Factor Affecting Business Performance and Competitive Advantages in Modern Retail Store in Makassar City

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Abstract
This study aims to analyze the factors affecting business performance and competitive advantages in modern retail stores in Makassar City. The purposive sampling method was used by selecting 100 respondents who privately own a modern retail store for more than 5 years. Data were analyzed using path analysis in SPSS 21 Programs. The results found that competitive advantages had a positive and significant effect on variable market orientation, marketplace innovation, and entrepreneurial orientation factors in modern retail stores in Makassar City. Market orientation and entrepreneurial orientation are also found to impact business performance. In this study, competitive advantage can mediate the effect of market orientation and marketplace innovation on business performance.

Keywords: market orientation; marketplace innovation; entrepreneurship orientation; competitive advantage; business performance; small medium enterprise; modern retail stores.

INTRODUCTION
Modern era as now, give more tendency of customer to bought goods and needs from online. It was treated existence of traditional grocery stores by offline traditional retail market. Changes of customer buying behavior and market competition both in terms of technology, diverse customer needs and shorter product cycles caused serious problem for traditional grocery store whereas also small and medium enterprise and impacted to business performance and competitive advantage. Indonesia was a country in Asia with growth retails up to 3% every year (Nielsen, 2019). One of the cities with significant retail sales growth in Indonesia was in Makassar City, South Sulawesi. Huge number of modern retail markets such as Carrefour, Lotte Mart, Hypermart, Alfamart and Indomaret were forms of modern retail market. Growth of the modern retail market business in Indonesia in past 5 years (2014-2019) leveraged 19.22% per year (Bank Indonesia, 2019). However, only few studies that ever discussed it (e.g. Andreti et al., 2013; Lestari, 2015) and to the best of knowledge, there is no literature that have discussed in the city of Makassar. It is therefore that this study analyze business performance and competitive advantage modern retail stores in Makassar City factors and linking them with market orientation, marketplace Innovation, and entrepreneurship orientation concept.

LITERATURE REVIEW
Market Orientation
According to Uncles (2000) defines market orientation as a process and activity related to customer creation and satisfaction by continuously assessing customer needs and wants. In other words, ability to apply right market orientation will add value to business. Narver and Slater (1990)
Market orientation consists of three behavioral components, which is market orientation, competitor orientation and inter-functional coordination. Market orientation is an adequate understanding of buyers in order to be able to create superior value for them on an ongoing basis. The success of a company depends on the strategies generally used by companies, market orientation and product innovation (Narastikaand Rai, 2017).

**Marketplace Innovation**

E-Commerce is one of the changes by using transformative innovation in marketing for decades to dominate the buying and selling market until 2022. Purchase in traditional retail stores starting to be abandoned, ranging from hypermarkets to big supermarket retail players, supermarkets as household providers and minimarkets as a small form of traditional markets. According to Hurley and Hult (1998) defines innovation as a company mechanism to adapt in a dynamic environment so as to create service performance that satisfies customers, where in research the concept of innovation divided into two groups, namely a culture of innovation and the capacity to innovate which is distinguished by technical innovation and administrative innovation. Saeidi et al. (2015) emphasizes that developing new products must be more innovative because they are very supportive of improving business performance. This potential has triggered offers from various startups or retail store modernization innovations to provide services that have been transformed into modern retail stores.

**Entrepreneurial Orientation**

Some SME’s still have various external weaknesses, such as a lack of ability to adapt to strategic environmental impact, lack of agility in business opportunities, sensitivity to changing market demands, lack of creativity and innovation in anticipating various challenges as a result of a prolonged economic recession. Besides, the internal factors of some SME’s are lack of managerial abilities and skills, lack of access to information technology, capital and markets (e.g Aswan, 2017; Toaha et al., 2019; Maharani et al., 2020). This internal weakness is due to the lack of quality of human resources managing SME’s in anticipating various problems that are being faced (Sugiarto, 2001). According to Lumpkin et al., (2009) entrepreneurial competence is needed in implementing marketing strategies in order to gain competitive advantage through responsiveness customer needs. While the entrepreneurial spirit itself includes 5 things, namely: autonomy, innovativeness, risk-taking, proactivity, and competitive aggressiveness.

