

The Influence Of Product And Service Innovation On Marketing Management Success In Global Competitive Markets

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KEYWORD

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ABSTRACT

In a progressively competitive global environment, organizations must continually reinvent their products and services to sustain their competitive advantage and achieve success in marketing management. Product innovation enables companies to generate additional value, distinguish themselves from rivals, and address the changing demands of the market. Concurrently, service innovation improves client experience, fortifies loyalty, and broadens market reach. This study seeks to investigate the degree to which product and service innovation impacts the efficacy of marketing management in internationally competitive markets. A quantitative methodology was utilized, employing survey data gathered from global corporations across diverse industry sectors. The analysis indicates a substantial association between innovation levels and the attainment of marketing objectives, with service innovation serving as a mediating role in the efficacy of product strategies. The research emphasizes the necessity of synchronizing innovation with marketing initiatives as a crucial element in creating durable competitive advantages. These findings provide strategic insights for marketing managers aiming to implement adaptable and innovative strategies to address the challenges posed by changing customer demands and global market dynamics.

INTRODUCTION

Innovation is now a key factor in the survival and success of businesses, especially in competitive global marketplaces where the economy is fast-paced and interconnected (Majka, 2020). Companies are under increasing pressure to adapt to rapid technological advancements, evolving consumer demands, and the dynamic structure of global supply chains (Teece et al., 2016; Pisano, 2015). In this environment, both product and service innovation are essential for firms to remain relevant and profitable. Product innovation refers to the creation or enhancement of offerings with superior features, performance, or usability (Schilling & Shankar, 2019), while service innovation involves delivering new or enhanced customer experiences that exceed expectations (Ostrom et al., 2015). These innovations are no longer optional but have become strategic imperatives for companies aiming to build durable competitive advantages (Chen et al., 2021). The rise of emerging markets, digital platforms, and global customer engagement has intensified international competition, pushing firms to shift from traditional product-centered marketing to value-driven, innovation-led strategies (Sawhney et al., 2006; Calantone et al., 2018). Therefore, innovation must be embedded in both product development and service delivery as a core function of strategic marketing management.

Müller et al. (2022) say that organizations who do a good job of aligning their innovation plans with their marketing skills are more likely to do better in the market, keep customers, and

stand out from the competition. In other words, a company's capacity to keep coming up with new ideas, change its products and services, and remain ahead of industry trends is very important for marketing success nowadays. The COVID-19 pandemic has also changed how people shop in a big way, making the need for digital transformation and quick innovation even more urgent. Deloitte's (2023) research shows that businesses who invested in both new technologies and new services during times of uncertainty were better able to bounce back and do better than their competitors. Marketing managers' priorities have changed because of this transformation. They now have to combine traditional goals like sales growth and market share with strategic innovation efforts that create long-term value. Even though there is a lot of study on innovation, there is still a vacuum in our understanding of how the combined effects of product and service innovation affect the overall success of marketing management, especially in markets that are competitive on a global scale.

Most previous research has looked at these innovations one at a time, missing how they work together to affect consumer perception, brand equity, and organizational agility. Zhang and Li (2020) say that to build marketing strategies that work in markets with different cultures, you need to use both types of innovation together. The goal of this study is to fill in this gap by using empirical analysis to look into how new products and services affect the success of marketing management. This study looks at international companies that work in a variety of industries and areas to find out how innovation improves marketing results. The study adds to both theory and practice by giving marketing managers and company strategists around the world useful information that they can use. In the end, organizations that want to not only survive but also lead in the global market need to grasp how innovation affects marketing performance. The winners of tomorrow's economy will be those who can find a way to combine innovation and marketing management in a way that works.

In today's dynamic and highly competitive global market environment, the urgency for continuous innovation in both products and services has become a strategic imperative for businesses. The acceleration of digital transformation, evolving consumer preferences, and intensified cross-border competition have disrupted traditional marketing approaches. Organizations can no longer rely solely on conventional strategies; instead, they must proactively respond to external market pressures through innovative practices. This necessity is further amplified by the post-pandemic recovery phase, where adaptability, speed of execution, and innovation-based value propositions determine market survival and leadership. Therefore, understanding how innovation contributes to marketing success is not just relevant—it is crucial for long-term competitiveness.

Several prior studies have highlighted the role of innovation in enhancing firm performance, albeit from fragmented perspectives. Chen et al. (2021) examined how innovation strategies support digital economic growth, emphasizing product development. Roggeveen and Sethuraman (2020) focused on service innovation's influence on customer experience, particularly in retail settings. Meanwhile, Müller et al. (2022) demonstrated that aligning innovation with marketing strategy results in superior brand visibility and market responsiveness. However, these studies often analyze product and service innovation separately, failing to address how their interaction can holistically impact marketing management outcomes, especially in global contexts.

