CHEF-PRENEUR AND RESTAURANT PERFORMANCE: THE ROLE OF MEDIATION IN COMPETITIVE ADVANTAGE

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ABSTRACT

The food or culinary business is a business that is currently growing rapidly and has considerable growth potential. This study aims to find the effect of chef-preneurs on restaurant performance in Indonesia, especially the mediating role of competitive advantage. This study uses quantitative research methods, where the data collected are numbers that will be analyzed using statistics. The sample in this study involved 200 restaurants in the city of Medan, data analysis in this study used PLS-SEM to find out the influence between variables. The results of this study found that competitive advantage has succeeded in mediating between chef-preneurs on restaurant performance in Medan City and it is known that the influence of chef-preneurs on restaurant performance has the strongest influence. This research has implications for business restaurants in the city of Medan that they must increase chef-preneurs to continue to innovate in increasing their competitive advantage. This research has implications for business restaurants in the city of Medan that they must increase chef-preneurs to continue to innovate in increasing their competitive advantage.

Key words: chef-preneurs, restaurant performance, competitive advantage, restauranteurship, food industry.
This fact has led to an increase in chef-preneurs launching their own food business, such as catering services, food delivery services, and pop-up restaurants (Farrer, 2021).

There are a number of consumers looking for foods that are locally sourced, high-quality, and unique during the pandemic, and, chef-preneurs were able to meet this demand by providing personalized and specialized culinary experiences (Mahfud and Lastariwati, 2019). Additionally, the emergence of social media and online platforms has made it easier for chef-preneurs to market their businesses and reach a broader audience (Giousmpasoglou et al., 2020). Overall, the COVID-19 pandemic has highlighted the resilience and adaptability of the food and beverage industry, and chef-preneurs have emerged as a crucial part of this new landscape (Zopiatis and Melanthiou, 2019).

In Indonesia’s business climate, the food and beverage sector is one of the supporting sectors of the economy (Zuhri et al., 2020). In the primary sector, the production of raw materials for the food and beverage industry from agriculture, plantations, and fisheries contributed to approximately 13% of Indonesia’s GDP in 2019. In the secondary sector, the manufacturing of food and beverage products contributed 6.4% to the GDP and accounted for 29% of the total manufacturing output. Overall, services related to food and beverage contributed around 2% to the GDP (Vizano et al., 2021).

This environment is a breeding ground for innovation, as restaurants need to be transformed in order to stay ahead of the market. Indeed, this continuous innovation has propelled mid-level restaurants to new heights in the industry (Hallak et al., 2018).

The halal food industry is growing in Indonesia (Purwanto et al., 2020). Among majority Muslim countries, Indonesia ranks fourth in the world’s highest Halal Food Index, according to the Global Islamic Economy Report 2020/2021 (figure 1). Malaysia maintains its lead and Singapore ranks second. The United Arab Emirates is placed third, and Turkey is fifth. With an annual consumption value of Rp2.046 trillion, Indonesia is the largest market in the world for halal food. Bangladesh and Egypt are the next two largest markets for halal food products. Given the significant size of the halal food industry in Indonesia, there is potential to increase halal food production (Purwanto et al., 2020).

Figure 1
Halal Food Index Score

Source: Dinar Standard (2021)
The food or culinary business is one of the rapidly growing industries with substantial growth potential (Fahlevi et al., 2023). This phenomenon is driven by the fact that food is a primary necessity needed by humans every day (NSS and Rahoyo, 2018). Indonesia is currently one of the most dynamic restaurant landscapes in the world, combining rich history and innovative and diverse cuisines (Pratminingsih et al., 2018). Nearly 17% of all SMEs in Indonesia come from the food and beverage industry, solidifying Indonesia's position as a culinary paradise (BPS, 2016). Besides rendang, there are many other Indonesian foods that are famous for their deliciousness worldwide, such as nasi kuning, sop ayam, sate, and instant noodles. With a variety of diverse cuisines, Indonesia is often referred to as a hidden culinary treasure. While its popularity may not be as high as Korean, Japanese, or Thailand cuisines that have already gained worldwide recognition, many Indonesian dishes are considered some of the most delicious in the world. For example, Indonesian satay surpasses yakitori and kebab (Basoni, 2021).

West Java is the province with the highest number of restaurants in all of Indonesia. According to data from Central Statistics Agency (Badan Pusat Statistik) in figure 2, there were more than thirteen thousand households who have restaurants in West Java in the year 2019. This number far surpassed the number of restaurants in Central Java. On the other hand, with over seven thousand restaurants, East Java held the third position. Meanwhile, the Provincial Office of Tourism and Culture in West Java announced that the city of Bekasi would have the highest number of restaurants in the province in 2019. This number was estimated to be more than two thousand restaurants. This data is followed by other provinces and cities that has an increase in the number of restaurants in their own areas (figure 3).

