

## **ABSTRACT**

*This research is titled "The Influence of Entrepreneurial Characteristics and Business Capital on Performance of Small and Medium Enterprises (SMEs) Based on Processed Marine Food Products Mediated by Product Innovation in Tanjung Jabung Barat Regency." The objectives of this study are: 1) To analyze and explain the influence of entrepreneurial characteristics and business capital on the performance of SMEs based on processed marine food products in Tanjung Jabung Barat Regency. 2) To analyze and explain the influence of entrepreneurial characteristics and business capital on product innovation in SMEs based on processed marine food products in Tanjung Jabung Barat Regency. 3) To analyze and explain the influence of product innovation on the performance of SMEs based on processed marine food products in Tanjung Jabung Barat Regency. 4) To analyze and explain the influence of entrepreneurial characteristics and business capital on the performance of SMEs with product innovation as a mediating variable in SMEs based on processed marine food products in Tanjung Jabung Barat Regency.*

*The research method used is quantitative descriptive analysis with primary data, employing saturated sampling techniques with a total of 166 respondents from business actors. The analytical tool used is Structural Equation Modeling (SEM), with Smart PLS version 3, following these steps: 1. Outer model analysis; 2. Inner model analysis; 3. Indirect effect analysis.*

*The results of the study indicate that: 1) Entrepreneurial characteristics, business capital, and product innovation directly influence the performance of SMEs based on processed marine food products in Tanjung Jabung Barat Regency. 2) Business capital directly influences product innovation in processed marine food products in Tanjung Jabung Barat Regency. 3) Business capital influences the performance of SMEs based on processed marine food products in Tanjung Jabung Barat Regency with product innovation as a mediating variable. 4) Entrepreneurial characteristics do not directly influence product innovation in processed marine food products in Tanjung Jabung Barat Regency. 5) Entrepreneurial characteristics do not influence the performance of SMEs based on processed marine food products in Tanjung Jabung Barat Regency with product innovation as a mediating variable.*

**Keywords:** *Entrepreneurial Characteristics, Business Capital, Product Innovation, and SME Performance*