Digital Innovation: International Journal of Management

E-ISSN: 3047-9053
P-ISSN: 3047-9681

Research Article

The Influence of Market Orientation, Product Innovation, and Digital Marketing on Marketing Performance

(A Study on Wood Craft MSMEs in Gianyar Regency)

I Komang Ramdayana[1*], Ni Nyoman Kerti Yasa[2]

[1]Management Department, Faculty of Economics and Business, Universitas Udayana; e-mail : ramdayanakomang@gmail.com
[2]Management Department, Faculty of Economics and Business, Universitas Udayana; e-mail : kertiyasa@unud.ac.id
*****Corresponding Author : I Komang Ramdayana

Abstract: Marketing performance reflects the results obtained from a company's overall marketing activities following the implementation of various marketing strategies and initiatives. This study seeks to analyze and explain the effect of market orientation, product innovation, and digital marketing on the marketing performance of wood craft MSMEs in Gianyar Regency. The research sample was selected through a purposive sampling technique involving 65 respondents. Data collection was conducted through offline questionnaire-based surveys, and the obtained data were analyzed using multiple linear regression analysis. The findings reveal that market orientation exerts a positive and significant influence on marketing performance, indicating that stronger market orientation leads to better marketing performance among wood craft MSMEs in Gianyar Regency. In addition, product innovation was found to positively and significantly affect marketing performance, suggesting that improved innovation practices contribute to enhanced business marketing outcomes. Moreover, digital marketing also demonstrates a positive and significant impact on marketing performance, implying that more effective digital marketing implementation can further strengthen the marketing performance of wood craft MSMEs.

Keywords: Digital Marketing; Market Orientation; Marketing Performance; MSMEs; Product Innovation.

Received: April 28, 2026
Revised: May 10, 2026
Accepted: May 20, 2026
Published: June 05, 2026
Curr. Ver.: June 05, 2026

Copyright: © 2025 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY SA) license (https://creativecommons.org/licenses/by-sa/4.0/)

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) hold a strategic position in Indonesia's economic development. The MSME sector supports and dominates the majority of economic activities across the country (Syarief, 2020: 12). Based on data from the Coordinating Ministry for Economic Affairs of the Republic of Indonesia, MSMEs represent approximately 99% of all business units operating in Indonesia and contribute around 60.5% to the national Gross Domestic Product (GDP). Furthermore, MSMEs play an important role in employment generation, contributing nearly 96.9% of total national labor absorption (Ekon.go.id, 2022). These statistics demonstrate the substantial contribution of MSMEs to the Indonesian economy.

Consistent with their important role nationally, MSMEs also make a considerable contribution to regional economies, including Bali. As one of Indonesia's leading tourism destinations, Bali has experienced significant growth in the creative industry sector, particularly in wood crafts. This industry serves not only domestic markets but also international markets. In 2024, wood crafts became the leading handicraft export commodity in Bali, contributing approximately 7.31% of the total handicraft export value (NusaBali.com, 2024). One of the main centers of wood craft MSMEs in Bali is Gianyar Regency. In 2019, Gianyar received the designation of World Craft City from the World Craft Council due to the large proportion of its community involved in handicraft industries, especially wood crafts

(Gianyarkab.go.id, 2019). The presence of these MSMEs contributes significantly to increasing community income and supporting both regional and national economic growth.

Marketing performance refers to the level of achievement resulting from a company's marketing activities (Palwaguna & Yasa, 2021). It serves as an important indicator for evaluating a company's success in marketing its products (Saraswati & Santika, 2019). To achieve optimal marketing performance, businesses need to consider various factors that may influence it. One important factor is market orientation (Wiryawan & Seminari, 2022). Companies with stronger market orientation tend to achieve better marketing performance (Palwaguna & Yasa, 2021). Empirical evidence from Zuliasanti et al. (2020) also revealed that market orientation has a significant effect on enhancing marketing performance.

Market orientation is a company activity related to customer satisfaction. This activity is based on the process of assessing customer needs and desires as a reference for business activities (Zuliasanti et al., 2020). More specifically, market orientation is also defined as an activity of seeking information related to consumers, including both present and future consumer needs (Ramadhani et al., 2022). This strategy has three main dimensions, namely customer orientation, competitor orientation, and interfunctional coordination (Zuliasanti et al., 2020). In the context of wood craft MSMEs in Gianyar Regency, market orientation is important to implement because MSME actors face increasingly intense business competition and continuously evolving consumer preferences. According to Ramadhani et al. (2022), market orientation enables companies to understand consumer needs and desires so that they can adjust products to dynamic market demands. Consumers today tend to seek wood craft products that not only possess good quality but also unique designs that follow market trends. Therefore, MSME actors need to understand customer needs, observe competitors' strategies, and adapt products to market demands so that the products remain attractive to consumers.

Several studies also support that the implementation of market orientation has a positive effect on marketing performance. Research conducted by Palwaguna and Yasa (2021) on MSMEs showed that market orientation has a positive and significant effect on changes in marketing performance. Similar findings were also reported by Wiryawan and Seminari (2022). These findings suggest that the ability of business actors to understand consumer needs, monitor competitors' strategies, and respond to market changes can help improve business marketing success.

