P ISSN 2301.9093 | E ISSN 2540.8259

JMDK Jurnal Manajemen dan Kewirausahaan

https://jurnal.unmer.ac.id/index.php/jmdk/index

Vol. 13, No. 1, 2025: 115-130

Market Demand Mediates The Impact of Product Quality and Innovation on Entrepreneurial Performance

Heny Ratnaningtyas*, Michael Khrisna Aditya, Alda Chairani, Pricilia Johani Sakti, Haryo Wicaksono

Program Studi Kewirausahaan, Institut Pariwisata Trisakti,
Jl. IKPN Bintaro Tanah Kusir No.1, Jakarta, Indonesia
*Corresponding Author(s) Email: heny.ratnaningtyas@iptrisakti.ac.id

Abstract

Market demand plays a crucial role in mediating the relationship between product quality, innovation, and entrepreneurial performance. Understanding how market demand influences this dynamic is essential for business owners to strategically enhance their competitiveness and long-term success. This research aims to examine the impact of product quality and product innovation on the performance of clothing convection business owners through market demand in home industries in Jurangmangu. Given the large sample size, path analysis is employed to assess both direct and indirect effects. The research population consisted of 215 home industry clothing business owners in Jurangmangu, with a sample size of 168 participants. The findings indicate that: (1) Product quality and product innovation directly affect market demand; (2) Product quality and product innovation have a direct effect on the entrepreneurial performance of business owners; (3) Market demand significantly influences entrepreneurial performance; (4) Product quality and product innovation do not indirectly affect entrepreneurial performance through market demand. High-quality products increase consumer satisfaction, foster brand loyalty, and contribute to long-term business growth. Innovative products, including creative designs and advanced production technologies, capture emerging trends and highlight local culture, offering a competitive advantage even in the face of challenges such as environmental pests.

Keywords: Business Actors, Entrepreneurial Performance, Market Demand, Product Innovation, Product Quality

Article History:
Received: 2025-02-05
Revised: 2025-03-05
Accepted: 2025-04-25
Publish: 2025-06-02

DOI:
10.26905/jmdk.v13i1.15290

How to cite: Ratnaningtyas, H., Aditya, M. K., Chairani, A., Sakti, P. J., Wicaksono, H. (2025). Market Demand Mediates The Impact of Product Quality and Innovation on Entrepreneurial Performance. *Jurnal Manajemen dan Kewirausahaan, 13*(1), 115-130. https://doi.org/10.26905/jmdk.v13i1.15290

INTRODUCTION

Micro, small, and medium-sized enterprises (MSMEs) are crucial in the Indonesian economy. It can be utilized to alleviate destitution, level the economic standing of the community, and generate foreign exchange income for the country. The state can increase the State Revenue and Expenditure Budget through MSMEs as well (Coordinating Ministry for Economic Affairs, 2021). In addition, MSMEs contribute significantly to

employment absorption, providing job opportunities for a large portion of the population across both urban and rural areas. Furthermore, Empowering MSMEs through supportive policies and improved access to financing enables the government to promote inclusive economic growth that benefits every segment of society.

Home industry-based small convection business actors are generally individuals or small groups who run businesses from their own homes. They usually start with essential equipment such as a sewing machine, iron, and simple workbench. The space in their house is used for cutting fabric, sewing, and completing clothing orders (Ilyas & Irawan, 2021). This business is often started on a small scale to meet local demand, such as making school uniforms or sportswear. Improving product quality, boosting production, and expanding market access can help these businesses grow into more impactful and competitive enterprises, contributing even more meaningfully to the economy and the communities they serve (Anindita & Toha, 2013). A similar thing happened with industrial-based convection business actors in Jurangmangu, Tangerang, Banten Province. This location is where many small entrepreneurs contribute to the convection industry, both on a home industry scale and a larger scale. This development can be driven by increased local demand and connections with broader markets.

The quality of clothing products from home industry-based businesses has experienced a significant increase, which directly increases market demand. With a focus on detail and expertise in the production process, they can offer products that are not only of high quality but also match the latest trends in fashion (Chai et al., 2022). The ability to customize designs and provide personalized service makes customers more confident and loyal to their products. In this way, home industry convection business actors can take advantage of extensive market opportunities and sustainably increase their market share (He et al., 2021). Business actors in Jurangmangu, South Tangerang, have experienced a significant increase in market demand and consumer confidence thanks to improvements in the quality of their products. Apart from focusing on increasing production quantity, they have also succeeded in consistently improving the quality standards of their products. This has opened more expansive opportunities for them to attract consumers who prioritize quality and excellence in their clothing products. A strong focus on detail, a spirit of innovation, and a deep commitment to meeting customer needs, businesses in Jurangmangu have the opportunity to grow their market presence and earn lasting trust in the convection industry.

Then, continuous product innovation in convection clothing for home industry-based players improves product quality and attracts significant market interest (Joshi et al., 2021). Introducing creative designs allows businesses to stay in tune with modern consumer trends and preferences, helping them connect more deeply with their target audience. The emphasis on product personalization also adds value, allowing consumers to get unique clothing according to their preferences (Jumriani et al., 2021). This innovation opens opportunities for sustainable business growth and expands market share by responding to changing market needs (Ullah et al., 2021). As far as the researchers observed the home industry-based clothing convection business in Jurangmangu, it was seen that their innovative products included making unique clothing with locally based designs and just-in-time models. These entrepreneurs have succeeded in creating clothing that not only meets fashion needs but also reflects the richness of their local culture through distinctive designs in line with current trends.

However, the industry is still facing significant challenges. One of the main obstacles is the need for more ability to produce environmentally friendly clothing. Efforts to adopt upcycling fashion practices and use recycled materials are still not the main focus of their production processes. On the other hand, even though there is excellent potential to develop the global market, business actors in Jurangmangu still need to be utilized to create the potential for e-commerce. There needs to be a dedicated e-commerce platform that allows small producers to market and sell their products globally effectively. Lack of adequate digital literacy and knowledge of effective online marketing strategies is a significant obstacle in expanding their market reach beyond their locality. Lilya and Pasaribu (2024) show that digital literacy and perception of relative benefits influence e-commerce adoption by MSMEs in Jakarta.

Previous research shows that product quality and innovation significantly influence the performance of home industry-based convection businesses. However, this research has not included market demand variables as mediating variables. Alhassan et al., (2023) indicates that good-quality clothing products can improve business performance because good quality means long-lasting products, attractive designs, and reasonable material selection. Wang (2022) highlight that the excellent quality of clothing products makes products helps build a good reputation in the market. Meanwhile, research conducted by Farida and Setiawan (2022) shows that innovation in design, materials, or production processes can provide a competitive advantage in business. Timotius (2023) exhibits that using the latest technology in the production process or discovering unique designs can make business actors' products stand out in market competition, open up new market opportunities, or increase existing market penetration.

This research presents novelty by examining mediating variables that focus on market demand, while the related variable is the business performance of small players in specific industries. Previously, in similar research, the independent variables considered were the same as in this research: product quality and product innovation. Still, the difference lies in the mediating variable, which previously was satisfaction, while the related variable was purchasing decisions. This research involves respondents from small business circles, marking a shift in focus from previous research, which presented consumers as the primary respondents. Khuan et al. (2023) analyzes

consumer perceptions of product quality, sales promotions, and ease of purchase in increasing purchasing decisions in start-up companies in Indonesia. The results show that product quality has a significant influence on consumer purchasing decisions. Research focusing on small business actors' perspectives and direct experiences provides different insights into understanding how market demand affects their business performance. This approach offers a new perspective in academic literature and significantly contributes to marketing and business management for small-scale entrepreneurs. Hence, focusing on mediating variables relevant to local market realities, this research is to provide more accurate and practical guidance for efforts to improve small businesses' performance and desires in increasingly complex market dynamics. Tirtayasa and Rahmadana (2023) shows that product innovation mediates the effect of market orientation on marketing performance in coffee shop MSMEs in Medan during the COVID-19 pandemic. This finding highlights that market orientation alone is not enough to improve marketing performance without product innovation that is in accordance with local market demand.

