
ANALYSIS OF INCREMENTAL INNOVATION AND RADICAL INNOVATION ON THE COMPETITIVE ADVANTAGE OF LAMPIT PRODUCT MSMEs IN THE WETLAND AREA OF HULU SUNGAI UTARA REGENCY

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ABSTRACT

The performance of MSMEs of HSU lampit products began to decline due to the lack of innovation from the MSMEs of the lampit products themselves. Every MSME must be ready to make changes by innovating because MSMEs will be complicated to compete with their competitors if there is no innovation. MSMEs are required to constantly innovate in today's increasingly modern era. Competition is something that must be faced by a business unit. The objectives of this study are (1) Analyzing incremental innovations on the competitive advantage of LAMPIT product MSMEs in the wetland area of Hulu Sungai Utara Regency, (2) Analyzing radical innovations toward the competitive advantage of LAMPIT product MSMEs in the wetland area of Hulu Sungai Utara Regency. The research method using the research approach used is a quantitative approach. The data collected through the questionnaire was then analyzed using the PLS (*Partial Least Square*) analysis model using the help of *SmartPLS software* version 3. The result of this study is that incremental innovations and radical innovations have a significant effect on the competitive advantage of Lampit Product MSMEs in the wetland area of Hulu Sungai Utara Regency.

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INTRODUCTION

Nowadays, a business is increasingly faced with domestic and foreign threats. Competition with competitors must be considered because a business must understand what conditions are happening in the market and what consumers want and pay attention to the state of competitors' products to compete in the market. MSMEs are one of the activists of business activities that must be able to make products that can be

known to the broader community and can be processed into many product variants so that the results of these activities can prosper people from poverty and unemployment.

The North River Upper District (HSU) is a swampy area with the main livelihood of its inhabitants being farming. But in their spare time, these residents also do craft businesses such as mats and furniture. This is also supported by the availability of abundant raw materials and hereditary expertise, especially by utilizing materials that are abundantly available in the area, such as wood, rattan and purun. These handicrafts are generally sold, either in the local market (in Amuntai) or shipped to Java.

The existence of large export potential can increase regional income, handicraft centers are strategic areas to improve the economy. According to data, there are 18,000 craftsmen at HSU with a rattan lampit business of 63 units, bamboo 872 units, rattan or lupu 812 units, rattan furniture nine units, wooden furniture 289 units, bamboo furniture two units, hyacinth 70 units, rumbia 158 units and wood carving 12 units. Measured by business value of RP144.87 billion.

One of the handicrafts produced by HSU MSMEs in the area is rattan crafts. Rattan crafts that produce rattan mats, or known as lampit, are *home industry* activities in this swamp area. The production of rattan lampit, in addition to being marketed to meet the demands of the local and regional markets, has also penetrated the export market. For regional areas, rattan lampit is marketed to South Kalimantan (Banjarmasin), Central Kalimantan Province, Java and Bali. Meanwhile, lampit is also marketed to Singapore, Malaysia, Japan, Taiwan and Korea. In addition to functioning as a mat, lampit, whose raw materials are widely supplied from Central Kalimantan, is also used as a decoration/wall covering in Japan.

Lampit is the primary source of income and side income to meet the economic needs of the local population. As a household Industry, lampit also creates many jobs with the absorption of a lot of labor. In addition, lampit is a source of foreign exchange for the country, namely as an export commodity. Lampit has an ethnic design with traditional minimalist nuances and seems warm, so it is in great demand by foreign consumers from Asian countries such as Japan, China, Hong Kong and Korea. This lampit export activity is supported by the government. Although there is an exemption to export raw or semi-finished rattan raw materials, due to the provisions regarding the export tax of 30%, the interest of entrepreneurs to export them is no longer competitive. This is because the added value of the finished goods received is more significant than exporting in the form of raw or semi-finished rattan.

