The Influence of Entrepreneurial Knowledge and Entrepreneurial Skills on Business Success

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Abstract– Garut Regency is a city that offers great opportunities to start a business, especially in the culinary sector. The increasing number of culinary businesses that local residents in Garut are interested in. Because their enthusiasm for culinary tourism is quite large, it creates tempting opportunities for entrepreneurs who want to plan to open a business in this sector. This research was conducted at Kerkof Culinary Tourism which is located on Jl. Merdeka Tarogong Kidul District. The aim of this research is to test a hypothesis that explains the relationship between the variables of entrepreneurial knowledge and entrepreneurial skills on business success in the Kerkof Culinary Tourism, Garut Regency. The reason for carrying out this research is to understand how these factors are interconnected and contribute to the success of Kerkof Culinary Tourism Micro, Small and Medium Enterprises (MSMEs). The research method used was a quantitative method with a descriptive approach, primary data was obtained through distributing questionnaires to 47 respondents who were actors in the Kerkof Culinary Tourism Micro, Small and Medium Enterprises (MSMEs) using a saturated sampling technique. The data analysis technique uses Partial Least Square-Structural Equation Modeling with the help of SmartPLS 4.0 software. The research results show that entrepreneurial knowledge has a positive and significant effect on business success and entrepreneurial skills have a positive and significant effect on business success. **Entrepreneurial knowledge and entrepreneurial skills are very important and useful capital for micro, small and medium enterprises in managing their businesses, especially in the food and beverage sector.**

Keywords: Business Success, Entrepreneurial Skills, Entrepreneurship Knowledge.

I. INTRODUCTION

The rapid global progress is currently taking place rapidly, thus creating competitive competition. Therefore, it encourages business actors to be more responsive, analytical, and adaptive in facing dynamic changes from an economic, social, cultural, and political perspective. While numerous studies have explored the effects of globalization and technological advancement on economic development and market dynamics, limited research has comprehensively examined the nuanced impacts of rapid global progress on the intensity and nature of competitive competition across different sectors and regions [1]**.** One of the main requirements for achieving success in this competition is to focus on efforts to build and maintain market share.

Various previous studies have stated that (MSMEs) play an important role in a country's economy so that the performance of the MSME sector is closely related to the performance of the nation. In addition, the resilience and contribution of entrepreneurs have shown their ability to face various crises. In Indonesia, (MSMEs) contribute significantly in providing jobs for 96.8% of the total workforce, this confirms its strategic position in ensuring economic stability and growth in Indonesia [1] , [2] .

The success of MSMEs can be seen from the achievements achieved by the business in a specified time period. This success reflects a condition where the level of achievement of a business exceeds the standards that generally apply among similar businesses in the region. [3] .

Garut Regency is a city that offers great opportunities to start a business, especially in the culinary sector. There is an increase in the number of culinary businesses that are in demand by local residents in Garut. Due to their enthusiasm for culinary tourism, it creates a tempting opportunity for entrepreneurs who want to plan to open a business in this sector. Considering that food is a basic human need, this provides an opportunity for entrepreneurs to start a culinary business [4] . One of the prominent locations with various culinary businesses is Kerkof Culinary Tourism.

Kerkof culinary tourism is one of the hangout places for young people that serves a variety of dishes that can be enjoyed at affordable prices. Not only does it offer a variety of dishes, but it also provides various facilities including live music to provide entertainment for visitors while hanging out. Each business actor serves different dishes with unique prices, designs, products, and flavors to attract visitors [5] , [6] .

Business success in the business world can be achieved through various factors, including understanding in the field of entrepreneurship. When someone makes a decision to start a new business,

having entrepreneurial knowledge is a must to learn first. This is very important so that the business can run effectively and develop according to the goals desired by the business owner [7] .

Entrepreneurship knowledge is a very important and useful capital for UMKM actors in managing their businesses, especially in the food and beverage sector. Many entrepreneurs face various challenges, even to the point of having to close their operations, because entrepreneurs tend to only follow popular trends without paying attention to a clear business plan. [8] .

