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Entrepreneurship Orientation and Market Orientation and on Business Performance Through Competitive Advantage

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Abstract

This study aims to determine the effect of entrepreneurial orientation and market orientation on business performance through competitive advantage at the center of bag craftsmen. This research is a quantitative study using accidental sampling with primary data by distributing questionnaires to the center for bag craftsmen in Tanggulangin, Sidoarjo. The samples in this study used 110. The data analysis method uses PLS. The result showed that entrepreneurial orientation had a significant positive effect on competitive advantage, market orientation has positif not significant on competitive advantage, entrepreneurial orientation has a significant positive effect on business performance, market orientation has a significant positive effect on business performance, competitive advantage has a positive effect on business performance.

Keywords: Entrepreneurial Orientation, Market Orientation, Competitive Advantage, Business Performance

Introduction

In the era of globalization, many business actors run various kinds of entrepreneurs from teenagers to adults and some even leave their jobs because they want to focus on their business fields. Entrepreneurship orientation is an entrepreneurial ability in managing their business in order to get new business opportunities so that they can adapt to the times. Drucker, 1994 in Helia (2015) Entrepreneurship orientation is a character or characteristics inherent in someone who has a strong will to realize innovative ideas into a real business world and can develop them tough.

The shopping tourism area in Sidoarjo has bag craftsmen who are the only cooperatives engaged in the bag and luggage industry in the Sidoarjo area. However, since the Lapindo mud disaster that occurred in 2006 has had an impact on the growth of bag craftsmen which resulted in bag craftsmen experiencing a lack of visitors so that their income decrease. The competitive advantage of a business will be able to survive so that in measuring its success, the competitiveness of existing businesses supports business performance including the marketing performance of a business (Manahera et al., 2018). The use of financial performance measurement (finance performance measurement) or single performance

measurement (single performance measurement) is not able to reveal important aspects. Human resources who understand and have entrepreneurial abilities will have an advantage in dealing with internal and external factors of the company, so they are better able to manage these factors into a useful strategy for the company so that there are changes that differentiate compared to competitors (Lestari et al., 2019). Entrepreneurship orientation refers to practices, processes, and decision making that provide impetus towards new inputs and there are 3 aspects of entrepreneurship, namely, taking risks, acting proactively and always being innovative. So that the entrepreneurial orientation will have a significant effect on competitive advantage. If the product is experiencing a decline, the effort to be made is to innovate and be creative with the item so that it can compete and be accepted by the community. Competitive advantage can be achieved if the company is able to provide more value to customers. The more intense the competition, the business actor must always be able to create new and creative ideas in the manufacture of a product (Layoo & Rahman, 2019).

Market orientation is an activity of searching for market information, including current and future consumer needs, the distribution of this information is cross-functional, and the organization as a whole responds well to the information which is the main focus in serving customers (Manahera et al., 2018). Customers are the main priority for companies to run their business. Customers are the spearhead or assets so they must foster good relationships and provide good service so that customers do not switch to other places (Ie & Pratama, 2019).

Business performance is a form of a person's behavior in running his business to be successful. This business performance relates to a person's individual relating to his initiative without thinking of any rewards.

Problem Statement

The phenomenon that occurs is that several shops in Tanggulangin are suspended, but some are still operational. This is due to the presence of Lapindo mud in Porong which is very disturbing for breathing so, besides the emergence of the digital era which has resulted in many business actors going out of business and unemployment everywhere, besides that now it has entered the digital era so that orders can be done by online without going to the place. This study refers to several research gaps, Manahera *et al* (2018) Entrepreneurial orientation (X2) has a positive influence on business performance (Y2). It states that the higher the entrepreneurial orientation, the higher the competitive advantage. So this study contradicts the results of research by Ie & Pratama (2019) which states that entrepreneurial orientation partially has an influence on performance in small and medium enterprises in the retail sector.

