**Factors Influencing Competitive Advantage at UD Cahaya Building Materials Store**

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**ABSTRACT**

This study aims to analyze the effect of risk-taking courage and brand image on competitive advantage at UD Cahaya Building Store. The study was conducted in Sei Buluh Village, Sei Bamban District, Serdang Bedagai Regency. Research data were obtained through questionnaires, interviews, and field observations. Using the nonprobability sampling method, 100 respondents were selected as samples. The results of the linear regression analysis showed that risk-taking courage and brand image had a positive and significant effect on competitive advantage. The t-count value for risk-taking courage was 2.351 (p = 0.021), while for brand image it was 9.770 (p = 0.000). Simultaneously, both variables explained competitive advantage by 51.5% (R Square), while the rest was influenced by other factors such as pricing, personal selling, customer trust, and employee attitudes. This study concludes that measured risk-taking courage and improving brand image are important strategies in increasing the competitive advantage of UD Cahaya Building Store amidst tight business competition.

**Keywords:** Courage to take risks, brand image, competitive advantage.

**INTRODUCTION**

The comfort and aesthetics of a home are currently the main priorities for everyone in realizing the dream of a peaceful life. This cannot be denied because the house is a place for everyone to rest after doing activities all day long so that the design of all rooms in the house must be able to create comfort for the people who live there. Apart from the house, various places that are often visited, such as supermarkets, schools, and various entertainment venues must also pay attention to interior and exterior design so that anyone who visits feels comfortable so that they continue to visit regularly. The importance of the role of interior and exterior design as a necessity for everyone in realizing the dream of a comfortable life is also followed by the awareness of business actors of the needs of each person so that many business people have run businesses selling all the equipment and materials needed to create the building nuance desired by consumers. One of the businesses selling all equipment and building materials that is the subject of this study is the UD Cahaya Building Store.

Competitive advantage is a unique position developed by a company in facing competitors so that the pioneered business continues to operate and excel in the business competition arena (Rahman, et al., 2022). The fact that UD Cahaya Building Store is not yet superior in this competition is thought to be due to the attitude of courage to take risks in the business owner.

The courage to take risks is a characteristic of a successful entrepreneur because they are quick to take opportunities and leave the old way of working (Ancok and Soleh, 2019). The attitude of daring to take risks should be in every entrepreneur if they want their pioneering business to grow, because a true entrepreneur is someone who dares to take risks because by daring to take risks there will be a 50% or even more chance of success. Conversely, if you do not dare to take risks and continue to be in your comfort zone, then of course the entrepreneur has a 100% chance of failing because they are afraid to start and try to take actions that can develop their business. This opinion is supported by the results of previous research that the courage to take risks affects competitive advantage (Saeidi, et al., 2018). However, the risk in question is a form of decision that has been calculated with the opportunities or impacts that can be obtained by the business owner in achieving success from the pioneering business.

Based on the results of the researcher's observations, the owner of the UD Cahaya Building Store is considered to have a less courageous attitude in taking risks in running his business. This is known from the business owner being considered no longer brave enough to provide an installment payment system to consumers who order goods with a large total price due to the experience of the business owner who was once cheated by his customers so that this will cause consumers who usually make purchases of products with an installment payment system to switch to other stores.

The attitude of not daring to take risks is also known from business owners who do not innovate by adding to the types of goods and variations of product brands sold. In general, goods are an important component in economic and trade activities, which play a central role in meeting human needs and building economic growth (Iswahyudi et al, 2023). Because goods are central to the business world, this has an impact on the UD Cahaya Building Store due to the lack of innovation in the goods provided. The lack of innovation in the goods provided is motivated by the business owner's concern that the product will not sell if it is stocked, which will result in business losses. Quite a few consumers have stated that the products sold at the UD Cahaya Building Store are incomplete so that consumers often go to other stores that provide a variety of building materials. This attitude of not daring to take risks also makes the business that is being pioneered not superior in the competition in the building materials sales business. From here it can be concluded that the attitude of daring to take risks can have an impact on the success of business owners in achieving excellence in competing in the business competition arena.

