Product Innovation As A Mediation Variable Influences Market Orientation And Entrepreneurial Orientation In Increasing The Competitive Advantage Of The Msme Sector Processed By Patin Fish In Patin Village, Koto Mesjid Village, District Xiii Koto Kampar

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Abstract.
This study aims to measure the effect of market orientation, entrepreneurial orientation, and product innovation as mediating variables on strategies to increase competitive advantage in the Catfish Processed MSME Sector in Patin Village, Koto Mesjid Village, District XIII Koto Kampar. The study used a quantitative approach where primary data was collected through a survey of 70 respondents, and the statistical technique Partial Least Square (PLS) was used to process the data. The study's results confirm that market orientation significantly affects product innovation and competitive advantage, both direct and indirect effects, through the mediation of product innovation variables. Furthermore, the entrepreneurial orientation variable influences the product innovation variable and competitive advantage, either directly or indirectly, through the product innovation variable. Still, some other factors or variables affect the competitive advantage variable.

Keywords:*Market Orientation, Entrepreneurship Orientation, Product Innovation, and Competitive Advantage and MSME Sector.*

I. INTRODUCTION

Micro, small and medium enterprises, commonly called the real sector, need to be developed because economic growth requires investment support. In conditions of limited investment, investment needs to be directed to efforts to create new entrepreneurs, which appear a lot in the real sector. Businesses in the real sector can also absorb a substantial workforce, more than 90%, directly affecting *gross domestic* income (GDP). With the increase in GDP, micro and small enterprises are expected to simultaneously grow the per capita income of low communities to reduce poverty. The business sector in the real sector is generally based on local economic resources and does not depend on imports, and the results can be exported. Thus, development in the real sector is expected to increase macroeconomic stability because it uses local raw materials and has export potential, so it will help stabilize the rupiah exchange rate and inflation rate. In addition, the development of the real sector generally has a relatively high industrial linkage because of its uniqueness and is believed to strengthen the foundation of the national economy.In Riau Province, there has been a natural development of MSMEs, which is the result of the hard work of *triple helix* (in Indonesia known as ABG), namely the energy of *Academician, Businesses, and Government*. For example, the fish processing business in Koto Mesjid Village, District XIII Koto Kampar, Kampar Regency, has received the nickname Patin Village. Koto Mesjid Village was appointed by the Directorate General of Processing and Marketing of Fishery Products (P2HP) - Ministry of Marine Affairs and Fisheries as the center for processing freshwater fishery products in Riau.

Not only that, through the Decree of the Minister of Maritime Affairs and Fisheries of the Republic of Indonesia No. Kep.32 / Men / 2010 concerning the Determination of the Minapolitan Area, it was determined that the Minapolitan area in Riau Province was in Kampar Regency, which was centered on the location of District XIII Koto Kampar with Minneapolis located in Koto Mesjid Village. Kampung Patin

tourist village is located in Koto Kampar, which can be reached via a land trip with an estimated travel time from Pekanbaru city of about two hours. An archway as a clue to the location stands firmly in front, right on the Riau - West Sumatra crossroad section. This patin village tourism village has the potential for exciting tourist attractions to visit, including Kompe Peak, Mahligai Bank, Deer Lake, Crow River Waterfall, and others. In addition to the potential of beautiful tourist attractions, the patin village tourism village also has fishery potential through a pond cultivation business covering an area of ±230 Ha from the total size of the town covering an area of 425.5 Ha. Catfish is one of the leading fish cultivated in Koto Mesjid Village, with the amount of catfish production reaching ±15 tons per day or around 5,475 tons per year with a total fish pond area of 160 ha and 776 fish ponds (https://www.riau.go.id). The following is data on Aquaculture Production (Ton) in Riau Province in 2022 :

Table 1. Aquaculture Production (Tons)