Setiyono et al. (2023) found that market orientation and product innovation have a significant influence on the performance of MSMEs in the furniture sector in East Java. This study emphasizes the importance of understanding the dynamics of local market demand and the ability of product innovation in improving business performance. The mediating variable is crucial in this research because it helps explain how or why product quality and product innovation can influence entrepreneurial performance through market demand. By incorporating market demand as a mediating variable, this study can illustrate a more complex mechanism and provide deeper insights into the process that connects these factors. This understanding allows entrepreneurs to identify more appropriate strategies to improve their performance, such as focusing on increasing market demand, which in turn can enhance competitiveness and business sustainability.

LITERATURE REVIEW

Industrial-Based Clothing Convection Businesses

Industrial-based clothing convection businesses refer to mass clothing production activities carried out on an industrial scale, usually involving modern production machines and a trained workforce to meet significant market demand (Harsanto et al., 2023). This convection consists of stages, from design, cutting the fabric, and sewing to finishing the final product. Convection factories are often equipped with specialized equipment such as automatic sewing machines, fabric cutting machines, and equipment for finishing processes such as pressing and packaging (Vidhyalakshmi et al., 2023). Industrial-based clothing convection businesses are characterized by their large and systematic production scale. They can usually produce large quantities of clothing relatively quickly, making them dominate the clothing production sector in the modern economy (Krishna et al., 2022). In addition, industrial clothing collections often offer various services, such as custom design and large-scale production for well-known brands. They are usually involved in complex supply chains involving raw material procurement, distribution, and inventory management. Despite facing challenges such as adapting to fast fashion trends and global competition, industrial-based clothing convection businesses remain one of the main pillars in the modern fashion industry, connecting design creativity with efficient production capacity to meet ever-changing market demands (Cajal-Grossi et al., 2023).

Product Quality

Product quality is the attributes or characteristics that make a product meet or even exceed consumer expectations. It covers various aspects such as reliability, durability, performance, aesthetics, and ease of use. A product that has high quality can be identified by its satisfactory level of use, the minimum number of defects or damage, and its ability to fulfill its intended function or purpose without causing significant problems (Daniyan et al., 2023). The product quality concept also complies with standards and specifications set by the manufacturer and certification bodies or regulatory authorities. In today's competitive global market, product quality is essential in maintaining consumer loyalty and differentiating a brand from its competitors (Flynn et al., 2007). Companies that focus on product quality often invest significant resources in research and development, selection of quality raw materials, and strict quality control throughout production. This aims to ensure that every product marketed meets consumer expectations and builds a strong brand reputation in the market (Naini et al., 2022). Product quality is not just about physical or technical characteristics but also includes other aspects such as poverty, safety, and its impact on the environment and society. When companies truly recognize how vital product quality is, they’re better equipped to create lasting strategies that help them stay ahead and remain competitive over time (Reed et al., 2022).

Product Innovation

Product innovation is developing and implementing new ideas or significant changes in existing products to increase added value for consumers or users. This covers everything from discovering new technologies, using better raw materials, and designing more ergonomic or aesthetic products (Wang, 2021). Product innovation is one of the main strategies to maintain a company's competitiveness in an ever-changing market and meet increasingly complex consumer demands. The product innovation process starts with identifying the need or

problem to be solved and continues with the research and concept development stages (Rajapathirana & Hui, 2018). New ideas are explored and evaluated to ensure that they meet market expectations and are technically and economically feasible to implement. Once a new product is developed, this process often continues with product testing, both internally and with consumers, to ensure its quality and performance before it is released to the market (Dziallas & Blind, 2019). Product innovation impacts a company's competitive advantage and can change industry paradigms or create new markets entirely, opening up new opportunities for sustainable business growth (Hermundsdottir & Aspelund, 2021).

Market Demand

Market demand is the number of products or services consumers want to buy at various price levels within a certain period. It reflects the consumer's desire and ability to purchase certain goods or services. Factors that influence market demand include the price of the product, the price of substitute products, consumer income, consumer preferences, fashion trends or habits, and external factors such as overall economic conditions (Ding et al., 2023). Market demand can vary significantly based on the type of product or service and relevant market conditions. In financial analysis, market demand is often measured using a demand curve, which shows the relationship between the price of a product and the quantity demanded by consumers at that price. This curve tends downward, which means the higher the product price, the lower the quantity demanded, and vice versa (Lin et al., 2023). Knowledge of market demand is crucial for companies in determining marketing strategies, pricing, and product development. Careful market demand analysis allows companies to anticipate market trends, adjust production according to demand, and identify new opportunities to meet evolving consumer needs (Rosário & Dias, 2023).

An actor's business performance refers to the ability or results individuals or groups achieve in carrying out their activities or business. This performance is often measured using various financial, operational, strategic, and social indicators. Financially, performance can be seen from the revenue, net profit, and level of profitability achieved in a certain period. Meanwhile, from an operational perspective, performance includes efficiency in using resources, the quality of the products or services produced, and the level of customer satisfaction (Ekman et al., 2021). In addition, strategic performance aspects include facing market competition, product innovation, and the ability to face risks or changes in the business environment. Social performance is also increasingly becoming a focus, reflecting a company's positive contribution to society through environmental desirability, corporate social responsibility, and the quality of relationships with various stakeholders (Srimulyani et al., 2023). Business performance evaluation helps assess individual or company achievements as a whole and as a basis for making better strategic decisions, including resource allocation, development capabilities, and long-term planning. By unifying and continuously improving performance, businesses can strengthen their markets, increase competitiveness, and ensure a position for sustainable business growth in the long term (Sukriani et al., 2023).

Hypothesis

The quality of clothing products in the home industry influences consumer satisfaction, market demand, and company competitiveness (Nekmahmud et al., 2022). High-quality raw materials and attention to product construction are essential in increasing consumer satisfaction and attracting market interest in looking for quality products (Herold & Prokop, 2023).

H_1: Product quality positively influence market demand

Convection business players in the home industry can build a strong reputation by presenting innovative designs and efficient production technology, which increases their competitiveness, especially in the global market (Ilyas & Irawan, 2021). Clothing product innovation in the home industry, by adopting a just-in-time model and reflecting local culture, not only follows trends but also introduces a distinctive cultural identity, which increases market appeal and provides more value for consumers (Schauman et al., 2023).

H_2: Product innovation positively influence market demand

Aspects such as raw materials, pattern precision, stitching, design and quality construction play a significant role in the durability and aesthetics of the product (Mohamud et al., 2023). High product quality, including material selection and precision in manufacturing, will increase customer satisfaction and strengthen brand image, providing added value in a competitive market and supporting long-term business growth (Wang et al., 2023).

H_3: Product quality positively influence entrepreneurial performance

Innovative product designs and the application of the latest technologies can provide competitive advantages, increase efficiency and create new needs in the market (Ikram., 2022). Environmentally friendly products also can attract consumers who care about the environment, reduce operational costs, and strengthen the company's reputation (Faccia et al., 2023).