The second factor that predicts the lack of superiority of UD Cahaya Building Store in competing in the business arena of selling building material products is the brand image factor. Brand image is a collection of consumer beliefs about various brands (Perwitasari, et al., 2022). Based on the results of field observations conducted by researchers, researchers saw that there were quite a lot of building material sales businesses operating in the Sei Buluh Village area, Sei Bamban District, close to the UD Cahaya Building Store.

Based on initial observations by the author, it can be seen that there are several competitors who also operate around the UD Cahaya Building Store. The problem related to brand image faced by the UD Cahaya Building Store is that there are still complaints from quite a number of consumers who state that the quality of the products sold is considered low quality. Several consumers complained that some of the products purchased by consumers have low resistance to chemicals and are not durable. The results of research conducted by previous researchers show that brand image has an effect on competitive advantage (Keong and Dastane, 2019). If this continues to be ignored by the owner of the UD Cahaya Building Store, it is feared that this will create a negative impression in the consumer's perspective on the UD Cahaya Building Store and of course this will reduce consumer confidence in continuing to order building material products at this business.

**LITERATURE REVIEW**

Competitive advantage basically grows from the value of benefits created by the seller to the buyer. Buyers generally prefer products that have more value than expected. However, this value will also be compared to the price offered.

Competitive advantage is a unique position developed by a company in facing competitors so that the business that is pioneered continues to operate and excel in the business competition arena (Rahman, et al., 2022). Competitive advantage is a marketing performance developed by a company to be superior compared to its competitors to see whether the company's goals are achieved or not (Wicaksana, 2021).

Competitive advantage is an important factor to be able to survive and thrive in the face of competition both in the industry where the company is located and the threat of substitute products (Lie, et al., 2022). Competitive advantage is an advantage possessed by an organization where its advantages are used to compete and compete with other organizations to get something, how efforts are made by an organization in winning a target market by providing competitive advantages, analyzing in winning a target market by providing competitive advantages, analyzing competitors and implementing effective competitive strategies (Fridiyanto, 2019).

Competitive advantage is the ability of a company to have a much higher and superior performance compared to competitors in similar industries through characteristics and resources that are managed optimally (Purwandari, et al., 2021). Based on the overall explanation of these experts, it can be concluded that competitive advantage is a set of advantages or potentials possessed by business managers in pioneering their businesses and with these advantages or potentials, the business being run can be more successful and more superior to competitors.

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Competitive advantage factors that must be possessed by every company to be able to compete in the world market are (Jusni and Mohungo, 2024):

1. Mastery of Technology

The purpose of information technology is to solve a problem, open creativity, increase effectiveness and efficiency in work so that mastery of technology is very necessary today for all business actors.

2. Human Resources (Workers)

Workers must have quality and work ethic, creativity and high motivation to help the company achieve excellence in competing in the business arena.

3. High Level of Efficiency and Productivity

The best way to achieve production efficiency is to distribute inputs (land, capital, and labor) among producers during the ideal market balance period. Increasing productivity is one of the important issues to maintain and increase the company's competitiveness. Therefore, every economic unit or business entity is very interested in productivity analysis.

4. Good Quality and Quality

The best way to achieve excellence in competition through fulfilling customer satisfaction by producing the best products.

5. Good Management System and Organizational Structure

To achieve a good management system and organizational structure, strong entrepreneurial skills and high competence in the field of entrepreneurship are required.

6. High Level of Entrepreneurship

Including an entrepreneur who is very innovative, creative, and has a broad vision of his products and the environment around his business (economic, social, political, etc.) and how to properly (effectively and efficiently) face tight competition in the global market.

**RESEARCH METHOD**

The location where the research was conducted was at the UD Cahaya Building Store, Sei Buluh Village, Sei Bamban District, Serdang Bedagai Regency.

Data sources can be understood as sources or references for collecting data needed to support research activities. Without data sources, research activities cannot be carried out. Data collection can be done in various ways. When viewed from the source, data collection can be divided into primary sources and secondary sources.

