumlah sampel sebanyak 71 responden. Metode penelitian ini menggunakan SPSS 21 for Windows untuk melakukan analisis deskriptif dan regresi linier berganda.

Menurut temuan, inovasi produk, inovasi pemasaran, dan inovasi proses semuanya berdampak pada kinerja UMKM.

Kata kunci: inovasi produk, inovasi pemasaran, inovasi proses, kinerja UMKM

I. INTRODUCTION

One of Indonesia's top priorities for economic development is the growth of MSMEs. The foundation of the people's economy, this industry works to alleviate poverty and create jobs in addition to addressing the issue of income inequality and between business actors. By strengthening the regional economy and national economic resilience, the growth of microenterprises can increase the economic sector's base and significantly accelerate structural change (Fibriyani, 2018).

Small or micro businesses have experienced a lot of development because they are considered the simplest businesses and the company's operational processes are the closest or affordable to consumers. Because of this, and supported by innovative ideas from small business actors on the market, products produced by small businesses are often the choice for consumers. The success of small businesses that are currently developing is also heavily influenced by the variety of products. offered by small business actors and also small business actors tend to understand more about consumer desires (Situmorang, 2018).

MSMEs that want to survive and be more advanced in these conditions need to develop new strategies (Bilqies, 2017). Competitive strategy involves building and leveraging strategic resources to gain a competitive edge. This advantage serves two purposes: driving business performance and countering competitors' strengths. (Suhaeni, 2018).

MSMEs who want to develop are willing to take risks and are committed to creating innovation (Bilqies, 2017). A company's ability to maintain a competitive edge and generate profits depends on its capacity for strategic innovation (Nybakk, 2013). In order to innovate strategically, one must come up with new and innovative ideas, methods, products, or services that shake up existing markets and provide enormous value to consumers (Kusniawati, 2021).

MSMEs is defined as a firm with assets up to Rp.50,000,000 and annual sales up to Rp.300,000,000, as defined by Indonesian Law No. 20/2008.

It would be fair to say that Indonesia's MSME are thriving, given both their increasing numbers and the positive impact they have on the country's GDP. The MSME management itself can vary, starting from the management per business unit, as well as in the form of a collection of MSMEs that form MSME centers that usually sell or produce similar goods.

This research took Food Business MSMEs in Lengkong District, Bandung City, because based on data from Bandung City MSMEs, Lengkong District and Lengkong District Food Business MSMEs, Bandung City, are among the MSMEs with the largest number in Bandung City, namely 86 MSMEs. Food MSME are the type of business with the largest number of SMEs in Lengkong District, Bandung City. Food MSME is included in the food MSME sector including the agriculture, livestock, forestry and fishery sectors; and MSME Food is included in the food crops sub-sector. According to Central Bureau of Statistics (2006) in catalog 9102021 and Central Bureau of Statistics (2006b) in catalog 9102038, the standard classification of food MSMEs in Indonesia includes restaurants, food stalls, bars, food and beverage shops, mobile food and beverage sellers and catering services (Ginting, 2019)

According to Nuri Nuraeni in her interview on the online news Jabarekspres.com, MSMEs in Bandung struggle with capital shortages, poor financial management, lack of innovation, inadequate digital marketing, and licensing hurdles, exacerbating pandemic-related revenue declines. (Nizar, 201).

The Covid-19 pandemic also affected the decline in MSME turnover. Data from the MSME Service stated that business actors in the culinary field had decreased by up to 97%. The average turnover has decreased by 65% from the turnover before it was affected. MSMEs Culinary business types such as packaged snacks, ready-to-eat foods, and soft drinks have decreased, varying from 60% to 97%. However, specifically for honey products and traditional medicines, they experienced a 100% increase (Jabarekspres.com/, 2021).

Intensifying competition and rapid technological progress have made product differentiation increasingly challenging (Setiono, 2016). MSMEs are also susceptible to this problem since the current solutions have not been enough. By putting an innovation plan into practice, MSMEs which are also a part of the economy need to become even more competitive. Innovation and creativity-based competitive advantage should be given priority since they are more durable and last longer. Organizational obstacles, specifically when it comes to implementing innovation, including the required investment amount (Pratama, 2024).

This worry is actually unwarranted because innovation is institutionalized, constant, and sustainable more critically, it doesn't have to begin with anything expensive and sophisticated.Product innovation is a key consideration for businesses when developing new products. Products are the centre of marketing campaigns since they are the

company's assets that can be sold to consumers and help the business achieve its goals. The quality, style, shape, size, packaging, service, warranty, and flavour of a product are all important factors in determining whether or not customers will give it a try. Several MSME received negative feedback on complaints about MSME products in relation to product innovation and MSME food business.

II. LITERATURE REVIEW

Innovation Strategy

Plans for expansion, new product lines, services, or business models that shake up the industry and provide substantial new value for clients, businesses, and consumers are all examples of strategic innovation. Conventional strategy development procedures are integrated with innovative and creative approaches within this framework. It incorporates viewpoints from a variety of relevant domains, including the business creativity movement's unconventional approach to innovation, conventional strategy consulting, an industrial design firm's view on product development, qualitative research on consumers and customers, corporate institutions' research into the future, conventional scenario planning, and organisational development practices that evaluate the efficacy of processes, policies, and structures (Kalay, 2015).