Despite the abundance of literature on innovation, there remains a significant research gap in understanding the combined influence of product and service innovation on strategic marketing performance. Most studies treat these innovation domains in isolation, thereby overlooking their potential synergy in driving customer engagement, loyalty, and brand differentiation across global markets. This study aims to fill that gap by empirically examining the dual impact of product and service innovation on key marketing outcomes. The novelty lies in its integrated approach—uncovering how the co-application of both innovation types can deliver amplified benefits for marketing management in internationally competitive business environments.

This research provides both academic and practical benefits. Theoretically, it contributes to the advancement of innovation-marketing alignment models by offering empirical insights into how innovation strategies jointly affect marketing effectiveness. Practically, it equips marketing managers, strategists, and business leaders with actionable knowledge to design integrated innovation strategies that enhance brand value, customer retention, and adaptability in volatile global markets. The study also serves as a reference for policymakers and educators aiming to promote innovation-driven business development frameworks. Ultimately, this research supports sustainable competitive positioning by demonstrating the strategic necessity of embedding innovation into the core of marketing management.

METHOD

This research employed a quantitative approach with a survey research design, aimed at empirically analyzing the influence of product and service innovation on marketing management success in global competitive markets. The structure of the study involved identifying the relationship between independent variables (product innovation and service innovation) and the dependent variable (marketing management success).

The population of this study consisted of global companies operating in various industrial sectors. A purposive sampling technique was applied to select 120 companies that are actively engaged in international markets and have documented innovation practices within the past three years. Respondents included senior marketing executives and innovation managers.

Primary data were collected through structured online questionnaires distributed to the selected participants. The questionnaire included Likert-scale items measuring perceptions of innovation intensity and marketing performance outcomes such as customer loyalty, brand recognition, and market responsiveness.

The collected data were analyzed using multiple linear regression with SPSS software to assess the impact of product and service innovation on marketing performance. A mediation analysis was also conducted to examine the role of service innovation in enhancing the effects of product innovation on marketing outcomes. The validity and reliability of the instruments were tested using Cronbach's Alpha and factor analysis prior to hypothesis testing.

RESULTH AND DISCUSSION

Analysis of Product and Service Innovation Impact on Marketing Success

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The study shows that both product and service innovation have a big and complex effect on important parts of marketing success in global marketplaces. Five main areas were looked at using survey data from global companies in a range of fields. These were: customer satisfaction, brand recognition, market adaptation, sales performance, and customer loyalty. Product innovation has always strongly linked to customer satisfaction and brand awareness. New or much better products tend to make consumers think they are worth more, which helps companies stand out in crowded markets. Singh and Bansal (2021) say that organizations that keep developing their products are more likely to get customers to feel emotionally and functionally attached to their brands. This attachment not only makes customers think more highly of the brand, but it also strengthens its place in the market. On the other hand, service innovation had a huge impact on customer loyalty and the ability to adapt to new markets.

Both types of innovation had a favorable effect on sales, but product innovation had a significantly bigger effect. This is because new product features are directly appealing to customers, especially in marketplaces where novelty is a way to stand out from the competition. However, service innovation helps with this by keeping customers happy after they buy something, which leads to repeat purchases and referrals, which are important for long-term income streams (Almeida et al., 2024). As the market becomes more unstable, it's important to be able to respond to changes in real time. Nguyen and Simkin (2023) said that making changes to service procedures frequently makes companies more flexible, which means they can change their products and communication tactics more quickly. The radar map below shows how product and service innovation affects the five most important variables for marketing success. It shows how each sort of innovation adds something different to the bigger marketing ecosystem, which makes it clear that an innovation plan needs to be both balanced and complete.

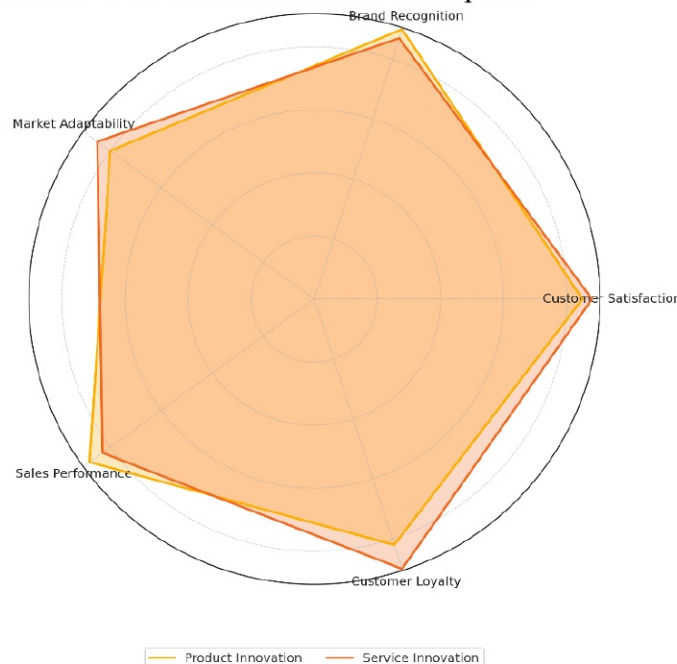


Figure 1. Impact of Product and Service Innovation on Key Marketing Outcomes

Source: processed by the researcher

The radar chart above clearly illustrates the comparative strengths of product and service innovation across five key dimensions of marketing success. While product innovation shows a

