

## **ABSTRACT**

*Micro, small and medium enterprises (MSMEs) are one of the businesses that are currently classified as a tool for a country's economic growth (Halim, 2020). In general, company success is defined as the company's operational ability to fulfill the desires of the company's main shareholders (Smith & Reece, 1999). This research aims to provide a comprehensive summary of the impact of the relationship between variables. This research uses a qualitative descriptive research strategy in the form of a case study. The informants in this research are culinary traders in Semarang City who fall into the MSME category. In this research, primary data was obtained by distributing questionnaires online using Google Form. The analytical tool used in this research uses a structural equation model (SEM) which is operated using AMOS. The research results show that each variable has a positive influence on business performance. Potential obstacles in this research are almost non-existent. Product innovation, competitive advantage and product quality play a role in creating good business performance.*

**Keywords: Product Innovation, Competitive Advantage, Product Quality**