

The Effect Of Entrepreneurial Competency And Social Media Marketing On Competitive Advantage In The Coffe Shop In Bandung City

Artarina D. A. Samoedra¹

¹Faculty of Economic and Business, Widyatama University, Bandung Indonesia.
artarina.dewi@widyatama.ac.id

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Abstract: The coffee shop business is a business that has good prospects in the future. Now business people only need to innovate a unique coffee shop concept to attract consumers to compete in this business. This business growth competition is also supported by a variety of coffee shop offerings that are increasingly diverse. In wading through existing competition, a coffee shop must have advantages that are different from other coffee shops. In this study, the number of samples was 100 respondents, and the research design used was descriptive and verification, while the research method used multiple regression. The results showed that entrepreneurial competence influenced competitive advantage by 31.3% and social media marketing had an effect of 42.2%, while the rest was influenced by other variables not examined.

Keywords: Entrepreneurial Competence, Social Media Marketing, Competitive Advantage

1. Introduction

The development of the coffee shop business market in Indonesia is based on a survey conducted by one of the goods and service business solutions providers, Toffin Indonesia. In collaboration with MIX MarComm SWA Magazine, it is estimated that the business market value reaches IDR 4.8 trillion every year. This figure is obtained from the current count of recorded coffee shop outlets and the assumption of an average sales per outlet of 200 cups per day and an average coffee price of IDR 22,000 per cup. The considerable market value and the proliferation of coffee shops in Indonesia cannot be separated from the growing domestic coffee consumption. Data released by the Global Agricultural Information Network shows the annual data for Indonesian coffee consumption in 2019. The projected domestic coffee consumption in 2019/2020 reaches 294,000 tons, up 13.9 percent compared to 2018/2019 is 258,000 tons. Furthermore, according to the head of the Specialty Coffee Association of Indonesia (SCAI), A. Syafrudin said that local production uptake reached 11-13 percent of its total coffee consumption rate. He said where the fulfillment of coffee consumption in Indonesia is still balanced by coffee imports made from various countries.

Next, the Chairman of the Indonesian Coffee Exporters Association (AEKI), Moelyono Soesilo, said that by the end of 2019, the uptake of domestic coffee, both robusta, and arabica, was estimated to reach 360,000 to 380,000 tonnes of the total production predicted to reach 700,000 tonnes. In recent years, domestic coffee uptake has increased significantly. This increasing consumption is supported by data from the Projection of Coffee Consumption in Indonesia released by the Center for Agricultural Data and Information System of the Ministry of Agriculture, which was released in 2019 over the last four years, indicating an increase in national coffee consumption. The average national coffee consumption growth rate is 2.49%. The coffee shop business's contribution to domestic absorption is predicted to reach around 25% in 2019, higher than the 2018 realization, which only contributed 18% -20% of domestic coffee absorption. This is also supported by the growth of the coffee business in Indonesia. The coffee business's growth includes the absorption of coffee for coffee in shops, one of which is in West Java, which is becoming a trend among millennials. Some coffee shops with various variants founded mostly by young people filled the streets, especially in the city center, namely in Bandung.

Furthermore, Andi K. Yuwono, the founder of 578 Coffee Lab, said that the past ten years' progress had experienced rapid development. The informal sector dominates this business as MSMEs, and there are around 600 coffee shops based on its data. Seeing this data, it is undeniable that the coffee shop business is a business that has good prospects in the future. Now business people only need to innovate a unique coffee shop concept to attract consumers to compete in this business. This business growth competition is also supported by a variety of coffee shop offerings that are increasingly diverse. In wading through existing competition, a coffee shop must have advantages that are different from other sustainable coffee shops, which can be the key to its competitive advantage. Especially today, the Covid 19 pandemic has an impact in all sectors. One of them is the coffee shop business sector. The Covid 19 pandemic forced many coffee shops to close due to the closure of hotels, restaurants, and cafes (horeka) during large-scale social restrictions (PSBB). Coffee shop owners have to rack their brains to find strategies to survive a pandemic like this. The competitive advantage that is created must be supported by the business owner's capable abilities in managing it and seeing the opportunities that exist (Kurniawan, Asep & Yun, Yun. (2018). The competent abilities referred to are entrepreneurial competencies, where the competency approach is becoming increasingly popular—studying entrepreneurial characteristics (Barney, 2000; Lumpkin & Dess,