Research Questions

1. Does the Entrepreneurship Orientation affect the competitive advantage of the leather craft center in Tanggulangin Sidoarjo?
2. Does Market Orientation affect the competitive advantage of the leather craft center in Tanggulangin Sidoarjo?
3. Does Entrepreneurship Orientation affect business performance at the leather craft center in Tanggulangin Sidoarjo?
4. Does Market Orientation affect business performance at the leather craft center in Tanggulangin Sidoarjo?
5. Does competitive advantage affect business performance at the leather craft center in Tanggulangin Sidoarjo?

Literature Review

Entrepreneurship Orientation

Entrepreneurial orientation is very important to be owned by every individual in running his business because this is the behavior of a business in running its business to be successful. Entrepreneurial orientation is the ability to create something new and different. This of course requires hard work, confidence, enthusiasm and always learning to keep up with the times (Syukron & Ngatno, 2016). This activity requires creativity, innovation, using new technology and creating new products in order to provide good service. The dimensions of entrepreneurial orientation used in this study consist of three, namely innovativeness, risk taking and proactiveness (Jannah et al., 2019).

Market Orientation

Market orientation is very important for the progress of a company in running its business, especially in facing competition by online. Sales do not have to be done on the spot but can be done online or digitally, thus providing an opportunity for someone who does not want to leave the house. In this market orientation, the customer is an asset so that their wishes must be considered and fulfilled so that the sale goes according to expectations. Market orientation as a search for information about the market related to consumer desires for now and in the future, the dissemination of information throughout the organization, and the response of the entire organization to the information. Market orientation indicators are customer orientation, competitor orientation and coordination between functions (Djodjobo & Tawas, 2014; Gradistya & Farida, 2016).

Competitive Advantage

Competitive advantage is a strategy for companies to achieve a goal so that their products can survive from competitors. Ayuningrum & Pangestuti, (2018) maintain a good competitive advantage in the company depending on the resources and ability to manage the company. Business can excel through: 1). Superior skills, including managerial and operational technical skills in running a business; 2). Superior resources, including distribution network, brand image, production capacity, sales force, technology, natural resources that can produce cost leadership, or differentiation that provides superior value for consumers; 3). Superior performance in every value exchange in activities designing, producing, marketing, delivering and product support (Hasan, 2018). Competitive advantage as a company that has several positions where competitors cannot imitate the company's strategy so that the company obtains sustainable benefits there are four measurements of the company's competitive advantage, including; 1) whether the company has lower costs compared to competitors; 2) whether the company has a better managerial ability than competitors; 3) whether the company has better profitability; and 4) whether the company is a prime mover in several areas and occupies an important position (Dalimunthe, 2017).

Business Performance

Good business performance is something that is supported by improvement efforts and is able to withstand a fast-moving market position. Seeing this, it takes hard work in the face of intense competition consisting of: profit, financial condition, competitive product results, number of customers owned, number of sales, employee satisfaction with compensation and employee motivation (Ludiya & Maulana, 2020).

Conceptual Framework

The conceptual framework in this study in figure 1 as follows :

