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DIRECT AND INDIRECT EFFECT OF INCLUSIVE VALUE CHAIN, COOPERATIVE SYNERGISM, COMPETITIVE POSITIONAL ADVANTAGE, ON MARKETING PERFORMANCE

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Abstract:
This study aims to test the Direct And Indirect Effect Of Inclusive Value Chain, Cooperative Synergism, Competitive Positional Advantage, On Marketing Performance. The sample in this study was 175 respondents. This research method is quantitative with statistical testing using SEM-PLS. The study results indicate that there is a direct effect partially or jointly / simultaneously on the variable value of long-term relationships, competitive positional advantage, inclusive value chain, the synergy of cooperation, and variable marketing performance. The value of long-term relationships on competitive positional advantage results in partial mediation, the value of long-term relationships on collaboration synergy results in full media, the value of long-term relationships on marketing performance results in partial mediation, Inclusive Value Chain on Marketing Performance results in partial mediation, Synergy of Cooperation on Marketing Performance results full mediation. This research also provides suggestions for the future development of customer relationship marketing and the use of appropriate information and communication technology to be considered in marketing dairy products.

Introduction:

Through the Coordinating Ministry for Economic Affairs, the government has published the 2013-2015 Indonesian Dairy Blueprint, which was published on February 26, 2014. The blueprint was then reviewed in 2016. The assessment was carried out on the implementation and target achievement of the blueprint to become the 2017 National Dairy Blueprint. -2025. Several action plans from the blueprint include 1) issuing regulations to

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encourage market absorption of domestic milk production as a substitute for Imprest No. 4 of 1998, 2) encourage the publication of the partisan "School Milk Programa" in order to provide market guarantees for smallholder farmers who produce milk and also increase the national milk consumption. Its implementation is expected to achieve 60% self-sufficiency in milk needs in 2025. Projected consumption of cow's milk for the period 2019 - 2023, tends to increase by an average of 1.89% each year, so that the total need for cow's milk for consumption in 2019 is estimated to be 1.01. a million tonnes, in 2020 the amount of 1.05 million tonnes, in 2021 the amount of 1.08 million tonnes, in 2022 the amount of 1.11 million tonnes and in 2023 the amount of 1.15 million tonnes. The availability of cow's milk experienced a deficit in 2019, which reached 42.92 thousand tons. In the following year, namely 2020, the deficit increased to 54.66 thousand tons. From 2021 to 2022, the deficit will reach 66.90 thousand tons to 79.65 thousand tons.

According to Guntoro et al., (2016) wrote in the study results that the dairy industry's institutional environment and governance in Central Java, Yogyakarta, and East Java require more serious handling. This can be seen from farmers' dependence on existing institutions, including cooperatives and the milk processing industry, which is still high. Meanwhile, from the aspect of dairy farming in East Java, it shows better performance than the other two main areas, namely Central Java and Yogyakarta. Meanwhile, in terms of distribution and marketing of milk, it still depends on cooperative institutional ties and the milk processing industry, and there is no increased participation in increasing the value chain. Arjakusuma et al. (2014) stated that the results of the value chain analysis were six factors in the Cimory value chain as a whole, namely KUD Giri Tani and KUD Cipanas as the party supplying fresh milk, Kiva Citra as the party supplying sugar, Inopec as the party supplying the bottles, Cimory, Macrosentra Niagaboga as the main distributor, Cimory restaurant, Alfamart, Indomaret, Giant, delivery service and Cimory agent. The relationship between Cimory and the main supplier is captive, Cimory and the secondary supplier are modular in nature, and the relationship to distributors is more modular. The results of the identification of barriers show that almost all barriers originate from the main suppliers. The result of production efficiency shows that only working hours do not positively affect the level of productivity. The priority strategy that must be implemented to carry out improvement is improving the quality of the fresh milk supplied to Cimory.

Ramadanti et al., (2017) found an opportunity for small-scale farmers to grow to meet the increasing demand for milk and milk products in Indonesia. IBM or Inclusive Business Model is the right method to develop small breeders. KPBS Pangalengan is an example of an institution implementing IBM. The results of this research note that there is a tendency to decrease milk production at the farmer level and the tendency of the Dairy Processing Industry as the chain leader due to its dominance along the chain. Other consumer perspective business models have the most drawbacks. The area of inclusiveness of KPBS Pangalengan that is weakest in the area for measuring results. Development areas that can promote inclusiveness of KPBS Pangalengan are fresh milk production areas, areas of information technology support for the downstream sector, areas of potential diversification (the concept of a milk cafe or agrotourism), and yield measurement areas.

