Research Paper

The Effect of Entrepreneurial Networking and Entrepreneurial Marketing on Business Performance by Competitive Advantage SME's Culinary Sector in Medan

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ABSTRACT

SME's is majority type of business in Medan and Majority of SME's is culinary sector. This research purpose was to know the effect of entrepreneurial networking and entrepreneurial marketing on business performance by competitive advantage SME's culinary sector in four of district in Medan. Type of this research is quantitative research. The sample of this research is all of population SME's culinary sector was established 2 years or more and it has permanent place as many as 62 respondents. The hypotheses in this research use path analysis with 5% significancy. The results or submodel 2nd showing that together entrepreneurial networking and entrepreneurial marketing influence significant on business performance. This research showing that entrepreneurial networking have negative influence to business performance by competitive advantage SME's culinary sectors in four of district Medan.

Keywords: entrepreneurial networking, entrepreneurial marketing, competitive advantage, business performance.

INTRODUCTION

Starting January 1, 2010 Indonesia must open its domestic market widely to ASEAN countries and China. The opening of this market is an embodiment of free trade agreements between six ASEAN member countries (Indonesia, Thailand, Malaysia, Singapore, the Philippines and Brunei Darussalam) with China called the ASEAN China Free Trade Agreement (ACFTA). Imported products from ASEAN and China will be easier to enter Indonesia and cheaper because the tariff reduction and tariff elimination will be zero percent within a period of three years. This FTA can be a threat or an opportunity for MSMEs in Indonesia. The Ministry of Trade and Industry said the abolition of tariffs caused foreign products, especially from China, to flood Indonesia so that Indonesian MSMEs could not compete and the level of sales dropped dramatically, thereby affecting the performance of MSMEs. The Ministry of Industry has estimated that some of the most vulnerable industries include the textile and textile products, iron-steel, food-beverage, footwear and electronics. The bankruptcy of domestic MSMEs is a result of a flood of feared Chinese products and has indeed been proven to have lower prices. Slowly when UMKM performance is regularly interrupted, it will result in bankruptcy and local workers will be threatened with termination of employment (PHK). (http //; kontan.co.id). The contribution of the Micro, Small and Medium Enterprises

(MSME) sector to gross domestic product (GDP) has been stretching in the last five years. The Ministry of Cooperatives and Small and Medium Enterprises (SMEs) noted the contribution of the MSME sector increased from 57.84 percent to 60.34 percent of total GDP in 2016. While the MSME sector has also assisted the absorption of workforce in the country. Employment absorption in the MSME sector grew from 96.99 percent to 97.22 percent in the last five years. (http://antaranews.com)

Data from the Central Bureau of Statistics and the Ministry of Cooperatives and SMEs in 2015 showed the number of MSMEs in Indonesia reached 57.9 million units or 99.99% of the total number of national business actors. Medan as the third largest city in Indonesia certainly has a fairly large number of MSMEs. The Department of Industry and Trade of Medan City shows that the number of MSMEs in Medan City until 2015 amounted to 300,000 business operators, meaning that the number of MSMEs reached nearly 500 times the number of large businesses. While around 55-60 percent of Indonesia's MSMEs are in the culinary sector. The number of UMKM growing culinary sector is considered quite reasonable, because the city of Medan is quite well known for its various culinary tastes that are already quite well known, such as Soto Medan, vegetable rice cake, boiled noodles, and others. So it is not surprising that almost all roads in Medan have food vendors. Although there are no exact figures on the contribution and absorption of labor by SMEs in the sector, it can be predicted that the contribution will be quite large. Growth in terms of the number of business actors as well as the contribution of MSMEs to the economy is certainly seen from the performance of MSMEs. (BPS Sumatera Utara, 2017; http://antarasumut.co.id).

Medan Helvetia District, Medan Sunggal District, Medan Selayang and Medan Areas in Medan City which are more specifically located at Sunggal Street, Setia Budi Street, Halat Street and Muslim Captains Street in Medan City are areas known as culinary center areas. The large number of population where food is one of the basic human needs makes all people inevitably need food to survive making the region a culinary center in the city of Medan as well as a large market so that many entrepreneurs open culinary businesses around the area. But being a culinary center does not make all business actors obtain good business performance on a regular basis. Many business actors experienced stagnation or were unable to last long and eventually went bankrupt. Many of the culinary businesses even though they have been located in strategic locations but do not have good business performance, competition is so tight and dynamic it becomes a challenge for small and medium scale culinary businesses to be superior to similar business competitors.

Meanwhile Entrepreneurial networking contributes to the entrepreneurial goals of entrepreneurs so entrepreneurial networking becomes their social capital. This relationship might succeed in expanding the professional network to encompass friends, colleagues, and others (Burt, 1992). According to Grave and Salaff (2003), networks have several benefits for business people. The first benefit is how big the network is. Business actors can expand the network to get important information as well as possible. This helps for business development in the future. (Burt, 1992) notes that social networks can connect and regulate themselves, developing available opportunities that can be exploited for businesses.

Social networks can be attached as a way of connecting between individuals, groups or organizations (Dubini and Aldrich, 1991), and have the ability to facilitate or inhibit activities for individuals or groups (Aldrich and Zimmer, 1986). Entrepreneurship itself sees the network or networking must be used by entrepreneurs as a liaison from a variety of different

resources for business success (Dubini and Aldrich, 1991). By implementing social networks, researchers have shown empirically that some network positions such as diversity of relationships, the proportion of strong or weak ties give companies beneficial access to network resources, which affects company performance (Zaheer, 2005).

Bappeda (2014) explained that marketing is the most important aspect needed for the development of a home industry apart from the aspects of technology, standardization, and financial accounting. Marketing problems that occur include the high level of competition, the absence of own brands and stores, weak bargaining prices, and limited information and insights about markets. On the other hand, the scale of home industry businesses whose production is limited to orders and businesses that are still individual contributes to weak marketing. Weak product innovation, limited capital, the ability of entrepreneurs and entrepreneurial spirit that is still low also affects the scope of product marketing.

To solve these marketing problems, appropriate marketing methods and strategies are needed. One approach that is currently emerging in the application of product marketing by small and medium businesses is entrepreneurial marketing. Many MSME businesses do not care about the important role of marketing in their business activities. MSMEs only carry out traditional sales models without implementing marketing strategies in selling their products. The concept of entrepreneurial marketing is a concept that originally appeared in small-scale business actors or business actors who just started their business (Stokes, 2000). Stokes (2000) explains that entrepreneurial marketing is a concept approach that is more appropriate in terms of the limited resources and problems that exist in MSMEs.

In the business world, competition is something that is very common. The culinary business world that is so promising

certainly makes many people interested in going down to the culinary business, so businesses must think about how to be superior to business competitors, especially competitors who are in the same location with our business. Competitive advantage is the result of the value created by the company for customers. Respatya in Mohebi and Sakineh, (2014) states that the concept of competitive advantage must be considered by companies or organizations that produce goods and services for survival and profit. Hall in Mohebi and Sakineh, (2014) argue that competitive advantage has three dimensions: long-lasting, difficult to imitate and become identical.

Suyati and Lestari (2013) argue that more value to build competitive advantage cannot rule out network variables so that companies can survive and remain superior in competition in the era of globalization. Liu (1996) states that besides management and technical expertise, entrepreneurial networking is the root of competitive advantage. Therefore, a strong network is very helpful for business people in gaining a competitive advantage. This also means that the network can provide convenience for businesses to maintain competitive advantage. Competitive advantage is expected to have an impact on business performance. Of course, this impact can provide convenience for business actors to continue their business in the face of competition. This was reinforced by experts who stated competitive advantage can be estimated to produce superior market performance and financial performance (profit on investment, creation of shareholder wealth / dividends) (Wensley, 2011). The purpose of this study is to determine the effect of entrepreneurial networking on competitive advantage, know the effect of entrepreneurial networking on business performance, know entrepreneurial marketing on competitive advantage, know the effect of entrepreneurial marketing on business performance, find out the influence of entrepreneurial networking and entrepreneurial marketing on competitive

advantage, find out the effect entrepreneurial networking and entrepreneurial marketing on business performance and find out the influence of entrepreneurial networking and entrepreneurial marketing on business performance through competitive advantage in the culinary field.