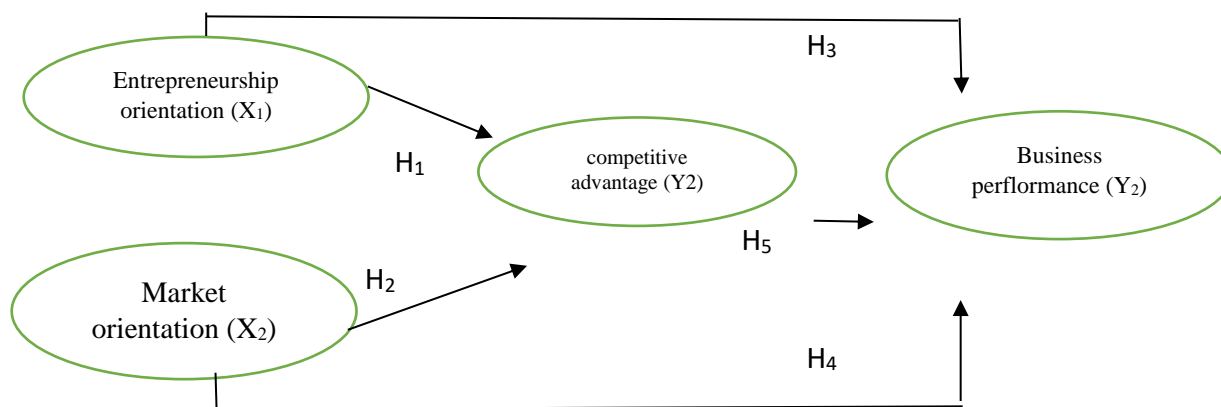


Figure 1
Conceptual Framework

The hypothesis in this study are

Entrepreneurship orientation towards competitive advantage at the center of bag craftsmen in Tanggulangin Sidoarjo

Companies with a strong entrepreneurial orientation can maintain their products in the market by carrying out various kinds of innovations so that their products can be accepted by the community and can compete with other products. Entrepreneurial orientation is one of the important factors that can build business actors to be successful. Companies that have a strong entrepreneurial orientation are expected to be able to maintain their products and continue to make the latest innovations so that they are not inferior to other products. With increasingly competition, one of the keys to winning the competition depend on in the industry to create a competitive advantage so that it must have its own uniqueness compared to other products, namely not easy to imitate, rarely encountered, not easy to replace and competitive prices. In general, consumers are more interested in innovative products so that these products can be used as a source of competitive advantage. Jayanti & Dahlia, (2019) Competitive advantage can be achieved if the company is able to provide more value to customers than what is provided by its competitors, such as designing, producing, marketing, delivering, and supporting its products. Entrepreneurial orientation affects the competitive advantage of Culinary MSMEs in the West Cilandak area, South Jakarta. The higher the Entrepreneurial Orientation, the higher the Competitive Advantage (Lestari *et al.*, 2019).

H1 : Entrepreneurship Orientation has an effect on competitive advantage at the center of bag craftsmen in Tanggulangin Sidoarjo

Market orientation towards competitive advantage at the center of bag craftsmen in Tanggulangin Sidoarjo

Market-oriented companies always try to create more value for their customers so that they can create competitive advantages for their products and have a longer value so that consumers do not switch to other products. The importance of market orientation emphasizes the extent to which SMEs establish satisfaction of customer needs and wants as the organizing principle of the company. Market orientation leads to higher levels of innovation. SMEs can generate innovative ideas from learning opportunities across the organization in different

functions. Innovation is the process of turning an opportunity into a marketable idea (Sondra et al., 2021).

H2 : Market orientation has an effect on competitive advantage at at the center of bag craftsmen in Tanggulangin Sidoarjo

Entrepreneurship Orientation Affects Business Performance at the Center of Bag Craftsmen in Tanggulangin Sidoarjo

Entrepreneurship orientation which is related to business performance has a very close relationship so that managing its business requires hard work, self-confidence and enthusiasm. Entrepreneurial orientation is a person's behavior in managing his business to be successful, successful and can be of interest to all levels of society related to products made so that customers do not switch to other products, so that entrepreneurial orientation has a positive effect on business performance (Feranita & Setiawan, 2018). This means that entrepreneurs who have an entrepreneurial spirit will always design a strategy of excellence carefully. Entrepreneurial orientation has a positive and significant effect on the performance of MSEs in Banggai Regency. This shows that to improve company performance, MSEs in Banggai Regency must be able to maintain and improve their entrepreneurial orientation which includes an innovative, proactive attitude, courage to take risks, autonomy and competitive aggressiveness (Layoo & Rahman, 2019).

H3 : Entrepreneurship orientation affects business performance at the center of bag craftsmen in Tanggulangin Sidoarjo

Market Orientation has an Effect on Business Performance at the Center of Bag Craftsmen in Tanggulangin Sidoarjo

Market orientation to identify the market and is used as a basis for determining strategies in making sales. Companies that are successful in controlling the market are referred to as market drive firms, namely companies that always place customer orientation and competitor orientation in harmony, resulting in better marketing performance. Market orientation was also found to have an effect on the performance of the Makassar City Food and Beverage Industry SMEs. and Entrepreneurship orientation affects the performance of SMEs in the Food and Beverage Industry (Abbas, 2018). Market orientation reflects competence in understanding the customer or target market.