Over time the demand for lampit crafts began to decline, this is because MSMEs engaged in lampit crafts do not have strong ownership of value to customers. Retaining customers is a competitive advantage of each of these business people, because the many increasingly unique consumer demands are connected with the development of modern times. Business competition is getting tougher and tighter, and every company is always required to develop. One of the ways used by companies or business actors to be able to compete and develop is to create new strategies.

There are still many MSMEs with lampit products which have not paid much attention to the importance of expanding the market network by using the *online platform*. By paying attention to these problems, it is hoped that lampit business people can further develop the value of innovation and increase their competitive advantage. Furthermore, what many MSMEs complain about lampit products at HSU is the decreased demand

for lampit, so rattan stocks will accumulate. Rattan as the primary raw material for lampit products, stored for a long time is not a problem. Still, if it is too long in the warehouse, it will cause new problems, including the profit of not being able to meet the needs of the company, then the overcapacity will create new problems.

The cause of the non-development of MSMEs for HSU lampit products is because of the LAMPIT product MSMEs that lack innovation. Every MSME must innovate because the company or organization will be challenged to compete with its competitors without innovation. MSMEs are required to always innovate in today's increasingly modern era. Competition is something that must be faced by a company. Competitive advantage is a part of success or failure in a company. (Indrajit, 2002)

Competitive advantage is the result of the implementation of a strategy that utilizes the different resources that the company has. Competitive advantage is a concept that can be seen from the company's accuracy in providing products in the market and response to consumer complaints such as product quality, consumer needs, mastery of new markets, and the existence of continuous product innovation. Competitive advantage is also the company's ability to create superior value to face competition and the ability of a business to achieve abnormal profits in industrial competition through value-creation strategies. (Goddess, 2006)(Helmi, 2004)

In general, consumers want innovative products according to their wishes. For micro, small and medium enterprises (MSMEs), success in developing new product innovations means they are one step ahead of their competitors. This requires the intelligence of MSMEs to understand the tastes of their consumers so that the development of product innovations they carry out is ultimately in accordance with the wishes of consumer demand. Thus, the development of product innovation must be planned and carried out carefully. According to Dubé & Renaghan, competitive advantage can also be seen as a value that a company can create to differentiate itself from its competitors. The value created can be measured by the price consumers are willing to pay for the services provided. If consumers see that the service can generate the expected profit, then the consumer will buy and make a repurchase. (Petzer, 2008)

MSMEs at HSU stated that their production activities will run smoothly and can last for decades to come. This can be seen from its environment, where Amuntai City is a Lampit-producing city in South Kalimantan. Even though outside Amuntai City, many things are better in terms of production, material quality, color quality, and more diverse lampit motif designs. This is why many MSMEs of HSU lampit products need to be given an understanding of innovation so that Amuntai City lampit products can better see environmental developments and can innovate so that MSMEs of HSU lampit products can develop rapidly and have a competitive advantage.

This research was carried out in the Hulu Sungai Utara (HSU) Regency, which is a swampy area with the main livelihood of its residents is farming. However, in their spare time, the residents also do craft businesses such as mats and furniture. This is also supported by the availability of abundant raw materials and hereditary expertise, especially by utilizing materials that are abundantly available in the area, such as wood, rattan and purun. These handicrafts are generally sold, either in the local market (in Amuntai) or shipped to Java, and even exported abroad.

Over time, the performance of MSMEs of HSU lampit products began to decline due to the lack of innovation from the MSMEs of the lampit products themselves. Every

MSME must be ready to make changes by innovating because MSMEs will be complicated to compete with their competitors if there is no innovation. MSMEs are required to constantly innovate in today's increasingly modern era. Competition is something that must be faced by a company.

This research is expected to be able to provide an innovative strategy for MSMEs for lampit products in the Wetlands Area of Hulu Sungai Utara Regency (HSU) to be able to survive and rise again in empowering their lampit production results. Furthermore, recommendations can be issued for the action plan of MSMEs for lampit products that are able to be competitive. This research is expected to overcome national-scale problems related to the growth of LAMPIT product MSMEs in the face of setbacks that have always been a threat to LAMPIT product MSMEs. Based on this phenomenon, it is necessary to research the analysis of incremental innovations and radical innovations on the competitive advantage of Lampit Product MSMEs in the wetland area of Hulu Sungai Utara Regency.

