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The Effect of Cost Reduction as Part of Supply Chain Drivers' Element and Customer Satisfaction on Purchasing and Logistics Performance

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Abstract

Dynamic capabilities became a manufacturing industry benchmark for surviving and adapting to the dynamic environment change, including the COVID-19 pandemic. In a manufacturing company, supply chain management performance becomes the main activity that must be effective and efficient. Two supply chain drivers were observed in this study to perform optimal supply chain management, namely cost reduction and customer satisfaction, which became the company's drivers in establishing partnerships in purchasing and logistics, affecting the company's purchasing and logistics performance. This study investigated the effect of cost reduction and customer satisfaction on the partnerships in purchasing and logistics and purchasing and logistics performance. This study used a descriptive quantitative approach. The population comprised operational managers of food and beverage production in Indonesia, with 711 people. The sampling used a random sampling technique, and 50 respondents' data was obtained. The data collection was performed by distributing online questionnaires. Data processing was performed with the Partial Least Square (PLS) method. The result found that cost reduction and customer satisfaction affect partnerships in purchasing and logistics, customer satisfaction and partnerships in purchasing and logistics affect purchasing and logistics performance, and cost reduction does not affect purchasing and logistics performance. Theoretical contribution of research to add enrichment to the resource-based view theory on competitiveness with supply chain performance.

Keywords: Supply Chain Management, Cost Reduction, Customer Satisfaction, Partnership, Performance.

1. Introduction

Logistics is a series of activities related to the flow of products or services from the beginning to the final consumer (Azmi et al., 2017). Good logistics performance supports companies to produce more effective and efficient supply chain performance. Indonesia's logistics performance is still lagging behind that of neighboring countries. The 2018 Logistics Performance Index (LPI) score was 3.15, ranking fifth in the Southeast Asia region and 46th out of 160 countries. This phenomenon indicates obstacles to Indonesia's logistics performance, so it is less than optimal. The role of effective and efficient supply chain management can help and be very important in efforts to optimize Indonesia's logistics performance.

The Covid-19 pandemic has become an obstacle for company logistics and supply chains. The pandemic requires companies to ensure the smooth running of the supply chain, monitor finances and company reputation, and monitor market uncertainty, which can reduce product demand (Ongkowijoyo et al., 2020). The existence of the Large-Scale Social Restrictions (PSBB) policy due to the Covid-19 pandemic has had an impact on limiting the running of the supply chain, which has had an impact on the performance of Indonesian manufacturing companies (Saragih et al., 2020). This is evidenced by the decline in Manufacturing PMI during the COVID-19 pandemic in April and May 2020 and the decline in the value of oil and gas and non-oil and gas exports, which reached 12.16 billion USD and 10.45 billion USD. In contrast, in March 2020, the export value remained at 14.06 billion USD.

Manufacturing companies try to maintain a balanced production process that starts from the supplier and ends at the user, which is said to be supply chain management (Siagian & Johono, 2022). The role of the supply chain in building coordination between parties can run quickly and precisely (Firmansyah & Siagian, 2022). The company tries to maintain a balance when changes that occur among users can be communicated quickly to suppliers so they can provide materials according to needs (Riofiandi & Tarigan, 2022). The company's communication role can maintain balance in a supply chain that runs smoothly and well (Setiawan & Tarigan, 2022). Companies try to balance responsiveness and efficiency to meet user needs to maintain competitiveness (Yunus & Tadisina, 2016). The strategy that companies need to pay attention to is supply chain drivers (Chand et al., 2020). Companies try to maintain supply chain drivers by paying attention to facilities, transportation, sourcing, information, inventory, and pricing. Companies can understand the importance of each element, process, and work system (Rezaei et al., 2018). Manufacturing companies strive to maintain good and adequate supply chain continuity (Silvestre et al., 2023). The company's ability to use information technology can manage inventory to produce company performance (Djiantoro & Tarigan,

