



Analysis of the success of MSMEs in West Medan through entrepreneurial behavior and competitive advantage

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ABSTRACT

This research aims to determine the influence of entrepreneurial behavior and competitive advantage on the success of grocery MSMEs in Medan Barat Subdistrict. This research uses descriptive and quantitative methods and data sources in the form of primary and secondary data. The population in this research is all grocery MSME owners in every sub-district in West Medan District in 2023. The total sample is 188 grocery MSME owners with a tolerable error rate of 5%. The sampling technique with probability sampling uses simple random sampling. Data were analyzed using multiple linear regression analysis methods. The results of the research show that Entrepreneurial Behavior partially has a positive and significant effect on the success of grocery MSMEs in Medan Barat Subdistrict. Competitive Advantage partially has a positive and significant effect on the success of grocery MSMEs in Medan Barat Subdistrict. The -F test shows that Entrepreneurial Behavior and Competitive Advantage simultaneously influence the success of Grocery MSMEs in Medan Barat Subdistrict. The R Square is 0.589 or 58.9%, which means that Entrepreneurial Behavior and Competitive Advantage influence the success of Grocery MSMEs by 58.9%.

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1. INTRODUCTION

The grocery business is a business that operates in the field of fulfilling people's daily needs (Adisaksana, 2022; Kumar, 2014). Currently, grocery businesses have a very large presence in the community, this is also in the community's need for clothing and food which has also increased over time. The grocery business, which has been started by so many business actors, means that every business actor must be able to compete in improving sales, namely by displaying a number of advantages that competitors do not have so as to create satisfaction and loyalty in consumers and of course this will certainly have an impact on increasing the level of sales of the business being started (Absah et al., 2018; Jena et al., 2018).

Based on data obtained by researchers, it is known that grocery MSMEs in West Medan subdistrict in each sub-district have a relatively large number and each grocery MSME competes with each other to excel in the market and to achieve entrepreneurial

goals, namely the success of the business being run (Sibuea et al., 2022). According to Andriana, (2021), states that business success is the main goal, it can be seen from the activities in a business running very well and there are improvements in the business. This statement is also strengthened by research conducted by Syai0fudin, (2020), where the results of his research show that the business success of a business can be said to experience good development if production results increase and the income obtained always increases in each time period. 5 Grocery MSME owners explained that sales during the period 2018 to 2022 did not experience fluctuations, but total sales during that year had never reached the target expected by business owners. Total sales that do not match the target of MSME owners will of course mean that the business profits obtained are not optimal. The first factor that triggers business success is the behavior of the business actor.

According to Hasan, (2020), entrepreneurial behavior is viewed from a sociological perspective, explaining the relationship between human relations, community lifestyles and societal norms and culture that shape entrepreneurial behavior. The problem related to the entrepreneurial behavior of West Medan grocery MSME owners is that grocery MSME owners are considered to not have innovative behavior. Another thing that triggers business success is the competitive advantage factor. According to Diarespati, (2022), competitive advantage is a benefit that exists when a company has and produces a product or service that is seen by its target market as better than its closest competitors.

The aim of the research, based on the description of the problem formulation that has been explained, is to determine the influence of entrepreneurial behavior on the success of Grocery MSMEs in Medan Barat Subdistrict, to determine the influence of competitive advantage on the success of MSMEs in Medan Barat Subdistrict, and to determine the influence of entrepreneurial behavior and competitive advantage simultaneously on success. MSMEs in Medan Barat Subdistrict.

Business success is a situation where the business is superior to its previous performance as seen through progress in sales results and is expected to further increase the profits earned (Headd, 2003; Lussier & Pfeifer, 2001). According to Andriana, (2021), states that business success is the main goal, it can be seen from the activities in a business running very well and there are improvements in the business. Explain that the success of a business is a condition and situation where the business is better than the previous situation and the expected goals can be achieved (Miftah, 2020).

