The Influence of Corporate Image, Service Quality, SME Motivation, Relationship Marketing, and Trust on SME Decisions to Partner with Smesco Indonesia

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Abstract:

Background: This study aims to analyze the influence of corporate image, service quality, SME motivation, relationship marketing, and trust on SMEs' decision to form a partnership with Smesco Indonesia.

Materials and Methods: The total number of SMEs partners is 4,725. By using the Isaac & Michael table, error rate was 10%, the number of samples taken in this study was 257 SMEs out of 4,725 SMEs. Furthermore, this research uses analytical and descriptive methods. The data analysis method used Structural Equation Model-Partial Least Square (SEM-PLS)

Results: The results of this study found that corporate image has an insignificant effect (0.02%) on the partnership decision of SMEs. Service quality, the motivation of SMEs, relationship marketing, and trust have a significant effect on the partnership decision of SMEs.

Conclusion: The results of the study stated that corporate image (X1) had no significant effect on the decision of SMEs to partner with Smesco Indonesia (Y). While the other 4 variables, namely: Service Quality (X2), SME Motivation (X3), Relationship Marketing (X4), and Trust (X5) have a significant influence on the decision of SMEs to partner with Smesco Indonesia.

Keyword: Corporate Image; Service Quality; SMEs Motivation; Relationship Marketing; Trusts; Partnership Decisions; Business to Business.

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I. Introduction

The Cooperative and SME Marketing Service Agency or better known as the company brand Smesco Indonesia is a Public Service Agency under the Ministry of Cooperatives and SMEs. Smesco Indonesia has the main task, namely to help provide marketing services for Indonesian SME products to domestic and international markets. To open domestic and international market access for SME products, Smesco Indonesia opened its first business in the form of a retail store, located at Gedung Smesco Indonesia, Jl. General Gatot Subroto Kav. 94, South Jakarta, which is a showcase and sells superior products for SMEs with a target market segment, namely the upper-middle class. Therefore, not all SME products can enter Smesco Indonesia. SMEs must go through various stages to become Smesco Indonesia partners, one of them is the product curation stage where SME products must comply with quality standards to meet or comply with the upper-middle market. Currently, Smesco Indonesia has collaborated with 34 Cooperatives and SMEs Offices throughout Indonesia to support Smesco in obtaining quality regional specialties. During this Covid-19 pandemic, there was a significant decline in the purchase of SME products at the Smesco Indonesia Gallery. However, the number of SMEs registering to become Smesco's SME partners is increasing. This can be seen from the total number of SMEs registering online through the official Smesco website, namely Currently, Smesco Indonesia has collaborated with 34 Cooperatives and SMEs Offices throughout Indonesia to support Smesco in obtaining quality regional specialties. During this Covid-19 pandemic, there was a significant decline in the purchase of SME products at the Smesco Indonesia Gallery. However, the number of SMEs registering to become Smesco's SME partners is increasing. This can be seen from the total number of SMEs registering online through the official Smesco website, namely Currently, Smesco Indonesia has collaborated with 34 Cooperatives and SMEs Offices throughout Indonesia to support Smesco in obtaining quality regional specialties. During this Covid-19 pandemic, there was a significant decline in the purchase of SME products at the Smesco Indonesia Gallery. However, the number of SMEs registering to become Smesco's SME partners is increasing. This can be seen from the total number of SMEs registering online through the official Smesco website, namely www.smescoindonesia.go.id has reached 50,000 SMEs as of October 2021. However, there were 4,725 SME

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units accepted to cooperate with Smesco Indonesia, whose products successfully passed the product quality screening stage by Smesco Indonesia's management. On this basis, the researcher tries to examine the factors that influence SMEs to decide to partner with Smesco Indonesia, both from the factors of Smesco Indonesia's corporate image, Service Quality, SME Motivation, Relationship Marketing, and Trust.

Business to Business (B2B) Relationship Concept

According to Kotler and Keller (2009), B2B is an activity carried out by companies in terms of selling and buying goods or services to professionals who have adequate knowledge, and are skilled in assessing products and market competition. According to Fill (2005), states that the core of the B2B relationship is the consumption act carried out by the organization. Thus, to satisfy the needs of consumers, which in this case is an organization, requires an understanding between the parties in terms of goals, demands, capabilities, processes, to buying and selling relationships. Likewise, according to Firman et al., (2002), which states that in a B2B relationship there is an exchange between the parties involved in it, either in the form of services or products, functions, costs, rewards, to commitments that will benefit all parties.

Partner Decision Concept

According to Dagun (2006) in Mala (2020) it is stated that decision making is defined as the selection of a decision or policy based on certain criteria which has a selection process between 2 or more choises. This is in line with the opinion of Sciffman and Kanuk (2010 in H. Lily and S. Lusia (2014) which states that decision making is a process of selecting options from 2 or more choices. While partnership according to the Law of the Republic of Indonesia Number 9 of 1995 is business cooperation between small and medium-sized businesses, or large businesses accompanied by coaching and development activities by larger businesses by taking into account the principles of mutual need, strengthening, and benefit. According to Fowler (2000) in Elbers and Schulpen (2010) states that partnership is a relationship that occurs based on a common goal, and the expectation of reciprocity that arises due to trust and mutual respect between the parties involved. Based on this, it can be concluded that the decision to partner is a strategic business selection process carried out by establishing business cooperation between one party and another that runs for a certain period by holding the principles of mutual need, strengthening, and mutual benefit to achieve common goals.

Corporate Image Concept

according to Ferryanto and Hatane (2015)states that corporate image is a consumer response in the form of beliefs, ideas, products, and services offered by the company. According to Robert and Dowling (2007) in Adeniji et al., (2015)A good corporate image can provide enormous benefits for the company such as attracting shareholders to invest, increasing profits, retaining customers, including attracting qualified human resources to join the company. According to Fomburn, CJ, Gardberg, N and Sever (2004) in Bozkurt (2018)Corporate image is not only the beliefs, thoughts, and views of the company but also the name of an organization, its products and services, traditions, ideology and quality. Based on the literature review, it is concluded that corporate image is the value of competitive advantage of a company, giving rise to positive perspectives and attitudes from consumers, investors.

