

ABSTRACT

This study aims to analyze the effect of entrepreneurial orientation on new product development performance among fashion MSMEs in Bandung, with customer participation as a mediating variable. Entrepreneurial orientation consists of five dimensions: innovativeness, proactiveness, risk-taking, autonomy, and competitive aggressiveness. The study uses a quantitative approach with a survey method. Data were collected through questionnaires from 327 respondents and analyzed using Structural Equation Modeling – Partial Least Squares (SEM-PLS). The results show that entrepreneurial orientation has a positive and significant effect on new product development performance, as well as on customer participation. However, customer participation does not significantly mediate the relationship between entrepreneurial orientation and new product development performance. These findings indicate that MSME actors tend to rely more on internal strategies rather than involving customers in the innovation process. The implication of this result highlights the importance of building a more strategic and structured customer participation system to contribute effectively to product innovation.

Keywords: *Entrepreneurial Orientation, Customer Participation, New Product Development Performance, MSMEs, SEM-PLS*