LITERATURE REVIEW
Entrepreneurial Networking.

The definition of entrepreneurial networking is all relationships that help in the formation of a new business as part of a network (Dodd and Patra, 2002: 117). Dougherty (1995) emphasizes the importance of networking that comes from individual relationships. They investigated how restructuring in the 1990s affected product innovation. They also concluded that it impedes product innovation through reduced effectiveness and strategies that encompass all business activities. Opportunities from the network in informal relationships are used by innovators to carry out relationships outside the company's strategy. Innovation requires a complex network of relationships between individuals and between groups called entrepreneurial networking. While Hoang and Antoncic (2003) indicate that a new business unit is related between individuals and organizations, therefore it can be concluded that entrepreneurial networking is a binding relationship that forms at the level between individuals and between organizations.

The Entrepreneurial Networking Dimension

1. Building Personal Relationship
Used to overcome difficulties and achieve personal and corporate goals (Taormina and Kin Lao, 2007). In business, building good relationships between individuals and organizations is often seen as an appropriate way to achieve company goals (Neergard et al, 2005). Hoang and Antoncic (2003) said that the main key of building personal relationships for the entrepreneurial process is to improve the information and advice received. Entrepreneurs often rely on building personal relationships for business information, business-related advice and problem solving. Furthermore, entrepreneurs try to expand or expand the business and reduce the unexpected risks.

2. Having a Favorable Attitude
Having a favorable attitude towards entrepreneurial networking is needed before using it for business purposes and interests. Expectations on the behavior-attitude relationship are based on Fishbein and Ajzen (1975) "Theory of reasoned action" and Ajzen (1991) "Theory of planned behavior" both theories are motivational theories. The summary of the theory is that one belief affects one behavior, one behavior influences one behavioral goal and one behavioral goal influences behavior.

Entrepreneurial Marketing

Most business people consider that by conducting a sales business they have carried out the marketing function. While the sales business itself is actually a small part of marketing. Sales are not the same as marketing. Many micro, small and even medium enterprises (MSMEs) are not aware of this. There are other alternatives in implementing marketing in micro, small and medium enterprises (MSMEs) which are low cost, but have a significant impact (low cost high impact) known as entrepreneurial marketing or entrepreneurial marketing (Buchari, 2016)

The term entrepreneurial marketing first appeared in 1982 when the First Marketing and Entrepreneurship Research Conference was held. Entrepreneurial marketing is a combination of marketing disciplines with entrepreneurship. Kraus et al, (2009) in Slamet et al (2014: 69) define entrepreneurial marketing as an organizational function and group of processes to create, communicate, and convey value to customers and to manage customer relationships in ways that benefit the organization and those who benefit interest and innovative character, risk taking, proactive, and performance without the resources that are now controlled.

Entrepreneurial marketing itself is not limited to the resources that are now controlled, because with a strong entrepreneurial character, the use of resources is not tied to what is now.

Entrepreneurial marketing is an aspect of overlapping between entrepreneurship and marketing, because of that behavior exhibited by individuals and organizations who try to build and promote market ideas, which develop new ones in order to create value (Nystrom 2006: 13). Companies adopting EMP (Entrepreneurial Marketing Process) will be involved in the marketing process emphasizing the creation of opportunities and discovery, evaluation & exploitation (Miles and Deacon, 2006: 488).

According to zulkarnain (2014: 23-24) entrepreneurial marketing can be defined as an innovative and creative individual process by utilizing opportunities to create value and profit by considering risk. Entrepreneurial marketing relies on someone's innovation and creativity in running a business so that someone who runs a business is always confronted with the problem of creativity, imitating the effort of others is easier and not hurting, but creating something unique and different is necessary for MSMEs in the face of increasingly competitive competition .

Burns (2008) in his book entitled Corporate Entrepreneurship: Building the Entrepreneurial Organization in 2008 introduced a slightly different term but has the same concept as entrepreneurial marketing. Burns (2008) states that value-driven marketing has the best position in terms of customer satisfaction and experience among other types of marketing. Its value-driven marketing implementation focuses on ongoing customer relationships and satisfaction. Not only pay attention to transactions of these products, the credibility of its famous name, but good relations with consumers are also maintained. This marketing process will later increase competitiveness and improve company performance. Value-driven marketing is suitable for use in entrepreneurship because in addition it can be used to sell products, involve innovation, and sustainably from the process of supporting entrepreneurial activities in organizations.

The Entrepreneurial Marketing Dimension

According to Morris, et al. (2002: 1-19) there are 7 (seven) dimensions of entrepreneurial marketing, namely: opportunity-driven, proactiveness, innovation-focused, customer intensity, risk management, resource leveraging and value creation. These dimensions are supported by the results of Miles & Darroch's research (2006: 485-501), and also the results of Morrish & Deacon's research (2010: 303-316).

1. Innovation-focused

Demonstrate that entrepreneurship plays an important role not only in products and services, but also in finding creative and unique solutions including developing new technologies that will serve executive methods and organizational functions.

2. Proactiveness.

Leading and pioneering the market in terms of creating new products and adopting new technologies and offers brings dynamism to the business marketing approach.

3. Opportunity-driven

Regarding the focus of opportunity, it shows that companies with an entrepreneurial marketing perspective have a better awareness in filtering and evaluating opportunities in line with their current strategy and position in the market.

4. Resource leveraging.

Utilizing in the context of resources, underscores the need to exploit not only from external opportunities, but also from people in resources.

5. Risk management.

Showing that consuming risky business is calculated and being a pioneer in finding proactive innovation is an important quality.

6. Customer intensity.

It is an understanding of meeting the needs of consumers who will come at the request of products that do not yet exist.

7. Value creation.

There are two main ways of creating value. First, is to increase the benefits of offering value to customers. Second, it is to reduce the cost of acquisition, use and distribution of products and services offered by the company to customers.

Competitive Advantage

The concept of competitive advantage, according to Porter (in Yuni, 2011), cannot be understood by looking at a company as a whole, but it must be from the origin of that competitive advantage, namely the different activities carried out by companies in designing, producing, marketing , submit and support its products. Competitive advantage develops from the value that companies can create for customers or buyers. Competitive advantage describes how companies choose and implement generic strategies (low cost, differentiation, and factors) to achieve and maintain competitive advantage. In other words, competitive advantage concerns how companies actually implement their generic strategies in activities.

The concept of competitive advantage according to Day and Wensley (in Yuni, 2011) is interpreted as a different competition in the advantages of expertise and resources. Broadly shows what is being researched in the market: positional superiority based on superior customer value or achieving lower relative costs and resulting in favorable market share and performance.

Dimensions of Competitive Advantage

Porter's generic strategy (2010) :

   a. cost leadership

Strategies that require companies to reduce production costs to the lowest, so as to provide lower product prices than competitors.

   b. Differentiation strategy.

This strategy stems from the company's ability to produce products that are unique and in all general dimensions that can be valued by consumers. Differentiation can be done in a number of forms other than products such as differentiation of delivery systems, differentiation of marketing approaches, equipment differentiation, and others.

Business Performance

Understanding performance (Moeheriono, 2012: 32) is a quantitative and qualitative measure that describes the level of achievement of a goal or goal set by the organization. According to Gibson et al in Julita (2013: 95) said that performance is a series of management activities that illustrate the extent to which results have been achieved in carrying out their duties and responsibilities in the form of public accountability in the form of both successes and shortcomings. Achievement of the results of the series of activities referred to includes work standards, targets or targets or criteria that have been determined from the start of the business.