Service Quality Concept

According to the American Society for Quality Control in Kotler and Keller (2016) Service quality is the overall characteristics and characteristics of a product or service in terms of its ability to meet predetermined needs. Service quality is the realization of a comparison between the services expected by consumers and the services that are actually received by consumers (Pangastuti, 2017; Pratama, et al, 2019) in Sustiyatik (2020). According to Dabholkar et al in Siu et al (2001) service quality is the value of consumers whether the expected or promised service by the actual service. Based on the literature, it can be concluded that service quality is the company's ability to realize consumer expectations of the quality it receives.

Motivation Concept

According to Uno (2007) in Christin, Jane and Mukzam (2017) Motivation is an impulse that comes from internal or external to a person to fulfill his needs, desires and ideals. In line with this opinion, according to Suparyadi (2015) inHalim and Andreani (2017) Motivation is the encouragement of a person or group to achieve certain goals. According to Oentoro (2012) in Retor (2014) motivation is an impulse from an individual that forces a person to act to meet unfulfilled needs. Based on this, it can be concluded that motivation is something that encourages a person to perform a certain activity to meet the needs and desires of that person. One person's needs and wants are different from the needs and desires of others.

Relationship Marketing Concept

According to Gupta and Sahun (2012) in Makhita (2019), relationship marketing is an approach taken to build long-term business relationships, which can also be used as a measure of the level of satisfaction and program effectiveness for customers. According to Berry (1983) in Hoque (2017) relationship marketing is a strategic activity carried out to build and maintain sustainable relationships with consumers. According to Gupta and Sahu in Makhita (2019), relationship marketing is an approach taken to build long-term business relationships, which can also be used as a measure of the level of satisfaction and program effectiveness for customers. Based on the literature review above, it can be concluded that relationship marketing is an activity carried out as a strategic step in marketing to build and strengthen sustainable good relationships with consumers and other stakeholders to face market competition. Relationship marketing provides many advantages in business activities, both operationally and at a strategic level.

Trust Concept

According to Anderson and Narus in Cahyono (2010) trust is a form of belief that results from positive actions from one or each party in carrying out their duties. According to Moorman et al in Dasanayaka et al (2020) trust can be considered as the desire or decision of one party to depend on another party. Likewise, according to Six et al in Zhang et al (2020) trust is formed or arises because the parties in B2B relationships show their commitment to carrying out the cooperation. Based on the literature review above, it can be concluded that trust is a feeling of confidence that arises because one or each party shows positive action or carries out their commitments in a relationship, including in a B2B relationship.

II. Materials And Methods

In this study, researchers used 2 types of data, namely: (1) Primary data by distributing questionnaires to 257 Smesco Indonesia SME partners, structured interviews with Smesco Indonesia management; (2) Secondary data through literature study. In addition, 2 research methods used in this study are: (1) Descriptive analysis method, namely the researcher performs a descriptive analysis using the average value for each variable; (2) Verification analysis method to test how much influence the causal variables are company image (X1), service quality (X2), SME motivation (X3), relationship marketing (X4), and trust in the consequent variable, namely the decision of SMEs to partner with Smesco Indonesia (Y) using Partial Least Square (PLS). According to Ghozali (2014) the purpose of PLS is to help researchers to get the value of latent variables for prediction purposes. Descriptions and characteristics of the respondents involved in this study can be seen in the following table:

Table no 1:Description of the Research Object

	5	Amount	Percentage	
No	Description	(Person)	(%)	
1	Gender			
	Man	101	39%	
	Woman	156	61%	
2	Respondent Age			
	20-29 Years	82	32%	
	30-39 Years	90	35%	
	40-49 Years	46	18%	
	50-59 Years	32	12%	
	>= 60 Years	7	3%	
3	Level of education			
	SD	0	0%	
	junior high school	0	0%	
	senior High School	36	14%	
	Diploma	78	30%	
	S1 (Equivalent)	115	45%	
	S2	28	11%	
	S3	0	0%	
4	Type of Business by Turnover			
	<= IDR 1 Billion	222	86%	
	IDR 2-5 Billion	31	12%	
	IDR 15-50 Billion	4	2%	
5	Business Sector			
	Food and Drink	114	44%	
	Batik, Weaving, Songket, and Equipment	63	25%	
	Accessories, Bags and Shoes	53	21%	
	Herbs and Spa	16	6%	

	Crafts and Furniture	11	4%
6	Business Length		
	<= 1 Year	31	12%
	1-5 Years	102	40%
	6-10 Years	82	32%
	>= 10 Years	42	16%

Source: Processed by Researchers (2021)

Study Location: This research was conducted at Smesco Indonesia, which is located at Gedung Smesco Indonesia, Jl. Gatot Subroto Kav. 94, South Jakarta.

Study Duration: March 2021 to December 2021 Sample sizes: 257 Smesco Indonesia SME partners

Sample size calculation: A total of 257 samples were taken from a population of 4750 partner SMEs based on Isaac and Michael's table with an error rate of 10%. The sampling technique used in this research is purposive sampling. According to Arikunto (2002) in Heridiansyah (2012) purposive sampling technique is taking samples taken on the basis of certain criteria.

Procedure methodology

The researcher uses a descriptive variable analysis method using the average value for each variable and verification analysis by testing how much influence the causal variable (X) has on the effect variable (Y) through Partial Least Square (PLS) using Smart PLS 3.3.7

