THE ROLE OF DIGITAL MARKETING AND PRODUCT INNOVATION IN INCREASING THE COMPETITIVENESS OF GABINFLA MSMES IN THE DIGITALIZATION ERA

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Abstract

This study aims to analyze the influence of digital marketing and product innovation on increasing the competitiveness of Gabinfla Micro, Small, and Medium Enterprises (MSMEs) in the digitalization era. The method used is a quantitative approach. The population in this study were consumers of Gabinfla MSMEs, with a sample of 101 respondents obtained through accidental sampling techniques. Data collection was carried out using a questionnaire with a five-point Likert scale. The data analysis technique used was multiple linear regression with the help of Statistical Product and Service Solutions (SPSS) 26, through stages of validity and reliability testing, as well as classical assumption tests including normality, multicollinearity, and heteroscedasticity. The results of the study indicate that digital marketing and product innovation, both partially and simultaneously, have a significant effect on the competitiveness of Gabinfla MSMEs. The coefficient of determination (Adjusted R^2) value of 0.894 indicates that 89.4% of the variation in competitiveness can be explained by the two independent variables, while the remainder is influenced by variables not used in the study. These findings confirm that the use of digital marketing and the development of creative and sustainable product innovations can increase the competitiveness of MSMEs amidst increasingly competitive markets in the digital era.

Keywords: Digital Marketing, Product Innovation, MSME Competitiveness, and the Digitalization Era

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in supporting the Indonesian economy. MSMEs are not only business entities that contribute to economic growth, but also serve as an important sector in reducing unemployment, alleviating poverty, increasing community income, and supporting state revenue (Munthe et al., 2023). Along with national economic development, the number of MSMEs in Indonesia continues to increase from year to year (Nurdinda & Husnan, 2026). Recent data show that the number of MSMEs in Indonesia has reached approximately 66 million business units. This sector contributes around 61% to Indonesia's Gross Domestic Product (GDP), equivalent to IDR 9,580 trillion (Sirait et al., 2024). In addition, MSMEs are able to absorb approximately 117 million workers, or around 97% of the total workforce in Indonesia. This condition indicates that MSMEs have a significant contribution to strengthening the national economy and improving community welfare (Hapsari et al., 2024).

However, the development of MSMEs is also followed by increasingly complex challenges, especially in the era of globalization and digital business competition. MSMEs are required to improve product and service innovation, develop human resources, utilize technology, and expand marketing access in order to remain competitive (Salam et al., 2026). These efforts are important because MSMEs must be able to increase the selling value of their products and compete with foreign products that are increasingly entering the domestic market (Sari et al., 2025). Nevertheless, many MSMEs still face obstacles in adopting and utilizing technology. These obstacles include limited financial resources for technology investment, low technological knowledge and skills among owners and employees, and resistance to change and innovation (Arnu et al., 2025). In addition, inadequate information technology infrastructure and limited policy support also hinder the digital transformation process of MSMEs (Raseuki & Nasution, 2024). Therefore, technology-based strategies are needed to support MSMEs in adapting to digital transformation and improving their competitiveness.

The government has made several efforts to support MSME development, one of which is through Government Regulation Number 7 of 2021 concerning the Facilitation, Protection, and Empowerment of Cooperatives and MSMEs. This regulation aims to strengthen MSME competitiveness through financial support, training, business assistance, and technology utilization (Prasetiasari et al., 2023). However, policy support alone is not sufficient if MSMEs do not actively adapt to market changes. In the digital era, MSMEs need practical strategies that can be directly applied in business activities, especially in marketing and product development. Therefore, digital marketing and product innovation are considered important strategies to help MSMEs face competition and achieve sustainable business growth.

Digital marketing is a marketing strategy that utilizes the internet and digital technology to promote products and services. According to Chaffey (2022), digital marketing includes various activities such as social media marketing, email marketing, search engine marketing, and website-based marketing. Through digital platforms, MSMEs can reach a wider market at a relatively lower cost compared to traditional marketing methods (Yu et al., 2022). Digital marketing also enables MSMEs to build brand awareness, interact directly with consumers, receive feedback, and increase product visibility (Maghfiroh & Rahmawati,

2024). Therefore, the implementation of digital marketing is an important strategy for MSMEs to expand market reach and strengthen their competitive position in the digital era.

In addition to digital marketing, product innovation is also an important factor in increasing MSME competitiveness. Product innovation refers to efforts to create new products or improve existing products in order to provide higher added value for consumers (Halik & Halik, 2024). According to Schilling's (2020) innovation theory, the introduction of new products or the improvement of existing products can create differentiation, which becomes a source of competitive advantage. In the context of MSMEs, product innovation can be carried out through product variation, quality improvement, attractive packaging design, and adjustment of product features based on consumer needs (Hair et al., 2021). This is important because consumer preferences continue to change, while market competition is becoming increasingly intense (Lambe & Halik, 2024). Furthermore, the use of information technology can support the innovation process, especially in optimizing product marketing and increasing consumer engagement (Azzahra et al., 2023). Thus, product innovation is one of the key strategies for MSMEs to create uniqueness, improve product value, and compete effectively in the market.

