

ABSTRACT

The competitive advantage can increase some SME's in material building stores sector in Semarang City. Several factors can create this competitive advantage such as managerial competence, store atmosphere and business network. The main problem of this research is how to create the competitive advantage through the managerial competence, store atmosphere and business network to increase the business performance.

The sample of this research based on 137 respondences, although the result of the questioner are 120 questioners. Determine of sample is done by census sampling technique` The respondences are some building materials owners/ managers in Semarang whom certified. Data Analysis tool used in this research is Structural Equation Modeling (SEM) in AMOS 24 programs.

Based on six hypotheses in that were tested there were four hypotheses that were proved. Some significant factors give influence to the competitive advantage there are store atmosphere and business network. The managerial competence significant directly more over this competitive advantage also significantly influencing the business performance.

*Keywords: Managerial competence, store atmosphere, business network,
competitive advantage,business performance*