Table no 2: Operational Research Variables

No	Variable	Dimension	Indicator	Measurement Scale
1	X1: Corporate Image	1. Convenience	1. Strategic Location	Likert
	(Perception of an	1. Convenience	2. Opening Hours (Duration of Service)	Likert
	individual or group of	2. Environment	3. Environment	Likert
	people towards an	and	4. Atmosphere	Likert
	organization. Dokpaimum	Atmosphere	5. Shop design	Likert
	et al, 2019)	Atmosphere	6. Smell and relaxation	Likert
			7. Product Performance	Likert
		2 D 1 4	8. Product Features	Likert
		3. Product	9. Product conformity with standards	Likert
		Quality	10. Product reliability	Likert
			11. Product aesthetics	Likert
		4. Service	12. Service that meets expectations	Likert
2	X2: Service Quality (The	1 101 1 1	Visually appealing physical facilities	Likert
	value of the consumer	1. Physical	2. Visually appealing service material	Likert
	whether the service	Aspect	3. Very modern equipment and supplies	Likert
	expected or promised is in		4. Employee behavior is pleasant	Likert
	accordance with the		5. Employee knowledge	Likert
	service in reality, so that it has an impact on consumer behavior.	2. Personal interaction	6. Speed of service by employees	Likert
			7. Quick response to customer inquiries	Likert
			8. Doing the right service the first time	Likert
	Dabholkar et al in Siu et		9. There is individual attention	Likert
	al (2001).		10. Security in transactions	Likert
			11. The use of credit cards in purchases	Likert
		2 D II	12. Very good quality of merchandise	Likert
		3. Policy	13. There has never been an error in sales/transaction records	Likert
			14. Convenience in operation	Likert
		4 B .	15. Promises to do something with a certain time	Likert
		4. Promise	16. Provide service at a time according to the promise	Likert
		5. Problem	17. Can handle customer complaints directly and indirectly	Likert
		solving	18. There is a genuine interest in solving problems	Likert
		Č	19. Have comfortable, attractive and clean common areas	Likert
			20. Store layout makes it easy for customers to find the items they need	Likert
		convenience	21. Store layout makes it easy for customers to get around	Likert
			22. Availability of merchandise	Likert
3	X3: Motivation		1. Company policy	Likert
5	(Motivation in terms of	1. Extrinsic	2. Supervision	Likert
	partnership is a factor that	motivation	3. Interpersonal relations	Likert

	encourages a person or		4. Rewards	Likert
	group to make a decision to cooperate with one or more parties to achieve		5. Preset	Likert
	goals on the basis of achieving goals or to gain profits. Santoso et al, 2015)	2. Intrinsic motivation	6. Awards	Likert
	2013)		7. Occupational risks	Likert
			8. Material requirement	Likert
4	X4: Relationship		Sharing information about competition	Likert
	Marketing (An approach		2. Share the latest product information	Likert
	by measuring the level of satisfaction to develop	1. Sharing information	3. Share information on changes in Smesco's needs with suppliers	Likert
	effective and efficient		4. Sharing information about product quality to suppliers	Likert
	programs to retain		5. Performance feedback	Likert
	customers and long-term		6. The importance of relationship continuity	Likert
	business (Gupta and Sahu		7. Planning for relationship continuity	Likert
	in Makhitha, 2019))			Lilrout
			8. Expect long-term relationships with suppliers	Likert
		2. Long term relationship	9. Review the relationship regularly, and determine problems and opportunities	Likert
			10. Have a long term relationship	Likert
			11. Buying the same product from different suppliers	Likert
		Transaction	12. Swapping supply when performance is not good	Likert
		relationship	13. change supply from time to time	Likert
			14. Depends on the small number of suppliers who have	
		4. Collaborative	quality products	Likert
		Relationship	15. Maintain close relationship with suppliers	Likert
5	X5: Trust Trust (trust is a form of belief that results from positive actions from one or each party in	1. Credibility	1. Reputation built on company consistency	Likert
	carrying out their duties (Anderson and Narus in Cahyono, 2010))	2. Concern	2. Concern for supplier needs	Likert
		3. Reliability	3. Reliability in solving supplier problems	Likert
6	(Y) Partnering Decisions	2.110111011111	Symmetrical scale and scope	Likert
	(Partnership decisions are		2. Past cooperation experience	Likert
	decision making through	1. Corporation	Management and organizational culture	Likert
	the process of selecting	compatibility	Mutual trust and commitment	Likert
	several options or		5. Capability of corporate strategy	Likert
	alternative partner choices	2. Technology	6. Availability of online platforms	Likert
	by considering risks and	capability	7. Application skill level	Likert
	various other criteria	-apacini,	8. Intensity and investment in R&D	Likert
	according to the	3. Resources	9. Equipment and experience for R&D	Likert
	organization being led so	for R&D	10. Number of R&D Personnel	Likert
	that they can achieve the	** *******	11. Quality Personal R&D	Likert
	goals or benefits that have been determined together (Chen et al, 2008))		12. Return on investment in the last 5 years	Likert
		4. Financial	13. Future profitability	Likert
			14. Growth potential	Likert
			1 P	

X1: Corporate Image

H1

X2: Service Quality

H3

Y: Partnership
Decision

H4

X4:Relationship
Marketing

H5

X5: Trust

Figure no. 1: Research Model

Hypothesis:

- H1: Corporate image influences the decision of SMEs to partner with Smesco Indonesia
- H2: Service quality influences the decision of SMEs to partner with Smesco Indonesia
- H3: The motivation of SMEs affects the decision of SMEs to partner with Smesco Indonesia
- H4: Relationship marketing influences the decision of SMEs to partner with Smesco Indonesia
- H5: Trust influences the decision of SMEs to partner with Smesco Indonesia

III. Result

Variable Descriptive Results

Researchers conducted descriptive testing through the results of the questionnaire to obtain the highest and lowest values of the variables Corporate Image, Service Quality, SME Motivation, Relationship Marketing, Trust, Partnering Decisions as shown in the following table:

Maximu Minimum Variable N mean m 257 Company Image 5 4.11 Service Quality 257 5 4.31 SME motivation 257 1 5 4.14 Relationship Marketing 4.24 257 Trust 4.32 1 257 Partner Decision 4.24

Table no 3:Descriptive Statistics of Research Variables

Source: Processed by Researchers (2021)

Based on table 2, it shows that the trust variable is considered good by Smesco's SME partners with the highest average value of 4.32 (the average value is above 4.0). The service quality variable with an average value of 4.31 has been rated well by Smesco's SME partners. The relationship marketing variable has been assessed as good by Smesco's SME partners with an average value of 4.24. The SME motivation variable is considered good by Smesco's SME partners with an average of 4.14, and the corporate image variable is considered high with an average of 4.11. However, among the variables determining the decision to partner, the corporate image variable is considered low compared to the other determining variables.