Product Innovation

One way to look at it is that products are the producer's subjective interpretation of anything that can be given to satisfy customer demands and activities, with organisational competence and capacity and market purchasing power playing a larger role (Larashati, 2021). The quality, style, shape, size, packaging, service, warranty, and flavor of a product are all important factors in determining whether or not consumers will give it a try. Three markers of product innovation can be distinguished: new products, imitation items, and product line expansion. In the meanwhile, this study's indications for process innovation include technology capabilities, partnerships with suppliers and consumers, formal structure, and an innovative culture. (Terziovski, 2015).

A product innovation strategy entails introducing or managing a product that is either newly available to consumers or has undergone substantial enhancements in terms of its features or functionality. Among its many features are significant enhancements to mechanics determination, segments and materials, joining, and usability (Tavassoli, 2015).

The product's innovative dimensions are as follows (Fanreza, 2022):

1) Innovation in technology refers to changes made to existing products or processes and new inventions.
2) Innovation design is a process that is sometimes referred to as perencanaan or design regarding changes that impact evelopment.

Marketing Innovation

The goal of a marketing innovation strategy is to introduce novel approaches to advertising that cause substantial shifts in product positioning, price, or packaging (Tavassoli, 2015). Revenue and sales may be boosted via innovation marketing by meeting consumer wants, expanding into new areas, or giving the company's goods a new place in the market. Market pricing techniques, product offerings, property designs, product placement strategies, and promotional activities are examples of common marketing innovation tactics. Innovative marketing techniques affect brand marketing initiatives and enhance consumer experiences and brand relationships, allowing brands to become customer-centric. (Kipto, 2019).

The dimensions of marketing innovation are (Tavassoli & Karlsson, 2015):

1) Pricing strategy

2) Promotional activities

3) Market orientation

Process Innovation

New implementations or significantly enhanced technique development or delivery are also examples of process innovation. Changes in strategy or hardware are included into basic process progress methods (Tavassoli, 2015). Process innovation covers the stages from new product, service or process development, from concept to idea through market acceptance. Business process reengineering and quality functions are examples of process innovation (Larashati, 2021). Besides that, process innovation is one way to improve product quality in a more efficient way.

The indicator of the innovative process is (Ahmad, 2023):

1) Cost

Cost is the total cost of production

2) Quality

One measure of product quality is how well it satisfies buyers' requirements.

3) Time

Time is the accuracy of production and marketing schedules.

Performance

In order to legally, morally, and ethically accomplish the organization's goals, an individual or group of individuals must perform their work in a way that complies with their various authority and obligations. Performance evaluation is the routine evaluation of an organization's or its constituents' operational effectiveness based on predetermined goals, standards, and criteria. (Larashati, 2021). Performance is the degree of success or accomplishments the business has made over a specific time frame. It is highly dependent on the company's success to determine its development. According to Wardoyo (2018). What constitutes performance is the actualization of the organization's aims and strategies. Employees that possess the necessary skills, attitude, drive, and enthusiasm carry out the implementation. Organization of people and its components in a way that fosters mutual understanding between superiors and subordinates regarding the end goals to attain in order to acquire the necessary competencies is one possible interpretation of performance management as a process that aims to enhance capabilities in accordance with predetermined targets. To sum up, performance is the end outcome of efforts that provide observable outcomes; it shows how well an organization has done in reaching its objectives (Kalay, 2015).

Many small and medium-sized enterprise (MSME) performance indicators are listed below (Siswanti, 2020):

1. An increase in sales, which makes sales the principal source of income for the business. If expenses stay the same, the increase in revenue will lead to a growth in the company's assets.

2. Customer growth: Since customers are the ones who decide how many products are sold, a rise in the number of customers suggests that there are more market segments that have the potential to boost sales.

3. Growth in profits: Profits are a source of new firm capital, and rising earnings show that a business is effectively managing its finances and employing its money.

The Influence of Product Innovation Strategy on the Performance of MSMEs in the Food Business in Lengkong District, Bandung City

Innovation in products can take many forms, including the introduction of a brand-new product made from completely new materials or the improvement of an existing product in response to market demand. The introduction of new products or services to address the demands of current customers or to attract customers from untapped markets is

also considered product innovation. New product innovations may result by capitalizing on novel ideas. A variety of products are made available through product innovation (Rosli & Sidek, 2013).

The Influence of Marketing Innovation Strategy on the Performance of MSMEs in the Food Business in Lengkong District, Bandung City

Marketing innovation focuses on market selection and the marketing mix to meet customer purchasing preferences. Companies must constantly innovate in the market since new marketing tools, especially the Internet, allow rivals to quickly contact potential customers anywhere in the world (Rosli & Sidek, 2013).

Marketing innovation seeks to raise company sales by better satisfying customer desires, creating new markets, or introducing new firm things to the market. Among the four Ps of marketing, innovation is closely associated with pricing strategies, product placement, the design features of product packaging, and promotional activities (Kotler, 2016). According to what Al-Battaineh found (2018).

The Influence of Process Innovation Strategy on the Performance of SMEs in the Food Business in Lengkong District, Bandung City

Process innovation typically refers to the re-engineering and improvement of the inner workings of business processes. Everything from technical design and research and development to manufacturing, management, and marketing activity is a part of a company's operations. The phrase process innovation describes the incorporation of fresh ideas and enhancements to preexisting procedures. For example, new knowledge, abilities, methods, systems, and processes are required to transform inputs into outputs. Using better or innovative tools, techniques, machinery, and knowledge to make a product is what's known as process innovation in production (Rosli & Sidek, 2013).