Competitiveness is an essential aspect for MSMEs in maintaining business sustainability. According to Matosas-López (2021), competitiveness is the ability of a business to create added value and advantages over competitors so that it can survive and develop in the market. MSME competitiveness can be seen from several aspects, including product quality, competitive prices, product uniqueness, and the ability to reach a wider market (HS, 2026). However, in reality, many MSMEs still face various limitations, such as limited capital, low quality of human resources, and minimal use of technology (Fu et al., 2026). These conditions show that MSMEs need appropriate strategies to improve competitiveness, especially through the implementation of digital marketing and product innovation. To support this argument, it is necessary to observe the development of digital technology utilization in recent years. The following figure illustrates the increasing utilization of digitalization from 2021 to 2025:

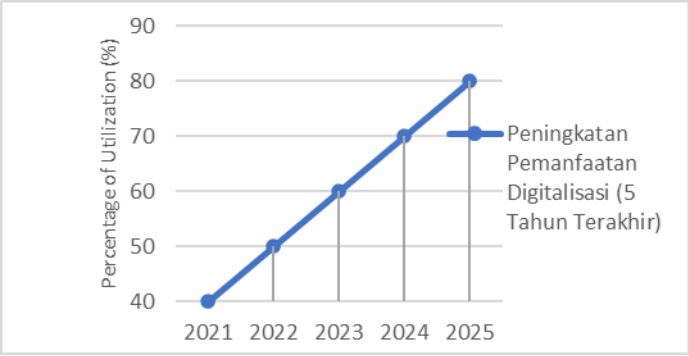

Figure 1. Increasing Utilization of Digitalization 2021-2025
Source: Data processed by the author (2026)

Based on Figure 1, the utilization of digitalization has increased consistently from 2021 to 2025. This trend indicates that digital technology is increasingly used in various aspects of community life, including economic and business activities. The increasing use of digital technology is also supported by data from the Indonesian Internet Service Providers

Association, which shows that the number of internet users in Indonesia increased from 210.03 million users, or 77.02%, in the 2021–2022 period to 215.63 million users, or 78.19%, in the 2022–2023 period (Zahrah & Dwiputra, 2023). Furthermore, the growth of internet penetration, smartphone adoption, and technology-based services shows that Indonesia is experiencing significant progress in the digital sector (Amaliyah et al., 2024). This condition becomes both an opportunity and a challenge for MSMEs. On the one hand, digitalization opens wider market access; on the other hand, MSMEs are required to adapt in order to remain competitive.

Previous studies have shown that digital marketing and product innovation have an important role in increasing MSME competitiveness. Masduqie et al. (2021) stated that digital marketing can expand market reach and increase product visibility, while product innovation can create added value through product uniqueness and quality. Research by Yanti and Nasution (2025) found that digital marketing and product innovation significantly influence MSME sales growth. Similarly, Fauziyah et al. (2025) revealed that digital marketing and innovation have a significant influence on MSME competitiveness. These findings indicate that digital marketing and product innovation are relevant variables to be examined further, particularly in the context of MSMEs that are developing their business in the digitalization era.

The implementation of digital marketing and product innovation can be observed in Gabinfla MSMEs. Gabinfla MSMEs is a culinary business located in Tambak Sari RT 05 RW 02, Tambak Rejo Village, Waru District, Sidoarjo Regency. This business offers products with various topping variants, including sweet, savory, and original flavors, according to consumer preferences. The products are also packaged attractively and equipped with logo stickers as business identity. In its marketing activities, Gabinfla MSMEs has utilized digital marketing through social media and online platforms. However, to increase competitiveness, the optimization of digital marketing strategies and product innovation is still needed. Therefore, this study aims to analyze the role of digital marketing and product innovation in increasing the competitiveness of Gabinfla MSMEs in the digitalization era.

REVIEW OF LITERATURE

The Role of Digital Marketing in Increasing the Competitiveness of MSMEs

Digital marketing enables Micro, Small, and Medium Enterprises (MSMEs) to expand market reach, increase product visibility, and build direct interaction with consumers through digital platforms such as social media, websites, and online marketplaces. Through digital marketing, MSMEs can promote products more efficiently, receive consumer feedback more quickly, and strengthen relationships with customers. Previous studies by Simamora et al. (2020), Natanael et al. (2021), and Ridayanti et al. (2025) show that digital marketing has a positive and significant effect on MSME competitiveness because it helps businesses reach wider markets and improve consumer engagement. This is in line with the original literature review, which states that social media helps MSMEs access wider markets and increase sales opportunities.

However, the effect of digital marketing on competitiveness may differ depending on business characteristics, digital platform selection, and the digital maturity of MSME owners. Lukiya and Lestari (2024) found that website-based digital marketing did not significantly

affect MSME competitiveness, which may occur because some MSMEs do not manage digital platforms actively or because their consumers are more responsive to social media than websites. Therefore, digital marketing does not automatically improve competitiveness merely because a business uses digital media. It becomes effective when MSMEs use suitable platforms, create attractive content, interact consistently with consumers, and adjust their digital strategy to consumer behavior.

