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Strengthening Small Business Performance in the Digital Economy Era: The Role of Digital Marketing Strategy and Innovation Products and Service Quality in Culinary Businesses

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ABSTRACT

Transformation digital economy demands business small develop marketing strategies, innovation products and services that are capable strengthen Power competitiveness. Research This aim analyze the influence of digital marketing strategies and innovation product to quality service and performance business small, and influence quality service to performance business in Makassar City. Research use approach quantitative with design explanatory. Data collected through survey use questionnaire Likert scale of 200 actors' business small businesses that utilize digital media in activity marketing. Respondents originate from various field business, with sector food as group largest. Data analyzed use approach *partial least squares structural equation modeling* (PLS-SEM) through device soft SmartPLS 3. Research results show that digital marketing strategies have an impact positive and significant to quality service (β = 0.385) and performance business culinary (β = 0.245). Innovation products also have an effect positive and significant to quality service (β = 0.412) and performance business culinary (β = 0.318). Furthermore, the quality of service influential positive and significant to performance business small (β = 0.295). All tested relationship show p -value < 0.001. Findings This show that strengthening performance business culinary related with utilization of digital marketing media, development suitable product market needs, and increase quality interaction with customer. Research This gives proof empirical about importance management third aspect the in a way integrated. This result relevant for development business small, though sample covers type business culinary. The implication is that the perpetrators business need align digital communication, updates products, and responses services in order to be able to maintain market relevance as well as support performance sustainable business in the midst of competition digital economy.

Keywords: *Digital Marketing Strategy; Innovation Product; Quality Services; Small Business Performance; Digital Economy.*

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INTRODUCTION

Development technology information and communication has push fundamental transformation in structure and activities global economy, as well as be one of factor important in support achievement of the development agenda Sustainable Development *Goals* or SDGs). The digital economy era brings change fundamental in method company

producing, marketing and distributing product and services, as well as create opportunity new for growth an inclusive, innovative, and sustainable economy. Digital transformation is not only taking place at the company scale big, but also delivering implications strategic for business small and medium enterprises (SMEs) that play a role important in creation field work, improvement income community, and strengthening economy, especially in developing countries. In perspective global development, strengthening digital capacity of SMEs has relatedness close with achievement of SDGs Goal 8 (*Decent Work and Economic Growth*), which emphasizes growth economy inclusive and sustainable, as well as SDGs Goal 9 (*Industry, Innovation and Infrastructure*), which encourages development industry inclusive, innovation, and utilization technology. Digitalization gives opportunity for SMEs to expand market access, increasing efficiency operational, strengthening Power competitive, and create mark plus through development products and business models-based technology. However, the opportunity is also accompanied by various challenges, such as gap digital literacy, limitations access technology, change preference consumers, and increasing intensity market competition. Therefore that, the implementation of digital marketing strategies, strengthening innovation products, and improvements quality service becomes factor strategic in push improvement performance SME business. The third integration aspect the expected No only strengthen sustainability and power competition effort, but also giving contribution to realization development an inclusive, innovative and sustainable economy as mandated in the 2030 SDGs agenda.

Makassar City as one of the center growth the economy in the Eastern Indonesia region has amount business small enough big and plays a role important in support activity economy society . Growth sector trade, culinary, and industry creative in the city This show that business small own potential big for develop through utilization digital technology. However thus, the level adoption of digital marketing strategies, innovation products, as well as quality services implemented by the perpetrator business small in Makassar still varies. Conditions this show existence need for do study empirical about factors that can strengthen performance business small in the digital economy era.