H4 : Market orientation has an effect on business performance at the center of bag craftsmen in Tanggulangin Sidoarjo

Competitive Advantage Affects Business Performance at the Center of Bag Craftsmen in Tanggulangin

Companies that are able to create competitive advantage will have the power to compete with other companies because their products will still be in demand by customers. Competitive advantage can come from various company activities such as designing, producing, marketing, and supporting its products. Based on the results of the study, it was shown that from the Competitive Advantage variable with the smallest average (mean), the item that the distance traveled between tours was 3.68 (Ayuningrum & Pangestuti, 2018).

H5 : Competitive advantage affects business performance at the center of bag craftsmen in Tanggulangin Sidoarjo

Method

This research uses quantitative research. This study measures the influence of entrepreneurial orientation, market orientation, competitive advantage and business performance. The population in this study were business actors in Tanggulangin Sidoarjo as many as 200 respondents. The sampling technique in this study used accidental sampling. Martono (2010) determines the sample based on chance, that is, anyone who happens to be met by the researcher can be used as a sample, if it is deemed that the person who happened to be met is suitable as a data source. The reason for using accidental sampling is because the population is very large with high respondent activity, namely a group of members of the object to be studied. The sample used is 110 respondents. Collecting data by distributing questionnaires. The type of data used in this study is primary data, namely data obtained directly from respondents.

Variable Measurement Technique

This questionnaire in its measurement uses a Likert scale in order to produce quantitative measurements (Sugiono, 2014) namely strongly agree with a score of 5, agree with a score of 4, neutral with a score of 3, disagree with a score of 2, strongly disagree with a score of 1

Analysis Results

Description of Respondents Characteristics

Respondents used in the study were business actors in Tanggulangin Sidoarjo as many as 110 people. The characteristics of the respondents who have been collected based on the questionnaires that have been distributed are described through; gender, age, education and length of business are as follows:

Table 1

Respondent Data

Respondents' profile	Description	Frequency	Percent
Gender	Male	67	60,9%
	Female	43	39,1%
Age	< 20 years	4	3,6%
	20- 30 years	23	20,9%
	31-40 years	59	53,6%
	> 40 years	24	21,8%
Education	SMA	41	37,3%
	D3	4	3,6%
	S1	65	59,1%
Age of respondent	< 3 years	1	0,9%
	3-6 years	25	22,7%
	7-10 years	31	28,2%
	> 10 years	53	48,2%

Source: Primary Data 2022

Table 1 shows that the sexes of 110 business actors in Tanggulangin Sidoarjo who made the most respondents were male, 67 people with a percentage of 60.9%, the remaining 43 people with a percentage of 39.1% were female respondents. Respondents aged between 31-40

years were 59 people with a percentage of 53.6%, respondents aged over 40 years were 24 people with a percentage of 21.8%, respondents aged between 20-30 years were 23 people with a percentage of 20.9% . The remaining 4 people with a percentage of 3.6% are respondents who are less than 20 years old. With regard to education, the majority of respondents are those with S1 education with a percentage of 59.1%, 41 respondents with a high school education with a percentage of 37.3%. The remaining 4 people with a percentage of 3.6% are respondents with D3 education. Length of Business Respondents are those who have been in business for more than 10 years with a percentage of 48.2%, respondents who have done business between 7-10 years are 31 people with a percentage of 28.2%. respondents who do business between 3-6 years are 25 people with a percentage of 22.7%. The remaining 1 person with a percentage of 0.9% are respondents who do business for less than 3 years.

