The Effect Of Partner Capabilities, Economic Benefits And Trust To Continue Channel Partnership by MSMEs

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ARTICLE INFO	ABSTRACT
ISSN: 2723-1097	<i>The development of a business model requires SMEs to develop and strive to make their business run smoothly and develop for the better. Therefore, to catch up with big business competitors, it requires business cooperation. This study aims to determine the effect of partner capabilities and economic benefits on the decision to continue a business partnership that mediated by trust. To analyze the model, this study used 80 SMEs that partnered with Lamongan Mart. We used the partial least square (PLS) method to test the hypothesis. The results show that there is a significant effect of partner capability on trust. Economic benefits have a significant effect on trust. The decision to continue the partnership is significantly influenced by the partner's capabilities and economic benefits. Trust has a significant effect on the decision to continue the partnership. In conclusion, trust can mediate partner capabilities and economic benefits to the decision to continue the partnership.</i>
Keywords:	
<i>Decision to Continue The Partnership; Economic Benefits; Partner Capabilities; Trust.</i>	

Introduction

The development of science requires humans to follow every process. Likewise with business, business orientation by companies and MSMEs will help to understand variations in adoption from large companies, for example in the approach *e-marketing* (Pandey, Nayal, & Rathore, 2020). Understanding of technology and cooperation needs to be improved so that the business can adapt to the times, especially in the use of marketing a product for MSMEs. The more competition and technological developments, the forms of marketing and sales methods carried out by MSME owners so that their product range can be broad and can also be helped, a partnership is needed. MSMEs are expected to have websites and social media in order to develop and change product marketing and sales (Ritz, Wolf, & McQuitty, 2019). However, if MSMEs cannot do it themselves, then cooperation with other parties who have the capability and provide many benefits for MSMEs is needed. Complement each other in order to get big profits between business units to be able to increase resources (Rothaermel & Boeker, 2008). The criteria for partners must have good skills in plays an important role as an intermediary in building an atmosphere of trust and

reciprocity through an equal understanding of the various interests between consumers and partners ([Babiak & Thibault, 2009](#)).

Relationship marketing can result in stronger customer relationships thereby increasing business performance, sales growth and profit sharing ([Morgan & Hunt, 1994](#)). Doubts can arise in relationship marketing in terms of a minimal level of profit ([Palmer & Bejou, 2006](#)). The functional benefits received do not always affect commitment. The high uncertainty related to technology, companies can behave opportunistically in a business context leading to unpredictable behaviour ([Lin, 2013](#)). Another opinion states that a relationship mediated by trust will provide support to the parties who cooperate in the relationship (Morgan & Hunt, 1994). Trust can be a strong mediator between the benefits provided towards relationship commitment ([Jeong & Oh, 2017](#)). Therefore, in this study, we choose trust as a mediator variable that mediates the ability of partners and the economic benefits that will be obtained by MSMEs in a partnership relationship.

Lamongan Mart is a digital market formed by the Lamongan Regency Government as an intermediary in the marketing field that provides MSME space so that their products can be marketed in Lamongan Mart because the Lamongan Regency Government calculates that 40% of MSMEs are constrained in their marketing. In addition, launching a creative house which will become the operational center of Lamongan Mart which will educate MSMEs so that they can improve the quality of their products and packaging as well as offline sales points ([Manshuri, 2018](#)). The interest in researching Lamongan Mart because no one has researched it and the initiator of its establishment is the Lamongan Regency Government, thus giving the assumption that the purpose of establishing Lamongan Mart is to increase Regional Original Income. The economic growth of MSMEs will affect the Regional Original Income, so that the district government can get income independently ([Suryana, 2000](#)). This study aims to determine the effect of partners' abilities and economic benefits on the decision to continue a partnership mediated by trust. Within the scope of MSMEs that have partnered with Lamongan Mart.