Various study previously has disclosed that digital marketing strategy, innovation products and quality service is factor strategic in increase performance business small and medium enterprises (SMEs), especially in face dynamics competition in the digital economy era . Research Rizal et al. (2025) show that digital transformation contributes to improvement MSME turnover in Makassar City is up to 50%, with 88% of the actors businesses that utilize digital platforms are experiencing improvement sale through e-commerce and social media . In line with findings the above, meta-analysis study against 56 published articles during the period 2010–2024 shows that digital marketing has contribution positive to improvement performance of MSMEs, especially in the sector service through strengthening interaction and engagement customer digitally (Ukshini et al., 2025; Noer et al., 2025). In the context of development business small in Indonesia, research Rakib et al. (2024) disclose that digital literacy and innovation business influential significant to superiority competitiveness and sustainability SMEs in Makassar City. Findings This confirm importance ability perpetrator business in integrate digital technology and

innovation as source superiority competitive. In terms of more sector specific culinary, research Yuliani et al, (2023) find that innovation business is factor important in increase performance of culinary MSMEs in Makassar City. Meanwhile, that research Endayani et al. (2024) towards 120 MSMEs in Jakarta with approach *Panel Vector Autoregression* (PVAR) shows that digital marketing, innovation products and quality service own influence positive to performance business as well as show mutual relationship related. Digital marketing plays a role in push innovation products and improvements quality service, which is further support productivity and power competition business in a way overall. With Thus, various findings empirical the show that improvement performance business small, especially in the sector culinary, no only determined by ability utilize digital technology, but also requires strengthening innovation products and quality service in a way integrated for create superiority competitive and supportive sustainability business.

In a way theoretically, the digital economy provides opportunity for business small for increase Power competition through utilization various digital platforms such as social media, marketplaces, and technology marketing data-driven. Digital marketing strategies enable perpetrator business for build deeper relationship near with consumers, increasing visibility products, as well as expand market reach without limited by space and time. Various study show that digital marketing strategies have an impact significant to performance business (Izediuno et al., 2026; Bishrul, 2025; Landjohou & Christopher, 2026). The application of digital marketing such as social media marketing, search engine optimization (SEO), and online advertising is able to increase market presence, interaction with consumers, as well as performance business small (Sharabati et al., 2024).

In addition to digital marketing strategies, innovation products also become factor important in increase performance business culinary. Innovation product no only related with creation product new, but also includes development design, improvement quality, variety products, as well as utilization technology in the production process. Innovation allows business small for create differentiation product so that capable interesting interest consumers and increase mark plus products on the market. Research show that innovation product own influence positive to performance business small Because capable increase Power pull product, satisfaction consumers, as well as loyalty customer (Quraysin et al., 2024). Empirical study show innovation product and process improvement performance financial as well as Power competitiveness, especially in developing countries such as Tanzania, Malaysia and Oman, with effect moderate from adoption technology (Ndesaulwa & Kikula, 2016; Jalil, MF, Ali, A., Kamarulzaman, 2021; Alyahyaei et al., 2020).

On the other hand, the quality service also plays a role important in determine success business small, especially in the era of the increasingly digital economy emphasize experience consumers. Modern consumers do not only consider quality product, but also quality the interactions they have feel during the purchasing process. Quality service covers various aspect like speed response, reliability service, convenience transactions, as well as ability perpetrator business in build good relationship with customer. Research show that quality service own influence significant to performance business small Because can

increase satisfaction customers and encourage loyalty consumer (Wijetunge, 2016; Siregar et al., 2024; Shah, S. N, Irshad, M., Maher, 2019; Nair, GK, Choudhary, 2016).

Although opportunity the digital economy is very big, many business small Still face various challenge in optimize utilization digital technology. Some frequent obstacles faced including limitations digital skills, low literacy technology, lack of understanding regarding effective digital marketing strategies, as well limitations source power in do innovation product. Studies show that part big perpetrator business small has utilizing social media as means promotion, but not yet capable optimize digital marketing strategies maximum so that the impact to improvement performance business Still not optimal (Hidayat & Lutfia, 2025) .

However, studies that integrate third factor the in a way comprehensive in context digital economy, especially in business small in Makassar City, still relatively limited. In addition , some study more Lots conducted in the context of developed countries or certain areas so that required further research contextual For understand dynamics business small in urban areas of Indonesia.

Problems main in study this leave from challenges faced business small in increase performance business in the middle development the increasingly digital economy competitive. Digital transformation demands perpetrator business for capable utilize digital marketing strategies, carry out innovation product in a way sustainable, as well as increase quality service to consumers. However, not all business small capable optimize third aspect the in-support improvement performance his efforts. Therefore that, the formulation problem study This is How the influence of digital marketing strategies, innovation products and quality service to performance business small in the digital economy era.

