

ANALYSIS OF ENTREPRENEURIAL ORIENTATION AND INNOVATION STRATEGIES IN INCREASING COMPETITIVE ADVANTAGE (EMPIRICAL STUDY ON FOOD VIRAL MSME SEBLAK IN SUKABUMI)



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Abstract

Economic development in Indonesia is growing very rapidly with micro, small, and medium enterprises (MSMEs) and is one of the important pillars for the national economic sector. One of the rapidly growing MSMEs is the culinary sector in seblak MSMEs in Sukabumi City. Increased market competition among Seblak MSME players will affect the performance of the seblak MSME itself. To survive in the midst of market competition, seblak MSMEs must have a good strategy to maintain their business in competitive advantage. The purpose of this study was to determine the description and influence of entrepreneurial orientation and innovation strategies in increasing competitive advantage. The population in this study were 270 Seblak MSMEs in Sukabumi City registered at the One-Stop Investment and Integrated Services Office (DPMPTSP). The sample used amounted to 41 respondents, namely 15% of the population through purposive sampling. The method used is a quantitative method with an associative descriptive approach. The statistical results of the f test (simultaneously) there is a simultaneous and significant influence of the entrepreneurial orientation variable and innovation strategy on competitive advantage. Based on the results of the t test, entrepreneurial orientation has a positive effect on competitive advantage. And the results of testing innovation strategies have a positive effect on competitive advantage.

Keywords: Entrepreneurial Orientation, Innovation Strategy, and Competitive Advantage

INTRODUCTION

Economic development in Indonesia is growing very rapidly, with micro, small and medium enterprises (MSMEs). (Supply et al., 2024) (Daud et al., 2024). MSMEs are one of the important pillars of the national economic sector so that the sustainability of MSMEs must continue. (Rosyadi et al., 2024). MSMEs also affect the growth of foreign exchange and contribute significantly to the Gross Domestic Product (GDP) by moving the wheels of the economy and rotating significantly by providing exports and trade that occur in Indonesia (Masuwd, 2025).

Success or failure in doing business depends on its competitive advantage. Competitive advantage can be defined as the ability of an organization in the process of product utilization, product benefits so as to produce differences between competitors. (Siska Apriliani Widiastuti, Deni Muhammad Danial, and Nurmala 2022).). However, MSMEs in Indonesia still have obstacles, (Fitrio et al. 2023). In general, various factors can affect how well a company performs such as entrepreneurial orientation. Entrepreneurial orientation according to (Iqbal Pratama et al. 2022) is the key to business growth and innovation.

Competitive advantage can be maximally achieved with an innovation strategy. Innovation strategy can be identified as a means of supporting success to achieve organizations in the long term (Darma, Abdussamad, and Rahman 2022). A good innovation strategy in the company is in every product that will be sold so that consumers are not bored with existing products so that the company can reach its target. (Falentina, Danial, and Nurmala 2022)

In Sukabumi city, MSMEs are most in demand by various groups, namely in the culinary industry. In 2024, the number of culinary MSMEs registered with DPMPTSP increased drastically, totaling 4476 in contrast to 1734 in 2023. In 2024, MSMEs in the culinary sector became a trend and were favored by every group, especially "Seblak". In Sukabumi City registered by DPMPTSP of Sukabumi City, there were 270 seblak sellers in 2024. Looking at the phenomenon of seblak, seblak in general, is only one topping, but at this time seblak has many types of topping variants and a variety of soup options that can be chosen by consumers.

Based on secondary data that the author found according to (Detikfood.com, 2021, 2023, 2024) the concept of seblak is currently a trend such as seblak buffet, seblak cobek, seblak seafood and the concept of seblak is currently complained about by consumers because it is caused by relatively unstable prices and is considered too expensive to reach Rp.100,000 and queuing time with a long time, besides that various places have implemented various kinds of sauce and are charged according to the ordered seblak sauce.

The main problem that arises in this phenomenon is based on pre-research conducted by the author by interviewing seblak MSMEs in Sukabumi City, namely the lack of product innovation based on a survey, namely the seblak MSME market in Sukabumi City has not been maximized, and various problems that occur such as internal and external factors that affect the performance of MSMEs so that it is difficult to excel in the market. Among the internal aspects, seblak MSMEs in Sukabumi City have a lack of product innovation in seblak, resulting in consumers tending to look for alternatives in other places

that offer something unique. External factors also influence such as increasingly fierce market competition as evidenced by the increasing number of seblak MSMEs in Sukabumi City every year, then changes in public consumption patterns and changes in trends affect the performance of seblak MSMEs themselves. Therefore, entrepreneurial orientation and innovation strategies towards competitive advantage are expected to produce outputs that have added value and are different from all competitors. For example, the products produced have a uniqueness that is not owned by other competitors so that it makes the product superior and has high selling power.