Theory gap The differences found in the results of previous research regarding the relationship between Entrepreneurial Knowledge and Business Success conducted by [9] showed that there is a positive influence between Entrepreneurial Knowledge and Business Success.

Thus, entrepreneurship has a positive influence on Business Success. However, there are differences in findings studied by [1] , namely the absence of influence of Entrepreneurial Skills on Business Success. The conclusion illustrates that a successful entrepreneur tends to have a high level of expertise, namely those who have adequate skills, knowledge and personal qualities to carry out a task.

II. LITERATURE REVIEW
2.1 Definition of Business Success

Success can be seen as a condition that shows improvement or progress from a previous state. Business Success Measurement is often done through the achievement of ongoing business performance. This achievement can include various indicators such as revenue growth, profits, market share, customer satisfaction and other relevant factors depending on the goals and objectives of the business that have been set [1] , [10] .

Business success is not only measured from one aspect, but rather several interrelated factors, including increasing sales, increasing production results, increasing profits or profitability, rapid business growth and progress, and customer satisfaction. Business success is determined by how well a company can develop, utilize, and protect valuable, rare, inimitable, and non-substitutable (VRIN) resources. This includes both tangible (e.g., assets, technology) and intangible (e.g., brand reputation, knowledge) resources. A successful business, therefore, is one that strategically leverages these internal strengths to outperform competitors

[12]. The success of a business in implementing its marketing strategy is not only measured by how many customers it acquires, but also by the extent to which the products or services offered meet customer expectations, thereby creating ongoing satisfaction. In addition, the profit level is also recognized as a relevant measure of success. This can provide insight into the concept of business success in the context of marketing strategy and overall performance. [11] .

2.2 Business Success Indicators

Based on the indicators explained previously, the researcher decided to use indicators according to [12] including: Ability to Earn Profit (profitability), Productivity and Efficiency, Competitiveness, Competence and Business Ethics, Building trust or confidence from the wider community.

The use of these indicators as an evaluation tool can provide valuable insights to business owners to understand their business performance [13] . By evaluating the ability to gain profits, productivity, competitiveness, business capabilities and ethics, and building trust or confidence from the wider community, business owners can identify the strengths and weaknesses of their business.

Thus, establishing a viable strategy to improve their business performance in the future. Whether it is through increasing operational efficiency, developing new products or services, or increasing customer interaction to build trust and loyalty. In conclusion, these indicators can be a valuable guide in directing the corrective steps necessary to achieve sustainable business success.

2.3 Definition of Entrepreneurial Knowledge

Entrepreneurship is not only about the existence of a business but also about the ability to compete and create prosperity, both for individuals and for society at large. [11] . Knowledge is a belief that has been strengthened by evidence of truth. This refers to the dynamic, active process of humans to justify their personal beliefs to be in line with the truth. Entrepreneurship can be seen as a discipline that explores the principles, behaviors, and abilities of individuals in facing the various challenges presented in life and taking advantage of opportunities that often face various risks. [14] . Entrepreneurship is often associated with the process, establishment, or expansion which states that entrepreneurship does not only involve innovative ideas but also the process of

forming and growing a business that can produce a positive impact [15] .

Thus, Entrepreneurship is not only built for sustainability, but also to be run effectively by others. Entrepreneurial knowledge is the result of a dynamic process involving humans, where personal beliefs are adjusted to the truth. This knowledge is obtained through entrepreneurship education, which aims to support innovation and individual involvement in the scope of the entrepreneurial world.

III. RESEARCH METHODS

The purpose of research design is to make the implementation of research more effective, ensuring that its implementation is effective and efficient. The research method applied is quantitative descriptive analysis. Quantitative research involves research methodologies that are based on positivist philosophy. This methodology involves researching a specific population or sample by collecting data using research instruments. In quantitative research, data analysis uses numerical data and aims to test pre-existing hypotheses [16] .