Transformation going to the digital economy has change pattern activity business, including in the sector business small demanded for capable adapt with development technology and change behavior consumers. In the context of said, the increase performance business small no only determined by ability production, but also by the ability utilize digital technology, creating innovation products, as well as give quality service to consumers. Therefore that, research this uses approach analytical for study how digital marketing strategies, innovation products and quality service can contribute to strengthening performance business small in Makassar City.

Digital marketing strategies are seen as effective means for business small for expand market reach, increase visibility products, as well as build more interaction intensive with consumers. Utilizing digital platforms allows business small reach a wider market wide with relative costs efficient as well as increase involvement customer.

In addition, innovation product becomes factor important in increase Power competition business small. Innovation product no only covers creation product new, but also development design, improvement quality, as well as diversification suitable product with need consumers who continue developing. On the other hand, the quality service also plays a role important in create satisfaction customers, especially in transaction digital-based that demands speed response, convenience access and reliability service. With thus,

thirdly variables the viewed as factor strategic that can strengthen performance business small in the digital economy era.

Study on performance business small in the digital era has develop rapidly in literature international. Various study show that digitalization give opportunity for business small for increase efficiency operational and expanding market access. Utilization digital technology, in particular in marketing based on social media and e-commerce, proven capable increase visibility product as well as interaction between perpetrator businesses and consumers.

In addition, innovation there are also many products identified as factor key in increase Power competition business small. Innovation allows perpetrator business create mark plus as well as differentiation products that can increase interest consumers. Meanwhile that, quality service becomes aspect important things that influence satisfaction and loyalty customers. In the context of digital economy, quality service No only related with interaction directly, but also includes quality service digital- based such as speed response, convenience transactions, as well as clarity information product.

Although various study has study factors said, some of them big study still focusses on one or two variables in a way separate. Research that integrates digital marketing strategies, innovation products and quality service in a way simultaneous in analyze performance business small still relatively limited, especially in context business small in developing countries.

Novelty study This lies in the approach integrative that combines three factor strategic, namely digital marketing strategy, innovation products and quality service, in one analysis model for explain strengthening performance business small in the digital economy era. Research this not only analyze the influence of each variable in a way partial, but also evaluate its influence in a way simultaneous to performance business small.

In addition, research this own novelty contextual Because carried out in business small in Makassar City as one of the center growth economies in Eastern Indonesia. Empirical study about digital transformation of business small in this area Still relatively limited. Therefore that, research This expected can give contribution academic in development literature digital entrepreneurship as well as give recommendation practical for perpetrator business and maker policy in strengthen Power competition business small in the digital economy era.

METHOD

Approach study use method quantitative with design study explanatory. This method aims for explain connection causal between variables independent and variable dependent in a way empirical. Research data obtained through survey to perpetrator business little one who has utilized digital technology in activity his efforts, such as use of social media, marketplaces, and other digital platforms. Through approach this research make an effort identify to what extent digital marketing strategies, innovation products and quality service influential to improvement performance business small.

Study this aims for investigate the influence of digital marketing strategies and innovation product to performance business culinary, with quality service as mediator variable. Research this uses approach quantitative with method survey for collect data from sample owner business culinary delights that are still scale business micro small.

Population in study this is business culinary in the city of Makassar, which has done marketing digitally or using social media. The sample was selected using purposive random sampling technique with criteria that is business culinary delights that are still scale business micro and small businesses that use social media in marketing product and willing participate in research. Size sample determined as many as 200 owners' businesses that fill out the questionnaire instrument via Google Forms.

Instrument main in study this is questionnaire containing statements that measure variables research. Questionnaire will arrange based on 5- point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). Questionnaire will tested validity and reliability before used for data collection. Validity test will do using content validity by expert judgment and using construct validity factor analysis and reliability testing will be done using Cronbach's Alpha to measure internal consistency of every scale measurement. Cronbach's Alpha value > 0.70 will considered reliable.