Literature Review

Capabilities of Partners

Available resources are the main source of capabilities that make the company's performance better ([Grant, 1991](#)). When resources are not good then the company's ability will not be optimal. According to [Davis and Sun, \(2006\)](#) the connotative meaning of ability in intentionality is the ability to integrate business in getting the best resources for the company and being able to implement all existing resources to produce quality output. Intermediaries are balancers and conveyers of ideas but can act as dynamic synthesizers who can collaborate and take action that can provide solutions ([Sonday & Wilson-Prangley, 2018](#)). Intermediaries also play an important role in living and leading in the development of an effective vision and supporting

tools, building an atmosphere of trust and reciprocity through a holistic understanding of various interests ([Babiak & Thibault, 2009](#)). The role of intermediaries depends on the dynamics of a supply chain. For example, in a supply chain, members range from manufacturers to retailers. Trade is usually handled by intermediaries, which connect manufacturers and retailers ([Fung & Chen, 2010](#)). In marketing ability, it will refer to the relational competencies needed to improve relationships with customers, suppliers, and channel partners ([Wang, 2020](#)).

Economic Benefits

Benefits are income and wealth generated from sales ([Frechtling, 1994](#)). [Morgan and Hunt, \(1994\)](#) provide a presupposition when companies that receive benefits from partnerships such as product profitability and product performance will be bound by the relationship. In addition, benefits are the provision of resources obtained from other partners ([Austin & Seitanidi, 2012](#)). The benefits of the relationship are directly related to the level of commitment that customers may feel to the company ([Hennig-Thurau, Gwinner, & Gremler, 2002](#)). One of the economic benefits is the result of cost compensation from the use of goods that have been used by others ([Silva & Mosimane, 2013](#)). Economic value is usually referred to as the marginal value that can increase the quantity of income ([Hanley, Breeze, Ellis, & Goulson, 2015](#)). The benefits in the form of investment in human and economic resources obtained by partnership members such as money, services, information, training, status, increased income, reduced marketing costs, efficient marketer resources and increased sales ([Alrubaiee, Alshaibi, & Al-Bayati, 2012](#); [Frechtling, 1994](#); [Hyvonen, 1993](#); [Lin, Huang, & Burn, 2007](#)). Receiving partner benefits is reciprocal by contributing to the company. It can be concluded that economic benefits are rights to cooperation, both sales and results from the use of goods or resources that have been used by others in the form of compensation and efficiency.

Trust

Strong belief in a party that can be trusted and relied upon and has integrity is part of trust ([Morgan & Hunt, 1994](#)). Trust can replace supervision in direct observation of partners so that it becomes practical ([Morgan & Hunt, 1994](#)). Furthermore, understanding trust and its causes can facilitate people by building trust through similar means other than interpersonal ([Mayer, Davis, & Schoorman, 1995](#)). Trust is a willingness to take action by others who are believed to have reliability and integrity ([Morgan & Hunt, 1994](#)). Perceptions of fairness by considering inputs in a relationship to the results received are perceptions of trust ([Padgett, Hopkins, & Williams, 2020](#)). Trust focuses on goodwill trust with the partner's belief that the partner will comply with the cooperation agreement ([Jiang, Li, Gao, Bao, & Jiang, 2013](#)). Trust is one party's belief in the other party's ability to provide a valuable assessment ([Guo, 2013](#)). Initial belief that arises from a pessimistic attitude to start a relationship with another party ([Vanneste, Puranam, & Kretschmer, 2014](#)). Trust is defined as a belief in the good intentions of the other party ([Kumar & Yakhlef, 2016](#)).

Trust is a belief in the virtue and credibility of the salesperson ([Lussier, Grégoire, & Vachon, 2017](#)).

[Chowdhury, \(2012\)](#) compiled a combination of indicators from other researchers from 1972 to 2008 to measure trust in terms of virtue and credibility, integrity, reliability, predictability, fairness, honesty, competence, goodwill, and constancy. [Nilsson and Mattes, \(2015\)](#) state that the duration of the relationship and the number of interactions are conditions that facilitate the gradual creation of trust, because repeated relationships and communication will provide direct experience to the party who creates trust and entrusts it.

