

BINUS INTERNATIONAL
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International Business Major

Bachelor of Economy Thesis

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**THE IMPACT OF FUNDING AND INNOVATION ON THE
COMPETITIVENESS OF LOCAL COFFEE SHOPS: A
CASE STUDY OF SMALL AND MEDIUM-SIZED
ENTERPRISES (SMEs) IN JAKARTA**

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Abstract

Objectives – This research study aims to gain deeper knowledge and understanding of the factors that influence the competitiveness of SME in Jakarta focusing on the local coffee shop industry.

Method – This research study is a quantitative research method which using statistical analysis to conduct the test. This study uses Cronbach’s Alpha and factor analysis to test the reliability and validity of the questionnaire. In order to prove the hypothesis, correlation and multiple regression is used in this research.

Results – The result shows that there is a significant impact in which both factors are correlated with the competitiveness in SME. Majority of the respondents in this research agreed that funding and innovation has an equally strong relationship towards the competitiveness. The findings shows that funding and innovation has a positive relationship and influence the competitiveness of the local coffee shop industry in Jakarta SME.

Conclusion – This study shows that funding and innovation has a positive and strong relationship towards competitiveness in the local coffee shop industry specifically in Jakarta SME. It is crucial for the SMEs to have an adequate funds and unique innovations in order to achieve the competitive advantage of a company and compete with the competitors in their industry. This study also provides insights and recommendation for the SMEs in order to compete in the competitive situation.

Keywords – Funding, Innovation, Competitiveness, Small and Medium-sized Enterprises (SMEs), Competitive Advantage, Local Coffee Shop Industry, F&B Sector, Jakarta, Indonesia.