Several indicators that determine the success of a business are profit, productivity and efficiency, competitiveness, competence and business ethics (Jasra et al., 2011). Entrepreneurial behavior is the attitude or character possessed by an entrepreneur in facing business competition and is related to a series of strategies prepared by the entrepreneur in maintaining the continuity of his business (Lihua, 2022; Pidduck et al., 2023). Entrepreneurial behavior is viewed from a sociological perspective, explaining the relationship between human relations, community lifestyles and societal norms and culture that shape entrepreneurial behavior (González-Padilla et al., 2023; Hasan, 2020). According to Syamsuri, (2021), explaining entrepreneurial behavior is the steps and actions taken to face and deal with daily work.

Competitive advantage is a number of advantages that a business owner has in running his business and with these advantages he is able to make the business he starts successful and win over competitors (Chong & Ali, 2022; Farida & Setiawan, 2022; Krakowski et al., 2023). According to Diarespati, (2022), competitive advantage is a benefit that exists when a company has and produces a product or service that is seen by its target market as better than its closest competitors. Competitive advantage is the marketing performance developed by a company to be superior to its competitors to see whether the company's goals are achieved or not (Wicaksana, 2021). Indicators of Competitive Advantage are price or value, customer delight, customer experience, noteworthy product attributes, and unique service features. Indicators of entrepreneurial

behavior are risk taking, innovation, and ability achievement. The benefits of this research are input for MSMEs to maintain and improve behavior in advancing their business.

2. RESEARCH METHOD

This research uses descriptive research methods and quantitative methods (Doyle et al., 2020; Siedlecki, 2020). According to Ghazali, (2016), descriptive research provides an overview or description of data. Quantitative research is explained by Sugiyono, (2016), as a research method based on the philosophy of positivism, used to research certain populations or samples, collecting data using research instruments, statistical quantitative data analysis, with the aim of testing predetermined hypotheses. The population in this research is all grocery MSME owners in every sub-district in Medan Barat District in 2023 with a total of 353 grocery MSME owners. The sample was reduced using the Slovin formula, so the number of samples in this study was 188 grocery MSME owners. Data collection techniques using questionnaires, literature studies and interviews. The type of questionnaire distributed is a closed questionnaire, which means consumers choose answers to the statements provided on a Likert scale. The following is the definition of the research variables used in this research.

Table 1. Definition of Research Operational Variables

Variable	Understanding Variables	Indicator	Scale
Business Success (Y)	Business success is the main goal, it can be seen from the activities in a business running very well and existing improvements in business.	1. Profit 2. Productivity and efficiency 3. Competitiveness 4. Competence 5. Business ethics	Likert
Entrepreneurial Behavior (X1)	Entrepreneurial behavior viewed from a sociological perspective explains the relationship between human relations, community lifestyles and societal norms and culture that shape entrepreneurial behavior.	1. Risk taking 2. Innovative 3. Achievement of abilities	Likert
Competitive Advantage (X2)	Competitive advantage is a benefit that exists when a company has and produces a product or service that is seen by its target market as better than its closest competitors.	1. Price or value 2. Please consumers 3. Consumer experience 4. Noteworthy product attributes 5. Unique service features	Likert

Linear regression analysis aims to measure the strength of the relationship between two or more variables and show the direction of the relationship between the dependent variable and the independent variable (Ghozali, 2016). Testing multiple linear regression analysis in this research aims to determine how much influence Entrepreneurial Behavior and Competitive Advantage have on Business Success using the SPSS 26 application. Multiple linear regression analysis in this research can be described with the following formula:

$$Y = a + b_1X_1 + b_2X_2 + e \quad (1)$$

Information:

Y = Success of MSMEs (dependent variable)

- a = Constant
 b1, b2 = Regression coefficients of each variable X
 X1 = Entrepreneurial Behavior
 X2 = Competitive Advantage
 e = Residual/error (5%)

3. RESULTS AND DISCUSSIONS

3.1 Validity test

Validity testing uses Bivariate Pearson correlation, if r_{count} is greater than r_{table} and the value is positive then the indicator item or question is declared valid. The formula $df = n - 2$, then the df value = 28. The r_{table} value is 0.361.