2022; Korompis et al., 2022). The supply chain drivers determined by the company will increase when the company can build strong partnerships with suppliers and customers (Abdelfattah et al., 2023; Ghadge et al., 2017). Companies strive to empower suppliers to meet company needs (Oyedijo et al., 2022). Companies can share information on raw material supplies and short- and long-term planning with suppliers to understand better the company's needs (Abdirad & Krishnan, 2022). Companies must also establish consumer satisfaction with the processes and products produced (Huo et al., 2024). Supply chain agility in companies that can produce responsiveness impacts business customer value and customer satisfaction (Gligor et al., 2020). The service quality ports provide improves logistics performance to produce customer satisfaction (Le et al., 2020). The company's ability to work together with distributors in product delivery to increase retail satisfaction (Jiputra et al., 2020). The supply chain drivers formed in the company can provide innovation in maintaining operational processes with minimal costs (Afshari et al., 2020).

This problem is a challenge for manufacturing companies in determining strategies to achieve optimal purchasing and logistics performance (Kamble & Raut, 2011). Partnership is one of the determining factors in a company's purchasing and logistics performance. Partnership in purchasing and logistics focuses on good relationships between companies and suppliers (Rezaei et al., 2018). Through partnerships, we can minimize the risk of obstacles occurring in the supply chain, which is a form of the company's calculated risk-taking amidst conditions of market uncertainty. Companies that dare to carry out risky activities indicate that the company is ready to accept risks in creating discoveries for the company's future (Teofilus et al., 2020). The results of previous research studies show that research has yet to provide simultaneous research on the four variables: cost reduction, customer satisfaction, collaboration in logistics and purchasing, and finally, purchasing and logistics performance. Previous research still carried out partial testing. Based on the explanation above, the research objectives can be set as follows: First, to obtain the magnitude of the impact of cost reduction as a supply chain driver on partnerships in logistics and purchasing. Second, we need to determine the magnitude of the effect of customer satisfaction on partnerships in logistics and purchasing. Third, get the magnitude of the influence of cost reduction, customer satisfaction, and collaboration in logistics and purchasing on the purchasing and logistics performance.

2. Literature Review

2.1. Supply Chain Management

Supply chain management is a relationship or network between a company and its suppliers to produce and distribute products to end users (Setiawan & Tarigan, 2022). The company's ability to involve components in the company's flow in producing products that efficiently and effectively arrive at the end user. The relationships formed along the supply chain flow include various company operational activities involving people so they can work simultaneously. Companies can also use quality information to share with external partners. Companies can also share resources to support a smooth supply chain process (Siagian & Johono, 2022).

A company's ability to develop a supply chain reduces costs and increases competitiveness (Korompis et al., 2022). The challenge for top management is that the supply chain is essential because it can optimize the production process to produce products with a faster production cycle, which will impact lower company operational costs (Silvestre et al., 2023). Supply chains always involve various activities to produce products until they reach consumers in the correct quantity, quality, and price for customer satisfaction (Abdirad & Krishnan, 2022). Activities in the supply chain consist of product movement, information, and finance. The main activity in the physical supply chain is moving raw materials and processing them into finished products (Korompis et al., 2022). The next stage is transporting and distributing the product to end users at the appropriate cost. Elements in the supply chain can include all functions, from the marketing department receiving orders to fulfilling customer requests (Agarwal & Narayana, 2020). Companies currently need supply chain management to produce products that can improve the company's competitiveness well (Firmansyah & Siagian, 2022).