During the period of December 9-17, 2020, restaurant sales in eight major cities dropped by around 70% below the average. The decline was observed in Surabaya, Makassar, and Medan (Mandiri Institute, 2020). The decrease in restaurant visits has become a major challenge for restaurants to survive during the current pandemic. Thus, it is essential for chefs with entrepreneurial spirit to provide value and competitive advantage to sustain their restaurants.
The pandemic caused by COVID-19 has had profound and unsettling impacts on consumer behaviors, and it’s expected to considerably change their habits in the long run. Evidence suggests that these shifts in consumer patterns are widespread and enduring, affecting various age groups globally. This change is particularly crucial for the halal food industry driven by services, which will face the expectations, perceptions, and preferences of future tourists in various stages of the global halal food crisis (Hu et al., 2021). For instance, recent research in the UK revealed that consumer beliefs and emotions have shifted during the pandemic, which can influence their willingness to revisit restaurants in the future (Foroudi et al., 2021). Additionally, the halal food industry has become increasingly important within the restaurant sector, growing after the pandemic crisis compared to other food and beverage industries (Ou et al., 2021).

Recent studies show that the COVID-19 pandemic has revealed unique circumstances, presenting chances to rethink sustainable tourism strategies globally. Although global research has largely concentrated on overall consumption without specifically addressing the halal dining sector, our investigation adds to the body of work assessing COVID-19’s effects on the halal food market, providing a transformative opportunity to advance both research and practices in this domain (Sigala, 2020).

Entrepreneurship is a warm topic for academic research in the food industry. In the academic world, entrepreneurship is well-discussed and presented in various industries. Typically, those who have studied entrepreneurship often first consider the technology sector. As for research in the context of restaurants, academic research and entrepreneurship, especially in Indonesia, are gaining attention. Currently, the halal industry wave is at the center of attention, with restaurants playing a crucial role in developing this ecosystem (Baldwin, 2018; Presenza and Petruzzelli, 2019).

Several meta-studies have shown a positive influence of entrepreneurial orientation on performance (Saeed et al., 2014), where entrepreneurial orientation captures entrepreneurial practices in the form of risktaking, proactivity, and innovation (Habiburrahman et al., 2022). Most research on entrepreneurial orientation focuses on the direct linear influence of entrepreneurial orientation on performance (Wales et al., 2013). However,
some studies indicated that the direct linear relationship between entrepreneurial orientation and performance is a simplification that is questioned (Habiburrahman et al., 2022). Patel et al. (2015) found in their research that entrepreneurial orientation enhances performance not directly but the variation in entrepreneurs' impact generally improves performance through various innovative ideas.

This research focuses on chef-preneurs (Presenza and Petruzzelli, 2019) dan Restauranteurship (Baldwin, 2018). This relationship can be observed across various restaurant classifications: casual dining, quick service, fast-casual, dan fine dining (Presenza and Petruzzelli, 2019). Pada penelitian ini fokus utama pada rumah In this study, the main focus is on middle-class restaurants belonging to the Small and Medium Enterprises (SMEs) category that sell halal food, particularly highlighting the role of chef-preneurs who are skilled in cooking halal food (Sahir et al., 2021). Previous research has shown that middle-class restaurants are more likely to demonstrate their roles as references and creators of new food in the current global restaurant environment (Weaver and Tang, 2021). The ability of chefs in the middle-class market face the challenge of creating unique and characterful flavors at affordable prices (Ncube et al., 2020).

This research endeavors to uncover and elucidate a previously uncharted research gap by examining the interplay between chef-preneurs and restaurant performance. In doing so, it introduces a novel perspective by emphasizing the role of competitive advantage as a mediator. Through this innovative approach, we seek to address the existing knowledge void, particularly within the context of the burgeoning halal industry in Indonesia, with a specific focus on the vibrant city of Medan.

Our study is designed to contribute to the field by exploring the intricate dynamics between chef-preneurs and restaurant performance, while simultaneously introducing the novel concept of competitive advantage as a mediator in this relationship. By concentrating on the unique landscape of the halal industry in Indonesia, with a specific spotlight on Medan, we aim to provide fresh insights and bridge the existing research gap in this specific domain.

The structure of this research consists of several sections. The second section will discuss previous studies, theoretical foundations, and the development of hypotheses. The third section will cover the sample size and statistical analysis techniques used. The fourth section will present the statistical findings and discussions of the research results compared to previous studies. The fifth section will provide conclusions from the research and recommendations.

THEORETICAL REVIEW
Porter’s Value Chain

The value chain is a framework developed by Porter (1985) that illustrates the activities and processes involved in creating and delivering products or services to the market. It is a useful tool for chef-preneurs and entrepreneurs to understand and analyze their business operations. In the context of the food industry, the value chain encompasses various activities, such as sourcing ingredients, food preparation, packaging, marketing, and distribution. Chef-preneurs need to identify the value chain activities crucial for their business success and focus on improving them to gain a competitive advantage (Marhaeni et al., 2023).

