

Analysis of Entrepreneurial Orientation And Market Orientation Towards Competitive Advantage (Survey on Coffeeshops in Sukabumi City)

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Abstract

Keywords :

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This study aims to analyze the influence of entrepreneurial orientation and market orientation on competitive advantage among coffeeshops in Sukabumi City. As the coffee consumption trend continues to rise in Indonesia, coffee shops face increasing competition that demands strategic innovation and market responsiveness to maintain business sustainability and gain a competitive edge. Using a quantitative approach with descriptive and associative methods, data were collected through questionnaires distributed to 42 coffeeshop owners and managers, applying a saturated sampling technique. The research employed multiple linear regression analysis using SPSS v21 software to test the hypothesis. The results show that both entrepreneurial orientation and market orientation are in the high category among coffeeshops in Sukabumi. Furthermore, both variables have a significant and positive effect on competitive advantage. The correlation coefficient indicates a strong relationship ($r = 0.866$), while the coefficient of determination ($R^2 = 0.750$) suggests that 75% of the variance in competitive advantage can be explained by entrepreneurial and market orientation. Partial hypothesis testing (t -test) confirms that both independent variables significantly influence competitive advantage (t -count $>$ t -table). Simultaneously, the F -test also shows significant results (F -count $>$ F -table). The findings imply that coffeeshops with strong entrepreneurial attributes—such as innovation, risk-taking, and proactivity—and market-focused practices—such as customer orientation and competitor awareness—tend to achieve better competitive positioning. This research contributes to strategic management literature and offers practical insights for small business owners in the food and beverage sector to enhance their competitiveness through entrepreneurial and market-driven strategies.

INTRODUCTION

The trend of drinking coffee has been around since ancient times, but now it is starting to grow again more rapidly. Not only is coffee a necessity but it has shifted to a lifestyle for several groups of people. This is also what causes the increase in coffee consumption. Along with the increasing amount of coffee consumption in the country, Indonesia has become the fifth largest coffee consumer in the world with a consumption of 5 million 60 kilogram bags in the 2020/2021 period according to data from the International Coffee Organization (ICO).

Given the large amount of coffee consumption in Indonesia, it certainly increases the market share of coffee in Indonesia. According to Mordor Intelligence, the coffee market in Indonesia is projected to reach USD\$ 2.32 billion by 2025, growing at a CAGR of 8.2% during the forecast period. The growth in demand can be caused by increasing consumer awareness and

purchasing power to buy specialty coffee (at a price of more than US\$ 3 per cup), increasing demand for ready-to-drink coffee and the proliferation of coffee shops.

The coffee market in Indonesia itself is divided into two, namely instant coffee and roasted coffee. As for the increase in coffee shop income conveyed by statista, it can be seen in the picture below:

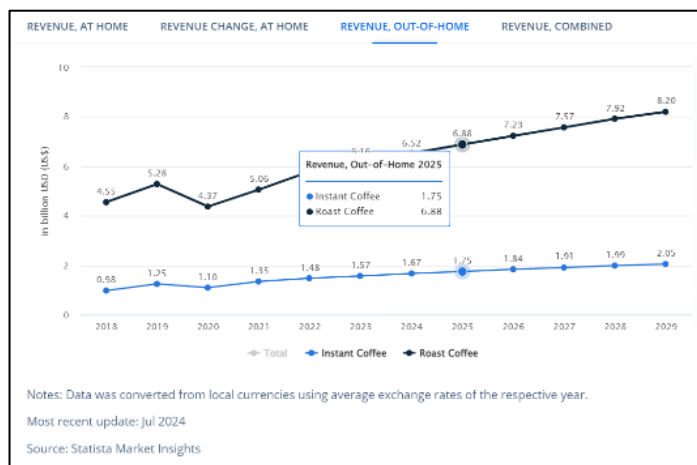


Figure 1 Results and Revenue Projections of Indonesian Coffeeshops

From the picture above, it can be seen that the market share of coffee roasting in Indonesia has continued to increase since 2020, even by the end of 2024, it is estimated that sales revenue from coffee outside the home (coffeeshop) will reach \$8.19 billion. Of course, from this picture, it can also be concluded that the market share of coffee in Indonesia continues to increase and grow. This is also what then led to the proliferation of coffee shops in Indonesia.

