How do Innovation and Entrepreneurial Orientation affect Competitive Advantage through Product Quality of Culinary Sector MSMEs?

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ABSTRACT
This study aims to analyze the influence of innovation and entrepreneurial orientation on competitive advantage through product quality in Micro, Small and Medium Enterprises (MSMEs) in the culinary sector in Makassar City. Data was collected from culinary MSMEs through questionnaire distribution surveys, and then analyzed using statistical methods. The research population is culinary MSMEs in the city of Makassar which amounts to 1500 MSMEs. While the sampling technique uses the Proportional Random Sampling technique, which is calculated using from Slovin with a sample result of 102 respondents or 22% of the population. These results show the importance of innovation, entrepreneurial orientation, and focus on improving product quality as a strategy to increase the competitive advantage of culinary MSMEs in Makassar City. The practical implication of this research is the importance of culinary MSMEs to continue to encourage innovation and entrepreneurial orientation and improve the quality of their products to win the competition in a competitive market.

Keywords: innovation, entrepreneurial orientation, competitive advantage, product quality

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1. INTRODUCTION

Micro, small, and medium enterprises (MSMEs) are one of the economic supports because MSMEs can absorb a lot of labor, increase Gross Domestic Product (GDP), reduce inflation rates and can grow the economy. The development of the number of MSMEs has increased over time. This shows that business interest from the community is increasing, then this increasing growth must be a serious concern through several parties, especially from the government in order to maintain the existence of MSMEs. The emergence of competition in the business world cannot be avoided, especially for MSMEs. Increasingly fierce competition requires every business actor to think about doing something that has a competitive advantage in its operations (Rakib et al., 2024).

The conditions of global competition being faced by micro, small and medium enterprises (MSMEs) in Indonesia are currently quite tight and complex, one of which is in the field of businesses engaged in culinary types. The tighter this competition, quite a lot of companies or MSMEs experience difficulties and even fail due to their inability to correct and improve themselves to be able to immediately survive in economic competition. In the business world, competition is indeed something that cannot be avoided. With competition, companies or MSMEs will meet various threats and opportunities, therefore every company or MSME is required to always understand and understand to continue to innovate and understand consumer desires and
consumer needs and the changes that must be made in order to be able to compete with other companies or MSMEs that are competitors.

Innovation is a tendency to increase new elements or new combinations of previous technology, products, or management used for new knowledge (Wijaya et al., 2019). Product innovation will bring up several product designs, so it adds alternative choices, adds value or benefits to consumers, which can then increase product quality in line with what consumers want. Innovation is very important for a company. Product innovation is one of the influences of rapid technological transformation, the rapid advancement of technology and the high level of competition require each company to always carry out product innovation which can then increase the competitive advantage of the company (Fitria et al., 2022). Companies make product innovations with several types of product designs, then add alternative choices, increase the value or benefits obtained by consumers, for this reason product innovation is one of the ways companies maintain competitive advantage.

Innovation itself is defined as taking creative ideas and turning them into useful products or work methods (Lestari et al., 2016). In creating a product, innovation is needed to differentiate the product from its competitors and what makes the product far superior to other similar products. A company is required to be more innovative in producing a product to attract consumers to buy the product. Innovation is one of the important things that must always be applied by a company if it does not want to lose its customers. With product innovation, it can provide more choices for consumers and provide choices that suit their "tastes" (Ernawati, 2019). A company must create an innovation in each of its products, so that consumers do not feel bored with existing products.

Another factor that can determine competitive advantage is entrepreneurial orientation, which is called a new approach to renewing firm performance. Entrepreneurial orientation and entrepreneurship have differences. According to Hatta (2015), entrepreneurship is defined as a new entry that can be done by entering a fixed market or a new market with existing or new products/services or launching a new company. Entrepreneurial orientation is a pioneer to achieve sustainable economic development of the company and has high competitiveness. Companies with an entrepreneurial orientation will always try to create more innovative baru products and courage when dealing with risks.