REVIEW OF LITERATURE

Competitive Advantage

Competitive advantage is all the resources owned by a company or organization and its competitive strength. The superiority of resources owned emphasizes the superiority aspect of resources. (Setiyanto, Lusianti, and Faidah 2024) According to (Dwiyatma et al. 2024) Argues that competitive advantage is the value of a company from the results of implementing its strategy so that the company has more value compared to its competitors. Dimensions of competitive advantage according to (Lia Suliah, 2022) include: Price, Quality, and Product innovation.

Entrepreneurship Orientation

Entrepreneurial orientation includes methods, practices and also decision making that directs businesses to enter new markets, reflecting the tendency of individuals to innovate, be proactive, or be willing to take risks to improve company performance (Dwiyatma et al. 2024). Meanwhile, according to (Setiyanto, Lusianti, and Faidah 2024) argues that entrepreneurial orientation is the ability to create and innovate which is used as a basis and resource to find opportunities for a bright future. Product innovation has three dimensions including product features, product design and product quality. (Prasetyo & Febriani, 2020). The dimensions of entrepreneurial orientation according to (Hamidah, Danial, and Norisanti 2022) are three dimensions including: sources of innovation, proactivity, and risk taking.

Innovation Strategy

Innovation strategy is the main instrument used to decide business development according to business motives and strategic targets (Rimadias et al. 2024). (Suhaeni 2018) argues that innovation strategy is a management concept, consisting of internal and external activities that increase the potential for innovation in business. according to (Mita, Djiko, and Lourensius L. T 2022) argues that innovation strategy explains the goals of a company in innovating by explaining the end result (what is developed) and how to achieve it. the dimensions of innovation strategy consist of: leadership orientation, innovation type, and innovation sources (Salsabila 2021).

RESEARCH METHOD

The method used in the study used descriptive and associative research using quantitative methods. The population in this study were Seblak MSMEs in Sukabumi City, using purposive sampling, with a category namely Convenience sampling (Nyimbili and Nyimbili 2024) where researchers can choose participants who are relevant to him and

close to his location at Seblak MSMEs in Sukabumi City. Sample determination is based on (Widodo 2015)) if the number of subjects is more than 100 then 10-25% or 20-25% can be taken more. The total population of Seblak MSMEs in Sukabumi City is 270, therefore researchers used 15% to obtain 41 Seblak MSMEs in Sukabumi City which will be sampled with information collected in the form of interviews and questionnaires.

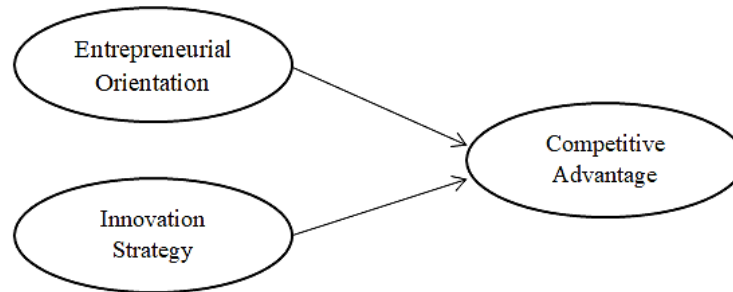
Research Hypothesis

This study aims to analyze of entrepreneurial orientation, innovation strategies in increasing competitive advantage. Based on the review of the literature and previous research, the hypothesis proposed in this study is as follows:

- H1: There is an influence of entrepreneurial orientation on competitive advantage.
- H2: There is an influence of innovation strategy on competitive advantage.

Research Model

This research model describes the relationship between independent variables (entrepreneurial orientation and Innovation strategy) to dependent variables (Competitive advantage). This model can be illustrated as follows:



The research model diagram shows that both independent variables have a direct relationship with competitive advantage, which will be tested through multiple linear regression analysis.