H1: Digital marketing has a positive influence on increasing the competitiveness of MSMEs.

The Role of Product Innovation in Increasing the Competitiveness of MSMEs

Product innovation is an important factor in strengthening MSME competitiveness because it enables businesses to create added value and differentiate their products from competitors. Innovation can be carried out through product variation, quality improvement, packaging design, and adjustment of products to consumer needs. Previous studies by Dewi et al. (2022), Ibrahim et al. (2024), and Andini et al. (2025) found that product innovation has a positive and significant effect on MSME competitiveness. These findings indicate that MSMEs with innovative products tend to have stronger market appeal because consumers are more interested in products that are unique, relevant, and continuously improved. The original manuscript also explains that product innovation supports competitiveness through added value and sustainable product development.

Nevertheless, the relationship between product innovation and competitiveness is not always significant. Sapelege and Prakoso (2025) found that product innovation did not significantly affect MSME competitiveness, which may be caused by inconsistent product development or innovation that does not match consumer preferences. Product innovation will have limited impact if it only changes the appearance of the product without improving quality, taste, function, or consumer experience. Therefore, product innovation is more likely to increase competitiveness when it is carried out consistently, based on market needs, and able to create clear differentiation compared to competing products.

H_2 : Product Innovation Influences Increasing the Competitiveness of MSMEs

Based on the literature synthesis, digital marketing and product innovation are positioned as independent variables that can influence MSME competitiveness. Digital marketing contributes to competitiveness by expanding market reach, increasing product visibility, and strengthening consumer interaction. Meanwhile, product innovation contributes by creating product uniqueness, improving quality, and increasing added value for consumers. Although previous studies show some differences in findings, these differences can be explained by variations in digital platform use, business characteristics, innovation consistency, and research methodology. Therefore, this study examines whether digital marketing and product innovation influence the competitiveness of Gabinfla MSMEs in the digitalization era.

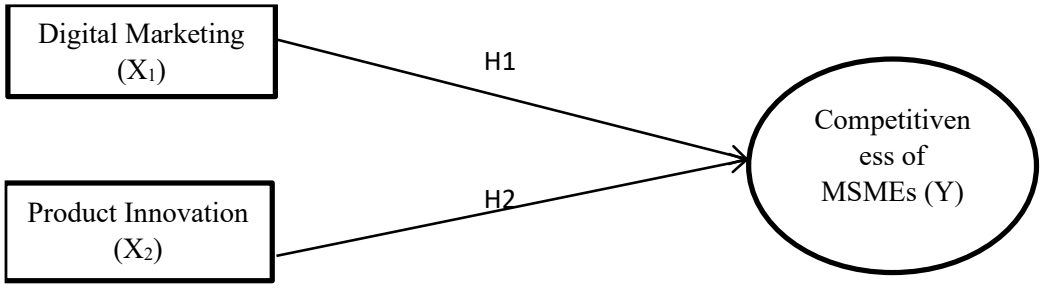

Figure 1. Conceptual Framework

RESEARCH METHOD

Research Approach

This study used a quantitative research approach. Quantitative research emphasizes the testing of theories by measuring research variables in numerical form and analyzing the data using statistical techniques (Sugiyono, 2022). This approach was considered appropriate because the study aimed to examine the influence of digital marketing and product innovation on the competitiveness of Gabinfla Micro, Small, and Medium Enterprises (MSMEs). Therefore, the quantitative approach enabled the researcher to measure the relationship between variables objectively and test the proposed hypotheses statistically.

Operational Variables and Measurement

This study consisted of three variables, namely digital marketing as the first independent variable (X1), product innovation as the second independent variable (X2), and MSME competitiveness as the dependent variable (Y). The measurement indicators were adapted from previous studies and adjusted to the context of Gabinfla MSMEs. The digital marketing variable was adapted from Harto et al. (2023), consisting of interactivity, demassification, and asynchronous indicators. The product innovation variable was adapted from Maulidia and Hiong (2022), consisting of creativity power, design change, and quality control indicators. Meanwhile, the competitiveness variable was adapted from Fakhrudin et al. (2021), consisting of cost, quality, delivery time, and flexibility indicators. These indicators are consistent with the instrument grid in the original manuscript.

The questionnaire was developed by modifying the indicators from previous validated studies into statements that were relevant to Gabinfla MSMEs as a culinary business. The instrument consisted of 20 statement items, including 6 items for digital marketing, 6 items for product innovation, and 8 items for MSME competitiveness. This item distribution is reflected in the validity test, where the digital marketing variable is represented by X1.1–X1.6, product innovation by X2.1–X2.6, and competitiveness by Y.1–Y.8. Each item was measured using a five-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree.