**Competitive Advantage**

Apart from market orientation, innovation can also be used as a strategy to achieve competitive advantage. The main goal of innovation is to meet market demand so the product of innovation can be used as a competitive advantage for the company (Metasari, 2018). Customers generally want innovative products according to their wishes. For the company, its success in innovating means that it is one step ahead of its competitors (Porter, 1990). This requires the cleverness of the company in recognizing the tastes of its customers so that the innovation it does is ultimately in accordance with the wishes of its customers. Innovation must be planned and carried out carefully. On the other hand, business world is now starting to embrace new thinking, in which entrepreneurship said to be one of the factors for realizing sustainable and highly competitive economic growth in companies (Wulandary, 2017). Various shortcomings above, special attention is needed to the existence of a traditional retail store as a support for the real economy of society. Business competition so tight that requires businesses to have competitive advantage, otherwise the company will not last long.

**Business Performance**

The form of application of entrepreneurial attitudes can be indicated by entrepreneurial orientation with an indication of the ability to innovate, be proactive, and the ability to take risks. Narastikaand Rai (2017) found that market orientation always has a positive impact on business performance in all conditions, and according to Utaminingsih (2016) who found that market orientation and innovation have significant positive results with business performance. Support and
technological innovation for retail store SME’s from both the government and the private sector, it is hoped that conventional retail stores can increase the willingness and ability of these retail store players to process into Modern retail stores so that they have a competitive advantage and better business performance. According to Raharso (2006), organizational performance basically depends on the harmony of technical innovation and administrative innovation. Technical innovation relates to basic work activities that can have a direct impact on products and processes. Administrative innovations are innovations that are not directly related to the basic activities of the organization. For example, using a computer to daily journals

**Conceptual Model**

Another study conducted by Lechnerand Gudmundsson (2012) entrepreneurial orientation has a positive impact with company performance results in different levels of leadership managerial models. According to Wulandary (2017), the entrepreneurial orientation factor is very important in generating business innovation in shredded fish so that it has an increase in good business performance. Another opinion states that creativity has a significant impact on marketing performance so that entrepreneurs are ready to face a competitive business environment, because it is very profitable to develop their products because consumer like products with high value and unique creativity (Bharadwaj et al., 1993).

The role of entrepreneurs also plays an important role in leadership abilities, in addition to the level of education and risk-taking ability, because with high business experience, the ability of leaders to see consumer desires for a product also very high (Wulandary, 2017). Entrepreneurial attitudes and the consequences of behavior towards innovation are strongly impact by the background of the leader concerning his leadership's business experience. According to Weerawerdeena (2003) building entrepreneurship is stated as one of the four pillars in strengthening employment. While entrepreneurship itself means a human activity by exerting the energy of the mind or body to create or achieve a job that can create a noble human being. In other words, entrepreneurship means the main human being (superior) in producing a job for himself or others. People who do entrepreneurship are called entrepreneurs.

![Conceptual Model Diagram](image)

**Figure 1. The Conceptual Model**

The hypotheses tested in this study are as follows:

- **H1**: Market orientation has a significant and positive impact on the Competitive Advantage of Modern Retail Stores.
- **H2**: Marketplace innovation has a significant and positive impact on the Competitive Advantage of Modern Retail Stores.
- **H3**: Entrepreneurship Orientation has a significant and positive impact on the competitive advantage of Modern Retail Stores.
Modern Retail Stores.

H4: Market orientation has a significant and positive impact on Modern Retail Store Business Performance both directly or indirectly through Competitive Advantage.

H5: Marketplace innovation has a significant and positive impact on Modern Retail Store Business Performance both directly or indirectly through Competitive Advantage.

H6: Entrepreneurial orientation has a significant and positive impact on the Retail Retail Store Business Performance both directly or indirectly through Competitive Advantage.

H7: Competitive Advantage has a significant and positive impact on Modern Retail Store Business Performance.

RESEARCH METHOD

Location and Research Design

Research location at a Modern Retail Store in Makassar City which has a retail store business for at least 5 years and private ownership. Population a collection of data or research objects that have quality and characteristics that have been determined based on qualities and characteristics. Population refers to all groups of people, events or interesting things that will be studied and describes conditions in an environment (Sekaran, 2010). For this study, the determined population is the number of SME become Modern retail stores in Makassar City with 135,110 SME’s (Department of Cooperatives and SME’s of Makassar City, South Sulawesi 2019. The sample is a portion of the population that has characteristics that are considered representative of the population. The method of calculating the number of samples that would be used in this study uses the purposive sampling method. According to Sekaran (2010) that research with a purposive sampling method at a certain amount limit will provide results that have the ability to describe the characteristics of a population. Because the criteria for the population in this study have been determined, the sampling technique used is purposive sampling by determining the sample based on respondents who have a retail store business for at least 5 years in Makassar City and are private modern retailers. The sample of this study amounted to 100 respondents.