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Findings and measurements and analysis and research objects regarding relationship marketing (Relationship marketing / RM) can be related to the phenomenon of milk marketing in Indonesia. Berry (1983) First introduced the term relationship marketing term, followed by Jackson (1985) RM is used for business to business (b to b). Kotler (1990), Webster (1992) Reconceptualization of transaction exchange to relational / relationship exchange in marketing. Berry (1983), Gronroos (1997), Zineldin (1998), Egan (2001), Gummeson (2002), Riva'i (2009). Refers to the formation of harmonized relationships and has a long-term nature. Berry (1983), Anderson and Weitz (1992), Bucklin and Sengupta (1993), Gundlach, et al. (1995), Dahlstrom, et al., Leuthesser and Kohli (1995), Palmer (1996, 2000), Simpson and Mayo (1997), Ghosh, et al. (2004), and Piercy and Lane (2007). Relationship marketing is the relationship between organizations. (business-to-business relationship). Tsang (2000), Hitt, et al. (2003) Interim-relationship creates economic value for the company. Strong long-term relationships need to be supported by positive behavior at every level of management. Anderson and Mary (1993), Hennig-Thurau and Alexander (1997), Garbarino and Johnson (1999), Cronin, et al. (2000), Wulf, et al. (2001), and Mascarenhas, et al. (2007). Relationship marketing is a business-to-customer relationship. Batt (2003), Gyau and Spiller (2007), Lu, Feng, Trienekens and Omta (2008). Emphasize long-term relationships, trust, relationship quality. Relational marketing means different things in different cultures. The existence of mandatory fulfillment of promises. Palmer (1997) also wrote that relationship marketing means different things in different cultures, while relational exchange behavior or relational exchange behavior is behavior that continues throughout the organization to collaborate (Bagozzi, 1975; Berry, 1983; Frazier, 1983) even though theoretically or empirically emphasized by many experts, that the success of relationships between organizations because of the concept of relationship marketing cannot be separated from the relational exchange of several business actors who carry it out (Bagozzi, 1975; Berry, 1983; Bucklin and Sengupta, 1993; Dwyer et al., 1987; Morgan and Hunt, 1994; Hoffman, 2000). Based on the description above, the author wants to examine the direct and indirect effects of the inclusive value chain, cooperation synergy, competitive positional advantage, and case studies' marketing performance in dairy cooperatives in East Java.

Literature Review

Cooperation takes place because there is power or strength from both parties to carry it out; if both parties do not have it, then it is impossible to create strong Cooperation (Dahl, 1957; El-Ansary and Stern, 1972; Emerson, 1962; Gaski, 1986; Gaski and Nevin, 1985; Hermans and Shanahan, 2003). Meanwhile, the opinion of other experts states that the power that has a very strong influence when executed in exchange or relational is the force of urgency or coercion, while the force does not have much influence or impact on the power of Cooperation (El-Ansary and Stern, 1972; Gaski, 1986). ; Gaski and Nevin, 1985; Hermans and Shanahan, 2003). Forcing or compelling power in this study is based on the premise that coercive force negatively influences the impact of relationship marketing (Morgan and Hunt, 1994). Mom (1997, 2006) describes that strength forces more and often takes place in social exchanges and tends to

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produce negative rather than positive effects on these social exchanges. Trust is an important variable in relationships or relational interactions (Spekman et al., 1988). Relational exchanges between organizations or institutions cannot occur without mutual trust or mutual trust (Morgan and Hunt, 1994; Spekman et al., 1988). Morgan and Hunt (1994) also argue that the trust variable is an antecedent of other variables in relationship marketing, such as relationship commitment and Cooperation, both of which will become stronger if they are based on trust. The opinion that the importance of trust in relational exchange is also supported by the research of Berry and Parasuraman (1991). The research by Morgan and Hunt (1994) is also supported by the research of Hoffman (2000) and Hermans (2003), which have proven that trust has a positive influence on relational commitment.