	Aquaculture Production (Tons)		
	Patin		
Regency/City	2018	2019	2020
Riau	36554.82	27335.00	30967.00
Kuantan Singingi	409.56	358.00	554.00
Indragiri Hulu	1001.21	1572.00	1405.00
Indragiri Hilir	455.96	154.00	133.00
Pelalawan	4562.90	4684.00	3498.00
Siak	194.21	330.00	318.00
Kampar	25636.86	16465.00	21549.00
Rokan Hulu	441.27	341.00	338.00
Bengkalis	22.79	15.00	27.00
Rokan Hilir	1778.52	1364.00	1321.00
Kepulauan Meranti	0.30	2.00	1.00
Pekanbaru	2025.74	2033.00	1818.00
Dumai	25.50	17.00	7.00

Source: https://riau.bps.go.id/indicator/56/249/1/production-fisihing-cultivation.html, 2022

From table 1 above, it can be seen that Kampar Regency is one of the largest catfish-producing districts in Riau Province. With the use of Patin Village as a Tourism Village, this has become a business opportunity that is increasingly wide open for the business of processed catfish products. The catfish processing business is carried out in addition to accommodating fish from cultivation in the area, and it is also used as a tourist attraction in the patin village. In addition, it is also supported by the Decree of the Directorate General of Processing and Marketing of Fishery Products (P2HP) No. Kep.69 / DJ-P2HP / 2007, dated June 5, 2007, states that Kampar Regency is a "Location for the Development of Fishery Product Processing Centers."

II. LITERATURE REVIEW

Competitive Advantage. To maintain a long-term existence in a business, especially in the MSME sector, business people need to create a competitive business model concept and make an excellent competitive advantage strategy. Competitive advantage describes how an industry or business chooses and executes a generic approach to maintain and maintain a competitive advantage. The purpose of competitive advantage is to make the company or firm superior to its competitors. Through an established competitive advantage strategy, we will be able to achieve: forming the proper positioning, maintain customer loyalty, gain new market shares, maximize sales, and creating effective business performance (Kotler, P., 2012). Competitive advantage is defined as the ability of an organization to keep a position afloat to competitors (S. Li et al., 2006). In addition, competitive advantage is the ability that allows the organization to distinguish itself from its competitors (Tracey et al., 1999). Finally, competitive advantage is obtaining an average profit

higher than its competitors, so the company is considered one step ahead of its competitors (Ayuningrum & Pangestuti, 2018).

Market Orientation. Market orientation seeks to understand and utilize external factors of the company to identify and respond to customer needs, demands and expectations and provide suitable products (goods and services). Market orientation is the central aspect of developing a sustainable competitive advantage. Market orientation positively affects short- and long-term business performance (Kumar et al., 2011). Market orientation in an enterprise or business leads to improvements in sales and growth in profitability, market share, the success of new products, and customer satisfaction when compared with other enterprises or businesses that do not care about the oriented essence of market action. According to (Jaworski & Kohli, 1993), the company's market orientation can be seen from the extent to which the company performs these three processes well.

Entrepreneurial Orientation. McDougall (McDougall & Oviatt, 2000) defines entrepreneurial orientation as a combination of innovative, proactive, and risk-taking behaviors intended to create value in an organization. An organization can have an entrepreneurial structure, and the members of an organization can be entrepreneurial, and each of them complements the other to provide synergy. Entrepreneurial orientation is the strategic power of the organization with the potential to generate a competitive advantage. The potential of entrepreneurial orientation and its impact on business performance depends on the role of entrepreneurial orientation as a driver or pioneer for organizational and innovation capabilities. The results of empirical studies conducted.

Product Innovation. Product innovation is a new product or service introduced to the market. Product innovation is categorized as a new product for the world, a new product line, an addition to a new product line, an addition to a new existing product line, an improvement, and revision of an existing product, a reassignment, and cost reduction (Nasution, 2005). According to (Kotler & Keller, 2007), product innovation is a combination of various processes that influence each other. For example, according to (Tjiptono, 2008), new products play an essential role in increasing the enterprise's profitability, while process innovation is a strategy for emphasizing costs.