Table 1. Research Questionnaire Instrument Grid

Variable	Indicator	Number of Items	Sample Statement	Source
Digital Marketing (X1)	Interactivity, demassification, asynchronous	6 items	"Gabinfla MSMEs actively provides product information through digital media."	Harto et al. (2023)
Product Innovation (X2)	Creativity power, design change, quality control	6 items	"Gabinfla MSMEs offers product variants that are attractive and different from competitors."	Maulidia & Hiong (2022)
Competitiveness (Y)	Cost, quality, delivery time, flexibility	8 items	"Gabinfla MSMEs is able to compete with similar culinary businesses in terms of product quality."	Fakhrudin et al. (2021)

Before being used for hypothesis testing, the questionnaire items were tested through validity and reliability tests. The validity test was conducted by comparing the calculated r-value with the r-table value at a significance level of 0.05. The reliability test was conducted using Cronbach's Alpha, where an instrument was considered reliable if the value was greater than 0.6. These tests were conducted to ensure that the questionnaire items were appropriate, consistent, and suitable for measuring the research variables.

Research Population and Sample

The population in this study were all consumers of Gabinfla Micro, Small, and Medium Enterprises (MSMEs) located in Tambak Sari RT 05 RW 02, Tambak Rejo Village, Waru District, Sidoarjo Regency. The sampling technique used was accidental sampling, which is determining the sample based on chance (Masduqie & Arifin, 2025). Where every consumer who accidentally met the researcher and met the criteria as a data source could be used as a respondent (Warmerdam et al., 2022). Data collection was carried out through the distribution of questionnaires on Friday, February 13, 2026, with a sample of 101 respondents.

Method of collecting data

The data in this study consists of primary and secondary data. Primary data was obtained through observation, questionnaires, interviews, and documentation, while secondary data came from scientific literature such as books, journals, and articles. (Salsabilla & Darmawan, 2024). Data collection was conducted by distributing online questionnaires via Google Form using a five-point Likert scale, ranging from "strongly disagree" to "strongly agree" (Sugiyono, 2022). The collected data was then analyzed using statistical techniques to test the relationship between variables in the study.

Data Analysis Techniques

Data analysis in this study used the Statistical Product and Service Solution (SPSS) version 26 application. The analysis began with a data quality test that included validity and reliability tests, then continued with classical assumption tests consisting of normality, multicollinearity, and heteroscedasticity tests. Next, hypothesis testing was carried out

through the t-test (partial), F-test (simultaneous), and the coefficient of determination (R^2) to determine the magnitude of the influence of the independent variables on the dependent variable.

RESULTS AND DISCUSSION

Respondent Characteristics

Table 2. Respondent Profile by Gender

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Man	33	32.7	32.7	32.7
	Woman	68	67.3	67.3	100.0
	Total	101	100.0	100.0	

Source: Data processed using SPSS 2 application

Table 3. Respondent Profile by Age

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5-12 Years	25	24.8	24.8	24.8
	13-25 Years	50	49.5	49.5	74.3
	26-50 Years	26	25.7	25.7	100.0
	Total	101	100.0	100.0	

Source: Data processed using SPSS 26 application

Table 4. Respondent Profile based on Purchase History

Purchase History

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First time	34	33.7	33.7	33.7
	Sometimes	28	27.7	27.7	61.4
	Often	39	38.6	38.6	100.0
	Total	101	100.0	100.0	

Source: Data processed using SPSS 26 application

Table 5. Respondent Profile based on Information Source

Information Source

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Social media	42	41.6	41.6	41.6
	Friends/Family/Neighbors	39	38.6	38.6	80.2
	Come directly to the outlet	20	19.8	19.8	100.0
	Total	101	100.0	100.0	

Source: Data processed using SPSS 26 application

The respondent characteristics show that Gabinfla MSMEs consumers are dominated by women, with 68 respondents or 67.3%, while male respondents amounted to 33 respondents or 32.7%. This composition indicates that female consumers represent the main consumer group in this study. In the context of culinary MSMEs, this condition may influence purchasing behavior because female consumers often play an important role in selecting food products, responding to visual promotion, and sharing product information through social networks. Therefore, the dominance of female respondents may strengthen the relevance of digital marketing and product innovation, especially when promotional content emphasizes product appearance, packaging, flavor variants, and consumer experience.

Based on age, most respondents were in the age range of 13–25 years, with 50 respondents or 49.5%. This age group represents teenagers and young adults who are generally more familiar with social media, online food platforms, and visual-based digital promotion. This demographic profile is important because younger consumers tend to respond more quickly to digital content, product trends, and attractive packaging. Therefore, the dominance of respondents aged 13–25 years supports the relevance of digital marketing as a strategy to increase Gabinfla MSMEs' competitiveness.

In terms of purchase history, the largest group of respondents consisted of consumers who often purchased Gabinfla products, namely 39 respondents or 38.6%. This indicates that Gabinfla MSMEs has a relatively strong consumer base and that its products are able to encourage repeat purchases. Repeat purchasing behavior may reflect consumer satisfaction with product quality, product variation, taste, packaging, and service. Thus, this finding provides an initial indication that product innovation plays an important role in maintaining consumer interest and strengthening business competitiveness.