H_4: Product innovation positively influences entrepreneurial performance

Convection business actors in the home industry can improve their performance by understanding and responding appropriately to growing market demand to channel their resources more effectively to meet consumer needs and preferences through product design innovation, quality improvement, and more targeted marketing strategies (Fajriana, 2021). Changes in fashion trends and consumer behaviour allow entrepreneurs to expand markets or develop new products that better suit existing demand (Bhandari et al., 2022).
H_5: Market demand positively influence entrepreneurial performance

The quality of clothing products does not always directly affect business performance through market demand because other factors, such as branding, marketing and fashion trends, have a more dominant influence in attracting consumers (Xiang, 2021). Market demand is influenced by more than just product quality; it is also influenced by brand image, price, the latest fashion styles, and psychological factors that influence consumer preferences in choosing clothing products (Garcia-Ortega et al., 2023). The high quality of products is expected to increase consumer satisfaction, which in turn can boost market demand. The Consumer Satisfaction Theory Oliver (1997) explains that products that meet or exceed consumer expectations will create greater satisfaction and increase the likelihood of repeat purchases, which directly influences market demand. With the rise in market demand, companies can increase production and efficiency, which will contribute to entrepreneurial performance.
H_6: Product quality positively influence entrepreneurial performance through market demand

Product innovation does not always directly impact market demand because various complex factors influence consumer preferences and behavior (Thongsri & Chang, 2019). Although innovation can increase the added value of products and create competitive advantages in the long term, its success depends mainly on the extent to which new products can meet consumer needs and the effectiveness of the marketing strategies that support them (Thongsri & Chang, 2019). Sustainable product innovation can attract market attention by creating products that are relevant to consumer needs and emerging trends. The Disruptive Innovation Theory Christensen, (1997) states that innovations that disrupt the market or create new market segments can increase demand, as new and innovative products often meet unmet needs. With the rise in market demand, companies can enhance entrepreneurial performance through production efficiency, improvements in distribution, and market expansion.
H_7: Product innovation positively influence entrepreneurial performance through market demand

METHOD

Research Design

This study uses a quantitative design with a path analysis approach, aiming to understand the contributions of product quality and product innovation to market demand, as well as their impact on business performance. The study is designed to identify relationships between variables and test the established hypotheses. In this context, product quality and product innovation are considered independent variables that affect business performance through their influence on market demand as a mediating variable.

This research was conducted in the Jurangmangu area, South Tangerang City, with the research object being home-based garment entrepreneurs. Data were collected through a survey by distributing questionnaires to home-based garment entrepreneurs. The data used is primary data, directly collected from respondents. The population of this study consists of home-based garment entrepreneurs in the Jurangmangu area, South Tangerang. The sampling technique used is random sampling, with 215 garment entrepreneurs participating in the survey. However, only 168 questionnaires were eligible and could be analyzed.

Identification of Variables and Indicators

The identification of variables and indicators in this study covers several important interconnected aspects. Product Quality, as the independent variable, is measured through indicators such as raw materials (type of material, fiber quality, material strength) , pattern and cutting (cutting accuracy, stitch details, design skills), and construction quality (seam durability, finishing, accessory quality) (Herold & Prokop, 2023). Product Innovation is also an independent variable measured by indicators such as innovative design (originality, functionality, aesthetics), innovative technology and materials (use of new materials, technology integration, innovative production techniques), and sustainability (environmentally friendly materials, sustainable production processes, product lifecycle) (Mohamud et al., 2023). Market Demand, as the mediating variable, is measured through indicators like fashion trends (style popularity, seasonal changes, influence of celebrities and influencers), consumer behavior (demographic preferences, environmental awareness, value-based purchasing), and economic factors (consumer purchasing power, economic decline or growth, prices, discounts) (Garcia-Ortega et al., 2023). Finally, Business Performance, as the dependent variable, is measured through indicators such as product efficiency (capacity utilization rate, production cycle time, material loss rate), product value (product failure rate, customer satisfaction, specification compliance), and resource management (labor productivity, inventory management, cost control). (Thongsri & Chang, 2019).

Data Analysis Technique

This study uses PLS-SEM (Partial Least Squares Structural Equation Modeling) with the help of SmartPLS software to analyze the relationships between variables. This technique was chosen due to the relatively large sample size and the study's objective, which involves both direct and indirect effects between the existing variables. The analysis steps include validity and reliability testing, where Cronbach's Alpha and Composite Reliability are used to test reliability, and Average Variance Extracted (AVE) is used to test convergent validity. Next, in the measurement model, tests are conducted to examine the relationships between indicator variables and construct variables using the outer model. In the structural model, relationships between variables are analyzed using the inner model, where the influence of product quality and product innovation on market demand is analyzed, which in turn affects business performance. For hypothesis testing, bootstrapping with 500 iterations is conducted to test the significance of the effects between variables and to test the research hypotheses, using t-tests and p-values to determine whether the hypotheses are accepted or rejected.

In this study, the hypothesis was tested using the bootstrapping method to see the direct and indirect effects between the existing variables. The proposed hypothesis involves the effect of product quality and product innovation on market demand, as well as its impact on business performance. The results of bootstrapping will show whether the influence between the variables is significant, which will provide an overview of the validity of the model built.

RESULT

Respondent Characteristics

The following are the characteristics of respondents based on gender, age, and type of textile. Respondent characteristics are needed because they can provide a deeper understanding of the respondent profile, help analyze market trends, and identify factors that influence behavior and business decisions in the convection industry (see Table 1.

Table 1. Characteristics of Respondents

Character	Frequency	Percentage
Gender		
Male	127	76%
Female	41	24%
Age		
20-30 years old	43	26%
31-41 years old	69	41%
> 41 years old	56	33%
Textile Type		
Clothes	62	37%
Jeans	41	24%
Bed Covers	34	20%
Curtain	16	10%
Tablecloth	12	7%
Others	3	2%

According to Table 1, indicates that 127 male respondents, or 76% of the total respondents, were involved in convection management. In comparison, 41 female respondents, or 24% of the total respondents, indicated that male respondents were more often the family breadwinners. The respondents' age characteristics show that most respondents are in the 31–41 year age group, totaling 69 people and making up 41% of the total respondents. People in this age group are mature and strongly desire to start a business, whether at the initial or advanced stages. Of the 168 people surveyed, 62 people (37%) produce a lot of ready-made clothing, including shirts, kebayas, nightgowns, school clothes, T-shirts, and so on. Convection operators in Jurangmangu make textile products as many as 41 people (24%), bed covers as many as 34 people (20%), textile curtains as many as 16 people (10%), tablecloths as many as 12 people (7%), and other goods as many as three people (2%).

Validity and Reliability Test

The following are the results of the validity and reliability tests in this study which were conducted to ensure the quality of the measurement instruments. The validity test is seen from the Loading Factor and Average Variance Extracted (AVE), both of which are considered valid if the value is greater than 0.70. Meanwhile, the reliability test is measured through Composite Reliability (CR) and Cronbach's Alpha, both of which must be greater than 0.70 to be considered reliable (Table 2).

