

THE EFFECT OF ENTREPRENEURIAL ORIENTATION ON COMPETITIVE ADVANTAGE WITH PRODUCT INNOVATION AS A MEDIATION VARIABLE

Iklima Septiani¹, Tetty Sufianty Zafar², Sopyan Saori³

^{1, 2, 3} Program Studi Administrasi Bisnis, Fakultas Ilmu Sosial, Universitas Muhammadiyah Sukabumi (UMMI), Jawa Barat, Indonesia

¹ iklimaseptiani@ummi.ac.id, ² tetty@ummi.ac.id, ³ sopyansaori@ummi.ac.id

Abstract

The rapid growth of the coffee shop industry in Sukabumi City has created increasingly fierce business competition. To face these challenges, business actors need to have superior strategies supported by entrepreneurial orientation and product innovation. This study aims to analyze the effect of entrepreneurial orientation on competitive advantage with product innovation as a mediating variable. This study uses a quantitative approach with a census technique on 42 coffee shop owners in Sukabumi City. Data collection was carried out through a questionnaire using a Likert scale, and analyzed using the Partial Least Squares-Structural Equation Modeling (PLS-SEM) method using SmartPLS software. The results show that entrepreneurial orientation has a significant effect on product innovation, and product innovation has a significant effect on competitive advantage. In addition, product innovation has been proven to significantly mediate the relationship between entrepreneurial orientation and competitive advantage. These findings indicate that the success of coffee shops in building competitive advantage is greatly influenced by the extent to which business owners are able to implement entrepreneurial orientation innovatively in product development.

Keywords: Entrepreneurial Orientation, Product Innovation, Competitive Advantage, Coffee Shop.

Abstrak

Pertumbuhan pesat industri coffee shop di Kota Sukabumi menciptakan persaingan bisnis yang semakin ketat. Untuk menghadapi tantangan tersebut, pelaku usaha perlu memiliki strategi unggul yang didukung oleh orientasi kewirausahaan dan inovasi produk. Penelitian ini bertujuan untuk menganalisis pengaruh orientasi kewirausahaan terhadap keunggulan bersaing dengan inovasi produk sebagai variabel mediasi. Penelitian ini menggunakan pendekatan kuantitatif dengan teknik sensus terhadap 42 pemilik coffee shop di Kota Sukabumi. Pengumpulan data dilakukan melalui kuesioner menggunakan skala Likert, dan dianalisis dengan metode Partial Least Squares-Structural Equation Modeling (PLS-SEM) melalui software SmartPLS. Hasil penelitian menunjukkan bahwa orientasi kewirausahaan berpengaruh signifikan terhadap inovasi produk, dan inovasi produk berpengaruh signifikan terhadap keunggulan bersaing. Selain itu, inovasi produk terbukti mampu memediasi secara signifikan hubungan antara orientasi kewirausahaan terhadap keunggulan bersaing. Temuan ini mengindikasikan bahwa keberhasilan coffee shop dalam membangun keunggulan bersaing sangat dipengaruhi oleh sejauh mana pemilik usaha mampu mengimplementasikan orientasi kewirausahaan secara inovatif dalam pengembangan produk.

Kata kunci: Orientasi Kewirausahaan, Inovasi Produk, Keunggulan Bersaing, Coffee Shop.



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INTRODUCTION

In recent years, the coffee shop industry in Indonesia has experienced rapid growth. Data from the Indonesian Coffee and Chocolate Entrepreneurs Association (APKCI) indicates that by 2023, the number of coffee shops in Indonesia is projected to exceed 10,000. This growth is driven by lifestyle changes, particularly among the younger generation, who are increasingly viewing coffee shops not only as a place to enjoy a drink but also as a space to work, socialize, and be creative. This creates both opportunities and challenges for businesses in maintaining their presence and attracting customers sustainably.