Data Collection Method

Methods of data collection in this research using methods: a. Interview is a data collection method by questions and answers or asking questions to respondent to collect the information needed. b. Questionnaire. Data obtained by giving a set of questions or written statements to respondents to be answered (Sugiyono, 2011) data was collected use 2 (two) kinds of questionnaire: 1. Open questionnaire (questionnaire), questionnaire consisting of several questions and is used to find out in detail from the closed questions to the respondent. 2. Closed Questionnaire, which is a questionnaire used to obtain data Market Orientation, Marketplace Innovation, Entrepreneurial Orientation and Competitive Advantage and Business Performance. Included an open questionnaire so that the data obtained more accurate. Researchers give questions to be answered by respondent using a Likert scale. Likert scale is a tool for measuring (collecting data by measuring - weighing) each item or question item containing tiered choices where in this study a scale is given from 1 to 5. The lowest scale is 1 which means strongly disagree and the most height is a scale of 5 which means strongly agree by giving a sign (✓) in the selected box. c. Observation, is direct observation on the object of research. Observations were made on the object of research, namely the Modern Retail Store Owner in Makassar City.

Data Analysis Method

Data analysis technique in this study use Path Analysis by SPSS 21. Path analysis is used to analyze patterns of impact between variables in order to determine the direct or indirect impact of a set of independent (exogenous) variables on the dependent (endogenous) variable (Sugiyono, 2011). Through path analysis, it will be possible to find the most impact and short path for an independent

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variable to the last dependent variable. The impact patterns used in this research variable are market orientation variables, Marketplace innovation, entrepreneurial orientation for competitive advantage and business performance. The path coefficient is calculated by making two structural equations, namely the regression equation which shows the hypothesized impact.

\[ Y = \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + e_1 \] ............................................. (1)

Where Competitive Advantage denoted by \( Y \), \( \beta_1 \) is Coefficient of Market Orientation and Competitive Advantage, \( \beta_2 \) is Coefficient of Marketplace Innovation and Competitive Advantage, \( \beta_3 \) is Coefficient of Impact Entrepreneurial Orientation and Competitive Advantage, and \( e_1 \) is Error. For Equation 2:

\[ Z = \beta_3x_1 + \beta_4x_2 + \beta_3x_3 + \beta Y + e_2 \] ............................................. (2)

Where \( Z \) is Business Performance, \( \beta_1 \) is Coefficient of Market Orientation and Business Performance, \( \beta_4 \) is Coefficient of Impact Marketplace Innovation and Business Performance, \( \beta_3 \) Coefficient of Impact Entrepreneurial Orientation and Business Performance, \( \beta Y \) is Coefficient of Competitive Advantage and Business Performance, and \( e_2 \) is Error.

**EMPIRICAL RESULTS**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>18.958</td>
<td>4.944</td>
<td>3.834</td>
<td>.000</td>
</tr>
<tr>
<td>Market Orientation (X1)</td>
<td>0.465</td>
<td>0.362</td>
<td>3.129</td>
<td>.002</td>
</tr>
<tr>
<td>Marketplace Innovation (X2)</td>
<td>0.422</td>
<td>0.256</td>
<td>3.925</td>
<td>.000</td>
</tr>
<tr>
<td>Entrepreneurial Orientation (X3)</td>
<td>0.427</td>
<td>0.131</td>
<td>3.259</td>
<td>.002</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Competitive Advantage (Y)

Source: Primary Data Processed, 2020

Based on table 1 results of data processing above, regression equation is obtained as follows:

\[ Y = 0.276X_1 + 0.410X_2 + 0.362X_3 + 0.457e_1 \] ............................................. (3)

Refer to table 1.1, it can be seen that the significance value of each variable is \( X_1 = 0.002, X_2 = 0.000 \) and \( X_3 = 0.02 \). These results conclude that the regression model I, namely the variables \( X_1, X_2 \) and \( X_3 \), has a significant impact on \( Y \) (less than sig. 0.05).