1996; Chaston, 1997; Cancar, 2018). Next, social media promotion with attractive offers can increase the advantages of business competitors (Maharani, Mutia., et al. 2012) and (Oktapriani, R ., Muniroh, L., & Eldine, A. (2020). Companies must be observant in determining the marketing strategy of their products so that they become consumer choices. Understanding market conditions and formulating appropriate market strategies will help companies win the market competition. What is done is by promotion, which is one of the marketing mix elements, namely the intermediary between producers and consumers in communicating (Kurniawati, Dewi, et al., 2015; Aydin, 2019; Demir, 2019).

Based on the above explanation, the research objective is to explain the competitive advantages of coffee shops in terms of entrepreneurial competence and social media marketing in the city of Bandung.

2. Literature Review

Entrepreneurial Competency

Suryana (2006: 91) argues that to measure entrepreneurial competence, there are four primary abilities needed to achieve business success: 1. Technical competence, namely having competence in designing buildings according to the form of business to be chosen. In other words, an entrepreneur must know everything about the business or business that want to do both from the aspect of knowledge about business and strategies in maintaining business continuity. 2. Marketing Competence, namely having competence in finding a suitable market, identifying customers, and maintaining the company's survival. Entrepreneurs must know who their competitors are, have the will and ability to compete better, based on ethical norms and social responsibility. Marketing expert Keegan (1996) states that future marketing will be oriented towards strategic marketing. Competitors are no longer as opponents to be turned off but as partners in a race to provide customer satisfaction. 3. Financial Competence, namely having competence in finance, purchasing, selling, bookkeeping, and calculating profit and loss. Competence in finance also includes competence in finding the cheapest funding sources, using and investing good funds, making budgets. 4. Human Relations Competence, namely competence in developing personal relationships, such as the ability to relate and forge partnerships between companies and know healthy interpersonal relationships. Entrepreneurial competence is also related to the ability to maintain, build, develop, have good relations with people and parties with interest in company activities, such as colleagues, employees, suppliers of goods, suppliers of materials, investors, creditors, and the community. Entrepreneurial competence as the primary capability for business success consists of technical competence, marketing competence, financial competence, and human relationship competence (Kuriloff et al., 1983). Entrepreneurial competence is a crucial skill and intrinsic knowledge possessed by entrepreneurs and is an intellectual capital that an individual has as a high-level feature, which includes personality, skills, and knowledge, all considered as total abilities by which entrepreneurs can successfully fulfill their duties (Yeh, 2010). Tzu-Jiun; Chang, Hung-Jung, 2018; Auriacombe & Vyas, 2019).

Social Media Marketing

Social media is a channel or means of social interaction online in cyberspace. Social media users communicate, interact, send messages to each other, and share and build networks. Social media provides a way for people to share ideas, content, thoughts, and relationships online. Social media is different from ordinary media, where everyone can create it and make it in the form of text, video, images, or community (Scott, 2013). In Adhawiyah, Y.R et al. (2019), social media is a media revolution that provides consumers with full power in obtaining information and conveying information (Kerpen, 2011; Maluleke et al., 2019). Social media's existence makes business people, organizations, and governments look for ways to achieve more incredible things with efficient spending. Social media's impact is considered the most effective form of marketing in maintaining relationships with consumers, building good relationships with consumers (Semuel & Setiawan, 2018; Akkaya, 2019). Marketing activities need social media as a tool that can interact directly with the same social media users, one of which is applications that have complete access, network groups, and pages that can gather fans. The dimensions are online communities, interaction, sharing content, accessibility, and credibility (Asad & Alhadid, in Zulfikar & Mikhriani, 2017).