Rue & Byars in Riyanti (2003: 25) also said that performance can be defined as the level of achievement of results or the level of achievement of organizational goals. Thus it can be concluded that business performance is a series of achievements of the work of an entrepreneur carrying out business activities, both in developing productivity and success in terms of marketing, in accordance with his authority and responsibility. Performance is a series of management activities that provide an overview of the extent to which results have been achieved in carry out their duties and responsibilities in public accountability in the form of both successes and shortcomings that occur. Ivancevich (Ranto, 2007: 19).

Gaskill and Van Auken (1993) say that the performance of small and medium-sized businesses is influential from the ease of doing business, policy makers and other stakeholder relationships to serve the small

and medium business sector. Performance is the most important indicator to see success and this is proven real and theoretical (Mann et al. 2002). Westhead and Wright (1998) explain that the performance of small and medium enterprises can be measured through market growth, employee growth, profit growth and changes in relations with competitors. Increased income, sales receipts and workers are also indicators of performance (Le Brasseur 2003). According to Lumpkin and Dess (1996) business performance is a form commonly used to measure the impact of a corporate strategy orientation. Declining business performance is certainly a problem and is a challenge for business strategy orientation to be able to continue to maintain business performance well through a strategy orientation to be able to survive in the industry.

Dimensions of Business Performance

1. Quantitative

Is a measure based on empirical data and numerical results that characterize performance in physical or other forms. The quantitative dimension explains the form of financial achievements, production (number of goods sold), marketing (number of customers), number of workers. Growth from the number of customers or from other sectors in the business is included in the quantitative dimension.

2. Qualitative

Is a measure based on the assessment of one's perception of views based on observations and assessments of something. Qualitative performance measures are discipline, quality of goal achievement, individual behavior in the organization, and effectiveness. The Qualitative dimension becomes important because the focus on humans themselves as the doers of activities will be very strong

Understanding SMEs

The Central Statistics Agency (BPS) groups MSMEs according to the number of workers. Enterprises that have 1-4 workers are classified as micro businesses, 5-19 workers as small businesses 20-99 workers as medium businesses and when reaching 100 workers or more are classified as large businesses (Wismiarsi, 2008: 6).

Meanwhile, according to the Ministry of Cooperatives and SMEs, said that small businesses are owned by Indonesian citizens both individuals and legal entities that have a net worth of as much as Rp. 200,000,000 and has a maximum sales turnover or value of Rp. 1,000,000,000 and the stand-alone business.

Characteristics of Micro, Small and Medium Enterprises (MSMEs)

The characteristics inherent in MSME are the advantages and disadvantages of MSME itself. Some advantages and disadvantages of UMKM itself. Some of the advantages possessed by MSMEs are as follows:

1. Durability

Motivation of small entrepreneurs is very strong in maintaining business continuity because the business is the only source of family income. Therefore small entrepreneurs are very adaptive in dealing with changing situations in the business environment.

2. Labor intensive

In general, MSMEs in Indonesia are labor-intensive businesses. In the production process, small businesses use more capabilities of their workforce than using machines as production tools.

3. Special Skills

SMEs in Indonesia make many simple products that require special expertise but do not really need formal education. These special skills are usually hereditary. In addition, the products produced by MSMEs in Indonesia are capable of containing simple and inexpensive technology.

4. Types of products

Products produced by MSMEs in Indonesia are generally nuanced in culture, which is basically a special skill from the community in each region. Examples such as handicrafts made of bamboo or rattan, and wood carvings.

5. Linkages to the Agriculture Sector

MSMEs in Indonesia in general are still agricultural based because many agricultural commodities can be processed in small scale without having to result in high production costs.

6. Capital

In general, small entrepreneurs rely on their own money (savings) or loan funds from informal sources for working capital needs (Tambunan, 2002: 166). The weaknesses of MSMEs are reflected in the constraints faced by the business. Constraints commonly experienced by MSMEs are limited capital, difficulties in marketing and providing raw materials, minimal knowledge about the business world, limited mastery of technology, low quality of human resources (formal education), poor financial management, lack of division of tasks clear and often rely on members of the family as unpaid workers (Tambunan, 2002: 169).

MSME Criteria

The MSME criteria according to the Ministry of Cooperatives and SMEs based on assets and turnover are as follows:
- Micro Business has a maximum asset of Rp. 50 million and a maximum turnover of Rp. 300 million per year.
- Small Businesses have maximum assets > Rp. 50 million-Rp. 500 million and maximum turnover > Rp. 300 million-Rp. 2.5 billion per year.
- Medium Business has maximum assets > Rp. 500 million - Rp. 10 billion and a maximum turnover of > Rp 2.5 billion to Rp. 50 billion per year.

MATERIALS & METHODS

This type of research is based on the level of exploration is descriptive and associative research. This study explains the description of the variables studied and then explains the correlation or relationship between these variables. This research was conducted in around four districts of Medan City, namely Medan Helvetia District, Medan Sunggal District, Medan Selayang and Medan Area in Medan City. The time of the study is January to February 2018. The population in this study is SMEs engaged in the culinary field in Medan Helvetia District, Medan Sunggal District, Medan Selayang and Medan Area in Medan City which are more specifically located at Jalan Sunggal, Jalan Setia Budi, Jalan Halat and Jalan Sei Sekambing in Medan City, amounting to 62. The choice of location reasons is because in that area is the central area of food sales because of the large number of residents in the area. Population criteria are MSMEs engaged in culinary which have been established for two years or more. the sample of this research is 62 MSMEs engaged in culinary in Medan Helvetia District, Medan Sunggal District, Medan Selayang and Medan Area in Medan City which are more specifically located at Sunggal Street, Setia Budi Street, Halat Street and Sei Sekambing City Field. This study uses two types of data sources, namely:

1. **Primary Data**
   Primary Data is data obtained directly from selected respondents at the study site. Primary data was obtained by giving a list of questions / questionnaires to MSMEs engaged in culinary areas around Plaza Millennium and Jalan Karya Medan City.

2. **Secondary Data**
   Secondary data is data obtained through the study of documentation by studying various writings through books, journals, and magazines and internet sites to support research. Through a literature review, a theoretical foundation can be built that is in line with the problem or conceptual framework of research, for example reference books (both compulsory lectures and general books), research journals, relating to the discussion of research to find theories and theories principles that can be applied in this research.

Method of collecting data

    1. Questionnaire

The questionnaire is a data collection technique that is done by giving a set of questions or written statements to the respondents for later answered.

    2. Documentation Study

Done by collecting and studying data obtained from various books, journals and information from the internet related to the influence of entrepreneurial networking on MSME business performance through competitive advantage.

Operational limits are used to avoid confusion in discussing and analyzing the problems in this study. This research is limited to:

1. independent variable (X1), which is a variable which, in conjunction with other variables, acts as a cause or that influences the dependent variable. The independent variable in this study is entrepreneurial networking (X1)

2. independent variable (X2), which is a variable which, in conjunction with other variables, acts as a cause or that influences the dependent variable. The independent variable in this study is entrepreneurial marketing (X2)

3. dependent variable (Y) is a variable that is dependent on other variables, or variables that can be influenced by other variables. The dependent variable in this study is business performance (Y).

4. Intervening variable (Z). According to Tuckman (in Sugiyono, 2007) intervening variables are variables that theoretically affect the relationship between the independent variable and the dependent variable into an indirect relationship that cannot be observed and measured. This variable is an interrupting variable / between the independent variable and the dependent variable, so the independent variable does not directly affect the change in the dependent variable. The intervening variable in this study is competitive advantage (Z).