Sukabumi City is one of the areas with significant culinary business development, including in the coffee shop sector. According to Sukabumi City Open Data (2024), the number of cafes and coffee shops in the city is shown in the following table:

Table 1. Data on the Number of Cafes and Coffee Shops in Sukabumi City

Type of business	Number of Units
Cafe	165 units
Coffee Shop	42 units

Although coffee shops comprise only a small portion of the total cafe business, they have their own unique growth and appeal, particularly among the younger generation. Coffee shops offer more than just coffee drinks; they also offer an atmosphere and experience that are integral to the urban lifestyle. This makes coffee shops a relevant research topic in the context of business competition and competitive advantage strategies. Businesses in this region face key challenges: intense competition and the need to continually provide added value in their products and services. This creates intense competition, pushing businesses to develop superior strategies to survive and thrive.

Therefore, coffee shop owners in Sukabumi are required to have the right business strategy to survive and thrive. One key strategy is through entrepreneurial orientation, which reflects the ability of business actors to be innovative, proactive, and willing to take risks. This approach is believed to create added value and respond quickly to market changes. However, entrepreneurial orientation does not always have a direct impact on competitive advantage without product innovation as an intermediary bridging creativity with market needs.

Competitive advantage is an important factor for coffee shops to survive and grow. Competitive advantage can be achieved through various strategies, one of which is by having a strong entrepreneurial orientation. In the era of globalization and rapid technological development, companies are required to have a sustainable competitive advantage. One way to achieve

competitive advantage is through entrepreneurial orientation, which refers to the company's ability to recognize market opportunities and adapt to change. According to (Pattipeilohy 2018) competitive advantage is the value that a company is able to create for its consumers by offering products or services that are superior to competitors, both in terms of quality, innovation, price, and customer experience. According to Nizam, Mufidah, and Fibriyani¹ Competitive advantage is the heart of a company's performance in a competitive market. Competitive advantage will build the ability to perform activities better than competitors or more effectively than competitors. Competitive advantage is the ability of a business to create a competitive advantage in order to compete with competitors. According to Dalimunthe² Competitive advantage is not just a business's ability to survive in the market, but also how the business can create unique and sustainable advantages to remain better than its competitors.

On the other hand, product innovation is also a key factor in attracting customers. Coffee shops that are able to present new menus or unique concepts can attract customers and create differentiation in the market. Product innovation also plays a crucial role in maintaining and improving a coffee shop's competitive position. Product innovation allows coffee shops to offer something different and unique to customers, thereby meeting their evolving needs and preferences. A study conducted by Novita, Mukhsin, and Satyanegara³. According to Purnama and Puspitowati⁴ identified that product innovation can act as a mediator between knowledge management and competitive advantage. This shows that product innovation not only functions as an independent element, but can also be a bridge connecting various strategic factors in achieving competitive advantage. In addition, research by Bakti, Rohman, and Sunaryo⁵ shows that product innovation has a significant influence on competitive advantage, which in turn has a positive impact on customer satisfaction.

Entrepreneurial orientation encompasses innovative, proactive, and risk-taking attitudes, enabling coffee shop owners to adapt to market trends, create creative marketing strategies, and

¹ Mohammad Fatih Nizam et al., "Pengaruh Orientasi Kewirausahaan Inovasi Produk Dan Keunggulan Bersaing Terhadap Pemasaran Umkm," *Jurnal EMA* 5, no. 2 (2020): 100–109, <https://doi.org/10.47335/ema.v5i2.55>.

² Muhammad Bukhori Dalimunthe, "Keunggulan Bersaing Melalui Orientasi Pasar Dan Inovasi Produk," *Jurnal Konsep Bisnis Dan Manajemen* 3, no. 1 (2017): 18–31, <https://doi.org/10.31289/jkbn.v3i2.357>.

³ Andrea Novita et al., "Pengaruh Inovasi Produk Dan Kualitas Produk Terhadap Keunggulan Bersaing Pada Coffee Shop Di Kota Serang Banten," *Tirtayasa Ekonomika* 19, no. 1 (2024): 56, <https://doi.org/10.35448/jte.v19i1.26424>.