Measurement Model Results (Outer Model)

Examiners assess the validity and reliability of the model by evaluating the measurement model (outer model). According to Ghozali (2015), the evaluation of the outer model with reflection indicators is carried out through convergent and discriminant validity of the indicators forming latent construction and composite reliability and cornbach alpha for the indicator block.

1. Convergent Validity

According to Arikunto (2006), the reliability test used the CFA (Confimatory Factor Analysis) technique where the loading factor value was above 0.7. So if the indicator has a loading factor value below 0.7, it will be dropped from the model.

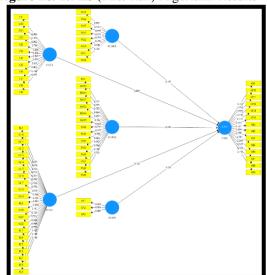


Figure no. 2:PLS (First Run) Algorithm Results

Table no 4: Convergent Validity Results Phase 1

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KL15 0.723 0.7 KL16 0.778 0.7 KL17 0.676 0.7	Valid
KL16 0.778 0.7 KL17 0.676 0.7	Valid
KL17 0.676 0.7	Valid
	Valid
	Invalid
KL18 0.78 0.7	Valid
KL19 0.262 0.7	Invalid
KL20 0.659 0.7	Invalid
KL21 0.781 0.7	Valid
KL22 0.726 0.7	Valid
MU1 0.745 0.7	Valid
MU2 0.743 0.7	Valid
MU3 0.773 0.7	Valid
SME MU4 0.745 0.7	Valid
motivation MU5 0.701 0.7	Valid
MU6 0.79 0.7	Valid
	Invalid
MU8 0.738 0.7	Valid

]	RM1	0.751	0.7	Valid
	RM2	0.737	0.7	Valid
	RM3	0.745	0.7	Valid
	RM4	0.78	0.7	Valid
	RM5	0.649	0.7	Invalid
	RM6	0.587	0.7	Invalid
D .1	RM7	0.746	0.7	Valid
Relationship Marketing	RM8	0.763	0.7	Valid
магкенпд	RM9	0.78	0.7	Valid
	RM10	0.585	0.7	Invalid
	RM11	0.593	0.7	Invalid
	RM12	0.621	0.7	Invalid
	RM13	0.437	0.7	Invalid
	RM14	0.762	0.7	Valid
	RM15	0.624	0.7	Invalid
	KP1	0.851	0.7	Valid
Trust	KP2	0.891	0.7	Valid
	KP3	0.86	0.7	Valid
	KB1	0.707	0.7	Valid
	KB2	0.721	0.7	Valid
	KB3	0.304	0.7	Invalid
	KB4	0.19	0.7	Invalid
	KB5	0.181	0.7	Invalid
	KB6	0.245	0.7	Invalid
Partner	KB7	0.307	0.7	Invalid
Decision	KB8	0.733	0.7	Valid
	KB9	0.719	0.7	Valid
	KB10	0.752	0.7	Valid
	KB11	0.722	0.7	Valid
	KB12	0.73	0.7	Valid
	KB13	0.774	0.7	Valid
	KB14	0.443	0.7	Invalid

Figure no. 2: PLS Algorithm Results (Modification)

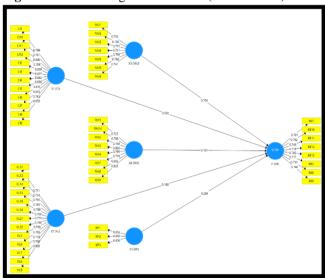


Table no 5: Convergent Validity (Modification) Results

Variable	ariable Indicator Outer Loading Condition			
	CI1	0.799	0.7	Valid
	CI2	0.809	0.7	Valid
	CI3	0.827	0.7	Valid
Company Image	CI4	0.843	0.7	Valid
	CI5	0.856	0.7	Valid
	CI6	0.815	0.7	Valid
	CI7	0.801	0.7	Valid
	CI8	0.745	0.7	Valid
	CI9	0855	0.7	Valid
	CI10	0.787	0.7	Valid
	CI11	0.8	0.7	Valid

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	CI12	0.798	0.7	Valid
	KL3	0.749	0.7	Valid
	KL6	0.769	0.7	Valid
	KL7	0.779	0.7	Valid
	KL8	0.768	0.7	Valid
	KL9	0.808	0.7	Valid
g :	KL12	0.731	0.7	Valid
Service	KL13	0.714	0.7	Valid
Quality	KL14	0.793	0.7	Valid
	KL15	0.749	0.7	Valid
	KL16	0.766	0.7	Valid
	KL18	0.799	0.7	Valid
	KL21	0.773	0.7	Valid
	KL22	0.748	0.7	Valid
	MU1	0.75	0.7	Valid
	MU2	0.738	0.7	Valid
CME	MU3	0.772	0.7	Valid
SME	MU4	0.741	0.7	Valid
motivation	MU5	0.708	0.7	Valid
	MU6	0.784	0.7	Valid
	MU8	0.741	0.7	Valid
	RM1	0.723	0.7	Valid
	RM2	0.769	0.7	Valid
	RM3	0.795	0.7	Valid
Relationship	RM4	0.8	0.7	Valid
Marketing	RM7	0.759	0.7	Valid
	RM8	0.803	0.7	Valid
	RM9	0.835	0.7	Valid
	RM14	0.788	0.7	Valid
	KP1	0.852	0.7	Valid
Trust	KP2	0.892	0.7	Valid
	KP3	0.859	0.7	Valid
	KB1	0.701	0.7	Valid
	KB2	0.717	0.7	Valid
	KB8	0.75	0.7	Valid
Partner	KB9	0.746	0.7	Valid
Decision	KB10	0.762	0.7	Valid
	KB11	0.749	0.7	Valid
	KB12	0.718	0.7	Valid
	KB13	0.78	0.7	Valid

Based on Table 5 above, that the entire value of the loading factor of each variable is > 0.7. In addition, convergent validity is also assessed based on the Average Variance Extracted (AVE) value which can be seen in the following table:

Table no 6: AVE (Average Variance Extracted) Test Results

Variable	AVE
Company Image	0.659
Service Quality	0.586
SME motivation	0.56
Relationship Marketing	0.616
Trust	0.753
Partner Decision	0.549

Based on Table 6 above, the results of the convergent validity construct testing on all research variables, namely company image, service quality, SME motivation, relationship marketing, trust, and partnering decisions have met the criteria with an AVE value > 0.50

2. Discriminant Validity

After going through the convergent validity construct testing stage, the next step is the discriminant validity testing stage which is done by looking at the Square Root of Average Variance Extracted (AVE) value for each construct with the correlation value between constructs in the table. This model is often called the Fornell Larcker Criterion where an indicator is declared valid if it has the highest loading factor for the intended construct compared to the loading factor for the target construct.