Based on information sources, most respondents obtained information about Gabinfla MSMEs through social media, namely 42 respondents or 41.6%. This finding shows that social media is the most dominant information channel compared to recommendations from friends, family, neighbors, or direct visits to the outlet. In practical terms, this means that Gabinfla's competitiveness is closely related to how effectively the business manages digital platforms. Social media does not only function as a promotional tool, but also as a channel

for building brand awareness, displaying product innovation, and influencing consumer purchasing decisions.

Data Quality Test Results

Validity Test

Validity testing is a test used to assess the accuracy of an instrument in measuring research variables. Validity is demonstrated through the correlation value between item scores and the total score (Corrected Item-Total Correlation). The test is conducted by comparing the calculated table r_{value} with the table r_{value} at a significance level of 0.05 with a total of N = 101 respondents. The test results are obtained as presented in the following table:

Table 6 Results of Validity Test

Variables	r Count	r Table	Significant	α	Information
X1.1	0.772	0.1956	0,000	0.05	Valid
X1.2	0.736	0.1956	0,000	0.05	Valid
X1.3	0.651	0.1956	0,000	0.05	Valid
X1.4	0.765	0.1956	0,000	0.05	Valid
X1.5	0.754	0.1956	0,000	0.05	Valid
X1.6	0.745	0.1956	0,000	0.05	Valid
X2.1	0.673	0.1956	0,000	0.05	Valid
X2.2	0.746	0.1956	0,000	0.05	Valid
X2.3	0.714	0.1956	0,000	0.05	Valid
X2.4	0.729	0.1956	0,000	0.05	Valid
X2.5	0.718	0.1956	0,000	0.05	Valid
X2.6	0.754	0.1956	0,000	0.05	Valid
Y.1	0.766	0.1956	0,000	0.05	Valid
Y.2	0.776	0.1956	0,000	0.05	Valid
Y.3	0.753	0.1956	0,000	0.05	Valid
Y.4	0.755	0.1956	0,000	0.05	Valid
Y.5	0.778	0.1956	0,000	0.05	Valid
Y.6	0.679	0.1956	0,000	0.05	Valid
Y.7	0.753	0.1956	0,000	0.05	Valid
Y.8	0.755	0.1956	0,000	0.05	Valid

Source: Data processed using SPSS 26 application

The validity test results show that all statement items for digital marketing, product innovation, and competitiveness have r-count values greater than the r-table value of 0.1956 and significance values below 0.05. This means that all questionnaire items are valid and able to measure the intended research variables. The validity results also indicate that the indicators used in the questionnaire are appropriate for measuring consumers' perceptions of Gabinfla MSMEs in relation to digital marketing, product innovation, and competitiveness.

Reliability Test

Reliability tests are used to assess the consistency of instruments in producing data, where an instrument is declared reliable if it provides the same results in repeated measurements and has a Cronbach's Alpha value of more than 0.6, then the data tested has a

good level of reliability. The following are the results of the reliability tests that have been carried out in this study:

Table 7 Reliability Test Results

Variables	Cronbach Alpha	Standard	Information
Digital Marketing (X1)	0, 904	0.6	Reliable
Product Innovation (X2)	0, 897	0.6	Reliable
Competitiveness (Y)	0, .927	0.6	Reliable

Source: Data processed using SPSS 26 application

The reliability test results show that all variables have Cronbach's Alpha values above 0.6. Digital marketing has a Cronbach's Alpha value of 0.904, product innovation has a value of 0.897, and competitiveness has a value of 0.927. These results indicate that the research instrument has strong internal consistency. Therefore, the questionnaire can be considered reliable and suitable for further statistical analysis.

Classical Assumption Test

Normality Test

The normality test is the initial part of the classical assumption test. In this study, the normality test is declared appropriate if the decision-making basis uses a Normal Probability Plot (PP-Plot) graph. If the data points are distributed symmetrically along the diagonal line and follow the line's direction, it can be concluded that the residual distribution meets the normality assumption. Conversely, significant deviations of the data points from the diagonal line indicate that the normality assumption in the regression model is not met. The following figure displays the findings of the normality test using the PP-Plot formula:

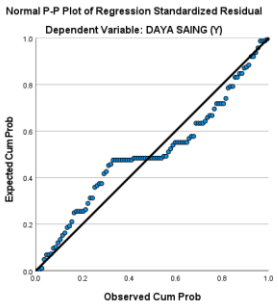

Figure 2 Results of the Probability Plot (PP-Plot) Normality Test

Source: Data processed using the SPSS 26 application

The normality test using the Normal P-P Plot shows that the residual points are generally distributed around the diagonal line. This indicates that the residual data tend to follow a normal distribution, so the regression model meets the normality assumption. In practical terms, this result means that the regression analysis can be continued because the distribution pattern of residuals does not show serious deviation from normality.