However, several other studies have found that market orientation has a positive yet statistically insignificant influence on marketing performance (Putriasih & Giantari, 2021). Likewise, findings from research conducted by Pratama (2021) on guitar craft SMEs in Solo found that market orientation has a positive but insignificant effect on marketing performance. The diversity of findings regarding the influence of market orientation requires attention to other factors that also directly influence marketing performance, one of which is product innovation.

Product innovation is defined as a company's movement in creating new products or developing existing products (Putriasih & Giantari, 2021). High levels of innovation in products and processes are ways for companies to improve product quality (Putri et al., 2018). More comprehensively, product innovation refers to improvements or changes in technology, processes, products, and services that positively contribute to consumers (Fadhillah et al., 2021). Product innovation is used by companies as one strategy to improve marketing performance (Harini et al., 2022). Conducting product innovation can create added value in the eyes of consumers, which at the same time becomes the key for companies to survive amid intense competition (Putriasih & Giantari, 2021). In the context of wood craft MSMEs in Gianyar Regency, product innovation is important because business competition in the handicraft sector is becoming increasingly competitive and consumer preferences continue to evolve. Consumers not only consider product functionality but also the design, creativity, uniqueness, and aesthetic value of the wood craft products offered. Fadhillah et al. (2021) stated that product innovation can positively contribute to improving marketing performance because innovative products tend to attract consumer interest more easily.

Consistent with its crucial role, studies by Nurpratama et al. (2024) and Safri and Pudjoprastyono (2023) involving MSMEs revealed that product innovation positively and significantly affects marketing performance. Supporting these results, research by Rahim (2023), Putriasih and Giantari (2021), as well as Maylista et al. (2022), also revealed that product

innovation contributes positively and significantly to marketing performance. These findings indicate that product development, the creation of new designs, and improvements in product quality can help businesses attract consumer interest.

However, different results were found in research conducted by Albert William et al. (2023) on MSMEs in Bekasi City, which stated that product innovation does not have a significant effect on marketing performance. Another study conducted on pearl craftsmen in Mataram City also showed that product innovation does not significantly influence marketing performance (Amelia et al., 2022). These differing research results indicate that the effectiveness of product innovation in improving marketing performance may vary depending on the type of business and market conditions faced. In addition to market orientation and product innovation, another factor that is also suspected to influence MSME marketing performance is digital marketing.

Adapting to technological developments by utilizing digital marketing can improve business marketing performance (Lestari, 2024). Digital marketing is a promotional activity and market outreach effort conducted through digital media such as social media (Raintung et al., 2023). Digital marketing is also defined as technology used to market products through digital media assistance (Hasan, 2023). By implementing digital marketing, buyers or potential buyers can obtain information and conduct transactions through the internet (Wulan et al., 2021). Through digital marketing, business owners can market their products efficiently and reach wider markets.

The implementation of digital marketing is important for wood craft MSMEs because business competition is no longer limited to local markets but also competes with products from other regions and even foreign countries. The use of social media enables MSME actors to introduce wood craft products through photos, videos, and attractive promotional content, making it easier to reach consumers more broadly. According to Raintung et al. (2023), the use of digital marketing can help MSMEs improve market reach and promotional effectiveness. Therefore, implementing digital marketing becomes one of the important strategies for wood craft MSMEs in Gianyar Regency in their efforts to enhance marketing performance.

Empirical studies conducted by Lestari (2024) and Marbun and Simanjuntak (2021) showed that digital marketing has a positive and significant effect on marketing performance. Another study conducted in the furniture industry in Leilem Village also found that digital marketing positively and significantly affects marketing performance (Raintung et al., 2023). Similar findings were also reported by Andardinata and Iskandar (2024) and Primadhita et al. (2023), which showed a positive and significant relationship between digital marketing and marketing performance. However, different results were found by Abdullah et al. (2023), who conducted research on MSMEs producing coral and ornamental fish products and found that digital marketing does not significantly affect marketing performance. Similarly, research on MSMEs in Pekanbaru conducted by Ramadhani et al. (2022) also showed that digital marketing does not significantly affect marketing performance.

The findings from previous studies regarding the influence of market orientation, product innovation, and digital marketing on marketing performance indicate the existence of a research gap or inconsistency in previous research findings. Based on the phenomena and research gap described above, further studies are needed to reexamine the influence of market orientation, product innovation, and digital marketing on marketing performance.

2. Method

This study employed a quantitative approach with an associative research design to analyze the influence of market orientation, product innovation, and digital marketing on the marketing performance of wood craft MSMEs in Gianyar Regency. The study was conducted in Gianyar Regency because the region has the second-largest number of wood craft MSMEs in Bali, totaling 533 business units, and has received the title of World Craft City from the World Craft Council. The independent variables in this study consisted of market orientation (X1), product innovation (X2), and digital marketing (X3), while the dependent variable was marketing performance (Y). Market orientation was measured through competitor orientation, customer orientation, and interfunctional coordination, whereas product innovation was measured through product variant addition, quality development, and quality control. The

digital marketing variable was measured based on ease of information access, attractiveness of digital information, customer interaction, and expansion of social networks, while marketing performance was measured through sales growth, consumer growth, and profit growth (Sugiyono, 2020; Palwaguna & Yasa, 2021; Primadhita et al., 2023).