LITERATURE REVIEW

Micro, Small, and Medium Enterprises (MSMEs)

MSMEs are businesses with a reasonably high role, especially in Indonesia, which is still classified as a developing country. With many MSMEs, there will be more job creation for the unemployed. In addition, MSMEs can be used as a source of income, especially in rural areas and low-income households.

The results showed that the relationship between empowerment and economical financing could develop undeveloped community businesses and as a holding company to meet the needs of capital, raw materials, and access to marketing networks and promote all types of community businesses so that in community empowerment economic institutions are needed as a strengthening of the local economy. Institutional capacity building shows efforts to increase the role and develop institutional systems at the community level that can accommodate every idea, proposal and aspiration of the community for progress in their community. Various strategies to empower MSMEs include intensifying MSME participation, connecting MSMEs with education, marketing local resources, and incorporating MSMEs into broader politics. Marketing of local resources can encourage higher economic empowerment in the field of conservation while disseminating of information with the support of integrated education programs that take advantage of local conditions to improve MSMEs. (Waridin, 2004)

Obstacles faced in community empowerment include limited supporting factors such as production facilities, business capital/working capital, and structuring structures and institutional systems. Another factor that causes the suboptimal results of microeconomic business development is caused by the lack of business capital assistance provided to business actors as well as the limited skilled workers, as well as the suboptimal in carrying out coaching and work guidance. Empowerment carried out through the distribution of business capital can drive the growth of the people's economic sector. This is indicated by the emergence of new business actors, in the field of household crafts, food and beverage shops, beauty salons, *shops*, and the transportation sector. (Aprillia, 2014)

Innovation

Innovation is defined as a mental process that leads to the creation of new phenomena; This phenomenon may be new material or spiritual product, (new service or a new technique). Innovation is the analysis or combination of several concepts and the creation of new thoughts and concepts that were not previously available. Innovation is an essential factor for companies to create value and maintain a competitive advantage in today's very complex and dynamic environment. Innovation is a topic of interest to many academics and managers because it is found that it can enormously add to realizing competitive advantage (Kao, 2001)(Kumar, 2010)(Tellis, 1997).

Innovation is considered the main driving force of progress and prosperity, both at the level of individual enterprises and the economy in general. In particular, the ability to innovate is becoming increasingly central as research has revealed that innovative companies tend to show higher profitability, greater market value, superior credit ratings, and a greater chance of survival.

Product innovation is defined as a new product or service offered to the market to meet the needs and desires of consumers. Product innovation is one of the impacts of rapid technological changes, and high product variations will determine the organization's performance. Product innovation is a relatively new product for the industry that is produced through the information technology that the company has at this time (through expansion or synthesis) or by using new information technologies. Product innovation is one of the impacts of rapid technological changes and high product variations, where innovation will determine the organization's performance. (Hurley, 1998)(Parthasarthy, 2002)(Hurley, 1998).

Aspects of product innovation (Johne, 1999):

1. *Incremental innovation*

Utilizing the potential of predetermined designs and often strengthening the dominance of a company's establishment. This innovation enhances the functional capabilities of existing technologies by means of improvements on a small scale of natural value-added technology or improvements on a small scale to existing products and business processes. Technological innovations of future generations are incremental innovations that lead to the creation of new systems but do not differ radically.

2. *Radical innovation*

Innovations that introduce new concepts that deviate significantly from past practices and help create products or processes are based on a different set of techniques or scientific principles and often open up new markets or as result of products or services resulting from new ways/methods altogether. Radical innovation is a very different and new innovation as the primary solution in industry. On the other hand, incremental innovation is an innovation that makes small changes and adjustments to existing practices.

