

THE ROLE OF PRODUCT INNOVATION AS A STRATEGY TO INCREASE UMKM SALES AT CV ISEKAI AUTO CLEANER

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in the Indonesian economy; however, they are faced with increasingly intense competition, particularly in the cleaning products and services sector. This condition requires business actors to implement adaptive strategies, one of which is product innovation. This study aims to analyze the role of product innovation as a strategy to increase sales at the MSME CV Isekai Auto Cleaner. The research employs a qualitative approach using a case study method. Data were collected through interviews, observations, and documentation, and then analyzed using descriptive qualitative analysis with triangulation techniques. The results show that CV Isekai Auto Cleaner implements innovation through improving service quality, using more modern equipment, developing a wider range of services, and presenting products in a more attractive manner that aligns with consumer needs. These innovations have a positive impact on customer interest and satisfaction, as reflected in repeat purchases, recommendations, and increased sales. The findings confirm that innovation does not have to be large-scale; improvements to existing services, when aligned with market needs, are capable of enhancing the competitiveness and sustainability of MSMEs.

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1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the Indonesian economy because they absorb a significant workforce and contribute to national economic growth. Numerous studies have shown that product innovation significantly impacts MSME competitiveness and market responsiveness. This innovation can be achieved through quality improvements, product adaptations to consumer needs, and the development of product variety and uniqueness.(Tustiati, 2025). The implementation of

product innovation has been proven to help MSMEs build competitive advantages and encourage increased sales performance.(Fatkhan & Chasanah, 2024)

Product innovation at the El Faris ice cream MSME is carried out by improving the quality of raw materials and enhancing the taste of the product.(Nurbaniah & Deri Apriadi, 2025)This step has been proven to increase sales volume, even though businesses still face limited capital and competition from larger companies. These findings demonstrate that product innovation doesn't have to be large-scale, but can begin with refining existing products to better suit consumer needs and tastes.(Riki Martusa, 2024).

The increasing demand for cleaning products has intensified competition in the industry. The Indonesian household cleaning market is no longer dominated by large companies, as small and medium-sized businesses (SMEs) are also participating, each with their own unique strengths. This situation requires small businesses to adapt their strategies to remain competitive amidst the intense competition.(Faris & Rahardjo, 2020)Some businesses choose to compete on price, while others emphasize special formulations or solutions to consumer problems. This situation emphasizes the importance of clear differentiators and a focused strategy for businesses to survive and thrive.(Madani et al., 2025).

Many small businesses start from personal experiences and everyday needs. This approach often results in products that are relevant to consumers, but it isn't always accompanied by thorough strategic planning. As a result, business management often proceeds spontaneously and tends to be reactive.(Nisrina Hanifah Santoso et al., 2025).

Tight competition, especially competing with big national and multinational brands, fluctuations in raw material prices, and demands for product quality and safety are factors that are faced seriously, making business potential often not optimally utilized, especially for long-term development.(Arjang et al., 2025). Therefore, MSMEs operating in this sector need to have clear competitive advantages and business strategies that can address specific market needs.CV Isekai Auto Cleaner is an example of a business that grew from a simple problem: the difficulty of removing dirt stains from white clothes with regular detergent. Founded around 2019–2020, the business initially focused on practical solutions, before evolving into a business with a positive market response.

In conducting its business, CV Isekai Auto Cleaner relies on a highly active online business model, positioned within a bustling digital marketplace. Product sales are conducted through various online platforms, enabling direct interaction with consumers.This can be seen from the weekly gross turnover achievement which is in the range of IDR 30,000,000 to IDR 40,000,000,The shophouse is located right on the roadside, making it easy to access sales and is close to shipping expeditions for online delivery services.shows that the products produced are truly needed by consumers, in the MSME sector, especially cleaning services, there must be product innovation that can be done through service development, use of more modern technology, improving the quality of work results, and a more attractive way of presenting services.(Danarto, 2025). Based on this, this study focuses on product innovation as a sales increase strategy for MSMEs at CV Isekai Auto Cleaner, with the aim of observing its implementation and its impact on sales.

