

The Influence of Entrepreneurship, Business Strategy, and Business Networking on Competitive Advantage in Micro, Small and Medium Enterprises in the FnB Industry in Jabodetabek

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ABSTRACT

This research examines the impact of Entrepreneurship, Business Strategy and Business Networking for Competitive Advantage on small medium enterprises in FnB industry in Jakarta, Bogor, Depok, Tangerang, and Bekasi. This research uses quantitative research methods and purposive sampling. Total respondents in this research is 201 respondents from Jabodetabek area. The spread of the questionnaire is done using Google Form. Analysis and testing of statistical data in this research is using SmartPLS4 application. The result of this research study stated that entrepreneurship has an influence on business strategy, entrepreneurship has an influence on competitive advantage, business strategy has an influence on business networking, and business networking has an influence on competitive advantage. While business strategy doesn't have an influence on competitive advantage.

Keywords: entrepreneurship; business strategy; business networking; competitive advantage

INTRODUCTION

In journal Wingwon (2015) said that entrepreneurship is a very important role to support the role of a country's economic growth. According to (Limanseto, 2021) MSMEs themselves are the most important pillar in the Indonesian economy. Currently there are 64.2 million MSMEs in Indonesia, with a total contribution to gross domestic product of 61.07% or worth 8,573.89 trillion rupiah. The contribution and role of MSMEs to the Indonesian economy has the ability to absorb as much as 97% of the total workforce. Through this contribution, you can also collect as much as 60.4% of the total investment.

The FnB industry itself is an industry that operates in the culinary sector (food and drinks). Through an article issued by Hartarto (2017) which states that the food and beverage industry is currently still one of the mainstay sectors to support manufacturing and national economic growth. Compared to other subsectors, the food and beverage industry alone contributed 34.95% to non-oil and gas industry GDP in the third quarter of 2017.

Through data obtained from (Banten Province Central Statistics Agency, 2021) and (Banten Province Central Statistics Agency, 2022) it can be concluded that there has been an increase in the number of companies in the food and beverage industry, especially in Banten Province. The data obtained is as follows:

Table 1. Banten Province Food and Beverage Industry Data

Year	Company
2018	277
2020	51.392

It can be seen from the data attached above that there was a significant increase from 2018 to 2020, namely 51,155 companies increased in 2020.

According to research presented by (Wingwon, 2015) there are still several problems or obstacles faced by entrepreneurs. Some of them are:

1. Financial constraints in accessing capital resources and limitations in obtaining loans through financial institutions due to lack of recognition of social status and lack of collateral assets.
2. Limitations in implementing business strategy differentiation and product and service marketing in order to increase competitive advantage in an industry.
3. Limitations in access to data and information from the government that MSMEs need to develop their businesses.
4. Limitations in managing skills among entrepreneurs, inconsistent business operations and weaknesses in management networks.
5. Limitations in procuring raw materials due to limited bargaining power with suppliers and limited connection networks.
6. Maintaining traditional technology due to limited capital which has an impact on production efficiency and competitive ability.
7. Increased human resource costs for workers who are unskilled or lack experience in managing the business to be run.

LITERATURE REVIEW

Entrepreneurship

In the business world, the term entrepreneurship is certainly not a common thing. According to Mokaya et al. (2012) entrepreneurship or entrepreneurship originally came from French, namely: "entreprende" which means adventurer, creator or business manager. This shows the journey that an entrepreneur must take. Where every entrepreneur is required to be brave in taking risks and have interesting creativity and innovation. According to Siswoyo (2009), entrepreneurship is a process of developing creative and innovative ideas with the aim of producing added value to products that will be marketed.

An entrepreneur must be able to see market opportunities and must not have doubts in running his business. According to Zimmerer and Scarborough (2008) entrepreneurship is an effort to take advantage of the opportunities faced every day. Entrepreneurship is also an application of creativity and innovation. In creating products or services, entrepreneurs must also have interesting ideas or strategies in order to compete against competitors. With innovative products, this can provide added value for companies to be able to compete in the business world and satisfy consumers. Entrepreneurship itself consists of two types of characteristics, namely need-based entrepreneurship and opportunity-based entrepreneurship. In this context, need-based entrepreneurship means that someone must become an entrepreneur because it is based on a sense of compulsion. So this makes him obliged to choose the profession of entrepreneurship as his career to earn a living. Meanwhile, opportunity-based entrepreneurship means that a person becomes an entrepreneur because he sees the potential within himself to be able to manage or run a business or business. In short, this is used as a form of talent or talents that a person has acquired to run a business which can be called an entrepreneur (Mokaya et al., 2012)

Based on the definition attached above, it can be concluded that entrepreneurship is an attitude that every entrepreneur must have in order to maintain their business when producing a product or service that can provide satisfaction to consumers. That way a company is able to compete with existing competitors. Seeing that at this time many people are competing to create

a business that is currently trending. For this reason, as an entrepreneur, you must have good creativity and innovation in managing your company.