Statistical Analysis

Validity and Reliability Test

    Validity and reliability tests are carried out to test whether a questionnaire is suitable for use as a research instrument. Validity shows how real a test can measure what should be measured. Measurement scale is said to be valid if the scale is used to measure what should be measured. Reliability is used to measure the accuracy and consistency of the gage, which is an instrument that when used several times to measure the same object produces the same data (Situmorang and Lutfi, 2011: 76). The validity and reliability test will be conducted on 30 respondents consisting of SMEs engaged in culinary in the area around the USU Campus and UMSU which have the same characteristics as the respondent, but are outside the respondent.

Validity test

    According to Situmorang and Lufti (2011: 76), validity indicates the extent to which a measuring device measures what you want to measure. A measurement instrument is said to be valid if the instrument can measure construct in accordance with the goals and expectations of researchers. Validity test is done by comparing the value of correlated items - total correlation or called the count on each item to the value of rtable. Sunyoto (2009: 72) states as follows:

1. If the positive count and r count ≥ rtable, then the questions on each study variable are declared valid, and if the negative count or r count≤ rtable, then the questions on each research variable are invalid.

2. r count can be seen in the corrected item-total correlation column.

3. The value of rtabel with initial respondents numbered 30 people and alpha 5% was 0.361.

Validity Test Results

Table 1 Validity Test Results Table

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
VAR00001	137.1667	531.937	.405	.964
VAR00002	136.9667	538.999	.423	.965
VAR00003	137.0667	542.133	.562	.966
VAR00004	137.0667	534.685	.417	.964
VAR00005	137.1333	538.326	.388	.965
VAR00006	136.9333	527.237	.500	.964
VAR00007	136.8333	526.006	.547	.964
VAR00008	137.8667	515.499	.540	.964
VAR00009	138.0000	524.690	.393	.965
VAR00010	138.5667	488.254	.879	.962
VAR00011	138.6667	485.816	.817	.963
VAR00012	138.8667	508.947	.619	.964
VAR00013	137.6000	506.248	.926	.962
VAR00014	137.6000	503.972	.874	.962
VAR00015	137.7000	505.045	.919	.962
VAR00016	137.7333	494.064	.855	.962
VAR00017	137.6667	500.092	.811	.962
VAR00018	137.6667	502.782	.705	.963
VAR00019	138.2333	500.599	.795	.963
VAR00020	137.7333	496.340	.873	.962
VAR00021	137.5333	509.982	.862	.962
VAR00022	137.2333	523.702	.539	.964
VAR00023	137.2667	522.823	.607	.964
VAR00024	137.4667	514.120	.834	.963
VAR00025	137.2333	527.082	.656	.964
VAR00026	137.8667	520.947	.751	.963
VAR00027	137.2667	529.237	.420	.964
VAR00028	137.2333	530.323	.408	.964
VAR00029	137.3333	523.885	.533	.964
VAR00030	137.7667	511.426	.779	.963
VAR00031	138.1667	515.937	.668	.963
VAR00032	138.5333	495.430	.795	.963
VAR00033	137.8667	523.637	.450	.964
VAR00034	137.7667	519.702	.822	.963
VAR00035	137.6000	513.283	.687	.963
VAR00036	137.9333	517.306	.754	.963
VAR00037	137.6667	521.747	.602	.964

Based on Table 1 above it can be seen that each statement item is declared valid, because it meets the requirements of r count> r table so that it can be stated that each statement item in all variables is feasible to be used in this study.

Reliability

Situmorang and Lufti (2011: 79), Reliability is an index that shows the extent to which a measuring tool can be trusted or reliable. If a measuring device is used twice - to measure the same symptoms and the measurement results obtained are relatively consistent, then the gauge is reliable. Reliability shows the accuracy and consistency of the measurements. It is said to be consistent if several measurements of the same subject are not different results. Thus it can be concluded that the question item is called reliable or reliable if one's answer to the question is consistent from time to time. This study uses one shot where the questionnaire is given only once to the respondent and then the results are compared with other questions to measure the correlation between the answers to the questions. A questionnaire is said to be reliable or reliable if a person's answer to a question is consistent or stable from time to time. SPSS provides facilities to measure reliability with Cronbach Alpha (α) statistical tests. A variable is said to be reliable if it gives a value (α) of 0.60 (Ghozali, 2009).

Reliability Test Results

Table 2 Reliability Test Results Table

Reliability Statistics	
Cronbach's Alpha	N of Items
.964	37

Based on Table 2 above, it can be seen that each statement item has a high reliability of 0.964
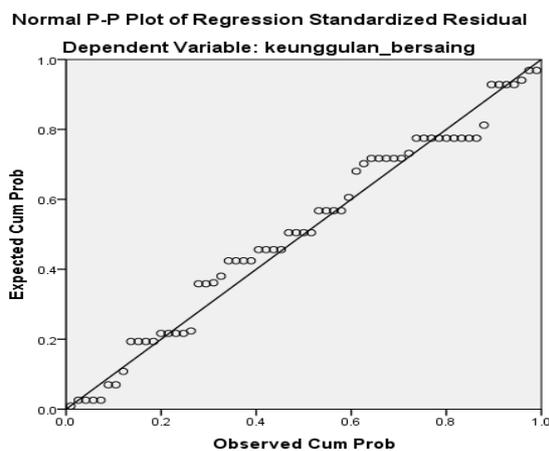
RESULT

Results of Inferential Statistical Analysis Research

Inferential statistics is a data analysis technique used to determine the extent of similarity between the results obtained from a sample with the results that will be obtained in the population as a whole. The results of inferential statistical analysis in this study are as follows:

### Classical Assumptions Testing Sub Model I

a. Normality Test Results

The data normality test used in this study was carried out by the normality plot test by looking at the P-plot graph. The basis for decision making is that if data spreads around the diagonal and follows the direction of the diagonal line, the path model meets the normality assumption. The results of the normality test carried out are shown in Figure 1 below:

Source: Research Results, 2018 (Data processed)
Figure 1 P-Plot Normality Test Results for Sub Model I

Based on Figure 1 it can be seen that the data is distributed evenly along the diagonal line. This proves that the data used in this study fulfills the normality assumption.
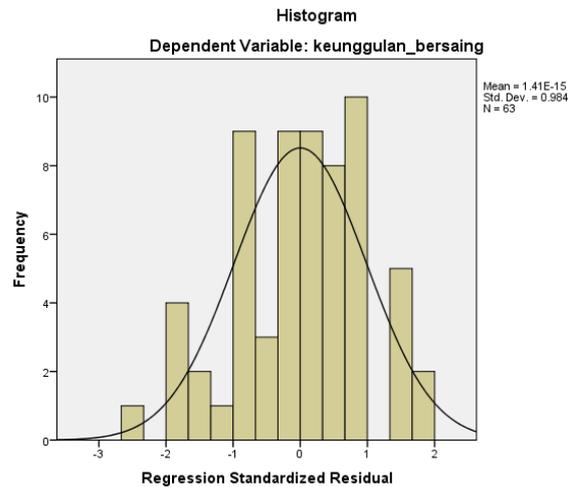
Source: Research Results, 2018 (Data processed)
Figure 2 Histogram Graph Sub Model I

In Figure 2, the histogram shows that the line and histogram cross from left to right. This figure shows that the data that has been processed is normally distributed.

Multicollinearity Test Results

Multicollinearity is a condition in which there is a significant correlation between the independent variables. If there is a relatively perfect symptom of multicollinearity, the interpretation through the least squares becomes indeterminate and the variance and standard deviations become undefined. This causes an increase in irregularities regarding the accuracy of the independent variable in explaining the dependent variable.