Crucially for the manufacturing sector, businesses need to highlight process innovation as their primary differentiator for gaining a competitive edge. More precisely, according to Rosli and Sidek (2013), this kind of innovation has a favorable correlation with business growth. According to what Al-Battaineh found (2018)

In light of the above, the following model is used in this study:

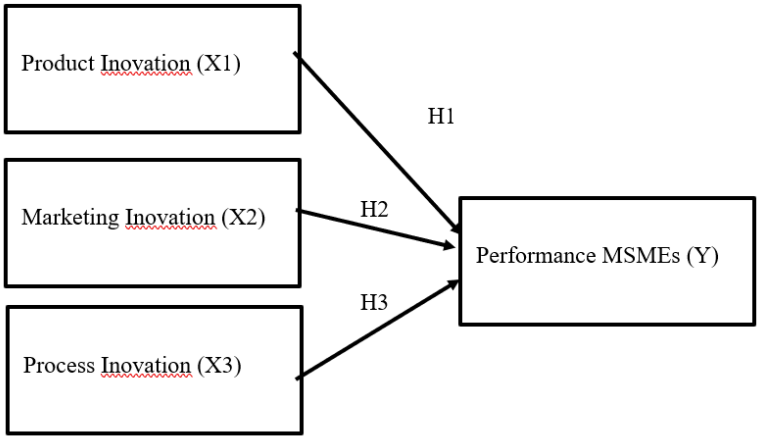

Figure 1. Research Framework

This research states its hypotheses as follows:

H1: Process innovation has a significant positive effect on the performance of MSMEs in the Food Business in Lengkong District, Bandung City.

H2: Marketing innovation has a significant positive effect on the performance of MSMEs in the Food Business in Lengkong District, Bandung City.

H3: Product innovation has a significant positive effect on the performance of MSMEs in the Food Business in Lengkong District, Bandung City.

III.RESEARCH METHODOLOGY

Research Methodology

This study employs quantitative methods that are based on current theories and methodologies. Because the research's data is numerical and based on statistical analysis, the approach is known as the quantitative technique. Additionally, a confirmation or verification can be performed using this method (Sugiyono, 2022). This research employs the descriptive technique in order to achieve its goal of providing a systematic description of the research object (Sugiyono, 2022). This study examines the object using several methods, which makes it a comparative study as well. Because the data they acquire is unaltered, researchers do not intervene with the data. MSMEs is the research's unit of analysis. Cross-sectional studies, according to Sekaran & Bougie (2014), are studies in which data is gathered only once in order to respond to survey questions.

Data Collection Tools

Tabel 1.Operasional Variabel

Variable	Definition Operational	Indicator	Item	Measurement
MSME Performance (Y)	Performance is the degree of success or accomplishments the business has made over a specific time frame. A company's performance has a significant impact on how it develops. If performance is defined as the sum of the work done, the outcomes of the work, and the actions taken and the methods used, Wahyudiati (2017)	Sales Growth 2. Customer Growth 3. Profit Growth (Siswanti, 2020)	1) My MSME is experiencing sales growth 2) My MSME is experiencing customer growth 3) My MSME customers consist of various levels of society 4) My MSME is experiencing profit growth	Likert Scale
Product Innovation (X1)	Product innovation strategy involves the proper presentation or administration of one that is new in the market or has been completely improved with	1. Technical innovation 2. Design innovation (Gelora et al., 2018)	1) MSMEs always add updates to the menu / products 2) MSMEs develop existing products to become better products 3) MSMEs improve the quality of components and materials used to make products	Likert Scale

	respect to its attributes or work. (Tavassoli & Karlsson, 2015).		4) MSMEs have original products or flagship products	
Marketing Innovation (X2)	Implementing new marketing techniques and models that will drastically alter product positioning, pricing, packaging, or design is known as marketing innovation strategy (Tavassoli & Karlsson, 2015).	1. Pricing strategy 2. Promotional activities 3. Market orientation (Tavassoli, 2015)	1) A feedback channel is in place at the company to receive client concerns, which are then used to enhance the service. 2) Through promotions and corporate social responsibility, the company's marketing approach helps customers feel like they're a part of the company. 3) Diverse target markets are used by the company, which also innovates. 4) The firm oftenly introduces innovative product offers	Likert Scale
Proccess Innovation (X3)	New implementations or significantly enhanced technique development or delivery are also examples of process innovation. Change strategy or hardware is incorporated into basic process advancement procedures (Tavassoli & Karlsson, 2015).	1. Cost 2. Quality 3. Time (Ahmad, 2025)	1. Production costs incurred are in accordance with the planned budget 2. My MSME products have a quality that can meet consumer needs 3. My MSME has punctuality in production 4. My MSME has punctuality in marketing products	Likert Scale

Source: Data processed by Researcher (2022)

Population and Sample

Sugiyono (2021) states that researchers select products or individuals with certain quantities and attributes to form a population. This population is then used for generalisation purposes. The total number of Indonesians who have the opportunity to become MSMEs Food Business District Lengkong, which is approximately 86 MSMEs, constitutes the

population in this study, according to UMKM Kota Bandung (2023). According to Sugiyono (2020), the sample size and makeup are indicative of the population as a whole. The sampling approach used in this investigation is probability sampling. To guarantee that every portion of the population had an equal opportunity to be included in the sample, this research used a probability sampling approach. But to find out how many people actually participated, we employ a simple random sampling method. Uses probability sampling since the researchers found that every population in District Lengkong had the same amount of information about each MSMEs Food product.