The data will be collected through survey with use distributed questionnaires in a way *online* (via Google Forms) to sample students. The collected data analyzed use technique analysis statistics following: (1) Statistics Descriptive: Calculating mean, standard deviation, frequency, and percentage for describe characteristics samples and variables research and (2) Path Analysis: Testing role mediation quality service in the relationship between digital marketing strategy and innovation product to strengthening performance business culinary analysis track will done using statistical software such as SMART-PLS.

RESULTS AND DISCUSSION

Results

Characteristics Respondents

Table 1. Characteristics Respondents by Gender

No	Gender	Frequency	Percentage (%)
1	Man	107	53.5
2	Woman	93	46.5
Amount		200	100

Source: *Primary Data, processed 2026.*

Based on characteristics type gender, respondents study dominated by men with a small proportion taller compared to women. However, the distribution the show that second group own relative representation balanced in activity business small. In the context of study strengthening performance business small in the digital economy era, composition respondents This give description about involvement men and women in activity entrepreneurship, in particular in implementation of digital marketing strategies, innovation products, and improvements quality service. Diversity characteristics

respondents the become part important in describe condition perpetrator the business being researched, although difference implementation of strategies and performance based on type sex need testing more carry on.

Table 2. Characteristics Respondents Based on Age

No	Characteristics	Frequency	Percentage (%)
Age			
1.	< 20 years	1 6	8.0
2.	20 – 30 years	91	45.5
3.	31-40 years old	61	30.5
4.	> 40 years	32	1 6.0
	Amount	2 00	100
Business Time Duration			
1	< 1 year	31	15.5
2	15 years	1 03	51.5
3	6 – 10 years	41	20.5
4	>10 years	25	12.5
	Amount	2 00	100

Source: *Primary Data, processed 2026.*

Based on characteristics respondents, the majority perpetrator business be in a group age productive, which shows existence potential in development effort and adaptation to change environment business. Temporary that, based on duration operate business, some big respondents are at the stage development business with experience relatively operational still limited. In terms of overall, characteristics the describe that respondents dominated by the perpetrators business age productive sector operating in the food and have experience enough effort for become context in reviewing digital marketing strategies, innovation product, quality service and performance business.

Analysis Descriptive

Table 5. Statistical Processing Results Descriptive

Variables / Indicators	N	Range	Min	Max	Mean	Std.
Digital Marketing Strategy	**2 00**	**49**	**22**	**71**	**47.01**	**0.899**
Use of Social Media	2 00	1 1	4	15	9.41	0.182
Making Digital Content	2 00	1 1	3	1 4	9.36	0.184
Online Responsiveness	2 00	1 1	4	15	9.48	0.184
Innovation Product	**2 00**	**50**	**22**	**72**	**44.69**	**0.932**
Development New Products	2 00	12	3	15	8.92	0.194
Improvement Quality Product	2 00	1 1	4	15	8.94	0.187
Design Creativity	2 00	1 0	4	1 4	8.99	0.187
Innovation Product	2 00	50	22	72	44.69	0.932

Quality Service	**200**	**44**	**23**	**67**	**45.28**	**0.912**
Speed Service	200	11	3	14	9.05	0.187
Reliability Service	200	9	5	14	9.07	0.184
Satisfaction Service	200	11	3	14	9.05	0.186
Quality Service	200	44	23	67	45.28	0.912
Small Business Performance	**200**	**53**	**20**	**73**	**46.33**	**0.906**
Improvement Sale	200	12	3	15	9.27	0.184
Improvement Profit	200	11	4	15	9.28	0.183
Business Growth	200	11	4	15	9.24	0.187

Source: *Primary Data, processed 2026.*

Based on results analysis statistics descriptive, digital marketing strategy shows that online responsiveness is the most prominent indicators compared to social media use and creation digital content. On the variable innovation products, creativity design owns highest average value, followed by an increase quality products and development product new, which reflects trend perpetrator business in give attention to aspects creativity and renewal product. Meanwhile that, quality service shows relative assessment balanced throughout indicators, with reliability service a little more dominant. On the variable performance business small, increase profit become indicator with highest average value, although the difference relatively small compared to improvement sales and growth business. In a way overall, results analysis this gives description about trend evaluation respondents to implementation of digital marketing strategies, innovation product, quality service and performance business culinary, which is next become base for analysis connection intervariable study.