Table 3 Multicollinearity Test Results of Sub Model I

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	17.457	1.612		10.827	.000		
	entrepreneurial_networking	.067	.057	.161	1.176	.244	.846	1.182
	entrepreneurial_marketing	.012	.015	.109	.795	.430	.846	1.182
a. Dependent Variable: Competitive Advantage								

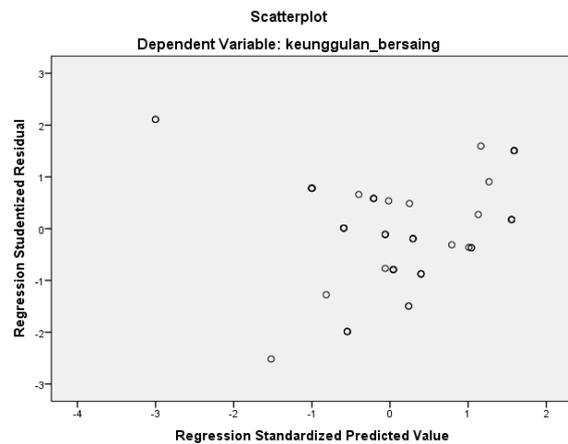Source: Research Results, 2018 (data processed)

Based on Table 3 it is known that the VIF value for independent variables consisting of entrepreneurial networking and entrepreneurial marketing is smaller than 10 (VIF <10), while the tolerance value is close to 1. Thus the sub-model equation in Path Analysis I is free from the assumption of multicollinearity.

Heteroskedasticity Test Results

Heteroscedasticity test aims to test whether in the path model occurs when the name variance occurs from the residuals of one observation to another. If the variance from one observation residual to another observation is fixed, then it is called homoscedasticity, on the contrary if it is different it is called heteroscedasticity. With SPSS processing, the following results are obtained:

Based on Figure 3 shows that most of the points spread around the zero point of the Y axis. This means that the equation of sub-model I path analysis is free from the assumption of heteroscedasticity and the data used in this study are sourced from normally distributed data.

Source: Research Results, 2018 (Data processed)
Gambar 3 Hasil Uji Heteroskedastisitas Sub Model I

Path Analysis Model Sub Model I

The hypothesis states that entrepreneurial networking (X1), entrepreneurial marketing (X2), has a positive and significant effect on competitive advantage (Z). The following Table 4 results of the calculation of the partial test (t-test) of each variable:

Table 4 Partial Test Results (t-Test) Sub Model I

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.914	3.835		3.628	.001
	entrepreneurial_networking	-.057	.136	-.041	-.421	.675
	entrepreneurial_marketing	.257	.035	.730	7.432	.000
a. Dependent Variable: Competitive Advantage						

Source: Research Results, 2018 (Data processed)

Based on Table 4 can be explained as follows:
1. The value of t count> t table of the entrepreneurial networking variable -0.421 <1.67155 and the significant value for entrepreneurial networking is 0.675> alpha 0.05, and the standardized coefficients beta is -0.041 which shows a positive effect so it can be concluded that the entrepreneurial networking variable has a negative and not significant effect on competitive advantage, thus the hypothesis is rejected.

2. Tcount value <ttable from the entrepreneurial marketing variable is 0.743> 1.67155 and the significant value for entrepreneurial marketing is 0.00> alpha 0.05, and the standardized coefficients beta is 0.730 which shows a positive effect so it can be concluded that the entrepreneurial marketing variable has a positive and significant effect on excellence compete, thus the hypothesis is accepted.

Furthermore, the results of the simultaneous test (f-test) in the path analysis of sub model I can be seen in Table 5

Tabel 5 Hasil Uji Hipotesis Uji F Sub Model I

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	838.309	2	419.155	31.303	.000[b]
	Residual	803.405	60	13.390		
	Total	1641.714	62			
a. Dependent Variable: Competitive Advantage						
b. Predictors: (Constant), entrepreneurial_marketing, entrepreneurial_networking						

Source: Research Results, 2018 (Data processed)

Based on Table 5, it was found that the Fcount value of 31.303 with a significance level of 0.000 was smaller than alpha 0.05 (5%). The resulting Fcount is 31,303 greater than the F table, which is 2.76. The provisions of table F are obtained from the number of samples minus the number of variables, namely df2 = n - k = 62-4 = 58, and the number of variables is reduced by 1, so df1 = k-1 = 4 - 1 = 3. And the results obtained from table F of 2.76 Can be concluded simultaneously entrepreneurial networking and entrepreneurial marketing have a significant effect on competitive advantage, thus the hypothesis is accepted.

Furthermore, to determine the effect of independent variables on the dependent variable is to use the coefficient of determination R test in Table 6:

Table 6 Sub-Model I Determination Coefficient

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715[a]	.511	.494	3.65925
a. Predictors: (Constant), entrepreneurial_marketing, entrepreneurial_networking				

Source: Research Results, 2018 (Data processed)

Based on Table 6 it can be seen that:

1. R value of 0.715 means that the relationship between entrepreneurial networking and entrepreneurial marketing to competitive advantage is 71.5%, meaning the relationship is weak.
2. Adjusted R Square value obtained is 0.511 or 51.1% which shows the ability of entrepreneurial networking and entrepreneurial marketing variables in explaining the variation or influence that occurs in competitive advantage 51.1%, while the remaining 48.9% is influenced by variables others outside this research, such as price, place of business, and others.
3. Standard Error of Estimated (standard deviation) means measuring the variation of the predicted value. In this study the standard deviation of 3.65 the smaller the standard deviation means the better the model.

Probability Value (P-Value) Sub Model I

The results of testing the hypothesis of the probability value (p-value) of sub-model I can be seen in Table 7 as follows:

Table 7 Partial Test Results (t-Test) Sub Model I

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.914	3.835		3.628	.001
	entrepreneurial_networking	-.057	.136	-.041	-.421	.675
	entrepreneurial_marketing	.257	.035	.730	7.432	.000
a. Dependent Variable: Competitive Advantage						

Source: Research Results, 2018 (Data processed)

Based on Table 7, it can be seen that the path analysis equation of sub-model I in this study is the first substructure equation:

Z = b1x1 + b2x2 + e1
Z = -0,041 X1 + 0.730 X2 + 3,659 e1

Where:

Z = competitive advantage
X1 = entrepreneurial networking
X2 = entrepreneurial marketing
E = Error

Based on this explanation can be illustrated the path diagram sub model I in Figure 4 as follows:
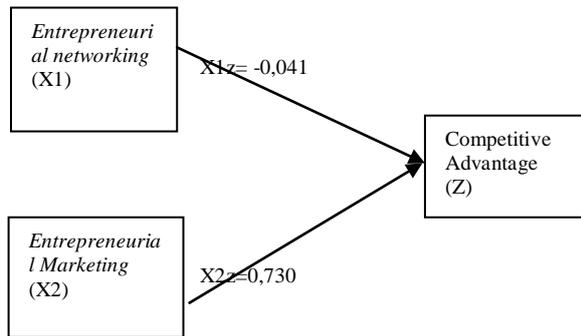

Figure 4. Path Diagram Sub Model I

## Classical Assumptions Testing Sub-Model II

a. Normality Test Results

The data normality test used in this study was carried out by the normality plot test by looking at the P-plot graph. The basis for decision making is that if data spreads around the diagonal and follows the direction of the diagonal line, the path model meets the normality assumption. The results of the normality test carried out are shown in the following figure:
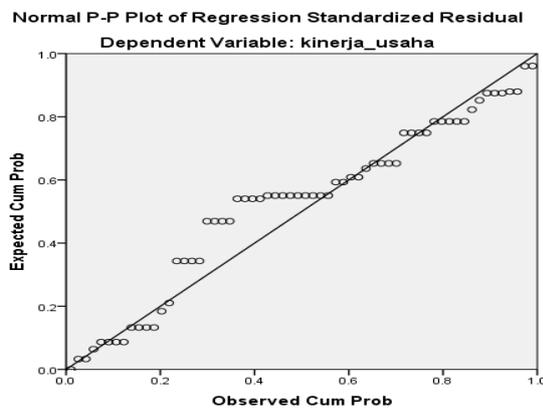
Source: Research Results, 2018 (Data processed)
Figure 5. P-Plot Sub Model II Normality Test Results

