

TABLE OF CONTENTS

<i>TITLE PAGE</i>	<i>i</i>
ENDORSEMENT PAGE	<i>ii</i>
STATEMENT PAGE	<i>iii</i>
<i>PREFACE</i>	<i>iv</i>
<i>ABSTRAK</i>	<i>vi</i>
<i>ABSTRACT</i>	<i>vii</i>
<i>TABLE OF CONTENTS</i>	<i>viii</i>
<i>LIST OF TABLES</i>	<i>xi</i>
<i>LIST OF FIGURES</i>	<i>xii</i>
<i>CHAPTER I INTRODUCTION</i>	<i>1</i>
1.1 Overview of Research Objects	1
1.2 Research Background.....	3
1.3 Problem Formulation.....	9
1.4 Research Objectives	9
1.5 Research Purposes.....	10
1.6 Aims of Research	10
1.7 Systematically Writting	10
<i>CHAPTER II LITERATURE REVIEW</i>	<i>12</i>
2.1. Theory Based on Research.....	12
2.1.1. Innovation Strategy.....	12
2.1.2. Product Innovation.....	13
2.1.3. Marketing Innovation.....	14
2.1.4. Process Innovation.....	14
2.1.5. Performance.....	15
2.1.6. Micro, Small, and Medium Enterprises (MSMEs).....	16
2.2. Previous Research.....	17
2.3. Research Framework	28
2.4. Research Hypothesis.....	30

<i>CHAPTER III RESEARCH METHODOLOGY</i>	31
3.1. Research Characteristics	31
3.2. Operationalization of Variables.....	32
3.3. Population and Sample	36
3.3.1. Population.....	36
3.3.2. Sample.....	36
3.4. Data Collection.....	37
3.5. Research Stages	35
3.6. Validity Test and Reliability Test.....	38
3.6.1. Validity Tests.....	38
3.6.2. Reliability Tests	39
3.7. Data Analysis Techniques.....	39
3.7.1. Descriptive Analysis	39
3.7.2. Classic Assumption Test	39
3.7.3. Multiple Linear Regression Analysis.....	41
3.7.4. Hypothesis test.....	41
 <i>CHAPTER IV RESEARCH RESULTS AND DISCUSSION</i>	 44
4.1. Respondent Characteristic.....	44
4.1.1. MSME Business	44
4.1.2. Long Standing MSMEs.....	44
4.2. Research Result	45
4.2.1. Descriptive Statistical Analysis	45
4.2.2. Classical Assumption Test	52
4.2.3. Multiple Linear Resgression Analysis	56
4.2.4. Hypotesis Test	58
4.3. Discussion Of Research Result	61
4.3.1. Hypotesis Test (H1): The influence of product innovation has a significant effect on MSME performance	61
4.3.2. Hypotesis test (H2): The influence of marketing innovation has a significant effect on the performance of MSMEs.....	62

4.3.3. Hypotesis Test (H3): The influence of process innovation has a significant effect on MSME performance	62
<i>CHAPTER V CONCLUSION AND SUGGESTION</i>	64
5.1 Conclusion.....	64
5.2 Suggestion	64
5.2.1 Suggestion for MSMEs	64
5.2.2 Suggestion For Next Research.....	65
<i>BIBLIOGRAPHY</i>	66