Table 2. Validity Test Results for Entrepreneurial Behavior Variables (X1)

No.	Statement	r_{Count}	r_{table}	Information
1.	I must have a character who dares to take risks.	0,727	0,361	Valid
2.	The behavior that dares to take risks in me can be seen from the inventory of goods in the shop which is very large and varied without realizing whether the product will sell or not.	0,708	0,361	Valid
3.	I must have an innovative character, namely being able to adapt to changes in the environment, such as ordering goods by customers which can be done via WA and payments which can also be made via transfer so that customers don't have to spend time visiting my grocery store.	0,519	0,361	Valid
4.	I must always accept new ideas from customers or market requests in order to maintain the continuity of my business.	0,496	0,361	Valid
5.	Both I and the employees in the grocery business must always be optimistic or enthusiastic in doing their work.	0,805	0,361	Valid
6.	As a grocery owner, I have to involve myself directly in delivering goods or collecting debts from customers who forget to pay in order to maintain the continuity of the business I started.	0,622	0,361	Valid

Source: Research Results, 2023 (Processed Data)

Based on the table, it can be concluded that all of these statements have an r_{count} value that is greater than r_{table} , with an r_{table} value of 0.361. This is in accordance with the requirements in validity testing, so it can be stated that all statements used are valid.

Table 3. Competitive Advantage Variable Validity Test Results (X2)

No.	Statement	r_{Count}	r_{table}	Information
1.	Often price is a consideration for consumers before making a purchase at my grocery store.	0,728	0,361	Valid
2.	The selling price of the products I offer is in accordance with the benefits that customers can experience.	0,903	0,361	Valid
3.	Customers feel satisfied shopping at my grocery store if the products I sell are of good quality.	0,845	0,361	Valid
4.	Customers feel happy shopping at my grocery store if my employees are quick in serving customers.	0,758	0,361	Valid
5.	Customers will feel satisfied with everything I provide at the grocery store if the service I provide is good and on time in delivering goods.	0,698	0,361	Valid
6.	Because of this satisfaction, customers will recommend others to shop at my grocery store.	0,782	0,361	Valid
7.	It is mandatory that the weight of the goods in the packaging matches the actual weight of the goods.	0,609	0,361	Valid
8.	Every consumer product sold in my grocery store must have an expiration date on the packaging.	0,865	0,361	Valid
9.	My employees and I must be friendly and polite in responding to	0,552	0,361	Valid

No.	Statement	fCount	f _{table}	Information
10.	customer requests. Customers will never feel disappointed shopping at my grocery store if my employees have an orderly, thorough and honest work pattern in responding to customer requests.	0,903	0,361	Valid

Source: Research Results, 2023 (Processed Data)

The calculated value of all statements is greater than r_{table} , so it can be stated that all statements used in the questionnaire are valid.

Table 4. Validity Test Results for Business Success Variables (Y)

No.	Statement	fCount	f _{table}	Information
1.	Often price is a consideration for consumers before making a purchase at my grocery store.	0,718	0,361	Valid
2.	The selling price of the products I offer is in accordance with the benefits that customers can experience.	0,712	0,361	Valid
3.	Customers feel satisfied shopping at my grocery store if the products I sell are of good quality.	0,716	0,361	Valid
4.	Customers feel happy shopping at my grocery store if my employees are quick in serving customers.	0,605	0,361	Valid
5.	Customers will feel satisfied with everything I provide at the grocery store if the service I provide is good and on time in delivering goods.	0,375	0,361	Valid
6.	Because of this satisfaction, customers will recommend others to shop at my grocery store.	0,521	0,361	Valid
7.	It is mandatory that the weight of the goods in the packaging matches the actual weight of the goods.	0,716	0,361	Valid
8.	Every consumer product sold in my grocery store must have an expiration date on the packaging.	0,755	0,361	Valid
9.	My employees and I must be friendly and polite in responding to customer requests.	0,814	0,361	Valid
10.	Customers will never feel disappointed shopping at my grocery store if my employees have an orderly, thorough and honest work pattern in responding to customer requests.	0,645	0,361	Valid

Source: Research Results, 2023 (Processed Data)

The r_{count} value is greater than r_{table} , with an r_{table} value of 0.361. This is in accordance with the requirements in validity testing, so it can be stated that all statements used are valid.