Data based on its source consists of two types, namely as follows (Sugiyono, 2019):

1. Primary Data

Primary sources are data sources that directly provide data to data collectors. The primary data for this study were obtained from questionnaires given to consumers and interviews with business owners.

2. Secondary Data

Secondary sources are sources that do not directly provide data to data collectors. Secondary data are obtained from sales record books and field observations.

Population can be understood as the entire group of individuals or objects from which a researcher wants to generalize the results of the research. In conducting research, the research population is an important thing to determine because in determining the sample or research respondents, all come from the research population. Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are determined by the researcher to be studied and then conclusions drawn (Sugiyono, 2019). The population of this study is all consumers who buy in 2024 with an unknown number of consumers.

A sample is a representative of a population whose results represent the entirety of the symptoms that have been studied or observed. The sample is determined from a research population because it is not possible for researchers to study everything in the research population, considering that the population in this study is unknown in number.

A sample is part of the number and characteristics possessed by the population (Sugiyono, 2019). The population in this study is unknown in number, so the sample is reduced using the Hair formula. Here is the Hair formula for obtaining the number of samples (Iskandar, et al., 2021):

Minimum sample = Number of indicators x 5 = 10 x 5 = 50 respondents.

Maximum sample = Number of indicators x 10 = 10 x 10 = 100 respondents.

Based on the results, the number of samples is 100 consumers with a sampling technique using the nonprobability sampling technique, which means a sampling technique that does not provide equal opportunities/opportunities for each element or member of the population to be selected as a sample. The type of nonprobability sampling used is incidental sampling, where anyone who happens to meet the researcher can be used as a sample (Sugiyono, 2019).

**RESULTS**

UD Cahaya began operating in 2007, located in Sei Buluh Village, Sei Bamban District, Serdang Bedagai Regency. UD Cahaya is a business that sells various products for building materials that start selling from 09.00 to 17.00 WIB.

UD Cahaya was initially just a small shop that had a limited stock of products and also only two employees, one of whom was Mr. Hasan's nephew as the business owner. The limited stock of building material products was obtained from small agents and had not yet taken from large distributors due to cost constraints.

Over time, rapid development can be seen from UD Cahaya which has employed many employees as many as nine employees. The building where the business is run has also expanded due to Mr. Ridwan's patience and perseverance in running the business. Now UD Cahaya has a complete stock of building materials and with various product brands. UD Cahaya already has many customers and many building material businessmen who purchase products at UD Cahaya.

The organizational structure in a business environment is a very important component because it explains the division of work activities, and pays attention to the relationship between functions and activities to a certain extent. The organizational structure at UD Cahaya is unwritten and very simple. Based on the results of observations at the business premises and interviews with business owners, the researcher describes the organizational structure at UD Cahaya in Figure 1 below.

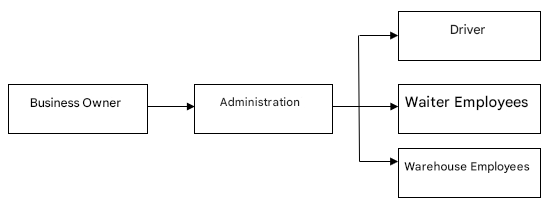


Figure 1. UD Cahaya Organizational Structure

Source: Observation and Interview Results, 2024

Here are the duties of each position in the organizational structure:

1. Business owner

Has full authority over UD Cahaya. The owner of UD Cahaya also makes the rules for the whole thing.

2. Administration

Helps the business owner make financial reports and carry out tasks according to the direction of the business owner.

3. Driver

Tasked to deliver goods.

4. Service employee

Serves customers and tidies up goods.

5. Warehouse employee

Checks the availability of goods and regulates the entry and exit of goods in the warehouse.

