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# Entrepreneurial orientation and market orientation on the performance of food and beverage MSMEs in Palembang City

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**Abstract**
**Purpose:** This study analyzes how entrepreneurial and market orientation affect MSME performance in Palembang, emphasizing the role of competitive advantage as a moderating variable.
**Research Methodology:** This study uses a survey method with data collection techniques through interviews with micro, small, and medium enterprise (MSME) owners and direct observation of the research object. The research population consists of 151 MSME entrepreneurs who live in Palembang.
**Results**: The results showed that entrepreneurial orientation had a negative effect on performance. Testing the effect of entrepreneurial orientation on the performance of the value obtained a coefficient value of -0.090 with a p-valSSue of 0.008 <0.005, indicating that there is a significant influence, but no relationship between entrepreneurial orientation and the performance of food and beverage providers, and vice versa. Testing the effect of market orientation on the performance of Palembang city umkm through competitive advantage as a moderating variable with a coefficient value of 5.55 and a p-value of 0.00 <0.05 means strengthening the relationship between performance through competitive advantage as a moderating variable. Testing the effect of entrepreneurial orientation on the performance of Palembang city umkm through competitive advantage as a moderating variable with a coefficient value of 2.37 and a p-value of 0.00 <0.05 means strengthening the relationship between performance through competitive advantage as a moderating variable.
**Keywords:** *Entrepreneurial Orientation, Competitive Advantage, Performance, MSME, Market Orientation*
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## 1. Introduction

The era of globalization in Indonesia has impacted the application of various foreign cultures to obtain business opportunities, including culinary business, which is currently a promising business. The development of Micro, Small and Medium Enterprises (MSMEs) in the culinary sector fluctuated from year to year during the observation period However, the Gross Domestic Product (GDP) generated by this MSME sector increases every year, meaning that culinary businesses have considerable and profitable opportunities (Warisan & Harianto, 2018).

The development of MSMEs in the dimension of national development based on a populist economic system is aimed not only at reducing the problem of inequality between income groups and between actors or employment. Moreover, the development of MSMEs can expand the economic base to the regions and can make a significant contribution to accelerating structural change, namely by increasing the resilience of the regional economy in an effort to increase national economic resilience. Therefore, MSME development is a priority and has become vital (Aristiyo & Murwatiningsih, 2017; Djodjobo & Tawas, 2014; Usvita, 2015).

MSME empowerment is very important for increasing economic growth in Indonesia (Trihudiyatmanto, 2021). To empower MSMEs, it is necessary to implement the selected marketing strategy optimally. Marketing strategies are used to obtain targeted marketing performance. The marketing performance target is in accordance with the business owner's capacity, so that optimal results will be obtained from the business (Nurdiyanto & Purnomo, 2021). Product innovation can be used as a strategy to maintain business continuity (Ernawati, Sarbullah, & Zulkifli, 2021).

Developing countries have changed their orientation by empowering the SME sector when looking at the experience in industrially developed countries about the important role of the SME sector and its contribution to supporting the strengthening of people's economic growth to realize and maintain national competitiveness and even at the global level (Mamun, Mohiuddin, Fazal, & Ahmad, 2018). Poudel (2012) states that an increasing number of SMEs can be viewed from various aspects, including: the number of industries is large and found in every sector, and has the potential to create more jobs than the same investment in larger-scale businesses; the contribution of SMEs in the formation of GDP is quite significant, contributing to foreign exchange to the state with a fairly stable export value.

This study measured marketing performance through sales revenue, market share, and customer retention. The performance of a business can be seen from the conditions of competition; if there is relatively much competition, then the performance of the business must be optimal. Distribution of MSMEs providing food and beverages by district/city in South Sumatra.

