

ABSTRACT

This study investigates the impact of Entrepreneurial Orientation (EO), Product Knowledge (PK), and Financial Literacy (FL) on Business Performance (BP) among culinary MSMEs operating in the Pantai Indah Kapuk (PIK) tourism area. The research introduces Product Innovation Capability (PIC) as a mediating variable to better understand these relationships. PIK was selected as the study location due to its reputation as a vibrant culinary hub with strategic potential, though many MSMEs in this area face challenges in optimizing performance amidst growing competition.

Employing a quantitative methodology, this research collected data through structured questionnaires distributed to 150 MSME operators. The data were analyzed using Structural Equation Modeling (SEM) to evaluate the interactions among the variables. The findings indicate that Entrepreneurial Orientation significantly enhances Product Innovation Capability, which, in turn, positively influences Business Performance. Additionally, Product Knowledge and Financial Literacy were identified as key drivers of product innovation and effective business operations.

The study contributes to the theoretical framework of Service Dominant Logic (SDL) by emphasizing the importance of value co-creation and innovation as fundamental elements for achieving business success. Practical implications suggest that MSME operators should focus on fostering entrepreneurial orientation, expanding product knowledge, and improving financial literacy to sustain competitiveness in an ever-changing market environment.

Keywords: *Entrepreneurial Orientation, Product Knowledge, Financial Literacy, Product Innovation Capability, Business Performance, Culinary MSMEs, Service Dominant Logic*