

ABSTRACT

MSMEs (Micro, Small, and Medium Enterprises) are one of the important sectors in the Indonesian economy. Because Tulungrejo Village is a village that has a lot of tourism, it is very important for MSME players in Tulungrejo Village to increasingly prioritize new product development. Customer orientation is interrelated with MSMEs because MSMEs need customer orientation to succeed and survive in a highly competitive market. In addition, when MSME players conduct new product development, this can also improve customer orientation. A good product development process requires a deep understanding of customer needs and wants, so MSMEs need to continuously communicate with customers, collect feedback, and make adjustments to the products being developed. MSMEs that successfully develop new products can increase their competitiveness and business growth in an increasingly competitive market. By implementing new product development, MSMEs can face competition in an increasingly fierce market and meet customer needs that continue to change with the times. The purpose of this research is to assist MSMEs in knowing the needs and desires of customers. In addition, it is also hoped that MSMEs can continue to innovate to develop ideas both in making new products and renewing old products. This study uses quantitative methods and the data source in this study uses a questionnaire filled out by 66 respondents from MSMEs in Tulungrejo Village. This study found that there is a positive influence of customer orientation on new product development in MSMEs with moderating environmental factors in Tulungrejo Village.

Keywords: Customer Orientation, New Product Development, Environmental Factor, MSMEs.