

# PRODUCT INNOVATION STRATEGY AND MARKETING TRANSFORMATION IN IMPROVING THE COMPETITIVENESS OF MSMEs: A CASE STUDY OF VSPORT SUKABUMI

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Received : 01 October 2025  
Revised : 11 October 2025  
Accepted : 15 November 2025

Published : 02 December 2025  
DOI : <https://doi.org/10.54443/morfai.v5i6.4586>  
Link Publish : <https://radjapublika.com/index.php/MORFAI/article/view/4586>

## Abstract

This study aims to analyze the product innovation strategies and marketing transformation implemented by the UMKM VSPORT Sukabumi in enhancing its business competitiveness amidst increasingly intense market competition. VSPORT is a micro-enterprise engaged in the manufacturing of sports balls and has introduced various innovations such as product design development, improvement of raw material quality, and enhanced packaging. Additionally, VSPORT has transformed its marketing approach from conventional methods to digital marketing by using marketplace platforms such as Shopee, Tokopedia, and TikTok Shop. This research adopts a qualitative approach using a case study method, with data collected through observation, in-depth interviews, and documentation. The findings reveal that the combination of product innovation and digital marketing contributes positively to increased sales volume, market expansion, brand image enhancement, and operational efficiency. These results indicate that the right innovation strategy, when synergized with digital marketing transformation, can sustainably improve MSME competitiveness while empowering local communities through job creation and grassroots economic development.

**Keywords:** *Product Innovation, Digital Marketing, MSMEs, Competitiveness, VSPORT*

## BACKGROUND

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the Indonesian economy. According to Law No. 20 of 2008, MSMEs play a strategic role in absorbing labor, reducing poverty, and strengthening local economies. Amidst globalization and digital transformation, MSMEs are required to be increasingly adaptive to market and technological changes. (Wahyuningsih, 2024) One way to maintain the existence and increase the competitiveness of MSMEs is through a planned product innovation strategy and marketing transformation. Without innovation and adaptation to changes in the business environment, MSMEs risk being left behind in domestic and international market competition. The VSPORT Sukabumi MSME is a prime example of a small business that has successfully adapted to these changes. VSPORT, which manufactures sports balls such as soccer, futsal, volleyball, and handball, was founded by Mr. Sopyan in 1997 as a hereditary home industry. Initially, the marketing system was conventional, selling products directly to sports stores. However, since 2019, VSPORT has implemented a digital marketing system through marketplace platforms like Shopee, Tokopedia, TikTok Shop, and Lazada, as well as social media platforms like Instagram and WhatsApp Business.

This change is part of VSPORT's marketing transformation to expand its market reach and increase brand visibility. Digital marketing allows VSPORT to interact directly with consumers across multiple regions without geographical limitations and distribute its products more efficiently and quickly. The significant increase in sales since 2021 demonstrates that this digital marketing strategy has had a positive impact on business growth. On the other hand, product innovation is also an integral part of VSPORT's business strategy. The company continuously strives to improve the quality of its balls in terms of design, raw materials, durability, and packaging, even offering design customization to meet more specific market demands. This innovation not only adds value to the product but also strengthens consumer trust and customer loyalty. (Dzar Algifari et al., 2024) This is in line with the findings of various studies that product innovation has an important contribution to the competitive advantage of MSMEs in the market. (Fauzi, 2019). Furthermore, field data shows that VSPORT actively empowers the surrounding community by creating local jobs and involving housewives and local youth in the workforce. By combining product innovation, digital marketing strategies, and community empowerment, VSPORT has built a sustainable business model that can

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serve as a reference for other MSMEs. Considering the achievements and challenges faced by VSPORT, it is important to conduct an in-depth study of how product innovation and marketing transformation strategies are implemented to increase the competitiveness of MSMEs. This research is expected to provide theoretical and practical contributions to the development of small and medium enterprises, particularly in responding to the demands of the digital era and global competition.

## RESEARCH METHODS

### 1. Types of research

This research uses a qualitative approach with a case study method. The qualitative approach was chosen to gain a deeper understanding of the product innovation and marketing transformation strategies implemented by the VSPORT Sukabumi MSME to increase its business competitiveness. Case studies are deemed relevant because the research focuses on a single object that is studied intensively and comprehensively in a real-life context. This approach allows researchers to explore the social, cultural, and economic context behind the innovation and marketing strategies implemented by MSMEs in a more comprehensive and in-depth manner.

### 2. Data collection technique

Data collection techniques used in this study include:

- In-depth Interview  
Conducted with key informants including the business owner, core employees, and several regular VSPORT customers, the interviews aimed to gather information about the background of the product innovation, the reasons for the digital marketing transformation, and its impact on the business.
- Participatory Observation  
Researchers were directly involved in observing VSPORT's production and marketing activities. Observations included the product innovation process (design, materials, packaging), digital marketing activities (marketplace management, promotional content), and customer interactions. This technique was used to obtain natural and authentic data.
- Documentation  
Collect various supporting documents such as product photos, design catalogs, digital promotional materials (Instagram feeds, marketplace banners, TikTok videos), sales data before and after digital transformation, and internal business reports.

Triangulation between methods is used to verify data validity, namely comparing the results of interviews, observations, and documentation to produce reliable findings.

### 3. Literature Study

A literature review was conducted to strengthen the theoretical framework and analysis of this research. Researchers reviewed various scientific journals, books, and previous reports relevant to the topics of product innovation, digital marketing strategies, and MSME competitiveness.