Trust, relational commitment, and Cooperation are three variables that have a role in relationship marketing. Meanwhile, some sources of power or power possessed by a person or entity can make a condition of superiority for a person or entity compared to other parties. Superiority or power, or strength, is a condition that can give influence to a person or other entity in order to cooperate with him. Emerson (1962) also described that dependence could also cause the bargaining position to become unbalanced. Emerson (1962), in his power dependence theory, explains that the operationalization of this theory requires balance because the balance of power or strength is expected to reduce the inequality between the two parties that carry out Cooperation. Although according to the findings of Frazier (1999), it is described that Cooperation will be stronger and more controlled if the requirements of the Cooperation are met, and each organization tries to achieve several targets that have been agreed upon even though it is one-sided (meaning that one party asks the other to fulfill it because they have the strength that is getting bigger). The social exchange contains the phenomenon of uncertainty and the risk of failure to build a relationship (Cook et al. 2004). To maintain a relationship that is always established, trust and relational commitment are needed. Berry and Parasuraman (1991) suggest that keeping each other's promises is the foundation for a relationship. Anderson and Weitz (1992) emphasize that relational commitment to relationships between organizations is a balance, binder, and self-sacrifice of each party to the other party who collaborates. Relational commitment is the development of organizational commitment (Kenter and Salancik, 1977) in which commitment is defined as a person's attitude to bind himself to the organization (Mowday et al., 1979).

Companies with a good cooperative relationship will benefit from the relationship (Day and Wensley, 1988), and some of these benefits are competitive advantages for the organization. Then Day and Wensley (1988) explained that two categories participated in building competitive advantage, namely superior expertise and resources. So that if the company has a competitive advantage, then the company will produce a superior state of competition or competitive positional advantage. The condition of competitive positional advantage from the established or achieved cooperative relationship will make it easier for the company to achieve a superior condition. Superior competence, namely the expertise to build networks or superiority in the resources one has, namely having more loyal, more and more customers, can produce more efficient goods or services. So that is why, as stated by Alfred

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(1997) that marketing performance is described from three dimensions, namely company effectiveness, growth rate (sales growth, market share, customers, number of partners, or networking), and profit resulting from marketing activities.

Research Hoffman (2000) suggests that competitive positional advantage will positively influence company performance so that it can produce a sustainable competitive advantage in the long run. Jago (1998) also explained that the marketing performance of the milk business really depends on the competitive advantage of each dairy business involved in the cooperative relationship. The better the competitive advantage and business management of cooperating companies, the better the marketing performance of these companies will be. Then research from (Yoshino and Rangan 1995; Gulati, et al. 2000), explained that the choice of Cooperation or strategy of alliance among companies is mostly implemented from several companies that use high technology, such as telecommunications, service companies, pharmaceuticals, electronics, and some machine or factory equipment. This strategic choice has been proven to have a positive influence on the performance of companies that work together, for example, companies will be able to acquire new skills more quickly, expand markets, easily reach end consumers so that the companies that are incorporated will be able to sell more and more at lower costs. (Dyer and Singh, 1998; Gulati et al., 2000).

H1: Competitive Positional Advantage affects marketing performance

An inclusive value chain will strengthen the competitive advantage because of the uniqueness of dairy cooperatives, but it must be balanced with government regulations and support. Nugraha's (2010) findings are Value chain governance and upgrading, namely the importance of reform in cooperative organizations - improving processes within cooperatives - resulting in improvements to infrastructure and equipment that are acceptable for collective milk production, cost efficiency, and organizational performance. All this results in the process of improvement between the cooperative and dairy farmers, namely the adoption of quality regulations and a culturally adapted social monitoring and training system. Second, functional improvement of better collective services for dairy farmers. The function of incentives and support systems for dairy farmers encourages them to adopt better ranch practices and invest more in their dairy business - improved processes within dairy farmers - thereby improving the overall quality of fresh milk, which provides a fundamental basis for increase the competitiveness of the entire VC - product improvement.

Porter (1985) explains that value chain analysis is a strategic analysis instrument used to understand competitive advantage better, identify where customer value can be increased or decreased costs, and better understand the company's relationship to suppliers or suppliers, customers, and companies. Others in the industry. Meanwhile, Value Chain identifies and connects various strategic activities in the company (Hansen, Mowen, 2000). The nature of the value chain depends on the nature of the industry and varies for manufacturing companies, service companies, and organizations that are not profit-oriented. Value chain analysis helps managers understand the company's position in the product value chain to increase competitive advantage. Weiler et al. (2004) argued that the Value Chain Analysis and Value Coalitions

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approach is the best approach to build corporate value in a better direction. The development of inclusive smallholder business models is increasing and important at the local and global levels. (Risti Permani, et al., 2015). The transaction cost approach has been widely used to define the reasons for vertical coordination in value chains (Frank and Henderson, 1992; Humphrey and Schmitz *, 2001; Jia and Huang, 2011). The relationship between smallholders and other market actors can vary between sectors. For example, a sector with perishable products requiring specific transportation (i.e., cold chain) such as milk tends to have a higher tendency to be involved in formal contractual agreements compared to other commodities such as meat products, aquaculture, crops, and fruits (Jia and Huang , 2011; Fałkowski, Olwande, et al., 2015).

