ABSTRACT

Janio Indonesia is a logistics service provider company that has several customers who are included in the UMKM category. The condition found after making observations is that generally, MSMEs have a dependency on logistics service providers because MSMEs do not have strong knowledge in the field of logistics seeing that many regulations regulate the transportation of goods and services so that MSMEs use logistics service providers to manage the movement of their products. The level of trust and integration of MSMEs and logistics service providers is a variable in the relationship between the two parties.

In the relationship between logistics service providers and users of logistics services, various relationships will appear, such as dependence, trust, integration, and also increased financial performance according to previous studies. The purpose of this study was to determine dependence, trust, integration, financial performance, the influence of dependence on integration, the effect of dependence on integration through trust, and the effect of integration on the financial performance of MSMEs using Janio Indonesia's logistics services.

The research method used is quantitative methods. The technique of collecting data is by distributing questionnaires. The sample used is a saturated sample or the entire population, namely 39 MSMEs. The analysis technique in this research is descriptive analysis and SEM analysis.

The results of the study indicate that dependence has a significant positive effect on integration through trust as a mediation. The analysis also validates the relationship between integration and financial performance.

This study concludes that dependence affects integration positively and significantly both directly and indirectly through trust as mediation. Integration also has a significant positive effect on financial performance. This study suggests that MSMEs must manage dependence, trust, and integration in their supply chains to increase integration and will have a direct effect on the financial performance of MSMEs. When there is a high dependency relationship, MSMEs should invest in logistics service providers to improve integration and also financial performance.

Keywords: Dependence, Financial Performance, Integration, SME, Third Party Logistics, Trust.