Value Created and Captured – Cost to Create that Value = Margin

For instance, a chef running a restaurant can analyze their value chain to identify areas where they can enhance efficiency and reduce costs, such as optimizing food preparation processes or negotiating better deals with suppliers. Chef-preneurs who produce and sell packaged food products can analyze their value chain to identify areas where they can add value, such as using high-quality ingredients or developing innovative packaging solutions (Sahir et al., 2021).
By understanding the value chain and optimizing its activities, chef-preneurs can create a sustainable business model that provides high-quality products or services to customers while generating profits. The value chain framework can also help them identify opportunities for collaboration and partnerships with other businesses in the food industry, such as suppliers or distributors, to further enhance their competitive advantage (Zopiatis and Melanthiou, 2019).

**Chef-Entrepreneur**

Simply put, a chef-preneur is a combination of a Chef and an Entrepreneur. It may sound straightforward when you read or hear this term, but in reality, it is a daunting task (Presenza and Petruzzelli, 2019). Top chefs are usually involved in entrepreneurship to innovate boundlessly and maximize their reputation for greater gains. Highlighting the in-depth study of managerial and business-centric skills that lesser-known chefs possess can be highly beneficial. The success of these restaurants heavily relies on the extensive use of the chef's creativity (Mohanty et al., 2022). In this case, chefs must be adaptable and open to growth if they want to succeed in the short and long term or manage their business's evolution over time (Chou et al., 2018). Therefore, chefs are continuously encouraged to apply their business models by discovering and introducing new culinary concepts and techniques or launching affordable food concepts and other culinary experiences.

**Restauranteurship**

If entrepreneurship focuses on the development and design of new business concepts, restauranteurship centers on the creation and design of new dining establishments. Owners of restaurants are identified as operators or proprietors of these eateries (Baldwin, 2018). Present studies explore the field of restaurant entrepreneurship, yet the process of planning, designing, and launching restaurants often merits distinct consideration. For instance, an analysis of restaurant performance in Australia investigates the profiles of online restaurant reviews and includes interviews with restaurant consultants, utilizing a combined approach of different research methods (Hallak et al., 2018). While there is a limited amount of literature specifically dedicated to restaurants, some earlier studies have focused on the presence and market exposure of restaurants (Baldwin, 2018; Presenza and Petruzzelli, 2019).

**Entrepreneurial Orientation**

Entrepreneurial orientation in the halal industry in Indonesia refers to the extent to which companies in this industry exhibit entrepreneurial characteristics such as innovation, proactiveness, risk-taking, and autonomy (Sahir et al., 2021; Vizano et al., 2021). The halal industry in Indonesia has significant growth potential due to its large Muslim population and the increasing global demand for halal products (Purwanto et al., 2020). Entrepreneurial orientation can help companies in this industry to utilize the potential by creating new products, services, and business models that meets the needs of halal consumers (Fernando et al., 2021).

Innovation is a crucial aspect of entrepreneurial orientation in the halal industry. Companies need to continuously develop new products and services that meets the changing needs and preferences of halal consumers. For example, companies can innovate by using new ingredients, developing new production processes, or adopting new distribution channels.

Proactiveness is another important aspect of entrepreneurial orientation in the halal industry. Companies must be proactive in identifying new market opportunities and adapting to changes in the market. This requires a deep understanding of the needs and preferences of halal consumers and the ability to anticipate future trends (Bakker, 2017).

Risk-taking is also a key aspect of entrepreneurial orientation in the halal industry. Companies must be willing to take risks to
innovate and grow. This may involve investing in the development of new products, entering new markets, or adopting new business models (Almuqren et al., 2017; Farag and Mallin, 2018).

Lastly, autonomy is a crucial aspect of entrepreneurial orientation in the halal industry. Companies need to have the freedom to make decisions and take actions that align with their strategic goals. This requires a culture that supports innovation and risk-taking, as well as a management style that empowers employees to take initiatives and make decisions (Islami et al., 2020).

In summary, entrepreneurial orientation is a critical factor for the success of companies in the halal industry in Indonesia. By exhibiting characteristics such as innovation, proactiveness, risk-taking, and autonomy, companies can utilize the significant growth potential in this industry to meet the needs of halal consumers in Indonesia and around the world.

**Food and Beverage Industry**

In 2015, the food and beverage business was dominated by microenterprises, which are businesses with at least four employees (Wang and Kim, 2021). Meanwhile, retail businesses, supermarkets, and convenience stores have recently largely replaced traditional wholesale stores as market leaders. Sales in the food and beverage industry continue to grow due to population growth, increasing income, and sustained economic growth (Song et al., 2021). While the sales volume was USD 89.55 billion in 2015, it is estimated to increase to USD 104 billion by 2017 (Ogunmokun et al., 2020).