Sugiyono (2020) states that basic random sampling is characterised by an equal opportunity for each element or member of the population to be selected as a sample, and that the sample is composed of a number of things selected at random. The Slovin formula, as stated by Umar (2015), is used to ascertain the minimum number of samples:

$$n=\frac{N}{1+Nd^2} \qquad (1)$$

Where:

n = number of samples

N = population size

D = accuracy or percentage of inaccuracy determined due to sampling errors that can still be tolerated or expected, this research uses an error rate of 10% (Umar, 2014: 79).

Based on the formula above, the following is the sample calculation in this study:

$$= \frac{\mathbf{86}}{\mathbf{1 + 86\ (0,05)^2}}$$

$$\boldsymbol{n} = \frac{\mathbf{86}}{\mathbf{1,215}}$$

$\boldsymbol{n} = 70{,}79$

The result is 71, as computed using the Slovin formula. Accordingly, 71 participants were considered the bare minimum for this study's sample size.

Data Collection and Sources

Researchers get primary data by asking people to fill out questionnaires, participate in focus groups or panels, or interview experts in the field. Reprocessing is required for the data derived from this raw data. information sources that give data collectors the information immediately. MSMes Lengkong, who participated in this study were handed questionnaires. Workplace culture, employee performance, work discipline, and motivation were all investigated through the use of questionnaires.

When measuring things in a survey, likert scales are used. According to Sugiyono (2022), respondents' opinions and perspectives on social problems may be captured using the Likert scale.

Tabel 2. Design for Using a Likert Scale

Answer Scale	Score
Strongly agree	5
Agree	4
Simply agree	3
Don't agree	2
Strongly Disagree	1

Source:(Sugiyono, 2022)

Secondary Data

A secondary data source is one that gives data collectors access to information indirectly. Documentary data, or secondary data, are typically records, notes, or historical reports that have been assembled from both public and private archives.

Data analysis technique

Descriptive Analysis

Descriptive data statistics aim to evaluate data by describing it as originally collected, without making any assumptions or generalisations (Sugiyono, 2020). To gather information on MSMEs perceptions of innovation strategies on MSME performance, the authors of this study employed descriptive analysis.

1) This research uses a questionnaire with five answers that must be selected and considered appropriate according to the respondents.
2) Add together all of the respondent scores for each variable or subvariable to get the overall score.
3) Take the average of all the scores and divide it by all the variables and subvariables.

The researcher utilised descriptive statistics, such as the frequency distribution, in SPSS 25 to explain the responses of the respondents.

Classic assumption test

Since not all data can be used with regression analysis, it is vital to validate traditional assumptions prior to applying regression analysis in order to prevent biased estimations. The multicollinearity, heteroscedasticity, and normality tests make up the traditional assumption test in this study.

Normality test

The normalcy test is used in regression models to find out whether the residual or confounding variables follow a normal distribution (Ghozali, 2018). Common data types that undergo this test include ordinal, interval, and ratio scales. In this study, the Kolmogorov Smirnov test was used to determine normalcy. A significant number more than 0.05 indicates that the data is consistently distributed, while a value less than 0.05 indicates that the data is not consistently distributed.

Heteroscedasticity Test

The heteroscedasticity test, according to Ghozali (2018), determines if the variances of the residuals of two regression observations differ. The absence of change in the residual variance between observations is known as heteroscedasticity, whereas its presence indicates homoscedasticity. Either homoscedasticity or the absence of heteroscedasticity characterises good regression models.

Multicollinearity Test

To find out if the independent variables in the regression model were associated, researchers apply the multicollinearity test (Ghozali, 2018).

Linearity Test

The linearity test finds out if the dependent and independent variables are significantly related in a linear fashion (Sugiyono and Susanto, 2015). The test might be conducted using a linearity test. If the linearity significance value is less than 0.05, researcher may assume that the connection between the independent and dependent variables is linear.

Hypothesis test

t test

Ghozali (2018) states that the t-statistic essentially reveals the relative contribution of each independent variable to the variance of the dependent variable. This study aimed to address the topic of how MSMEs were impacted by product, marketing, process, and IT advancements.

F test

The F test will show any interactions between the dependent and independent variables in the model (Ghozali, 2018). Investigating the potential impact of product, marketing, process, and information technology innovations on MSMEs was the primary goal of this study.

Coefficient of Determination

By characterising the variance of the dependent variable, the coefficient of determination reveals how well the model fits the data. According to Noorani (2018), the coefficient of determination is given a value between 0 and 1. The coefficient of determination formula that describes the magnitude of the effect of variable X on variable Y (Sugiyono, 2021)

$$Kd = R2 \times 100\% \quad (3)$$

Information:
Kd = Determinant Coefficient Value
r2 = Correlation Coefficient Value

IV. RESULTS AND DISCUSSION

Respondent Characteristics

To learn how product, marketing, and process innovation impact the success of MSMEs, the author of this research gathered original data. The proprietors of MSMEs in Bandung City's Lengkong District were the ones who distributed the questionnaire to the 71 responders. The background of the respondents can only be determined with the use of the respondent data collected for this research. The results obtained show that all MSMEs in this study were in the culinary sector as much as 100%. That the MSMEs in this study with the majority of 6 years of business are 38 MSMEs or (54%). The 5-year business is 29 MSMEs or (41%). The 1-year business is 1 MSME or (1%), the 2-year, 3-year and 4-year business is each 1 MSME or (1%).