The \( t \) test results in the table above show that each variable Market Orientation, Marketplace Innovation and Entrepreneurship Orientation on Competitive Advantage can be seen from the \( t \) tables and the level of significance (probability). The Market Orientation variable has a \( t_{\text{count}} \) of 3.129 > 1.985 and a significant value of Market Orientation of 0.002 > sig. 0.05 so that H1 is accepted. Marketplace Innovation variable has a \( t_{\text{count}} \) of 3.925 > 1.985 and a significant value of Marketplace Innovation of 0.000 < 0.05 so H2 is accepted. The Entrepreneurship Orientation variable has \( t_{\text{count}} \) of 3.259 > \( t_{\text{table}} \) 1.985 and a significant value of Entrepreneurial Orientation 0.02 < sig. 0.05 so H3 is accepted.

### Table 2. Coefficient Path Analysis Results I

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.479a</td>
<td>0.791</td>
<td>0.623</td>
<td>4.48753</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed, 2020

Based on the results of calculations using the SPSS program in table 2, the impact coefficient (R) is 0.791. This shows that the impact of variables \( X_1, X_2 \) and \( X_3 \) on \( Y \) is 79.1% while the remaining 20.9% is the contribution of other variables not included in the study. Meanwhile, the value of \( e_1 \) is obtained by the formula \( e_1 = \sqrt{1 - 0.791} = 0.457 \)
Based on table 3 from the results of the data processing above, the regression equation is obtained as follows:

\[ Z = 0.363X_1 + 0.541X_2 + 0.412X_3 + 0.333Y + 0.400e^2 \]  \( \text{…………………… (4)} \)

Referring to the table above, it can be seen that the significant value of each variable is \( X_1 = 0.000 \), \( X_2 = 0.001 \), \( X_3 = 0.000 \) and \( Y = 0.000 \). These results conclude that regression model II, namely variables \( X_1 \), \( X_2 \), \( X_3 \) and \( Y \) have a significant impact on \( Z \) (smaller than sig. 0.05). Based on the diagram above, it can be seen that the impact of variables \( X_1 \), \( X_2 \), \( X_3 \) and \( Y \) on \( Z \).

Based on the overall impact model above, impact path model called path analysis can be developed. The impacts of error on the first and second equations are as follows:

\[
R_{m2}^2 = 1 - P_{e1}^2 \times P_{e2}^2 \\
= 1 - (0.457)^2 \times (0.400)^2 \\
= 0.967
\]

Calculation of the validity of the model through the total coefficient of determination (\( R_{m2}^2 \)) shows a value of 0.967 so total diversity of data that can be explained by the model is 96.7%.

Based on the results of calculations using the SPSS program in table 4, the coefficient (R) value is 0.840. This shows that the impact of \( X_1 \), \( X_2 \), \( X_3 \) and \( Y \) on \( Z \) is 84% while the remaining 16% is the contribution of other variables not included in the study. Meanwhile, the value of \( e^2 \) is obtained by the formula \( e^2 = \sqrt{1 - 0.840} = 0.4. \)

### Table 3. Result Model Path Analysis II

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.529</td>
<td>2.109</td>
<td>.363</td>
<td>7.674</td>
</tr>
<tr>
<td>Market Orientation (X1)</td>
<td>.369</td>
<td>.051</td>
<td>.363</td>
<td>7.273</td>
</tr>
<tr>
<td>Marketplace Innovation (X2)</td>
<td>.560</td>
<td>.042</td>
<td>.541</td>
<td>6.486</td>
</tr>
<tr>
<td>Entrepreneurial Orientation (X3)</td>
<td>.422</td>
<td>.055</td>
<td>.412</td>
<td>7.699</td>
</tr>
<tr>
<td>Competitive Advantage (Y)</td>
<td>.289</td>
<td>.041</td>
<td>.333</td>
<td>7.133</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Business Performance (Z)

Source : Primary Data Processed, 2020
The t test results in Figure 3 show that impact of each variable Market Orientation, Marketplace Innovation, Entrepreneurship Orientation, Competitive Advantage on Business Performance can be seen from the t-count and the level of significance (probability). The Market Orientation variable has a $t_{count}$ of 0.7273 > $t_{table}$ 1.985 and a significant value of Market Orientation of 0.000 < sig 0.05 so that H4 is accepted. Marketplace Innovation variable has $t_{count}$ 6.486 > $t_{table}$ 1.985 and a significant value of Marketplace Innovation 0.001 < sig. 0.05 so that H5 is accepted. The Entrepreneurship Orientation variable has $t_{count}$ 7.699 > $t_{table}$ 1.985 and a significant value of 0.000 < sig 0.05 so that H6 is accepted. The competitive advantage variable has $t_{count}$ 7.133 > $t_{table}$ 1.985 and a significant value of 0.000 < sig 0.05 so that H7 is accepted.