 Table no 7:Discriminant Validity Test Results (Fornell-Larcker Criterion)

Variable	X1	X2	X3	X4	X5	Y
Company Image	0.812					
Service Quality	0.66	0.765				
SME motivation	0.55	0.739	0.828			
Relationship Marketing	0.568	0.622	0.748	0.785		
Trust	0.542	0.735	0.673	0.749	0.868	
Partner Decision	0.558	0.759	0.753	0.776	0.752	0.866

Based on table number 7 above, that the value of the square root of average extracted (AVE) for each construct is greater than the correlation between one construct and another so that it meets the criteria as a good discriminant validity value.

Table no 8: Discriminant Validity Test Results (Heterotrait-Monotrait Ratio)

	Company Image	Service Quality	SME motivation	Relationship Marketing	Trust	Partner Decision
Company Image						
Service Quality	0.679					
SME motivation	0.593	0.802				
Relationship Marketing	0.599	0.848	0.83			
Trust	0.593	0.823	0.776	0.842	•	
Partner Decision	0.59	0.829	0.837	0.844	0.841	

Based on table number 8 above, the HTMT output of all variables shows a value of <0.90. That is, each construct has a good discriminant validity value. According to Henseler et al (2016) the measurement value must be less than 0.85 although values above 0.85 up to a maximum of 0.90 are still considered sufficient.

Table no 9: Discriminant Validity Test Results (Cross Loading)

	X1	X2	X3	X4	X5	Y
CI1	0.799	0.45	0.343	0.379	0.392	0.344
CI2	0.809	0.584	0.46	0.473	0.387	0.474
CI3	0.827	0.531	0.434	0.519	0.422	0.445
CI4	0.843	0.539	0.485	0.48	0.449	0.469
CI5	0.856	0.613	0.481	0.506	0.557	0.52
CI6	0.815	0.548	0.444	0.483	0.471	0.467
CI7	0.801	0.423	0.407	0.389	0.355	0.333
CI8	0.745	0.356	0.321	0.299	0.276	0.295
CI9	0855	0.571	0.497	0.523	0.501	0.495
CI10	0.787	0.624	0.522	0.516	0.489	0.587
CI11	0.8	0.459	0.362	0.376	0.399	0.4
CI12	0.798	0.581	0.499	0.471	0.461	0.448
KL3	0.493	0.749	0.572	0.6	0.531	0.536
KL6	0.492	0.769	0.463	0.576	0.55	0.539
KL7	0.53	0.779	0.5	0.621	0.493	0.573
KL8	0.54	0.768	0.539	0.585	0.526	0.58
KL9	0.493	0.808	0.483	0.639	0.56	0.56
KL12	0.495	0.731	0.584	0.645	0.536	0.587
KL13	0.417	0.714	0.576	0.584	0.551	0.541
KL14	0.493	0.793	0.613	0.672	0.669	0.599
KL15	0.526	0.749	0.569	0.598	0.506	0.532
KL16	0.547	0.766	0.565	0.606	0.551	0.652
KL18	0.507	0.799	0.582	0.677	0.636	0.555
KL21	0.467	0.773	0.608	0.671	0.6	0.613
KL22	0.55	0.748	0.674	0.687	0.59	0.654
MU1	0.493	0.634	0.75	0.663	0.489	0.54
MU2	0.451	0.527	0.738	0.622	0.466	0.455
MU3	0.413	0.444	0.772	0.623	0.543	0.566
MU4	0.393	0.474	0.741	0.565	0.429	0.415
MU5	0.433	0.674	0.708	0.615	0.591	0.689
MU6	0.353	0.55	0.784	0.575	0.417	0.585
MU8	0.352	0.517	0.741	0.655	0.54	0.598
RM1	0.477	0.552	0.663	0.723	0.43	0.456
RM2	0.431	0.592	0.63	0.769	0.46	0.524
RM3	0.473	0.735	0.634	0.795	0.538	0.675
RM4	0.492	0.661	0.59	0.8	0.611	0.626
RM7	0.398	0.537	0.697	0.759	0.564	0.541
RM8	0.453	0.64	0.672	0.803	0.672	0.637

RM9	0.418	0.702	0.688	0.835	0.583	0.65
RM14	0.435	0.693	0.646	0.788	0.776	0.7
KP1	0.471	0.684	0.565	0.656	0.852	0.68
KP2	0.476	0.652	0.626	0.702	0.892	0.686
KP3	0.462	0.567	0.558	0.584	0.859	0.582
KB1	0.373	0.507	0.501	0.529	0.519	0.701
KB2	0.451	0.548	0.572	0.578	0.557	0.717
KB8	0.389	0.558	0.567	0.605	0.553	0.75
KB9	0.351	0.554	0.512	0.557	0.606	0.746
KB10	0.451	0.603	0.58	0.593	0.589	0.762
KB11	0.402	0.584	0.616	0.581	0.484	0.749
KB12	0.401	0.526	0.526	0.551	0.604	0.718
KB13	0.483	0.613	0.584	0.602	0.544	0.78

Based on Table 9 above, all latent construct values have shown good and valid discriminant validity because their values are greater than other construct correlations.