Indonesia's role in the international food and beverage market is somewhat ambiguous. While the country stands as a major producer of commodities like palm oil, fish, cocoa, and coffee, primarily exporting its excess production, its precise position in the global market remains unclear (BPS, 2019). Conversely, Indonesia depends on importing items like wheat, milk, and processed foods, which it cannot produce adequately or at all domestically. Nevertheless, as part of a strategy to revamp its economy, the Indonesian government has implemented favorable policies aimed at decreasing reliance on imports and bolstering the manufacturing sector, a move that also advantages the food and beverage industry (Zuhri et al., 2020).

Restaurants are one of the key sectors frequently visited by foreign tourists, especially from countries like the Netherlands, Italy, and Germany, who are highly interested in experiencing the flavors of Indonesian cuisine (Yasami et al., 2021). The halal tourism industry is still relatively underdeveloped in other countries, especially concerning halal food, as compared to its growth in Indonesia (Lu and Gursoy, 2017). Malaysia and Indonesia are quite competitive with restaurants that provide halal food in Southeast Asia today.

The prospects and future trends in the Food and Beverage sector remain positive for several reasons. The increasing demand (driven by Indonesia's growing young population) contributes to its positive growth (DiPietro et al., 2019). Lastly, the rise in consumer confidence and urbanization also supports the growth of the restaurant industry. Additionally, other emerging trends, including increased consciousness about healthy living, concerns about food security, and the move towards halal food outlets, are significant and should not be overlooked (Cho et al., 2019).

Even with the favorable progress seen in recent years and optimistic projections for the future, challenges persist in the food and beverage industry (Cantele and Cassia, 2020). Navigating the legal framework of the food and beverage sector can be complex, particularly for companies not based in Indonesia. Furthermore, there are infrastructural challenges within this sector (Cantele and Cassia, 2020). In conducting business in Indonesia, it’s crucial to recognize that infrastructure for food transportation and preservation might be less developed, particularly in areas beyond the main Java island (Fahlevi, 2020). Indonesia has a scarcity of
cold storage facilities and relatively few delivery vehicles in proportion to the size of its economy. However, the Indonesian government and various organizations are making efforts to enhance the services available to restaurants, especially those categorized as Micro, Small, and Medium Enterprises (MSMEs) with limited resources. They aim to establish an efficient network and acknowledge the vital role these enterprises play in catering to consumers (Desky et al., 2020).

To overcome these local infrastructure deficiencies, products and training provided by the government are viable solutions. However, the effectiveness of such initiatives may face challenges due to limited access to facilities for entrepreneurs to reach government programs (Tjahjadi et al., 2021).

An additional hurdle in the Indonesian food market is aligning with the preferences and habits of local consumers. It's essential to tailor products to suit local tastes, if needed. For example, Indonesian customers generally have a penchant for sweeter products and favor smaller-sized packaging. Moreover, brand awareness seems to play a significant role in doing business in Indonesia, as it can drive sales. Therefore, marketing efforts are necessary to ensure local product awareness, particularly for halal food (Nurdianti et al., 2017).

Despite Indonesia's promising future prospects in the food and beverage market, this research would be incomplete without mentioning the general local challenges of doing business in Indonesia. Corruption and bureaucracy remain obstacles to conducting business in the Indonesian market. Therefore, MSMEs must be patient and prepared to face these challenges, which are part of the business environment. Additionally, specific regulations related to food and beverage products can also pose challenges for foreign companies, such as labeling in the Indonesian language and notifying ingredients that are genetically modified (Nasution, 2017).

Halal Industry

Ideas of religion and philosophy of life have a limiting influence on the consumption of adherents. Muslims, being one of the largest religious populations in the world, adhere to strict dietary rules, as dictated by the two main religious texts in Islam, the Qur’an and Hadith, to determine their food choices. Islam has established specific guidelines for its followers in deciding what food and drinks are permissible, known as halal, which is generally acceptable for consumption, while haram food must be avoided by Muslims. Thus, halal, meaning "permitted" in Arabic, is most commonly associated with Islamic countries, initially referring to food products produced in accordance with Islamic Law and free from prohibited substances. Halal also refers to food products of high quality based on hygienic practices, sanitation, and religious compliance.