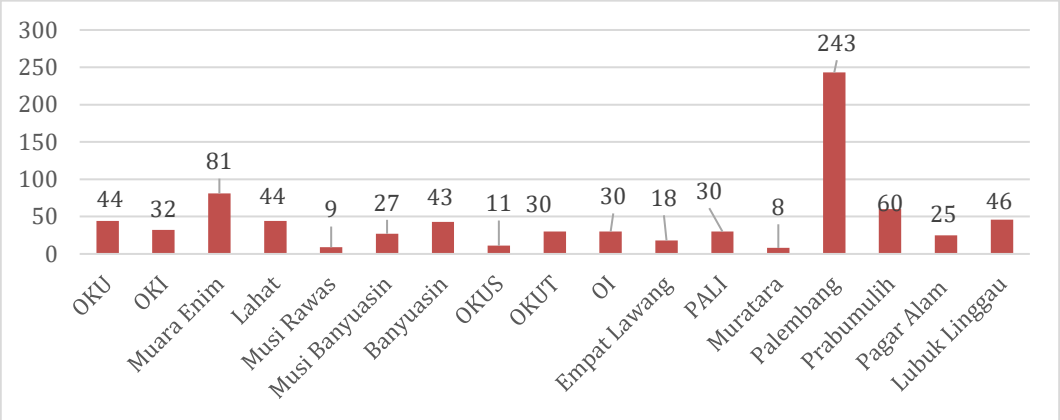


Figure 1. Number of Micro, Small and Medium Enterprises (MSMEs) Providing Food and Beverages in South Sumatra
Source: BPS South Sumatra, 2021

The graph above shows that the MSME competition in South Sumatra is proportional to the average number of businesses in each district/city of 40 to 80 business units. Palembang City has the highest number of business units among the regions, with 243 food and beverage businesses. The distribution of the number of SMEs providing food and beverages in Palembang City by subdistrict is shown in Figure 5.3.

Competitive advantage is a factor that distinguishes the position of a business unit among competitors by favoring the uniqueness or privilege of its business in the market so that it becomes superior and becomes a market leader from its competitors (Zimmerer, Scarborough, & Wilson, 2008). The elements

that can increase a competitive advantage are product differentiation, competitive pricing, and market response. One factor that creates a competitive advantage is the application of competitive prices by adjusting product quality, which increases the company's profitability (Prasetio, 2012).

Entrepreneurial orientation is an organizational strategic resource with the potential to generate a competitive advantage. The potential of entrepreneurial orientation and its impact on business performance depend on the role of entrepreneurial orientation as a driver or pioneer in organizational capabilities and innovation (Poudel, 2012). According to Putri and Yuniawan (2016), innovation is part of a company's efforts to gain competitive advantage. This study discusses the factors that measure entrepreneurial, including innovation, proactivity, risk-taking, and flexibility.

Previous research results (Wiklund & Shepherd, 2005) identify a positive relationship between entrepreneurial orientation and business performance. However, Frank, Kessler, and Fink (2010) find that entrepreneurial orientation has a negative effect on business performance. Likewise, previous research shows a weak relationship between entrepreneurial orientation and firm performance (Lumpkin & Dess, 2001).

This research stems from the contradiction problem of Wiklund and Shepherd (2005) research results in contrast to the results of research by Frank et al. (2010) regarding entrepreneurial orientation and performance, (Elbanna, 2011) environmental uncertainty and performance, (Vorhies, Morgan, & Autry, 2009; Zhou, Brown, & Dev, 2009) regarding market orientation and performance.

## 2. Research Methodology

This study was conducted to determine whether there is a causal relationship between entrepreneurial and market orientation on the performance of MSMEs that provide food and beverages through competitive advantage as a moderating variable. The object of this research was Palembang City. Data collection techniques used questionnaires with a population of MSMEs providing food and beverages in Palembang City. The sample collection method used as many as 150 Business Unit Samples. The transformation method used in this study was the Successive Interval Method (MSI). The estimation model used to estimate the effect of entrepreneurial orientation variables, market orientation, performance and competitive advantage as moderating variables, namely:

The work estimation model is as follows:

$$KN_i = a_0 + a_1(OK_i) + a_2(OP_i) + e_i$$

Information:

| | |
|---|---|
| KN | = Performance |
| OK | = Entrepreneurship Orientation |
| OP | = Market Orientation |
| $a_0, a_1, a_2$ | = Parameter Estimation |
| e | = Error terms |
| i | = Cross section |

The Performance Estimation Model using Competitive Advantage (Moderation) Equation 2 to measure the effect of entrepreneurial orientation on performance through competitive advantage is as follows:

$$KN_i = a_0 + a_1(OK_i) + a_2(KBi) + a_3(OK_i\_KB_i) + e_i$$

Information:

| | |
|---|---|
| KN | = Performance |
| OK | = Entrepreneurship Orientation |
| KB | = Competitive Advantage |
| OK_KB | = MRA variables between Entrepreneurial Orientation and Competitive Advantage |
| $a_0, a_1, a_2, a_3$ | = Parameter Estimation |
| e | = Error terms |
| i | = Cross section |

to measure the effect of market orientation on performance using competitive advantage as a moderating variable.

$$KNi = a_0 + a_1(OP_i) + a_2(KBi) + a_3(OP_i\_KB_i) + e_i$$

Information:
KN = Performance
OP = Market Orientation
KB = Competitive Advantage
OP_KB = MRA Variables between Market Orientation and Competitive Advantage Competitiveness
$a_0, a_1, a_2, a_3$ = Parameter Estimation
e = Error terms
i = Cross section

## 3. Results and discussion

### *3.1 Model Estimation Results*

Tabel 1. Model Estimasi Result 3 equation

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | -0.480966 | 0.229033 | -2.099990 | 0.0374 |
| OK | -0.090199 | 0.033679 | -2.678177 | 0.0082 |
| LNOP | 1.643564 | 0.221993 | 7.403666 | 0.0000 |
| C | 2.711518 | 0.369446 | 7.339422 | 0.0000 |
| LNOK | -0.670419 | 0.265729 | -2.522945 | 0.0127 |
| LNKB | -1.135539 | 0.215028 | -5.280894 | 0.0000 |
| LNOK_KB | 2.371341 | 0.396231 | 5.984747 | 0.0000 |
| C | 4.251248 | 0.377375 | 11.26531 | 0.0000 |
| LNOP | -1.720779 | 0.262973 | -6.543555 | 0.0000 |
| LNKB | -3.072641 | 0.281197 | -10.92702 | 0.0000 |
| LNOP_KB | 5.550411 | 0.497070 | 11.16625 | 0.0000 |

Source: data processed e-views 9.0, 2021

Equation 1 of the influence of entrepreneurial orientation variables, market orientation, performance, and competitive advantage as moderating variables, namely,

$$KN_i = -0{,}480966 - 0{,}090199(OK_i) + 1{,}643564(OP_i) + e_i$$

The constant (α) = -0.480966 states that if the entrepreneurial orientation and market orientation variables do not change, the variation in changes in performance variables will tend to decrease, and the coefficient value (β2) = -0.0901199 indicates that the entrepreneurial orientation variable has a negative effect on performance. Thus, if there is a 1% increase in the quality of entrepreneurial orientation, performance will be reduced by 0.09 percent and vice versa. The correlation between entrepreneurial orientation and performance shows a significant value of 0.0082 <0.05, the coefficient value (β3) = 1.643564 means that market orientation has a positive effect on performance. Thus, if there is a 1% increase in the quality of market orientation, performance will be reduced by 1.64 percent and vice versa. The correlation between entrepreneurial orientation and performance showed a significance value of 0.0000 <0.05.