Table no 9:Test resultsComposite Reliability and Cronbach's Alpha

Variable	Cronbach's Alpha	Composite Reliability	Description	
Company Image	0.953	0.959	Reliable	
Service Quality	0.941	0.948	Reliable	
SME motivation	0.870	0.899	Reliable	
Relationship Marketing	0.911	0.928	Reliable	
Trust	0.836	0.901	Reliable	
Partner Decision	0.882	0.907	Reliable	

Based on Table 9 above, that the composite reliability and Cronbach's alpha values have met the requirements, namely having a value of > 0.7 so it can be said that the variables of Corporate Image, Service Quality, SME Motivation, Relationship Marketing, Trust and Partnering Decisions are presented on the questionnaire as a measuring tool. in this study is reliable or considered reliable (consistent).

Measurement Model Results (Inner Model)

Next, the researchers tested the structural model (inner model) with the aim of predicting the relationship and influence between the independent latent variable and the dependent latent variable by looking at the value of the coefficient of determination, namely R-Square (R2),F-Square (f2),and predictive relevance (Q2) to assess the structural (inner model) (Gozali, 2015).

Table no 10: R Square Test Results (R2)

Construct	R Square (R2)	R Square Adjusted	
Partner Decision (Y)	0.709	0.704	

Based on Table 10 above, the partnering decision variable model can be said to be strong because it has a value above 0.67. The value of R Square (R2) for the Partner Decision variable (Y) is 0.709 or 70.9 percent. This shows that the variables of Corporate Image (X1), Service Quality (X2), SME Motivation (X3), Relationship Marketing (X4), Trust (X5) have an influence on partnering decisions by 70.9 percent. While the remaining 29.1 percent is influenced by other variables outside the studied. So for further researchers, it is necessary to re-examine the partnership decision model on different research objects and locations, such as the partnership relationship between SMEs and large businesses, the private sector, as well as partnership relationships between SMEs and SMEs.

Table no 11: f Square test results (f2)

Variable	f-Square	Description		
Company Image -> Partner Decision	0.002	Small		
Quality of Service -> Partner Decision	0.034	Small		
SME Motivation -> Partnering Decision	0.067	Small		
Relationship Marketing -> Partner Decision	0.018	Small		
Trust -> Partner Decision	0.156	Medium/ Moderate		

Based on table 11 above, it is found that the corporate image variable has a 0.02 percent (small) influence on the decision to partner, service quality has a 3.4 percent (small) influence on the partnering

decision, SME motivation has a 6.7 percent (small) influence, on the decision to partner, relationship marketing has an influence of 1.8 percent (small on the decision to partner. While the trust variable has a medium or moderate influence on the decision of SMEs to partner with Smesco Indonesia, which is 15.6 percent.

Table no 12: ResultsPredictive Relevance (Q2)

Variable	SSO	SSE	Q ² (=1-SSE/SSO)	
Partner Decision	2056	1272,371	0.381	

Based on table 12, the results of the Predictive Relevance (Q2) calculation result in a value of 00.381 where this value indicates a value greater than 0, so it can be said that the model has a relevant and strong predictive value.

Hypothesis Test Results

According to Helm et al. (2009) in Hair et al. (2014), the path coefficient value is in the range of values of -1 to +1, where the path coefficient value approaching +1 represents a strong positive relationship, and the coefficient value -1 indicates a strong negative relationship. The significance relationship between hypotheses can be seen with the parameter coefficient values and the t-statistical significance value in the bootstrapping report algorithm where the t-statistical significance value must be greater than 1.96 (Ghozali, 2014). The method of decision making is as follows:

- a) If P-Values > 0.05 or t-count < t-table, then Ho is accepted and Ha is rejected.
- b) If P-Values < 0.05 or t-count > t-table, then Ho is rejected and Ha is accepted.

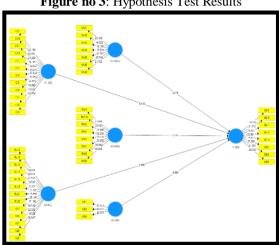


Figure no 3: Hypothesis Test Results

Table no 13: Hypothesis Test Results (Bootstrapping)

- 3.3.1 3 3 3 3 3 3				
Relationships Between Constructs	Original Sample (O)	T Statistics (O/STDEV)	PValues	
Company Image -> Partner Decision	0.036	0.615	0.539	
Quality of Service -> Partner Decision	0.198	1.99	0.047	
SME Motivation -> Partnering Decision	0.256	3,578	0	
Relationship Marketing-> Partner Decision	0.161	2.254	0.025	
Trust -> Partner Decision	0.294	4.983	0	

- 1) Based on Table 4.19, it can be concluded that company image has no significant effect on partnering decisions. This is indicated by the test results between the two variables that do not meet the requirements, with the original sample value of 0.036 which is close to the value of +1, and has a T-Statistic value of 0.615 (< 1.96), and a P Value of 0.539 > 0.05.
- 2) Based on Table 4.19, it is known that service quality has a significant effect on partnering decisions. This is indicated by the test results between the two variables that meet the requirements, with the original sample value of 0.198 which is close to the value of +1, and has a T-Statistic value of 1.990 (> 1.96), and a P Value of 0.047 < 0.05.
- 3) Based on Table 4.19, it is known that the motivation of SMEs has a significant effect on the decision to partner. This is indicated by the test results between the two variables that meet the requirements with the original sample value of 0.256 which is close to the value of +1, and has a T-Statistic value of 3.578 (> 1.96), and a P Value of 0.000 < 0.05.

- 4) Based on Table 4.19, it is known that relationship marketing has a significant effect on partnering decisions. This is indicated by the test results between the two variables that meet the requirements with the original sample value of 0.161 which is close to the value of +1, and has a T-Statistic value of 2.254 (> 1.96), and a P Value of 0.025 < 0.05).
- 5) Based on Table 4.19, it is known that trust has a significant effect on partnering decisions. This is indicated by the test results between the two variables that meet the requirements with the original sample value of 0.294 which is close to the value of +1, and has a T-Statistic value of 4.983 (> 1.96), and a P Value of 0.000 <0.05.