People usually enjoy coffee by visiting a coffee shop that provides various types of coffee. The increasing number of coffee shops in Indonesia certainly increases competition between coffee shops. Coffee shop owners and managers are required to create the best marketing strategy to create maximum marketing performance so that they are able to face this competition in order to remain the coffee shop of choice for consumers. According to Sophya Suciati et al., (2020) Every time a business is run, a company must have the ability to market the products produced well in order to create good marketing performance and in accordance with the goals set by the company, namely to generate maximum profits from the previous year for the business.

According to Hasan (2010) a business that is managed with a market orientation has various benefits, including being able to produce products or services that are in accordance with customer perceptions, being able to produce more efficiently than competitors, and being able to explain the differences in performance achieved by the company, and being able to direct the company to competitive advantages that can be maintained through internal and external activities. According to Best (2009) in Hatta (2025) states that the achievement of marketing capabilities and performance is also supported by strong entrepreneurial orientation capabilities. Activities that are innovative, act proactively, dare to take risks, and autonomy are realized to achieve optimal marketing capabilities and performance.

To find out the extent of success and performance that has been carried out consisting of ongoing strategies, increased sales, and increased profits of a business can be measured through marketing performance. Marketing performance is a benchmark for company achievement from marketing activities carried out as a whole (Elwisam & Lestari, 2019). If the performance is maximized, the goals that have been designed will be achieved so that they can provide maximum

benefits for the company (Elen, 2019). One of the keys to improving marketing performance is by having an entrepreneurial orientation and market orientation. If the leader of a company has an orientation in running his company and has a clear vision and mission and is brave and able to face all risks, of course it can improve the performance of the company (Sulaeman, 2018).

Table 1. Data on the Number of Coffee Shops in Sukabumi

No	Year	Number of Coffee and Restaurants
1	2019	90
2	2020	66
3	2021	100
4	2022	116
5	2023	42

Source: DISPORA (Open Data of Sukabumi City)

Competitive advantage is also an important variable that is the main determinant in improving the quality of SMEs (Novitasari & Widya, 2015) . In another study (Mulyana et al., 2014) explained that competition does not only occur in price and quality but also with the development of creativity and technology. The results of the study (Adisaksana, 2022) also stated that there is a positive influence between Competitive Advantage and marketing performance .

METHODS

Research method is one way to analyze data in research. According to Sugiyono (2017 :2) "research method is a scientific way to obtain data with certain goals and uses " .

The author uses research methods quantitative with a descriptive and associative approach. According to Sugiyono (2017 :8) stated that, "quantitative research can be interpreted as a research method based on the philosophy of positivism, used for research on population or a specific sample, data collection using research instruments, data analysis is quantitative/statistical, with the aim of testing the established hypothesis " . According to Sugiyono (2017 :35) "The descriptive method is to find out the existence of independent variables, either just one variable or more (stand-alone variables) without comparing variables in other samples and not looking for relationships with other variables." According to Sugiyono (2017 :20) "The associative research method is a method regarding the overall picture of the correlation between independent variables (X_1) and related variables (X_2) " .

Sample according to Indrawati (2015 :164) Sample is defined as “a member of a population selected to be involved in research, either to be observed, treated, or asked for their opinion about what is being studied”. In the process of collecting primary data, the author uses snowball sampling where the author will “take a number of cases through the relationship between one person and another or one case and another, then look for further relationships through the same process, and so on.” (Sugiyono, 2019)

Because the number of population members is less than 100, the sampling technique in this study will use saturated sampling where according to (Arikunto, 2016) Saturated sampling is a sampling technique when all populations are used as samples and is also known as a census, if the population is less than 100 people, then the number of samples is taken as a whole, but if the

population is greater than 100 people, then 10-15% or 20-25% of the population can be taken, then the sample taken is 42.