3.2 Reliability Test

According to Ghozali, (2016), explains that reliability testing is a tool for measuring a questionnaire which is an indicator of a variable or construct. According to Ghozali (2018:46), the testing criteria for a variable are said to be reliable if it provides a Cronbach Alpha value > 0.70 . The following are the results of reliability testing:

Table 5. Reliability Test Results

Variabel	Cronbach's Alpha value	Number of Samples	Information
Entrepreneurial Behavior	0,717	6	Reliability is acceptable
Competitive Advantage	0,914	10	Good reliability
Business Success	0,824	10	Good reliability

Source: Research Results, 2023 (Processed Data)

All statements used are reliable because Cronbach Alpha > 0.70 .

3.3 Classic assumption test

a. Normality test

The normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution. The results of the normality test can be seen in the following table presentation:

Table 6. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		188
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	3.70090562
Most Extreme Differences	Absolute	.041
	Positive	.041
Negative		-.036
Test Statistic		.041
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Source: Research Results, 2023 (Processed Data)

It is known that the tolerance value for each independent variable is greater than 0.10 and the VIF value for all variables is no more than 10. This means that there is no multicollinearity in the regression model.

b. Heteroscedasticity Test

The following are the results of the heteroscedasticity test:

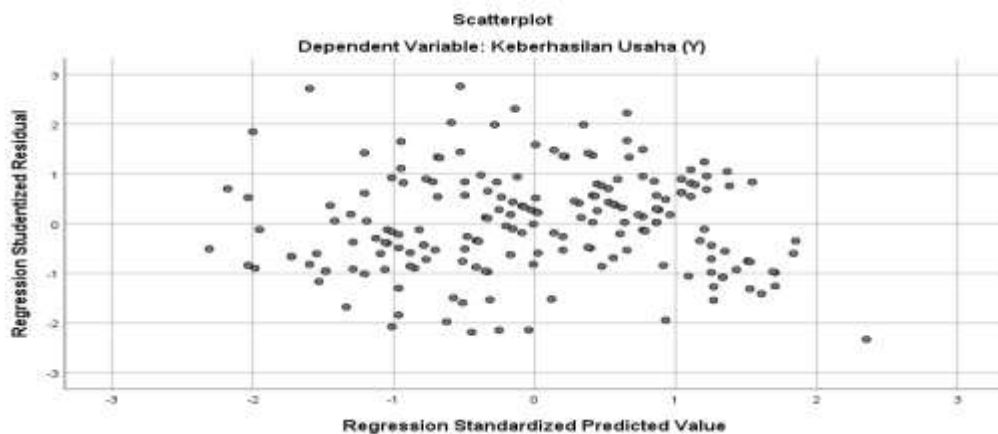


Figure 2. Scatterplot Graphics

Source: Research Results, 2023 (Processed Data)

It can be seen that the points are spread randomly and are spread both above and below the number 0 on the Y axis. This can be concluded that heteroscedasticity does not occur in the regression model.

c. Multiple Linear Regression Analysis

The results of multiple linear regression analysis testing are presented in the table below:

Table 8. Multiple Linear Regression Analysis Test Results

Coefficients ^a		Unstandardized Coefficients	
Model		B	Std. Error
1	(Constant)	9.084	1.879
	Entrepreneurial Behavior (X1)	.788	.080
	Competitive Advantage (X2)	.358	.043

a. Dependent Variable: Business Success (Y)

Source: Research Results, 2023 (Processed Data)

$$\text{Business Success} = 9.084 + 0.788 \text{ Entrepreneurial Behavior} + 0.358 \text{ Competitive Advantage}$$

Constant value (a) = 9.084, meaning that when Entrepreneurial Behavior (X1) and Competitive Advantage (X2) are 0 then Business Success is constant at 9.084. The b_1X_1 coefficient = 0.788, meaning that when Entrepreneurial Behavior (X1) increases by 1 unit, Business Success (Y) will increase by 78.8%. The b_2X_2 coefficient = 0.358, meaning that when Competitive Advantage (X2) increases by 1 unit, Business Success (Y) will increase by 35.8%.