Descriptive Statistical Analysis

Once the respondents' characteristics have been examined, the next analysis is to describe the research results that come from the answers of all respondents that have been carried out through the distributed research questionnaire. Using descriptive analysis and causal analysis, as well as the data that has been obtained, the researcher will examine the answers to the questionnaire. Categorize the collected information into five answer options: SD, D, QA, A, and SA. The purpose of this descriptive statistical study is to characterize the impact of product, marketing, and process innovation on the performance of food MSMEs in Lengkong Sub-district, Bandung City, as perceived by the respondents.

Tabel 2. Results of Descriptive Statistical Analysis of Product Innovation Variables

No.	Statement	Alternative Option					Total	SkorTotal	Skor Ideal	Category
		STS (1)	TS(2)	CS(3)	ST(4)	SS(5)				

		0	0	12	26	33	71	305	355	
1.	MSMEs always add updates to their menus/products	0	0	16,9	36,6	46,5	100%	85,91		Very Good
		0	0	17	24	30	71	297	355	
2.	MSMEs develop existing products to become better products	0	0	23,9	33,8	42,3	100%	83,66		Good
		0	0	19	23	29	71	294	355	
3.	MSMEs improve the quality of components and materials used to manufacture products	0	0	26,8	32,4	40,8	100	82,81	82,25	Good
4.	MSMEs have original products or flagship products	0	0	19	25	27	71	292	355	Good
		0	0	26,8	35,2	38	100	82,25		
					Total Score					**1.188**
					Ideal Score					**1.420**
					Score Percentage					**83,66%**

Source: Author's Processed Data (2025)

According to the respondents' answers, the product innovation variable had an overall score of 1,188 out of a possible 1,420, or 83.66%, with a good category. It is evident from table 3 analysis results that the product innovation variable has an overall score of 1,188, or 83.66%.

Tabel 3. Results of Descriptive Analysis of Marketing Innovation Variables

No.	Statement	Alternative Option					Total	Skor Total	Skor Ideal	Category
		STS (1)	TS (2)	CS(3)	ST(4)	SS (5)				
	MSMEs provide	0	0	9	29	33	71	308	355	

1.	customer criticism and suggestion services to improve services	0	0	12,7	40,8	46,5	100	86,76		Very Good
2.	MSMEs have marketing strategies that make customers feel like they are part of the company through social responsibility and promotions.	0	0	13	37	21	71	292	355	Very Good
		0	0	18,3	52,1	29,6	100	82,25		
3.	MSMEs use innovation and target markets	0	0	17	26	28	71	295	355	Very Good
		0	0	23,9	36,6	39,4	100	83,09		
4.	MSMEs often introduce innovative product offerings	0	0	16	25	30	71	298	355	Very Good
		0	0	22,5	35,2	42,3	100	83,94		
						Total Score				**1.193**
						Ideal Score				**1.420**
						Score Percentage				**84,01%**

Source: Researcher Processed Data (2025)

The following is an explanation for the marketing innovation variable's total score of 1,193 out of an ideal score of 1,420, which had an outcome of 84.01% and was categorised as very good, according to the results of the respondents' responses: Table shows that the marketing innovation variable had a total score of 1,193, or 84.01%, according to the results of the table analysis.

Tabel 4. Results of Descriptive Statistical Analysis of Process Innovation Variables

No.	Statement	Alternative Option					Total	Skor Total	Skor Ideal	Category

		STS (1)	TS (2)	CS(3)	ST(4)	SS (5)				
1.	Production costs incurred are in accordance with the planned budget	0	0	16	30	25	71	293	355	Very Good
		0	0	22,5	42,3	35,2	100	82,53		
2.	MSME products have quality that can meet consumer needs	0	0	9	29	33	71	308	355	Very Good
		0	0	12,7	40,8	46,5	100	86,76		
3.	MSMEs have punctuality in production	0	0	13	37	21	71	292	355	Very Good
		0	0	18,3	52,1	29,6	100	82,25		
4.	My UMKM has punctuality in marketing products	0	0	9	29	33	71	308	355	Very Good
		0	0	12,7	40,8	46,5	100	86,76		
						Total Score				**1.201**
						Ideal Score				**1.420**
						Score Percentage				**84,57%**

Source: Researcher Processed Data (2025)

Responses indicated that the process innovation variable had an overall score of 1,201 out of a possible 1,420, placing it in the very good category with an accuracy rate of 84.57%. Table displays the findings of the analysis, which show that the process innovation variable has a total score of 1,201, or 84.57%.

Tabel 5. Results of Descriptive Analysis of MSME Performance Variables

No.	Statement	Alternative Option					Total	Total Score	Skor Ideal	Category
		STS (1)	TS (2)	CS(3)	ST(4)	SS (5)				
	MSMEs	0	0	15	31	25	71	293	355	

1.	experience sales growth	0	0	21,1	42,7	35,2	100	82,53		Very Good
2.	MSMEs experience customer growth	0	0	9	29	33	71	308	355	Very Good
		0	0	12,7	40,8	46,5	100	86,76		
3.	MSME customers consist of various levels of society	0	0	13	37	21	71	292	355	Very Good
		0	0	18,3	52,1	29,6	100	82,25		
4.	MSMEs experience profit growth	0	0	17	26	28	71	295	355	Very Good
		0	0	23,9	36,6	39,4	100	83,09		
					Total Score					**1.189**
					Ideal Score					**1.420**
					Score Percentage					**83,73%**

Source: Researcher Processed Data (2025)

After looking at the data from the respondents, it can be seen that the MSME performance variable has a total score of 1,189 out of an ideal score of 1,420, which results in a result of 83.73% in the good category. Here's why: Overall, the MSMEs performance variable has a score of 1,189, or 83.73%, as shown in table 4.4, which displays the findings from the table analysis.