Relationships Between Concepts

The Effect of Market Orientation on Product Innovation

The emergence of the concept of market orientation underlying a fundamental strategic approach to understanding the market is put forward by (Vorhies et al., 1999) in research conducted by (Todorovic et al., 2005) which explains that Market orientation can be described as an organizational culture focused on understanding the market which helps the company to develop a customer value strategy by taking advantage of existing opportunities and resisted the threats that came his way. This is in line with the findings of the research (Andika et al., 2021), (Wilches A Naranjo Valencia JJiménez Jiménez, 2018), (Na et al., 2019) and (Shaher & Ali, 2020), which show that the market orientation has a positive and significant effect on the creation of Innovation. Therefore, based on the description above, the hypothesis in this study can be formulated as follows:

H1: Market orientation directly affects product innovation

The Influence of Entrepreneurial Orientation on Product Innovation

Entrepreneurial orientation is believed to have a direct relationship with market orientation. (Matsuno et al., 2002) Entrepreneurial orientation drives market orientation, so the greater the level of entrepreneurial orientation, the greater the market orientation. According to (Miller, 2011), entrepreneurial orientation is an orientation to strive to be the first in market product innovation, dare to take risks, and take proactive actions to beat competitors. Based on the description above, the hypothesis in this study can be formulated as follows:

H2: Entrepreneurship Orientation has a direct effect on product innovation

The Effect of Market Orientation on Competitive Advantage

Market orientation establishes several norms regarding the collection of information and the organization's general responsiveness to information related to customers (potential and actual) so that the company can get ahead of competitors in market analysis and react to its needs (Ghorbani et al., 2014). The

impact of a market-oriented company is that it has a tremendous competitive advantage in helping to understand customer preferences, competitor strategies, and changes in the overall market scenario so that companies can distinguish, design, position, and improve their products and services by creating value for customers (Waheed et al., 2018). This is in line with the findings (of Udriyah et al., 2019), (Pratono et al., 2019), (Kumbara & Afuan, 2020) and (Puspaningrum, 2020), which reveal that market orientation affects the creation of Competitive advantage. Based on the description above, the hypothesis in this study can be formulated as follows:

H3: Market orientation directly affects competitive advantage

The Influence of Entrepreneurial Orientation on Competitive Advantage

(Hallim et al., 2011) In (Medhika et al., 2018) defines *entrepreneurial orientation* as a company's entrepreneurial related to product innovation, carrying out risky activities, and the first to introduce proactive innovations in aggressive competition; intensive activities are needed to outperform competitors characterized by combining postures or aggressive responses to improve their position in the competition. Entrepreneurial orientation is related to the search for opportunities, the courage to take risks, and the decision to act of organizational leaders (Knight, 2000), the results of empirical studies conducted (Akhiri et al., 2016) and (Usvita, 2014) found that entrepreneurial orientation has a positive and significant effect on competitive advantage. This research is also in line with (Medhika et al., 2018) that the orientation of entrepreneurship has a positive and significant effect on the competitive advantage of SMEs in the endek cloth handicraft industry in the Klungkung district. Therefore, based on the description above, the hypothesis in this study can be formulated as follows:

H4: Entrepreneurship Orientation directly affects competitive advantage

The Effect of Product Innovation on Competitive Advantage

During a highly competitive business environment, the company must distinguish itself from other competitors in the market and achieve a competitive advantage. In this regard, product innovation can play an essential role in achieving the position, which is also considered a key factor behind the success of various businesses (Salerno et al., 2015). As said (Aksoy 2017), InnovationInnovation is one of the possible strategies for companies to face business competition. Innovation can be a differentiator during business competition, impact competitive advantages, and create new markets. This is in line with the results of research from (Veronicah et al., 2017), (Nuryakin, 2018), and (Prabhu, 2019), which show that product innovation has a significant effect on achieving the company's competitive advantage. Based on the description above, the hypothesis in this study can be formulated as follows:

H5: Product Innovation directly affects competitive advantage

The Influence of Market Orientation through Product Innovation on Competitive Advantage