H2: Inclusive value chain affects competitive positional advantage

Zineldin and Bredenlow (2003) and Zineldin (2004) argue that the partnership synergy will be stronger if companies that carry out Cooperation can maintain several values of cooperative relationships. The value of the relationship is, for example, loyalty to partners, maintaining interdependence, adjusting to partners, integrity and intensity of relationships, and institutionalization, which means taking action on behalf of the institution and for the benefit of the joint institution. If the company can produce several long-term relationship values throughout the collaboration, it will strengthen and increase the synergy of Cooperation between these institutions. While the value of the relationship conveyed by Zineldin and Bredenblow (2003) is several indicators or dimensions of long-term relationship values conveyed from several other experts, as the strength or closeness of the relationship as stated by A. Palmer (1996, 1998) and Egan (2001). . Research from Yoshino and Rangan (1995) and Gulati et al., (2000) explains that the choice of Cooperation or alliance strategy between companies is mostly carried out by several companies that use high technology.

H3: Inclusive Value Chain affects Cooperation Synergy

Associated with the synthesis of value creation (value creation) and knowledge management (knowledge management) concerning synergy and marketing performance. Whiple (2000) explains that the synergy of alliances (the quality of Cooperation or partnerships) will be reflected in the more transparent relationships between organizations, covering each other or filling the weaknesses of business partners, avoiding negative conflicts with partners, and sharing information and risks. Marketing performance becomes important for company managers if some of the evaluation results are used to measure the managerial success of several marketing activities carried out (Nakata, 2000). Companies that have collaborated in many ways are expected to produce better, bigger things than if they are carried out individually (Axelrod, 1988). Research from Hoffman (2000) provides evidence that competitive positional advantage will positively influence company performance so that it can create sustainable competitive advantage in the long run. Jago and McArdle (1999) also explained that the marketing performance of the milk business really depends on the competitive advantage of each dairy business that participates in the cooperative relationship.

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The better the competitive advantage and business management of companies that work together, the better the marketing performance of these companies will be.

Value Creation describes customer value in business in the market (Anderson et al., 1993; Anderson and Narus, 1995) and includes economic benefits, technical benefits, service benefits, social benefits; these are in line with thoughts (Wilson and Jantrania, 1994) about the understanding of value creation related to economic benefits, strategic benefits, and behavioral benefits. Value creation in dairy cooperatives related to value-based relationship marketing (Gronroos, 1997) describes the core solutions and additional services obtained. The value felt by customers, in this case, is the milk processing industry / IPS about benefits related to products, services, and relationship benefits with fresh milk suppliers. Supplier relationship on relationship quality (Walter et al., 2003) with findings related to direct function (quality, volume, safety) and indirect function (market function, talent search function, innovation function, and social support function). Assessing inclusiveness, in assessing inclusiveness, there are criteria for assessing inclusiveness: Ownership (Equity shares, Major assets (land and processing facilities); Voice (Ability to influence key business decisions (e.g., pricing); Risk (Commercial, political and reputational risk; Reward/reward (Share the economy, costs, and benefits).

H4: Inclusive value chain affects marketing performance

In the context of the synergy of Cooperation among dairy companies, the synergy of Cooperation between companies will increase the comfort and accuracy in providing services, meaning that buyers/consumers as the final buyer will increasingly like to visit a place because there is a guarantee of timeliness, environmental safety and comfort in travel (Jago and McArdle, 1999; Stokes, 2004). Research from Bharadwaj et al. (1993) explained that competitive positional advantage could be a combination of unique skills or expertise through unique resources. Hoffman (2000) describes that Cooperation between organizations that produces a strong quality of Cooperation is the company's strength to build a competitive positional advantage.