The Decision to Continue Partnership

Partnership is a decision to build strong relationships in order to influence the outcome of the exchange and recognize that exchanges can vary from transactional to relational ([Palmatier, Dant, & Grewal, 2007](#)). Relationships also explain that the effect of trust on cooperation is greater than commitment to cooperation. Partnering decisions are cooperation that requires both parties in a relationship to participate actively to achieve mutual benefits and increase success in the relationship ([Lancastre & Lages, 2006](#)). Relationships should have a greater impact on exchange outcomes in business than in consumer markets ([Palmatier, Dant, Grewal, & Evans, 2006](#)).

Cooperation is a coordinated and complementary action between partners and business actors in their efforts to achieve common goals. Cooperation can create value beyond what each party can achieve in individual circumstances. However, because one party often receives a share of the profits early, the other party must have sufficient trust in the relationship to receive a share of the profits ([Palmatier et al., 2006](#)). In the view of business-to-business relationships, coordination tasks are included in cooperative behavior that is carried out together or alone to pursue the same and/or appropriate goals and agendas that are carried out in developing and maintaining relationships ([Woo & Ennew, 2004](#)). Relationship commitment becomes an exchange partner who believes in ongoing relationships with other parties to ensure maximum effort in their willingness to maintain and can ensure that they can survive indefinitely ([Morgan & Hunt, 1994](#)). Commitment can also be interpreted as efforts and actions aimed at maintaining a relationship for a long time ([Sales-Vivó, Gil-Saura, & Gallarza, 2020](#)). Commitment provides a concept of the extent to which partners can be psychologically attached to the partnership of the relationship ([Hessling, Åsberg, & Roxenhall, 2018](#)).

Relationship between Variables

Capability of Partners and Trust for H1

Suppliers feel understood and valued when they perceive partners as knowledgeable about their products and business ([Zhang, Viswanathan, & Henke, 2011](#)). Knowledge of the state of resources and capabilities affects the level of trust

([Perks & Halliday, 2003](#)). Trust is dependent on the ability of the other party because trust requires an assessment of the credibility and goodness of the other party ([Doney, 1997](#)). Reliable behavior and competence are important in building trust in relationships ([Karlsen, Græe, & Massaoud, 2008](#)). Lack of trust is at the heart of many conflicts that can dissolve a relationship ([Kiessling & Harvey, 2004](#)). The relationship between ability and trust, was found to be significant ([Theron, Terblanche, & Boshoff, 2011](#)). Performance ability is positively related to trust ([Chen, Huang, & Sternquist, 2011](#)). Competence is an important component of trust ([Abosag & Lee, 2013](#)). Ability has a positive effect on trust ([Lee, 2017](#)). Therefore, the researcher makes a hypothesis:

H1: The capability of partners has a positive effect on trust.

Economic Benefit and Trust for H2

The advantages found in partnerships can be developed and maintained by the level of trust ([Kiessling & Harvey, 2004](#)). In accordance with the opinion ([Palmatier et al., 2007](#)) that trust has a direct and positive effect on financial and relational outcomes. Profits, sales force and services obtained in a partnership relationship have a positive influence on trust ([Hyvonen, 1993](#)). Shared benefits have a significant relationship to trust ([Theron et al., 2011](#)). The benefits that are shared have a positive effect on trust ([Gulzhanat, Almagul, & Chowduhry, 2013](#)). The benefits provided have a positive relationship to trust ([Lee, 2017](#)). The researcher concludes the hypothesis as follows:

H2: Economic benefits have a positive effect on trust.