In addition to innovation and entrepreneurial orientation, product quality also affects competitive advantage. Product quality can generally be described as the characteristics of a product that support its ability to meet customer needs standards or producer feasibility standards. Product quality is the characteristic of a product or service that bears on its ability to satisfy stated or implied customers, which means product quality is a characteristic of a service or product that provides potential in meeting consumer needs (Kodler & Armstrong, 2015: 253). Product quality can be measured using appearance, results, suitability, and expertise. In accordance with the explanation (Tjiptono & Gregorius, 2016: 117) quality is the desired level of quality and diversity control to achieve that quality to meet customer needs. With good product quality, it is hoped that customers will increase and not lose old customers. On the other hand, the presence of product quality will make consumer desires materialize and this can affect the competitive advantage of a company. Competitive advantages in the small and medium enterprise (MSME) sector will determine business sustainability. In the turbulence of high business competition, every businessman is required to present a competitive advantage, including through product innovation strategies and market orientation.

The several factors above, MSMEs are very influential on innovation, entrepreneurial orientation, competitive advantage, and product quality. By innovating products to achieve competitive competitiveness. Good innovation is product or process innovation that can increase the potential of MSMEs to produce higher quality products (Elfahmi & Jatmika, 2019). Good product quality will increase the competitive advantage of MSMEs which then has an influence on MSMEs. In addition to innovation, entrepreneurial orientation is also very influential on MSMEs
because by carrying out entrepreneurial orientation, they will have the ability to make stronger innovations compared to other MSME actors. Competitive advantage is also very influential on MSMEs through product innovation and market orientation which can increase competitive advantage with other MSME players. Product quality is also very influential on MSMEs where product quality can provide satisfaction to consumers/retailers.

2. METHOD

2.1. Research Model and Hypothesis

This research uses a quantitative approach with several variables that will be tested for influence with the results of data in the form of numbers (Arnata, 2015). Quantitative research is research by testing objective theories by analyzing the relationship between variables (Creswell, 2013). This type of quantitative research always has descriptive questions about the dependent and independent variables and questions about how the relationship between the dependent and independent variables. Hypotheses are tested using Path Analysis. The following is the research design.

![Figure 1. Research Design](image)

Based on Figure 1 above, this research is a descriptive explanatory study which means describing the influence between the variables being examined. Descriptive means explaining and analyzing research variables, namely innovation variables (X1), entrepreneurial orientation (X2), product quality (Y) and competitive advantage (Z). While explaining means looking for causal influences between research variables through hypotheses. The causal effect is the direct effect between Innovation (X1), Entrepreneurial Orientation (X2) on Competitive Advantage (Z). As well as the indirect effect of Innovation (X1), Entrepreneurial Orientation (X2) on product quality (Y) through Competitive Advantage (Z) in culinary MSMEs in Makassar city.

The research design is also based on COR theory and JD-R theory as well as relevant previous research. So that researchers can hypothesize direct and indirect effects in this study. More details can be seen through the following hypothesis summary table.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Innovation has a positive and direct effect on Competitive Advantage</td>
</tr>
<tr>
<td>H2</td>
<td>Innovation has a positive and direct effect on Product Quality</td>
</tr>
<tr>
<td>H3</td>
<td>Entrepreneurial Orientation has a positive and direct effect on Competitive Advantage</td>
</tr>
</tbody>
</table>

https://journal.unm.ac.id/index.php/PEREV/index
Entrepreneurial Orientation has a positive and direct effect on Product Quality

Product Quality has a positive and direct effect on Competitive Advantage

Innovation has a positive and indirect effect on Competitive Advantage through Product Quality

Entrepreneurial Orientation has a positive and indirect effect on Competitive Advantage through Product Quality

Based on table 1 above, this research has 7 hypotheses. The hypothesis will test the direct effect of innovation (X1) on product quality (Y), the direct effect of innovation (X1) on competitive advantage (Z), the direct effect of entrepreneurial orientation (X2) on competitive advantage (Z), entrepreneurial orientation (X2) on product quality (Y), the direct effect of competitive advantage (Z) on product quality (Y), the indirect effect of innovation (X1) on product quality (Y) through competitive advantage (Z), and the indirect effect of entrepreneurial orientation (X2) on product quality (Y) through competitive advantage (Z).