H5: Cooperation synergy affects competitive positional advantage

The synergy of cooperation and marketing performance Marketing performance becomes important for some company managers if some of the evaluation results become a measure of the managerial success of several marketing activities that have been carried out (Nakata, 2000). The synergy of Cooperation between organizations will create positive company performance and will create better conditions for the company's competitive advantage. Clark et al., (2006), Zineldin and Bredenlow (2003) provide evidence that if companies that work together achieve a better cooperative relationship, then it is certain that the two companies will get more profit than before. Kaplan and Norton (1992). The performance consists of four perspectives: financial, customer size, internal business size, and innovation, Jaakola et al., (2010). Business performance can be measured from two dimensions, namely financial performance, and market performance. Another study conducted by Sin et al.,

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(2006) determined the dimensions of business work consisting of: sales growth, customer retention, return on investment, market share, trust, customer satisfaction, and return on sales. (Berk et al., 2011) explained that marketing performance could be identified by the dimensions of market share, service quality, customer satisfaction, customer loyalty, and brand equity.

Morgan (2012) measures the dimensions of marketing performance into four dimensions, including sales, satisfaction, retention, and market share. Morgan (2012) The success of a company's marketing performance is determined by its marketing capabilities and resources. Chen and Lu (2014) The dimensions of marketing performance include market coverage, market growth, logistical support, distribution, market share, synergy through changes in costs, and synergy through increasing company profits. Ferdinand (2002), explains that marketing performance can be achieved if the company has a competitive advantage in competition, whether it is because it can make more sales through low cost or has unique characteristics in the business or the goods and services produced. Although AGF also argues that Augusty Ferdinand (Ferdinand, 2006) argues that competitive advantage can be achieved through Backward Support Superiority, Product and Service Based Superiority, Value Offering Superiority. , Distribution channel network superiority, Consumer service superiority. Based on the description and explanation above.

H6: Synergy of Cooperation affects Marketing Performance

Methodology

This research is explanatory research or confirmatory research. Research activities on milk cooperatives were carried out in East Java Province. This research was carried out in all working areas of the Setia Kawan Nongkojajar Dairy Farm Cooperative, Pasuruan Regency (Tutor 11 villages, Puspo 3 villages, and Pasrepan 2 villages), and the SAE Pujon Cooperative, Malang Regency. (This sub-district includes 10 Villages, 36 Hamlets, 85 Rukun Warga and 306 Rukun Tetangga). The type of data in this research is quantitative data in the form of cross-section data. Data can be obtained from primary and secondary sources. As for primary data sources, primary data refers to information obtained directly by research representatives from cooperative members/owners, cooperative managers, and administrators. Secondary data is obtained from documents, reports that have been made by the dairy cooperative, which is the object of research and the East Java cooperative service, the Indonesian Milk Cooperative Association, the Central Statistics Agency, and the Ministry of Agriculture in the Animal Husbandry sub-sector. The research sample found as many as 175 respondents. In this study, five variables were used, including (1) Long-Term Relationship Value (X1), (2) Inclusive value chain (Y1), (3) Cooperation Synergy (Y2), (4) Competitive Positional Advantage (Y3), (5) Milk Cooperative Marketing Performance (Y4). This study used an SEM-PLS model and was processed using Smart PLS to evaluate the research model.

Result and Discussion

Convergent validity measures the validity as a constructed measure of convergent validity related to the principle that several construct measures should be highly correlated.

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Convergent validity evaluation can be seen from the value of the loading factor (outer loading) and each construct indicator item. The results show that the value of the outer loading of all indicator items shows the value is at loading> 0.50 and Accepted is at p <0.05 (Hair et al., 2014). A measurement model satisfies discriminant validity when the AVE root of one construct is greater than the correlation coefficient of the other construct. Discriminant validity can be seen with Averages Variable Extract (AVE). In addition, the AVE value, which is used as the discriminant validity requirement, is achieved. The minimum value to say that reliability has been achieved is 0.50. The reliability results follow what is required by the variables (Cooper et al., 2006, Hair et al., 2008, Jogiyanto, 2011). Salisbury et al., (2002) stated that Cronbach's Alpha measures the lower limit of the reliability value of a construct, while Composite Reliability measures the actual value of a construct's reliability. The Cronbach's Alpha and Composite Reliability measures are shown in Table 1 below:

Table 1. Reliability Test Result

Construct	Cronbach's Alpha	Composite Reliability
Inclusive Value Chain_(X1)	0,912	0,929
Competitive Positional Advantage (X2)	0,896	0,918
Marketing Performance (Y)	0,840	0,882
Synergy of Cooperation _(X3)	0,900	0,922

The results of hypothesis testing show several things, which are contained in Table 2 below:

Table 2. Hypothesis Results

Hypothesis	Path Coefficient	p-value	Results
H1	2,683	0,008	Accepted
H2	13,571	0,000	Accepted
H3	3,104	0,002	Accepted
H4	2,169	0,031	Accepted
H5	1,966	0,050	Accepted
H6	2,307	0,021	Accepted