The halal food sector holds significant importance for Muslims globally, as it ensures their daily diet adheres to Islamic law, contributing to the industry's swift expansion. Additionally, with Islam being the world's fastest-growing religion, the market potential for halal food is substantial. Previous studies indicate that the growing global Muslim population is a key factor driving the prominence of halal food in the international market (El-Menouar, 2014). The global Muslim population is expected to increase by 35%, from 1.6 billion in 2010 to 2.2 billion by 2030. In 2013, the halal food industry's value was approximately US$1,292 billion, with projections to reach around US$2,537 billion by the end of this decade. Moreover, the halal industry's appeal is not limited to the 2.8 billion Muslim population but also attracts non-Muslim consumers, as the combination of ethical and religious standards gains broader acceptance. The values upheld by the halal industry, such as animal welfare, social responsibility, environmental sustainability, land management, social and economic justice, and ethical investments, resonate as lifestyle choices among non-Muslim customers. This has led
to the expansion of halal industries in non-Muslim countries. For instance, in the halal food sector, Australia, Singapore, and Brazil were among the top ten non-Muslim nations with the highest Global Islamic Economy Indicator (GIEI) scores in 2017-2018.

The halal industry has seen considerable growth and evolution, bolstered by heightened awareness among consumers and producers about halal products. It ranks among the world’s largest consumer markets. In 2013, the Malaysian Investment Development Authority valued the global halal food market at US$600 billion to US$3 trillion, with projections of it expanding to US$6.4 trillion by 2030. This sector, one of the most rapidly growing, is estimated to increase by 20% yearly. Despite its significant economic contribution to countries like Indonesia and Malaysia, the halal food industry faces various challenges. Moreover, academic research on halal food is still nascent, given the industry’s rapid expansion. Consequently, this study aims to pinpoint the challenges and opportunities within the halal industry, focusing particularly on Indonesia, as the halal brand now has a global presence extending beyond Muslim-majority countries.

RESEARCH METHOD

This research uses a quantitative approach, and therefore, the data collected for this study is quantitative, which will be analyzed using statistical calculations to measure participants perceptions (Sekaran and Bougie, 2016). The data collection method used is through surveys with a questionnaire tool administered to the chefs of the restaurants. The results from the questionnaire will be presented in the form of statistical data (Lind et al., 2018).

The study employed a rigorous method of sampling, recognizing the inherent challenge of precisely determining the population size. In this research, questionnaires were randomly distributed to a substantial number of restaurants across the city of Medan, each featuring an average of 1 to 3 chefs. From this extensive data collection effort, a total of 200 completed questionnaires were collected from eligible respondents, constituting the study's sample. These responses were gathered from 163 distinct restaurants in Medan.

The sampling methodology used in this study adhered to the principles of probability and random sampling. These techniques ensured that each member of the population had an equal and random chance of being selected as part of the sample. By employing probability and random sampling, the research aimed to minimize bias and enhance the generalizability of findings, providing a representative and unbiased snapshot of the restaurant landscape in Medan (Sekaran and Bougie, 2016). This research uses structural equation modeling (SEM) analysis technique with Smart-PLS 3.3 (Hair et al., 2019). In this study, the authors use reflective indicators. Reflective indicators represent constructs in which the observable items are declared as functions of the constructs (items reflect or manifest the constructs) (Hair et al., 2019).

ANALYSIS AND DISCUSSION

The respondents' data in table 1 of this study were collected using both Google Form and offline forms, enabling accurate measurement of each variable in this research. Despite the anonymous nature of the respondents' data collection technique, the respondents' backgrounds are required for data completeness. Respondent identities are necessary to understand their demographics and backgrounds, serving as information for this research. The questions before the respondent inquiries in the questionnaire of this research are table 1.

In the survey conducted (see table 1), respondents were categorized into various groups based on gender, experience, and level of education. The gender distribution was skewed towards females, who made up a significant majority at 63%, with males comprising the remaining 37%. When analyzed by professional experience, we found
that the majority (48%) of participants have 2 to 7 years of experience. A notable 33% of respondents reported having less than 2 years of experience, while a smaller proportion (19%) had over 7 years. From an educational standpoint, the respondents were almost equally distributed across three groups: high school graduates formed the largest proportion at 44%, while those with Bachelor's and Master's degrees constituted 29% and 27%, respectively. This diverse respondent profile allows us to draw insights from a broad spectrum of individuals, making it possible to identify any potential correlations between responses and the characteristics of the respondents, such as gender, experience level, or educational attainment.

### Table 1
**Respondent Profile**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>· Male</td>
<td>37%</td>
</tr>
<tr>
<td>· Female</td>
<td>63%</td>
</tr>
<tr>
<td>Experience</td>
<td></td>
</tr>
<tr>
<td>· &lt;2 Years</td>
<td>33%</td>
</tr>
<tr>
<td>· 2-7 Years</td>
<td>48%</td>
</tr>
<tr>
<td>· &gt;7 Years</td>
<td>19%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>· Highschool</td>
<td>44%</td>
</tr>
<tr>
<td>· Bachelor</td>
<td>29%</td>
</tr>
<tr>
<td>· Masters</td>
<td>27%</td>
</tr>
</tbody>
</table>

*Source: Data processing (2022)*

In the next stage, validity testing was conducted before analyzing the path model and testing the hypotheses. Each indicator's validity was examined using the Smart-PLS software. Individual reflective measurements are considered valid if they have loading values (λ) with the latent variable to be measured of 0.7 (Hair et al., 2019), if any indicator has a loading value (λ) < 0.7, it should be removed as it indicates that the indicator is not sufficiently adequate in accurately measuring the latent variable.