IV. Discussion

(1) The Influence of Corporate Image (X1) on Partnering Decisions (Y)

Based on the results of the hypothesis test in table 4.19 above, hypothesis one is rejected, which reads that the image of Smesco Indonesia does not have a significant influence on the decision of SMEs to partner with Smesco Indonesia. This is because the results of the descriptive value of the corporate image variable are considered not good by the SME partners (with an average value of 4.11). The parameters of the company's image that are considered not good by SMEs are: (1) The duration of service at the Smesco gallery is considered not good by SME partners (with an average value of 4.00); (2) The condition of the relaxing fragrance of the gallery which is a place for selling SME products has not met the expectations of SME partners (with an average value of 3.88). Through the results of interviews between researchers with the management of Smesco Indonesia, it was found that Smesco has an office hour service 5 working days a week (Monday to Friday), from 08.00 WIB to 16.00 WIB. Meanwhile, store operational service hours are Monday to Sunday, from 10.00 WIB to 21.00 WIB. As for national holidays such as holidays, considering that Smesco Indonesia is part of the Ministry of Cooperatives and SMEs, the Smesco gallery's operating hours are also closely following the policies that apply within the Ministry of Cooperatives and SMEs. This condition is very different from what SMEs expect, because when compared to other shopping places such as supermarkets or malls which have operating hours from 10.00 WIB to 22.00 WIB, and continue to operate even during national holidays. In addition, the condition of the Smesco gallery is considered to lack a fragrant and refreshing aroma so it is felt it is not enough for SMEs and customers to feel at home in the Smesco gallery. Different when compared to other competitors such as The Goods Dept., Metro Mall, Sogo, and other shopping places. This can be interpreted that, there is a difference between the perception of the image from the point of view of the SMEs and the image that the management of Smesco Indonesia wants to display. Therefore, Smesco's corporate image has not been assessed as good enough to influence the decision of SMEs to partner with Smesco. In addition, the condition of the Smesco gallery is considered to lack a fragrant and refreshing aroma so it is felt it is not enough for SMEs and customers to feel at home in the Smesco gallery. Different when compared to other competitors such as The Goods Dept., Metro Mall, Sogo, and other shopping places. This can be interpreted that, there is a difference between the perception of the image from the point of view of the SMEs and the image that the management of Smesco Indonesia wants to display. Therefore, Smesco's corporate image has not been assessed as good enough to influence the decision of SMEs to partner with Smesco. In addition, the condition of the Smesco gallery which is considered to lack a fragrant and refreshing aroma so it is felt that it is not enough for SMEs and customers to feel at home in the Smesco gallery. Different when compared to other competitors such as The Goods Dept., Metro Mall, Sogo, and other shopping places. This can be interpreted that, there is a difference between the perception of the image from the point of view of the SMEs and the image that the management of Smesco Indonesia wants to display. Therefore, Smesco's corporate image has not been assessed as good enough to influence the decision of SMEs to partner with Smesco. there is a difference between the perception of the image from the point of view of the SMEs and the image that the management of Smesco Indonesia wants to display. Therefore, Smesco's corporate image has not been assessed as good enough to influence the decision of SMEs to partner with Smesco. there is a difference between the perception of the image from the point of view of the SMEs and the image that the management of Smesco Indonesia wants to display. Therefore, Smesco's corporate image has not been assessed as good enough to influence the decision of SMEs to partner with Smesco.

The results of this study are not relevant to the results of the study Hedman, Inka. Orrensali (2018) states that the corporate image and the personal image of the leader (CEO) have a positive and significant influence on the decision to establish a new business relationship. according to *Dokmaipum et al*(2019) in their research also stated that *corporate image* has a direct influence on the perception of customers or suppliers in deciding to work together. Based on this, it can be concluded that there is a difference in the perception of the corporate image expected by SMEs with the perception of the corporate image that the management of Smesco Indonesia wants to display. Thus, management must carry out a positioning strategy again to build the image of Smesco Indonesia, so that it can improve the decision of SMEs to partner with Smesco.

(2) The Influence of Service Quality (X2) on Partnering Decisions (Y)

Based on the results of the hypothesis test in table 4.19 above, it is stated that hypothesis two is accepted, which reads that service quality has a significant influence on the decision of SMEs to partner with Smesco Indonesia. The influence of service quality on the decision of SMEs to partner with Smesco is 0.034 (3.4 percent). That is if Smesco management improves the quality of service to customers (customers who buy SME products at Smesco) it will increase the decision of SMEs to partner with Smesco. Meanwhile, ways to improve the quality of Smesco's services are: (1) Smesco should improve the layout that makes customers comfortable shopping; (2) Smesco gives individual attention to SMEs active in the form of information about the suitability of its products with what customers are looking for;

The results of this study are in line with the research conducted by Hey, Angus. Hosie (2015)shows that it is important to include a service quality perspective that has a positive effect on customer expectations, especially in B2B professional services. Brand Equity in B2B services and consequences for the Trade Show Industry. Likewise with researchDabholkar et al in Siu et al (2001) service quality is the value of consumers whether the expected or promised service is following the actual service, so that it has an impact on subsequent consumer behavior. Based on this, it can be concluded that, good service quality and following what has been promised by the management to SME partners, further enhance the decision of SMEs to partner with Smesco Indonesia.

(3) The Influence of SME Motivation (X3) on Partnering Decisions (Y)

Based on the results of the hypothesis test in table 4.19 above, it is stated that the third hypothesis is accepted, which reads that the motivation of SMEs has a significant influence on the decision of SMEs to partner with Smesco Indonesia. The large influence of SME motivation on SME's decision to partner with Smesco is 0.067 (6.7 percent). This means that if Smesco's management is able to encourage the motivation of SMEs to cooperate, it will increase the decision of SMEs to partner with Smesco Indonesia. The ways to increase the motivation of SMEs to partner with Smesco are:(1) Smesco management gives awards or appreciation for the achievements of SMEs. The form of appreciation is in the form of providing exclusive space for SME products in the Smesco gallery, exposing the success story of the UKM to Smesco's social media, and giving awards in the form of trophies to SMEs who have succeeded in achieving high sales; (2) Smesco management should maintain good relations with SME partners in the form of regular partner meetings in Jakarta which are attended by SMEs at least twice a year. In addition, Smesco management regularly visits SME partners to provide counseling in the form of Government programs that can support the development of products and businesses of SMEs;

The results of this study are in line with previous research by Stiles and Williams (2015)which states that motivation, consensus, process and alignment greatly influence decisions and ongoing considerations when initiating and developing multi-agency partnerships. Then according to Santoso et al (2015) stated that motivation in terms of partnership is a factor that encourages a person or group to decide to cooperate with one or more parties to achieve goals based on profit. Based on this, it can be concluded that the appreciation given by Smesco to SMEs, the efforts made by the management to maintain and maintain good relations with SMEs, and the policies drawn up by the management for the benefit of SMEs can encourage the motivation of SMEs. to partner with Smesco Indonesia.