Data Analysis

Multiple Linear Regression

This research is to find out how much influence entrepreneurial orientation, market orientation and competitive advantage have on business performance in a linear manner. The tests that have been carried out obtained the following results:

Table 2

Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	3,383	1,467		2,306	,023
Entrepreneurship Orientation (EO)	,394	,098	,320	4,044	,000
Market Orientation (MO)	,257	,079	,249	3,265	,001
Competitive Advantage (CA)	,315	,069	,367	4,568	,000

a. Dependent Variable: Business Performance

Source: Primary Data 2022

Table 2 can be written in the regression equation model 2 as follows:

$$\text{Business performance} = 0,394 \text{ EO} + 0,257 \text{ MO} + 0,315 \text{ CA}$$

Based on Table 2, the resulting are:

a. Entrepreneurial Orientation Regression Coefficient

The regression coefficient value produced by the entrepreneurial orientation variable is 0.394 which is positive, meaning that there is a unidirectional relationship between these variables and business performance. The better the entrepreneurial orientation will further improve business performance.

b. Market Orientation Regression Coefficient

The value of the regression coefficient produced by the market orientation variable is 0.257 which is positive, meaning that there is a unidirectional relationship between these variables and business performance. The better market orientation will further improve business performance.

c. Competitive Advantage Regression Coefficient

The regression coefficient value generated by the competitive advantage variable is 0.315 which is positive, meaning that there is a unidirectional relationship between these variables and business performance. The better the competitive advantage will further improve business performance.

Goodness of Fit

The tests that have been carried out obtained the following results:

Table 3

Anova

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	185,709	3	61,903	23,799	,000 ^b
Residual	275,709	106	2,601		
Total	461,418	109			

a. Dependent Variable: Business Performance

b. Predictors: (Constant), Competitive Advantage, Market Orientation, entrepreneurship orientatio

Source: primary data 2022.

Table 3 of the test results shows the acquisition of a significant level of F of $0.000 < 0.05$ (level of significance). This condition indicates that entrepreneurial orientation, market orientation and competitive advantage deserve to be used as predictors of business performance. The ups and downs of business performance can be predicted by the rise and fall of entrepreneurial orientation, market orientation and competitive advantage.

Coefficient of Determination (R²)

The measurement of the coefficient of determination is carried out to see the ability of the contribution given by the variables of entrepreneurial orientation, market orientation and competitive advantage to business performance. The tests that have been carried out obtained the following results:

Table 4

Summary Model

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	,634 ^a	,402	,386	1,61277

a. Predictors: (Constant), Competitive Advantage, Market Orientation, Entrepreneurship Orientation

b. Dependent Variable: Business Performance

Source : primary data 2022.

Table 4 obtained the level of R square (R²) of 0.402. These results reflect that the contribution or contribution given by the variables of entrepreneurial orientation, market orientation and

competitive advantage to business performance is 40.2%. The rest (100% - 40.2%) of 59.8% was contributed by other factors outside the model used in the study.

Effect Test (t Test)

The t-test was used to determine the partial effect of entrepreneurial orientation, market orientation and competitive advantage on business performance. The results of the tests that have been carried out are as follows:

Tabel 5
Hasil Uji t

Variabel	Nilai Standardized Beta	Nilai Sig	Keterangan
Entrepreneurial Orientation (EO)	0,320 (P1)	0,000	Signifikan
Market Orientation (MO)	0,249 (P3)	0,001	Signifikan
Competitive advantage (BP)	0,367 (P5)	0,000	Signifikan

Source : Table 5 (on process)

Table 5 will then describe the respective effects of entrepreneurial orientation, market orientation and competitive advantage on business performance as follows:

a. The Effect of Entrepreneurship Orientation on Business Performance

The results of the tests that have been carried out show that the significant value obtained by the entrepreneurial orientation variable is 0.000, which is smaller than 0.05 (level of significant). These results indicate that the influence of the entrepreneurial orientation variable on business performance is significant.

b. The Effect of Market Orientation on Business Performance

The results of the tests that have been carried out show that the significant value obtained by the market orientation variable is 0.001 which is smaller than 0.05 (level of significant). These results indicate that the influence of market orientation variables on business performance is significant.

c. The Effect of Competitive Advantage on Business Performance

The results of the tests that have been carried out show that the significant value obtained by the competitive advantage variable is 0.000 which is smaller than 0.05 (level of significant). These results indicate that the effect of the competitive advantage variable on business performance is significant.

Path Analysis

The use of path analysis in research is to determine the direct or indirect effect between entrepreneurial orientation and market orientation on business performance through competitive advantage.