2.2. Population and Sample

The population in this study were several MSMEs in Makassar city. While the sampling technique uses the Proportional Random Sampling technique, which is calculated using Sloving with a sample size of 102 respondents or 6.8% of the total population. The number of samples used is taken from the Slovin formula as follows.

\[
n = \frac{N \times E^2}{1 + N \times E^2}
\]

\[
n = \frac{427 \times (0.089)^2}{1 + 427 \times (0.089)^2}
\]

\[
n = 142,523
\]

Description:

n : Total sample
N : Total Population
E : Error Rate of 9.6% = 0.096

2.3. Data Collection

Data collection was carried out by determining the research subjects, namely MSME actors in Makassar city using a questionnaire. The questionnaire used is a closed questionnaire using digital media or often referred to as google form while the scale used is a Likert scale. Scoring uses a Likert scale with 5 alternative answers, namely: Strongly Disagree: 1, Disagree: 2, Moderately Agree: 3, Agree: 4, and Strongly Agree: 5. Furthermore, the data were analyzed using the Statistical Package for The Social Science application or what is now better known as Statistical Product and Service Solutions (SPSS) version 27. The data analysis used in this study consists of descriptive statistical data analysis, classical assumption tests, and path analysis.

3. RESULTS AND DISCUSSION

3.1. Research Results

3.1.1. Hypothesis Testing

Hypothesis testing is used to test the effect of exogenous variables directly and indirectly on endogenous variables. The hypothesis is accepted or rejected based on the criteria if the p-
value <0.05 then H0 is accepted, or it is stated that the regression coefficient obtained is significant. The results of hypothesis testing of direct and indirect effects can be seen through the following table.

**Table 2. Indirect Hypothesis Testing Results**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.884</td>
<td>.781</td>
<td>.774</td>
<td>1.50486</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Product Quality, Entrepreneurial Orientation, Innovation

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>-1.266</td>
<td>1.419</td>
<td>-.892</td>
<td>.375</td>
</tr>
<tr>
<td>Innovation</td>
<td>.247</td>
<td>.070</td>
<td>.265</td>
<td>3.519</td>
</tr>
<tr>
<td>Entrepreneurial Orientation</td>
<td>.243</td>
<td>.115</td>
<td>.146</td>
<td>2.110</td>
</tr>
<tr>
<td>Product Quality</td>
<td>.570</td>
<td>.061</td>
<td>.585</td>
<td>9.417</td>
</tr>
</tbody>
</table>

As for obtaining the effect of error (e1), the formula is used:
\[ e1 = \sqrt{1 - R^2} = \sqrt{1 - 0.774^2} = 0.475 \]

Y = β3 X1 + β4 X2 + e2
Y = 0.265 X1 + 0.146 X2 + 0.585 Z + 0.475

The coefficient of determination of 0.475 shows the direct effect of innovation, entrepreneurial orientation, and product quality on variable Y entrepreneurial interest of 47.5% while 52.5% is influenced by other variables outside the model or this study.

**Table 3. Direct Hypothesis Testing Results**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.648</td>
<td>.420</td>
<td>.409</td>
<td>2.49704</td>
</tr>
</tbody>
</table>

A. Predictors: (Constant), Entrepreneurial Orientation, Innovation

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>3.849</td>
<td>2.323</td>
<td>1.657</td>
<td>.101</td>
</tr>
<tr>
<td>Innovation</td>
<td>.485</td>
<td>.106</td>
<td>.509</td>
<td>4.596</td>
</tr>
</tbody>
</table>
Entrepreneurial Orientation | .300 | .189 | .176 | 1.589 | .115

As for obtaining the effect of error \((e^2)\), the formula is used:
\[
e^2 = \sqrt{1 - R^2} = \sqrt{1 - 0.420} = 0.761
\]
\[
Z = \beta_3 X_1 + \beta_4 X_2 + e^2
\]
\[
Z = 0.509 X_1 + 0.176 X_2 + 0.761
\]

The coefficient of determination of 0.761 shows the direct influence of innovation and entrepreneurial orientation on variable \(Z\) Entrepreneurial motivation by 76.1% while 23.9% is influenced by other variables outside the model or this study.

Innovation has a positive and significant effect on competitive advantage through product quality variables.