Autocorrelation Test

The autocorrelation test was conducted using Durbin-Watson (DW) to examine the relationship between the residuals from period t and t-1. The following conditions apply: 1.65 < DW < 2.35 indicates no autocorrelation; 1.21–1.65 or 2.35–2.79 indicates uncertainty;

while DW ≤ 1.21 or ≥ 2.79 indicates autocorrelation. The following are the results of the autocorrelation test conducted in this study:

Table 8 Autocorrelation Test Results

Model Summary [b]

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.947 [a]	.896	.894	1,618	1,846

a. Predictors: (Constant), PRODUCT INNOVATION (X2), DIGITAL MARKETING (X1)

b. Dependent Variable: COMPETITIVENESS (Y)

Source: Data processed using the SPSS 26 application

The autocorrelation test using the Durbin-Watson value produced a score of 1.846. Since this value is within the range of 1.65 to 2.35, the regression model does not indicate autocorrelation. This means that the residuals in the model are independent from one another, so the regression estimation is not disturbed by a pattern of correlation among residual errors.

Multicollinearity Test

The multicollinearity test aims to determine the relationship between independent variables in a regression. An instrument is declared free of multicollinearity if the Tolerance value is > 0.1 and the VIF is < 10. The following are the results of the multicollinearity test that was conducted in this study:

Table 9 Multicollinearity Test Results

Coefficients [a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	DIGITAL MARKETING (X1)	.242	4.132
	PRODUCT INNOVATION (X2)	.242	4.132

a. Dependent Variable: COMPETITIVENESS (Y)

Source: Data processed using SPSS 26 application

The multicollinearity test shows that both independent variables have tolerance values of 0.242 and VIF values of 4.132. Since the tolerance values are greater than 0.1 and the VIF values are below 10, the regression model is free from multicollinearity problems. This indicates that digital marketing and product innovation are related but do not overlap excessively, so both variables can be included together in the regression model.

Heteroscedasticity Test

The heteroscedasticity test is intended to observe the presence of heterogeneous variance in the residuals from one observation to another in a regression model. This test is performed using a scatterplot graph, namely by plotting the residual value (SRESID) against the predicted value (ZPRED). Through the scatterplot graph, the distribution pattern of data points can be seen. If the points are spread randomly around the Y-axis and do not form a specific pattern, it can be concluded that heteroscedasticity does not occur. Conversely, if the points form a specific pattern such as conical, wide, or wavy, it indicates the presence of

heteroscedasticity. The following are the results of the heteroscedasticity test using a scatterplot graph:

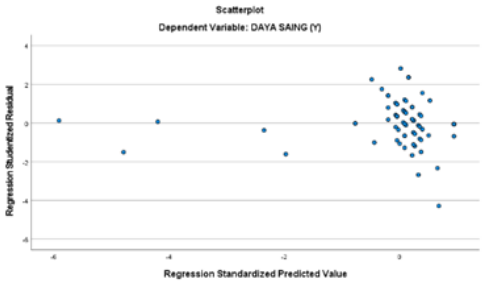

Figure 3 Heteroscedasticity Test Results

Source: Data processed using SPSS 26 application

The heteroscedasticity test using a scatterplot shows that the residual points spread randomly and do not form a clear pattern. This indicates that the regression model does not experience heteroscedasticity. Therefore, the variance of residuals can be considered relatively constant, and the regression model is appropriate for hypothesis testing.

Multiple Linear Regression Test

The purpose of multiple linear regression testing is to analyze and accommodate more than one variable. The regression in this study is expressed in a regression equation. The regression equation is the result of an analyzed statement instrument that shows a similarity or good relationship between the values of the independent variables and the values of the competitiveness improvement variables. The equation used is as follows:

$$Y = a + b_1 X_1 + b_2 X_2 + e$$

Where:
Y = Increasing the competitiveness of MSMEs
a = Constant
b_1 & b_2 = Regression coefficient
X_1 = Digital marketing variable
X_2 = Product innovation variable
E = error term

And the following are the results of the multiple linear regression analysis that have been tested in this study:

Table 10 Multiple Linear Regression Test Results

Coefficients [a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.226	1,244		-.182	.856
	X1	.618	.090	.454	6,855	.000
	X2	.726	.091	.525	7,939	.000

a. Dependent Variable: Y

Source: Data processed using SPSS 26 application

The constant value is -0.226 with a significance value of 0.856. This means that the constant is not statistically significant, because the significance value is greater than 0.05. Therefore, the previous interpretation stating that the constant is "highly statistically significant" must be corrected. In this study, the constant is not the main focus because the independent variables were measured using a Likert scale, where a value of zero is outside the actual response range. Therefore, the interpretation should focus more on the regression coefficients of digital marketing and product innovation.

The coefficient of digital marketing is 0.618 with a significance value of 0.000. This indicates that digital marketing has a positive and significant effect on MSME competitiveness. In practical terms, every increase in digital marketing perception is followed by an increase in competitiveness, assuming product innovation remains constant. This means that better use of social media, online promotion, consumer interaction, and digital communication can strengthen Gabinfla MSMEs' competitive position.