The competitive environment in the industrial sector today is very complex, so every company must be able to understand and interpret what is happening in the market and what consumers desire, as well as its changes to compete with competitors. This is the so-called market orientation. According to (Kumar et al., 2011), the main goal of market orientation is to deliver superior value or value to customers based on knowledge derived from customer and competitor analysis, where the knowledge that has been obtained is then spread to all elements of the company. From this knowledge, the company must be able to meet consumers' needs and expectations through product innovations tailored to market needs, either by creating new products or optimizing existing ones. As said (Aksoy 2017), Innovation is one strategy that allows companies to face industrial competition. Therefore, Innovation can be a differentiating factor during business competition and impact competitive advantage and the creation of new markets. Therefore, product innovation can mediate the relationship between market orientation and competitive advantage. Based on the description above, the hypothesis in this study can be formulated as follows:

H6: Market orientation has an indirect influence through product innovation against the competitive advantage

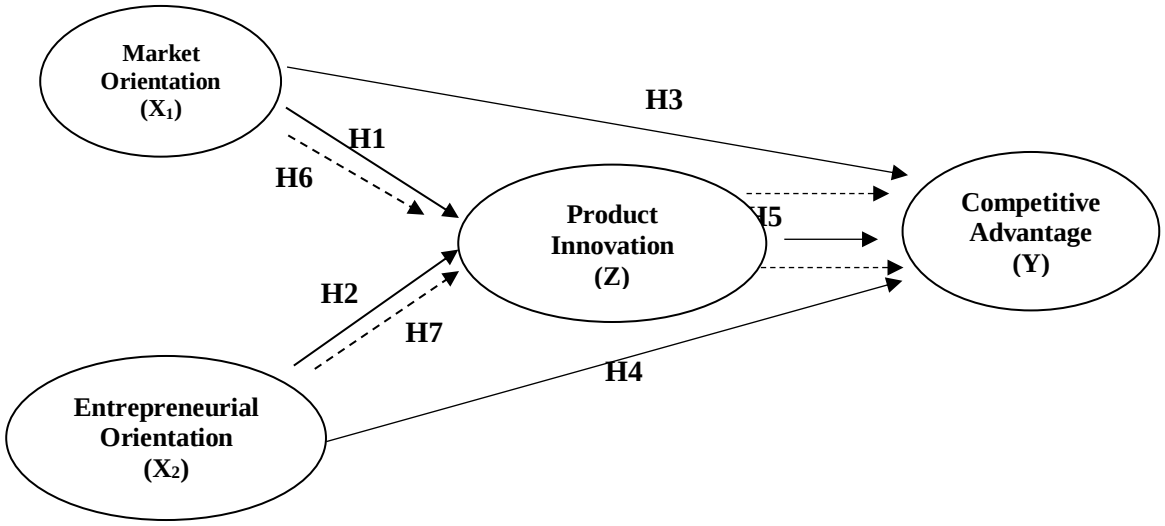
The Influence of Entrepreneurship Orientation through Product Innovation on Competitive Advantage

(Porter, 2007) defines entrepreneurial orientation as a company's benefits strategy to be able to compete more effectively in *the same marketplace*. According to (Salerno et al., 2015), product innovation can play an essential role in achieving a position of competitive advantage. Product innovation is also considered a key factor behind the success of various businesses. Product innovation can mediate the relationship between marketing strategies and competitive advantages. Based on the description above, the hypothesis in this study can be formulated as follows:

H7: Entrepreneurial orientation has an indirect influence through product innovation on competitive advantage

The conceptual framework can describe the relationship of variables in this study :

Fig 1. Research Model



HYPOTHESIS

H1: It is suspected that there is an influence of market orientation on product innovation.

H2: It is suspected that there is an influence of entrepreneurial orientation on product innovation.

H3: It is suspected that there is an influence of market orientation on competitive advantage.

H4: It is suspected that there is an influence of entrepreneurial orientation on competitive advantage

H5: It is suspected that there is an influence of product innovation on competitive advantage

H6: It is suspected that there is an influence of market orientation through product innovation mediation variables on competitive advantage.