Table 6
Path Analysis Results

The relationship Variabel	Standardized Beta Value	Sig	Keterangan
EO → BP	0,320 (P ₁)	0,000	Significant
EO → CA	0,130 (P ₂)	0,001	Significant
MO → BP	0,249 (P ₃)	0,001	Significant
MO → CA	0,108 (P ₄)	0,065	Not Significant
CA → BP	0,367 (P ₅)	0,000	Significant

Source: Table 6 Processed

Table 6 can then be described path analysis as follows:

1. Tests that have been carried out can be seen that entrepreneurial orientation has a significant influence on competitive advantage and business performance. The test results also show that competitive advantage has a significant effect on business performance.
2. Subsequent test results show that market orientation has a significant effect on business performance, but market orientation has no significant effect on competitive advantage.

Based on the results above, it can be concluded that entrepreneurial orientation can have a direct effect on business performance or indirectly through competitive advantage. While market orientation variables can have a direct effect on business performance, but have no significant effect on business performance when through competitive advantage.

The value of $e1 = \sqrt{1 - R} = \sqrt{1 - 0,125} = 0,935$. These results indicate that the variance of the competitive advantage variable that cannot be explained by entrepreneurial orientation and market orientation is 93.5%. while the value of $e2 = \sqrt{1 - R} = \sqrt{1 - 0,402} = 0,773$. These results indicate the amount of variance in business performance variables that cannot be explained by entrepreneurial orientation, market orientation and competitive advantage is 77.3%.

To be clearer the direct or indirect influence between entrepreneurial orientation and market orientation on business performance through competitive advantage can be seen in the path analysis image as follows:

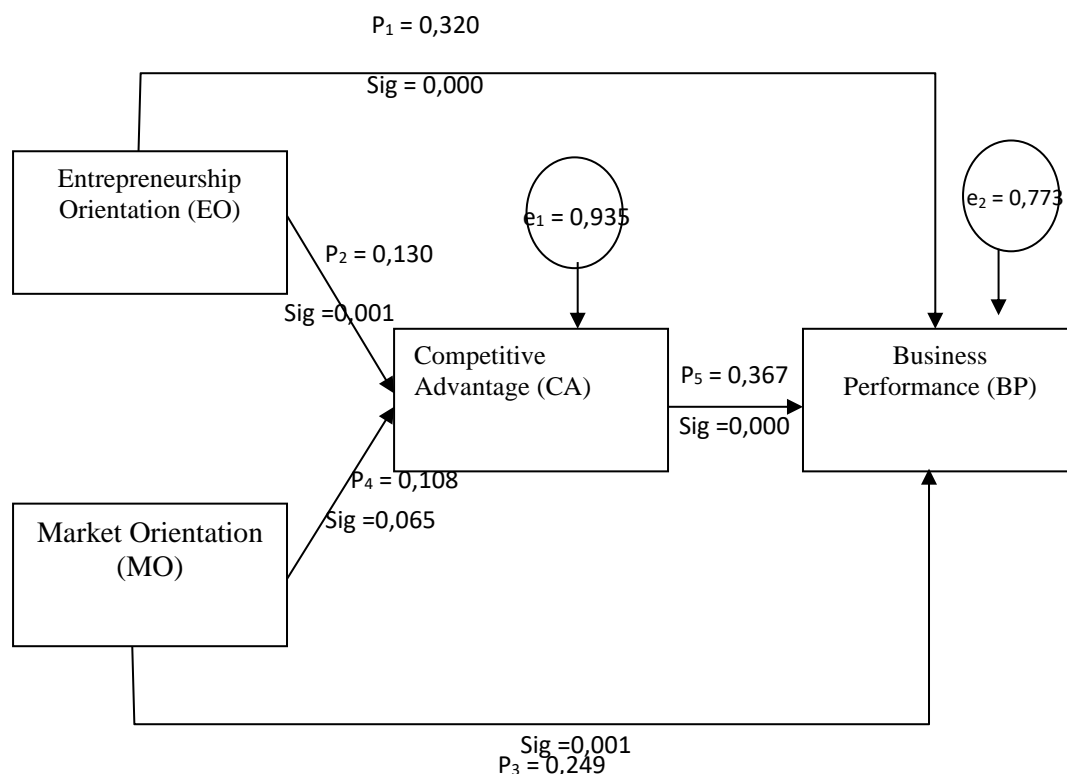


Figure 2

Path Analysis

Figure 2 can be calculated respectively the total direct and indirect effect of entrepreneurial orientation and market orientation on business performance through competitive advantage as follows:

1. Total Effect of EO CA BP

The magnitude of the direct influence between entrepreneurial orientation and business performance is $P_1 = 0.320$. While the magnitude of the indirect effect can be calculated by multiplying $P_2 \times P_5 = 0.130 \times 0.367 = 0.048$

The total influence directly or indirectly between entrepreneurial orientation business performance through competitive advantage can be calculated as follows:

Total influence of entrepreneurial orientation = $(P_1) + [(P_2) \times (P_5)]$

- Direct effect = 0.320

- Indirect effect $(0.130 \times 0.367) = \underline{0.048}$

Total influence of entrepreneurial orientation = 0.368

2. Total Effect of EO CA BP

The magnitude of the direct influence between entrepreneurial orientation and business performance is $P_1 = 0.320$. While the magnitude of the indirect effect can be calculated by multiplying $P_2 \times P_5 = 0.130 \times 0.367 = 0.048$

The total influence directly or indirectly between entrepreneurial orientation on business performance through competitive advantage can be calculated as follows:

Total influence of entrepreneurial orientation = $(P_1) + [(P_2) \times (P_5)]$

- Direct effect = 0.320

$$\begin{aligned} & - \text{Indirect effect } (0.130 \times 0.367) && = \underline{0.048} \\ & \text{Total influence of entrepreneurial orientation} && = 0.368 \end{aligned}$$

3. Total Effect of MO → CA → BP

The magnitude of the direct influence between market orientation and business performance is $P3 = 0.249$. While the magnitude of the indirect effect can be calculated by multiplying $P4 \times P5 = 0.108 \times 0.367 = 0.040$

The total influence directly or indirectly between market orientation on business performance through competitive advantage can be calculated as follows:

Total market orientation effect = $(P3) + [(P4) \times (P5)]$

$$\begin{aligned} & - \text{Direct effect} && = 0.249 \\ & - \text{Indirect effect} && (0.108 \times 0.367) = \underline{0.040} \\ & \text{Total influence of work culture} && = 0.289 \end{aligned}$$

Discussion

The Effect of Entrepreneurial Orientation on Competitive Advantage

The results of the study show that entrepreneurial orientation has a significant positive effect on competitive advantage. These results indicate that entrepreneurial orientation is one of the important factors that can build business actors to be successful. Tanggulangin bag craftsman centers have a strong entrepreneurial orientation to maintain their products and continue to make the latest innovations so they are not inferior to other products, even though some centers have closed due to lack of visitors. Even in today's era, apart from selling in the store, they also serve online sales. SMEs skills in entrepreneurship are needed to find new opportunities both in finding markets and understanding consumer desires. The form of entrepreneurial orientation applied by businesses is being able to think proactively by recognizing opportunities, daring to take risks, having business experience in entrepreneurship activities, being able to be anticipatory to all changes, and being able to change according to customer desires.

The Effect of Market Orientation on Competitive Advantage

The results of the tests that have been carried out show that market orientation has an insignificant positive on competitive advantage. These results indicate that the better information about customer desires received will encourage the bag craft center to create and satisfy customers by continuously assessing customer needs and desires so that it will add superior value for these business actors. The high product innovation of business actors in Tanggulangin Sidoarjo as a result of the market orientation of these actors. The form of market orientation applied by business actors in Tanggulangin Sidoarjo is to make products according to customer desires, be able to respond to activities and strategies used by competitors, be able to follow trends that are developing in the market making their businesses have a competitive advantage. This is because the products sold by business actors in Tanggulangin Sidoarjo have similarities, both in materials and product models, thus affecting their superiority in the competition. This is understandable because information about consumer desires is obtained from businesses in Tanggulangin. Generally, business actors in meeting consumer tastes for leather goods come from the internet. So that there is a similarity in the model and material of the products sold. The lack of SME strategies such as product innovation, inaccurate market selection are obstacles to winning the competition.