Respondent characteristics based on purchasing frequency are shown in table 2 below:

Table 2. Respondent Description Based on Purchase Frequency

| **Work** | **Number of Respondents** | **Persentase (%)** |
| --- | --- | --- |
| Once a month | 56 | 56% |
| Twice to Three Times a Month | 29 | 29% |
| More Than Three Times a Month | 15 | 15% |
| **Total** | **100** | **100%** |

Source: Research Results, 2024 (Processed Data)

Based on table 4.3 above, it can be seen that respondents with a purchase frequency of once a month are the most dominant, which is 56 people or 56% of the total respondents. Respondents with a purchase frequency of two to three times a month are 29 people or 29%, and respondents with a purchase frequency of more than three times a month are 15 people or 15% of the total respondents. The non-dominance of the number of consumers who make purchases more than three times a month may be due to consumers who still do not trust the purchase of building products at UD Cahaya.

The validity test in this study uses Pearson Bivariate correlation, where the results of the test, namely r count, will be compared with r table. If r count is greater than r table and the value is positive, then the item or indicator statement is declared valid (Ghozali, 2021).

Validity test was conducted by distributing questionnaires to 30 consumers, the calculation of the df value is with the formula df = n - 2, then the value of df = 28 is obtained. If we look back at the rtable with a significance level of 0.05 for a two-way test, the rtable value is 0.361. While the rcount value is obtained by entering each item score and total score to be processed with SPSS 27, here are the results of the validity test of each variable:

Table 3. Results of Validity Test of Risk Taking Variable (X1)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No | Statement | rcount | rtable | Information |
| 1. | Many building materials sales business actors closed their businesses during the Covid-19 pandemic, making UD Cahaya increasingly visited by consumers. | 0,573 | 0,361 | Valid |
| 2. | The owner of UD Cahaya was not afraid of the dangers of Covid-19 and still chose to open his business during that time. However, because of this action, UD Cahaya was able to get a lot of profit. | 0,771 | 0,361 | Valid |
| 3. | Sudah menjadi rutinitas bagi konsumen untuk melakukan pemesanan bahan bangunan di UD Cahaya ketika hendak mendekor rumah. | 0,819 | 0,361 | Valid |
| 4. | It has become routine for consumers to order building materials at UD Cahaya when they want to decorate their homes. | 0,708 | 0,361 | Valid |
| 5. | Business owners are considered brave in taking risks because they dare to buy a shophouse at a high cost to run their business. | 0,793 | 0,361 | Valid |
| 6. | UD Cahaya employs many employees to help business owners in facilitating their business activities. | 0,666 | 0,361 | Valid |

Based on table 4.4, it can be seen that the results of the validity test of the variable of courage to take risks with the largest rcount value are in the third statement, which is 0.819. While the smallest rcount value is owned by the first statement, which is 0.573. In table 4.4, it can also be concluded that all of these statements have a greater rcount value than rtable, with an rtable value of 0.361. This is in accordance with the requirements in the validity test, so it can be stated that all statements used are valid.

The multiple linear regression analysis test aims to determine how much influence between variable X, namely the courage to take risks and brand image, on variable Y, namely competitive advantage. Here is the formula:

Y = a + b1X1 + b2X2 + e

Where:

Y = Competitive advantage (dependent variable)

a = Constants

b1, b2, dan b3 = Regression coefficient of each variable X

X1 = Courage to take risks

X2 = *Brand image*

e = Residual/*error* (5%)

The results of the multiple linear regression analysis test can be seen in Appendix 13. Based on the SPSS output results, it is known that in the Unstandardized Coefficients section B, a multiple linear regression equation is obtained with the following formula:

Competitive Advantage = 5.144 + 0.174 Courage to Take Risks + 0.956 Brand Image + e

The multiple linear regression equation can be explained in the following description:

1. The constant value (a) has a positive value or shows a unidirectional influence between the variables of courage to take risks and brand image, with a value of 5.144, this means that when the value of the independent variable, namely courage
2. Coefficient b1X1 = 0.174, this value shows a positive influence and this means that when the courage to take risks (X1) increases by 1 unit, the competitive advantage (Y) will decrease by 17.4%.
3. Coefficient b2X2 = 0.956, this value shows a positive influence and this means that when brand image (X2) increases by 1 unit, competitive advantage (Y) will increase by 95.6%.