The coefficient of product innovation is 0.726 with a significance value of 0.000. This indicates that product innovation also has a positive and significant effect on MSME competitiveness. The coefficient value of product innovation is higher than that of digital marketing, which suggests that product innovation provides a slightly stronger contribution to competitiveness in this model. This means that product variation, attractive packaging, quality control, and product uniqueness are highly relevant in strengthening Gabinfla MSMEs' ability to compete

F test

The F test is used to determine the effect of all independent variables simultaneously on the dependent variable. The explanation of the F test hypothesis testing (simultaneous) is as follows: a) H_0 ; X_1, $X_2 = 0$, meaning that simultaneously there is no positive and significant influence of the independent variables, namely digital marketing (X_1) and product innovation (X_2) on the dependent variable (MSME competitiveness (Y); b) H_1 ; X_1, $X_2 \neq 0$, meaning that simultaneously there is a positive and significant influence of the independent variables, namely digital marketing (X_1) and product innovation (X_2) on the dependent variable (MSME competitiveness (Y). With the following decision-making criteria: a) H_0 is declared accepted if $F_{count} < F_{table}$ at $\alpha = 5\%$; b) H_1 is declared accepted if $F_{count} > F_{table}$ at $\alpha = 5\%$. The following are the results of the Ftest that was conducted in this study:

Tabel 11 F Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2216.468	2	1108.234	423.089	.000[b]
	Residual	256.700	98	2.619		
	Total	2473.168	100			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

Sumber: Data diolah menggunakan aplikasi SPSS 26

The F-test results show that the F-count value is 423.089 with a significance value of 0.000. Since the significance value is less than 0.05, digital marketing and product innovation simultaneously have a significant effect on MSME competitiveness. This result indicates that competitiveness is not shaped by one factor alone, but by the combined role of marketing

strategy and product development. For Gabinfla MSMEs, this means that digital promotion will be more effective when supported by innovative products, while product innovation will have greater market impact when promoted through appropriate digital channels.

t-test

The t-test is a test used to determine the influence of each independent variable, namely digital marketing (X_1) and product innovation (X_2), on the dependent variable, namely the competitiveness of MSMEs (Y) partially. Hypothesis testing in the t-test is carried out by determining H_0 which states that partially there is no positive and significant influence of the digital marketing variable (X_1) and product innovation (X_2) on the competitiveness of MSMEs (Y). While H_1 states that partially there is a positive and significant influence of the digital marketing variable (X_1) and product innovation (X_2) on the competitiveness of MSMEs (Y). The decision-making criteria in the t-test are if the calculated $t_{value} < t_{table}$ at a significance level of $\alpha = 5\%$, then H_0 is accepted, and if the calculated $t_{value} > t_{table}$ at a significance level of $\alpha = 5\%$, then H_1 is accepted. The following are the results of the t-test that was conducted in this study:

Tabel 12 t-Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.226	1.244		-.182	.856
	X1	.618	.090	.454	6.855	.000
	X2	.726	.091	.525	7.939	.000

a. Dependent Variable: Y

Source: Data processed using SPSS 26 application

The t-test results show that digital marketing has a t-count value of 6.855 with a significance value of 0.000. Since the significance value is below 0.05, the first hypothesis is accepted. This means that digital marketing partially has a significant effect on the competitiveness of Gabinfla MSMEs. The finding confirms that the use of digital platforms is not merely a promotional activity, but also a strategic factor that can influence market reach, consumer engagement, and business competitiveness.

The t-test results also show that product innovation has a t-count value of 7.939 with a significance value of 0.000. Since the significance value is below 0.05, the second hypothesis is accepted. This means that product innovation partially has a significant effect on the competitiveness of Gabinfla MSMEs. The higher t-value and standardized beta of product innovation indicate that product innovation has a stronger statistical contribution than digital

marketing in this study. This finding suggests that product uniqueness and continuous improvement are especially important for culinary MSMEs.

Coefficient of Determination

The coefficient of determination is the final test result that looks at the R2 value for measuring the results to be obtained.

Table 13 Results of the Determination Coefficient Test

Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.947 [a]	.896	.894	1,618

a. Predictors: (Constant), X2, X1

Source: Data processed using SPSS 26 application

The coefficient of determination shows an Adjusted R^2 value of 0.894. This means that 89.4% of the variation in Gabinfla MSMEs' competitiveness can be explained by digital marketing and product innovation, while the remaining 10.6% is influenced by other factors not included in this study, such as price strategy, service quality, location, consumer loyalty, business networks, or operational efficiency. This high Adjusted R^2 value indicates that the two independent variables are highly relevant in explaining competitiveness. However, this result should still be interpreted carefully because competitiveness in real business practice can also be influenced by external market conditions and managerial capacity.

The Role of Digital Marketing in Improving the Competitiveness of Gabinfla MSMEs in the Digital Era

The results of this study show that digital marketing has a positive and significant effect on the competitiveness of Gabinfla MSMEs. This finding indicates that the use of digital platforms can help MSMEs expand market reach, increase product visibility, and build closer interaction with consumers. This result is in line with the concept of digital marketing proposed by Chaffey (2022), which explains that digital marketing includes marketing activities through social media, email, search engines, and websites to promote products and services. In this study, digital marketing is relevant because Gabinfla MSMEs uses social media and online platforms to introduce its products to consumers. This is also supported by the respondent profile, where most respondents obtained information about Gabinfla through social media, indicating that digital platforms are the main channel influencing consumer awareness and purchasing decisions.