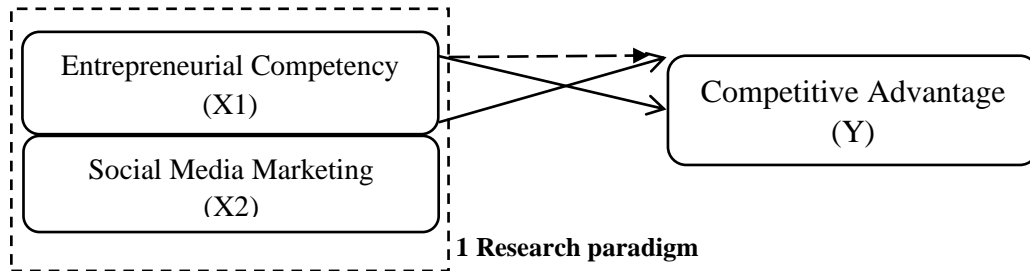
Competitive Advantage

Firms experience competitive advantage when actions in an industry or market create economic value and when several competing firms engage in similar actions (Barney, 2010). Competitive advantage is considered an advantage over competitors obtained by offering more value to consumers than competitors' offers (Kotler et al., 2005: 461). Competitive advantage is expected to achieve profit as planned, increase market share, increase customer satisfaction and continue the survival of a business (Saiman, 2014; Casas et al., 2019). D'Aveni (in Suryana, 2013: 257) also states that excellence is dynamic and cannot be maintained. Competition today and

tomorrow should be viewed as highly dynamic competition, not static, so we need to go through that with some strategic thinking. Competitive advantage is the result of the value created by the company for customers. According to Porter, customers will pay this value cost or benefits and superior value caused by setting prices lower than competitor prices (in Mohebi and Sakineh, 2014). Respatya (in Mohebi and Sakineh, 2014) states that companies or organizations that produce goods and services for survival and profit must consider the concept of competitive advantage, where the dimensions are product and service differentiation and cost leadership (Bharadwaj et al., (1993); Li et al., (2006); Porter (1990); D'Cruz, (1992).

Research Paradigm and Hypotheses

Based on the explanation above, it can be seen that the research paradigm is as follows:



Moreover, based on the above paradigm, the research hypothesis is:

- H1 Entrepreneurial Competency affects Competitive Advantage
- H2 Social Media Marketing affects Competitive Advantage
- H3 Entrepreneurial Competency and Social Media Marketing affect Competitive Advantage

3. Research Methodology

The data analysis method used in this research is descriptive and verification, in which the purpose of this method is to describe whether the facts are actual or not and to explain the relationship between the variables studied by collecting data, processing, analyzing, and interpreting data in statistical hypothesis testing in the end. A conclusion was drawn. Descriptive research aims to determine how respondents respond to Entrepreneurial Competency, Social media marketing, and Competitive Advantage. Meanwhile, verification research aims to determine the effect of entrepreneurial competency and social media marketing on the Competitive Advantage of Coffee Shops in Bandung.

This study's population was taken from data from 578 Coffee Labs totaling 600 coffee shops in the city of Bandung. The sampling method used by the author is based on the Slovin formula to determine the sample as follows:

$$n = \frac{N}{1 + Ne^2}$$

The total population in this study is 600 coffee shops, so that the percentage of leeway used is 10%, and the calculation results can be rounded up to achieve suitability. So to find out the research sample, with the following calculations:

$$n = \frac{600}{1 + 600 \cdot (0,1)^2}$$

$N = 85,71$ (rounded to 100)

Based on the above calculations, the sample respondents were adjusted to be as many as 100 people.

The data analysis technique in this study uses multiple linear analyses. This is used to determine the size of the independent variable's influence on the dependent variable and show the direction of the relationship between these variables. The regression equation is expressed in the form:

$$Y = a + \beta x_1 + \beta x_2 + \beta x_3 + \beta x_4$$

4. Result And Discussion

Based on the results of data processing carried out on the collected questionnaires, it is known that the descriptive research results are as follows:

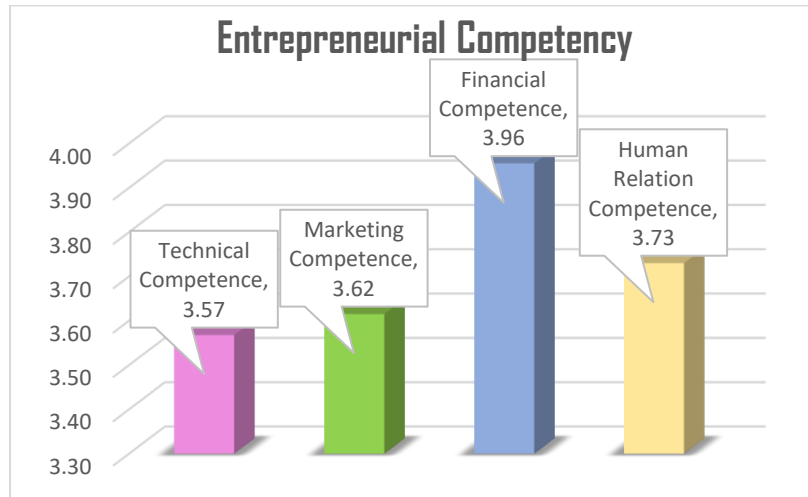


Diagram 1 – Rekapitulasi Entrepreneurial Competency

Based on the results of data processing carried out, the recapitulation results of respondents' responses regarding Entrepreneurial Competency. It can be seen that the highest indicator assessed is financial competence, where the financial sector can determine the performance of a business. With financial reports, the management can design a more effective system to achieve success. in a business.

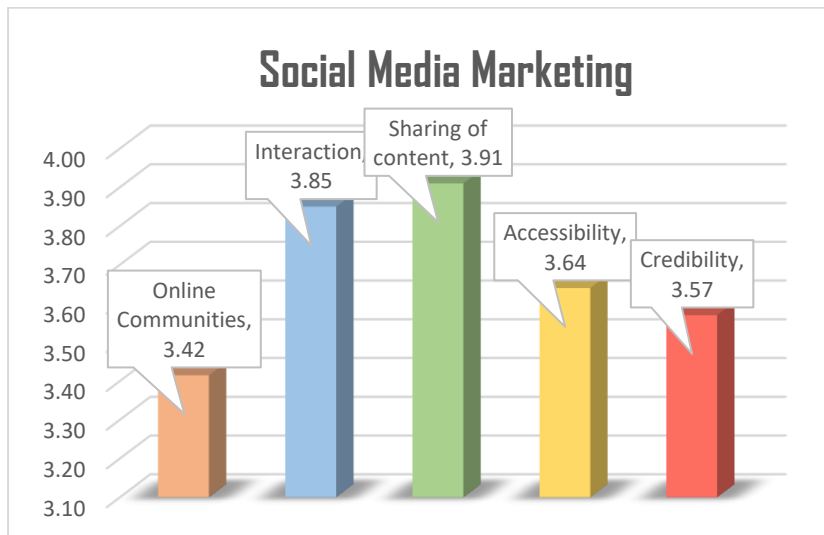


Diagram 2 – Rekapitulasi Social Media Marketing

Based on the results of data processing carried out, the recapitulation results of respondents' responses regarding Social Media Marketing. It can be seen that the highest indicator assessed is the Sharing of content. Wherein this era, many consumers, are active in social media, so this content is a form of interaction with consumers that can be more accepted. Easy by consumers. Through content, it can make connections that match consumers' personalities so that marketing products can be easier to deliver.