Table 2. Evaluation of Measurement Model

Questionnaire Item	Code	Loading factor	CR	AVE	Cronbach's Alpha
Product Quality			0.779	0.712	0.704
• The raw materials I choose for my products comply with the expected quality standards.	PQ1	0.761			
• I am confident that the quality of the fibers used in my products meets consumer needs	PQ2	0.720			
• I believe that the strength of the ingredients I use in my products is capable	PQ3	0.768			
• I feel that the cutting precision on my product is good	PQ4	0.772			
• The stitching details on my product are considered quite neat and detailed	PQ5	0.756			
• The design skills I apply in the patterns and cutting of my products are recognized by customers	PQ6	0.705			
• I am confident that the seam resistance of my products is excellent and reliable	PQ7	0.782			
• My product finishing is always done carefully and professionally	PQ8	0.796			
• The quality of the accessories used in this product meets the expected standards	PQ9	0.751			
Product Innovation	PI1	0.743	0.751	0.717	0.789
• My innovative clothing designs stand out in originality, functionality, and aesthetics.					
• I use technology that includes the efficient use of new materials and the integration of modern technology in clothing production	PI2	0.762			
• I apply innovative production techniques to improve the quality and efficiency of clothing production	PI3	0.775			
• I prioritize the use of environmentally friendly materials in making clothes	PI4	0.788			
• My clothing production process is designed to reduce environmental impact significantly	PI5	0.707			
• I have a strategy to extend the life cycle of my clothing products	PI6	0.726			
• I develop products that integrate these principles	PI7	0.763			
• I actively collaborate with suppliers or partners who are committed to participating in practices	PI8	0.717			
• My customers recognize and appreciate my efforts in maintaining curiosity about my products	PI9	0.769			
Market Demand			0.774	0.709	0.800
• I pay attention to fashion trends such as style popularity, seasonal changes, and the influence of celebrities and influencers in my product development.	MD1	0.764			
• I consider consumer behavior, including demographic preferences, environmental awareness, and value-based purchasing tendencies, in marketing strategy and product development	MD2	0.783			
• I combine factors such as consumer purchasing power, declining or increasing economic conditions, and prices and discounts in planning my product pricing strategy	MD3	0.777			
• I use data trends to anticipate changes in consumer preferences for clothing styles and designs	MD4	0.769			

Questionnaire Item	Code	Loading factor	CR	AVE	Cronbach's Alpha
• I have a marketing strategy that integrates the influence of celebrities and influencers to influence consumer purchasing behavior	MD5	0.792			
• I analyze and respond to changes in consumers' environmental awareness when choosing clothing products	MD6	0.732			
• I take into account economic factors when determining the selling price of my clothing products	MD7	0.746			
• I conduct regular analysis of consumer demographic data to increase product relevance	MD8	0.755			
• I take steps to adapt marketing strategies to current economic conditions to maximize sales	MD9	0.701			
Entrepreneurial Performance	EP1	0.715	0.719	0.780	0.710
• I can easily adjust production capacity according to customer requests.					
• I have an effective system for monitoring and managing production cycle times	EP2	0.765			
• The rate of material loss in my production process is low	EP3	0.746			
• I regularly carry out quality testing to reduce the risk of product failure	EP4	0.787			
• Customer feedback is the main basis for improving the quality of my products	EP5	0.718			
• I have a quality control system to ensure compliance with specifications	EP6	0.722			
• I have an effective incentive system to encourage workforce productivity	EP7	0.795			
• My inventory forecasting is accurate and helps avoid stock shortages or overstock	EP8	0.783			
• I regularly carry out cost analyses to identify areas where savings can be made	EP9	0.771			

Validity can be measured from convergent validity and discriminant validity. Convergent validity measures the extent to which the indicators used to measure a particular construct should be mutually exclusive. This can be measured by looking at the Loading Factor of each indicator on the construct. A good Loading Factor value if it has a value of more than 0.500. Meanwhile, discriminant validity shows how much one construct can be differentiated from other constructs in the model. This is tested by comparing the correlation between constructs with the square root of each construct's AVE (average variance extracted). If the correlation between constructs is lower than the square root of AVE, then discriminant validity is considered fulfilled. A good AVE value exceeds 0.700 (Hair et al., 2017). Reliability can be measured from CR (composite reliability) and Cronbach's alpha. CR measures the internal reliability of a construct, namely the extent to which the indicators used to measure a construct are mutually exclusive and consistent. The CR value is considered reliable if the value is more significant than 0.700. Then, Cronbach's alpha also measures the consistency of internal indicators in a construct. The Cronbach's alpha value should be at least 0.600 to be considered reliable (Hair et al., 2017).

Table 2 indicates that all question items are valid because they have a loading factor value greater than 0.500 and an AVE value greater than 0.700. Furthermore, Table 2 shows that all variables are reliable because they have a CR (composite reliability) of more than 0.700 and a Cronbach's Alpha of more than 0.600.

Determination Coefficient Test

The determination coefficient test, namely R-Square, Q^2, and NFI in Smart PLS are used to emit model quality, with R-Square measuring how much the dependent variable is explained by the independent variable, Q^2 to assess the ability of the predictive model, and NFI to measure the extent to which the model fits the data. The following is a table of determination coefficients in this study.

Table 3. R-Square, Q2, NFI

Variable	R Square	Q2	Fit Model	Saturated Model	Estimated Model
Market demand	0.664	0.462	NFI	0.722	0.722
Entrepreneurial performance	0.742	0.458			

Table 3 indicates the R-Square (R^2) value of the market demand construct 0.664 and entrepreneurial performance of 0.742. at the same time, the remaining 33.6% and 25.8% are explained by other exogenous variables. Table 3 also shows the predictive relevance (Q^2) of 0.462 and 0.458; it can be concluded that the model has a relevant predictive value because the value is greater than 0 (zero). Furthermore, Table 3 shows that the saturated (measurement) model fit value and the estimated (structural model) fit value have the same value. From these results, it can be concluded that the model in this study has a regular fit index (NFI) value, which shows that the model in this research is 72.2% (0.722) better than the null model.

Hypothesis Test

Hypothesis test in research consists of two types of influences, namely direct influence and indirect influence, which are used to analyze the direct relationship between variables and indirect impacts that can occur through intermediaries of other variables. The results of the hypothesis testing conducted in this study are presented in Table 4.

Table 4. Direct Effect

Variable			Original Sample (0)	Sample Mean (M)	Standard Deviation (STDEV)	t-Statistic (O/ STDEV)	P Values
Product Quality	→	Market demand	0.750	0.299	0.148	5.068	0.000
Product Innovation	→	Market demand	0.649	0.201	0.162	4.006	0.000
Product Quality	→	Entrepreneurial performance	0.558	0.186	0.119	4.689	0.000
Product Innovation	→	Entrepreneurial performance	0.666	0.274	0.201	3.313	0.001
Market demand	→	Entrepreneurial performance	0.709	0.123	0.108	6.564	0.000

Direct influence is a direct influence that can be seen from the path coefficient from the exogenous variable to the endogenous variable. In this research, there are five direct influences, namely: (1) Product quality have an effect on market demand because t-table (1.654) < t-count (5.068) and the significant value (0.000) < 0.005; (2) Product innovation have an effect on market demand because t-table (1.654) < t-count (4.006) and the significant value (0.000) < 0.005; (3) Product quality have an effect on entrepreneurial performance because t-table (1.654) < t-count (4.689) and the significant value (0.000) < 0.005; (4) Product innovation have an effect on entrepreneurial performance, because t-table (1.654) < t-count (3.313) and the significant value (0.001) < 0.005; (5) Market demand have an effect on entrepreneurial performance, because t-table (1.654) < t-count (6.564) and the significant value (0.000) < 0.005.

Table 5. Indirect Effect

Variable	Original Sample (0)	Sample Mean (M)	Standard Deviation (STDEV)	t-Statistic (O/ STDEV)	P Values
Product of quality → Market demand → Entrepreneurial performance	0.504	0.178	0.488	1.032	0.069
Product of innovation → Market demand → Entrepreneurial performance	0.362	0.291	0.370	0.978	0.095

Indirect effects are a sequence of paths through one or more intermediary variables. In this research, there are two indirect influences, namely: (1) Product quality does not have an influence on entrepreneurial performance through market demand because t-table (1.654) > t-count (1.032) and the significant value (0.069) > 0.005; (2) Product innovation does not have an influence on entrepreneurial performance through market demand, because t-table (1.654) > t-count (0.978) and the significant value (0.095) > 0.005.