Differences between incremental and radical innovation:

1. *Incremental Innovation* (improvement of existing products and processes)
 - a. Revamping and sharpening existing products, services and technologies.
 - b. *Gradual* adaptation and continuous improvement
 - c. Low-risk level (*exploitation*)
 - d. Innovators of all-line/cross-unit teams

- e. Follow formal processes and rules
- f. The dominant business plan is developed at the very beginning
2. *Radical innovation* (development of new products and processes)
 - a. *Build new products, services, technologies to overcome obstacles*
 - b. New discoveries, usually driven by exploration of applicative technologies
 - c. High level of risk (*exploration*)
 - d. Innovators are usually individuals and come from line units
 - e. Get started with informal processes and rules
 - f. New discovery-based evolving business plan

Competitive Advantage

Competitive advantage is the result of the implementation of a strategy that utilizes the different resources that the company needs. Meanwhile, competitive advantages cannot be understood by looking at a company, but it must be from the origin of competing. Various companies designed by the company are carried out in designing, producing, marketing, finding and supporting its products. (Tribuana, 2006)(Suparyadi, 2003)

Competitive advantage basically grows from the value or benefits that a company can create for its buyers which is more than the cost that the company has to spend to create it. It is this value or benefit that the buyer is willing to pay, and the superior value comes from a price offer that is lower than the competitor's price for an equivalent benefit or a unique benefit offer that exceeds the price offered. According to defining, competitive advantage is an advantage over competitors obtained by offering lower value and providing more significant benefits because the price is higher. (E. Porter, 1993)(Kotler, 2003)

According to measuring the competitive advantages of the company using the following indicators: (S. Li, 2006)

1. Price
Price as the sum of the value that the customer exchanges for the benefit of owning or using the product or service. So it can be concluded that price is an economic sacrifice made by customers to benefit from the use of goods and services.
2. Quality
Product quality is the main focus in the company, and quality is one of the essential policies in increasing the competitiveness of a product. Defining quality is a product that can compete in the market if the company can offer the product by providing more value/benefits to *customers*.
3. *Delivery Dependability*
Shipping dependence is used to monitor the performance of suppliers in terms of delivering the products needed by customers on time, delivered orders complete and of the highest quality. Delivery time can be a source of a company's competitive advantage when the company can reduce the delivery time of consumer orders or the time of providing services to consumers.
4. Product Innovation
Innovation is a broader concept that addresses applying a new idea, product, or process. Innovation is the result of creative ideas that the company has. So the company is expected to form new thoughts in the face of competitors and customers with various existing demands.

5. *Time to Market*

Time to market is the extent to which an organization can introduce/launch new products faster than competitors. *Time to market* is an important dimension of competitive advantage

RESEARCH METHODS

This study was conducted to analyze incremental and radical innovations toward the competitive advantage of Lampit Product MSMEs in the wetland area of Hulu Sungai Utara Regency. Peneliti uses a quantitative approach. Data analysis is quantitative/statistical to test the hypothesis set.

The research population in this study is MSMEs of lampit products in the Wetlands Area of Hulu Sungai Utara Regency (HSU). With a total sample of 63 MSMEs utilizing census techniques, all populations were sampled in this study.

In this study, researchers used data collection techniques utilizing questionnaires (questionnaires). Questionnaires are used by researchers as research instruments; the method used is closed questionnaires.

Analysis of hypothesis test data is carried out using Partial Least Square (PLS) software. Partial Least Square (PLS), according to Wold, is a powerful analysis method because it is not based on many assumptions. (Ghozali, 2011) Partial Least Square (PLS) is used to analyze the data in this research with SmartPLS software version 3.

RESULTS AND DISCUSSION

Hypothesis testing in this study was carried out after going through three (3) stages of *testing the outer* model (validity and reliability). The third structural model has met all the requirements of *the outer* model so that it can proceed to testing the *inner model* or testing the hypothesis of the influence between variables. In SEM PLS hypothesis testing (*inner model*) is to determine the influence between variables marked in the direction of the arrow from the variable towards another variable (round shape in blue).