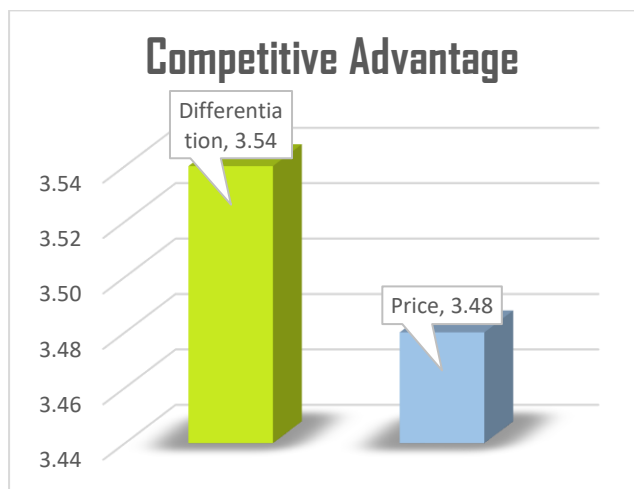


Diagram 3 – Rekapitulasi Competitive Advantage

Based on the results of data processing carried out, the recapitulation results of respondents' responses regarding Competitive Advantage. It can be seen that the highest indicator assessed is differentiation, wherewith the right differentiation strategy; competitive advantage can be created so that the goals of the entrepreneurship can be achieved.

Meanwhile, to find out how the previously formulated research hypothesis is accepted or rejected and to assess how much influence entrepreneurial competency and social media marketing have on competitive advantage, it can be seen as follows:

Table 1 Correlation

	Y	X1	X2
Y	1.000	.560	.650
X1		1.000	.701
X2			1.000

Source : SPSS Output (data processed, 2021)

To analyze the pattern of causal relationships between variables in order to determine the effect of Entrepreneurial Competency (X1) and Social Media Marketing (X2) on Competitive Advantage (Y). It is calculated using the coefficient of determination formula as follows:

$$Kd = r^2 \times 100\%$$

Sumber : Narimawati (2010:50)

Based on the formula above, it can be seen that the influence between the independent variables is as follows:

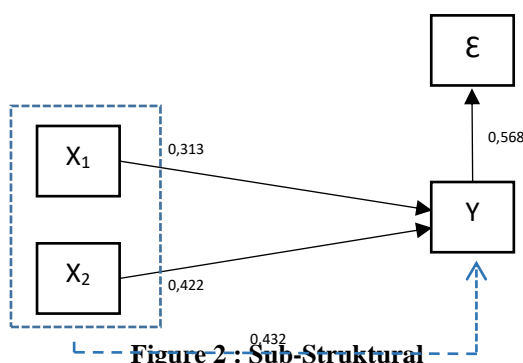


Figure 2 : Sub-Struktural

Based on the sub-structural above, it is known that of the two independent variables that affect competitive advantage. The social media marketing variable (X2) has the most significant influence because social media is used as business advice that provides various benefits, including 1) Social media makes products or services more easily recognized by the public. 2) Flexibility of information access. 3) social media can establish unlimited relationships with customers, and 4) social media opens a broader business network. With the remaining effect that is not examined, 0.568 can be influenced by other variables such as the quality of servants.

Table 2 Multiple Linear Regression Analysis Test Results

Coefficients ^a									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	.635	.389		1.631	.106			
	X1	.243	.125	.206	1.942	.045	.560	.193	.147
	X2	.626	.132	.505	4.759	.000	.650	.435	.360

a. Dependent Variable: Y

Source : SPSS Output (data processed, 2021)

Based on the output in Table 2, it is known that the regression equation is as follows:

$$Y = 0.635 + 0.243X_1 + 0.626X_2 + \epsilon$$

If all independent variables are considered zero, the Coffee Shop Competitive Advantage has a value of 0.635 times. Moreover, a coffee shop's competitive advantage can be increased if the independent variables of social media marketing increase.

5. Conclusion

In general, it can conclude that based on descriptive analysis of the variables, Entrepreneurial competency, Social media marketing, and Competitive advantage are in a suitable category. Furthermore, Entrepreneurial competency has a significant influence on increasing Competitive advantage by 31.3%. Social media marketing has a significant influence on increasing Competitive advantage by 42.2%. For simultaneous testing of two-three variables, entrepreneurial competency and social media marketing affect the competitive advantage variable by 43.2%, while 33.57% influence by other factors not included in the tested variables. For suggestion, the owners has to increase their technical skill such as join the coffee community or online training in coffee, and being engage with social media online communities to share information. After that, learning to keep the price on the market without decrease the quality. Furthermore, suggestions for researchers who will research in the coffee shop industry can continue their research using other variables, such as other indicators of from marketing or strategic during a pandemic.

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