ABSTRACT

The main goal of innovation is to create something different from competitors in the same field. Suppose you want to innovate on the products produced, of course. In that case, the company must have adequate resources and have the ability to innovate by offering new ideas, knowledge, and processes to consumers with good value. Currently, innovation is considered a solution to build business strength because the company can describe the challenges it faces so that it affects the competitiveness and sustainability of the company. This study is motivated by the inconsistency between innovation capability and marketing performance.

This study aims to explore new concepts proposed from the research model in describing efforts to improve marketing performance through a relevant theoretical approach to solve the problems in this research from the Service-Dominant Logic theory. The synthesis of the theoretical concept and the applicative value of a product can explain the superior value that is comfortable and has aesthetic value (ergo aesthetic value superiority) to mediate in bridging the research gap between innovation ability and marketing performance.

The sample of this research is the furniture/furniture SMEs in Central Java Province, with a total population of 769 SMEs. The data collection technique used Proportional Stratified random sampling. The distribution of questionnaires takes into account the criteria of respondents who have been in business for at least one year. The questionnaires analyzed were as many as 243 respondents. This research model consists of 6 variables and 26 reflective indicators. Analysis of the data using the Structural Equation Modeling (SEM) Version 24 and the partial model and measures the strength of the mediating role in this research model. The eight hypotheses proposed in this study show empirical evidence, namely that there are two rejected hypotheses; in hypothesis six, the higher the value-based promotion by the company, the higher the value-resonance power, and hypothesis 7, which is the higher the value-resonance power. The higher the value resonance power, the higher the marketing performance, while the other five hypotheses on the empirical test show a significant value is accepted

This study also proved that the model and concept proposed in this study, namely ergo aesthetic value superiority, proved to have a significant effect as mediation. To answer conclusively, previous research has succeeded in showing its role that it is proven to play a role as a mediator between innovative capabilities and marketing performance. Results This study also offers three alternative strategies to improve marketing performance. On the managerial implications, apart from focusing on superior value advantages that are comfortable and have aesthetic value, companies must pay attention to the support of other constructs that can affect the significance of marketing performance.

Keywords: Innovation Capability, Ergo-Aesthetic Value Superiority, Value base Selling Capability, Value-based Promotion, Value Resonance power, and Marketing Performance