Indirect influence
\[
= X_1 \rightarrow Z \rightarrow Y
\]
\[
= \beta_3 \times \beta_5
\]
\[
= 0.509 \times 0.585
\]
\[
= 0.297
\]

Entrepreneurial orientation has a positive and significant effect on competitive advantage variables through product quality variables.

Indirect influence
\[
= X_2 \rightarrow Z \rightarrow Y
\]
\[
= \beta_4 \times \beta_5
\]
\[
= 0.176 \times 0.585
\]
\[
= 0.102
\]

H1: The effect of innovation on competitive advantage has a significance value of 0.001 < 0.05 and a Beta value of 0.265. Based on these results it can be concluded that H1 is accepted.

H2: The effect of innovation on product quality has a significance value of 0.000 < 0.05 and a Beta value of 0.509. Based on these results it can be concluded that H2 is accepted.

H3: The effect of entrepreneurial orientation on competitive advantage has a significant value of 0.037 > 0.05 and a Beta value of 0.146. Based on these results it can be concluded that H3 is rejected.

H4: The effect of Entrepreneurial Orientation on Product Quality has a significance value of 0.000 < 0.05 and a Beta value of 0.176. Based on these results it can be concluded that H4 is accepted.

H5: The effect of Product Quality on competitive advantage has a significance value of 0.000 < 0.05 and a Beta value of 0.585. Based on these results it can be concluded that H5 is accepted.

H6: The effect of innovation on Competitive Advantage through Product Quality, has a Beta value of 0.298. Based on these results it can be concluded that H8 is accepted.

\[
0.509 \times 0.585 = 0.297
\]
\[
0.001 + 0.297 = 0.298
\]

H7: The effect of entrepreneurial orientation on Competitive Advantage through Product Quality, has a Beta value of 0.15. Based on these results it can be concluded that H9 is accepted.

\[
0.176 \times 0.585 = 0.102
\]
\[
0.115 + 0.102 = 0.217
\]

This section contains the results of data analysis, instrument, and hypothesis testing (if any), answers to research questions, findings, and interpretation of findings.

This section explains how activities are carried out to achieve the objectives. Explain the indicators of goal achievement and the benchmarks used to declare the success of the research activities that have been carried out. Writing can be strengthened with relevant documentation, or the main focus of the activity. Documentation can be in the form of pictures of the implementation process, pictures of product prototypes, tables, graphs, and so on.
3.1.2. Path Analysis

The following are the results of the interpretation of the path analysis which can be seen in table 4 below:

<table>
<thead>
<tr>
<th>Influence between Variables</th>
<th>Direct</th>
<th>Indirect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influence X1 → Y</td>
<td>0,176</td>
<td>-</td>
<td>0,265</td>
</tr>
<tr>
<td>Influence X1 → Z</td>
<td>0,509</td>
<td>-</td>
<td>0,509</td>
</tr>
<tr>
<td>Influence X2 → Y</td>
<td>0,146</td>
<td>-</td>
<td>0,146</td>
</tr>
<tr>
<td>Influence X2 → Z</td>
<td>0,176</td>
<td>-</td>
<td>0,176</td>
</tr>
<tr>
<td>Influence Z → Y</td>
<td>0,585</td>
<td>-</td>
<td>0,585</td>
</tr>
<tr>
<td>Influence X1 → Y→ Z</td>
<td>0,265</td>
<td>0,298</td>
<td>0,563</td>
</tr>
<tr>
<td>Influence X2 → Y→ Z</td>
<td>0,509</td>
<td>0,217</td>
<td>0,726</td>
</tr>
</tbody>
</table>

Based on the structure of this research model, the empirical equation can be made as follows.

\[
Y = \beta_1 X_1 + \beta_2 X_2 + \beta_3 Z + e_1
\]
\[
Y = 0,265 X_1 + 0,509 X_2 + 0,585 Z + 0,475
\]
\[
Z = \beta_3 X_1 + \beta_4 X_2 + e_2
\]
\[
Z = 0,509 X_1 + 0,176 X_2 + 0,761
\]

The following are the results of path analysis in diagram form.

Figure 2 above explains the standardized beta and the magnitude of the indirect and direct effects of each variable.