H7: It is suspected that there is an influence of entrepreneurial orientation through product innovation mediation variables on competitive advantage.

III. METHODS

This research uses *explanatory research* modeling to test a theory or hypothesis to strengthen or even reject the theory or idea of existing research results or to determine the magnitude of the influence between the independent variable and dependent variable l. The research method used in this study is a descriptive research method, which is research conducted to determine the value of independent variables, either one or more variables (*independent*), without making comparisons or connecting between one variable and another variable (Sugiyono, 2013). In addition, researchers use descriptive methods with a quantitative approach which is interpreted as a research method based on the philosophy of positivism, used to examine specific populations or samples. Data collection using research instruments and data analysis is quantitative or statistical to test predetermined hypotheses (Sugiyono, 2017).This study aims to determine and analyze whether market orientation, entrepreneurial orientation, and product innovation mediation variables affect the competitive advantage in Patin Village, Koto Mesjid Village, District XIII Koto Kampar, with direct and indirect influence.

Business actors in the MSME sector in Pekanbaru City are the subject of this study. According to Arikunto (2010), If the population is less than or equal to 100, the sample should be taken entirely; if the population is more significant than 100, it should be sampled 10% - 15% or 20% - 25 % of the population. The sample taken was 70 respondents, using *census* techniques. Primary data was collected through questionnaire-based surveys to obtain data from consumer responses shared using closed questions, namely questions with answer choices that the researcher provided. The advantage of using the questionnaire is that respondents can understand the statement's content and are classified as enthusiastic business actors and initiatives to improve or maintain the competitive advantage of the MSME sector business. The data is then processed in *Partial Least Square* (PLS) with a *structural equation model model model based* on components or variants.

IV. RESULTS OF RESEARCH AND DISCUSSION

1. *Convergent validity* (*Outer Loading*)

Convergent Validity Order intended to determine whether indicators are valid in measuring dimensions. *The loading factor's magnitude indicates each indicator's convergent validity in measuring dimensions*. An indicator is valid if the *loading factor* is positive and more significant than 0.5. The results of *the convergent validity order* test are presented in the following table:

Table 2. Convergent Validity

Variable	Loading factor	P Value	Conclusion
Market Orientation (X1)	0.800	<0.001	Valid
Entrepreneurial Orientation (X2)	0.864	<0.001	Valid
Product Innovation (Z)	0.727	<0.001	Valid
Competitive Advantage (Y)	0.822	<0.001	Valid

Source: Data Processed by researchers 2022

Based on the information above, it can be known that the results of the market orientation variable (X1) produce a *loading factor* greater than 0.5. the conclusion means that the market orientation variable (X1) is valid in measuring its dimensions. The following result can be seen in the entrepreneurial orientation variable (X2), producing a *loading factor* greater than 0.5.the conclusion means that the entrepreneurial orientation variable (X2) is valid in measuring its dimensions. The following result can be seen in the product innovation variable (Z), resulting in a *loading factor* greater than 0.5. the conclusion means that the product innovation variable (Z) is valid in measuring its dimensions. Furthermore, the competing advantage variable (Y) results in a *loading factor* greater than 0.5. the conclusion means that the competitive advan.

2. *Composite Reliability*

The calculation that can be used to test the reliability of the construct is *composite reliability*. The test criteria state that if *the composite reliability* is greater than 0.7, the construct is declared reliable. The results of *the composite reliability* calculation can be seen through the summary presented in the table as follows:

Table 3. Composite Reliability Measurement Results

Variable	Criterion	*Composite Reliability*	Conclusion
Market Orientation (X1)	> 0.70	0.850	Reliabel
Entrepreneurial Orientation (X2)	> 0.70	0.886	Reliabel
Product Innovation (Z)	> 0.70	0.799	Reliabel
Competitive Advantage (Y)	> 0.70	0.863	Reliabel

Source: Data processed by researchers 2022

Based on the table above, it can be seen that the *value of composite reliability* in the variables of market orientation (X1), entrepreneurial orientation (X2), and product innovation (Z), as well as the variable of competitive advantage (Y), is more significant than 0.7. Therefore, all variables that measure dimensions are declared reliable based on composite reliability calculations.

