

ABSTRACT

This study is titled " Innovation in Business Strategy towards Competitive Advantage on the Woman Owned Coffee Shop in Bandung City." The research is motivated by the significant growth of coffee shops in Bandung, which reached 683 outlets in 2023. The increasingly intense competition underscores the need for innovation in business strategies to achieve sustainable competitive advantages.

The purpose of this study is to measure the impact of business strategies on competitive advantage with the mediating role of innovation, which includes human resource innovation, process innovation, and product innovation. The research adopts a quantitative approach using survey techniques. Data were collected through questionnaires distributed to coffee shop owners or managers in Bandung City. The research sample, consisting of 87 respondents, was selected using a non-probability sampling method based on purposive sampling. Data analysis was conducted using a regression model with mediation variables.

This study is expected to contribute to the development of literature on business strategies, particularly in the context of the culinary and MSME sectors. The findings are also anticipated to provide practical insights for business practitioners to implement innovations aligned with market needs and enhance their business competitiveness.

Keywords: *Business strategy, innovation, competitive advantage, coffee shop, Bandung City.*