Measurement Model Analysis (Outer Model)

In research This data analysis using approach *Partial Least Square* (PLS). PLS is a statistical equation model. structural equation modeling (SEM) based component or variants. The form of the path diagram designing the outer model and inner model study This depicted as following

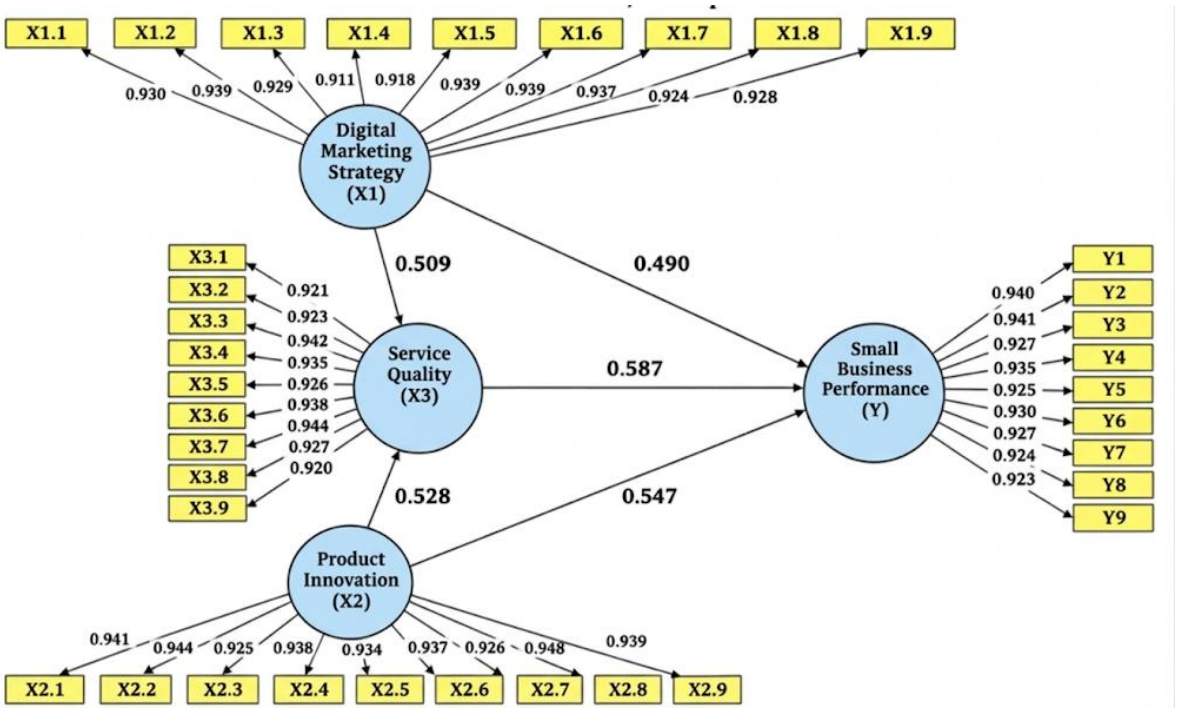


Figure 1. Outer Model and Inner Model

As for the criteria in use technique Data analysis with Smart PLS 3 in assess the outer model, namely with see validity convergent, validity discriminant, composite reliability and Cronbach's alpha. Meanwhile for the inner model through the bootstrapping process, the statistical T-test parameters were obtained for predict existence connection causality.

Measurement model analysis model or the outer model uses two stages testing, including:

Validity and Reliability Constriction

a. Validity Discriminant

Following This is results from calculation or testing Discriminant Validity.