Coefficient of determination: \( R_m^2 = 1 - Pe_1^2 \times Pe_2^2 \)

Interpretation of \( R_m^2 \) determination as follows:

\( R_m^2 = 1 - (0,475^2) (0,761^2) = 1 - 0,130 = 0,87 \)

Based on the coefficient of determination above, it shows that the direct and indirect effects are 0.87 or 87%, in other words, the information contained in the data (87%) is explained by the model. While (13%) is explained by variables outside the model.
3.2. Discussion

3.2.1 The Effect of Innovation on Competitive Advantage in Culinary Sector MSMEs

Innovation is a combination of a vision to create ideas that are new or better than before as well as dedication and persistence in maintaining the concepts owned through implementation in the field (Dahmiri et al., 2021). Product innovation is very important for a company to do with the aim of maintaining the value of product benefits for consumers. The value of the benefits felt by consumers is the fulfillment of the needs desired by consumers from these products. Continuous product innovation can improve marketing performance.

The results of this study state that there is a positive and significant relationship between innovation and product quality in culinary MSMEs in Makassar city. Companies without innovation and creativity will not be able to compete and survive in an era of increasingly sharp competition. This means that the greater the innovation carried out by the company, the more consumers are interested in the products offered by an MSME actor.

Research conducted by (Lestari, et al 2020) states that innovation is very influential on competitive advantage. Product innovation will make a major contribution to competitive advantage, so product innovation is used by companies as a company strategy to face competition.

So, it can be concluded that product innovation has a positive and significant influence on the competitive advantage of the company.

3.2.2. The Effect of Innovation on Product Quality in Culinary Sector MSMEs

In the business world, product quality is something that plays a very important role. A company must be able to maintain and improve the quality of its products in order to survive and excel from its competitors. By maintaining quality, the company has more value in the eyes of customers which makes the company able to take customers’ hearts (Kurniawati & Suharyono, 2014).

The results of this study state that there is a positive and significant relationship between innovation and product quality in culinary MSMEs in Makassar city. By innovating products, MSME players can improve product quality that can compete with products that are out there. The research conducted is in line with research by (Hartini 2012) which states that the higher the product innovation and process innovation, the higher the product quality.

3.2.3. The effect of entrepreneurial orientation on competitive advantage in the Culinary Sector MSMEs

Entrepreneurial orientation is a creative and innovative ability that is used as a basis, and resources to seek opportunities for success. The overall components of entrepreneurial orientation include being creative in innovating, taking risks, being flexible, anticipatory and proactive in introducing products and creating changes to products. Companies that have a strong entrepreneurial orientation will have the ability to innovate more strongly than other companies.

The results of this study state that there is a positive and significant influence between entrepreneurial orientation on competitive advantage in culinary MSMEs in Makassar city. According to (Lestari et al. 2019) states that businesses with an entrepreneurial orientation will be able to always bring up their innovations to be able to produce products that are more attractive than other competitors, efforts are also accompanied by the courage to take risks when making decisions that are uncertain but have the opportunity for better results during competition.

The research conducted is in line with research by (Musa et al., 2022) which states that entrepreneurial orientation is important to be developed by MSME actors in influencing competitive advantage. Proactivity is one of the main concerns in this study because the proactive attitude of business actors talks about the active attitude of MSME actors in creating products and
adopting rapidly changing trends in consumer tastes in realizing sustainable growth and high competitiveness. The form of entrepreneurial orientation applied by MSME actors is being able to think proactively by making product variations, labeling each product variation, recognizing opportunities and adopting trend tastes in the target market, creating superior and innovative products, improving products against trend evaluation, developing service variations, and providing uniqueness or characteristics that can differentiate from competitors.

3.2.4. The Effect of Entrepreneurial Orientation on Product Quality in Culinary Sector MSMEs

According to Darmanto (2015), orientation is a review to decide the correct and appropriate attitude, direction, place, and time, or the perception that underlies thoughts, attention and tendencies. Entrepreneurship consists of two elements of the word, namely "wira" which means brave and "usaha" which means business activities, both commercial and non-commercial, so that entrepreneurship is matters relating to the courage of a person to carry out business or non-business activities independently.

The results of this study state that there is a positive and significant influence between entrepreneurial orientation on product quality in culinary MSMEs in Makassar city. Entrepreneurship is the result of a disciplined and systematic process of assigning creativity and innovation to needs and opportunities in the market. Thus, entrepreneurial orientation is the action of companies that dare to take risks to seek opportunities for success. Entrepreneurial orientation plays an important role in business sustainability.