⁴ Chandra Purnama and Ida Puspitowati, "Inovasi Produk Sebagai Mediator Knowledge Management Terhadap Competitive Advantage Coffee Shop," *Jurnal Manajerial Dan Kewirausahaan* 6, no. 3 (2024): 663–71, <https://doi.org/10.24912/jmk.v6i3.31599>.

⁵ Junida Putra Ananta Bakti et al., "Peran Keunggulan Bersaing Sebagai Mediasi Pengaruh Inovasi Dan Orientasi Pasar Terhadap Kepuasan Pelanggan," *Jurnal Bisnis Dan Manajemen* 5, no. 2 (2019): 181–90, <https://doi.org/10.26905/jbm.v5i2.2665>.

deliver added value to consumers. According to Novitasari and Widya, entrepreneurial orientation is the ability to create something new and different. Risk-taking is an entrepreneurial attitude that involves a willingness to commit resources and face challenges by exploiting or engaging in business strategies where the outcome is likely to be uncertain. However, although entrepreneurial orientation is believed to play a role in creating competitive advantage, there is still little research specifically discussing its impact on the coffee shop industry, especially in Sukabumi City. As a city experiencing economic growth and a potential market for culinary businesses, Sukabumi is an interesting location for further research. Therefore, this study aims to analyze the extent to which entrepreneurial orientation can impact competitive advantage in the coffee shop industry in Sukabumi City.

However, there are still limited empirical studies examining the relationship between these three variables in the context of the coffee shop industry, particularly in the Sukabumi region. Therefore, this study aims to analyze the influence of entrepreneurial orientation on competitive advantage, with product innovation as a mediating variable. The results of this study are expected to provide theoretical contributions to the development of entrepreneurship science and provide practical implications for business actors in developing competitive strategies relevant to local industry dynamics.

LITERATURE REVIEW

In previous research Widianita⁶ with the title *The Influence of Entrepreneurial Orientation on Competitive Advantage Moderated by Business Performance*, the results of this study found that this study found that entrepreneurial orientation has a significant influence on competitive advantage in coffee shops in Bondowoso Regency. Meanwhile, according to Fatmawati⁷ with the title *The Influence of Market Orientation, Entrepreneurial Orientation on Competitive Advantage and Marketing Performance at Warung Kucingan/Angkringan in Semarang City* The results of the study show that this study shows that entrepreneurial orientation has a positive and significant effect on competitive advantage and marketing performance at Warung Kucingan/Angkringan in Semarang City. Meanwhile, according to research Nugroho, Hartono, and Rizal⁸ entitled *The Influence of Market Orientation and Entrepreneurial Orientation on Competitive Advantage in the Bagusari Tempe Industrial Center in Lumajang*. The results of the study show that this study shows

⁶ Dkk Rika Widianita, "Pengaruh Orientasi Kewirausahaan Terhadap Keunggulan Bersaing Yang Dimoderasi Kinerja Bisnis," *AT-TAWASSUTH: Jurnal Ekonomi Islam* VIII, no. I (2023): 1–19.

⁷ R. A. Fatmawati, "Pengaruh Orientasi Pasar, Orientasi Kewirausahaan Terhadap Keunggulan Bersaing Dan Kinerja Pemasaran Pada Warung Kucingan/Angkringan Di Kota Semarang," *Jurnal Ilmu Administrasi Bisnis* 5, no. 3 (2016): 351–52.

