

ABSTRACT

The beauty industry in Indonesia has been rapidly growing, with many new brands emerging. In this highly competitive industry, the success of new products largely depends on the right marketing strategies. This study aims to analyze the effect of market orientation on new product success at Wardah, with product innovation as a mediating variable. A good market orientation helps companies understand consumer needs and respond to market dynamics, while product innovation is key to developing products that are relevant and accepted by the market. This research uses a quantitative approach with a survey method, involving 385 Wardah consumers in Java Island. The collected data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) to test the relationships among the variables.

The findings show that market orientation has a positive and significant impact on product innovation and new product success. Moreover, product innovation significantly mediates the relationship between market orientation and new product success. This study contributes theoretically by enriching the understanding of the relationship between market orientation, product innovation, and new product success in the beauty industry. Practically, companies are advised to strengthen market orientation and continue innovation efforts to improve the competitiveness of new products in the dynamic market. The study also provides recommendations for companies to focus more on market research in developing new products that align with consumer needs.

Keywords: *Market Orientation, Product Innovation, New Product Success, Beauty Industry, Wardah*