(4) Effect of Relationship Marketing (X4) on Partnering Decisions (Y)

Based on the results of the hypothesis test in table 4.17 above, it is stated that the fourth hypothesis is accepted, which reads that the relationship marketing strategy carried out by Smesco management has a significant influence on the decision of SMEs to partner with Smesco Indonesia. The large influence of SME motivation on the decision of SMEs to partner with Smesco is 0.018 (1.8 percent). That is, if Smesco management is able to maintain and even improve a good relationship marketing strategy, it will increase the decision of SMEs to partner with Smesco Indonesia. As for how to improve marketing relationships, namely: (1) Smesco management is expected to carry out good communication regularly with SMEs to conduct reviews and discussions related to selling their products in the Smesco gallery; (2) Smesco management is expected to actively provide detailed information on product analysis including product standards expected by customers every month to SMEs; (3) Smesco management is expected to be able to create long-term relationships with SME partners through good communication so that SMEs can benefit from partnering with Smesco which enables SMEs to develop their products according to market demand.

The results of this study are in line with previous research by Makhitha (2019) which shows that relationship marketing is very decisive in the decision to partner or to continue the partnership relationship into a long-term relationship. Then also according to Lages et al (2007) relationship marketing has a positive effect on the continuity of business to business relationships. Based on this, it can be concluded that by maintaining

and improving good communication between Smesco management and SME partners, by conveying various information both in terms of products, to sales in Smesco galleries, can improve the decision of SMEs to establish a partnership relationship with Smesco Indonesia.

(5) The Effect of Trust (X5) on Partner Decisions (Y)

Based on the results of the hypothesis test in table 4.17 above, it is stated that the fifth hypothesis is accepted. The trust of SMEs has a significant influence on the decision of SMEs to partner with Smesco Indonesia. The influence of SMEs' trust on the decision of SMEs to partner with Smesco is 0.156 (15.6 percent). This means that if Smesco's management can maintain and even increase the trust of SMEs, it will increase the decision of SMEs to partner with Smesco Indonesia. How Smesco management increases the confidence of SMEs in Smesco management is that management must be active and consistent in providing information related to market needs, both in terms of product models, materials, and designs. So that in the future, many SME products will be purchased by customers.

The results of this study are in line with previous research byCahyono (2010)shows that there is a positive relationship between the variables of reputation, trust, dependence, satisfaction, commitment, and communication on long-term cooperation and the company's competitive advantage. Then according to Zhan et al (2020) trust is a very important factor in industrial cooperation relations. Six et al., in Zhang et al., (2020) trust is formed or arises because the parties in B2B relationships show their commitment to carrying out the collaboration.

V. Conclusion

- 1. The image of Smesco Indonesia does not have a significant influence on the decision of SMEs to partner with Smesco Indonesia. This is because SMEs perceive that Smesco's image is not good with an average value of 4.11 percent.
- 2. Smesco Service Quality has a significant influence on the decision of SMEs to partner with Smesco Indonesia, with a large influence of 3.4 percent. Therefore, the management of Smesco Indonesia should improve the quality of services to improve the decision of SMEs to partner with Smesco Indonesia. This is because service quality has an influence on the decision of SMEs to partner with Smesco (by 3.4 percent). The ways to improve service quality are: (1)Smesco should improve the layout that makes customers comfortable shopping; (2) Smesco gives individual attention to SMEs active in the form of information about the suitability of its products with what customers are looking for; (3) Smesco should have a sincere intention in solving problems related to complaints felt by SMEs through optimizing the SME Service Center, namely increasing the response of customer service that is fast, responsive, well-informed, and easily accessible by SMEs via WhatsApp chat, telephone, to come directly to the Smesco Indonesia office.
- 3. The motivation of SMEs has a significant influence on the decision of SMEs to partner with Smesco Indonesia, with a large influence of 6.7 percent. How management encourages the motivation of SMEs to cooperate with Smesco are:(1) Smesco management gives awards or appreciation for the achievements of SMEs. The form of appreciation is in the form of providing exclusive space for SME products in the Smesco gallery, exposing the success story of the UKM to Smesco's social media, and giving awards in the form of trophies to SMEs who have succeeded in achieving high sales; (2) Smesco management should maintain good relations with SME partners in the form of regular partner meetings in Jakarta which are attended by SMEs at least twice a year. In addition, Smesco management regularly visits SME partners to provide counseling in the form of Government programs that can support the development of products and businesses of SMEs;
- 4. The relationship marketing strategy by Smesco has a significant influence on the decision of SMEs to partner with Smesco Indonesia, with a large influence of 1.8 percent. The ways to improve relationship marketing strategies are:(1) Smesco management is expected to have good communication regularly with SMEs to conduct reviews and discussions regarding the sale of their products in the Smesco gallery; (2) Smesco management is expected to actively provide detailed information on product analysis including product standards expected by customers every month to SMEs; (3) Smesco management can create long-term relationships with SME partners through good communication to enable SMEs to continue developing their products according to market demand.
- 5. The trust of SMEs has a significant influence on the decision of SMEs to partner with Smesco Indonesia, with a large influence of 15.6 percent. The ways to improve service quality are: (1)Smesco should improve the layout that makes customers comfortable shopping; (2) Smesco gives individual attention to SMEs active in the form of information about the suitability of its products with what customers are looking for; (3) Smesco should have a sincere intention in solving problems related to complaints felt by SMEs through optimizing the SME Service Center, namely increasing the response of customer service that is fast,

responsive, well-informed, and easily accessible by SMEs via WhatsApp chat, telephone, to come directly to the Smesco Indonesia office.

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