Based on Figure 5 it can be seen that the data is distributed evenly along the diagonal line. This proves that the data used in this study fulfills the normality assumption.
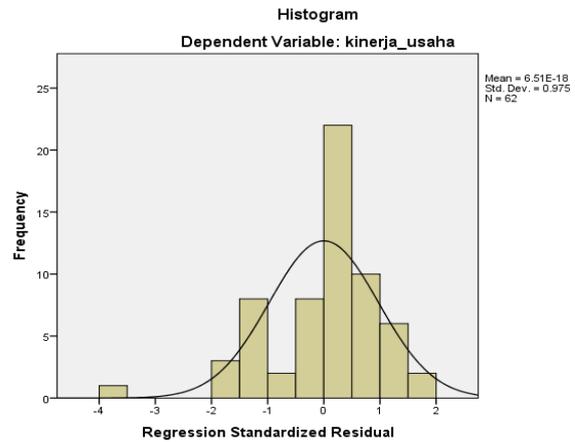
Source: Research Results, 2018 (Data processed)
Figure 6. Sub Model II Histogram Graph

In Figure 6, the histogram shows that the line and histogram cross from left to right. This figure shows that the data that has been processed is normally distributed.

Multicollinearity Test Results

Multicollinearity is a condition in which there is a significant correlation between the independent variables. If there is a relatively perfect symptom of multicollinearity, the interpretation through the least squares becomes indeterminate and the variance and standard deviations become undefined. This causes an increase in irregularities regarding the accuracy of the independent variable in explaining the dependent variable.

Table 8 Multicollinearity Test Results of Sub Model II

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.330	6.446		-.206	.837		
	entrepreneurial_networking	-.124	.132	-.089	-.940	.351	.819	1.221
	entrepreneurial_marketing	.252	.033	.712	7.578	.000	.840	1.191
	Competitive Advantage	.864	.302	.252	2.859	.006	.952	1.050
a. Dependent Variable: Business_performance								

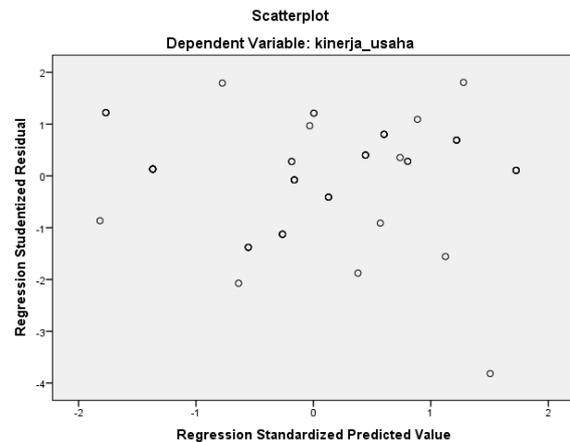Source: Research Results, 2018 (Data processed)

Based on Table 8 it is known that the VIF value for independent variables consisting of entrepreneurial networking, entrepreneurial marketing, and competitive advantage of 10 (VIF <10), while the tolerance value is close to 1. Thus the sub-model II equation Path Analysis is free from the assumption of multicollinearity.

b. Heteroscedasticity Test Results.

Heteroscedasticity test aims to test whether in the path model there is an inequality of variance from the residuals of one observation to another. If the variance from one observation residual to another observation is fixed, then it is called homoscedasticity, on the contrary if it is different it is called heteroscedasticity. With SPSS processing, the following results are obtained:

Based on Figure 7 shows that most of the points spread around the zero point of the Y axis. This means that the equation of sub-model II path analysis is free from the assumption of heteroscedasticity and the

data used in this study are sourced from normally distributed data.

Source: Research Results, 2018 (Data processed)
Figure 7 Results of the Sub-Model II Heteroscedasticity Test

Path Analysis Model Sub Model II

The hypothesis states that (X1), (X2), and (Z) have a positive and significant effect on (Y). The following Table 9 results of the calculation of the partial test (t-test) of each variable:

Table 9 Partial Test Results (t-Test) Sub Model II

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.539	1.696		9.161	.000
	entrepreneurial_networking	.075	.055	.180	1.377	.174
	entrepreneurial_marketing	-.024	.019	-.224	-1.243	.219
	Competitive Advantage	.138	.052	.456	2.665	.010
a. Dependent Variable: Business_performance						

Source: Research Results, 2018 (Data processed)

Based on Table 9 can be explained as follows:

1. Tcount> ttable of the entrepreneurial networking variable is 1.337 <1.67155 and the significant value for entrepreneurial networking is 0.174> alpha 0.05, and the standardized coefficients beta is 0.180 which shows a negative effect so it can be concluded that the entrepreneurial networking variable has a negative and not significant effect on business performance , thus the hypothesis is rejected.

2. The tcount <ttable of the entrepreneurial marketing variable is -1,243 <1.6715 and the significant value for service quality is 0.219> alpha 0.05, and the standardized coefficients beta is -0.224, which shows a

negative influence so it can be concluded that the entrepreneurial marketing variable has no positive effect and not significant on business performance, thus the hypothesis is rejected.

3. Tcount <ttable of the competitive advantage variable is 2.665> 1.6715 and the significant value for customer satisfaction is 0.010 <alpha 0.05, and the standardized coefficients beta is 0.456 which shows a positive effect so it can be concluded that the competitive advantage variable has a positive and significant effect on performance effort, thus the hypothesis is accepted. Furthermore, the results of the simultaneous test (f-test) in the path analysis of sub model II can be seen in Table 10:

Table 10 Hypothesis Test Results F Test Sub Model II

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22.951	3	7.650	3.561	.019[b]
	Residual	126.763	59	2.149		
	Total	149.714	62			
a. Dependent Variable: Business_performance						
b. Predictors: (Constant), Competitive Advantage, entrepreneurial_networking, entrepreneurial_marketing						

Source: Research Results, 2018 (Data processed)

Based on Table 10, it was obtained that the Fcount value was 3.561 with a significant level of 0.000 smaller than alpha 0.05 (5%). The resulting Fcount is 3.56 greater than the Ftable that is 2.76. The provisions of table F are obtained from the number of samples reduced by the number of variables ie df2 = n - k = 62 - 4 = 58, and the number of variables is reduced by 1, so that obtained df1 = k-1 = 4 - 1 = 3. And the results obtained from table F of 2.76. Thus simultaneously entrepreneurial networking, entrepreneurial marketing and competitive advantage have a positive and significant effect on MSME business performance.

Furthermore, to determine the effect of independent variables on the dependent variable is touse the coefficient of determination R test in Table 11:

Table 11Sub-Model II Determination Coefficient

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.392[a]	.153	.110	1.46579
a. Predictors: (Constant), Competitive Advantage, entrepreneurial_networking, entrepreneurial_marketing				

Source: Research Results, 2018 (Data processed)

Based on Table 11 it can be seen that:
R value of 0.392 means the relationship between X1, X2, and Z to Y of 39.2% means the relationship is weak.
Adjusted R Square value obtained is 0.153 or 15.3% which shows the ability of the variables X1, X2, and Z in explaining the variation or influence that occurs at Y 15.3%, while the remaining 84.7% is influenced by variables other than this research.

Standard Error of Estimated (standard deviation) means measuring the variation of the predicted value. In this study the standard deviation of 1.46 the smaller the standard deviation means the better the model.