While Table 3 describes the results of testing the indirect effect in this study:

Table 3. Indirect Effect Result

Hypothesis	Direct Influence	Independent Variable	Mediation Variable	Specific Indirect effects	Total Indirect effect	VAF	Results

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H1	X1 → Y	NHJP/(X1)	SK (Y2)	2,203	8,294	26,7	Partially Mediated
H2	X2 → Y	NHJP/(X1)	IVC (Y1)	4,617	4,617	100	Fully Mediated
H3	X3 → Y	NHJP/(X1)	SK (Y2)	1,682	7,794	21,5	Partially Mediated
H4	Y4 → Y	IVC (Y1)	SK (Y2)	1,425	3,627	39,2	Partially Mediated

Source: Data processed 2021

Competitive positional advantage, so that the first hypothesis is proven/accepted. The findings of this study support several theories (Doherty and Alexander, 2006; Frazier, 1999; B. Quinn and Doherty, 2000; Wroe, 1958), namely power dependence which explains that power and dependence are important foundations for building Cooperation in inter-firm relationships. Which has a role in gluing between organizations. This result also aligns with Riva'i (2009), who states that power or force forces and positive behavior in relational exchanges. However, Hoffman (2000), Piercy, and Lane (2007) found that behavior through several strategic results, because organizations do not only stop at results in the form of value, but continue to several strategic results that are really needed in order to achieve sustainable competitive advantage or sustainable competitive advantages.

The calculation results show that the path coefficient of 13.571 ($p \leq 0.000$) indicates that the long-term relationship value has a significant effect in a positive direction on the inclusive value chain. The second hypothesis is proven/accepted. The results of this study are in line with the results of research from Nugraha (2010), Permani, et al., 2015), Kaplinsky, (2001). This research supports Nugraha (2010) on Value chain governance and upgrading, the importance of reform in cooperative organizations - improving processes within cooperatives - resulting in significant infrastructure and equipment improvements for collective milk production, cost efficiency, and organizational performance. All this results in, first, a process of improvement between the cooperative and dairy farmers, namely the adoption of quality regulations and a culturally adapted social monitoring and training system; second, functional improvement of better collective services for dairy farmers. The function of incentives and support systems for dairy farmers encourages them to adopt better dairy farming practices and invest more in their dairy business - improved processes within the dairy farmer - thereby improving the overall quality of fresh milk, which provides a fundamental basis. To improve the competitiveness of the entire VC - product improvement. Also supportive (Permani et al., 2015). The development of inclusive smallholder business models is increasingly important at local and global levels

The calculation result shows that the path coefficient is 2.169 ($p \leq 0.031$). The third hypothesis is proven/accepted. This research supports research. Anderson and Weitz (1992), Dwyer, et al. (1987), Moorman, et al. (1992), Mowdey, et al. (1979), described that the value of long-term bonds has a positive effect on the synergy of Cooperation. The value of long-term

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relationships means that commitment to relationships between organizations is indicated by three factors: strong trust and acceptance of other organizational goals, a strong desire to produce Cooperation, and a strong willingness to maintain a long-term relationship. The value of long-term relationships can affect the synergy of Cooperation shown by the cooperative members/breeders having a synergistic relationship with the dairy cooperative. This can be interpreted that commitment to interconnect is an important variable for building or increasing the intensity of Cooperation among partners who participate in long-term relationships or long-term orientation. This study is also in line with the research findings of (Garbarino and Johnson (1999) that relational commitment is a permanent interest in creating and maintaining long-term relationships, which components in relational commitment contain an affective dimension that has a relationship with positive attitudes to future relationships. , the instrument dimension, which is related to the tendency of high involvement or expectation to continue as well as the tendency to invest various resources or willingness to invest, and the temporal dimension, namely the commitment dimension, which indicates that the existing relationship will occur throughout life or over time.

The calculation results show that the path coefficient of 1.966 ($p \leq 0.050$) decides that competitive positional advantage has a significant effect in a positive direction on marketing performance. This analysis states that competitive positional advantage will increase marketing performance so that the fifth hypothesis is proven/accepted. These findings explain that the higher the competitive positional advantage, the better the marketing performance. The results of this study are in line with the findings of Jago (1998) that the marketing performance of the dairy business really depends on the competitive advantage of each dairy business that participates in a cooperative relationship. The better the competitive advantage and business management of the companies that work together, the better the marketing performance from that company. Where the competitive positional advantage is the proxy for the synergy of Cooperation. This study also supports the research of Hoffman (2000), which provides evidence that competitive positional advantage will have a positive influence on company performance so that it can form a sustainable or continuous competitive advantage in the long run.

