

ABSTRACT

This study aims to see the effect of product innovation, competence, technological capability, and competitive advantage on business performance as a case study in the Troso weaving industry in Jepara Regency. Companies with continuous product innovation will provide benefits for the products they produce because they have a wide variety of products compared to companies that do not innovate their products. competency refers to a person's ability to enable someone to complete everything needed for organizational work so that the organization can achieve the expected results. Technology capability is defined as the company's ability to mobilize and deploy resources based on information technology in combination or in combination with other resources and capabilities. In this modern era, the industry is required to maximize the use of technology to increase the competitive advantage of the industry. By maintaining a competitive advantage over competitors in the market, it is hoped that the industry can maximize the potential of all aspects of the business and can improve the performance of the industry.

This study emphasizes that the better the product innovation, competence and technological capabilities of an industry, the higher the competitive advantage of an industry, and the higher the level of competitive advantage of an industry, the more it will improve the business performance. The sample of this research is troso craftsmen in Jepara Regency. However, in the case of troso craftsmen in Jepara Regency, the study found that product innovation and technology capabilities had a significant effect on business performance through competitive advantage. Meanwhile the competency variable does not significantly influence business performance through competitive advantage.

Keywords: Product Innovation, Competence, Technology Capability, Competitive Advantage, Business Performance