Companies can make continuous improvements when there are parts that move all supply chain members (Chand et al., 2020). The six supply chain driver factors are facilities, transportation, sourcing, information, inventory, and company pricing (Rezaei et al., 2018). The company uses these six elements to produce efficient and effective products to satisfy customers. Companies must pay attention to facilities, which are physical locations in the supply chain where products are stored, assembled, or made. Determining facilities dramatically impacts the level of responsiveness and efficiency in the supply chain (Abdelfattah et al., 2023). Facility decisions can create a competitive strategy for the company. The company's ability to pay attention to its facilities is essential in delivering products to users (Jiputra et al., 2020; Agarwal & Narayana, 2020). Transportation is a step a company takes to move inventory from one point to another in the supply chain (Abdelfattah et al., 2023). The choice of transportation also dramatically impacts the level of responsiveness and efficiency in the supply chain. Supply chain drivers in sourcing become the company's mainstay by building

solid partnerships with suppliers (Setiawan & Tarigan, 2022). Sourcing is a series of business processes required to purchase goods and services. Sourcing explains who will carry out the supply chain's activities (Abdelfattah et al., 2023). The company's ability to choose suppliers, the quality of goods from suppliers, the price of materials from suppliers, the number of goods purchased, and the time it takes natural suppliers to send materials to the company (Riofiandi & Tarigan, 2022). The role of suppliers in providing a company's competitive strength is huge (Ghadge et al., 2017). Companies build strong supplier partnerships in this condition (Oyedijo et al., 2022).

The coordination that companies build with suppliers and customers as a form of external partnership can benefit companies in improving business performance (Firmansyah & Siagian, 2022). External coordination can share reliable information for the company to build internal coordination (Siagian & Johono, 2022). The information formed in the supply chain flow becomes a strong link between the various stages of the supply chain, which makes it possible to coordinate and maximize value for all components (Djiantoro & Tarigan, 2022). The information formed can enable all components to share information so that the roles and movements of supply chain members can be directed toward building joint performance and increasing competitiveness (Korompis et al., 2022).

Inventory is a supply chain driver's element that can maintain an imbalance between suppliers and customers (Abdelfattah et al., 2023). The company maintains that its inventory is manageable so that it can cause waste for the company (Riofiandi & Tarigan, 2022). Inventory can be optimized when the company can maintain specific customer needs and the capabilities of the company's suppliers (Djiantoro & Tarigan, 2022). Companies must consider inventory requirements for each product item to maintain optimal quantities. An essential element for supply chain drivers is pricing. Companies try to calculate the prices of products or processes provided to customers (Yunus & Tadisina, 2016). The company tries to provide optimal value so that the company's customers become loyal. Price influences customer behavior in purchasing products and customer expectations (Agarwal & Narayana, 2020). Pricing is one of the most significant factors influencing the supply chain's level and type of demand. The supply chain drivers are sought to help the company improve its performance and competitiveness with minimal operational costs (Afshari et al., 2020). Companies try to build customer satisfaction by running supply chain drivers to provide value for the company (Abdelfattah et al., 2023; Yunus & Tadisina, 2016). This goal can be achieved if the company can build good relationships with suppliers, which is the role of the purchasing department (Oyedijo et al., 2022). Partnerships are essential for companies to build with suppliers to maintain the continuity of the production process (Ghadge et al., 2017; Setiawan & Tarigan, 2022).

2.2. Customer Satisfaction

The final process of the supply chain is to provide efficient and effective products so that the price is right, on time, and product quality for company customers (Jiputra et al., 2020). The company always strives to provide customer satisfaction, which is the company's goal in providing the products or services (Huo et al., 2024). Manufacturing and service companies try to get the voice of customers regarding products or services that are measured regularly. Customers need to provide a voice so that companies can measure the products or services provided (Abdirad & Krishnan, 2022). Opinions from customers are essential for companies to pay attention to the level of customer satisfaction provided by the company that meets or exceeds customer expectations (Agarwal & Narayana, 2020). Satisfaction given to customers on an ongoing basis will positively impact the company because the company's customers will become loyal by making purchases over a long period and also provide positive explanations and recommend other retailers to make purchases from distributors (Jiputra et al., 2020).