Equation 2 The effect of entrepreneurial orientation on performance through competitive advantage is as follows:

$$KN_i = 2.711518 - 0{,}670419\ (OK_i) - 1{,}135539\ (KBi) + 2{,}371341\ (OK_i\_KB_i) + e_i$$

The constant (α) = 2.711518 states that if the entrepreneurial orientation, competitive advantage, and MRA variables do not change, the variation in changes in performance variables will tend to increase. The coefficient value (β2) = -0.670419 means that the entrepreneurial orientation variable has a negative effect on performance. Thus, if there is a 1% increase in the quality of entrepreneurial orientation, performance will be reduced by 0.670 percent and vice versa. The correlation between entrepreneurial orientation and performance showed a significance value of 0.012> 0.05. The coefficient value (β3) = -1.135539 indicates that Competitive Advantage negatively affects performance. Thus, if there is a 1% increase in the quality of Competitive Advantage, it will reduce performance by 1.13 percent and vice versa. The correlation between entrepreneurial orientation and performance showed a significance value of 0.0000 <0.05. The coefficient value (β4) = 2.371341 indicates that the MRA variable between entrepreneurial orientation and competitive advantage has a positive effect on performance. Thus, if there is a 1% increase in the quality of the MRA variable between entrepreneurial orientation and competitive advantage, performance will be reduced by 2.37 percent and vice versa. The correlation between entrepreneurial orientation and performance shows a significant value of 0.0000 <0.001.

Equation 3 Effect of Market Orientation on Performance Through Competitive Advantage as a Moderating Variable

$$KNi = 4{,}251248 - 1{,}720779\ (OP_i) - 3{,}072641\ (KBi) + 5{,}550411(OP_i\_KB_i) + e_i$$

The constant (α) = 4.251248 states that if the market orientation, competitive advantage, and MRA variables do not change, the variation in changes in performance variables will tend to increase. Coefficient (β2) = -1.720779 indicates that the market orientation variable has a negative effect on performance. The coefficient (β3) = -3.072641 means that Competitive Advantage has a negative effect on performance. The coefficient (β4) = 5.550411 indicates that the MRA variable between Market Orientation and Competitive Advantage has a positive effect on performance.

Table 2 Assumptions Classical & (Equation 1)

| Classical Assumption Test | Test Results | Conclusion |
|---|---|---|
| Test Multicollinearity | VIF (2,354;2,354)<10 | No multicollinearity |
| Autocorrelation Test | *symp.Sig.(2-tailed)* *(*0,281)>0,05 | No autocorrelation |
| Heteroscedasticity Test | *P value* (5,59)>0,05 | No heteroscedasticity |
| Normality Test | *symp.Sig.(2-tailed)* (0,1305) >0,05 | Normal Residuals |
| Hypothesis Test | | |
| F test | $F_{Count}$ > $F_{table}$ (317,51 > 2,43) | |
| t test | t-count = 2.678 > from t-table =1.9764 | |
| R test | 0,809 | |

Source: Data processed, 2022

In Table 2 Classical Assumptions Multicollinearity Test, it can be seen that the VIF value for all independent variables is not greater than 10, and the tolerance value for all independent variables also has a value of 2. Based on these results, it can be concluded that all independent variables consisting of

Entrepreneurial Orientation variables (X1) and Market Orientation (X2) have no symptoms of multicollinearity. Based on the autocorrelation test criteria above, it is known that the probability value is 0.281, which is greater than 0.05 (α), so it is concluded that Ho is rejected.

The results of the heteroscedasticity test above entrepreneurial orientation and market orientation have a significant value. (2-Tailed) 5.59> 0.05 greater than α = 0.05, from these results, it can be concluded that the tested variables did not contain heteroscedasticity. This means that there is no correlation between the magnitude of the data and the residuals. Therefore, if the data are enlarged, it does not cause the residuals (errors) do not increase. In the Normality Test table, it can be seen that the significance value is greater than 0.05, so it can be concluded that it is normally distributed.