Path coefficients are the value of the path coefficient or the magnitude of the influence of latent variables. In the structural model of PLS, this magnitude of influence (*path coefficients*) is written on each arrow from one latent variable to another. The greater the *path coefficient* value indicates the magnitude of the influence the more significant and vice versa. *Path Coefficients* only show the magnitude of influence between variables and have not provided evidence of whether the influence between those variables is significant or not. Significant or insignificant testing between variables in PLS was carried out by comparing the statistical t-value with t significance 5% of 1.96. T calculates the (Chin, 2010)(Hair, 2014)(Latan, 2012)*inner pls* structural model obtained by the *bootstrapping* method. The results of statistical t calculations are seen in figure 1

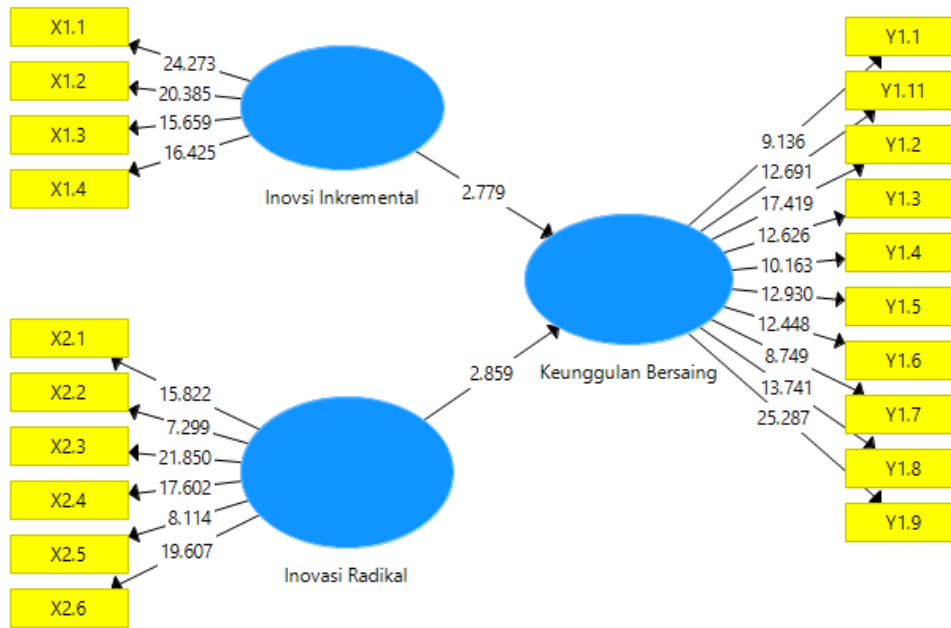


Figure 1 T-statistical value of structural models
Source: *SmartPLS* output (2022)

Testing the significance of whether or not the partial influence of each exogenous variable on the endogenous variable is carried out by comparing the statistically calculated t value with the significance t. If the T-statistic is higher than the T-value of significance, the hypothesis is supported or accepted. This study used a confidence level of 95 percent or a significant level=5%, then the significance T value for the two-sided hypothesis (*two-tailed*) was 1.96., in (Chin, 2010)(Hair, 2014)(Latan, 2012).

Table 1 Path coefficients and t-statistics: inner structural models

No	Pengaruh antar Variabel	Koefisien	t	P values	Putusan
1	Inovasi Inkremental -> Keunggulan Bersaing	0,471	2,779	0,006	Signifikan
2	Inovasi Radikal -> Keunggulan Bersaing	0,475	2,859	0,004	Signifikan

The data presented in the table above can be interpreted by looking at *the value of path coefficients* indicating the coefficient of influence between variables. Furthermore, to find out the level of significance of the relationship between variables, namely by looking at statistical values. If the t-statistical value > t –table, then the result is significant. The value of the t-table can be known by calculating the formula of the degree of conformity. Based on the formula calculation of the degree of conformity that has been carried out using a significant level of 5% (*one-tailed*) or a confidence level of 95%, it can be seen that the t-table is 1.96.