Furthermore, although the indirect effects of product quality and product innovation on entrepreneurial performance through market demand show a positive direction (0.504 and 0.362 respectively), the significance

values do not meet the statistical criteria. This indicates that market demand does not serve as a significant mediating variable in the relationship between product quality or product innovation and entrepreneurial performance. Therefore, to enhance the performance of home-based convection business actors, it is necessary to strengthen other factors or implement additional strategies beyond market demand that can effectively reinforce the influence of product quality and innovation.

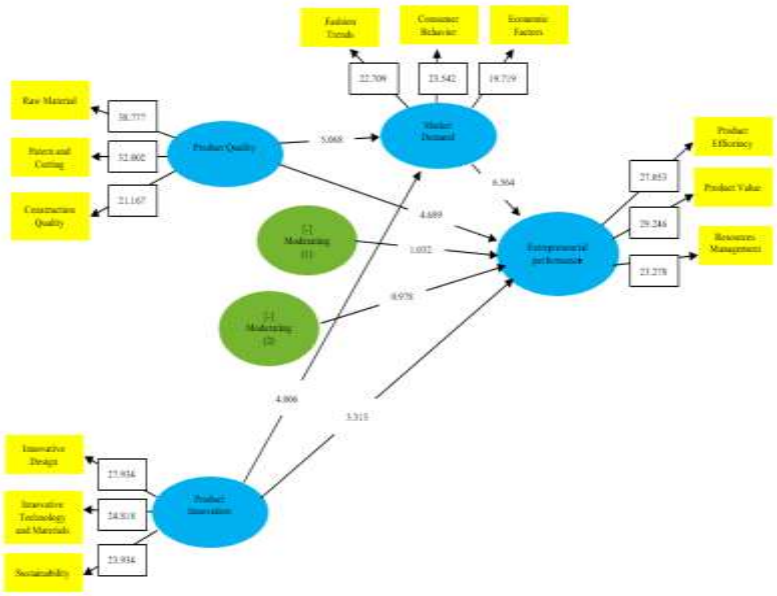

Figure 1. Path Diagram

DISCUSSION

The Influence of Product Quality on Market Demand

The quality of the products in this research significantly influences market demand among business actors in Jurangmangu, South Tangerang, and Banten Province, Indonesia. This is because product quality is the main factor that influences consumer satisfaction and preferences. Good-quality products provide higher added value, such as more extended durability, better performance, or a more satisfying user experience. This meets consumer expectations and builds trust and loyalty towards the brand or product manufacturer. Product quality also plays a vital role in creating differentiation in a competitive market, where consumers tend to choose the best quality products they can afford.

Additionally, consistent quality helps companies maintain a good reputation and reduces risks associated with product returns or warranty claims. Economically, improving product quality can provide better long-term results through increased sales, higher profit margins, and desired business growth. Therefore, understanding and meeting high-quality standards is essential for companies to gain and maintain significant market share and build a strong foundation for future growth.

Herold and Prokop (2023) research highlights that the quality of clothing products in home industries has a significant effect on market demand because it influences consumer satisfaction, builds trust, creates differentiation, and increases the company's economic results in the long term. Furthermore, research conducted by Nekmahmud et al. (2022) presents that high-quality raw materials in home industries not only increase the value of the product but also attract the interest of consumers who increasingly prioritize quality in their purchasing decisions, patterns, and cuts as well as precision in good construction quality also contribute has a significant impact on consumer satisfaction with the products produced.

The Influence of Product Innovation on Market Demand

This research indicates that innovative products significantly impact market demand among home industry-based convection business actors in Jurangmangu, South Tangerang, Banten Province. The products produced by these businesses are known not only for their innovative designs and unique production technology but also for their approach, which adopts a just-in-time model that directly reflects the richness of their local culture. The designs capture the latest trends and depict a distinctive cultural identity. However, industrial convection among home industry business actors could be better due to several limitations, especially environmental requirements. This limitation translates into a failure to focus on environmentally friendly practices such as upcycling fashion and using recycled materials in their production processes. Nevertheless, the uniqueness of their products remains the main attraction that makes them different in the local market. Increasing innovation in their products and

enhancing awareness of the importance of environmental sustainability, these business actors can better respond to increasingly complex and diverse market demands. While raising innovation in products and strengthening awareness of the importance of environmental sustainability, home-based convection business actors can respond to increasingly complex and diverse market demands more effectively. This is in line with the findings of Kraus et al. (2022) which emphasizes that the combination of entrepreneurial orientation and environmental sustainability can increase the business's capacity to adapt to market dynamics.

Research conducted by Ilyas and Irawan (2021) shows that clothing products from the home industry convection business actors have built a strong reputation thanks to innovative designs and unique production technology. Their innovative designs provide attractive value for consumers, while unique production technology guarantees high quality and efficiency, strengthening their competitiveness in the global market. Research conducted by Schauman et al. (2023) shows that innovation in clothing products in home industries by adopting a just-in-time model, which reflects the richness of local culture, not only follows the latest trends but also shows a distinctive cultural identity in every detail of the design, is believed to be significant. Increase market attractiveness. This approach ensures products are available on time and with high efficiency and provides added value in the form of cultural heritage that consumers value.

The Effect of Product Quality on Entrepreneurial Performance

This research finds that product quality is crucial to the entrepreneurial performance of home industry-based convection business actors in Jurangmangu, South Tangerang, Banten Province, Indonesia. Product quality directly impacts consumer perceptions and experiences, ultimately affecting sales, customer satisfaction, and brand image. For example, raw material aspects such as material type, fiber quality, and material strength influence product durability and determine consumer satisfaction with the quality of the products they buy. Likewise, precise patterns and cuts, fine stitching details, and craftsmanship in design all contribute to the aesthetics of the product and the level of consumer trust in the brand. In addition, quality construction that meets seam resistance, quality finishing, and good use of accessories ensures that the product is durable and provides significant added value in a competitive market. When companies focus on improving and fine-tuning these areas, they not only boost sales and strengthen customer loyalty, but also lay the groundwork for lasting growth and a brand that people genuinely value.

This research incorporates with Wang et al. (2023), suggesting that the quality of clothing products made by home industries plays a major role in shaping how consumers perceive their value, which in turn has a strong impact on the entrepreneurs' overall business performance. This also significantly increases customer satisfaction and strengthens the company's brand image. Mohamud et al. (2023) findings also support this by showing that high-quality raw materials, precision in product patterns and cutting, and careful construction can provide significant added value in today's increasingly fierce market competition.

The Influence of Product Innovation on Entrepreneurial Performance

This research highlights the significant influence of product innovation on entrepreneurial performance in Jurangmangu, South Tangerang, Banten Province. Product innovation is vital because it includes several key elements that directly contribute to improving entrepreneurial performance. First, innovative designs that include aspects of originality, functionality, and aesthetics are attractive and meet market needs in a new and different way. Second, using innovative technology and materials such as new materials, integrating advanced technology, and applying modern production techniques increase efficiency and overall product quality. Third, an approach that pays attention to environmentally friendly raw materials, sustainable production processes, and a longer product life cycle, thereby providing a positive impact not only on the environment but also in building a positive image of the company in the eyes of consumers and the market as a whole. Thus, product innovation is not only a differentiation factor but also a key driver in achieving competitive advantage and sustainable business growth in this era of globalization. (Saunila, 2020).

