

ABSTRACT

This study aims to test and analyze the role of product innovation success in improving market sensing capability, absorptive capability and business performance. The population used in this study is micro small and medium enterprises in the field of apparel in the Kudus region, Demak, Semarang. Samples taken as many as 121 respondents. The sampling technique uses purposive sampling method with the criteria have been operating for more than 2 years and the number of workers is less than 99 employees. Based on data analysis, it can be concluded that there is a positive and significant influence on market sensing capability and absorptive capability variables on product innovation success, and there is a positive and significant effect on absorptive capability variables, product innovation success on business performance, but there are negative and insignificant influences on market variables sensing capability for business performance.

Keywords: *market sensing capability, absorptive capability, product innovation success, business performance.*

ABSTRAK

Penelitian ini bertujuan untuk menguji dan menganalisis peran *product innovation success* dalam meningkatkan *market sensing capability*, *absortive capability* dan *business performance*. Populasi yang digunakan dalam penelitian ini adalah usaha mikro kecil menengah di bidang pakaian jadi yang ada di wilayah Kudus, Demak, Semarang. Sampel yang diambil sebanyak 121 responden. Teknik pengambilan sampel menggunakan metode *purposive sampling* dengan kriteria sudah beroperasi lebih dari 2 tahun dan jumlah tenaga kerja kurang dari 99 karyawan. Berdasarkan analisis data dapat disimpulkan bahwa terdapat pengaruh positif dan signifikan variabel *market sensing capability* dan *absortive capability* terhadap *product innovation success*, dan terdapat pengaruh positif dan signifikan variabel *absortive capability*, *product innovation success* terhadap *business performance*, akan tetapi terdapat pengaruh negative dan tidak signifikan variable *market sensing capability* terhadap *business performance*.

Kata kunci : *market sensing capability*, *absortive capability*, *product innovation success*, *business performance*.