Business Strategy

In running a business, as an entrepreneur you must have a mature business strategy because there are many competitors in the business world. For this reason, it is necessary to adapt to increasingly modern trends or changes in the environment. By having the right business strategy, this can be one of the keys for an entrepreneur to achieve his goals.

According to research conducted by Sule and Saefullah (2017) and Eksandy et al. (2020) business strategy is a step that must be taken by entrepreneurs, which is made to achieve the goals of a business. Determining this business strategy must be long-term, in other words it must maintain the company in a safe position and generate stable profits (Gunawan, 2017). In this way, a company is able to provide a promising position amidst the dense onslaught of business competitors in this era.

Through the definition attached above, it can be concluded that business strategy is a step or strategy that must be carried out by an entrepreneur in running a company. This is useful so that the company can compete against competitors in the market. So that consumers can feel satisfied using the products or services provided by the company.

Business Networking

According to Fiati (2016) business networking is a business activity to build relationships or interactions that are mutually beneficial to each other. This applies to both business people and consumers in order to increase business growth, namely by building extensive connections and relationships. In building a business in the current era of globalization, building business networking is very important because to be able to compete against other competitors, an entrepreneur must be able to obtain information about his competitors. Especially in the same field or industry. So that the company is able to create a product or service better than other competitors, with the aim of establishing the right business strategy.

As said by Sari et al. (2020) that business networks themselves are divided into four types, including:

1. Collaboration network, the aim is to expand relationships in working together to grow company productivity.
2. Service network, the aim is to create relationships to improve the quality of service within the company to consumers.
3. Marketing network, the aim is to create relationships to improve the marketing process of the company's products that will be offered to consumers.
4. Networking between business groups is an activity carried out together with certain business groups in the same industry.

According to Wingwon (2015), good business networking is not only about building relationships between business people and consumers, but also with suppliers or people who have influence in the business being run by an entrepreneur himself. Suppliers play the role of suppliers of materials needed by a manufacturer. Therefore, as an example, a business person needs to build good relationships with suppliers.

Competitive Advantage

As a business person, of course customer satisfaction is one of the most important things. A company must have a certain attractiveness or superiority compared to other companies in

the same market or industry. For this reason, competitive advantage itself is a main factor that can encourage a company's success. According to Porter (2008), competitive advantage according to society is a form of consumer perception of the products or services offered. If the product is imitated by another competitor, an additional fee will be charged or it will already have a license or patent.

According to Wingwon (2015), in facing competition in the same industry, an entrepreneur must be able to understand market demand, so that achieving competitive advantage requires the right business strategy. This competitive advantage must have an indicator that can later be measured by human resources in retaining company employees. Companies must also be able to respond to changes in the market environment by focusing on appropriate business placement and focusing on existing competition in the same industry. Considering that there may be threats that come, both between companies, new entrants and bargaining power from consumers and suppliers. For this reason, as a good entrepreneur, it is obligatory for you to understand the status of your own business with the aim of achieving competitive advantage.

According to Wulandari and Murniawaty (2019) competitive advantage itself is a form of excellence that needs to be achieved by a company in producing a product that must have superiority over other competitors in the hope that the company will have added value in the eyes of consumers. In short, a company must have certain aspects that differentiate a company from other competitors, making it superior.

SAMPLING

This research is quantitative research using a non-probability sampling method with purposive sampling. This research was conducted on 201 respondents from food and beverage businesses in Jakarta, Bogor, Depok, Tangerang and Bekasi using a questionnaire via Google form distribution. The research requirements that are taken into consideration by researchers in this problem are:

- a. The respondents that researchers aimed for in this research were the business actors themselves from MSMEs in the FnB industry.
- b. A director or manager who holds a role as a leader or manager who has a major impact on decisions within the company as an executive.
- c. The minimum business actor has been running a business in the FnB sector is for 1 year. The goal is to be able to lead the company better.

RESULT

Table 2. Respondent Profile

Profile	Description	Quantity
Sex	Male	93
	Female	108
Age	16-20 y.o	0
	21-25 y.o	21
	26-30 y.o	26
	31-35 y.o	96
	36-40 y.o	15
	41-45 y.o	0

Profile	Description	Quantity
	>45 y.o	63
Platform	Online	57
	Offline	24
	Combine (online & offline)	120
Domicile	Jakarta	21
	Bogor	3
	Depok	0
	Tangerang	174
	Bekasi	3
Business age	0-2 y.o	81
	2-5 y.o	51
	>5 y.o	69

Table 3. Path Coefficient

		Original Sample (O)	T-statistics (O/STDEV)	P Values	
H1	Entrepreneurship -> Business strategy	0.722	21.637	0.000	Supported
H2	Entrepreneurship -> Competitive Advantage	0.457	5.891	0.000	Supported
H3	Business strategy -> Competitive Advantage	0.167	1.639	0.101	Not Supported
H4	Business strategy -> Business networking	0.680	15.349	0.000	Supported
H5	Business networking -> Competitive Advantage	0.234	3.052	0.002	Supported

DISCUSSION

After processing the data of 201 respondents through the SmartPLS application, at this stage we will explain in more detail the relationship between the variables that are supported.