Table 3 Classical Assumptions & (Equation 2)

| Classical Assumption Test | Test Results | Conclusion |
|---|---|---|
| Test<br>Multicollinearity | VIF (6,344;2,822;9,251)<10 | No multicollinearity |
| Autocorrelation Test | *symp.Sig.(2-tailed)* *(*0,123)>0,05 | No autocorrelation |
| Heteroscedasticity Test | *P value* (0,913)>0,05 | No heteroscedasticity |
| Normality Test | *symp.Sig.(2-tailed)* (0,000354) >0,05 | Residuals are not Normal |
| | | |
| F test | $F_{table}$ (247.52 > 2,28) | Accepted |
| T test | (t-count = 2.522 > from t-table =1.976; t-count = 5.280 > from t-table =1.9764) | Accepted |
| R test | | |

Source: Data processed, 2022

From Table 2, it can be seen that the VIF value for all independent variables is not more than 10, and it can be concluded that there are no symptoms of multicollinearity. The results of the eviews output above Entrepreneurial Orientation on performance through competitive advantage as a moderating variable have a Sig value. (2-Tailed) 0.913> 0.05 greater than α = 0.05, from these results, it can be concluded that the tested variables do not contain heteroscedasticity. In the Normality Test, the resulting significance value (Asymp, Sig = 0.000354) was lower than the alpha value (a = 0.05). Thus, it can be concluded that all variables in equation 1 (one), namely Entrepreneurial Orientation to performance through competitive advantage as a moderating variable, the residuals are not normally distributed. The autocorrelation test above shows that the probability value is 0.123, which is greater than 0.05 (α), so it is concluded that Ho is rejected.

Table 4 Classical Assumptions & (Equation 3)

| Classical Assumption Test | Test Results | Conclusion |
|---|---|---|
| Test<br>Multicollinearity | VIF (6,794; 7,4693;2,5187) < 10 | No multicollinearity |

| | | |
|---|---|---|
| Autocorrelation Test | *symp.Sig.(2-tailed) (0,521)*>0,05 | No autocorrelation |
| Heteroscedasticity Test | *P value* (0,975)>0,05 | No heteroscedasticity |
| Normality Test | *symp.Sig.(2-tailed)* (0,000074) >0,05 | Abnormal Residuals |
| Hypothesis Test | | |
| F test | $F_{Count}$ > $F_{table}$ (409, 63 > 2,28) | |
| t test | t-count = 6.543 > from t-table = 1.976 | |
| R test | 0,891 | |

Source: Data processed, 2022

Based on the results of the Heteroscedasticity Test output in Table 3, market orientation on performance through competitive advantage as a moderating variable has a Sig value. (2-Tailed) 0.975> 0.05 greater than α = 0.05, from these results, it can be concluded that the tested variables did not contain heteroscedasticity. This means that there is no correlation between the magnitude of the data and the residuals. Therefore, if the data are enlarged, it does not cause the residuals (errors) to increase. Table above, it can be seen that the VIF value for all independent variables was not greater than 10, and it was concluded that there was no multicollinearity. The hypothesis test above shows that the probability value is 0.521, which is greater than 0.05 (α), so it is concluded that Ho is rejected. The normality test based on Table 3 obtained the resulting significance value (Asymp, Sig = 0.000074), which was smaller than the alpha value (a = 0.05). Thus, it can be concluded that for all variables in equation 1 (one), namely, market orientation towards performance through competitive advantage as a moderating variable, the residuals are not normally distributed.

### *3.2 Statistical Test Results*

*3.2.1 F test*

From the results of equation 1, it can be seen that the significance of 0.000 is much smaller than the significance level used in this study, namely 0.05 or 5%. Thus, it can be concluded that H0 is rejected and H1 is accepted, which means that the variables of entrepreneurial orientation and market orientation together have a significant effect on performance variables. In Equation 2 and Table 3, with a significance of 0.000, is much smaller than the significance level used in this study, namely 0.05 or 5%. Thus, it can be concluded that H0 is rejected and H1 is accepted, and in Table 4, with a significance of 0.000, much smaller than the significance level used in this study which is 0.05 or 5%. Thus, H0 is rejected and H1 is accepted.