Probability Value (P-Value) Sub Model II
The results of testing the hypothesis of the probability value (p-value) of sub-model II can be seen in Table 12 as follows:

Table 12 Partial Test Results (t-Test) Sub Model II

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.539	1.696		9.161	.000
	entrepreneurial_networking	.075	.055	.180	1.377	.174
	entrepreneurial_marketing	-.024	.019	-.224	-1.243	.219
	Competitive Advantage	.138	.052	.456	2.665	.010
a. Dependent Variable: Business_performance						

Source: Research Results, 2018 (Data processed).

Based on Table 12, it can be seen that the equation of the path analysis sub-model II in this study is the first substructure equation:
Y = b3 YX1 + b4YX2 + b5YZ + e2
Y = 0.110 YX1 + -0.224 YX2 + 0.456 YZ + 1.465e2

Where:
Y = Business Performance
X1 = entrepreneurial networking
X2 = entrepreneurial marketing
Z = competitive advantage
E = Error

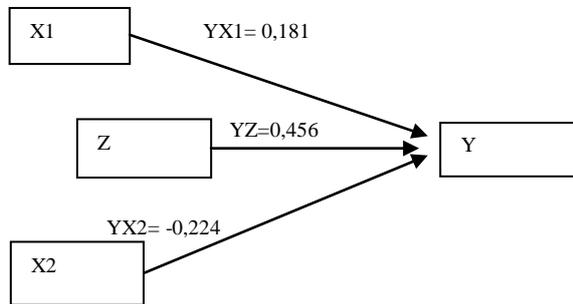Based on the explanation, it can be described the path diagram of sub model II in Figure 8 as follows:

Figure 8. Path Diagram Sub Model II

Sub Model Testing Results
Direct Effect (Direct Effect)
Knowing and calculating the direct effect of the variable under study, it can be displayed as follows:

a. The influence of entrepreneurial networking on competitive advantage X1 to Z: -0,041 (not significant).

b. The influence of entrepreneurial marketing on competitive advantage X2 against Z: 0.730 (significant).

c. Effect of entrepreneurial networking on business performance X1 to Y: 0.181 (significant).

d. The effect of entrepreneurial marketing on business performance X2 against Y: -0,224 (not significant).

e. Effect of competitive advantage on business performance Z with respect to Y: 0.456 (significant).

Indirect Effect (Indirect Effect)
Knowing and calculating the indirect effects of the studied variables, it can be displayed as follows:

1. Influence (X1) through (Z) against (Y) X1 through Z with respect to Y: -0.041 x 0.456 = -0.018696.

2. Effect of (X2) through (Z) against (Y) X2 through Z with respect to Y: 0.730 x 0.456 = 0.33288.

Total Effect (Total Effect)
The total effect is the amount of direct influence plus the amount of indirect effect can be seen in Table 13 as follows:

Table 13 Value of Total Influence

No	Influence	Direct Influence	Indirect Influence	Total Influence
1	X1 → Y	0,181	-0,0186	0,162
2	X2 → Y	-0,224	0,332	0,108

Source: Research Results, 2018 (Data processed)

According to Kuncoro (2009) the main purpose of path analysis is to explain the direct and indirect effects of some of the causal variables, on several other variables as an effect variable, if the direct effect is greater than the indirect effect it can be said that the relationship is actually a direct result and vice versa if the direct effect is smaller than the indirect effect it can be said that the real relationship is an indirect effect. Based on Table 13 above we can know that the total effect value of X1 on Y is 0.162. The direct effect of X1 on Y of 0.181 is greater (>) than the indirect effect of X1 on Y of 0.0405, so it can be concluded that the actual relationship is a direct result that business performance is dependent in this study. While the total effect value of X2 on Y was 0.108. The direct effect of X2 on Y is -0.224 smaller (<) than the indirect effect of X2 on Y of 0.332 so that it can be concluded that the actual relationship is an indirect result of the competitive advantage variable being the interviening variable between entrepreneurial marketing variables and business performance

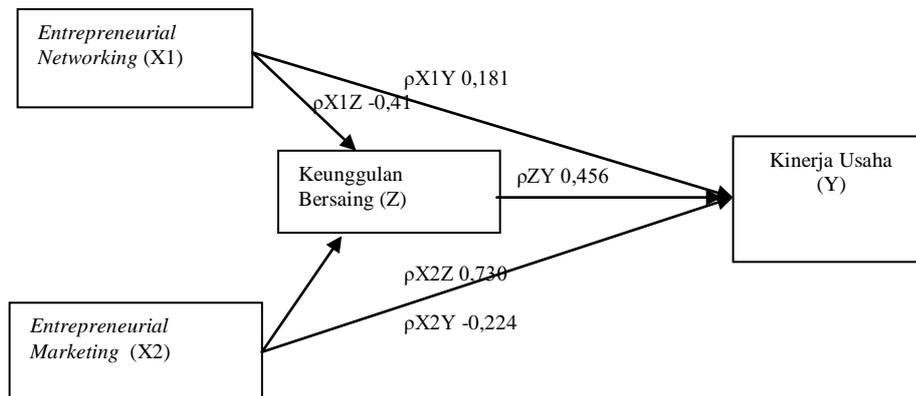Based on this explanation the following path diagram can be drawn:

Figure 9 Path Diagram Sub Model II

Sub Model I can be displayed as follows:

Z = -0,041 X1 + 0.730 X2 + Ɛ1

Sub Model II can be displayed as follows:

Y = -0,110 YX1+ -0,224 YX2 + 0,456 YZ + Ɛ2

DISCUSSION

The Effect of Entrepreneurial Networking on MSME Business Performance

The results of the study prove that entrepreneurial networking partially has a negative and not significant effect on business performance. The direct effect of entrepreneurial networking on business performance is 0.181. The significant value for product quality is 0.219> alpha 0.05, the results of the study indicate the hypothesis is rejected. This shows that conducting or building social activities to partners or customers does not have an effect in improving business performance. This means that this condition proves that there are other influences that can improve MSME business performance in the culinary field. Judging from the answers of respondents' related to entrepreneurial networking, it is known that most customers answer the agreed category. These results indicate that it is not certain that communicating or building relationships with customers or business partners can drive business performance.

This study also rejects the results of research from Eny and Guruh (2013) concluding that the Entrepreneurial network influences SME performance. Furthermore

Azmi (2015) states that entrepreneurial networking has a positive and significant effect on business performance. But the results of this study reject the statement. Many things can cause this research to contradict previous studies that underlie this research.

Judging from the characteristics of education level respondents who become the majority of respondents are junior high school graduates so they do not know the function of implementing entrepreneurial networking or business do not learn how to build entrepreneurial networking with suppliers and others for improving business performance. Whereas Hoang and Antoncic (2003) stated that the implementation of entrepreneurial networking for entrepreneurship is to improve information and advice received from various parties related to business when viewed from respondents' responses to the questionnaire about the dependent variable namely business performance, the majority of respondents answered disagreeing with the items statement items relating to networking.

There are problems that arise if you have a close relationship with the supplier, or the customer. One of the things that arises is that the boundaries in the

relationship are gone. So that if you get too close in dealing with suppliers or customers, they do what they want by going into debt without paying so that it actually reduces the performance of the culinary business.

Effect of Entrepreneurial Networking on Competitive Advantage

The results of the study prove that entrepreneurial networking partially has a positive and not significant effect on competitive advantage. The magnitude of the direct influence of entrepreneurial networking on competitive advantage is -0.41. The significant value for product quality is 0.675> alpha 0.05, the results of the study indicate the hypothesis is rejected. This is contrary to the results of research Suyati and Lestari (2013) states that social networking influences business competitive advantage. Furthermore, these results are also not in accordance with the theory mentioned by Kimio and James (1996) that entrepreneurial networking is the root strength of companies to compete.

