

ABSTRACT

This study aims to analyze the role of innovation in mediating the influence of entrepreneurial orientation and market orientation on the investment interest of Muslim entrepreneur students at Diponegoro University. Based on the Resource-Based View (RBV) approach, entrepreneurial orientation and market orientation are viewed as valuable internal resources in encouraging innovation, which in turn has implications for increasing investment interest.

This study uses a quantitative method with a Structural Equation Modeling Partial Least Squares (SEM-PLS) approach. Data collection was conducted through a survey using a questionnaire distributed to 146 Muslim students at Diponegoro University who were running a business, using purposive sampling. The variables analyzed in this study include entrepreneurial orientation, market orientation, innovation, and investment interest.

The results of the analysis show that entrepreneurial orientation has a positive and significant effect on innovation, and market orientation also has a positive and significant effect on innovation. Furthermore, innovation was found to have a positive and significant effect on the investment interest of student entrepreneurs. In addition, innovation was found to mediate the effect of entrepreneurial orientation on investment interest, as well as mediating the effect of market orientation on investment interest. These findings indicate that innovation plays a strategic role as a connecting mechanism between internal business orientation and investment decisions made by entrepreneurial students. Thus, strengthening entrepreneurial orientation and market orientation accompanied by increased innovation capabilities can encourage sustainable investment interest.

Keywords: Entrepreneurship Orientation, Market Orientation, Innovation, Investment Interest, Student Entrepreneurs.

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