Table 6. Discriminant Validity (Cross Loading)

	Digital Marketing Strategy	Product Innovation	Service Quality	Small Business Performance
1.1	**0.930**	0.915	0.922	0.912
X1.2	**0.939**	0.918	0.925	0.915
X1.3	**0.929**	0.912	0.920	0.911
X1.4	**0.911**	0.913	0.916	0.914

X1.5	**0.918**	0.911	0.914	0.912
X1.6	**0.939**	0.920	0.926	0.917
X1.7	**0.937**	0.919	0.924	0.916
X1.8	**0.924**	0.914	0.918	0.913
X1.9	**0.928**	0.916	0.921	0.914
X2.1	0.921	**0.941**	0.928	0.919
X2.2	0.923	**0.944**	0.930	0.921
X2.3	0.915	**0.925**	0.919	0.912
X2.4	0.920	**0.938**	0.926	0.918
X2.5	0.918	**0.934**	0.924	0.916
X2.6	0.919	**0.937**	0.925	0.917
X2.7	0.916	**0.926**	0.921	0.913
X2.8	0.925	**0.948**	0.932	0.914
X2.9	0.921	**0.939**	0.927	0.920
X3.1	0.914	0.917	**0.921**	0.913
X3.2	0.016	0.919	**0.923**	0.915
X3.3	0.924	0.928	**0.942**	0.922
X3.4	0.920	0.824	**0.935**	0.918
X3.5	0.917	0.920	**0.926**	0.914
X3.6	0.922	0.926	**0.938**	0.920

X3.7	0.925	0.930	**0.944**	0.923
X3.8	0.918	0.922	**0.927**	0.916
X3.9	0.913	0.916	**0.920**	0.912
Y1	0.918	0.923	0.929	**0.940**
Y2	0.920	0.925	0.931	**0.941**
Y3	0.912	0.916	0.921	**0.927**
Y4	0.916	0.920	0.926	**0.935**
Y5	0.911	0.914	0.919	**0.925**
Y6	0.913	0.917	0.922	**0.930**
Y7	0.912	0.916	0.921	**0.927**
Y8	0.911	0.914	0.918	**0.924**
Y9	0.911	0.913	0.917	**0.923**

Source: Data Processing Results Using Smart PLS 3, 2026.

Based on results discriminant validity testing using cross loading approach in the Partial Least Squares–Structural Equation Modeling (PLS-SEM) method, it is known that all over indicators on the variables Digital Marketing Strategy, Innovation Products, Service Quality, and Small Business Performance have the highest loading value on the construct being measured compared to with construct others. These results show that all over indicator has fulfil criteria validity discriminant based on cross loading approach.

Table 7. Fornel-Lacker Criterion Values

	Digital Marketing Strategy	**Product Innovation**	**Service Quality**	**Small Business Performance**
Digital Marketing Strategy	**0.928**			
Innovation Product	0.300	**0.937**		
Service Quality	0.509	0.528	**0.931**	
Small Business Performance	0.490	0.547	0.587	**0.930**

Source: Data Processing Results Using Smart PLS 3, 2026.

Based on Table 7, the results Fornell–Larcker Criterion test, all construct own mark roots the square of the AVE is greater tall compared to correlation interconstruct. Root values the square of AVE ranges between 0.928 to 0.937, whereas mark correlation interconstruct range between 0.300 to 0.587. Condition the show that every construct owns more capabilities big in explain variance the indicators Alone compared to shared variance with construct others. With Thus, all construct fulfils criteria validity

discriminant based on Fornell–Larcker approach, so that the measurement model show separation adequate construction according to criteria.

b. Composite Reliability and Cronbach's Alpha

Table 8. Composite Reliability and Cronbach's Alpha

Variables	Composite Reliability	Cronbach's Alpha	Information
Digital Marketing Strategy	0.982	0.980	Reliable
Innovation Product	0.985	0.983	Reliable
Service Quality	0.983	0.981	Reliable
Small Business Performance	0.983	0.981	Reliable

Source: Data Processing Results Using Smart PLS 3, 2026.

Based on Table 8, the results testing reliability, all variables study own Composite Reliability and Cronbach's Alpha values exceeded the minimum limit of 0.70. The Digital Marketing Strategy variable obtained the Composite Reliability value is 0.982 and the Cronbach's Alpha is 0.980. Product Innovation Variable own values of 0.985 and 0.983 respectively, while Service Quality obtained mark of 0.983 and 0.981. Furthermore, the Small Business Performance variable shows the Composite Reliability value was 0.983 and the Cronbach's Alpha was 0.981. These results indicate that all over construct own very high internal consistency, so that fulfil criteria reliability in the PLS-SEM measurement model.