⁸ Aprilia Trisna Nugroho et al., "Pengaruh Orientasi Pasar Dan Orientasi Kewirausahaan Terhadap Keunggulan Bersaing Pada Sentra Industri Tempe Bagusari Di Lumajang," *Journal of Organization and Business Management* 3, no. 3 (2021): 174–80.

that entrepreneurial orientation has a positive and significant influence on competitive advantage, while market orientation does not have a significant influence. In this study, Jannah, Irawati, and Purnomo⁹ with the title *The Influence of Entrepreneurial Orientation and Product Innovation on the Performance of Tuban's Typical Gedog Batik MSMEs* shows that entrepreneurial orientation has a positive and significant influence on product innovation, which has an impact on increasing the performance of Gedog Batik MSMEs in Tuban. Meanwhile, according to Rompis, Mananeke, and Lintong¹⁰ with the title *The Influence of Entrepreneurial Orientation, Product Innovation, and Competitive Advantage on Marketing Performance (Case Study of Wood Craft Business in Tagulandang District, Sitaro Regency)* This study states that entrepreneurial orientation has a positive and significant influence on product innovation, which contributes to improving the marketing performance of wood craft businesses. Meanwhile, according to research conducted by Nalendro Ikhsan Sandityo and Muafi¹¹ shows that entrepreneurial orientation has a positive and significant influence on product innovation, which contributes to improving the performance of MSMEs in Yogyakarta.

Competitive Advantage

According to Asnik Khuroida & Binti Maunah¹² Competitive advantage is a unique position a company develops in the face of competitors. Five dimensions are used to determine a company's competitive advantage: price, quality, reliable delivery, product innovation, and time to market.

Product Innovation

According to Riswanto et al.,¹³ Innovation involves taking creative ideas and developing them into new or improved products, services, or processes. Akob et al.,¹⁴ defining product innovation as a company's effort to create or improve products with the aim of increasing

⁹ Miftakhul Jannah et al., "Pengaruh Orientasi Kewirausahaan Dan Inovasi Produk Terhadap Kinerja UMKM Batik Gedog Khas Tuban," *Eco-Entrepreneurship* 5, no. 1 Juni 2019 (2019): 33–48.

¹⁰ Justicia Evangelistha Hermina Rompis et al., "Pengaruh Orientasi Kewirausahaan, Inovasi Produk Dan Keunggulan Bersaing Terhadap Kinerja Pemasaran (Studi Kasus Usaha Kerajinan Kayu Di Kecamatan Tagulandang Kabupaten Sitaro)," *Jurnal EMBA : Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi* 10, no. 3 (2022): 447, <https://doi.org/10.35794/emba.v10i3.40691>.

¹¹ Bagas Nalendro Ikhsan Sandityo and Muafi Muafi, "Pengaruh Orientasi Dan Inovasi Kewirausahaan Terhadap Kinerja Umkm Kuliner: Peran Mediasi Keunggulan Bersaing," *Value : Jurnal Manajemen Dan Akuntansi* 18, no. 3 (2024): 937–50, <https://doi.org/10.32534/jv.v18i3.5072>.

¹² Asnik Khuroidah and Binti Maunah, "Manajemen Sumber Daya Manusia (MSDM) Dalam Meningkatkan Competitive Advantage (Keunggulan Bersaing) Pada Lembaga Pendidikan Islam (LPI)," *Jurnal Administrasi Pendidikan Islam* 4, no. 2 (2022): 156–67, <https://doi.org/10.15642/japi.2022.4.2.156-167>.

¹³ Aulia Nurul Hikmah Ari Riswanto, Tetty Sufianty Zafar, M. Afdhal Chatra P, Elisha Sunijati, Budi Harto, Yoseb Boari, Putra Astaman, Muh. Dassir, *EKONOMI KREATIF : Inovasi, Peluang, Dan Tantangan Ekonomi Kreatif Di Indonesia*, n.d., 782.

¹⁴ Rezki Arianty Akob et al., "Inovasi Produk Dan Keunggulan Kompetitif: Studi Pada Usaha Catering Di Kota Makassar," *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)* 6, no. 3 (2022): 652–64, <https://doi.org/10.31955/mea.v6i3.2327>.

competitiveness and meeting market needs. There are three dimensions of product innovation, including: Line extensions, New products (me too product), Completely new products (new to the world product).

Entrepreneurial Orientation

Pratama et al.¹⁵ Entrepreneurial orientation is defined as the capacity of an organization to create and implement creative ideas to reach new markets and demonstrate business to gain competitive advantage.