*3.2.2 t test*

With df = 146 and a significance threshold of 5%, the t-table value in the equation is 1.976. Based on the estimation results of the t-count value that t-count = 2.678> from t-table = 1.9764, H0 is accepted as H1 is rejected; thus, that entrepreneurial orientation has a significant effect on performance variables. With df = 145 and a significance threshold of 5%, the t-table value in the equation was 1.976. Based on the estimation results of the t-count value that t-count = 2.522> from t-table = 1.976, H0 is accepted as H1 is rejected; thus, that entrepreneurial orientation has a significant effect on performance variables.
With df = 145 and a significance threshold of 5%, the t-table value in the equation was 1.976. Based on the results of estimating the t-count value such that t-count = t-count = 6.543> from t-table = 1.976, H0 is accepted as H1 is rejected.

*3.2.3 Coefficient of Determination ($R^2$)*

Table 2 equation 1 shows that the coefficient of determination is 0.809 or 80.9 percent, meaning that 80.9 percent of entrepreneurial orientation and market orientation variables can explain variations in performance variables. The remaining 19.1 percent are explained by other variables that are not included in the regression model. As shown in Table 3, equation 2 shows that the coefficient of determination is 0.832 or 83.2 percent, meaning that 83.2 percent of entrepreneurial orientation variables, competitive advantage, and MRA variables can explain variations in performance variables. The remaining 16.8 percent were explained by other variables that were not included in the regression model. The value of the Coefficient of Determination (R2) shown in Table 4 Equation 3 shows that the coefficient of determination is 0.891 or 89.1 percent, meaning that 89.1 percent of market orientation variables, competitive advantage, and MRA variables can explain variations in performance variables. The remaining 10.9 percent are explained by other variables that are not included in the regression model.

### *3.3 Discussion and Conclusion*

*3.3.1 The effect of market orientation on the performance of food and beverage provision in Palembang city*

Based on data analysis, it can be seen that the market orientation variable empirically has a significant effect on the performance of food and beverage provision in Palembang City. Testing the effect of market orientation on performance yielded a coefficient value of 1.6435 with a p-value of 0.00 <0.05, indicating that market orientation has a significant influence on the performance of providing food and beverages. The results of this statistical analysis indicate that increasing market orientation improves the performance of food and beverage providers and vice versa.

The empirical results support the findings of Sutapa, Mulyana, and Wasitowati (2017), which indicate that market orientation significantly affects innovation and performance and that competitive advantage has a significant effect on business performance. Based on the results of hypothesis testing, Usyita (2014) found that entrepreneurial orientation and market orientation have a significant effect on company performance and competitive advantage, which also have a significant effect on company performance and competitive advantage, and that competitive advantage mediates the relationship between entrepreneurial orientation and market orientation.

*3.3.2 The influence of entrepreneurial orientation on the performance of food and beverage provision in Palembang city*

Based on data analysis, the entrepreneurial orientation variable empirically has a significant effect on the performance of food and beverage provision. Testing the effect of entrepreneurial orientation on the performance of the value obtained a coefficient value of -0.090 with a p-value of 0.008 <0.005, indicating that there is a significant influence, but no relationship between entrepreneurial orientation and the performance of food and beverage providers, and vice versa.

The empirical results support the findings of Andiningtyas (2014) that the interaction between entrepreneurial orientation and small firm performance is significantly influenced by the moderation of differential marketing strategies. The moderating effect is negative. This means that the marketing differentiation strategy weakens the effect of entrepreneurial orientation on the performance of small companies, with a large effect of 32.2 percent.

Kurniawan (2022) shows that social media has a significant positive effect on the performance of MSMEs, while market orientation and entrepreneurial orientation do not. The majority of young entrepreneurial respondents with a business length of business to 6-10 years, continue family businesses and startups related to the type of family business. Therefore, social media is instrumental in business development. In general, MSMEs contribute to the regional economy so that, to realize sustainable welfare, MSME actors must focus on market and entrepreneurial aspects. In line with the development of social media, collaboration between local governments and stakeholders is needed in the process of digitizing MSMEs so that owners or managers are prepared to use social media in accordance with business ethics.