The first hypothesis testing was carried out to test the influence of incremental innovation variables on competing advantage variables. Proving the presence or absence of significant influence is carried out by comparing the t-statistical value of the result of *bootstrapping* with t significance of 5%. Based on the test results, it is known that the calculated t value > statistical t is: 2.779 > 1.96 or the sig value. 0.006 < 0.05. It can be concluded that incremental innovations have proven to have a significant effect on competitive advantage. Thus the first hypothesis is accepted its truth.

The second hypothesis test was carried out to test the influence of radical innovation variables on the competitive advantage variables. Proving the presence or absence of significant influence is carried out by comparing the t-statistical value of the result of *bootstrapping* with t significance of 5%. Based on the test results, it is known that the calculated t value > statistical t is: $2.859 > 1.96$ or the sig value. $0.004 < 0.05$. It can be concluded that radical innovations have proven to have a significant effect on competitive advantage. Thus the second hypothesis is accepted its truth.

The Effect of Incremental Innovation on Competitive Advantage

The results of the first hypothesis test concluded that incremental innovation had a significant effect on the competitive advantage of LAMPIT product MSMEs in the wetland area of Hulu Sungai Utara Regency. Incremental innovation is an innovation that refers to the significant expansion of product characteristics with the original adaptation of the available technology and does not require R&D. The measurement of incremental innovation is carried out with the theory of (Ojasalo, 2008) the following:

1. Improving the functional capabilities of existing technologies
2. Ways of improvement on a small scale in the added value of technology
3. Improvements on a small scale to existing products today.
4. Small-scale improvements to existing business processes

Incremental innovation is a simple change or adjustment in an existing product, service, or process. There is growing evidence that companies seeking to improve investment returns can focus on incremental innovation. The main impetus of incremental innovation comes from programs aimed at continuously improving yields, reducing costs, and quality management. Incremental innovation is usually categorized as a market-oriented innovation because the ideas obtained in creating new products come from the market, so they are often called market-oriented products.

Competitive advantage is the result of the implementation of a strategy that utilizes the different resources that the company has. Meanwhile, according to Porter, competitive advantage cannot be understood by looking at a company as a whole. Still, it must be from the origin of that competitive advantage, namely various activities carried out by the company in designing, producing, marketing, handing over, and supporting its products. (Bharadwaj, 2003)(Suparyadi, 2003)

The innovation process itself greatly affects the company's competitive advantage. Each company must issue results or assessments to individuals or groups to find out what the shortcomings are and what are the advantages of each group to know what should be analyzed from the business process from before. After the evaluation, it is hoped that each individual can be motivated to innovate to increase the company's competitive advantage. The company can improve the quality or increase the profit of the company. Companies cannot rule out technology which is fundamental to a business process today. This is because every entrepreneur is required to know or be able to use technology according to what is needed from the company's process

The findings are explained related to the influence of incremental innovation on competitive advantage can only be proven by (4) four items, namely Lampit MSMEs, improving the functional capabilities of existing lampit manufacturing technology, Lampit MSMEs making small-scale improvements to existing lampit products, Lampit MSMEs making improvements on a small scale in the added value of lampit

manufacturing technology, and Lampit MSMEs are making improvements on a small scale to the current lampit sales business processes.

Innovative companies will always strive to make improvements, presenting something new and unique that is different from the existing one. Innovative is also an important attitude for an entrepreneur or company to have. A company that constantly innovates in its company, then success or success will be obtained. Innovative is an implication of the characteristics of entrepreneurs who can bring changes to the surrounding environment. Innovative is indirectly the distinguishing nature between entrepreneurs and ordinary people, as well as entrepreneurs

The results of the study concluded that there was an influence of Incremental Innovation on Competitive Advantage in the Small and Medium-Sized Industry of Pekalongan Batik. The results of the study also concluded that there is an influence of Incremental Innovation on Competitive Advantage in Batik SMEs Deden Tasikmalaya. The results of the study also concluded that there is an influence of Incremental Innovation on Competitive Advantage in Trusmi Batik Central SMEs in Cirebon Regency.(Suendro, 2010)(Fatah, 2012)(Peacock, 2017)