Classical Assumption Test
Normality Test

In this research, a normality test was carried out using IBM SPSS 21 and the following results were obtained:

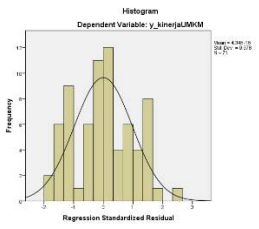

Figure 1. Histogram of MSME Performance Variables (Y)

Source: IBM SPSS 21 Processing Results, 2025

A histogram of the variable (Y) of MSMEs performance has passed the normality test, according to the histogram data in the graphic above. This is because the histogram results create a bell line, which indicates that they follow a normal curve. Thus, the data used can be considered regularly distributed. Additionally, the image has the following diagonal P-plot line:

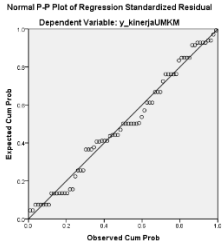

Figure 2. Normal P-Plot of MSME Performance Variable (Y)

Source: IBM SPSS 21 Processing Results, 2025

There is a very even distribution of dots around and perpendicular to the diagonal line in the Normal P-Plot of Regression Standardised Residual picture. Now that researcher made a choice, the data follows a normal distribution, as shown in the P-Plot findings up there. The Kolmogorov-Smirnov test, which requires a significance level (a) of either 0.05 or 5%, is another option for determining normality. The data is considered to be normally distributed if the p-value is greater than 0.05. The researchers used the Kolmogorov-Smirnov test to determine whether the data followed a normal distribution.

Tabel 7. Results of the One-Sample Kolmogorov-Smirnov Test for Normality

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		71
Normal Parameters[a,b]	Mean	0.0000000
	Std. Deviation	0.09224328
Most Extreme Differences	Absolute	0.089
	Positive	0.089
	Negative	-0.067
Kolmogorov-Smirnov Z		0.749
Asymp. Sig. (2-tailed)		0.629

a. Test distribution is Normal.

b. Calculated from data.

Source: IBM SPSS 21 Processing Results, 2025

Given the Asymp, one may regard the residual variance to have a normal distribution. The sig value for the value of 0.629 is 0.05 displayed in the preceding table. Should the asymp meet, the data pattern will show a straight line. The p-value is higher than 0.05. Depending on the interaction between product, marketing, and process innovation, changes in MSME performance indicators might be favourable or negative. When the dependent variable increases and the independent variable increases as well, value changes usually show positive results. Conversely, if the value of the independent variable drops, the value of the dependent variable will also drop, sloppily towards negative.

Heteroscedasicity Test

In testing heteroscedasticity, using the Glejser test method and processed using IBM SPSS 22, the results are as follows:

Tabel 8. Results of Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.080	0.050		1.604	0.113
	x1_productinnovation	0.005	0.035	0.059	0.158	0.875
	x2_marketinginnovation	0.012	0.028	0.135	0.412	0.681
	x3_proccessinnovation	-0.019	0.018	-0.203	-1.011	0.316

a. Dependent Variable: Abs_Res

Source: IBM SPSS 21 Processing Results, 2025

The results of the glejser test are not statistically significant, as shown in table 4.6. Since the significance level is higher than 0.05, it follows that the regression model does not include heteroscedasticity.

Multicollinearity Test

Researchers conduct a multicollinearity test to determine the value of the intercorrelation between variables. When this test shows a correlation, it means that multicollinearity is present. The solution will be found out by running a multicollinearity test, which involves evaluating the tolerance and VIF values. If the VIF is below 10 and the tolerance is greater than 0.1, we may say that multicollinearity is not present. This is what the multicollinearity analysis turned out to be.

Tabel 9. Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.167	0.085		1.972	0.053		
	x1_productinnovation	0.388	0.059	0.390	6.608	0.000	0.105	9.527
	x2_marketinginnovation	0.163	0.048	0.174	3.386	0.001	0.138	7.270
	x3_proccessinnovation	0.483	0.031	0.490	15.461	0.000	0.363	2.752

a. Dependent Variable: y_MSMEs Performance

Source: IBM SPSS 21 Processing Results, 2025

Based on the prior data, it is evident that all of the X-Y variables have VIF values below 10 and tolerance values over 0.1. According to these results, multicollinearity does not exist, proving that the regression model is accurate.

Multiple Linear Resgression Analysis

According to Sugiyono (2020), multiple linear regression is a method for describing the functional or causal link between independent and dependent variables. The purpose of this method is to determine the influence of product, marketing, and process innovations on the success of MSMEs.Consequently, the author employs a fundamental model for linear regression analysis as follows: Y'= a + bX1 + bX2 + bX3 is one way to express it.

Linearity Test

Sugiyono and Susanto (2015) claim that the linearity test finds whether or not the independent and dependent variables show a significant linear connection. One may get the linearity test by use of a linearity test instrument. If the linearity significance value is less than 0.05 the relevant criteria is that the independent and dependent variables must have a linear connection.