Capability of Partners and Decision Continue Partnership for H3

Knowledge and experience are the main reasons that have an influence in decision making ([Spekman, 1979](#)). In a partnership relationship, the knowledge and experience of partners is the most important part in the sustainability of the partnership. In accordance with research [Palmatier et al., \(2006\)](#) which states that ability has a positive effect on commitment. Experience will influence decisions ([Stoian, Rialp, & Rialp, 2011](#)). There are indications that the ability of partners has a positive relationship to the decision to continue the partnership. Firm capability has a positive effect on commitment ([Blesa & Ripollés, 2008](#)). Assessing partner performance ability has a positive effect on commitment ([Abzari, Ghorbani, & Alsadat Madani, 2011](#); [Hodgkinson, Hughes, Radnor, & Glennon, 2018](#)). So in this study formulate the hypothesis:

H3: The capability of partners has a positive effect on the decision to continue the partnership.

Economic Benefit and Decision to Continue Partnership for H4

Partners who provide superior benefits will be highly valued, companies will be committed to building, developing, and maintaining relationships with these partners ([Morgan & Hunt, 1994](#)). The benefits of increasing relationship efficiency through

reduced transaction costs can encourage customer commitment ([Hennig-Thurau et al., 2002](#)). Relationships with partners who provide sales benefits, marketing support and sales have a positive influence on commitment ([Ramaseshan, Yip, & Pae, 2006](#)). ([Sahadev, 2008](#)) found that economic benefits have a positive effect on commitment in business relationships. In addition, benefits also have a significant positive effect on commitment ([Ryu & Park, 2020](#)). Economic factors in business uncertainty will weaken their commitment in the relationship ([Wong, Lai, Venus Lun, & Cheng, 2012](#)). So the research draws the following hypothesis:

H4: Economic benefits have a positive effect on the decision to continue the partnership.

Trust and Decision to Continue Partnership for H5

Trust is a strong belief in a party that can be trusted and relied on ([Morgan & Hunt, 1994](#)). It can be assumed that when you already have trust in the other party, you will continue towards commitment. As previously stated, trust has a positive effect on commitment ([Walter & Ritter, 2003](#)). In line with the statement of [Morgan & Hunt \(1994\)](#) it is very important to establish cooperation between partners and requires trust. When the company considers its partner to be trustworthy, then the company is willing to commit to the relationship ([Palmatier et al., 2007](#)). [Geyskens, Steenkamp, Scheer, & Kumar, \(1996\)](#) have found that trust can increase the continuation of partnerships with other parties. [Yuan, Feng, Lai, & Collins, \(2018\)](#) trust has a significant impact on commitment. A strong predictor of building commitment begins with trust with partners who have no experience and bad intentions ([Chowdhury, 2012](#)). Trust has a positive influence on relationship commitment ([Gulzhanat et al., 2013](#)). Therefore, the researcher makes a hypothesis:

H5: Trust has a positive effect on the decision to continue the partnership.

Figure 1. Research Model

Method

This type of research approach, researchers use quantitative research which is measured using indicators by each variable. Sampling using simple random sampling by pulling the entire population using certain efforts so that members of the population have the opportunity to be selected. This study uses 80 samples based on the formula for multiplying the number of indicators by 5 ([Malhotra, 2019](#)). In data collection, the method used is using a questionnaire distributed to respondents, most of which are carried out using online questionnaires, the rest are offline. The data search was carried out after the approval of the licensing to the Lamongan Regency Government bureaucracy. The main criteria for the sample to be used are MSMEs that have partnered with Lamongan Mart and have business legality. The source of the data used is primary data by distributing questionnaires to MSMEs that are the samples in this study.

As for the definition of the concept of each variable, namely the capability as an intermediary carried out by Lamongan Mart according to the perception of MSMEs measured using customer linking, market sensing, channel binding, customer retention and customer retention ([Wang, 2020](#)). Economic benefits obtained by MSMEs while being partners of Lamongan Mart measured by increased income ([Frechtling, 1994](#)), reduced marketing costs ([Lin et al., 2007](#)) efficient marketers resources and increased sales ([Alrubaiee et al., 2012](#)). Trust by MSMEs in Lamongan Mart measured by trustworthiness, reliability and integrity ([Morgan & Hunt, 1994](#)). Decision to continue the partnership made by MSMEs with Lamongan Mart measured using strengthening relationships ([Čater & Čater, 2010](#)), working together and actively participating ([Lancastre & Lages, 2006](#)).