Participants in this study were all groups in the Culinary UMKM in Kerkof Garut Culinary Tourism. The reason for choosing the Culinary UMKM Kerkof Garut Culinary Tourism is because the business actors who established a business and are considered to have sufficient entrepreneurial knowledge and entrepreneurial skills what has been done until now. Population is a broad category of objects or individuals with characteristics and traits decided by the researcher before conducting the study [18]. The population in this study were UMKM actors in Kerkof Garut Culinary Tourism.

In this study, samples were selected using the Non-probability Sampling technique . The sample is determined based on certain considerations or simply on reasons of convenience . According to the sampling method chosen namely Saturation Sampling (Saturation Sample).

This study uses a closed questionnaire by displaying predetermined alternative answers (options) for each question or statement. Respondents were limited to choosing from the options provided and were not allowed to provide additional responses. This questionnaire is equipped with Likert Scale measurement for testing, which allows the measurement of attitudes, opinions, and perceptions of individuals or groups regarding various social phenomena. This Likert scale, which is used for data collection involves responses to question items.

IV. RESULT AND DISCUSSION

As for variable in study This is Entrepreneurial Knowledge (X1), Entrepreneurial Skills (X2) and Business Success (Y), for know condition from variable Which investigated so will done analysis descriptive by describing or depicting data that has been collected as is. This chapter presents the results and interpretation of the data. with the aim of the research to determine the influence of Entrepreneurial Knowledge and Entrepreneurial Skills on Business Success (Survey on Kerkof Culinary Tourism, Kerkof Regency) Garut).

Measurement model testing will be conducted to show the results of validity and reliability tests. In this study, validity testing is conducted to determine whether the construct has met the requirements to be continued as research or not. In this validity test, there are two types of evaluations that will be conducted, namely:

Table 1. Construct Reability and Validity Results

Variables	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
X1	0.961	0.963	0.970	0.866
X2	0.946	0.950	0.0959	0.823
Y	0.937	0.941	0.953	0.802

Source: Primary Data Processed by SmartPLS

Validity and reliability criteria can also be seen from the reliability value of a variable and the Average Variance Extracted (AVE) value of each variable. A variable is said to have high reliability if the composite reliability value is above 0.7 and AVE is above 0.5. Based on table 4.18, it is stated that all variables that have met the Average Variance Extracted (AVE) because their values are above the recommended number, which is above 0.5, therefore they can be said to be valid and reliable. The following are the results of the outer model test showing the outer loading value using the SmartPLS v 4.0 analysis tool.
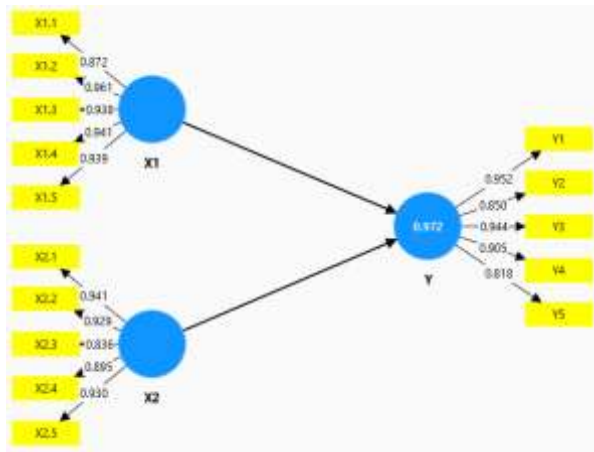
Source: Primary Data Processed by SmartPLS
Figure 1. Outer Model Test Results

From the analysis results shown in Figure 1, it shows that of the 15 outer models of all variables, all outer models have values greater than 0.7.