The finding also supports previous research by Simamora et al. (2020), Natanael et al. (2021), and Ridayanti et al. (2025), which found that digital marketing has a positive and significant effect on MSME competitiveness. Digital marketing strengthens competitiveness because it enables MSMEs to communicate directly with consumers, receive feedback, and increase sales opportunities through broader market access. However, this finding differs from Lukiya and Lestari (2024), who found that website-based digital marketing did not significantly affect MSME competitiveness. This difference may occur because the effectiveness of digital marketing depends on the type of platform used, consumer behavior, and the digital maturity of the business. In the case of Gabinfla MSMEs, social media and online food platforms are more relevant than websites because culinary products depend

strongly on visual appeal, quick communication, and ease of ordering. Therefore, digital marketing contributes to competitiveness when it is not only used as a promotional tool, but also as a medium for interaction, branding, and consumer engagement.

The Role of Product Innovation in Improving the Competitiveness of Gabinfla MSMEs in the Digital Era

The results of this study also show that product innovation has a positive and significant effect on the competitiveness of Gabinfla MSMEs. This finding is consistent with Schilling's innovation theory, which states that new product development or improvement of existing products can create differentiation as a source of competitive advantage. In the context of Gabinfla MSMEs, product innovation is reflected in flavor variations, topping choices, packaging design, logo stickers, and product identity. These innovations provide added value for consumers and help the business differentiate its products from competitors. Therefore, product innovation does not only improve product attractiveness, but also strengthens the business position in a competitive culinary market.

This finding supports previous studies by Dewi et al. (2022), Ibrahim et al. (2024), and Andini et al. (2025), which found that product innovation has a positive and significant effect on MSME competitiveness. Product innovation can increase competitiveness because it encourages consumers to perceive the product as unique, attractive, and suitable for their preferences. However, this result differs from Sapelege and Prakoso (2025), who found that product innovation did not significantly affect MSME competitiveness. The difference may be caused by the consistency and relevance of innovation. Product innovation will not strongly influence competitiveness if it is only temporary, not adjusted to consumer needs, or does not create clear differentiation. In Gabinfla MSMEs, product innovation appears to be more effective because it is directly connected to consumer preferences, especially through various sweet, savory, and original topping variants.

Integrated Discussion of Digital Marketing and Product Innovation

The simultaneous test results indicate that digital marketing and product innovation together have a significant effect on the competitiveness of Gabinfla MSMEs. This finding strengthens the theory of competitiveness proposed by Matosas-López (2021), which explains that competitiveness refers to a business's ability to create added value and advantages over competitors in order to survive and grow in the market. Competitiveness can be seen from product quality, competitive prices, product uniqueness, and the ability to reach a wider market. In this study, digital marketing supports market reach and consumer interaction, while product innovation supports uniqueness, product quality, and added value. Therefore, both variables complement each other in strengthening MSME competitiveness.

The regression results show that both digital marketing and product innovation have positive regression coefficients, with product innovation showing a slightly stronger contribution than digital marketing. This indicates that although digital marketing helps Gabinfla reach consumers, product innovation remains a key factor in maintaining consumer interest and encouraging repeat purchases. The high Adjusted R^2 value also shows that digital marketing and product innovation explain a large proportion of Gabinfla MSMEs' competitiveness, although other factors such as price, service quality, location, and customer loyalty may also contribute. Thus, the theoretical contribution of this study is that MSME competitiveness in the digital era is shaped not only by the ability to use digital platforms, but also by the ability to offer innovative products that match consumer needs. Practically,

Gabinfla MSMEs needs to integrate digital promotion with continuous product innovation so that online visibility is supported by real product value.

CONCLUSION

Based on the results of data analysis using Statistical Product and Service Solution (SPSS) 26, it can be concluded that digital marketing has a significant effect on increasing the competitiveness of Gabinfla Micro, Small, and Medium Enterprises (MSMEs) in the digital era. This is indicated by the calculated $t_{value} > t_{table}$ (6.855 > 1.98447). Utilizing digital platforms such as GoFood, ShopeeFood, Instagram, and WhatsApp Business can expand market reach, increase promotional effectiveness, and facilitate interaction with consumers. Thus, digital marketing is an effective strategy in strengthening the position of MSMEs amidst increasingly competitive competition.

In addition, the results of data processing using Statistical Product and Service Solution (SPSS) 26 also show that product innovation has a significant effect on increasing the competitiveness of Gabinfla Micro, Small and Medium Enterprises (MSMEs). This is indicated by the calculated $t_{value} > t_{table}$ (7.939 > 1.98447). Innovation through attractive packaging, product identification, and a variety of flavors and toppings can increase product appeal and sales value. This confirms that creativity in product innovation plays a crucial role in creating competitive advantage and supporting the sustainability of MSMEs in the digital era.

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