RESULTS AND DISCUSSION

RESULT

In this study, validity and reliability testing was conducted on the variables of entrepreneurial orientation (X1), market orientation (X2), and competitive advantage (Y). Using SPSS V21 software with a validity calculation standard of 0.3 and reliability of 0.6.

Table 2. Results of Validity and Reliability Calculations

Variables	Validity		Reliability	
	Item	rCount	rCritical	rCount
Entrepreneurship Orientation	X1.1	0.806	0.3	0.808
	X1.2	0.772	0.3	
	X1.3	0.768	0.3	
	X1.4	0.777	0.3	
	X1.5	0.700	0.3	
Market Orientation	X2.1	0.694	0.3	0.755
	X2.2	0.725	0.3	
	X2.3	0.773	0.3	
	X2.4	0.850	0.3	
Competitive Advantage	Y1	0.691	0.3	0.851
	Y2	0.646	0.3	
	Y3	0.714	0.3	
	Y4	0.857	0.3	
	Y5	0.794	0.3	
	Y6	0.637	0.3	
	Y7	0.714	0.3	
	Y8	0.664	0.3	

Source: SPSS V21 Data Processing Results, 2025

Based on the results of validity and reliability testing, it can be seen that all indicators have a validity value above 0.3, which indicates validity. Validity testing is carried out by comparing the calculated r value with 0.3, so the question item can be said to be valid (Sugiyono, 2016) . And the reliability value of all variables has a value above 0.5, which indicates reliability. Reliability testing is carried out using *Cronbach's Alpha*, a research instrument is said to be reliable if *Cronbach's Alpha* is above 0.5 (Rimper & Kawet, 2014)

The classical assumption test is carried out with several tests including: normality, multicollinearity, autocorrelation, heteroscedasticity, and linearity. The test results can be seen in the following table:

Table 3. Results of the Classical Assumption Test

Test	Criteria	Scale	Results	Information
Classical Assumptions	Normality	0.05	0.237	Normal
	Multicollinearity	T : 0.1 VIF :10	<i>Tolerance</i> : 0.303 VIF : 3.303	There is no multicollinearity
	Autocorrelation	Du<Dw<4-Du	1.606<1.707<1.858	No autocorrelation occurs
	Heteroscedasticity	0.05	X1 : 0.456 X2 : 0.375	There is no heteroscedasticity
	Linearity	0.05	X1-Y : 0.182 X2-Y : 0.459	Linear

Source: SPSS V21 Data Processing Results, 2025

Based on the results of the normality test of the entrepreneurial orientation variable (X1), and market orientation (X2), towards competitive advantage (Y) obtained a value of 0.237 exceeding the standard of 0.5 so that it can be declared normal. In the calculation of multicollinearity, the tolerance value of 0.303 exceeds 0.1 and VIF 3.303 is less than 10, so entrepreneurial orientation (X1) and market orientation (X2) do not have a linear relationship. In the autocorrelation test, it shows that the Du value is smaller than Dw and smaller than 4-Du ($1.606 < 1.707 < 1.858$), so it can be stated that there is no change in the sample over time. In the heteroscedasticity test on the entrepreneurial orientation variable (X1) and market orientation (X2), there is a significant value exceeding the standard value of 0.05, it can be said that there is no heteroscedasticity in this study. In the linearity test of the relationship between entrepreneurial orientation (X1) and competitive advantage (Y) and market orientation (X2) and competitive advantage (Y), the value exceeds the standard value of 0.05, so it can be said that there is a linear relationship.