According to Sartika & Handayani¹⁶, Entrepreneurial orientation is the character or characteristics of someone who has a strong effort to achieve an innovative idea that enters into a concrete business world and can develop it well. The specific dimensions of entrepreneurial orientation are three dimensions, namely innovation, proactiveness, and courage in taking risks.

RESEARCH METHODS

This study uses a quantitative approach with an associative research type. The population in this study is all coffee shop business actors in Sukabumi City. The sampling technique uses purposive sampling with the criteria of business actors who have been running a business for at least one year. The number of samples is 42 respondents. Based on this theory, a sample of 42 questionnaires will be distributed to Coffee Shop business actors in Sukabumi City. The sampling technique used in this study is purposive sampling. The sample criteria are Coffee Shop business actors in Sukabumi City, the position of business actors is the owner or manager or owner and manager of Coffee Shop in Sukabumi City and the Coffee Shop business is in Sukabumi City. The type of data is primary data. To collect data, the author conducted data collection directly with the field research method, namely in the form of distributing questionnaires to Coffee Shop business actors in Sukabumi City.

¹⁵ Mochamad Iqbal Pratama et al., "Analysis of Entrepreneurial Orientation and E-Commerce Adoption in Improving MSMEs Performance During the Covid-19 Pandemic Analisis Orientasi Kewirausahaan Dan Adopsi E-Commerce Dalam Meningkatkan Kinerja UMKM Pada Masa Pandemi Covid-19," *Management Studies and Entrepreneurship Journal* 3, no. 3 (2022): 1450–59.

¹⁶ Siva Sartika and Trustorini Handayani, "Pengaruh Strategi.Resource Based View Dan.Orientasi.Kewirausahaan Terhadap Keunggulan.Bersaing Di Sentra Jeans Cihampelas Bandung," *Journal of Economics, Management, Business and Accounting* 1, no. 1 (2021): 107–16, <https://doi.org/10.34010/jemba.v1i1.5024>.

RESULTS AND DISCUSSION

Validity and Reliability Test

Convergent Validity Test

The analysis results in the table show that the factor loading value obtained for each variable indicator, including product innovation, entrepreneurial orientation, and competitive advantage, is more than 0.7. Therefore, it can be concluded that the indicators used in each variable are declared valid as latent variables.

Table 2 Convergent Validity Test Table

No	Variables	Statement	Loading Factor	AVE
1	Superiority Compete	Y1	0.726	0.576
		Y2	0.752	
		Y3	0.742	
		Y4	0.729	
		Y5	0.815	
		Y6	0.797	
		Y7	0.725	
		Y8	0.757	
		Y9	0.794	
2	Product Innovation	M1	0.803	0.646
		M2	0.846	
		M3	0.768	
		M4	0.722	
		M5	0.891	
		M6	0.781	
		M7	0.791	
		M8	0.816	
3	Entrepreneurial Orientation	X1	0.713	0.580
		X2	0.763	
		X3	0.710	
		X4	0.720	
		X5	0.851	
		X6	0.776	
		X7	0.772	
		X8	0.757	
		X9	0.851	

No	Variables	Statement	Loading Factor	AVE
		X10	0.748	
		X11	0.702	

Discriminant Validity Test

Based on the analysis results in the table, it can be seen that the factor loading value obtained for each variable indicator, including product innovation, entrepreneurial orientation, and competitive advantage, is more than 0.7. Therefore, it can be concluded that the indicators used in each variable are declared valid as latent variables.

Table 3 Discriminant Validity Test Table

	Superiority Compete	Product Innovation	Entrepreneurial Orientation
Competitive Advantage	0.746		
Product Innovation	0.804		0.762
Entrepreneurial Orientation	0.694	0.759	0.752

Composite Reliability Test

Based on the table, it can be seen that the variables product innovation, entrepreneurial orientation and competitive advantage have Cronbach's alpha and composite reliability values greater than 0.7, so it can be concluded that all constructs are reliable and have high or good reliability values.