Tabel 10. Linearity Test

Independent variables	Significance	Conclusion
Product innovation	0,081	Linier
Marketing innovation	0,232	Linier
Process innovation	0,126	Linier

Source: IBM SPSS 21 Processing Results, 2025

The results of the linearity test may be seen in the table above; a significance score more than 0.05 (sig>0.05) indicates that all study variables are linear.

Using the SPSS 25 application, we do data processing for multiple linear regression and get these results:

Tabel 11. Results of Multiple Linear Regression Analysis Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.167	0.085		1.972	0.053
	x1_productinnovation	0.388	0.059	0.390	6.608	0.000
	x2_marketinginnovation	0.163	0.048	0.174	3.386	0.001
	x3_proccessinnovation	0.483	0.031	0.490	15.461	0.000

a. Dependent Variable: y_MSMEs Performance

Source: Researcher Processed Data (2025)

The following regression equation is derived from the analysis findings shown in the table above, which are based on the multiple linear regression analysis.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3$$

$$Y = 1.167 + 0.388X_1 + 0.163X_2 + 0.483X_3$$

Based on the regression equation, it can be described as follows:

a. subject to change The performance of MSMEs is 1.167 if product innovation, process innovation, and marketing innovation all have a value of 0 (zero).

b. Product innovation positively affects MSMEs performance (r=0.388), indicating a positive relationship between the two. If the coefficient is positive, then an increase in the product innovation variable will lead to an improvement in MSME performance, and vice versa if the coefficient is negative. There is a positive correlation between product innovation and performance. The beneficial effect demonstrated here demonstrates a correlation between MSMEs Lengkong's product innovation and its performance.

c. According to the results, marketing innovation has a positive effect on MSMEs performance (r=0.163). If the marketing innovation variable has a positive coefficient, then an increase in this variable will lead to an improvement in MSMEs performance, and vice versa if the marketing innovation variable has a negative coefficient. There is a positive correlation between the marketing innovation variable and the performance variable. This beneficial consequence demonstrates that MSME Lengkong's performance is directly proportional to the quality of its marketing innovation.

d. With a correlation of 0.483, we can see that process innovation does indeed correlate positively with MSMEs performance. Any change in the process innovation variable influences MSME performance, for better or worse, as shown by the positive coefficient. There is a positive correlation between process innovation and performance. Lengkong MSMEs performance is closely proportional to the quality of their process innovation, as demonstrated by this favourable effect.

Hypotesis Test

Hypothesis is a temporary answer to the formulation of research problems. Because the response is based solely on pertinent beliefs rather than on actual data gathered by researchers, it is referred to as transitory. The hypothesis's findings based on the study's t-test, F-test, and coefficient of determination test are as follows:

Partial Test (T-Test)

Here are the results of the t test:

Tabel 12. Partial Test Results (T-Test)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.167	0.085		1.972	0.053
	x1_productinnovation	0.388	0.059	0.390	6.608	0.000
	x2_marketinginnovation	0.163	0.048	0.174	3.386	0.001
	x3_proccessinnovation	0.483	0.031	0.490	15.461	0.000

a. Dependent Variable: y MSME Performance

Source: Researcher Processed Data (2025)

The following t-values are reported in the table: 1.66827 for the t-table, 6.608 for product innovation, 3.386 for marketing innovation, and 15.461 for process innovation. The data presented above is explained in the following way:

1) A t-count of 6.608>(1.66827) and a significance level of 0.000 <0.05 are associated with the product innovation variable. Thus, it is reasonable to conclude that product innovation (X1) significantly affects the performance (Y) of MSMEs. Lengkong MSMEs' product innovation boosts their performance, which impacts these findings.

The marketing innovation variable is statistically significant with a t-count of 3.386>(1.66827) and a p-value of 0.001 <0.05. It follows that X2—marketing innovation—has a substantial partial effect on Y—the performance of MSMEs, and that X2—MSME Lengkong's marketing innovation—improves MSMEs performance. 3) The process innovation variable is statistically significant with a t-count of 15.461> (1.66827) and a 0.000 <0.05 level of significance. We may conclude that process innovation (X3) has a substantial partial effect on MSMEs performance (Y) and that process innovation at MSME Lengkong improves MSMEs Lengkong's performance.

F Test
In the F test (simultaneous), it must be determined according to the following test criteria:

1) H1 is accepted or Ho is rejected depending on whether the F count is more than the F table and the significance level is less than 0.05. This indicates that the independent variable significantly affects the dependent variable.
2) When the significance level (a) is more than 0.05 and the F-count is less than the F-table, either Ho is accepted or H1 is rejected, suggesting that the independent variable does not significantly affect the dependent variable.

Error rate (α) = 0.05
Numerator degrees of freedom (NI) = K-1 = 4-1 = 3
Denominator degrees of freedom (N2) = n-k-1 = 71-4-1 = 66
The results of the F table according to the equation above are 2.74

Tabel 13. Model Feasibility Test (f Test)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.774	3	7.925	891.436	0.000b
	Residual	0.596	67	0.009		
	Total	24.370	70			

a. Dependent Variable: y_UMKM performance

b. Predictors: (Constant), x3_process innovation, x2_marketing innovation, x1_product innovation

The results of the F test were derived from Table 12, which showed a significance value of 0.000 <0.05 and a F count of 891.436> 2.74. With the rejection of H0 and acceptance of H1, we can say that innovation in products, marketing, and processes all have an impact on MSME performance at the same time.