The study population consisted of all wood craft MSMEs in Gianyar Regency. The sampling technique used was non-probability sampling through a purposive sampling method (Sugiyono, 2020). The sample was determined based on specific criteria, namely MSME owners or managers who understood business development, businesses that had been operating for at least three years, businesses categorized as MSMEs in Gianyar Regency, and businesses utilizing at least two digital marketing media. Based on the total number of 13 research indicators, the minimum sample size used was 65 respondents. The research data consisted of quantitative data obtained through questionnaires using a five-point Likert scale and were supported by primary and secondary data derived from interviews, related institutional documents, and previous studies. The research instruments had been tested for validity and reliability, with all indicators declared valid because they had Pearson Correlation values > 0.361 and reliable because Cronbach's Alpha values were > 0.60 (Sugiyono, 2020; Ghozali, 2013).

Model feasibility was tested using the F-test and coefficient of determination (R^2), while hypothesis testing was conducted through the t-test to determine the partial influence of market orientation, product innovation, and digital marketing on the marketing performance of wood craft MSMEs in Gianyar Regency. The data analysis techniques used in this study included descriptive statistical analysis and multiple linear regression analysis to determine the effect of independent variables on the dependent variable with a significance level of 5 percent. The regression equation model used was:

$Y=\alpha+\beta1X1+\beta2X2+\beta3X3+eY = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + eY=\alpha+\beta1X1+\beta2X2+\beta3X3+e$. Before hypothesis testing was conducted, the data were tested through classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests, to ensure that the regression model met the analysis requirements (Ghozali, 2018).

3. Results and Discusion

Respondent Characteristics

Table 1. Respondent Characteristics.

Characteristics	Classification	Total (People)	Percentage (%)
Gender	Male	47	72.3
	Female	18	27.7
	Total	65	100
Age	20–24 years	1	1.5
	25–29 years	1	1.5
	30–34 years	2	3.1
	35–39 years	8	12.3
	≥ 40 years	53	81.5
	Total	65	100

Source: Processed Data, 2026.

Based on Table 1, the characteristics of wood craft MSME actors in Gianyar Regency who participated as respondents in this study can be described as follows: Based on gender, male respondents totaled 47 people with a percentage of 72.3%, while female respondents totaled 18 people with a percentage of 27.7%. These findings indicate that male respondents dominated this study. Based on age group, respondents aged 20–24 years totaled 1 person (1.5%), respondents aged 25–29 years totaled 1 person (1.5%), respondents aged 30–34 years totaled 2 people (3.1%), respondents aged 35–39 years totaled 8 people (12.3%), and respondents aged ≥40 years totaled 53 people (81.5%). These findings indicate that respondents aged ≥40 years dominated this study.

Description of Research Variables

Table 2. Criteria for Variable Description.

Measurement Scale	Market Orientation	Product Innovation	Digital Marketing	Marketing Performance
1.00 – 1.79	Very Poor	Very Poor	Very Poor	Very Low
1.80 – 2.59	Poor	Poor	Poor	Low
2.60 – 3.39	Fair	Fair	Fair	Moderate
3.40 – 4.19	Good	Good	Good	High
4.20 – 5.00	Very Good	Very Good	Very Good	Very High

Source: Processed Data, 2026.

Based on the results of the variable description analysis, market orientation obtained an average score of 4.34, which falls into the "very good" category. This indicates that the owners or managers of wood craft MSMEs in Gianyar Regency have demonstrated a strong commitment to understanding customer needs and achieving shared marketing goals with employees. The product innovation variable also achieved an average score of 4.34, which falls into the "very good" category, indicating that business actors consistently enhance product quality and maintain product standards in order to meet market demands. Furthermore, the digital marketing variable obtained an average score of 4.27, categorized as "very good," indicating that digital media has helped business actors expand their consumer and business partner reach, although responsiveness to consumers through digital media still needs improvement. Meanwhile, the marketing performance variable achieved an average score of 4.29, placing it in the "very high" category reflecting improvements in sales, customer numbers, and business profits over the last three years.

Classical Assumption Tests

Normality Test

Table 3. Results of the Normality Test.

	Unstandardized Residual
N	65
Asymp. Sig. (2-tailed)	0,081

Source: Processed Data, 2026.

Based on the test results presented in Table 3, the significance value obtained was 0.081, which is greater than 0.05 (0.081 > 0.05). This indicates that the residual data in this study are normally distributed.

Multicollinearity Test

Table 4. Results of the Multicollinearity Test.

Variabel	Colinearity Statistic	
	Tolerance	VIF
Market Orientation (X_1)	0,668	1,496
Product Innovation (X_2)	0.732	1,365
Digital Marketing (X_3)	0,617	1,621

Source: Processed Data, 2026.

Based on Table 4, the tolerance coefficient values for each independent variable, namely market orientation, product innovation, and digital marketing, are greater than 0.10, and the Variance Inflation Factor (VIF) values are less than 10. These multicollinearity test results indicate that no correlation was found among the independent variables, meaning that there are no symptoms of multicollinearity in the regression model.

Heteroscedasticity Test

The heteroscedasticity test aims to examine whether there is inequality in the variance of residuals among different observations in a regression model. If the residual variance remains constant across observations, it is referred to as homoscedasticity; however, if it differs, it is referred to as heteroscedasticity. A good regression model is one that does not exhibit heteroscedasticity or demonstrates homoscedasticity. A regression model is considered good if the significance level of the independent variables on the absolute residual values is greater than 0.05, indicating that the model is free from heteroscedasticity symptoms.