*3.3.3 The effect of market orientation on the performance of Palembang City using competitive advantage as a moderating variable*

Based on data analysis, the market orientation variable empirically has a significant effect on the performance of Palembang city umkm through competitive advantage as a moderating variable. Testing the effect of market orientation on the performance of Palembang city umkm through competitive advantage as a moderating variable with a coefficient value of 5.55 and a p-value of 0.00 <0.05 means strengthening the relationship between performance through competitive advantage as a moderating variable.

The empirical results obtained by Sinarasri (2013) The SPSS test results show a significant positive effect of the entrepreneurial orientation variable on company performance. at the 5% level (p <0.05). In line with research conducted by Murwatinigsih (2017), market orientation has a positive but insignificant effect on the performance of MSMEs. This means that an increase in market orientation does not necessarily improve the performance of MSMEs in the melinjo emping home industry in Ambal District, Kebumen Regency Market orientation has a positive and significant effect on MSME performance through competitive advantage, entrepreneurial orientation has a positive and significant effect on the performance of MSMEs in the melinjo emping home industry in Ambal District, Kebumen Regency Competitive advantage has a positive and significant effect on the performance of MSMEs in the melinjo emping home industry, and entrepreneurial orientation has a positive and significant effect on MSME performance through competitive advantage.

The calculation results illustrate that the magnitude of the effect of market orientation on the performance of Palembang city through competitive advantage as a moderating variable is 89.1 percent. The calculation results can be categorized as having a very strong level of influence. This means that if we want to improve the performance of MSMEs by increasing the variation in market orientation, then this variable can contribute to an increase in MSME performance by 89.1 percent. Thus, there are other variables that can affect umkm performance by 10.1 percent. These other variables were not examined in this study.

*3.3.4 The effect of entrepreneurial orientation on the performance of umkm in Palembang city through competitive advantage as a moderating variable*

Based on data analysis, the entrepreneurial orientation variable empirically has a significant effect on the performance of Palembang city umkm through competitive advantage as a moderating variable. Testing the effect of entrepreneurial orientation on the performance of Umkm Palembang city through competitive advantage as a moderating variable with a coefficient value of 2.37 with a p-value of 0.00 <0.05 means strengthening the relationship between performance through competitive advantage as a moderating variable. based on the results of hypothesis testing, which state that entrepreneurial orientation has a significant effect on the performance of umkm in Palembang city through competitive advantage as a moderating variable.

The results of hypothesis testing indicate that entrepreneurial orientation has a significant effect on the performance of umkm in Palembang city through competitive advantage as a moderating variable. The empirical results conducted by Buli (2017) reveal that integrating entrepreneurship and market orientation into SME operations contributes to superior performance, which in turn allows them to thrive in an economically complex and institutionally turbulent environment. Except for innovation, each EO dimension, along with market orientation, has a positive influence on the business performance of small enterprises. Practical implications: Developing countries see SMEs as a way out of poverty, thereby realizing industrialization and sustainable growth. There is great interest in the adoption of proactive policies to create competitive domestic industries. Conversely, this can only be realized if countries develop policy measures that prioritize or at least emphasize thriving SMEs, rather than creating unproductive and undeserved employment. The main focus of public organizations is budgeting (Anessi-Pessina, Barbera, Sicilia, & Steccolini, 2016).

## 5. Conclusion

The results of the data analysis successfully empirically reveal the following findings:

1. Market orientation variables have a significant effect on the performance of food and beverage supply in Palembang City.
2. Based on the data analysis, the entrepreneurial orientation variable empirically has a significant effect on the performance of food and beverage supply.
3. Empirically, entrepreneurial orientation has a significant effect on the performance of Palembang city through competitive advantage as a moderating variable.
4. Based on the data analysis, it can be seen that the market orientation variable empirically has a significant effect on the performance of umkm in Palembang city through competitive advantage as a moderating variable. 4.

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