**DISCUSSION**

**The Impact of Market Orientation on Competitive Advantage**

The study indicates that there is a positive impact between Market Orientation and Competitive Advantage. These results can be concluded that the modern retail store market orientation factor has a significant and positive impact on the competitive advantage of a modern retail store in Makassar City. Research result by Helia et al. (2016) market orientation has a positive impact by competitive advantage of the Batik SME’s business in Kampung Laweyan Solo. The same research by Syukron (2016) states that the market orientation variable at Jenang Kudus SME’s has a positive and significant impact on the competitive advantage variable. Based on the data respondents, it is stated that the store responds well to market demands such as delivering goods to customer homes, responding to customer complaints and desires quickly and immediately reviewing the sales process with good functional coordination. According to Uncles (2000) defines market orientation as a process and activity related to customer creation and satisfaction by continuously evaluating customer needs and wants. In other words, the ability to apply the right market orientation will add value to the business owner. Narastika and Rai (2017) Success of a company depends on the strategies generally used by companies, market orientation and product innovation.

**The Impact of Marketplace Innovation Competitive Advantage**

It is found that Marketplace Innovation has a direct impact on Competitive Advantage. These results can be concluded that the innovation factor of the modern retail store Marketplace has a significant and positive impact competitive advantage of modern retail stores in Makassar City. The results of research aims by Syukron (2016) that Innovation variable includes product innovation has a positive and significant impact on the variable competitive advantage in the Jenang Kudus UMKM business. According to research by Helia et al. (2016) that innovation has a positive impact on competitive advantage. Based on the respondent answers, it was stated that the innovations included increasing product marketing through online buying and selling such as Marketplace, Facebook.
forums, WhatsApp and other online applications due to limitations in meeting customers. Data provided by respondents stated that during a difficult situation, respondent issued another innovation product to current market needs. Research by Price et al. (2013) that innovation is one of the determining factors for achieving a business that has a distinctive or differentiating feature and the competitive advantage that consumers seek.

The Impact of Entrepreneurial Orientation on Competitive Advantage

This study results that Entrepreneurial Orientation impact on Competitive Advantage. These results can be concluded that the entrepreneurial orientation factor of modern retail stores has a significant and positive impact on competitive advantage in modern retail stores in Makassar City. The results of research by Syukron (2016) show that the Entrepreneurship Orientation variable has a positive and significant impact on the competitive advantage variable at SME’s Jenang Kudus. In line with research by Helia et al. (2016) Entrepreneurial orientation has a positive impact on competitive advantage. Respondent statement on the data of this study that retail stores are flexible in making changes to the sales distribution chain using the online method. Then the risk-taking factor that modern retail store owners dare to face because of the uncertain situation so that the shop is able to achieve a competitive advantage compared to other competitors. According to Linton and Kask (2017) explaining that entrepreneurship orientation is needed by a business opportunity to achieve the expected competitive advantage.

The Impact of Market Orientation on Business Performance

The relationship between Market Orientation and Business Performance is found positive. It means that the value of the direct impact is 0.082 and the indirect impact is 0.390, which means that the value of the indirect impact is greater than the direct impact. This result shows that indirectly X1 has a significant impact on Z through variable Y. These results can be concluded that Modern retail store market orientation factors have a significant and positive impact on the business performance of modern retail stores in Makassar City. In line with research conducted by Utaminingsih (2016) Market Orientation has a positive and significant impact on marketing performance, which can be proven from the t-test of 3,831 with sig. 0.000 <α = 0.05 and research aims by Murray et al. (2010) if Market Orientation can improve business performance through developing the marketing capability of a business. This is because the retail store is able to respond well to changes in demand and meet market needs so it can survive and still produce good business performance. According to Didonet et al. (2012) Market orientation is one of the factors that can affect business performance in today's uncertain business market. Result by Boso et al. (2013) the profit earned by the company will increase if the business carried out is oriented towards current market demand.