## RESULTS AND DISCUSSION

The research results show that VSPORT Sukabumi, as one of the MSMEs producing sports equipment, especially balls, has implemented a progressive and contextual product innovation strategy. The product innovation carried out covers several aspects, namely innovation in design, raw materials, size, packaging, and additional features tailored to consumer needs. In terms of design, VSPORT makes visual adjustments to ball products, for example through the use of bright colors, the addition of logos of certain communities, schools, or clubs, and more modern packaging designs. These adjustments not only strengthen the product identity but also create an emotional connection between consumers and personalized products.

Innovation in raw materials is also a key focus. VSPORT has switched to using high-quality synthetic materials that are resistant to pressure and humidity, making them ideal for use on a variety of playing surfaces. This aligns with market demand for balls that are not only visually appealing but also strong and durable. Product packaging has also been innovated, with VSPORT introducing transparent plastic ziplock packaging, which is considered more practical and secure for shipping. This packaging innovation also plays a role in enhancing visual appeal when displayed in online and offline stores. In addition, VSPORT offers a variety of ball sizes (sizes 3, 4, and 5) to reach a wider consumer segment, from children to adults. This strategy has proven effective in increasing demand from schools and educational institutions requiring age-appropriate sports equipment. This approach reflects the strong market orientation and production flexibility that are characteristic of adaptive MSMEs. All of these innovations not only objectively improve product quality but also differentiate them from competitors, particularly

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imported mass-produced products that tend to be uniform and inflexible. (Nurbanah & Apriadi, 2025). Marketing transformation has been crucial in VSPORT's development as a modern MSME. In its early days, marketing was conducted conventionally through a network of sports stores in Sukabumi and the surrounding area. However, recognizing its limited reach and the need to adapt to changing consumer behavior, VSPORT began utilizing social media platforms like Facebook, Instagram, and WhatsApp as a means of promotion and communication with customers. This transformation continued more seriously in 2019, with the entry of various e-commerce platforms such as Tokopedia, Shopee, Lazada, and TikTok Shop.

Digital marketing offers various strategic advantages for VSPORT. First, it expands market reach because products can be accessed by consumers from various regions in Indonesia, even without the need for a physical store. (Ibrahim & Hendayana, 2024) Second, promotional efficiency increases because digital marketing costs are lower than conventional methods, yet is more measurable through analytics (e.g., visits, clicks, and sales conversions). Third, direct interaction with consumers can be conducted quickly, allowing promotions to be adjusted based on dynamic market responses. VSPORT also actively manages its official accounts on various marketplaces under the names "Vsport\_vsport" and "LimitlessSport," incorporating creative digital promotional content such as videos, customer reviews, and aesthetically pleasing product photos. Online sales have also seen a significant increase, particularly during the pandemic, when consumers began to turn to digital channels for shopping for sports products. With this approach, VSPORT has not only expanded its distribution network but also built a more recognizable brand nationally.

The combination of product innovation and digital marketing transformation has been proven to have a direct impact on VSPORT's competitiveness. Observations, interviews, and documentation indicate improved business performance across the following aspects:

- **Increase in Sales Volume**  
Since becoming active on the marketplace, sales of its football products have consistently increased. Consumers from outside the region have begun ordering products directly through the online platform, eliminating intermediaries, speeding up the company's transaction cycle and cash flow.
- **Visibility and Brand Image**  
VSPORT's digital presence has made it better known as a manufacturer of quality balls with varied designs and competitive prices. This image is reinforced through positive ratings and testimonials across various marketplaces.
- **Operational Efficiency**  
Digital marketing reduces dependence on physical distribution costs and manual promotion. (Azhari & Ali, 2024) VSPORT can manage promotions and discount schedules directly from the e-commerce dashboard, increasing managerial flexibility.
- **Local Community Empowerment**  
Innovation and business expansion also drive job creation for the local community. VSPORT recruits housewives and young people as production and logistics workers, strengthening the role of MSMEs as drivers of the local economy.

These findings demonstrate that competitiveness is not solely determined by capital strength or business scale, but also by the ability to innovate and adapt to change. The VSPORT approach demonstrates the practical application of the resource-based view (RBV), where competitive advantage is derived from leveraging unique internal resources (such as local skills and product innovation) and the ability to manage modern marketing technologies. In an academic context, the results of this study support previous findings. (Dalimunthe, 2017) And (Amelia & Sutanto, 2018) which states that product innovation and digital marketing strategies are closely linked to increased MSME competitiveness. Furthermore, this study provides field evidence that the synergy between these two strategies can create an adaptive business model that is relevant in the digital era and worthy of replication by other MSMEs in similar sectors.

## CONCLUSION

Based on research conducted on the VSPORT Sukabumi MSME, it can be concluded that product innovation strategies and digital marketing transformation have significantly contributed to increasing business competitiveness. Product innovations include developing ball designs, selecting quality raw materials, varying sizes, and providing more functional and attractive packaging. These innovations not only strengthen product differentiation in the market but also increase customer satisfaction and loyalty. Meanwhile, the marketing transformation implemented through the use of social media and marketplace platforms such as Tokopedia, Shopee, and TikTok Shop has successfully expanded VSPORT's market reach nationally. The implemented digital marketing strategy has supported increased sales volume, strengthened brand image, and created efficiencies in product distribution and promotion.

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The synergy between product innovation and digital marketing makes VSPORT an adaptive, competitive, and resilient MSME in the competitive sports industry. Beyond its economic impact, this strategy also brings social benefits through empowering the local workforce and strengthening communities. Therefore, this integrative approach can serve as a strategic model for other MSMEs in facing business challenges in the digital era.

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