	Cronbach's alpha	Composite reliability
M. Product Innovation	0.921	0.925
X. Entrepreneurial Orientation	0.927	0.932
Y. Competitive Advantage	0.947	0.950

Coefficient of Determination Test

Based on the analysis results, an R-square value of 0.482 was obtained for the Product Innovation variable, which means that Entrepreneurial Orientation can explain 48.2% of the variation in Product Innovation. This value is included in the moderate influence category. The R-square value for the Competitive Advantage variable is 0.662, which indicates that Entrepreneurial

Orientation and Product Innovation together are able to explain 66.2% of the variation in Competitive Advantage, and is also included in the moderate influence category.

	R-square	R-square adjusted
M. Product Innovation	0.482	0.570
Y. Competitive Advantage	0.662	0.628

F2 test

The F-square value of the influence of entrepreneurial orientation on product innovation is 0.931, which shows that there is a large influence/effect of the entrepreneurial orientation variable on product innovation. The F-square value of the influence of entrepreneurial orientation on competitive advantage is 0.288, which shows that there is a large influence/effect of the entrepreneurial orientation variable on competitive advantage.

The F-square value of the influence of product innovation on competitive advantage is 0.311, which shows that there is a large influence/effect of the product innovation variable on competitive advantage.

	M. Innovation Product	Y. Advantages Compete
M. Product Innovation		0.288
X. Entrepreneurial Orientation	0.931	0.311

Hypothesis Testing

	Original sample (O)	T statistics (O/STDEV)	P values
M. Product Innovation -> Y. Excellence Compete	0.433	2,992	0.003
X. Entrepreneurship Orientation -> M. Product Innovation	0.694	7,207	0,000
X. Entrepreneurial Orientation -> M. Product Innovation -> Y. Competitive Advantage	0.301	2,697	0.007

The results of the analysis above show that:

1. The influence of product innovation on competitive advantage has a t-statistic value of $2.992 > 1.96$ and a p-value of $0.003 < 0.05$, so it is concluded that product innovation has a significant influence on competitive advantage.
2. The influence of entrepreneurial orientation on product innovation has a t-statistic value of $7.207 > 1.96$ and a p-value of $0.000 < 0.05$, so it is concluded that entrepreneurial orientation has a significant influence on product innovation.
3. The influence of entrepreneurial orientation on competitive advantage through product innovation obtained a t-statistics value of $2.697 > 1.96$ and a p-value of $0.007 < 0.05$, so it is concluded that product innovation can mediate the influence of entrepreneurial orientation on competitive advantage.

Discussion

Based on the test results, a t-statistic value of 2.992 was obtained, which is greater than the t-table value of 1.96, and a p-value of 0.003, which is smaller than the 0.05 significance level. Thus, it can be concluded that product innovation has a significant effect on competitive advantage in coffee shops in Sukabumi City.

These results indicate that the higher the level of product innovation implemented by a business, the greater the likelihood that the coffee shop will gain an advantage over its competitors. This product innovation can include developing new menu items, improving quality, creating attractive packaging, or creating unique presentations. Continuous innovation can create added value for consumers and strengthen a business's position amidst intense competition.

Based on the statistical test results, it was found that entrepreneurial orientation has a significant influence on product innovation. This is indicated by the t-statistic value of 7.207, which is greater than the t-table value of 1.96, and the p-value of 0.000, which is much smaller than the 0.05 significance level. Thus, the hypothesis stating that entrepreneurial orientation has a significant influence on product innovation is accepted.

These results indicate that the stronger a business owner's entrepreneurial orientation, such as risk-taking, proactiveness, and innovation, the greater their tendency to innovate their products. In the context of coffee shops in Sukabumi City, this innovation can include developing new menu items, creative product displays, unique presentations, or utilizing local ingredients to attract consumers.

Based on the test results, the t-statistic value obtained was $2.697 > 1.96$ and the p-value was $0.007 < 0.05$, which shows that product innovation is able to significantly mediate the influence of entrepreneurial orientation on competitive advantage.