Table 5. Results of the Heteroscedasticity Test.

Variabel	t hitung	Signifikansi
Market Orientation (X_1)	0,653	0,516
Product Innovation (X_2)	-0,570	0,571
Digital Marketing (X_3)	1,739	0,87

Source: Processed Data, 2026.

Results of Multiple Linear Regression Analysis

Table 6. Results of Multiple Linear Regression Analysis.

Model	B (Unstandardized Coefficients)	Std. Error	Beta (Standardized Coefficients)	t	Sig.
(Constant)	-1,941	2,566	—	-0,756	0,452
Market Orientation (X1)	0,158	0,059	0,312	2,674	0,010
Product Innovation (X2)	0,254	0,120	0,235	2,109	0,039
Digital Marketing (X3)	0,194	0,086	0,274	2,260	0,027

Source: Processed Data, 2026.

Based on the results of the multiple linear regression analysis in Table 6, the regression equation can be formulated as follows:

$Y = -1{,}941 + 0{,}158\ X_1 + 0{,}254\ X_2 + 0{,}194\ X_3$……(i)

The equation indicates that market orientation, product innovation, and digital marketing have positive effects on the marketing performance of wood craft MSMEs in Gianyar Regency. These results imply that every increase in market orientation, product innovation, and digital marketing will be followed by an increase in marketing performance, with the greatest influence shown by the product innovation variable.

Hypothesis Testing Results

Simultaneous Test Results (F-Test)

Table 7. Results of the F-Test.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	50,344	3	16,781	16,334	0,001
Residual	62,671	61	1,027		
Total	113,015	64			

Source: Processed Data, 2026.

Based on the F-test results in Table 7, the significance value obtained was $0.001 < 0.05$. This indicates that the variables of market orientation (X1), product innovation (X2), and digital marketing (X3) simultaneously influence the marketing performance variable (Y) of wood craft MSMEs in Gianyar Regency.

Hypothesis Test Results (t-Test)

Table 8. Results of the t-Test.

Model	Sig.
(Constant)	0,452
Market Orientation (X_1)	0,010
Product Innovation (X_2)	0,039
Digital Marketing (X_3)	0,027

Source: Processed Data, 2026.

The determination of the test results regarding the influence of each independent variable on the dependent variable was conducted by comparing the significance value with the predetermined probability level of 0.05 or by comparing the calculated t-value with the t-table value.

The Effect of Market Orientation (X1) on Marketing Performance (Y)

Hypothesis Formulation**,** H0 = There is no effect of market orientation on marketing performance. H1 = Market orientation has a positive and significant effect on marketing performance**.** 95% confidence level with a significance level of α = 5%. Testing Criteria**.** If t-count > t-table for α = 5% or the significance level < 0.05, then H_0 is rejected and H_1 is accepted. Conversely, if t-count < t-table for α = 5% or the significance level ≥ 0.05, then H_0 is accepted and H_1 is rejected. A variable is considered to have a significant effect if its significance level is < 0.05. Statistical Testing. The statistical test was conducted using IBM SPSS Statistics software. Conclusion, Based on the calculation results, the significance value obtained was 0.010, which is smaller than 0.05. Therefore, H_0 is rejected and H_1 is accepted. This indicates that market orientation has a positive and significant effect on marketing performance.

The Effect of Product Innovation (X2) on Marketing Performance (Y)

Hypothesis Formulation. H0 = There is no effect of product innovation on marketing performance.H2 = Product innovation has a positive and significant effect on marketing performance. 95% confidence level with a significance level of α = 5%. Testing Criteria, If t-count > t-table for α = 5% or the significance level < 0.05, then H_0 is rejected and H_2 is accepted. Conversely, if t-count < t-table for α = 5% or the significance level ≥ 0.05, then H_0 is accepted and H_2 is rejected. A variable is considered to have a significant effect if its significance level is < 0.05. The statistical test was conducted using IBM SPSS Statistics software. Conclusion. Based on the calculation results, the significance value obtained was 0.039, which is smaller than 0.05. Therefore, H_0 is rejected and H_2 is accepted. This indicates that product innovation has a positive and significant effect on marketing performance.

The Effect of Digital Marketing (X3) on Marketing Performance (Y)

Hypothesis Formulation. H0 = There is no effect of digital marketing on marketing performance. H3 = Digital marketing has a positive and significant effect on marketing performance. 95% confidence level with a significance level of α = 5%. Testing Criteria. If t-count > t-table for α = 5% or the significance level < 0.05, then H_0 is rejected and H_3 is accepted. Conversely, if t-count < t-table for α = 5% or the significance level ≥ 0.05, then H_0 is accepted and H_3 is rejected. A variable is considered to have a significant effect if its significance level is < 0.05. The statistical test was conducted using IBM SPSS Statistics software. Conclusion, based on the calculation results, the significance value obtained was 0.027, which is smaller than 0.05. Therefore, H_0 is rejected and H_3 is accepted. This indicates that digital marketing has a positive and significant effect on marketing performance.