In this research, a variable is considered sufficiently reliable if it has a construct reliability value greater than 0.7 (Lind et al., 2018). The following is table 2, which presents the results of the reliability testing for each research variable.

### Table 2
**Reliability**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE</td>
<td>0.838</td>
<td>0.768</td>
</tr>
<tr>
<td>CA</td>
<td>0.888</td>
<td>0.854</td>
</tr>
<tr>
<td>RP</td>
<td>0.888</td>
<td>0.849</td>
</tr>
</tbody>
</table>

*Note: Chef-preneurs (CE); Competitive Advantage (CA); Restaurant Performance (RP) (2022)*

Source: Data processing (2022)

Based on the reliability output above, it can be concluded that all research variables have composite reliability and Cronbach's alpha above 0.7. CE has a composite reliability of 0.838 and Cronbach's alpha of 0.768, indicating that the CE variable has passed the reliability test as its value is above 0.7. CA has a composite reliability of 0.888 and Cronbach's alpha of 0.854, indicating that the CA variable has passed the reliability test as its value is above 0.7. Similarly, RP has a composite reliability of 0.888 and Cronbach's alpha of 0.849, indicating that the RP variable has passed the reliability test as its value is above 0.7. It can be concluded that the indicators used for each variable have good reliability and are capable of measuring the constructs.

Evaluation of the structural model's is measured using the *predictive-relevance* value (Q2). The predictive-relevance (Q2) value is calculated using the following formula:

\[
Q2 = 1 - (1 - R^2_1) (1 - R^2_2) \ldots n
\]

The coefficient of determination which is part of total variation in the dependent variable that is explained by the variation in the independent variables. The following table 3 explains the results of the coefficient of determination analysis for the research variables.
The research results indicate that the coefficient of determination or R2 for the variable CA is 0.625, which means that 62.5% of the variance in CA can be explained by the variables EK and the remaining 37.5% is influenced by other variables not included in the model. Meanwhile, the R2 value for the variable RP is 0.657, indicating that 65.7% of RP can be explained by the variables CE and CA, while the remaining 34.3% is influenced by other variables not included in the model. The evaluation of the first and second inner models is considered good in explaining the variables CA and RP due to their high percentage values. The structural model in this study has a predictive-relevance value of 0.871 or 87.1%, indicating that the model can explain 87.1% of the RP phenomenon both directly and indirectly, while the remaining 12.9% is explained by other variables not included in the research model.

Based on the path diagram of hypothesis testing in Table 4, all indicators for each variable are capable of measuring the intended constructs. The path analysis results show that CE has a positive and significant effect on RP (H1 accepted), CA has a positive and significant effect on RP (H2 accepted), and CE has a positive and significant effect on RP through CA (H3 accepted). The p-values of all hypotheses are less than 0.05, indicating that H0 is rejected, and all hypotheses are accepted.

From the above results, it is known that the most significant influence is found in the competitive advantage on the restaurant’s performance, as it has the largest coefficient value and t-statistic compared to other path analyses. From this result it is known that the restaurant's performance is strongly influenced by the competitive advantage of the restaurant itself.

**Discussion**

**Chef-preneur on Restaurant Performance**

The research on the first hypothesis is accepted and aligned with previous studies conducted by Covin and Slevin (1991) which found a significant direct impact of CE on RP through the company’s process in meeting customer needs. However, previous research has been predominantly focused on manufacturing companies, besides that, the main problem is that there is no agreement regarding the right dimensions in measuring CE. Therefore, researchers in this study used three dimensions that were relevant to Chef.

Chef-preneur can have a significant impact on the performance of halal restaurants in the food industry in Indonesia. The halal food industry is highly competitive, and consumers increasingly demand high-quality, innovative, and diverse halal food.
One way *Chef-preneur* can influence restaurant performance is by providing unique and innovative halal food offerings that differentiate their restaurant from competitors. *Chef-preneurs* are often known for their creativity and ability to create new and enticing dishes, which can attract new customers and increase the frequency of visits from existing ones.

Furthermore, *Chef-preneur* can contribute to improving the quality of food and services in the restaurant. They bring their culinary expertise and experience to the restaurant, which can enhance the quality and consistency of the food. Additionally, they can train and guide other chefs and kitchen staff, which can improve the overall quality and efficiency of the restaurant. *Chef-preneur* can also contribute to the overall reputation and image of the restaurant. They often have a strong presence on social media and can use their platforms to promote the restaurant and its offerings to a wider audience. This behavior can help increase brand awareness and attract new customers.