These results indicate that entrepreneurial orientation not only has a direct impact but also indirectly influences competitive advantage through increased product innovation. This means that business owners with a strong entrepreneurial orientation, such as being willing to take risks, being proactive, and being innovative, are more likely to create new products or improve existing ones. This innovation then becomes a crucial factor in differentiating their businesses from competitors and creating a market advantage.

CONCLUSION

Based on the results of research that has been conducted regarding "the influence of entrepreneurial orientation on competitive advantage with product innovation as a mediating variable" on coffee shop business actors in Sukabumi City, it can be concluded that:

1. Based on the statistical results obtained from data processing using Smart PLS, although the entrepreneurial orientation indicator data is smaller than the competitive advantage indicator, entrepreneurial orientation still has a significant influence on competitive advantage. This can be explained because the significance of the relationship between variables is not only determined by the size of the average or indicator score, but by the strength of the relationship (path coefficient) and the level of consistency of the relationship between variables in all respondent data (for example, shown by T-statistics & P-values).
2. Based on the analysis, product innovation has a positive impact on competitive advantage. This means that the higher the level of innovation in product development, the greater the opportunity to gain a competitive advantage in the market. This emphasizes the importance of innovation as a strategy for maintaining business continuity amidst intense competition.
3. Based on the results of the analysis, this study found that Product Innovation acts as a mediator in the relationship between Entrepreneurial Orientation and competitive advantage, which has a very significant influence. This means that entrepreneurial orientation has a maximum influence on competitive advantage if it is realized through innovation.

SUGGESTION

The theoretical suggestions are:

1. This research provides empirical support for entrepreneurship theory, which states that entrepreneurial orientation has a positive influence on innovation and competitive advantage. Therefore, this research can serve as the basis for developing a conceptual model that links proactiveness, innovation, and risk-taking as key drivers in creating competitive advantage, particularly in the culinary MSME sector.

2. The research findings, which demonstrate that product innovation acts as a mediator in the relationship between entrepreneurial orientation and competitive advantage, provide a theoretical contribution to broadening our understanding of the role of innovation strategy. These findings can strengthen the literature emphasizing the importance of innovation as a key element in bridging entrepreneurial practice and achieving competitive advantage.
3. By studying a coffee shop in Sukabumi City as a case study, this research provides theoretical evidence that entrepreneurship and innovation theories are also relevant for application in the context of small businesses in the culinary services sector. Future researchers are encouraged to test the consistency of this theory in other business sectors or regions to broaden the generalizability of the findings and enrich the existing theoretical context.

As for practical suggestions, namely;

1. Coffee shop owners in Sukabumi City are advised to continuously develop their entrepreneurial orientation, such as proactively identifying opportunities, being willing to take risks, and being bold in creating new ideas. This can be achieved through business training, workshops, or joining an active and innovative entrepreneurial community.
2. To compete sustainably, coffee shop businesses need to regularly innovate their products, including menus, presentation, presentation, and packaging. This innovation will make their products more appealing to consumers and create added value that differentiates them from the competition.
3. Businesses are advised to formulate clear and sustainable competitive advantage strategies, for example, by prioritizing quality taste, service, atmosphere, or digital marketing technology. A consistent strategy tailored to local consumer needs will strengthen a business's position amidst intense competition.

RESEARCH LIMITATIONS

This study has several limitations that need to be considered, including:

1. The research was only conducted on coffee shop business actors in Sukabumi City, so the results cannot be generalized to coffee shops in other areas which may have different market characteristics, consumption culture, and levels of competition.
2. This study used a saturated sample of 42 coffee shop owners. This number is considered small enough to draw broader conclusions about the coffee shop industry as a whole.
3. The research focused only on three main variables: entrepreneurial orientation, product innovation, and competitive advantage. However, in practice, many other factors can also

influence competitive advantage, such as human resource quality, customer service, and the use of digital technology, which were not analyzed in this study.

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