3. *Measurement of Inner Model* / Structural Model

a. *Goodness of Fit Model* (*Measurement of Inner Model* / Structural Model)

Goodness of fit Model Used to find out the magnitude of the ability of variables to exogenous explain the diversity of endogenous variables, or in other words, to know the magnitude of the contribution

of exogenous variables to endogenous variables. *The goodness of fit Model* in PLS analysis was performed using coefficients of determination (*R-Square*) and *Q-Square predictive relevance* (Q2).

As for the results Goodness of fit Model which has been summarized in the table below:

Table 4. Result *Goodness of Fit Model*

Endogen	R Squared	Q Squared
Product Innovation (Z)	0.591	0.579
Competitive Advantage (Y)	0.594	0.575

Q Square = 1 - [(1-R_1 ^{2}) (1-R_2^2)]

Q Square = 1- [(1 - 0.591) * (1 - 0.594) = 0.578%

Source: Data Processed by researchers 2022

Based on the data of table 4 above, *the R squared* product innovation variable (Z) is worth 0.591 or 59.1%. Therefore, at this stage, it can be shown that the product innovation variable (Z) can be explained by the variables of market orientation (X1), entrepreneurial orientation (X2), and the variable of competitive advantage (Y) of 59.1%, or in other words, the variable contribution of market orientation (X1), entrepreneurial orientation (X2) and the variable of competitive advantage (Y) of 59.1%. The remaining 40.9% contributes to other factors not discussed in this study.

R squared variable competitive advantage (Y) valued at 0.594 or 59.4%. Therefore, at this stage can indicate that the variable competitive advantage (Y) can be explained by the variables of market orientation (X1), entrepreneurial orientation (X2), and product innovation (Z) of 59.4%, or in other words, the varied contribution of market orientation (X1), entrepreneurial orientation (X2) and product innovation (Z) of 59.4%. The remaining 40.6% contributes to other factors not discussed in this research.

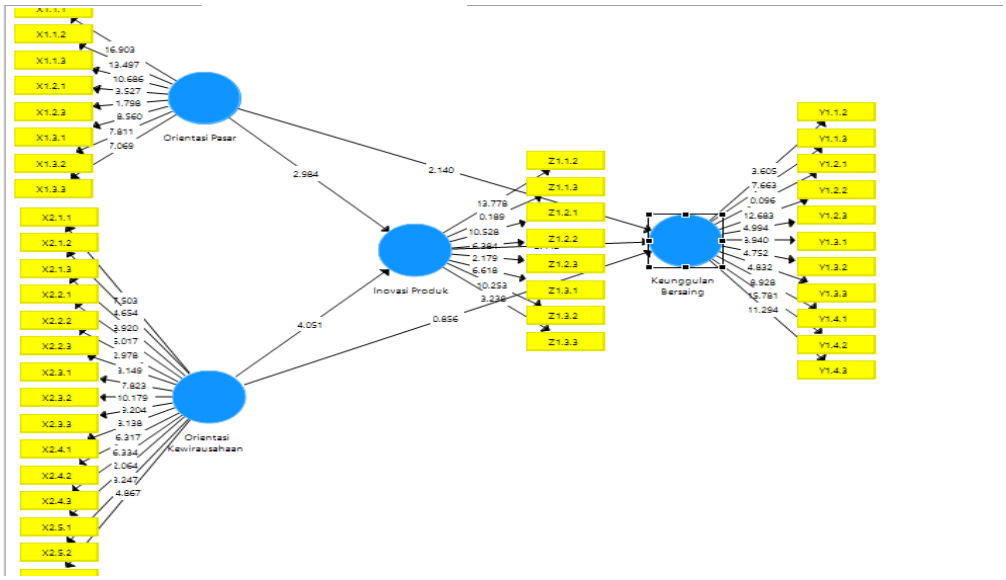


Fig 2.*Bootstrapping* Model

The Q-square on the variable of competitive advantage (Y) is worth 0.578 or 57.8%. This can show that the overall model can explain the variable of competitive advantage (Y) by 57.8%, or in other words, the contribution of the variables of market orientation (X1), entrepreneurial orientation (X2), and the variable of product innovation (Z) as a whole to the variable of competitive advantage (Y) of 57.8%. In comparison, the remaining 42.2% contributes to other factors not discussed in this study. In the picture below, we will describe the path analysis as follows :