Table 2. *Cross Loading*

Variables	X1	X2	Y
X1.1	0.872	0.701	0.801
X1.2	0.961	0.767	0.839
X1.3	0.938	0.806	0.896
X1.4	0.941	0.801	0.887
X1.5	0.939	0.785	0.856
X2.1	0.798	0.941	0.920
X2.2	0.799	0.929	0.879
X2.3	0.613	0.836	0.755
X2.4	0.775	0.895	0.880
X2.5	0.768	0.930	0.913
Y1	0.837	0.927	0.952
Y2	0.956	0.739	0.850
Y3	0.924	0.875	0.944
Y4	0.789	0.899	0.905
Y5	0.599	0.862	0.818

Source : Primary Data Processed by SmartPLS

Cross loading factor value which is useful for determining whether construct has adequate discriminant, namely by comparing mark loading on construct Which targeted must more big compared to with mark others. With the standard value for each construct must be greater than 0.7. Based on the table below, the cross loading value for each construct has a value more than 0.7. This shows that the manifest variables in this study has correctly explained its latent variables and proven that all items the valid.

Table 3. R-Square Value

	R Square	R Square Adjusted
Business Success	0.972	0.971

Source: Primary Data Processed by SmartPLS

Based on table 3 , mark R-Square Which got in study that is markThe Adjusted R Square for the Business Success variable is 0.971, which means that the ability of the Entrepreneurial Knowledge and Entrepreneurial Skills variables in explaining the variables Business success is 97.1% and the remaining 0.029% is influenced by other variables outside the variables in this study, thus the model is classified as substantial weak.

The discussion in this study aims to determine the Influence of Entrepreneurial Knowledge and Entrepreneurial Skills on the Success of Survey Businesses on Kerkof Culinary Tourism in Garut Regency. Respondents in this study amounted to 47 respondents from several statement items in the form of questionnaires that have been distributed. The characteristics of respondents based on gender, the results obtained are that the average is male and for the age of the most is around 26-40 years, then based on the type of Micro, Small and Medium Culinary Business, there are more types of Processed Food.

H1: The Influence of Entrepreneurial Knowledge on Business Success

Based on analysis on study This will discuss about results hypothesis at a time to explain formulation problem Which First that is, "H1: The Influence of Entrepreneurial Knowledge has an influence on Business Success" from the analysis that has been done above previously showing P Value < 0.05 which means the model This research between the Influence of Entrepreneurial Knowledge on Business Success can be used as a model prediction *(p < 0.05)* or H1 accepted.

H2: The Influence of Entrepreneurial Skills on Business Success

Based on the analysis in this study, the results of the hypothesis are discussed at the same time. The first formulation of the problem that has been made is " H2: The influence of entrepreneurial skills has influence to Business Success" from the results analysis Which has explained above, the P Value shows a value <0.05, which means the research model between the Influence of Entrepreneurial Skills on Business Success can be used as prediction model *(p < 0.05)* or H2 is accepted. The following is a table of the overall test results.

V. CONCLUSION AND SUGGESTIONS

This study examines the influence of Entrepreneurial Knowledge and Entrepreneurial Skills on the Success of Survey Businesses on Kerkof Culinary Tourism in Garut Regency. Currently, Micro, Small and Medium Enterprises are experiencing a significant increase. Therefore, Micro, Small and Medium Enterprises must be able to compete with other competitors. A successful entrepreneur tends to have a high level of expertise, namely those who have sufficient knowledge, skills and personal qualities to perform a particular task. This emphasizes the importance of Entrepreneurial Knowledge and Entrepreneurial Skills in achieving success in the business world.

Success in the business world can be achieved through various factors, including understanding in the field of entrepreneurship. When someone makes a decision to start a new business, having Entrepreneurial Knowledge and Entrepreneurial Skills is a must to learn first. This is very important so that the business can run effectively and develop according to the goals desired by the business actors. Entrepreneurial knowledge and entrepreneurial skills are very important and useful capital for micro, small and medium enterprises in managing their businesses, especially in the food and beverage sector.

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