The t-test statistic basically shows how far the influence of one independent variable on the dependent variable by assuming the other variables are constant. The t-test is used to see partially whether there is a significant influence of the independent variable on the dependent variable. The presentation form is as follows:

1. H0: b1, b2 = 0

Courage to take risks and brand image partially do not affect competitive advantage at UD Cahaya.

1. Ha: b1, b2 ≠ 0

The courage to take risks and brand image partially influence the competitive advantage of UD Cahaya.

Hypothesis testing with t-test uses a significance level of 5% and a 2-sided test. The provisions for hypothesis testing with t-test are as follows:

1. H0 accepted if tcount < ttable
2. H1 accepted if tcount > ttable

In determining the ttable value, you must first find the degrees of freedom with the following calculation:

df = n – k = 100 – 2 = 98

Information:

df = Degrees of freedom

n = Number of samples

k = The total number of independent variables.

With the obtained df value of 98, the ttable value is 1.9845. The tcount value is obtained using the SPSS 27 program and the results will be compared with the ttable value at the a = 5% level. The results of the tcount can be seen in appendix 14.

Based on attachment 14, there are several things that can be explained in the following description:

1. The value of tcount on the courage to take risks (X1) is 2.351, with a significance level of 0.021. This means that tcount is greater than ttable, which is 2.351> 1.9845 and with a significance level of 0.021 <0.05. So in this case H1 is accepted so it can be concluded that the variable X1, namely the courage to take risks, has a positive and significant effect on competitive advantage at UD Cahaya.

2. The value of tcount on brand image (X2) is 9.770, with a significance level of 0.000. This means that tcount is greater than ttable, which is 9.770> 1.9845 and with a significance level of 0.000 <0.05. So in this case H2 is accepted so it can be concluded that the variable X2, namely brand image, has a positive and significant effect on competitive advantage at UD Cahaya.

**CONCLUSION**

From the partial hypothesis testing (t-test), it is known that the magnitude of t count on the courage to take risks (X1) is 2.351, with a significance level of 0.000. This means that t count is greater than t table, which is 2.351> 1.9845 with a significance level of 0.021 <0.05 so that it can be concluded that the variable (X1), namely the courage to take risks has a positive and significant effect on competitive advantage at UD Cahaya.

Based on the results of the study, the courage to take risks is one of the factors that influences the competitive advantage of UD Cahaya because when the courage to take risks increases which is followed by efforts to improve from before, the competitive advantage of UD Cahaya also increases. This is in accordance with the opinion expressed by previous researchers who explained that to start taking steps to become an entrepreneur, the individual must dare to take risks and have confidence in the business that will be taken. Because in the business world, entrepreneurial intentions and confidence in one's abilities are the keys to making the business successful or declining (Situmorang and Suwandi, 2021).

As previously stated by researchers, in increasing Competitive Advantage, it is necessary to have an attitude that dares to take risks by calculating all the consequences received if taking steps to take these risks. With this attitude, it is hoped that it will make it easier for UD Cahaya to achieve excellence in business competition. The results of this study are in line with previous studies conducted where the results of the study showed that the enterprise risk variable has a positive effect on competitive advantage (Saeidi et al., 2018).

Based on the results of simultaneous hypothesis testing, it is known that the results of the F-test show that the variables of courage to take risks and brand image simultaneously influence competitive advantage at UD Cahaya.

Based on the results of R Square, competitive advantage can be explained by the variables of courage to take risks and brand image by 51.5% and the remaining 48.5% is influenced by other factors not examined in this study such as pricing, personal selling, customer trust, and employee attitudes.

Thus, the courage to take risks and brand image simultaneously or simultaneously affect the competitive advantage of UD Cahaya because with the attitude of daring to take risks, businesses can find opportunities that can bring benefits to businesses rather than not daring to try at all. Strengthening brand image can also increase purchasing decisions from customers because customers certainly prefer products from well-known and trusted stores because they provide more certainty so that from here it can increase the advantage for UD Cahaya in competing.

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