Business actors in Jurangmangu, South Tangerang, Banten Province, Indonesia, have great potential to develop global markets but need help fully utilizing e-commerce. One of the obstacles is that a particular e-commerce platform needs to effectively support small producers in marketing and selling products globally. A significant barrier is adequate digital knowledge and effective online marketing strategies. Many home-based clothing convection businesses may need more skills or knowledge on building and managing their online presence, including social media, SEO optimization, and other digital marketing strategies that can increase the exposure of their products in the global market. As a result, even though the global market potential exists, opportunities to exploit it optimally still need to be expanded by technological and knowledge challenges that need to be addressed proactively by business actors in the region. The ability of firms in developing economies to exploit global market opportunities is often constrained by insufficient technological and knowledge capabilities, which must be proactively developed to enhance competitiveness" (Lejárraga & Oberhofer, 2020).

Research conducted by Ikram (2022) highlights that when home industries embrace innovation in their clothing product designs, they will stand out in the market. These fresh ideas not only add value to the products

but also draw consumer interest and even spark new demand. Integrating the latest technologies and new efficient or environmentally friendly materials is changing how products are produced and function, increasing efficiency and product features. Then this research by Faccia et al. (2023) indicates that the approach to ending clothing products in home industries not only benefits the environment but also becomes a differentiation factor in the market, attracting consumers who care about the environment, reduces operational costs, and strengthens the company's reputation. Product innovation can substantially improve entrepreneurial performance through product improvements, processes, and responses to evolving market needs.

The Influence of Market Demands on Entrepreneurial Performance

This study's main focus is on market demand, which determines the direction and level of success of clothing convection business operators in Jurangmangu, South Tangerang. Fashion trends, consumer behavior, and dynamic economic factors are all crucial elements that directly influence entrepreneurial performance. Accuracy in responding to the latest fashion trends reflects sensitivity to a rapidly developing market. It determines the extent to which the products' efficiency can reach the standards desired by consumers. On the other hand, a deep understanding of consumer behavior is critical in predicting and anticipating changing market needs. Economic factors, such as influencing raw material prices and changes in economic policies, also influence the resource management strategies implemented by business actors. Effective management of human resources, raw materials, and financial capital determines success in facing the challenges that continue to develop in the clothing convection business world. Taking all these aspects into account as a whole, this study sheds light on the real-world struggles and complexities that clothing convection business owners face as they strive to achieve strong entrepreneurial performance in an ever-changing and competitive middle market.

Research conducted by Fajriana (2021) found that when home industry convection business actors can understand and respond appropriately to growing market demands, they can channel their resources effectively to meet consumer needs and preferences, which include not only the production of goods and services which is in line with consumer trends and desires but also includes innovation in product design, improving product quality and efficiency, as well as targeted marketing strategies. Research conducted by Bhandari et al. (2022) exhibits that changes in fashion trends and consumer behavior often give rise to new opportunities for entrepreneurs to expand their markets or develop new products that better suit existing demand. Conversely, ignorance or inability to respond to these changes can result in decreased business performance, even overall business failure (Al-Haddad & Kotnour, 2015).

The Influence of Product Qualito on Entrepreneurial Performance through Market Demand

The quality of home-based clothing convection products in Jurangmangu, South Tangerang, Banten Province, Indonesia, does not have an influence on entrepreneurial performance through market demand due to several factors. First, the local consumer market is more influenced by price and delivery speed than product quality. Second, in highly competitive business environments such as clothing conventions, product differentiation is often seen as a necessity rather than just quality. This can lead entrepreneurs to focus on competitive pricing strategies or higher production speeds to meet changing market demands. In addition, other aspects, such as responsive customer service and the ability to adapt designs to the latest trends, influence customer satisfaction and, ultimately, entrepreneurial performance more than just the quality of the product itself. Therefore, while quality remains vital in building a reputation and maintaining a loyal customer base, the summary with entrepreneurial performance through market demand may be reduced due to more complex market dynamics and diverse consumer preferences (Gunawan et al., 2024).

Research conducted by Xiang (2021) shows that the quality of clothing products does not directly influence the performance of business actors through market demand because other factors, such as branding, marketing, and fashion trends, have a more dominant role in attracting consumers. Research conducted by Garcia-Ortega et al. (2023) remarks that market demand is not only determined by product quality but can also be determined by brand image, price, latest fashion styles, and other psychological factors that influence consumer preferences in choosing clothing products.

Product Innovation on Entrepreneurial Performance through Market Demand

Product innovation does not have an influence on entrepreneurial performance through market demand for household industry-based clothing convection business actors in Jurangmangu, South Tangerang, Banten Province. This is due to complex factors that influence consumer preferences and behavior. Although innovation can increase product value and create a competitive advantage in the long term, its success in influencing market demand depends on how well the new product meets consumers' needs and desires and the effectiveness of the marketing strategies that support it. Additionally, in some cases, changes to existing products may be perceived as insignificant for consumers or incapable of changing their purchasing behavior, reducing the direct impact of innovation on entrepreneurial performance through market demand, Gao (2023).

Research conducted by Thongsri & Chang (2019) shows that product innovation does not indirectly affect market demand because complex factors influencing consumer preferences and behavior play a significant role. Although innovation can increase the added value of products and create competitive advantages in the long term, its success depends on the extent to which the new product meets consumer needs and the effectiveness of the marketing strategies that support it.

Implications of Product Quality and Product Innovation on the Performance of Home Industry-Based Clothing Convection Businesses through Market Demand

The implications of product quality and product innovation on the performance of home industry-based clothing convection businesses are very significant. These two factors have an important role in shaping the competitiveness and sustainability of convection businesses. Here are some aspects that can be explained, Good product quality plays a vital role in building customer satisfaction and loyalty. When customers are satisfied, they are more likely to return and recommend the products to others, which ultimately drives sales growth. Maintaining consistent quality is essential for establishing long-term relationships with consumers and serves as a competitive advantage, especially in highly segmented markets such as the clothing convection industry. Alongside quality, product innovation is equally important. Innovation involves enhancing a product's design, materials, or features to align with current market trends and consumer preferences. This could include creating more appealing designs, using environmentally friendly or more comfortable materials, and customizing products to suit individual needs. Through innovation, businesses can offer unique value, open access to new markets, and stand out in a crowded industry.

Both quality and innovation directly influence business performance. High-quality products boost customer loyalty and satisfaction, which in turn leads to increased sales and profitability. Meanwhile, innovative products enhance market appeal, allow for greater market penetration, and improve production efficiency. When combined, product quality and innovation create offerings that not only meet but exceed consumer expectations. This synergy can significantly expand the customer base and stimulate market demand. In competitive industries, consistent quality and ongoing innovation help businesses differentiate their products, ultimately attracting more interest and maintaining a strong market presence.

CONCLUSION

Product quality greatly influences market demand because high quality increases consumer satisfaction, builds brand loyalty, and supports long-term business growth. Product innovation has a significant impact on market demand, as these products are known for their innovative designs, unique production technologies, and just-in-time approaches that reflect the richness of local culture; despite the fear of environmental poverty constraints, this industry remains attractive with its unique designs. Capturing the latest trends and distinctive cultural identity. With increasing product innovation and awareness of interests, business actors can be more responsive to increasingly complex market demands. Product quality is essential for the entrepreneurial performance of convection business actors because product quality directly influences consumer perceptions and experiences, influencing sales, customer satisfaction, and brand image.

