

## **ABSTRACT**

### **THE ROLE OF ENTREPRENEURIAL COMPETENCE IN MEDIATING INNOVATION AND PRODUCT DESIGN ON COMPETITIVE ADVANTAGE**

*(Survey on MSME Coffee Shops in Tawang Tasikmalaya District)*

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*The purpose of this study was to examine the role of entrepreneurial competence in mediating the influence of product innovation and product design on competitive advantage among coffee shop MSMEs in Tawang District, Tasikmalaya. The research method used is a survey method with sampling using census techniques or saturated samples. Primary data were collected through questionnaires distributed to 30 respondents and interviews, while secondary data were obtained from literature reviews and relevant studies. The data analysis tools used in this study included descriptive analysis and partial least squares-structural equation modeling (PLS-SEM), processed using SmartPLS software. The results of this study indicate that innovation and product design have an effect on competitive advantage. Entrepreneurial competence mediates the relationship between innovation and product design on competitive advantage. These findings indicate the importance of improving entrepreneurial competency as a strategic factor in strengthening the impact of innovation and product design on competitive advantage in Coffee Shop MSMEs.*

**Keywords:** *Product Innovation, Product Design, Entrepreneurial Competence, Competitive Advantage*