Results of the Determination Coefficient Test (R2)
The following are the results of the determination coefficient carried out with the help of SPSS 21:

Tabel 14. Results of the Determination Coefficient Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.988[a]	0.976	0.974	0.09429

a. Predictors: (Constant), x3_processinnovation, x2_marketinginnovation, x1_productinnovation

b. Dependent Variable: y_UMKMperformance

Source: Researcher Processed Data (2025)

The table shows that the R Squared value of 0.976 indicates that product innovation, marketing innovation, and process innovation all have an impact on the success of Lengkong MSMEs. You can use this equation to find out how big the coefficient of determination is:

Kd = r2 x 100%

Kd = 0,976 x 100%

Kd = 97,6%

According to the data shown above, this number demonstrates that product innovation, marketing innovation, and process innovation have a 97.6% impact on the success of Lengkong MSMEs, while other variables account for the remaining 2.4%.

Discussion Of Research Result
Hypotesis Test (H1): The influence of product innovation has a significant effect on MSME performance

The partial findings of the T Test show that product innovation supports the hypothesis, with a significant value of 0.000 <0.05, a t-count value of 6.608, and a t-table value of 1.66827. The findings of the T Test (partial) show that product innovation greatly enhances the performance of Lengkong MSMEs. This means that H0 is rejected and H1 is accepted in the hypothesis test. It follows that the value of MSME performance will increase in conjunction with product innovation results, as shown by the regression coefficient values, which come in at 0.388. Product innovation benefits greatly from technological and design advancements, and all signs point to even more breadth and larger benefits from these domains of innovation in the future. This agrees with the results of the descriptive study, which

total 83.66%. Previous research by authors like Nguyen Thi Canh (2019), Hamed Zhan (2020), and Yun Hsuan Su (2023) has also shown a strong positive correlation between product innovation (X1) and MSME performance (Y).

Hypotesis test (H2): The influence of marketing innovation has a significant effect on the performance of MSMEs

A t-count value of 3.386, a t-table value of 1.66827, and a significance value of 0.001 <0.05 are the results of the T-Test (partial). These indicate that marketing innovation is a significant factor. Marketing innovation significantly improves the performance of Lengkong MSMEs, according to the results of the T-Test (partial), which reject the null hypothesis (H0) and accept the alternative hypothesis (H1). The value of MSMEs performance is likely to rise in tandem with marketing innovation, according to the regression coefficient of 0.163. According to the data, this is affected by marketing innovation, which is positively and significantly affected by price strategy, promotional activities, and market orientation. This is corroborated by 84.01% of the descriptive research findings. The results show that marketing innovation (X2) has a favourable and substantial effect on MSMEs performance (Y), which is in line with other research. Cyasmoro (2021) and Sari (2021) found the same thing.

Hypotesis Test (H3): The influence of process innovation has a significant effect on MSME performance

Process innovation is demonstrated to have a significance value of 0.000 <0.05, a t-count value of 15.461, and a t-table value of 1.66827, as shown in the results of the T-Test (partial). Process innovation significantly improves the performance of Lengkong MSMEs, according to the results of the T-Test (partial), which indicate that hypothesis H3 is accepted and hypothesis H0 is rejected. Also, the regression coefficient results are in, at 0.483, thus it stands to reason that the value of MSMEs performance will rise in tandem with the outcomes of process innovation. When it comes to process innovation, the indications show that the dimensions of cost, quality, and time all play a role, and that these three factors have a positive and substantial impact. Having a percentage of 84.57%, it is in line with the findings of descriptive research. The study's findings corroborate those of Hamed Zhan (2020) and Ahmad (2023), who also found that process innovation (X3) significantly and positively affects MSME performance (Y).

V. CONCLUSIONS AND RECOMMENDATIONS

In light of the research conducted on the impact of product, marketing, and process innovation on the performance of food product MSMEs in Lengkong District, Bandung City, a number of conclusions may be drawn that can tackle the difficulties brought up in this study. The following are some of the conclusions:

1. MSMEs' performance is positively impacted by the product innovation variable. Therefore, the performance value of MSMEs will rise in response to an uptick in product innovation, and fall in response to a downturn in product innovation.
2. MSMEs' performance is positively impacted by the marketing innovation variable. This indicates that micro, small, and medium-sized enterprises (MSMEs) will see an uptick in performance value when marketing innovation yields better results, and a corresponding drop in performance when marketing innovation yields worse results.

3. MSMEs performance is positively impacted by the process innovation variable. This means that micro, small, and medium-sized enterprises (MSMEs) will see an increase in performance value as process innovation outcomes rise and a decline in performance value as process innovation falls.

Suggestion

Suggestion for MSMEs

a. Based on the research results of the product innovation variable, the lowest value is the statement "MSMEs have original products or flagship products". Therefore, the researcher provides suggestions that MSMEs can further improve their products by creating flagship products so that there is uniqueness in MSME products so that they can increase product innovation.

b. "MSMEs have a marketing strategy that makes customers feel part of the company through social responsibility and promotion" has the lowest value according to the marketing innovation variable research. So, to encourage more marketing innovation, the researcher suggests that MSMEs offer discounts to customers as a means of further developing marketing techniques.

c. Results for the process innovation variable show that "MSMEs have punctuality in production" has the lowest value. Consequently, the researcher offers recommendations on how MSMEs might enhance process innovation by being more prompt in carrying out the production process.

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