Results of the Coefficient of Determination Test (R^2)

Table 9. Results of the Coefficient of Determination Test

R	R Square	Adjusted R Square	Std. Error of the Estimate
0,667	0,445	0,418	1,01361

Source: Processed Data, 2026.

The calculation results of the coefficient of determination (R^2) presented in Table 9 show a value of 0.445, which means that 44.5% of the variation in the marketing performance of wood craft MSMEs in Gianyar Regency is influenced by market orientation (X1), product innovation (X2), and digital marketing (X3), while the remaining 55.5% is influenced by other variables not included in the research model.

Discussion

The Effect of Market Orientation (X1) on Marketing Performance (Y)

The results of the first hypothesis test in this study indicate that market orientation has a positive and significant effect on marketing performance. These findings imply that the better the market orientation possessed by wood craft MSMEs, the greater the improvement in their marketing performance. Conversely, the poorer the market orientation of wood craft MSMEs, the greater the decline in their marketing performance. Therefore, the first hypothesis in this study is accepted.

Market orientation represents a business culture in which MSMEs place the market as the main reference in determining strategies and management activities, including understanding customers, competitors, and the company's internal functions. By possessing strong market orientation, companies are able to understand customer preferences, recognize

competitors' strengths and weaknesses, and effectively comprehend internal interfunctional conditions within the company. Consequently, companies can develop effective strategies to create superior products and improve their marketing performance.

The results of this study are consistent with research conducted by Palwaguna and Yasa (2021), which examined MSMEs and found that market orientation has a positive and significant effect on marketing performance. In addition, studies conducted by Dahmiri et al. (2024), Praja et al. (2024), and Putri and Yasa (2018) also demonstrated that market orientation positively and significantly contributes to a company's marketing performance, meaning that businesses with stronger market orientation tend to achieve better marketing results.

The Effect of Product Innovation (X2) on Marketing Performance (Y)

The results of the second hypothesis test in this study indicate that product innovation has a positive and significant effect on marketing performance. These findings imply that the better the product innovation carried out by wood craft MSMEs, the greater the improvement in their marketing performance. Conversely, poorer product innovation conducted by wood craft MSMEs will lead to a decline in their marketing performance. Therefore, the second hypothesis in this study is accepted.

Product innovation refers to the ability of a business to develop and improve products as well as create new products to meet customer needs and preferences. Through product innovation, such as creating new products and improving product quality, companies are able to produce superior products that align with consumer demands, thereby enhancing business marketing performance.

The findings of this study are consistent with research conducted by Nurpratama et al. (2024) on MSMEs in Indramayu Regency, which also found that product innovation positively and significantly affects marketing performance. This means that the better the product innovation implemented by a business, the greater the improvement in its marketing performance. Comparable results were also identified by Sang and Lala (2023), Safri and Pudjoprastyono (2023), and Anjani and Yasa (2019), who stated that product innovation positively and significantly affects marketing performance.

The Effect of Digital Marketing (X3) on Marketing Performance (Y)

The results of the third hypothesis test in this study indicate that digital marketing has a positive and significant effect on marketing performance. These findings imply that the better the digital marketing implemented by wood craft MSMEs, the greater the improvement in their marketing performance. Conversely, poorer implementation of digital marketing by wood craft MSMEs will result in a decline in their marketing performance. Therefore, the third hypothesis in this study is accepted.

Digital marketing refers to a business effort to conduct promotion and reach markets by utilizing digital media or the internet. The use of digital media facilitates businesses in disseminating information or promotions related to their products and communicating with consumers. This condition enables businesses to more easily reach consumers, which in turn contributes to the improvement of marketing performance.

The findings of this study are in line with research conducted by Raintung et al. (2023) on the furniture industry in Leilem Village, which also found that digital marketing positively and significantly affects marketing performance. Similar findings were also reported by Lestari (2024) and Marbun and Simanjuntak (2021), who concluded that digital marketing significantly influences marketing performance. This means that the better a business implements digital marketing, the greater the improvement in its marketing performance.

4. Conclusion

Based on the research results obtained, the conclusions of this study are that market orientation has a positive and significant effect on the marketing performance of wood craft MSMEs in Gianyar Regency, indicating that the better the market orientation possessed, the greater the improvement in marketing performance. In addition, product innovation also has a positive and significant effect on marketing performance, meaning that better implementation of product innovation will lead to higher marketing performance. Furthermore, digital marketing has a positive and significant effect on marketing performance,

which shows that the more effectively digital marketing is implemented, the greater the improvement in the marketing performance of wood craft MSMEs in Gianyar Regency.