Result and Discussion

80 respondents who are eligible and meet the criteria. Respondents in this study were MSME actors who partnered with Lamongan Mart. From the data obtained, it is known

Table 1. respondent characteristics

Variable	Category	Frequency	Procentage
Gender	Male	13	16,25%
	Female	67	83,75%
Legality	P-IRT	34	42,5%
	SIUP	31	38,75%
	TDP	6	7,5%
	Other	9	11,25%
Type	Food	40	50%

Variable	Category	Frequency	Procentage
	Fashion	13	16,25%
	Drink	10	12,5%
	Other	17	21,25%
Partnership	More than a year	63	78,75%
Duration	Less than a year	17	21,25%

Source: Data processed by the author

Validity Test

Test is a value test to measure the good or bad of a research instrument used for certain concepts. There are two ways to measure the validity of the instrument, the first using convergent validity which can be seen from the average variance extracted (AVE) value in each variable. Each variable that has an AVE value of 0.5 then the variable is confirmed to be valid ([Wong, 2013](#)). In this study, it was found that the AVE value of each variable > 0,5. Therefore, the variables in this study can be said to be valid because they have met the criteria. The second is discriminant validity which can be seen from the value cross loading and the square root of the AVE in each variable. Each variable that has a value of cross loading > 0.7 then the variable is valid. Indicator items have a value of cross loading > 0.7 so that all indicator items are declared valid. The measurement discriminant validity second is seen from the square root value of the AVE of each variable which is greater than the correlation between variables ([Wong, 2013](#)). In this study, the square root of the AVE of each variable is greater than correlation between variables. Therefore, the variables in this study can be said to be discriminantly valid because they have met the criteria.

Reliability Test

Test is used to prove the research instrument can be reliable or reliable. The reliability of the instrument is seen from the results of the composite reliability value and Cronbach's alpha value on all variables. The instrument is said to be reliable if it has a value composite reliability and Cronbach's alpha 0.70 ([Ghozali & Latan, 2015](#)). the composite reliability and Cronbach's alpha values for all variables are 0.70. So all variables in this study are reliable.

Feasibility Test Model (*Goodness of Fit*)

This test is used to evaluate the measurement model , structural and measurement models to predict the overall model. The GoF value can be obtained by calculating the square root of the average weighted value multiplied by the average value of R² ([Ghozali & Latan, 2015](#)). The following is the formula for finding the GoF value:

$$\text{GoF} = \sqrt{\text{average total weight} \times R^2}$$

$$= \sqrt{0,645 \times 0,596}$$

$$= 0,620$$

Based on the calculation results above, the global GoF value is 0.620, so the measurement model and structural model of this study are included in the GoF Large criteria. Thus, it can be seen that 62% of the variation in the model can be explained by the sample data in this study.

Table 2. R-Square

Variable	Number of Indicators	AVE	Weighted Total	R ²	Global GoF
Partner Ability	6	0.601	3,606		
Economic Benefits	4	0.750	3.00		
Trust	3	0.645	1.935	0.520	
Continuing Partnership Decision	3	0.592	1.776	0.673	
Total	16		10,317	1,193	
Average			0.645	0.596	0.620

Source: Processed data (2021)

From table 2, it can also be seen that the R-Square value for trust is 0.52 so that these results can explain that the partners' capability and economic benefits can explain their effect on the trust variable by 52%. Meanwhile, 48% can be explained by the model and other factors outside of this study. Then, the R-Square value of the decision variable to continue the partnership is 0.673. So if you look at these results it can be seen that the variables of partner capability, economic benefits, and trust can explain their influence on the decision to continue the partnership by 67.3%, while 32.7% can be explained by other factors outside of this study. Discussion presents each of the findings compared to relevant theories or previous studies, actual facts, comments, and reasonable analysis from researchers.