*Chef-preneur* can also help drive innovation and growth in the halal food industry in Indonesia. By collaborating with chefs and other businesses, they can help create a community of like-minded individuals committed to providing high-quality, innovative, and halal food choices. This fact can help raise awareness of the importance of halal food and contribute to the overall growth and development of the industry (Matta, 2019). *Chef-preneur* can have a positive impact on the performance of halal restaurants in the food industry in Indonesia by providing unique and innovative food, improving the quality of food and services, contributing to the restaurant’s reputation and image, and driving innovation and growth in the halal industry.

**Competitive Advantage on Restaurant Performance**

The second hypothesis is supported by this research, consistent with previous studies conducted by Suprapto et al. (2020) which found a significant influence between CA and RP. Many previous studies have also measured both variables and arrived at similar conclusions.

Competitive advantage refers to a set of unique advantages that a business possesses over its competitors, enabling it to attract and retain customers, enhance profitability, and grow its market share. In the halal food industry, competitive advantage can be derived from various factors such as food and service quality, pricing strategies, location, marketing, and innovation. By effectively leveraging these factors, restaurants can create a competitive edge that sets them apart from competitors and drives their success.

One way in which competitive advantage impacts restaurant performance is by attracting and retaining customers. Consumers are increasingly seeking high-quality, innovative, and diverse halal food options, and restaurants that can provide such offerings are more likely to attract and retain customers. By creating competitive advantage through unique and high-quality food offerings, exceptional services, or a strong brand reputation, restaurants can build a loyal customer base and increase revenue (Webster and Zhang, 2020).

Competitive advantage also affects profitability and market share. Restaurants with a competitive advantage are better positioned to enhance profitability through increased sales, improved pricing power, and lower costs. By creating a set of unique advantages that differentiate their business from competitors, restaurants can attract and retain customers, enhance profitability, expand market share, and drive innovation and growth in the industry (Markowska and Wiklund, 2020).

**The Mediation Role of Competitive Advantage**

In the third hypothesis, this study proves that CA is able to mediate CE so that the effect is significant. This finding is consistent with previous research conducted
Chef-preneur and Restaurant Performance

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by Covin and Miles (1999) It informs us that CE alone is not sufficient, and developing CA is essential as it can mediate the relationship between CE and RP.

Chef-preneur can have a significant impact on the performance of restaurants in the halal food industry in Indonesia, and this impact can be mediated by competitive advantage. Chef-preneur can contribute to the creation of competitive advantage in several ways. Firstly, they bring unique culinary skills and expertise to the restaurant, which can lead to the creation of unique and innovative foods. By offering food that cannot be found elsewhere, the restaurant can differentiate itself from competitors and create an appealing and customer-retaining competitive advantage (Mohanty et al., 2022).

Chef-preneur can also contribute to the quality of food and services in the restaurant. They bring their culinary expertise and experience to the restaurant, which can improve the quality and consistency of the food. Additionally, they can train and guide other chefs and kitchen staff, leading to overall improvement in the quality and efficiency of the restaurant. By providing high-quality food and services, Chef-preneur can contribute to the restaurant's competitive advantage and drive its success.

Thirdly, Chef-preneur can contribute to the restaurant's reputation and image. They often have a strong presence on social media and can use their platforms to promote the restaurant and its offerings to a wider audience. This mechanism can help increase brand awareness and attract new customers.

Chef-preneur can have a significant impact on the performance of halal restaurants in the food industry in Indonesia, and this impact can be mediated by competitive advantage. By providing unique and innovative foods, improving the quality of food and services, contributing to the restaurant's reputation and image, and driving innovation and industry growth, chef-preneur can help create a competitive advantage that leads to the success of the restaurant.

Chef-preneur, Competitive Advantage, and Restaurant Performance Post COVID-19 Pandemic

The results of this study indicate that innovation has a positive influence on the performance of SMEs during and post the COVID-19 pandemic. Specifically, it was found that the output of chef-preneur leads to an improvement in restaurant performance compared to input innovation and the relationship between innovation and performance is stronger for younger SMEs (Santoso et al., 2022; Shah et al., 2023). Similar findings were found in the context of service, where innovation has been proven to be a crucial driver of performance. Focusing on halal restaurant samples found that the presence and level of service innovation have a positive effect on company growth but did not significantly impact productivity. In the end, innovation in halal cuisine is highly significant (Presenza and Petruzzelli, 2019).

In the post-COVID-19 era, the food and beverage industry experienced significant changes (Pratminingsih et al., 2018). With new health and safety regulations, restaurants needed to adapt to the preferences and expectations of new customers (Daragmeh et al., 2021). Chef-preneur who could pivot and adjust their business models to evolving market trends tend to have a competitive advantage and succeed in the halal food industry, in particular.