4. Hypothesis Testing of Direct Influence

The results of the first hypothesis study produced a *p-value* of <0,001. The test results show the *p-value* < *the significance level* (*alpha* = 5%), meaning there is a significant influence or market concentration on product innovation. This is in line with the research findings (Andika et al., 2021),(Wilches A Naranjo Valencia JJiménez Jiménez, 2018), (Na et al., 2019) and (Shaher & Ali, 2020), which show that market orientation has a positive and significant effect on the creation of product innovation. Market orientation reflects the company's culture by striving to create superior customer value and unearth market trends to

provide more significant benefits to customers. Companies must be able to meet the needs and desires of customers through product innovation, both in the form of creating new products and developing existing products, so that they can provide superior value to their customers in a sustainable manner and can become the principal capital of the company, especially the MSME sector testing the hypothesis of direct influence is used to test whether or not there is a direct influence of exogenous variables on endogenous variables. The test criteria state that if the *p-value* ≤ *the level of significance* (*alpha* = 5%), then it is stated that there is a significant influence of the exogenous variable on the endogenous variable :

Table 5. Results of the Direct Influence Hypothesis

Exsogen	Endogen	Path Coefficient	SE	P Value	Conclusion
Market Orientation	Product Innovation	0.374	0.125	<0.003	Signifikan
Entrepreneurial Orientation	Product Innovation	0.461	0.114	<0.001	Signifikan
Market Orientation	Competitive Advantage	0.289	0.135	<0.033	Signifikan
Entrepreneurial Orientation	Competitive Advantage	0.110	0.128	<0.002	Signifikan
Product Innovation	Competitive Advantage	0.450	0.131	<0.001	Signifikan

Source: Data Processed by researchers 2022

Based on the tests in table 5 above, it can be seen that the influence of market orientation on product innovation produces a *p-value* of <0,003. Furthermore, the results of the test showed that the *p-value* < *the significance level* (*alpha* = 5%). At this stage, it means that there is a significant influence of market orientation on product innovation.

The influence of entrepreneurial orientation on product innovation resulted in a p-value of <0,001. The results of the test showed that the *p-value* < *the significance level* (*alpha* = 5%). At this stage, there is a significant influence of entrepreneurial orientation on product innovation.

The influence of market orientation on competitive advantage resulted in a p-value of <0,033. The results of the test showed that the *p-value* > *the significance level* (*alpha* = 5%). At this stage, it means that there is a significant influence of market orientation on competitive advantage.

The influence of entrepreneurial orientation on competitive advantage resulted in a p-value of <0,002. The results of the test showed that the *p-value* < *the significance level* (*alpha* = 5%). At this stage, it means that there is a significant influence of entrepreneurial orientation on competitive advantage.

The influence of product innovation on competitive advantage results in a *p-value* of <0,001. The results of the test showed that the *p-value* < *the significance level* (*alpha* = 5%). At this stage, it means that product innovation has a significant influence on the competitive advantage of winning the competition.