References

Abdullah, A., Baso, A. B. A. N., Ilham, I., & Sulkifli, S. (2023). Digital marketing, inovasi produk, dan sosial capital pengaruhnya terhadap peningkatan kinerja pemasaran (studi kasus pada UMKM produk koral dan ikan hias). *Indo-Fintech Intellectuals: Journal of Economics and Business, 3*(2), 90–100. https://doi.org/10.54373/ifijeb.v3i2.122

Albert William, A., Oktaviani, R., & Matthew, S. (2023). Pengaruh orientasi pasar dan inovasi produk terhadap kinerja pemasaran UMKM Kota Bekasi di Rawalumbu. *Jurnal Kewirausahaan, Akuntansi dan Manajemen Tri Bisnis, 5*(1). https://doi.org/10.59806/tribisnis.v5i1.270

Amelia, Z., Sulhaini, S., & Sagir, J. (2022). Pengaruh promosi media sosial dan inovasi produk terhadap kinerja pemasaran pada pengrajin mutiara di Kota Mataram. *Jurnal Riset Pemasaran, 1*(1), 43–51. https://doi.org/10.29303/jrp.v1i1.1754

Andardinata, A., & Iskandar, S. (2024). Pengaruh digital marketing dan innovation capabilities melalui modal sosial terhadap kinerja pemasaran pada wirausaha perempuan berbasis UMKM sektor agri-food di Kota Makassar. *INNOVATIVE: Journal of Social Science Research, 4*(1), 1212–1226. https://j-innovative.org/index.php/Innovative

Anjani, A. M. D. P., & Yasa, N. N. K. (2019). The role of product innovation in mediating the influence of entrepreneurship orientation on marketing performance (a study on silver craft MSMEs in Celuk, Gianyar). *Journal of Business Management and Economic Research, 3*(3), 1–18. https://doi.org/10.29226/TR1001.2019.109

Dahana, R. N., Indrawati, N. K., & Mugiyono. (2021). Influence of product innovation and entrepreneurial orientation on marketing performance in small and medium enterprises. *Journal of Applied Management (JAM), 19*(2), 413–423. https://doi.org/10.21776/ub.jam.2021.019.02.17

Dahmiri, D., Junaidi, J., Johannes, J., Yacob, S., & Indrawijaya, S. (2024). The impact of market orientation on marketing performance: Exploring the moderating role of competitive advantage. *Business: Theory and Practice, 25*(1), 164–174. https://doi.org/10.3846/btp.2024.20174

Dave, C., & Fiona, E.-C. (2016). Digital marketing: Strategy, implementation and practice. In *Digital marketing technologies*. Pearson Education. https://doi.org/10.1007/978-981-97-0607-5_3

Dinas Perindustrian dan Perdagangan Provinsi Bali. (2025). *Data jumlah UMKM kerajinan kayu Gianyar tahun 2020–2024*.

Ekon.go.id. (2022). Perkembangan UMKM sebagai critical engine perekonomian nasional terus mendapatkan dukungan pemerintah. https://ekon.go.id/publikasi/detail/4593/perkembangan-umkm-sebagai-critical-engine-perekonomian-nasional-terus-mendapatkan-dukungan-pemerintah

Fadhillah, Y., Yacob, S., & Lubis, T. A. (2021). Orientasi kewirausahaan, inovasi produk, dan media sosial terhadap kinerja pemasaran dengan keunggulan bersaing sebagai intervening pada UKM di Kota Jambi. *Jurnal Manajemen Terapan dan Keuangan, 10*(1), 1–15. https://doi.org/10.22437/jmk.v10i01.12175

Farliana, N., Murniawaty, I., & Munafitri, C. H. (2021). Membangun kinerja pemasaran melalui orientasi pasar, inovasi produk dan kapabilitas pemasaran. *Sains: Jurnal Manajemen dan Bisnis, 13*(2), 257. https://doi.org/10.35448/jmb.v13i2.10795

Ghozali, H. I. (2018). *Aplikasi analisis multivariate dengan program IBM SPSS 25*. Badan Penerbit Universitas Diponegoro.

Gianyarkab.go.id. (2019). Gianyar ditetapkan sebagai kota kerajinan dunia. https://gianyarkab.go.id/informasi-publik/berita/gianyar-ditetapkan-sebagai-kota-kerajianan-dunia

Hardilawati, W. L., Farhanidhya, N., & Hinggo, H. T. (2023). The effect of market orientation, e-commerce, and product innovation on marketing performance in MSMEs culinary sector. *Jurnal Manajemen Teknologi, 22*(2), 168–181. https://doi.org/10.12695/jmt.2023.22.2.4

Harini, S., Silaningsih, E., & Putri, M. E. (2022). Pengaruh orientasi pasar, kreativitas dan inovasi produk terhadap kinerja pemasaran UMKM. *VISA: Journal of Vision and Ideas, 6*(3), 67–82. https://doi.org/10.47467/visa.v4i3.3813

Hasan, A. K. D. M. T. O. K. dan K. P. U. (2023). Pengaruh kapasitas digital marketing terhadap orientasi kewirausahaan dan kinerja pemasaran UMKM. *SEIKO: Journal of Management & Business, 6*(2), 237–248. https://doi.org/10.37531/sejaman.v6i2.6194

Hasiholan, L. B., & Amboningtyas, D. (2021). Model pemasaran digital marketing dalam meningkatkan volume penjualan pada UMKM Kota Semarang. *Jurnal Sains Sosio Humaniora, 5*(1), 45–48. https://doi.org/10.22437/jssh.v5i1.13142

Irfandi, N., Halim, E. H., & Wijayanto, G. (2025). The impact of market orientation, product innovation, and competitive advantage on the marketing performance of culinary enterprises: Empirical study in Kampar Regency, Indonesia. *Golden Ratio of Marketing and Applied Psychology of Business, 5*(1), 79–94. https://doi.org/10.52970/grmapb.v5i1.784

Keller, K. L., & Kotler, P. (2016). *Marketing management*. Pearson Education. https://doi.org/10.1556/9789630597784