For instance, some chef-preneur may shift their focus to offer take-out and delivery services as more customers prefer ordering food online (Shetu et al., 2022). Others may emphasize outdoor dining options or redesign their restaurant interiors to promote social distancing.

In maintaining competitive advantage, chef-preneur may need to prioritize health and safety measures, such as implementing contactless payment options or enhancing sanitation procedures. This can help build trust with customers and improve restaurant performance in the long term.

Extensive literature on representational learning begins with Bandura’s Theory
(Abbas et al., 2022), which applies this concept at the individual level, and then extends to the organizational level (Agha et al., 2012). In the field of entrepreneurship, the concept of innovation from entrepreneurial activities has been studied at the individual level (entrepreneur), but its impact is analyzed at the organizational level, namely restaurants (Fernandes et al., 2021). In this study, the focus is on learning that occurs at the individual level but impacts entrepreneurial ventures in terms of their innovation and performance in the context of high-quality Halal cuisine. The research findings indicate that innovation is beneficial to chefpreneurs' performance and that representational learning directs entrepreneurs to innovate and take action (Carreiro and Oliveira, 2019; Garcia-Perez-de-Lema et al., 2017). Innovative entrepreneurs who adopt new approaches to food preparation, ingredients, menus, services, and restaurant configurations, those combining new approaches across various types of innovation, are significantly more likely to perform better.

This research also has several practical implications. Most importantly, restaurants should promote healthy eating, which will involve modifying menu items and sourcing products from suppliers with ethical farming practices and quality standards. At the same time, SME restaurants can strengthen mechanisms that allow staff to voice their concerns and continue hiring workers from underrepresented minority populations. Additionally, restaurant businesses should remain actively engaged and generous in their local communities, although our results indicate that these actions have low priority. The pandemic has brought shifts in perceptions of restaurant activities. Restaurants may need to redefine activities related to social sustainability associated with the community. However, clear results indicate that they should spend less action on public relations or promotion (Suharyono and Elfahmi, 2021).

In line with increasing urbanization, there is a surge in consumers seeking maximum convenience. Internet, e-commerce, and online platforms are becoming increasingly popular, given the large number of small establishments, higher penetration, and acceptance among consumers (Adila et al., 2020; Andhini and Khuzaini, 2017). The establishment of new chain outlets and expansions of existing ones are currently observed, enhancing their popularity among consumers. Therefore, online channels are growing rapidly in this country. Food delivery apps like Go-Food from Go-Jek offer much smoother delivery services and have gained numerous users in recent years (Sutia et al., 2019).

The shift towards online food ordering through mobile applications has also increased among Indonesian consumers, driving the growth of Indonesia’s food service market as a whole. Consumers are increasingly ordering local Indonesian cuisine through these online food apps, thus promoting the shift towards halal food (Djafarova and Rushworth, 2017). Witnessing the increasing demand for delivery apps, many restaurant owners and family businesses are eagerly looking to operate through these platforms to boost sales. Therefore, online channels enhance the food service sector in this country and hold big potential for the halal industry in Indonesia (Prasetyo et al., 2022).

CONCLUSION AND SUGGESTIONS
Based on the conducted research, Chefpreneurs have a significant impact on the performance of restaurants in the halal food industry in Indonesia. This impact can be achieved through several ways, such as providing unique and innovative halal foods, enhancing the quality of food and services, contributing to the reputation and image of the restaurant, and fostering innovation and growth in the halal industry.

Competitive advantage also plays a significant role in the performance of restaurants. In the halal food industry, competitive advantage can be attained through various factors, including food and service quality, pricing strategies, location, marketing, and

innovation. Effectively utilizing these factors allows restaurants to create a competitive advantage that distinguishes them from competitors and drives their success.

The mediating role of competitive advantage has also been proven significant in this research. Chef-preneurs can have a substantial impact on the performance of restaurants in the halal food industry in Indonesia, and this impact can be mediated by competitive advantage. Chef-preneurs can contribute to the creation of competitive advantage in several ways, such as providing unique and innovative food, improving food and service quality, and contributing to the restaurant's reputation and image.

Lastly, this research also demonstrates that innovation is a key driver of long-term success in the culinary business, especially in a dynamic market. Chef-preneurs who can produce innovative halal cuisine can help enhance the performance of restaurants. Learning about innovation, in particular, can direct chef-preneurs to innovate and improve restaurant performance in the demanding context of halal cuisine quality.

To achieve success in the halal food industry, restaurants need to focus on food and service quality, pricing strategies, location, marketing, innovation, and utilizing the expertise of chef-preneurs to create a competitive advantage that differentiates them from competitors. Furthermore, it is essential for restaurants to continue innovating and be receptive to learning about innovation to continuously enhance their performance in an increasingly competitive industry.

REFERENCES