The company's performance in providing products or services that match customer orders and the criteria determined as product requirements will provide customer satisfaction (Gligor et al., 2020). Companies that can meet customer needs by predetermined expectations will feel satisfied. Conversely, if the company cannot provide product or service performance according to expectations, there will be dissatisfaction and even disappointment with the products provided, so integration is needed (Yunus & Tadisina, 2016). Overall customer satisfaction with the company is related to the company's logistics and transportation performance. Research by Kamble & Raut (2011) states that logistics services quality is determined as a measurement item: information quality, ordering procedures, ordering release quantities, timeliness, order accuracy, product quality, order conditions, order discrepancy handling, and dan personnel quality. Research conducted by Le et al. (2020) regarding customer satisfaction in Vietnam with the items used being overall satisfaction regarding the logistics service provided, the courtesy and methods used by ports in serving customers, employee work attitudes in service, cargo management processes, and customs procedures. Huo et al. (2024) determined that the measurement items for customer satisfaction in the supply chain are customer satisfaction with the quality of the products produced, satisfaction with the accuracy of delivery, customer loyalty to the products produced

by the company, customers perceive that the company's products have high value, and customers recommend the company's products to a new customer.

2.3. Relationship between Research Concepts

Factors that encourage companies to establish partnerships in purchasing and logistics include cost reduction and customer satisfaction, which are part of supply chain drivers (Rezaei et al., 2018). Cost reduction is a reason for companies to collaborate because it can benefit the company in terms of price. Customer satisfaction is the driving force for companies to carry out partnerships in purchasing and logistics because customer satisfaction is important for companies to achieve in providing services and products to consumers. Companies that reduce costs can make the price of finished products more affordable. Cheap final product prices can increase the company's competitive advantage. By establishing partnerships in purchasing and logistics, which are influenced by cost reduction, companies can get the best prices to reduce production expenses, which will impact the final product's price. This is supported by previous research conducted by Rezaei et al. (2018), Sylvia et al. (2018), Yoo et al. (2019), and Praveen et al. (2019). Based on the literature review above, the hypothesis in this research is:

H_1: Cost reduction affects partnerships in purchasing and logistics.

Customer satisfaction occurs when the service or product provided by the company meets consumer expectations. In this case, customer satisfaction is the driving force for manufacturing companies to have partnerships in purchasing and logistics with suppliers to supply raw materials well, on time, and with good service, so the company can carry out supply chain activities more quickly and achieve customer satisfaction. This is supported by research by Sáenz et al. (2018) and Rezaei et al. (2018), which states that there is an influence between customer satisfaction and partnerships in purchasing and logistics. Based on the literature review above, the hypothesis in this research is:

H_2: Customer satisfaction influences partnerships in purchasing and logistics.

Cost reduction illustrates that the company has experienced an increase in productivity, which reflects the company's performance (Strupeit, 2017). The existence of efficient costs in the supply chain can influence the final product price to be cheaper, resulting in increased company profits, which can indicate that the company's purchasing and logistics performance is good. This is supported by research by Xiao (2019), which shows that reducing costs can improve company performance. Based on the literature review above, the hypothesis in this research is:

H_3: Cost Reduction influences purchasing and logistics performance.

Consumers who achieve customer satisfaction can improve the company's purchasing and logistics performance. Satisfied consumers will tend to trust the company and make repeat purchases. This will increase company sales, which will be accompanied by increased purchasing activity and use of logistics in the company, which will reflect purchasing and logistics performance. This is supported by research of Heikkilä (2002), which shows that the success of a company's customer satisfaction can increase the company's purchasing and logistics activities. Based on the literature review above, the hypothesis in this research is:

H_4: Customer satisfaction influences purchasing and logistics performance.