Product innovation is essential in improving entrepreneurial performance through innovative design, advanced technology, and loss approaches. The complexity and challenges faced by clothing convection business actors, with a focus on market demand, changing fashion trends, complex consumer behavior, and dynamic economic factors that directly influence their entrepreneurial performance. The quality of clothing convection products does not significantly influence entrepreneurial performance through market demand because factors such as price, delivery speed, product differentiation strategy, and customer service responsibility significantly impact customer satisfaction and entrepreneurial performance in a competitive business environment. Product innovation only sometimes directly impacts entrepreneurial performance through market demand because the complexity of consumer preference and behavior factors influences the impact.

Home-based convection business actors in Jurangmangu, South Tangerang, are expected to focus on several key aspects to increase competitiveness and growth. They can strengthen their business by adopting upcycling fashion and recycled materials, appealing to consumers who care about the environment. Digital skills are becoming essential; digital training and online marketing strategies will expand global market access. Collaboration with similar businesses or local suppliers will expand networks and resources, while product and service diversification can increase their market appeal. Support from the South Tangerang City government is urgently needed in the form of training programs, digital infrastructure facilitation, poverty incentives, and industrial cluster development to create an environment that supports the growth and desires of small businesses in the convection sector. With these steps, it is hoped that convection business actors in Jurangmangu can expand their market share, improve product quality, and build a strong foundation in facing challenges and opportunities in an increasingly complex global market.

The limitation of this research is that the research object is limited to home industry-based convection business actors in Jurangmangu, South Tangerang, without involving home industry-based convection business

actors throughout Indonesia. In addition, this research only considers two independent variables: product quality and product innovation. Therefore, for further research, it is recommended to expand the scope of the research object by involving home industry-based convection business actors throughout Indonesia and consider using more independent variables so that the research results are more representative and can provide deeper insight into the factors that influence performance and growth of this small business in the convection industry.

The following is a summary of recommendations for the implications of product quality and product innovation on the performance of home industry-based convection businesses through market demand: (1) Improve production processes and quality control to ensure consistent and high-quality products; (2) Train employees to have the best skills in production and customer service; (3) Focus on after-sales service to strengthen customer loyalty; (4) Adjust designs to market trends and consider the use of environmentally friendly materials; (6) Diversify products to attract more customers and meet different market needs; and (7) Analyze market trends and consumer behavior to design products that suit their needs.

REFERENCES

Al-Haddad, S., & Kotnour, T. (2015). Integrating the organizational change literature: A model for successful change. *Journal of Organizational Change Management, 28*(2), 234–262. https://doi.org/10.1016/j.jbusres.2019.01.063

Alhassan, H. A., Appiah, N. A., & Ankai, B. K. (2023). Quality attributes: consumers' evaluation of tailored clothing in Ghana. *Journal of Marketing Studies, 6*(1), 1-24. DOI:10.47941/jms.1185

Anindita, P. S., & Toha, M. (2021). Strategic repositioning for convection business case study: Ar vendor. *The Indonesian Journal of Business Administration, 2*(9), 1084-1091. https://doi.org/10.47405/mjssh.v6i9.101

Bhandari, N., Garza-Reyes, J. A., Rocha-Lona, L., Kumar, A., Naz., & Joshi, R. (2022). Barriers to sustainable sourcing in the apparel and fashion luxury industry. *Sustainable Production and Consumption, 3*1, 220-235. https://doi.org/10.1016/j.spc.2022.02.007

Cajal-Grossi, J., Prete, D. D., & Macchiavello, R. (2023). Supply chain disruptions and sourcing strategies. *International Journal of Industrial Organization*, 90,103004. https://doi.org/10.1016/j.ijindorg.2023.103004

Chai, J., Kang, Z., Yan, Y., Lou, L., Zhou, Y., & Fan, J. (2022). Thermoregulator clothing with temperature-adaptive multimodal body heat regulation. *Cell Reports Physical Science, 3*(7), 100958. https://doi.org/10.1016/j.xcrp.2022.100958.

Christensen, C.M. (1997). *The innovator's dilemma: When new technologies cause great firms to fail*. Boston, Massachusetts, USA: Harvard Business School Press.

Daniyan, I., Adeodu, A., Mpofu, K., Maladzhi, R., Katumba et al., 2023). Application of lean Six Sigma methodology using DMAIC approach for the improvement of bogie assembly process in the railcar industry. *Heliyon, 8*(3), e09043. https://doi.org/10.1016/j.heliyon.2022.e09043

Ding, C., Zhang, R., & Wu, X. (2023). The impact of product diversity and distribution networks on consumption expansion. *Journal of Business Research, 161*, 113833, https://doi.org/10.1016/j.jbusres.2023.113833

Dziallas, M., & Blind, K. (2019). Innovation indicators throughout the innovation process: An extensive literature analysis. *Technovation*, 80-81, 3-29. https://doi.org/10.1016/j.technovation.2018.05.005

Ekman, P., Röndell, J. G., Anastasiadou, E., Kowalkowski, C., Raggio, R. D., & Thompson, S. M. (2021). Business actor engagement: Exploring its antecedents and types. *Industrial Marketing Management, 98*, 179-192. https://doi.org/10.1016/j.indmarman.2021.08.009

Faccia, A., Roux, C. L. L., & Pandey, V. (2023). Innovation and e-commerce models, the technology catalysts for sustainable development: The emirate of Dubai case Study. *Sustainability, 15*(4), 3419. https://doi.org/10.3390/su15043419

Fajriana, M. M. (2021). How are business actors responsible for consumer losses in default cases? an analysis of indonesian consumer protection law. *Journal of Law and Legal Reform, 2*(2), 187-196. https://doi.org/10.15294/jllr.v2i2.46614

Farida, A., & Setiawan, D. (2022). Business strategies and competitive advantage: The role of performance and innovation. *Journal of Open Innovation: Techonology, Market, and Complexity, 8*(3), 163. https://doi.org/10.3390/joitmc8030163

Flynn, B. B., Schroeder, R. G., Sakakibara, S. (2007). The impact of quality management practices on performance and competitive advantage. *Decision Sciences*, 26(5), 659-691. DOI:10.1111/j.1540-5915.1995.tb01445.x

Gao, L. (2023). The impact of consumer behavior and product innovation on enterprise R&D decisions in a macroeconomic environment. *Frontiers in Business, Economics and Management, 11*(2), 262–265. https://doi.org/10.54097/fbem.v11i2.12620

Garcia-Ortega, B., Galon-Cubillo, J., Llorens-Montes., & Miguel-Molina, B. (2023). Sufficient consumption as a missing link toward sustainability: The case of fast fashion. *Journal of Cleaner Production*, 399, 136678. https://doi.org/10.1016/j.jclepro.2023.136678

Gunawan, D., Nainggolan, R., & Effendi, L. V. (2024). The effect of product quality and price on customer loyalty through customer satisfaction. *Jurnal Entrepreneur dan Entrepreneurship, 13*(1), 39–52. https://doi.org/10.37715/jee.v13i1.4379

Hair Jr, J. F., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: Updated guidelines on hich methods to usc. Int J. *Multivariate Data Analysis*, *1*(2), 107-123.

Harsanto, B., Primiana, I., Sarasi, V., & Stayakti, Y. (2023). Sustainability innovation in the textile industry: A Systematic Review. *Sustainability*, *15*(2), 1549. https://doi.org/10.3390/su15021549

He, J., Lu, Y., Chen, S., & Lv, J. (2021). On dual performance of protective clothing composites with different air gaps under hot steam exposure. *Case Studies in Thermal Engineering*, *26*, 101128. https://doi.org/10.1016/j.csite.2021.101128

Hermundsdottir, F., & Aspelund, A. (2021). Sustainability innovations and firm competitiveness: A review. *Journal of Cleaner Production*, *280*(1), 124715. https://doi.org/10.1016/j.jclepro.2020.124715

Herold, P. I., & Prokop, D. (2023). Is fast fashion finally out of season? Rental clothing schemes as a sustainable and affordable alternative to fast fashion. *Geoforum*, *146*, 103873. https://doi.org/10.1016/j.geoforum.2023.103873.