Hypothesis Test

Test using the feature Bootstrapping on SmartPLS 3.3. The hypothesis is accepted when the level of significant = 0.05 or P-value <0.05 and the t-statistics value exceeds the minimum standard (1.96). Thus, there is an influence between exogenous variables

and endogenous variables. However, if the P-value > 0.05 and the t-statistics is less than (1.96) then the effect is not significant, meaning that there is no effect between the relationship of exogenous variables to endogenous variables.

Based on the results of the analysis performed, known that the first hypothesis (H1) is accepted. This means that the partner's capability has a positive and significant effect on trust. This can be seen in table 3 which shows the P-value $0.000 < 0.05$ and the t-statistics $2.169 > 1.96$. In hypothesis 2 (H2) regarding the effect of economic benefits on trust, it has a P-value of $0.004 < 0.05$ and a t-statistics value of $10.875 > 1.96$, so hypothesis 2 (H2) is accepted. This means that economic benefits have a positive and significant effect on trust.

Table 3. The HYPOTHESIS TEST RESULTS

Relationship Between Variables	Hypothesis	Original Sample	Standard Deviation	T- Statistics	P- Value	Description
Partner Capability → Trust	H1	0.452	0.128	3.523	0.000	Positive, Significant
Economic Benefits → Trust	H2	0.360	0.125	2.881	0.004	Positive, Significant
Partner Capability → Decision to Continue Partnership	H3	0.252	0.123	2.042	0.042	Positive, Significant
Economic Benefits → Decision to Continue Partnership	H4	0.288	0.110	2.607	0.009	Positive, Significant
Trust → Decision to Continue Partnership	H5	0.406	0.127	3.187	0.002	Positive, Significant

Source: Data processed (2021)

Furthermore, to test hypothesis 3 (H3) is declared accepted. This can be proven by the P-value $0.042 < 0.05$ and the t-statistics value $2.042 > 1.96$. This means that the partner's capability to make the decision to continue the partnership shows the results

of a positive and significant relationship. Hypothesis 4 (H4) is also stated to be accepted. This is evidenced in table 3 which shows the magnitude of the P-value $0.009 < 0.05$ and the t-statistics value of $2.607 > 1.96$. It means economic benefits has a positive and significant influence on the decision to continue the partnership. Hypothesis test 5 also shows that (H5) is accepted. It is proven by the P-value $0.002 < 0.05$ and the t-statistics value $3.187 > 1.96$ which means trust has a positive and significant influence on the decision to continue the partnership.

The Effect of Partner Capability on Trust

The results of the hypothesis test state that the partner's capability has a positive and significant effect on trust. This means that the more the ability of Lamongan Mart increases, the trust by MSMEs will also increase. These results support [Zhang et al., \(2011\)](#) which states that suppliers are more likely to feel understood and valued when they perceive purchasing agents as knowledgeable about their products and business. Knowledge of the state of resources and capabilities affects the level of trust ([Perks & Halliday, 2003](#)). This means that Lamongan Mart has more skills and knowledge related to products and business conditions of its partners so that MSMEs can easily put their trust in Lamongan Mart. In addition, Lamongan Mart is considered by MSMEs to be able to resolve conflicts that occur, thereby increasing the trust given. This supports the statement of [Kiessling and Harvey, \(2004\)](#) that many conflicts occur with a lack of trust in relationships. This supports previous research which found a positive relationship between ability and trust ([Abosag & Lee, 2013](#); [Chen et al., 2011](#); [Lee, 2017](#); [Theron et al., 2011](#)). Therefore, partners have more capabilities such as being able to market digitally, predicting consumer tastes, creating long-term relationships with MSMEs and their consumers, providing technical support to MSMEs and being able to resolve conflicts so as to increase the level of trust for MSMEs.