RESULTS AND DISCUSSION

The following are the research results obtained from the analysis using SPSS, namely:

Table 1.
Regression Analysis
ANOVA^a

Type		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	498.525	2	249.262	24.547	.000 ^b
	Residual	385.865	38	10.154		
	Total	884.390	40			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Entrepreneurial Orientation, Innovation Strategy

Source: Data processed (2025)

Table 2.
Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	10.324	4.186		2.467	.018
Entrepreneurial Orientation	.421	.098	.513	4.291	.000
Innovation Strategy	.328	.107	.367	3.074	.004

a. Dependent Variable: Competitive Advantage

Source: Data processed (2025)

Table 3.
Correlation Coefficient and Determination Coefficient Test
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.751 ^a	.564	.541	3.187

a. Predictors: (Constant), Entrepreneurial Orientation, Innovation Strategy

Source: Data processed (2025)

T Test

From the analysis, it can be concluded:

1. Constant value of = 10,324 has a positive value, which indicates a unidirectional influence between the independent variable and the dependent variable which includes entrepreneurial orientation, innovation strategy, then the value of competitive advantage 10,324 has a unidirectional influence between the dependent variable and the independent variable.
2. The entrepreneurial orientation coefficient of 0.421 has a positive value, this indicates that if the entrepreneurial orientation variable increases, the competitive advantage will increase by 0.421. Assuming other independent variables are considered constant. The positive sign means that it shows a unidirectional influence between the entrepreneurial orientation variable on competitive advantage.

The coefficient of innovation strategy is 0.328, this value shows a positive influence between the innovation strategy variable and competitive advantage. This shows that if the innovation strategy variable increases, the competitive advantage variable will increase by 0.328. The positive sign means that it shows a unidirectional influence between the innovation strategy variable on competitive advantage.

F Test

The analysis shows that It is known that the coefficient of determination or R Square is 0.751. The R square value is obtained from multiplying the R value, namely $0.751 \times 0.751 = 0.564.001$ or equal to 56%. So it is concluded that the contribution of Entrepreneurial Orientation and Innovation Strategy to Competitive Advantage is 56%.

While the remaining 44% ($100\% - 56\% = 44\%$) is influenced by other variables not examined in this study. It can be concluded that $kd = 0.564.001$ is away from the value of 0, which means it is not weak.

The Effect of Entrepreneurial Orientation on Competitive Advantage

The results of testing the effect of innovation strategy variables on competitive advantage show a Sig value of $0.000 < 0.05$, which means significant, while the t value of $4,291 > 2,024$ means significant. Significance here H_0 is rejected and H_1 is accepted. Based on this, it can be interpreted that the entrepreneurial orientation variable partially has a significant effect on competitive advantage.

The Effect of Innovation Strategy on Competitive Advantage

The results of testing the effect of innovation strategy variables on competitive advantage show a Sig value of $0.04 < 0.05$, which means significant, while the t value of $3.074 > 2.024$ means significant. Significance here H_0 is rejected and H_1 is accepted. Based on this, it can be interpreted that the innovation strategy variable partially has a significant effect on competitive advantage.

CONCLUSION

Based on the results of research and discussion regarding the analysis of entrepreneurial orientation and innovation strategies in increasing competitive advantage, the following conclusions can be drawn

1. Based on the description of each variable, it is known that the three variables studied are two variables in a very high category, namely innovation strategy and competitive advantage, while one variable, namely entrepreneurial orientation, is in a high category. This shows that Seblak MSMEs in Sukabumi City have implemented innovation strategies very well and succeeded in building a strong competitive advantage in the market. Although entrepreneurial orientation is still in the high category, this still shows that business actors have a good entrepreneurial spirit and have been consistently applied. Thus, the three variables as a whole reflect that Seblak MSMEs in Sukabumi City have a solid entrepreneurial foundation, are able to innovate optimally, and have high competitiveness in facing market competition.
2. Based on the results of the tests conducted on the entrepreneurial orientation variable, both (t-test) and (f-test), it can be concluded that the results of the hypothesis testing show that H_0 is rejected and H_1 is accepted. This means that hypothesis testing shows a positive influence between entrepreneurial orientation variables on competitive advantage, which means entrepreneurial orientation.
3. Then the calculation results of the innovation strategy variable on competitive advantage have a significant effect because based on the results of hypothesis testing, it shows that there is a positive influence between innovation strategies on competitive advantage, which means that innovation strategies also have an important role and are proven to contribute to increasing competitive advantage in seblak MSMEs in Sukabumi City.

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