There is one thing that causes entrepreneurial networking has no significant effect on the competitive advantage of MSME businesses, namely the possibility of business actors not to build networks that are beneficial in their business advantage with those who influence their businesses such as consumers, suppliers, or other partners. The majority of MSMEs only build a modest network without utilizing it for their business interests such as getting cheap and quality raw materials, getting easy business capital, making consumers comfortable being familiar with business actors, and so on.

Judging from the descriptive respondents based on the length of business shows the majority of respondents have been doing business for between 6 -10 years which means showing the majority of respondents have understood how to run or build relationships with consumers or business partners. and the majority of businesses at such an age understand the benefits of building relationships with

consumers and business partners. All SMEs studied underwent networking in their businesses to both customers and suppliers but depend on the amount. Sometimes a number of culinary MSMEs have close relations with suppliers, they do not feel directly the magnitude of the benefits of the relationship because the culinary business raw materials are basically fluctuating prices and are widely available in the market so that if they are not available at the raw material suppliers they are looking for can search in other stores with the same price or slightly different and less affect the performance in a short time that is 1-2 days.

The Effect of Entrepreneurial Marketing on Business Performance.

The results of the study prove that entrepreneurial marketing partially has a negative and not significant effect on business performance. The direct effect of entrepreneurial marketing on competitive advantage is -0,224. Significant value for product quality of 0.219> alpha 0.05, the results showed the hypothesis was rejected. This is contrary to the results of research Arfanly, et al (2016) states that entrepreneurial marketing influences the marketing performance of a business.

Seen from the majority of respondents answering disagreeing on several statement items such as, businesses that offer new products regularly, innovative place designs, businesses that offer the latest products, products that follow the development of consumer tastes, and routinely carry out promotions. This contrasts with Hidayanti's research (2009) which states that entrepreneurial marketing has an effect on increasing sales of a business.

Many things are the reason why this research contradicts previous research, such as the business studied is the UMKM in the culinary field which mostly sells food that is commonly consumed by the public such as Padang restaurants, Aceh noodle stalls and so on who rarely release the latest products or innovation in business. Judging from the

character of respondents based on the level of education the majority of respondents have a junior high school education where they do not understand about entrepreneurial marketing matters that can affect business performance.

The Effect of Entrepreneurial Marketing on Competitive Advantage.

The results of the study prove that entrepreneurial marketing partially has a positive and significant effect on competitive advantage. The direct effect of entrepreneurial marketing on competitive advantage is 0.730. The significant value for product quality is 0.00 <alpha 0.05, the results of the study indicate the hypothesis is accepted. This is in line with research by Miles and Darroch (2006) that entrepreneurial marketing producers will produce a competitive advantage for a business. One dimension of entrepreneurial marketing is innovation, in which Coven and Miles (1999) state the influence of innovation to make products, processes, and strategies to meet the needs and desires of consumers so as to be able to make a business different and superior to its competitors.

This is also in line with the majority of respondents answering agreeing on statement items such as reading business opportunities, optimizing resources, and so on which shows that the business actor consciously or unconsciously carries out marketing activities in his business. Because all profit-oriented activities must pay attention to making their business profitable. Marketing done by MSMEs is indeed not as good as that done by large business actors, moreover the majority of MSMEs that I have examined make their place of business as life support. They understand the importance of marketing to their business which will also make their income and profits increase. However, the business actors that are studied are still running a variety of aspects of entrepreneurial marketing with the reason of limited capital, but with entrepreneurial marketing that they do in their business in moderation has made their business to excel in competing.

Effect of Competitive Advantage on Business Performance

The results of the research prove that competitive advantage is partially positive and significant effect on business performance. The magnitude of the direct influence of competitive advantage on business performance amounted to 0.456. The significant value for product quality is 0.01 <alpha 0.05, the results of the study indicate the hypothesis is accepted. This is in line with research Febriatmoko and Raharjo (2015) states that business competitive advantage has a positive effect on MSME business performance in the culinary field. Judging from the frequency of respondents' answers to the variable competitive advantage, the majority of respondents answered agreed on all statements given. This shows that every business actor studied understands that the business he owns must be superior to his competitors' businesses. It also explains the competitive advantage with indicators consisting of product taste, good product ideals, and cost advantages of a positive and significant impact on the performance of MSME businesses in the culinary field. This means that this condition proves that if a business actor has a competitive advantage, it will improve MSME business performance in the culinary field.

Furthermore Supranoto (2009) states that competitive advantage can improve the marketing performance of a business, which will also increase business performance. seen from the characteristics of the respondents the majority of respondents have been doing business for 6-10 years which shows that the business is able to last a long time because it is able to produce good performance where the performance is generated due to the superiority of its business from competing businesses.

The Effect of Entrepreneurial Networking on MSME Business Performance through Competitive Advantage.

Based on research results prove that entrepreneurial networking has a direct effect of 0.181 and an indirect effect of -0.0186, this shows that the relationship that occurs is a direct relationship. This result rejects previous research by Martuningsih (2017) stating that entrepreneurial networking influences convection marketing performance through business excellence. This study also rejects the results of research Febriatmoko and Raharjo (2015) which states that competitive advantage as a mediating variable has a positive effect on business performance. Judging from the frequency of respondents' answers the majority of respondents answered agreeing on statements about entrepreneurial networking variables such as building relationships to expand markets, building relationships with customers, building relationships to reduce risk and others, but the implementation of networks built by business actors does not have a major influence on business performance business performance, business actors do not understand how to utilize closeness with customers in terms of making these customers loyal to the business they run and business partners can influence their business superiority compared to competitors by providing cheap and quality raw materials, ease of obtaining business capital , etc.

Lack of training or education for businessmen whose majority of education is junior and senior high school level on how to make a business that is superior to competitors. At present the majority of business actors only know how the business they run has profits without thinking about how to keep those profits stable with their business that is superior to competitors.

The Effect of Entrepreneurial Marketing on MSME Business Performance through Competitive Advantage.

Based on research results prove that entrepreneurial networking has a direct effect of -0.224 and an indirect effect of 0.332. This shows that the relationship that occurs is an indirect relationship. This result is in line with the research of Febriatmoko and Susilo (2015) which states that competitive advantage can be achieved through market orientation by SMEs in the culinary field and competitive advantage. Vannesa and Hendra (2014) said product innovation which became an entrepreneurial marketing dimension had a positive effect on competitive advantage and also had a positive effect on business marketing performance. Although the effect of entrepreneurial marketing on business performance is partially negative, the influence of entrepreneurial marketing on competitive advantage is partially positive.

Judging from the distribution of respondents' answers, the majority of respondents answered agreeing on statements on the variable competitive advantage such as economies of scale, preference to raw materials, product taste and product image. This shows that the business actor as a respondent understands that the business he is running must be superior to competing businesses and has an impact on business performance.

CONCLUSION

Based on the results of research and discussion in the previous chapter, it can be concluded as follows:

1. Entrepreneurial networking partially has a negative and insignificant effect on MSME business performance in the culinary field.
2. Entrepreneurial marketing partially has a negative and not significant effect on MSME business performance in the culinary field.
3. Partial competitive advantage has a positive and significant effect on MSME business performance.
4. Entrepreneurial networking is partially positive and not significant effect on competitive advantage.

5. Entrepreneurial marketing partially positive and not significant effect on competitive advantage.

6. Entrepreneurial networking has a positive effect on business performance through competitive advantage. The direct effect of entrepreneurial networking on business performance is smaller than the indirect effect of entrepreneurial networking on business performance, so it can be concluded that the real relationship is an indirect result of that competitive advantage is intervening in this study between entrepreneurial marketing on business performance variables.

7. Entrepreneurial marketing has a positive effect on business performance through competitive advantage. The direct effect of entrepreneurial marketing on business performance is greater than the indirect effect of entrepreneurial marketing on business performance, so it can be concluded that the real relationship is the direct result of that business performance is more directly influenced directly by entrepreneurial marketing.

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