3.4 Hypothesis test

a. t Test (Partial Test)

Hypothesis testing with the t test in this study uses a significance level of 5% and a 2-sided test. Hypothesis testing conditions are as follows: 1. H_0 is accepted if $t_{count} < t_{table}$, 2. H_a is accepted if $t_{count} > t_{table}$

The value of $df = n - k = 188 - 3 = 185$. So the t_{table} value is 1.9729. The results of t_{count} can be seen through the following table presentation:

Table 9. Partial Test Results (T-Test)

Model	T	Sig.
(Constant)	4.834	.000
Entrepreneurial Behavior (X1)	9.794	.000
Competitive Advantage (X2)	8.297	.000

a. Dependent Variable: Business Success (Y)

Source: Research Results, 2023 (Processed Data)

t_{count} on Entrepreneurial Behavior is 9.794, with a significance level of 0.000. So it can be concluded that Entrepreneurial Behavior has a positive and significant effect on Business Success. The t_{count} for Competitive Advantage (X2) is 8.297, with a significance level of 0.000. This means that t_{count} is greater than t_{table} , namely $8.297 > 1.9729$ and with a significance level of $0.000 < 0.05$. So it is concluded that Competitive Advantage has a positive and significant effect on Business Success.

b. F Test (Simultaneous Test)

The F_{table} value is 3.04. The value from F_{table} will be compared with the F_{count} value. The following results from F_{count} can be seen in the table:

Table 10. Simultaneous Test Results (F Test)

Model		ANOVA ^a			F	Sig.
		Sum of Squares	Df	Mean Square		
1	Regression	3664.520	2	1832.260	132.343	.000 ^b
	Residual	2561.283	185	13.845		
	Total	6225.803	187			

a. Dependent Variable: Business Success (Y)

b. Predictors: (Constant), Competitive Advantage (X2), Entrepreneurial Behavior (X1)

Source: Research Results, 2023 (Processed Data)

F_{count} is greater than F_{table} , namely $132.343 > 3.04$, then H_0 is rejected or H_a is accepted and the significance value of 0.000 is smaller than 0.05. It can be concluded that all independent variables, namely Entrepreneurial Behavior and Competitive Advantage, simultaneously have a positive and significant influence on the success of grocery MSMEs in the West Medan sub-district.

c. Determination Test

According to Ghozali, (2016), the coefficient of determination (R^2) aims to measure how far the model's ability is to explain variations in the dependent variable. The following are the results of the Coefficient of Determination Test (R^2) in the following table:

Table 11. Coefficient of Determination Test Results

Model	R	R Square	Model Summary		Std. Error of the Estimate
			Adjusted R Square		
1	.767 ^a	.589		.584	3.721

a. Predictors: (Constant), Competitive Advantage (X2), Entrepreneurial Behavior (X1)

Source: Research Results, 2023 (Processed Data)

The coefficient of determination or R Square is 0.589, which means that the Business Success variable can be explained by the Entrepreneurial Behavior and Competitive Advantage variables of 58.9%.

4. CONCLUSION

Based on the research results and discussion, the author makes several conclusions, namely the t-test results show that Entrepreneurial Behavior partially has a positive and significant effect on the success of grocery MSMEs in Medan Barat Subdistrict. The t-test results show that Competitive Advantage partially has a positive and significant effect on the success of grocery MSMEs in Medan Barat Subdistrict. The results of the F-test show that Entrepreneurial Behavior and Competitive Advantage simultaneously have a positive and significant effect on the success of MSMEs in Medan Barat Subdistrict. The results of the coefficient of determination test or R square show that Entrepreneurial Behavior and Competitive Advantage can explain the variable success of grocery MSMEs in Medan Barat Subdistrict by 58.9%. The academic advice that the researcher gives is that future researchers who wish to continue research are advised to continue this research using other variables that can influence business success, such as business experience, creativity, innovation, leadership, and business capital. One of the limitations of this research is that the respondents are not diverse enough because the questionnaires were only taken from a few grocery MSME owners. It is hoped that future researchers can expand the scope of the respondents studied. It is hoped that future researchers can increase the number of research samples so that they better represent the actual situation. Implementation and contribution of the results of this research as input and determining regional government policies in encouraging MSMEs in the region to develop.

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