Data analysis was carried out using multiple linear regression techniques with the following testing stages: (1) multiple correlation coefficient (2) determination coefficient (3) F test (4) multiple linear regression (5) hypothesis T test. The test results can be seen in the following table:

Table 4. Data Analysis and Hypothesis Testing

Test	Criteria	Scale	Results	Information
Data analysis	Multiple Correlation Coefficient	0,801,000	0.866	Very strong
	Coefficient of Determination	Kd 1	0.750	Strong Influence
	Simultaneous Test (F Test)	Fcount>Ftable	58,369>3.22	Significant
	Multiple Linear Regression	$Y^*=a=b_1x_1+b_2x_2$	$Y^*=1.475 + 0.409 + 1.361$	Positive Constant Value
	Partial Test (T-Test)	Tcount>Ttable	$1,800 > 1,681$ $4.359 > 1.681$	Significant

Source: SPSS V21 Data Processing Results, 2025

Based on the calculation results on the coefficient producing a value of 0.866 included in the very strong group, then the relationship between entrepreneurial orientation (X1) and market orientation (X2) on competitive advantage (Y) is very strong. In the determination coefficient test, the Rsquare value is 0.750, it can be said that the influence between the independent variable and the dependent is strong because it approaches the value of 1. In the simultaneous F test, it can be seen that this hypothesis can be accepted and is stated as feasible to explain the dependent variable analyzed because the calculated $F > F$ table ($58,369 > 3.22$). In the calculation of the multiple linear regression equation without the entrepreneurial orientation variable (X1) and the market orientation variable (X2), the competitive advantage variable (Y) increases by 1,475 if the entrepreneurial orientation (X1) increases (1) unit then the market orientation (X2) increases then the competitive advantage variable (Y) 0.409 if the market orientation variable (X2) increases then the competitive advantage variable (Y) increases by 1,361. In the T test, the calculated T value for entrepreneurial orientation (X1) towards competitive advantage (Y) has a calculated T value greater than T table, so H1 and H2 are accepted. $1,800 > 1,681$ means that there is a significant influence on the overall T test.

DISCUSSION

Based on the test results on the influence of entrepreneurial orientation on competitive advantage, it has a t-statistic value. t-table ($1,800 > 1,681$) so it can be concluded that the first hypothesis (H1) is accepted, while the significance value is 0.001 which is smaller than 0.5, meaning that in this study there is a positive and significant influence. In this study, it was found that entrepreneurial orientation determines competitive advantage. Entrepreneurial orientation is also considered an important component that brings competitive advantage and improves its performance (Wiklund and Shepherd, 2005). This is in line with research conducted by Yakin & Suhaeni (2020), which states that entrepreneurial orientation influences competitive advantage.

Based on the test results on the influence of Market Orientation on Competitive Advantage, the t-statistic value > t-table ($4.359 > 1.681$) so it can be concluded that the second hypothesis (H2) is accepted, while the significance value is 0.003 which is smaller than the value of 0.05, meaning that this study has a positive and significant influence. In this study, it was found that market orientation is an important part in helping the Company achieve its goals both in understanding

customer needs Gray, et al (in Iskandar 2016). This is in line with the research of Afifah et al., (2021), which states that market orientation has a significant effect on competitive advantage.

CONCLUSION

Based on the results of research that has been conducted regarding entrepreneurial orientation and market orientation towards competitive advantage, the following conclusions can be drawn:

1. Entrepreneurial orientation, market orientation and competitive advantage are on a continuum line that is categorized as high. This shows that the Coffee shop in Sukabumi City is good in implementing entrepreneurial orientation and market orientation, this can be a reference for developing a competitive advantage.
2. There is a positive and significant influence between entrepreneurial orientation and competitive advantage of Coffee Shop in Sukabumi City. This is proven by the value of the results of the Hypothesis T test which is greater than the T table, which means that H0 is rejected and H1 is accepted.
3. There is a positive and significant influence between market orientation and competitive advantage of Coffee Shop in Sukabumi City. This is proven by the value of the results of the Hypothesis T test which is greater than the T table, which means that H0 is rejected and H1 is accepted.

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