Research conducted by (Djodjobo & Tawas, 2014) states that entrepreneurial orientation affects product quality. Entrepreneurial orientation carried out through the courage to experiment regularly from business managers is still considered unimportant. Most business managers intervene directly in running their business because they do not believe that the business will be run honestly and successfully if handled by others. Business managers also think that if the price or taste that has been set before does not need to be changed immediately when competitors make changes because consumers are already familiar with the product.

3.2.5. The effect of product quality on competitive advantage in MSMEs in the culinary sector

In the business world, product quality is something that plays a very important role. A company must be able to maintain and improve the quality of its products to survive and excel from its competitors. By maintaining quality, the company has more value in the eyes of customers which makes the company able to take customers' hearts.

The results of this study state that there is a positive and significant influence between product quality on competitive advantage. Stanton (2013) provides an explanation that product quality is a complex of properties that can be touched or not, including packaging, color, price, prestige, company, and retailer services that can be accepted by buyers to satisfy wants or needs. Decisions made regarding products include determining the physical form, brand, packaging, warranty, and service after the sales process, all these elements are seen as a means of satisfying needs for buyers.

The research conducted is in line with research by (Haryono & Marniyati, 2017) which states that product quality affects competitive advantage. Because it takes quality or quality products to face products from competitors. Therefore, companies try to produce products that have the best quality to face competitive advantages. So that it becomes an important strategy in winning the competition. It can be concluded that product quality has a positive and significant effect on competitive advantage.
3.2.6. The effect of innovation on Competitive Advantage through Product Quality in Culinary Sector MSMEs

Innovation is a combination of various processes that influence each other, where innovation is not the concept of a new idea, invention or also not a development of a new market alone, but innovation is a description of all these processes. The results of this study state that there is a positive and significant influence between the effect of innovation on competitive advantage through product quality in culinary MSMEs in Makassar city. The quality of the company must be maintained to produce quality products, because most consumers will choose better quality products. The research conducted is in line with Kurniasari’s research (2018) which states that better product innovation and competitive advantage will improve the quality of a product.

3.2.7. The effect of entrepreneurial orientation on Competitive Advantage through Product Quality in Culinary Sector MSMEs

Entrepreneurial orientation is the creative and innovative ability that is used as the basis, and resources to seek opportunities for success. Some management literature provides three basic dimensions of organizational tendencies for entrepreneurial management processes, namely innovation ability, risk-taking ability, and proactiveness. The results of this study state that there is a positive and significant influence between the effect of entrepreneurial orientation on competitive advantage through product quality in culinary MSMEs in Makassar city. With an entrepreneurial orientation, MSME players can think proactively by recognizing opportunities and creating innovations. Taking risks can create competitive advantages by creating product quality that can compete with other competitors.

The results of this research are in line with research (Djodjobo & Tawas, 2014; Darmihi, 2021; Paramita, 2015) which states that these three variables have a significant effect. The higher the entrepreneurial orientation can increase competitive advantage and be able to improve the quality of a product.

4. CONCLUSIONS AND SUGGESTION

Based on the theory and results of the data analysis above, it can be concluded that there is a significant effect of innovation, entrepreneurial orientation on competitive advantage through product quality in culinary MSMEs in Makassar city. In addition, the results of the above research explain that it can be seen that environmental changes, especially the economic environment, have made some small and medium entrepreneurs go out of business. But some entrepreneurs can still survive because they are able to prevent these changes, by implementing product innovation to achieve competitive competitiveness. Innovation, whether it is product or process innovation that can increase the potential of MSMEs, will produce higher quality products. Good product quality will increase the competitive advantage of MSMEs which then has an influence on MSMEs in Makassar City.

Suggestions for MSME players must constantly innovate products by improving the quality of the products produced, adding new flavors that are different from before, combining jenang products with other food products, developing new products that are like other companies’ products if the jenang products produced by other companies are in great demand by customers. In addition, the author hopes that this research can be a source of information. And for further researchers to try to multiply respondents and expand this research both in terms of variables and the development of research methods.
REFERENCES


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