The Effect of Entrepreneurship Orientation on Business Performance

The test results show that entrepreneurial orientation has a significant positive effect on business performance. These results indicate that the better a person's behavior in managing his business, the more open the road to success will be. The center for bag craftsmen in managing their business always follows trends that are of interest by all levels of society related to the products made so that customers do not switch to other products so that they hope that business performance will develop for the better.

The Effect of Market Orientation on Business Performance

The test results show that market orientation has a significant positive effect on business performance. These results indicate that the better market orientation owned by business actors will further improve business performance. Market orientation is a process and activity related to customer creation and satisfaction by continuously assessing customer needs and wants. The bag craft center has a high level of market orientation and has good marketing performance, because the bag crafts center has the ability to understand customer wants and needs and prioritize consumer satisfaction. The bag centers always monitor whether the product meets or exceeds consumer expectations. Maintaining old customer satisfaction is something that is very important as well as attracting new people which is relatively inexpensive, resulting in better marketing performance.

The Effect of Competitive Advantage on Business Performance

The test results show that competitive advantage has a positive effect on business performance. Competitive advantage is considered an advantage over competitors that is obtained by offering more value to consumers than competitors' offerings, the better the competitive advantage owned by business actors will further improve business performance. The center for bag craftsmen is able to create a competitive advantage and has the power to compete with other craftsmen because their products will still be in demand by customers. The continuous achievement of competitive advantage enables business actors to continue to be market leaders. Competitive advantage is expected to be able to achieve profit according to plan, increase market share, increase customer satisfaction, and continue the viability of a business.

Conclusions and Recommendations

Conclusion

Based on the results of data analysis and discussion, several conclusions can be drawn as follows:

1. The results of research that have been carried out show that entrepreneurial orientation has a significant positive effect on competitive advantage. These results indicate that entrepreneurial orientation is one of the important factors that can build business actors to be successful. Companies that have a strong entrepreneurial orientation will be able to maintain their products and continue to make the latest innovations so they are not inferior to other products
2. The results of the tests that have been carried out show that market orientation has an insignificant positive on competitive advantage. These results indicate that the better information about customer desires received will encourage SMEs to create and satisfy customers by continuously assessing customer needs and desires so that it will add superior value for these business actors.

3. The test results show that entrepreneurial orientation has a significant positive effect on business performance. These results indicate that the better a person's behavior in managing his business, the more open the road to success will be. Businesses that are managed to be successful are attracted by all levels of society related to the products made so that customers do not switch to other products making business performance develop for the better.
4. The test results show that competitive advantage has a positive effect on business performance. Competitive advantage is considered an advantage over competitors that is obtained by offering more value to consumers than competitors' offerings, the better the competitive advantage owned by business actors will further improve business performance.

Research Contribution

This research can contribute to bag traders who still exist in Tanggulangin. As we know, with the Lapindo disaster, many trade sectors in Sidoarjo district felt the impact of this incident, including the bag craftsmen around Lapindo (Tanggulangin). Before the disaster occurred, the industrial center in this area was never empty of visitors. But with the enthusiasm of the merchants who were there, slowly but surely this area began to grow again. This is inseparable from the ability of the traders there who have an entrepreneurial orientation and competitive advantage. With this research, it is hoped that entrepreneurs in this case bag traders in the area can be better at spurring their production and can produce quality products and have high competitiveness.

Suggestion for Future Research

On another occasion, researchers might be able to see other types of products that are also produced in the area, including shoes and belts. The research theme may also be replaced by the export conditions of the products they produce. Because, in the past, this area was an industrial center that was very promising and had high potential in producing works that smelled of local wisdom.

Recommendation

Recommendations that can be given for further research are to examine the factors of external and internal competition from SMEs

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