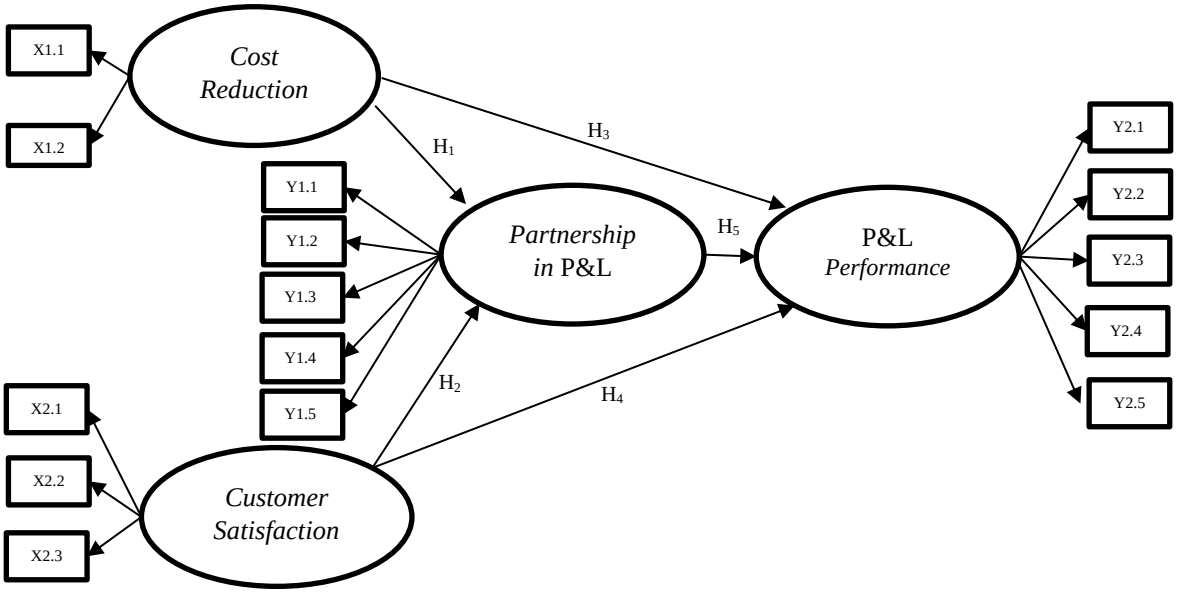

Figure 1. Structural model

Partnerships in corporate purchasing and logistics that run well and are profitable for the company will reflect a company's purchasing and logistics performance (Rezaei et al., 2018). This is supported by previous research conducted by Ellram & Cooper (1990), Richey et al. (2009), Aharonovitz et al. (2018), and Rezaei et al. (2018). Based on the literature review above, the hypothesis in this research is:

H_5: Partnership in purchasing and logistics influences purchasing and logistics performance.

3. Methods

This research uses a quantitative and descriptive approach. The population comprised operations and production managers of food and beverage manufacturing companies in Indonesia, with 711 people. Data was obtained primarily by distributing questionnaires online and using random sampling. Researchers created a questionnaire on Google Forms and asked students, lecturers, and practitioners who have connections with companies operating in the food and beverage sector to answer it. They also joined several associations to distribute questionnaires that could be answered directly using the link provided. This condition results in an infinite population size, which was determined in the research because it is difficult to define the exact number. The research method is Structural Equation Modeling (SEM) with SmartPLS, so the minimum samples must be obtained in a study is 100 samples (Hair et al., 2019). The total number of respondents in the study was 711 respondents.

The research determines measurement items for each specified research variable. Variables for supply chain drivers consist of cost reduction with packaging cost items and distribution costs. The variables determined for customer satisfaction are on-time delivery of products, accurate order deliveries, and overall customer satisfaction. The third variable is a partnership in purchasing and logistics, measuring items' decisions, risk/reward, investment, and communication. Meanwhile, purchasing and logistics performance is determined by measuring delivery speed to your customers, delivery dependability, responsiveness to your customers, delivery flexibility to your customers, and order fill capacity.

The measurement scale uses an interval scale of 1–7, namely: (1) strongly disagree, (2) disagree, (3) disagree, (4) neutral, (5) somewhat agree, (6) agree, (7) strongly agree. The research data analysis method with a small sample is more suitable using Partial Least Square (PLS) (Hair et al., 2019).

4. Results

The majority of respondents in this research are large companies with domiciles on the island of Java, amounting to 76%, and are among companies affected by the COVID-19 pandemic. In addition, the questionnaire was filled out by respondents who had worked for a minimum of 1 year. The longer the respondents have worked at the company, the more knowledge they have about the activities the company has carried out so that they can answer the questions in this research variable correctly.