Structural Model Analysis (Inner Model)

Table 9. Results *for Inner Wights Hypothesis Research*

Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Digital Marketing Strategy > Service Quality	0.385	0.388	0.042	9,167	0.000
Digital Marketing Strategy > Small Business Performance	0.245	0.248	0.051	4,804	0.000
Innovation Products > Service Quality	0.412	0.415	0.046	8,957	0.000
Innovation Products > Small Business Performance	0.318	0.320	0.058	5,483	0.000
Service Quality > Small Business Performance	0.295	0.297	0.053	5,566	0.000

Source: Data Processing Results Using Smart PLS 3, 2026.

Based on Table 9, the results testing hypothesis use Partial Least Squares–Structural Equation Modeling (PLS-SEM) method via bootstrapping procedure, the whole

connection intervariable show coefficient track positive and significant in a way statistics. This indicated by a higher t-statistics value big of 1.96 and p-values that are higher small from 0.05. With thus, the fifth hypothesis study stated accepted.

DISCUSSION

The Influence of Digital Marketing Strategy on Service Quality

Test results hypothesis first (H1) shows that Digital Marketing Strategy has an influence positive and significant towards Service Quality, with coefficient track of 0.385, the t-statistics value is 9.167, and the p-value < 0.001. These results indicate that the better implementation of digital marketing strategies, increasingly tall quality services provided by the business small. With thus, the hypothesis first (H1) is stated supported based on results testing statistics presented.

Influence positive the can explained through role digital marketing in increase effectiveness communication, interaction, and responsiveness service to customers. Utilizing social media and digital platforms allows perpetrator business give information in a way more fast, responsive need consumers, as well as strengthen connection with customer. Research previously show that the use of social media by MSMEs supports interaction customers, formation trust, and reinforcement connection between companies and consumers (Wibawa et al., 2022). In addition, the use of social media in a way strategic can increase ability company in understand market needs (market sensing) and developing connection customers (customer-linking capabilities). Ability the potential support improvement quality service through more communication responsive and needs-oriented customer (Cao & Weerawardena, 2023). Findings this is also in line with dynamic capabilities approach, which emphasizes importance ability business in utilize digital technology for adapt to change need customer. Development digital capabilities can support business process transformation and improvement ability organization in give more services effective (Prakasa & Jumani, 2024).

With thus, digital marketing strategies do not only functioning as means promotion, but also potential become instrument strategic in increase quality service through strengthening communication, responsiveness, and relationships with customer.

The Influence of Digital Marketing Strategy on Small Business Performance

Test results hypothesis second (H2) shows that digital marketing strategies have an impact positive and significant to performance business small ($\beta = 0.245$; $t = 4.804$; $p < 0.001$), so H2 is accepted. Findings This indicates that implementation effective digital marketing can increase performance business through expansion market reach, increase visibility products, and reinforcement connection with customers. The results in line with study Wu et al. (2024) which confirms that digital marketing contributes to performance business if supported ability innovation and managerial. Cao & Weerawardena (2023) also showed importance utilization of social media in strengthen ability understand the market and build connection customers. In line with that, Rakib et al. (2024) found that digital literacy plays a role important in increase superiority competitiveness and sustainability of

SMEs in Makassar City. Findings this also supports perspective dynamic capabilities, which emphasizes importance digital capabilities in increase adaptation and performance business (Prakasa & Jumani, 2024). With thus, the perpetrator business small, especially sector culinary, necessary integrating digital marketing strategies with ability innovation and management customer for strengthen Power competition as well as increase performance business in a way sustainable.

Influence Innovation Product towards Service Quality

Test results hypothesis show that innovation product has an influence positive and significant to quality service, with coefficient track of 0.412, the value t-statistic of 8.957, and p-value < 0.001. Findings This indicates that the better innovation products developed, increasingly tall trend quality services provided by the business small to customers. In conceptual, innovation product can increase quality service through adjustment product to need consumers, creation mark add, and develop a more efficient service process responsive. This is in line with Shin et al. (2022) who emphasize importance integration innovation products and services in strengthen experience customers, as well as Yulianto and Supriono (2023) who showed that innovation products, processes, and services each other complete in MSME development. Research Yuliani et al. (2023) also found that innovation business is factor important in increase performance of culinary MSMEs in Makassar City. Furthermore, Rakib et al. (2024) confirm that innovation business contribute to superiority competitiveness and sustainability business small. Although second study the no in a way direct test connection innovation product with quality service, findings strengthen importance innovation in creation value and power competition business. With thus, the perpetrator business small, especially sector culinary, necessary integrate innovation product with improvement quality service for strengthen satisfaction customers, power competitiveness and sustainability business.