Ilyas, N. F., & Irawan, A. (2021). Business feasibility towards clothing convection: A case study of raiment. *Malaysian Journal of Social Sciences and Humanities (MJSSH)*, *6*(9), 545-560. https://doi.org/10.47405/mjssh.v6i9.1018

Ikram, M. (2022). Transition toward green economy: Technological innovation's role in the fashion industry. *Current Opinion in Green and Sustainable Chemistry*, *37*, 100657. https://doi.org/10.1016/j.cogsc.2022.100657

Joshi, A., Psikuta, A., Bueno, M-A., Annaheim, S., Rossi, R. M. (2021). Effect of movement on convection and ventilation in a skin-clothing-environment system. *International Journal of Thermal Sciences*, *166*, 106965. https://doi.org/10.1016/j.ijthermalsci.2021.106965

Jumriani, J., Syaharuddin, S., Abbas, E. W., Mutiani, M., & Handy, M. R. N. (2021). The traditional clothing industry of Banjarmasin Sasirangan: A portrait of a local business becoming an industry. *Journal of Socioeconomics and Development*, *4*(2), 236-244. https://doi.org/10.31328/jsed.v4i2.1597

Kraus, S., Burtscher, J., Vallaster, C., & Angerer, M. (2022). Sustainable entrepreneurship orientation: A reflection on the interplay between entrepreneurial orientation and environmental sustainability. *Journal of Cleaner Production*, *331*, 129997. https://doi.org/10.1016/j.jclepro.2021.129997

Krishna, K., T. M., M R., K. (2022). Automation in garment manufacturing cut to pack process. *International Journal of Engineering Management and Economics*, 4(6):385-400. DOI:10.35629/5252-0406385400

Lin, G., Chen, J. L., Li, G., & Song, H. (2024). Substitution between sharing accommodation and hotels: A behavioral economic demand curve analysis. *Annals of Tourism Research*, *104*, 103716. https://doi.org/10.1016/j.annals.2023.103716.

Lilya, S. L. S., & Pasaribu, R. D. (2024). The influence of digital literacy and relative advantage on e-commerce adoption through digital training and mentoring among MSMEs in Jakarta. *International Journal of Science, Technology & Management*, *5*(5), 1266-1276.

Mohamud, I. H., Kafi, Md. A., & Shahron, S. A. (2023). The role of warehouse layout and operations in warehouse efficiency: A literature review. *Journal Européen des Systèmes Automatisés*, *56*(1), 61-68. DOI:10.18280/jesa.560109

Naini, N. F., Santoso, S., Andriani, T. S., Claudia, U., & Nurfadillah. (2022). The Effect of product quality, service quality, customer satisfaction on customer loyalty. *Journal of Cinsumer Sciences*, *7*(1), 34-50. DOI: https://doi.org/10.29244/jcs.7.1.34-50

Nekmahmud, Md., Naz, F., Ramkissoon, H., Fekete-Farkas, M. (2022). Transforming consumers' intention to purchase green products: Role of social media. *Technological Forecasting and Social Change*, *185*, 122067. https://doi.org/10.1016/j.techfore.2022.122067

Oliver, R. L, (1997). *Satisfaction a behavioral perspective on the consumer*. McGraw-Hill Education, Singapore

Rajapathirana, R. P., & Hui, Y. (2018). Relationship between innovation capability, innovation type, and firm performance. *Journal of Innovation & Knowledge*, *3*(1), 44-55. https://doi.org/10.1016/j.jik.2017.06.002

Rachmat, Z., Baali, Y., Rukmana, A. Y., Wonua, A. R., Sudirjo, F., Handiman, U. T., ... & Irawan, I. A. (2023). Pengembangan kewirausahaan

Reed, R., Lemak, D. J., & Mero, N. P. (2000). Total quality management and sustainable competitive advantage. *Journal of Quality Management*, *5*(1), 5-16. DOI:10.1016/S1084-8568(00)00010-9

Rosário, A. T., & Dias, J. C. (2023). How has data-driven marketing evolved: Challenges and opportunities with emerging technologies. *International Journal of Information Management Data Insights*, 3(2), 100203. https://doi.org/10.1016/j.jjimei.2023.100203

Saunila, M. (2020). Innovation capability for SME success: Perspectives of financial and operational performance. *Journal of Business Research, 113,* 237–246. https://doi.org/10.1016/j.jbusres.2019.09.029

Schauman, S., Greene, S., & Korkman, O. (2023). Sufficiency and the dematerialization of fashion: How digital substitutes are creating new market opportunities. *Business Horizons*, *66*(6), 741-751. https://doi.org/10.1016/j.bushor.2023.03.003

Srimulyani, V. A., Hermanto, Y. B., Rustiyaningsih, S., & Waloyo, L. A. S. (2023). Internal factors of entrepreneurial and business performance of small and medium enterprises (SMEs) in East Java, Indonesia. *Heliyon*, 9(11), e21637. https://doi.org/10.1016/j.heliyon.2023.e21637

Sukriani, N., Febrina, D., & Dewi, D. S. (2023). Knowledge, abilities, skills and its impact on business performance of business actors in the culinary sector. *International Journal of Islamic Business and Management Review*, *3*(1), 119-129. DOI:10.54099/ijibmr.v3i1.619

Tirtayasa, S., & Rahmadana, M. F. (2023). Mediating effect of product innovation on market orientation and marketing performance of SME'S during the COVID-19 pandemic in Indonesia. *International Information and Engineering Technology Association (IIETA)*, *18*(2), 393-399.

Thongsri, N., & Chang, A. K-H. (2019). Interactions among factors influencing product innovation and innovation behaviour: market orientation, managerial ties, and government support. *Sustainability*, 11(10), 2793. DOI:10.3390/su11102793

Timotius, E. (2023). The role of innovation in business strategy as a competitive advantage: Evidence from Indonesian MSMEs. *Problems and Perspectives in Management, 21*(1), 92-106. DOI:10.21511/ppm.21(1).2023.09

Ullah, H. M. K., Lejeune, J., Cayla, A., Monceaux, M., Campagne, C. & Devaux, E. A review of noteworthy/major innovations in wearable clothing for thermal and moisture management from material to fabric structure. *Textile Research Journal*, 92(17-18): 004051752110277. DOI:10.1177/004051752110277997

Vidhyalakshmi, P., Janani, G. M., Janani, C., & Shajith, J. M. (2021). automatic fabric cutting. *AIP Conference Proceedings*, 2387(1), 140026. DOI:10.1063/5.0069632.

Wang, G. (2021). Digital reframing: The design thinking of redesigning traditional products into innovative digital products. *Journal of Product Innovation Management*, 39(1). DOI:10.1111/jpim.12605

Wang, Y. (2022). A conceptual framework of contemporary luxury consumption. *International Journal of Research in Marketing*, *39*(3), 788-803. https://doi.org/10.1016/j.ijresmar.2021.10.010

Wang, C., Liu, T., Zhu, Y., Wang, H., Wang, X., & Zhao, S. (2023). The influence of consumer perception on purchase intention: Evidence from cross-border E-commerce platforms. *Heliyon*, *9*(11), e21617. https://doi.org/10.1016/j.heliyon.2023.e216177

Xiang, X. (2021). Factors that influence consumers' behaviors in fashion market. *Open Journal of Business and Management*, 09(06), 2772-2779. doi:10.4236/ojbm.2021.96154

.