Measuring validity and reliability can see the values of the loading factor, shown in Table 1, AVE, composite reliability, and Cronbach's alpha, shown in Table 2. Loading factor values > 0.7 are indicators considered good. The Cronbach's alpha value is more than 0.7, so the indicator is reliable (Hair et al., 2019).

Table 1. Confirmatory factor analysis

Variable	Indicator	Loading Factor
Cost Reduction (X1)	Packaging Cost (X1.1)	0.846
	Distribution Cost (X1.2)	0.919
Customer Satisfaction (X2)	On-time delivery of products (X2.1)	0.808
	Accurate order deliveries (X2.2)	0.914
	Customer Satisfaction (X2.3)	0.855
Partnership in Purchasing and Logistics (Y1)	Control (Y1.1)	0.922
	Decision (Y1.2)	0.841
	Risk/Reward (Y1.3)	0.906
	Investment (Y1.4)	0.864
	Communication (Y1.5)	0.887
Purchasing and Logistics Performance (Y2)	Delivery speed to your customers (Y2.1)	0.877
	Delivery dependability (Y2.2)	0.844
	Responsiveness to your customers (Y2.3)	0.922
	Delivery flexibility to your customers (Y2.4)	0.833
	Order fill capacity (Y2.5)	0.797

Based on Table 1, it was obtained to test the validity of the research. These results show that the cost reduction variable with the lowest value for the packaging cost item is 0.846, which has met the validity test above 0.700. The second variable is customer satisfaction, with the lowest item loading factor value found on-time delivery of products at 0.808 and above 0.700, so it meets the requirements. Partnership in purchasing and logistics, as the third variable with the lowest loading factor, is found in the decision item of 0.841

(>0.700), which is stated to have met the validity test requirements. The final variable in purchasing and logistics performance with the lowest loading factor value on the order fill capacity item is 0.797, which exceeds 0.700, thus fulfilling the validity test. This condition indicates that all measurement items for each variable have met the requirements for validity testing so that further data processing can be carried out.

Table 2. Validity and reliability model

Variable	Cronbach's Alpha	AVE	Composite reliability	R Square
Cost Reduction (X1)	0.723	0.780	0.876	
Customer Satisfaction (X2)	0.822	0.739	0.895	
Partnership in Purchasing and Logistics (Y1)	0.930	0.782	0.947	0.372
Purchasing and Logistics Performance (Y2)	0.908	0.732	0.932	0.563

Goodness-of-fit in the model can be seen with the R-square and Q-square values. The R-Square value is good if it is more than 0. Table 3 shows the R-Square value of partnership in purchasing and logistics (Y1) of 0.372 and purchasing and logistics performance (Y2) of 0.563. The results of the Q-Square value in this study were relatively high at 72.56%. So, it can be concluded that the model has predictive relevance. The following is the calculation of the Q-Square value:

Q-Square = 1 – [(1-0,372) x (1-0,563)] = 0,7256 (1)

Table 3. Hypothesis testing

	Hypothesis	T-Statistic	P-Values	Results
RH1	Cost Reduction → partnership in P&L	2.437	0.015	Support
RH2	Customer Satisfaction → partnership in P&L	2.262	0.024	Support
RH3	Cost Reduction → P&L performance	1.429	0.154	Unsupported
RH4	Customer Satisfaction → P&L performance	2.188	0.029	Support
RH5	Partnership in P&L → P&L performance	2.411	0.016	Support

Table 3 shows the results of hypothesis testing, which uses the t-test. The research received 711 respondents, so the t-table value was 2.0129. If the t-statistics value > t-table, then the hypothesis is supported. From the results of the tests that have been carried out, five hypotheses are supported, and two hypotheses are not supported.