In addition to direct online sales to end consumers, CV Isekai Auto Cleaner also implements a reseller system. Resellers purchase products directly from the company's shophouse, which serves as a distribution and pick-up center. The shophouse serves as a strategic point in business operations, as it is not only used as a transaction location but also as a means of communication and coordination between the company and its resellers. Through this system, products can reach a wider consumer base without having to significantly increase marketing and distribution costs, allowing CV Isekai Auto Cleaner's products to reach a wider and more diverse consumer base.

2. METHOD

This research uses a qualitative case study approach. Data sources were obtained through interviews, observations, and documentation related to CV Isekai Auto Cleaner's business activities. Data analysis was conducted using descriptive qualitative methods to examine and illustrate the role of product innovation as a sales-boosting strategy for MSMEs, as well as to examine its implementation and impact on business sales performance. The use of a combination of techniques can increase data validity through a triangulation process.(Sugiyono, 2020).

3. RESULTS AND DISCUSSION

The research results show that CV Isekai Auto Cleaner has implemented product innovation as part of its business development efforts. This innovation extends beyond adding services, but is also evident in improved work quality, the use of more modern equipment, and a more attractive and customer-focused service offering. These steps are taken to adapt to increasingly fierce competition in the service industry.

One of the most noticeable forms of innovation is the development of a variety of services. CV Isekai Auto Cleaner tailors service packages to customer needs and adds certain value-added services. Furthermore, the use of more efficient cleaning technology helps speed up the work process while improving the quality of service received by customers.

Based on interviews and sales data, the product innovations implemented have had a positive impact on sales growth. Consumers tend to be more attracted to services that offer better quality and unique features compared to competitors. Increased customer satisfaction also encourages repeat purchases and word-of-mouth recommendations.

These findings demonstrate that product innovation doesn't always have to be large-scale. Improvements to existing services, as long as they align with consumer needs and expectations, can significantly impact market appeal. In practice, improving service quality and service differentiation have been effective strategies for CV Isekai Auto Cleaner in attracting customers.

Overall, we can see that product innovation has proven to play a crucial role in increasing sales and strengthening business competitiveness. For CV Isekai Auto Cleaner, consistent innovation not only impacts the company's image but also directly contributes to business sustainability amidst the dynamic competition in the cleaning market.

Furthermore, the company needs to maximize the effectiveness of its detergent and toilet cleaner products as key selling points to expand its marketing reach through digital platforms and marketplaces. Furthermore, its strategic operational location in a roadside shophouse area and proximity to shipping services must be optimally utilized to build a strong reseller network and accelerate product distribution to various regions.

ByTherefore, increasing consumer confidence and stable turnover will serve as key capital for penetrating larger market segments, particularly in the laundry sector and wholesale customers. Furthermore, by integrating logistics and digital marketing excellence, the company is expected to consistently and sustainably increase sales volume and expand market share.

4. CONCLUSION

The research results show that product innovation plays a crucial role in increasing sales for MSMEs, particularly CV Isekai Auto Cleaner. This innovation encompasses not only additional services but also improved work quality, the use of more modern equipment, and tailoring services to customer needs. These efforts help businesses survive amidst increasingly fierce competition in the service industry.

The implementation of these innovations has a positive impact on consumer interest and satisfaction. Services with better quality and added value tend to be more popular, thus encouraging repeat purchases and recommendations, which ultimately leads to increased sales.

This research also shows that innovation doesn't always require significant investment. Improving existing services, if implemented consistently and in line with market needs, can still yield tangible results. Overall, product innovation is an effective strategy for increasing competitiveness.

Thus, it can be concluded that CV Isekai Auto Cleaner has great potential to continue to grow if it is able to manage its strengths, such as product quality, online marketing, reseller networks, and strategic business locations, while simultaneously improving internal weaknesses and anticipating external threats in a planned and effective manner.maintaining the sustainability of CV Isekai Auto Cleaner's business

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