The Effect of Economic Benefits on Trust

The results of hypothesis testing that have been carried out regarding the effect of economic benefits on trust indicate that H2 is accepted. This means that the economic benefits obtained by MSMEs have an influence on trust in Lamongan Mart. Supporting previous research found that shared benefits have a positive and significant relationship to trust ([Gulzhanat et al., 2013](#); [Lee, 2017](#); [Theron et al., 2011](#)). Thus supporting the statement [Palmatier, Dant and Grewal, \(2007\)](#) that trust has a direct and positive effect on financial outcomes. According to research [Hyvonen, \(1993\)](#) profit, sales force and services obtained in a partnership relationship have a positive influence on trust. In this study, the economic benefits obtained by MSMEs in the form of sales profits and additional sales force provided by Lamongan Mart have a positive influence on the trust given by MSMEs. The benefits gained in partnerships can be developed and maintained by the level of trust ([Kiessling & Harvey, 2004](#)). This means that the benefits obtained by MSMEs such as increased profits, increased sales,

efficiency of marketing costs and marketers can be maintained or developed again with confidence in Lamongan Mart.

The Effect of Partner Capability on Decision to Continue Partnership

The results of the hypothesis test that have been carried out show that H3 is accepted, the capability of partners and the decision to continue the partnership has a positive and significant relationship. This means that Lamongan Mart has a good capability as an intermediary for MSMEs so that MSMEs are still willing to continue their partnership. Support the statement ([Spekman, 1979](#)) that knowledge and experience are the main reasons that have an influence in decision making. In a partnership relationship, the knowledge and experience of partners is the most important part in the sustainability of the partnership. According to research [Blesa & Ripollés, \(2008\)](#); [Palmatier et al., \(2006\)](#) ability has a positive effect on commitment. Experience will influence decisions ([Stoian et al., 2011](#)). Supporting previous research regarding the assessment of partners' performance abilities has a positive effect on the decision to continue commitment ([Abzari et al., 2011](#); [Hodgkinson et al., 2018](#)). Drawing conclusions when Lamongan Mart as an intermediary is able to market digitally, predict consumer tastes, create long-term relationships with MSMEs and their consumers, provide technical support to MSMEs and can resolve conflicts in accordance with MSME expectations, it will influence the decision to continue the partnership.

The Effect of Economic Benefits on Decisions to Continue Partnerships

The results of hypothesis testing show that economic benefits and decisions to continue partnerships have a positive and significant relationship. In accordance with the results of research [Ramaseshan et al., \(2006\)](#) relationships with partners who provide sales benefits, marketing support and sales have a positive influence on commitment. Also supports the statement [Hennig-Thurau et al., \(2002\)](#) the benefits of improving relationships with reduced costs can encourage customer commitment. Supporting the statement that partners who provide benefits are highly valued by partners, companies will commit to building, developing, and maintaining relationships with these partners ([Morgan & Hunt, 1994](#)). [Sahadev, \(2008\)](#) found that economic benefits have a positive effect on commitment in business relationships. In addition, recent research has also found that benefits also have a significant positive effect on commitment ([Ryu & Park, 2020](#)). Economic factors in business uncertainty will weaken their commitment in the relationship ([Wong et al., 2012](#)). In this study, partnering with Lamongan Mart is felt to have economic benefits for MSMEs in the

form of increasing profits, efficiency of promotion costs, efficiency of marketers and being able to increase sales so that MSMEs choose to continue the partnership.

The Effect of Trust on Decisions to Continue Partnerships

The results of hypothesis testing indicate that trust and decisions to continue partnerships have a positive and significant relationship. Supports previous research that trust has a positive and significant effect on commitment ([Gulzhanat et al., 2013](#); [Walter & Ritter, 2003](#); [Yuan et al., 2018](#)). According to the statement [Morgan & Hunt, \(1994\)](#) that the trust needed between exchange partners is very important for cooperation. Then it also supports the statement [Palmatier et al., \(2007\)](#) that the company considers its partner to be trusted, he will be willing to commit to the relationship. It can be assumed that when you already have trust in the other party, you will continue towards continuing the partnership relationship. Also supports the statement of [Geyskens et al., \(1996\)](#) that trust can increase the continuation of partnerships with other parties. In accordance with the statement [Chowdhury, \(2012\)](#) predictors of building commitment start from trust with partners who have never had experience and bad intentions. In this study, the trust given by the Lamongan MSME is one of the factors that makes the MSME continue the partnership with Lamongan Mart.