The Impact of Marketplace Innovation on Business Performance

It reveals that Marketplace Innovation effect on Business Performance. This findings are in line with research by Utaminingsih (2016), innovation has a positive and significant impact on marketing performance, which can be proven from the t-test of 3,150 with sig. 0.002 <α = 0.05 and research aims by Suliyanto and Rahab (2012) Innovation can have a positive and significant impact on business performance in SMEs. Data obtained from respondents stated that innovation by selling online and issuing products according to current customer needs is very helpful sue increasing performance of the retail store business. In accordance with research Rhee et al. (2010) that innovation can encourage an increase in company business performance in the form of innovation, product, marketing innovations and technical innovations made by the company to meet customer needs.

The Impact of Entrepreneurial Orientation on Business Performance

The effect of Entrepreneurship Orientation on Business Performance is positive. This is in line with research aims by Wulandary (2017), the Entrepreneurship Orientation variable has a positive and significant impact with a coefficient of 0.618, which means that every one percent increase in the entrepreneurial orientation factor variable will increase the business performance of the shredded fish
business by 61.8 percent. Added by Lechner and Gudmundsson (2012), entrepreneurial orientation has a significant and positive impact on business performance both directly and through the media of cost leadership in companies. Respondents' statements from the data obtained show that the courage of modern retail store owners in adjusting market conditions and flexibility to change the form of marketing in order to achieve good business performance amid uncertain situations. According to Weerawerdeena (2003), building entrepreneurship is stated as one of the four pillars in strengthening employment, including innovation, proactivity, and the ability to take risks.

**The Impact of Competitive Advantage on Business Performance**

It shows that Competitive Advantage effect on Business Performance. This is the same result found by Narastika and Rai (2017) Impact of competitive advantage on marketing performance is positive. This suggests that the higher the competitive advantage of the furniture IKM, the better the marketing performance of the furniture IKM business. Jayaningrum (2018) Results of this study is concluded that Competitive Advantage has a significant impact on Business Performance of 0.995 (99.5%) and the probability is 0.010 (p <0.05). This means that the higher the Competitive Advantage, the higher the Marketing Performance. Based on the respondent's answer, it is stated that the retail store which has competitive advantage is able to increase business performance quickly. The higher the quality of a modern retail store, the more competitive and reputable it is in customer satisfaction. Research aims by Saeidi et al. (2015) on the measurement of company performance shows a positive number due to the competitive advantage created by the company. Added by Batista et al. (2016) that to regulate a competitive advantage requires setting a business strategy (financial strategy, development strategy and competitive advantage) to increase the company's increased performance.

**CONCLUSION**

Based on results of research that has been conducted on the analysis of the factors of business performance and competitive advantage in modern retail stores in Makassar City, it can be concluded that Market Orientation towards Competitive Advantage has a positive and significant impact. This indicates that owners of modern retail stores in Makassar City have a high awareness of prioritizing market needs so a competitive advantage between modern retail stores is achieved. Marketplace innovation on Competitive Advantage has a positive and significant impact. This indicates that modern retail store owners in Makassar are increasingly innovate to improve their business so they remain superior in competition. Entrepreneurial Orientation to Competitive Advantage. Has a positive and significant impact. This indicates that modern retail store owners in Makassar City have ability to continue develop themselves, flexible and highly anticipatory in facing various situations to remain competitive in a competitive advantage. Market Orientation on Business Performance has a positive and significant impact. This indicates that modern retail store owners in Makassar City have a high awareness of prioritizing the fulfillment due current market needs so they are able to achieve optimal business performance even in uncertainty times. Marketplace Innovations on Business Performance. This indicates that modern retail store owners in Makassar City are increasingly making product innovations, marketing innovations and technical innovations in order to continuously achieve optimal business performance to meet customer needs. Entrepreneurial Orientation to Business Performance. This indicates that owners of modern retail stores in Makassar City have courage to adjust their business according to market conditions and are flexible in changing their marketing forms in order to achieve good business performance amid uncertain situations. Competitive Advantage on Business Performance. This indicates that owners of modern retail stores in Makassar City have high competitive quality and have a good reputation in the level of customer satisfaction so that the business performance that is formed is increasing from time to time.

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