Influence Innovation Product on Small Business Performance

Test results hypothesis fourth (H4) shows that innovation product has an influence positive and significant to performance business small, with coefficient track of 0.318, the value *t-statistic* of 5.483, and p-value < 0.001, so H4 is accepted. Findings This indicates that ability perpetrator business in develop innovative and appropriate products with need consumer play a role important in increase performance effort. The results in line with study Hadi (2023) which shows that innovation product contribute positive to performance of MSMEs, especially when supported by market orientation and learning organization. Larios-Francia & Ferasso (2023) also emphasized that innovation products and business processes play a role in increase performance organization and economics business small. In the context of MSMEs in Indonesia, research Yuliani et al. (2023), identified innovation business as one of the factor important in increase performance business culinary in Makassar City. In line with that, Rakib et al. (2024) show that innovation business own role in strengthen superiority competitiveness and sustainability of SMEs. With thus, innovation product becomes an important strategy for business small, especially sector culinary, for create

mark add, fulfill change preference consumers, and strengthen power competition to improve performance business in a way sustainable.

The Influence of Service Quality on Small Business Performance

Test results hypothesis fifth (H5) shows that quality service quality *has* an influence positive and significant to performance business small, with coefficient track of 0.295, the value t-statistic of 5.566, and p-value < 0.001, so H5 is accepted. Findings this indicates that improvement quality service through reliability, power responsive and attentive to need customer can support improvement performance effort. The results in line with study Phan Thi Hang & Kim Quoc Trung (2024), which shows that quality service play a role in increase satisfaction and loyalty customers. Siregar et al. (2024) also found that quality service influential positive to performance of MSMEs, while Fikri et al. (2022) confirm importance innovation services and management quality in support performance business. In the context of business culinary in Makassar City, Verawati et al. (2026) find that quality service influential positive and significant to decision purchase consumers. In line with that, Nanna et al. (2025) show importance approach Voice of Customer in development quality service business culinary. Second study the strengthen argumentation that needs-oriented services customer is aspect important in support success business. With thus, the perpetrator business small, especially sector culinary, necessary increase consistency, responsiveness, and quality interaction with customer for strengthen Power competitiveness and performance business in a way sustainable.

CONCLUSION

Based on results study that all over tested relationship show direction positive and significant in a way statistics. The results indicate that digital marketing strategy, innovation products and quality service own role important in support strengthening performance business culinary. In general specializing in digital marketing strategies and innovation product relate positive with improvement quality service. Second factor it also has connection positive direct with performance business culinary. In addition, the quality service proven own connection positive with performance business culinary, so that be one of necessary factors noticed in development sustainable business. In overall, findings this show that strengthening performance business culinary need strengthening digital marketing strategies, development innovation products and repairs quality service in a way integrated. Third aspect the can each other complete in create mark for customers, strengthening Power competitive and supportive sustainability business.

Study this gives contribution to development literature management business small with integrating digital marketing strategies, innovation product, quality service and performance business in One framework conceptual. Findings study strengthens understanding that performance business small No only related with ability marketing and innovation, but also with quality services provided to customer. Research this also provides implications for perpetrator business small about importance implementation effective digital marketing, innovation suitable product with market needs, as well as responsive and

quality service. Integration of these three strategies can become base for perpetrator business in strengthen connection with customers, improve Power competitiveness, and development performance business in a way sustainable. Furthermore, the findings study gives base consideration for owners and managers business small in determine development strategy priorities business. Manager business need allocate source power for increase ability digital marketing, driving innovation product in a way sustainable, as well as build system satisfaction-oriented service customer.

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