The Influence of Partner Ability on Decisions to Continue Partnerships Mediated by Trust

The results of indirect effect test that there is an partners abilities on decisions to continue partnerships through trust. In line with previous research which states the credibility of intermediaries for sustainable action will be carried out by partners through trust ([Sonday & Wilson-Pranglely, 2018](#)). Trust mediation constructs show a very significant positive direct effect on cooperation ([Chiang & Wang, 2012](#); [Lancastre & Lages, 2006](#); [Oh & Park, 2011](#)). Trust is a strong mediator for the quality of service ability on relationship commitment ([Park, Lee, Lee, & Truex, 2012](#)). The ability of partners, especially as intermediaries, is very influential for MSMEs in Lamongan to put their trust in partnering and making decisions to continue the partnership. This is because MSMEs really need partners who are trusted to have the ability to support MSME businesses to become better so that continuing the partnership with Lamongan Mart will continue.

The Effect of Economic Benefits on Decisions to Continue Partnerships Mediated by Trust

The results of indirect effect test that there is an of economic benefits on decisions to continue partnerships through trust. In accordance with the results of previous research which states that companies that receive benefits in the form of product profitability as well as added value and product performance will be bound by a sustainable relationship through trust ([Morgan & Hunt, 1994](#)). The mediation construction by trust shows a very significant positive direct effect on cooperation ([Chiang & Wang, 2012](#); [Lancastre & Lages, 2006](#); [Oh & Park, 2011](#)). Trust is a strong mediator between the economic benefits provided towards relationship commitment ([Jeong & Oh, 2017](#)). Trust can be a link to the special economic value that partners provide to continue commitments ([Chang, Wang, Chih, & Tsai, 2012](#)). In this study, MSMEs that get economic benefits through trust mediation will continue the partnership with Lamongan Mart. Because trust is considered to be a liaison that has an influence on the internal SMEs themselves on what they get and what they have to do.

Conclusion

The results of hypothesis testing in this study prove that the ability of partners as intermediaries has an influence on MSME trust. The ability of partners who have a good influence on MSMEs will have a good impact on the continuity of the partnership. MSMEs will be helped in their sales, besides that, it will indirectly provide a separate experience and learning in building professionalism and performance related to marketing that follows the times. The impact of economic benefits for MSMEs will be a consideration for the continuation of the partnership. Because it is a separate evaluation for MSMEs related to the benefits of being a partner to Lamongan Mart. However, in this study, MSMEs have received better economic benefits than without establishing partnerships, indicating that new MSMEs need to collaborate with other parties in order to help sales.

The partner capability and the receipt of economic benefits also have an influence on trust. Because the capabilities and benefits obtained by MSMEs add to the sense of trust that the partnership is in line with expectations. It is necessary for new MSMEs to look for partners but who have the capabilities and benefits as expected. For those who have partnered, they can assess whether it is deemed sufficient according to expectations or not, if so, then the trust will have an impact on the continuity of the partnership, such as continuing the partnership again.

This research contributes to the Lamongan Regency government regarding the assessment of MSMEs with Lamongan mart. so that it can be used as an evaluation to improve the performance of Lamongan Mart. This research is only limited to MSMEs

in Lamongan and have partnered with Lamongan Mart, so it is likely that the results will be different if the respondents are other MSMEs and are in other districts or who have partnered with other partners. However, in practice, this partnership is located in Lamongan Regency, the results will be different if it is in another big city, or at a higher level. For further research, more respondents are needed so that the results will be better and research on going basis in order to see changes in respondent behavior at different times.

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