5. Hypothesis Testing of Indirect Influences

Hypothesis testing of indirect influence is carried out with the aim of testing the presence or absence of indirect influence of exogenous variables on endogenous variables through *intervening variables.* The test criteria state that if *the p-value* ≤ *the level of significance* (*alpha* = 5%) then it is stated that there is a significant influence of exogenous variables on endogenous variables through *intervening* variables the results of testing hypotheses of indirect influence can be seen through the summary in table 5. 13 below:

Table 6. Hypothesis Results of Indirect Influence

Exogen	Intervening	Endogen	*Indirect Coefficient*	*T Statistics*	*P Value*	Conclusion
Market Orientation	Product Innovation	Competitive Advantage	0.080	2.110	0.035	Signifikan
Entrepreneurial Orientation	Product Innovation	Competitive Advantage	0.083	2.484	0.013	Signifikan

Source: Data Processed by researchers 2022

Based on the tests in table 5.13 above, it can be seen that the influence of market orientation on competitive advantage through product innovation produces a *p-value* of 0.035. Furthermore, the results of the test showed that the *p-value* < *the significance level* (*alpha* = 5%). At this stage, it means that there is a

significant influence of market orientation on competitive advantage through product innovation.The influence of entrepreneurial orientation on competitive advantage through product innovation resulted in a p-value of 0.013. The results of the test showed that the *p-value < the significance level (alpha* = 5%). At this stage, it means that there is a significant influence of entrepreneurial orientation on competitive advantage through product innovation

V. CONCLUSIONS AND SUGGESTIONS

The results of this study provide a perspective that market orientation directly influences the product innovation of the sector. Conversely, entrepreneurial orientation has a direct influence on product innovation. Market orientation has a direct impact on competitive advantage. Entrepreneurial orientation has a direct result on excellence. Product innovation has an immediate effect on competitive advantage. Market orientation has an indirect power through product innovation and competitive advantage. Entrepreneurial orientation has an indirect influence through product innovation on competitive advantage. Market orientation is a concept that emphasizes attention to the market (market) to have the ability to present superior products (goods and services) to consumers, so it can be suggested that with a good market orientation strategy, it will be able to improve and maintain product innovation in the MSME sector processed catfish in Patin Village, Koto Mesjid Village, District XIII Koto Kampar. Entrepreneurial orientation is an orientation to strive to be the first in market product innovation, dare to take risks, and take proactive actions to defeat competitors so that it can be suggested that with an excellent entrepreneurial orientation strategy, it will be able to improve and maintain product innovation in the MSME sector processed catfish in Patin Village, Koto Mesjid Village, District XIII Koto Kampar. Market orientation in a company or business leads to improvements in sales and growth in profitability, market share, the success of new products, and customer satisfaction when compared to other companies or businesses that do not care about the essence of market orientation, so it can be suggested that with a good market orientation strategy will be able to increase and maintain the competitive advantage of the MSME sector processed catfish in Kampung Patin, Koto Mesjid Village, District XIII Koto Kampar. Entrepreneurial orientation is an orientation to strive to be the first in market product innovation, dare to take risks, and take proactive actions to defeat competitors.

An excellent entrepreneurial orientation strategy can be suggested to increase the MSME sector's competitive advantage processed by catfish in Patin Village, Koto Mesjid Village, District XIII Koto Kampar. Innovation is a new idea to initiate or improve a product, process, and service. Innovation is a linear process of two components, including the implementation of creativity and innovation, so it can be suggested that good product innovation will increase the competitive advantage of the MSME sector processed by catfish in Patin Village, Koto Mesjid Village, District XIII Koto Kampar. Market orientation can be described as an organizational culture focused on understanding the market, which helps the company to develop a customer value strategy by taking advantage of existing opportunities and rejecting incoming threats. Innovation is also described as the process of converting inventions or ideas into products that will be purchased by consumers and providing benefits to their providers so; that it can be suggested that with a good market orientation strategy and product innovation, it will be able to increase the competitive advantage of the MSME sector processed by catfish in Patin Village, Koto Mesjid Village, District XIII Koto Kampar. Entrepreneurial orientation relates to the search for opportunities, the courage to take risks, and the decision to act as the organization's leader. Innovation can be a new product or a new concept that has been obtained from systematic research and new ideas. It is also defined as the commercialization of creation. Innovation is also described as the process of converting inventions or ideas into products that will be purchased by consumers and providing benefits to their providers so. That it can be suggested that with an excellent entrepreneurial orientation strategy and product innovation, it will be able to increase the competitive advantage of the MSME sector processed by catfish

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