Lestari, R. (2024). Determinan kepuasan pelanggan dan dampaknya terhadap kinerja pemasaran laundry rumahan di wilayah Tangerang Selatan. *JPPI (Jurnal Penelitian Pendidikan Indonesia), 10*(1), 151–157. https://doi.org/10.29210/020242408

Marbun, D. S. N., & Simanjuntak, M. (2021). Pengaruh digital marketing terhadap peningkatan kinerja pemasaran UMKM pariwisata di Kabupaten Toba Indonesia. *Prosiding Seminar Nasional Ekonomi dan Bisnis, 1*, 130–142. https://doi.org/10.33479/sneb.v1i.125

Maylista, S., Ekonomi, F., & Riau, U. (2022). Pengaruh orientasi pasar dan inovasi produk terhadap daya saing dan kinerja pemasaran. *Jurnal Manajemen Pemasaran dan Perilaku Konsumen, 1*(2), 167–178. https://doi.org/10.21776/jmppk.2022.01.2.04

Muis, I., Adhi, T. M., & Kamalia, R. F. (2024). The impact of digital marketing and innovation on marketing performance is influenced through the development of a competitive advantage. *Revista de Gestão Social e Ambiental, 18*(8), 1–17. https://doi.org/10.24857/rgsa.v18n8-081

Nurpratama, M., Sonjaya, N. S., Yudianto, A., & Agung, I. (2024). Studi orientasi pasar dan inovasi produk terhadap kinerja pemasaran UMKM di Kabupaten Indramayu. *Jurnal EMT KITA, 8*(3), 822–831. https://doi.org/10.35870/emt.v8i3.2406

NusaBali.com. (2024). Kerajinan kayu jadi andalan ekspor Bali. https://www.nusabali.com/berita/172203/kerajinan-kayu-jadi-andalan-ekspor-bali

Palwaguna, I. K. E. J. P., & Yasa, N. N. K. (2021). Keunggulan bersaing memediasi pengaruh orientasi pasar. *E-Jurnal Manajemen Unud, 10*(12), 1347–1366. https://doi.org/10.24843/EJMUNUD.2021.v10.i12.p05

Praja, N. S., Iskandar, Masruroh, R., Santikawati, L., & Maulana, Y. (2024). The influence of entrepreneurship orientation and market orientation on company performance through competitive advantage. *Optimal Journal, 18*(4), 1. https://doi.org/10.61242/ijabo.24.425

Pratama, G. P. M. (2021). Pengaruh orientasi pasar dan kreativitas strategi pemasaran terhadap kinerja pemasaran yang dimediasi oleh inovasi produk. *Naskah Publikasi*. https://core.ac.uk/download/pdf/475615601.pdf

Primadhita, Y., Budiningsih, S., Wicaksana, I., & Melani, A. (2023). Pengaruh pemasaran digital, kualitas produk, dan inovasi hijau terhadap kinerja UMKM makanan dan minuman. *Jurnal Manajemen & Bisnis Digital, 2*(1), 49–61. https://journal.binawan.ac.id/JMBD/article/view/979

Putri, M. A. L., Yasa, N. N. K., & Giantari, I. G. A. K. (2018). Peran inovasi produk memediasi orientasi pasar terhadap kinerja UKM kerajinan endek di Kabupaten Klungkung. *INOBIS: Jurnal Inovasi Bisnis dan Manajemen Indonesia, 1*(4), 522–534. https://doi.org/10.31842/jurnal-inobis.v1i4.56

Putri, N. K. N., & Yasa, N. N. K. (2018). Peran inovasi produk memediasi orientasi pasar terhadap kinerja pemasaran (studi pada UMKM pie susu di Kota Denpasar). *Matrik: Jurnal Manajemen, Strategi Bisnis dan Kewirausahaan, 12*(2), 115–124. https://doi.org/10.24843/MATRIK:JMBK.2018.v12.i02.p03

Putriasih, D. M., & Giantari, I. G. A. K. (2021). Peran inovasi produk dalam memediasi pengaruh orientasi kewirausahaan terhadap kinerja pemasaran UMKM kuliner di Badung. *Buletin Studi Ekonomi, 26*(2), 207. https://doi.org/10.24843/bse.2021.v26.i02.p05

Rachmasari, A. D., & Suprapti, N. W. S. (2022). Peran inovasi produk dalam memediasi pengaruh orientasi pasar terhadap kinerja bisnis UKM kedai kopi. *E-Jurnal Manajemen, 11*(2), 318–337. https://doi.org/10.24843/EJMUNUD.2022.v11.i02.p06

Rahim, U. K. (2023). Pengaruh promosi dan inovasi produk terhadap kinerja pemasaran melalui citra merek pada KM pakaian muslimah di Kota Makassar. *Jurnal Ilmiah Multidisiplin AMSIR, 1*(2), 322–332. https://doi.org/10.62861/jimat.amsir.v1i2.240

Raintung, M. C., Kawet, R. C., Mandagie, Y., & Ratulangi, U. S. (2023). Digital marketing, product innovation, marketing performance. *JMBI UNSRAT, 10*(3), 2495–2505. https://doi.org/10.35794/jmbi.v11i1.54487