H1: Entrepreneurship has an influence on business strategy.

The first hypothesis is that entrepreneurship has an influence on business strategy. This can be seen from the profile of respondents who are dominated by the 31-35 year age group who have more mature thoughts and considerations in making decisions. Furthermore, the results of respondents' answers in this research are dominated by business platforms that are run in combination, in the sense of offline and online. Where these combination business actors will think about more strategies, namely online strategies and offline strategies. It can be seen that in the FNB industry, every business person needs the right business strategy to run their business. Remembering that every entrepreneur is required to have the courage to take risks and be able to create a creative and innovative product or service.

H2: Entrepreneurship has an influence on Competitive Advantage

The second hypothesis here is that entrepreneurship has an influence on competitive advantage.

In achieving a competitive advantage, an entrepreneur must make maximum use of existing resources. The same results can also be seen in all indicator values for the competitive advantage variable. Respondents believe that the products produced by the brand can provide satisfaction to consumers. It can be seen that in the FNB industry an entrepreneur must make maximum use of existing resources in order to achieve competitive advantage. The reason is that an entrepreneur definitely works to try to achieve success in his industry. Therefore, an entrepreneurial spirit and attitude is an important factor in achieving a company's competitive advantage.

H3: Business Strategy has an influence on Competitive Advantage

The third hypothesis here is that business strategy has an influence on competitive advantage. In this third hypothesis, the results of the research are not supported. This is one of the supporting things which states that through research conducted on 201 respondents, not all respondents are focused on continuing to create new innovations. There are still many respondents who are still playing within their comfort zone. Because to be able to compete in the FnB industry, you don't need to always change or create new innovations. There are still many business actors in this industry who continue to survive with the characteristics of their respective products. However, the stability of products and services must still be considered. Therefore, the third hypothesis here which states that business strategy has an influence on competitive advantage is not supported.

H4: Business Strategy has an influence on Business Networking

The fourth hypothesis in this research is that business strategy has an influence on business networking. This means that an entrepreneur tries to dig up information about the business strategies used by his or her rivals. To get this information, an entrepreneur must have connections and an extensive business network. This is of course part of the business strategy carried out by every business actor in the FNB industry with the aim of expanding their business network. By implementing a good business strategy as stated in the BN3 indicator which is one of the business strategies for expanding business networks. For example, by promoting your business by using ads, paid promotion, etc.

H5: Business Networking has an influence on Competitive Advantage.

The fifth hypothesis is that business networking has an influence on competitive advantage. This can be a form of proof from the research results that every business actor in the FNB industry to achieve competitive advantage must be able to expand its business network. By expanding the business network, this will have a positive impact on the company through the various connections it can make. Therefore, business networks have an influence on a company's competitive advantage.

MANAGERIAL IMPLICATIONS

From the results of this research which is applied to the micro, small and medium scale businesses in the FNB industry domiciled in Jabodetabek, it has managerial implications as research conducted in looking at the capabilities and importance of the influence of entrepreneurship, business strategy and business networking on competitive advantage on the MSME scale in Jabodetabek. This is an important factor for a business person in running his business. Considering that especially in the FNB industry itself, business competition is quite

tight in this era. For this reason, as a business person, to be able to survive against other competitors, an entrepreneur must be able to implement knowledge about entrepreneurship or entrepreneurship. To become an entrepreneur, you are definitely required to be able to create creative and innovative services, products and technology. Apart from that, you also need to implement the right business strategy for your company. For example, by placing your business on various platforms, both online and offline. Apart from that, you can also implement various kinds of interesting promotions, build interaction with consumers and audiences via social media, etc. Furthermore, in building a business it is definitely necessary to have connections and build good relationships by expanding the business network. The way to do this is by joining various business communities, attending various seminars related to the business industry, etc. In this way, these factors will have a significant impact or influence on the company, namely achieving competitive advantage in the industry. This research also explains the definition of each variable contained in this research, namely entrepreneurship, business strategy, business networking, and competitive advantage which is supported by research from experts.

RESEARCH LIMITATION AND FUTURE RESEARCH

In this research there are still many limitations and obstacles faced. One of them is the number of respondents who only live in the Jabodetabek area, which is mainly dominated by the Tangerang area, while the Depok area still has not received any respondents. Apart from that, in this study the age group of respondents was dominated by the 31-35 year age group, while the 16-20 year and 41-45 year age groups were still empty. This research also still faces limitations in searching for supporting journals or articles considering that there is still limited information amidst the Covid-19 pandemic.

For future researchers to be able to develop this research more specifically from different points of view and perspectives. This research also still has limitations in terms of the time limit for completing this research. So it is recommended for future researchers to make better use of their time in order to get better results.

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