Inclusive value chains will strengthen the competitive advantage due to the uniqueness of dairy cooperatives but must be balanced with government regulations and support. The better functional collective services, The better for dairy farmers. The function of incentives and support systems for dairy farmers is encouraging them to implement better practices of rattan cow cultivation invested even more in their dairy business – increase process inside the dairy farmer - thereby improving overall quality fresh milk, which provides a fundamental basis for increasing competitiveness the entire Value Chain/value chain so that there is an increase in the product. The relationships between smallholders and other market actors can vary between sectors. For example, a sector with perishable products which requires specific transport (i.e., cold chains) like milk tends to have a higher likelihood of being involved in contractual agreements formal compared to other commodities such as meat products, aquaculture, plants, and fruits (Jia and Huang, 2011; Fałkowski, Olwande, et al., 2015) The results of this analysis state that the Inclusive Value Chain will increase Competitive Positional Advantage and

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competitive positional advantage will increase marketing performance so that the sixth hypothesis is proven/accepted.

This confirms the research findings of Anisa et al. (2017) that there is an opportunity for small-scale farmers to grow in order to meet the increasing demand for milk and dairy products in Indonesia. Inclusive Business Model or IBM is one appropriate method to develop small breeders. Possible development areas are fresh milk production areas, areas of information technology support for the downstream sector, and areas of diversification. However, it needs support from government regulations through a review of Permentan No. 33 of 2018 and the issuance of the Presidential Instruction so that the dairy industry can prepare itself for milk self-sufficiency in 2024, the imposition of import tariffs on milk, which currently is still around 5 percent, even though GKSI proposed through a recommendation of 15%. In addition, in 2020, there will be a dualism of leadership from Dekopin, an adequate solution can be found.

Inclusive value chain to cooperation synergy has a coefficient with a positive and significant direction. The calculation results show that the path coefficient of 5.466 ($p \leq 0.000$) indicates that the inclusive value chain has a significant effect in a positive direction on collaboration synergy. The results of the analysis state that the inclusive value chain will increase the synergy of Cooperation so that the seventh hypothesis is proven/accepted. This study confirms the findings of Zineldin and Bredenlow (2003) and Zineldin (2004) that the partnership synergy will be stronger if the cooperating companies can maintain the values of a cooperative relationship. The value of the relationship, for example, loyalty to partners, maintaining interdependence, conformity to partners (cultural fit), integrity and intensity of relationships, and institutionalization, means taking action on behalf of the institution and the joint's benefit institutional.

The calculation results show that the path coefficient of 2.691 ($p \leq 0.007$) indicates that the inclusive value chain has a significant effect in a positive direction on marketing performance. The results of the analysis state that the inclusive value chain will improve marketing performance so that the eighth hypothesis is proven/accepted. The Effect of Cooperation Synergy on Competitive Positional Advantage Significant results The synergy of Cooperation affects the competitive positional advantage, while the synergy of Cooperation is influenced by the long-term relationship value and the inclusive value chain, where both variables have a significant effect. The ninth hypothesis is proven/accepted. This study confirms (Prahalad and Hamel, 1990) that knowledge is the basis for sustained excellence. This also supports the findings of Whiple (2000), which explains that the synergy of alliances (the quality of partnerships or Cooperation) will be reflected in the increasingly transparent relationships between organizations, complementary or mutually cover the weaknesses of business partners, avoiding negative conflicts against partners and various partners as well as various information. . In addition, it confirms (Nakata, 2000) that marketing performance becomes important for several company managers when some of the evaluation results are used as a measure of managerial success from several marketing activities that have been carried out.

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The calculation results show that the path coefficient of 1.974 ($p \leq 0.049$) gives the decision that the synergy of Cooperation has a significant effect in a positive direction on marketing performance. The results of the analysis state that the synergy of Cooperation will increase marketing performance so that the tenth hypothesis is proven/accepted. This study is in line with the findings of Morgan (2012) that measures the dimensions of marketing performance into four dimensions: sales, satisfaction, retention, and market share. Its marketing capabilities and resources determine the success of the company's marketing performance. The findings align with Chen & Lu (2014) that the dimensions of marketing performance include market coverage, market growth, logistical support, distribution, market share, synergy with changes in costs, and synergy to increase company profits. The indirect effect of the variable value of the long-term relationship or inclusive value chain on the marketing performance of milk cooperatives through collaboration synergy can be described as further.