Ramadhani, F., Kusumah, A., & Hardilawati, W. L. (2022). Pengaruh inovasi produk, orientasi pasar dan marketing digital terhadap kinerja pemasaran UMKM pada masa pandemi Covid-19 di Pekanbaru. *Economics, Accounting and Business Journal, 2*(2), 344–354. https://jom.umri.ac.id/index.php/ecountbis/article/view/153

Safri, N. A., & Pudjoprastyono, H. (2023). Analisis inovasi produk dan keunggulan bersaing terhadap kinerja pemasaran pada produk Rabbani Store di Surabaya. *Widya Manajemen, 5*(1), 32–42. https://doi.org/10.32795/widyamanajemen.v5i1.3073

Sang, A., & Lala. (2023). The impact of market orientation and product innovation to the marketing performance of MSME local dessert (dodol) Ibu Hj. Murnihati - Bekasi. *SMART: Management Journal, 4*(1), 12–19. https://doi.org/10.53990/smart.v4i1.308

Saraswati, P. D., & Santika, I. W. (2019). Peran inovasi produk memediasi orientasi pasar terhadap kinerja pemasaran produsen makanan oleh-oleh khas Bali. *E-Jurnal Manajemen, 8*(12), 6992–7012. https://doi.org/10.24843/EJMUNUD.2019.v08.i12.p05

Sari, F. A. P. W., & Farida, N. (2020). Pengaruh orientasi pasar dan orientasi kewirausahaan terhadap kinerja pemasaran melalui inovasi produk sebagai variabel intervening. *Jurnal Ilmu Administrasi Bisnis, 9*(3), 345–352. https://doi.org/10.14710/jiab.2020.28117

Satwika, N. K. P., & Dewi, N. M. W. K. (2018). Pengaruh orientasi pasar serta inovasi terhadap keunggulan kompetitif dan kinerja bisnis. *E-Jurnal Manajemen Unud, 7*(3), 1481–1509. https://doi.org/10.24843/EJMUNUD.2018.v7.i03.p013

Solechan, A., Kusumo, H., Shibghatalloh, A. H., & Wardhani, A. A. (2025). Peningkatan kinerja pemasaran melalui digital marketing, inovasi dan orientasi pasar. *Dinamika*, 5*(1), 289–297. https://doi.org/10.51903/dinamika.v4i2

Sudirjo, F., Rukmana, A. Y., Wandan, H., & Hakim, M. L. (2023). Pengaruh kapabilitas pemasaran, digital marketing dalam meningkatkan kinerja pemasaran UMKM di Jawa Barat. *Jurnal Bisnisman: Riset Bisnis dan Manajemen, 5*(1), 55–69. https://doi.org/10.52005/bisnisman.v5i1.134

Sugiyono. (2020). *Metode penelitian kuantitatif, kualitatif, dan R & D*. Alfabeta.

Suryaningsih, L. P., Sukaatmadja, I. P. G., & Yasa, N. N. K. (2018). Peran keunggulan bersaing memediasi pengaruh inovasi produk terhadap kinerja pemasaran UMKM produk endek di Denpasar. *Juima, 8*(1), 50–67.

Syahyono, Arifin, N. P. S., Pearl, S., & Shalihin, F. R. (2025). Product innovation strategies and market orientation to improve marketing performance at meatball MSMEs in Bekasi City. *Jurnal Manajemen dan Bisnis, 25*, 50–57. https://doi.org/10.24235/amwal.v1i1.5457

Syarief, F. (2020). *Pengembangan dan pemberdayaan usaha mikro, kecil, dan menengah (UMKM)* (Vol. 1). Yayasan Barcode.

Wahyudi, S., & Laksana, R. I. O. D. (2024). The product innovation of market orientation to marketing performance in Indonesia tourist destination. *Journal of Ecohumanism, 3*(8), 6153–6168. https://doi.org/10.62754/joe.v3i8.5213

Waseem, Abbasi, M. U., & Hamid, F. (2024). Impact of digital marketing strategies on marketing performance: Role of social media performance and e-commerce. *International Journal of Management Research*, 14*(3), 161–181. https://doi.org/10.56536/ijmres.v14i3.656

Wiryawan, I. P. G. H., & Seminari, N. K. (2022). Peran inovasi produk memediasi orientasi pasar terhadap kinerja pemasaran. *E-Jurnal Manajemen Universitas Udayana, 11*(6), 1090. https://doi.org/10.24843/EJMUNUD.2022.v11.i06.p02

Wulan, H. S., Agustina, F., & Harini, C. (2021). Fakultas Ilmu Komputer, Universitas Dian Nuswantoro, Indonesia. *Jurnal Ilmiah Edunomika, 5*(2), 1353–1361. https://doi.org/10.29040/jie.v5i2.3314

Yolanda, V., Hardilawati, W. L., Hastuti, D., Riau, U. M., Digital, P., Dan, M., Kewirausahaan, O. (2024). Pengaruh digital marketing dan orientasi. *EMBA*, 3*(1), 298–306. https://jom.umri.ac.id/index.php/emba/article/view/1129

Zuliasanti, K., Rusdarti, R., & Sakitri, W. (2020). Pengaruh orientasi pasar, orientasi kewirausahaan dan inovasi produk terhadap kinerja pemasaran. https://doi.org/10.15294/baej.v1i1.38937