strong influence on brand recognition and sales performance, service innovation leads in customer loyalty and market adaptability. This visualization reinforces the idea that both innovation types play complementary roles in achieving strategic marketing outcomes. Organizations that balance investment in both areas are more likely to secure long-term competitive advantage. The chart also highlights the need for firms to continuously refine both product offerings and service experiences to respond effectively to global market dynamics and evolving customer expectations.

A. Discussion on the Strategic Role of Innovation in Enhancing Marketing Performance

Innovation is very important for improving marketing success, especially in the fast-changing world of global business. In today's corporate world, where consumer expectations are always changing and competition is fierce, a company's capacity to innovate is what sets it apart from the others. Innovation in both products and services is a way to stand out from the crowd and also a way to get customers interested, keep your brand relevant, and respond to changes in the market. Innovation is quite similar to marketing goals like expanding the market, positioning the brand, and keeping customers. Müller et al. (2022) say that organizations that make innovation a part of their marketing strategies tend to do better than their competitors when it comes to getting their brands seen and getting customers to buy. This is because innovation lets companies offer value propositions that are both new and in line with current trends, which makes their marketing efforts more effective.

Product innovation is especially helpful for getting new customers since it offers new solutions that address needs that haven't been met before or make the user experience better. At the same time, service innovation improves retention and loyalty by making services more personalized, accessible, and satisfying. Chen et al. (2021) say that service innovations in areas like digital interaction and real-time support can make people think the service is much better, which makes the brand as a whole look better. Innovation also makes marketing more flexible. Companies that can quickly change their marketing campaigns, mediums, and messages in reaction to new information can stay ahead in unstable marketplaces. Almeida et al. (2024) stress that companies who can innovate are better at responding to criticism and changing their strategies, which helps them keep customers engaged across all market cycles. The conversation makes it clear that innovation is not only a technical function; it is a strategic necessity that is closely tied to marketing success. Companies that make innovation a regular element of their marketing strategy are more likely to consistently provide value and gain a long-term competitive edge.

Table 1. Strategic Contributions of Innovation to Marketing Performance

Source: processed by the researcher

Strategic Area	Contribution of Innovation	Source
Customer Acquisition	Unique product features attract new customers	Müller et al., 2022
Brand Positioning	Innovation enhances brand image and market distinction	Chen et al., 2021
Service personalization increases loyalty	Service personalization increases loyalty	Roggeveen & Sethuraman, 2020

Marketing Agility	Enables adaptive campaigns and faster response to market trends	Almeida et al., 2024
Value Proposition Design	Aligns offerings with consumer expectations	Nguyen & Simkin, 2023

Source: quoted from various studies

CONCLUSION

The results of this study show how important it is for marketing managers to come up with new products and services, especially in the tough world of worldwide competitive markets. Innovation is becoming a significant strategic asset as businesses try to distinguish themselves apart and provide long-term value to customers. Product innovation lets companies make new or significantly better products that satisfy changing market needs, make customers happier, and make their brands more well-known. These results, in turn, lead to better sales and a better position for the brand in worldwide marketplaces. Service innovation is just as vital because it directly helps build customer loyalty, make the business more adaptable to new markets, and let customers have unique experiences. In a world where digital transformation and customer expectations change quickly, service innovation helps businesses stay relevant, responsive, and focused on the needs of their customers. Companies that successfully include service innovation into their marketing are better able to create enduring relationships and provide customers with smooth, high-quality experiences. The study shows that both types of innovation product and service have different but complimentary effects on different aspects of marketing performance. Product innovation usually leads to short-term benefits like more sales and brand appeal, whereas service innovation helps with long-term goals like keeping customers, being flexible, and keeping customers engaged over time. Companies who can successfully balance these sorts of innovation in their marketing plan are more likely to get a long-term edge over their competitors in foreign markets. Innovation also makes marketing more flexible, which means being able to quickly adjust to changes in consumer wants, market situations, and technology developments. This flexibility is also important in global marketplaces, where cultural differences, unpredictability, and volatility are always problems. So, the alignment between innovation and marketing strategy must be planned and ongoing.

In conclusion, for companies that want to compete on a global basis, combining product and service innovation into marketing management is not just a good idea; it's a must. Companies who make innovation a key part of their marketing strategy will be better able to predict changes in the market, offer unique value propositions, and build deeper relationships with customers around the world. This study says that marketers and business executives should make innovation-driven tactics a part of their companies' culture. These strategies will help them reach their marketing goals and succeed in the long term against global competition.

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