Indirect effect The value of the long-term relationship on competitive positional advantage in dairy cooperatives, through the Synergy of Cooperation, produces partial mediation. This means that the synergy of Cooperation is not fully a mediation for the influence of long-term relationship value on competitive positional advantages of dairy cooperatives. This means that the value of long-term relationships can have a direct influence on marketing performance without going through or including the mediator variables of collaboration synergy. Indirect Effect of Long-term Relationship Value on Cooperation Synergy in dairy cooperatives, through the Inclusive value chain, resulting in full mediation. The independent variable cannot significantly influence the dependent variable without passing through the mediator variable. This means that the value of the long-term relationship is not able to significantly influence the synergy of Cooperation in dairy cooperatives without going through the mediator variable / inclusive value chain. Indirect effect The value of the long-term relationship on the marketing performance of dairy cooperatives, through the synergy of Cooperation, produces partial mediation. This means that the synergy of Cooperation is not fully a mediation for the influence of long-term relationship value on marketing performance. This means that the value of long-term relationships can directly influence marketing performance without going through or including the mediator variables of collaboration synergy. Inclusive value chain indirect effect on the competitive positional advantage of dairy cooperatives, through the synergy of Cooperation, produces partial mediation. This means that the synergy of Cooperation is not fully a mediation for the influence of the inclusive value chain on the competitive positional advantage of dairy cooperatives. This means that the inclusive value chain can have a direct influence on marketing performance without going through or including the mediator variables of collaboration synergy. Inclusive value chain indirect effect on marketing performance of milk cooperatives, through the synergy of Cooperation produces partial mediation. This means that the synergy of Cooperation is not fully a mediation for the influence of the value of the long-term relationship on the competitive advantage of dairy cooperatives. This means that the inclusive value chain can have a direct influence on marketing performance without going through or including the mediator variables of collaboration synergy. Indirect Effect of Cooperation Synergy on Marketing Performance of Dairy

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Cooperatives, through competitive positional advantage, produces full mediation. It means that the independent variable cannot have a significant effect on the dependent variable without passing the mediator variable. This means that the synergy of Cooperation is not able to significantly influence the marketing performance of the milk cooperative without going through the mediator variables of competitive positional advantage. This means that the synergy of Cooperation cannot significantly affect the marketing performance variable without passing the mediator variable. Competitive positional advantage has an important role.

Conclusion

Based on the analysis of the study and discussion, the general and specific conclusions of this research are, in general, the conclusions are obtained, namely, Direct effect: there is a direct effect partially or jointly / simultaneously on the variable Long-term relationship value, advantages competitive positional, Inclusive value chain, the synergy of Cooperation, on the variable of marketing performance of milk cooperatives in East Java. Indirect Effect: The Value of Long-Term Relationships to Competitive Positional Advantage results in partial mediation, the Value of Long-Term Relationships to the Synergy of Cooperation results in full media, the Value of Long-Term Relationships to Marketing Performance results in partial mediation, Inclusive Value Chain on Marketing Performance results in partial mediation, Cooperation Synergy on Marketing Performance the result is full mediation.

The suggestions for this research are social exchange behavior, relationship marketing - strategic marketing outcomes, the development of information technology that has encouraged consumer behavior and creative industry players for dairy products, agro-tourism, and downstream fresh milk products. Developing customer relationship marketing and the use of appropriate information and communication technology. For activists and actors of milk cooperatives in Indonesia, especially in East Java. It becomes important to integrate social and environmental issues into their business strategy. Cooperative managers need to understand financial and non-financial performance and strengthen the research and development sector by involving experts and practitioners. Prepare the application of the findings of cooperative R&D so that it can reduce the weaknesses of dairy farming and increase the quantity and quality of fresh milk products. Prepare education and training for cooperative members in order to be able to gradually adapt to the needs of information and communication technology literacy. Encouraging the government to make regulations that encourage milk cooperatives in Indonesia to achieve milk self-sufficiency in 2024, the existence of a policy of strengthening the cooperative and small business sectors, encouraging the minister of finance to apply import tariffs following the regulations of 15%. The next researcher is suggested to add to the variable of cooperative transformational leadership style. The change management variable in the era of 4.0 is also suggested to increase the number of research objects for dairy cooperatives throughout East Java. Study of institutional and regulatory aspects, policies, procedures, and government support.

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