The Effect of Incremental Innovation on Competitive Advantage

The results of the second hypothesis test concluded that radical innovation had a significant effect on the competitive advantage of MSMEs in the wetland area of Hulu Sungai Utara Regency. Radical innovation is an innovation by making changes as a whole, both components and existing systems. The measurement of incremental innovation is carried out with the theory of (Ojasalo, 2008) following:

1. Creating products is based on a set of different techniques *of interactional justice*.
2. Creating processes is based on a set of different techniques *of interactional justice*.
3. Creating products is based on scientific principles and often opens new markets.
4. Creating processes is based on scientific principles and often opens new markets.
5. Creating a product is based on the results of the product or service produced from a new way/method altogether.
6. Creating processes based on the results of products or services resulting from new ways/methods altogether

Radical innovation means creating a completely new product, which is generally done with a *technological push*. Radical innovation provides a significant spike in the benefits or values offered, as well as the authenticity of the underlying idea. The difference in the value of the results of this innovation for the wearer can be pretty surprising. Radical innovation will drive incremental innovation and various types of imitation immediately. In radical innovation, there are three levels in developing an innovation that has an impact and can change the wider market, namely as follows:

1. Level 1: *Breakthrough*. At this stage, an innovation is able to provide a more creative solution in answering problems that exist in customers that previously could not be solved by similar business competitors.
2. Level 2: *Disruptive*. At this stage, an innovation is able to create a new *niche market*. At this stage the resulting innovations have become widely known and used by most of the people.
3. Level 3: *Game Changing*. At this stage, innovation has changed a game. The innovations created are able to change society in accessing information, products, and services that existed before. The market has changed on a mindset

Radical innovation is a step in the commercialization of a product or service using technology that has a great impact on society. The development of radical innovation has two sides, namely the company side and the market. Companies with their advantages will encourage the occurrence of innovative radical ideas, while the market offers benefits to customers through products resulting from those ideas.

The findings are explained regarding the influence of radical innovation on competitive advantage can only be proven by (6) six items, namely LAMPIT MSMEs creating a manufacturing process based on a set of different techniques, Lampit MSMEs creating lampit products based on a different set of techniques, Lampit MSMEs creating lampit manufacturing processes that are based on scientific principles and often open up new markets, Lampit MSMEs create lampit products that are based on scientific principles and often open up new markets, Lampit MSMEs create lampit manufacturing processes that are based on lampit product results produced from new ways/methods. Lampit MSMEs create lampit products based on lampit products produced in new ways/methods.

Innovation is a new idea or idea that can be useful for business processes in the company. An idea or idea can be new or add some previous ideas. Companies innovating either product innovation or process innovation will increase the benefits or results of the innovation process. Innovation is a psychological and sociocultural phenomenon. Both aspects can be the key to the success or failure of an organization. The purpose of innovation is also to improve the company's performance, sales, or profits so that the company can be stable and even develop well. Then the process can be viewed with two approaches, the first is the structuralist approach, and the second is the process approach. As a unit with fixed benchmarks such as management practices, the process approach views innovation as a complex process that often involves other groups in the organization (Daghfous, 1999)(Hartini, 2012)

The results of the study concluded that there was an influence of Radical Innovation on Competitive Advantage in the Small and Medium-Sized Industries of Pekalongan Batik. The results of the study also concluded that there is an influence of Radical Innovation on Competitive Advantage in Deden Tasikmalaya Batik SMEs. The results of the study also concluded that there is an influence of Radical Innovation on Competitive Advantage in Trusmi Batik Central SMEs in Cirebon Regency(Suendro, 2010)(Fatah, 2012)(Peacock, 2017)

CONCLUSION

Based on the results, analysis and discussion, the conclusions of this study are as follows:

1. Incremental Innovation has a significant effect on the Competitive Advantage of MSMEs in the wetland area of Hulu Sungai Utara Regency
2. Radical Innovation has a significant effect on the Competitive Advantage of MSMEs in the wetland area of Hulu Sungai Utara Regency

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