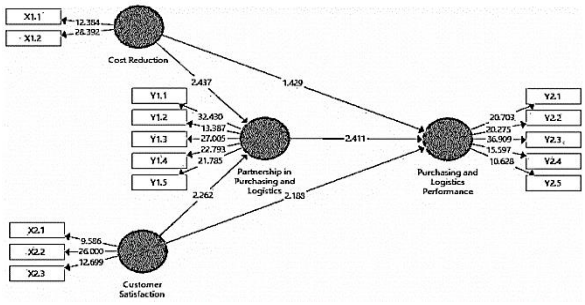

Figure 2. Partial Least Square Model

5. Discussion

The results of the first hypothesis test state that cost reduction has a positive and significant influence on partnerships in purchasing and logistics. Cost reduction has a lot of influence on the company's partnership in purchasing and logistics. Partnership relationships are influenced by cost reduction and the company succeeds in reducing inefficient costs so that it benefits the company, so the partnership relationship with partners can run well and sustainably. The company's capability in sorting costs efficiently can open up great opportunities in creating partnerships in purchasing and logistics. This is supported by Rezaei et al. (2018) who stated that one of the main drivers for companies to engage in partnerships in purchasing and logistics is cost reduction. Supporting research was also conducted by Sylvia et al. (2018) who said that activities that are not needed and cost a lot of money in a company must be eliminated so that the performance of company activities can run efficiently. It can be concluded that company performance requires cost reduction in purchasing and logistics partners.

Thanks to the Covid-19 pandemic which has had an impact on the food and beverage manufacturing industry sector. The results of data processing show that respondents agree with the importance of reducing costs as one part of distribution which can be implemented through partnerships in purchasing and logistics. Partnership in purchasing & logistics is the company's mainstay in carrying out supply chain activities due to disruption in purchasing and logistics activities during the Covid-19 pandemic. At this point it can be seen how the company's dynamic capabilities are taking advantage of opportunities and how the company is restructuring costs with various strategies, such as

looking for new partners to maintain cost reduction and a smoothly running supply chain.

The results of the second hypothesis test state that customer satisfaction has a positive and significant influence on partnerships in purchasing and logistics. Customer satisfaction is a company goal that the company wants to achieve and one of the reasons the company entered into a partnership in purchasing and purchasing. Having a good partnership in purchasing and logistics can help manufacturing companies achieve efficiency in supply chains and operations so that product quality, accuracy and speed of delivery can be well received and in line with customer expectations. This is supported by Bhatnagar et al. (1999) who stated that to maintain consumer satisfaction with products or services, companies must be able to reduce obstacles to company performance by collaborating with logistics departments. Customer satisfaction is one of the driving factors for companies to establish partnerships in purchasing and logistics with the aim of partners being able to work together well.

During the Covid-19 pandemic, there were many changes in the business world, such as changes in people's behavior, various government policies regarding PSBB and restrictions on exports and imports, reducing company productivity so that food and beverage manufacturing companies were affected. Obstacles in logistics and export-import activities mean that many suppliers are unable to send supplies of goods to many companies, causing obstruction to the flow of these companies' products. This can have an impact on customer dissatisfaction because the company fails to meet customer expectations due to logistics delays which can hamper the company's supply chain activities. This indicates the importance of the role of partnerships in purchasing and logistics with the right partners who can work according to the agreement so that the company is still able to minimize risks and maintain customer satisfaction.

The results of the third hypothesis test state that cost reduction has no significant effect on purchasing and logistics performance. This is supported by research (Sutrisno, 2014), which states that just-in-time purchasing carried out by producer companies does not directly influence the company's logistical performance. The company cannot reduce costs within the company, such as packaging costs, without the role of external parties who act as packaging suppliers. Cost reduction cannot have a direct influence on purchasing and logistics performance. Cost reduction may influence the company's production performance because one of the production performance indicators research projects conducted by Rezaei et al. (2018) consists of costs per operation hour, which can be realized through cost reduction.

The results of the fourth hypothesis test state that customer satisfaction positively and significantly influences purchasing and logistics performance. Customer satisfaction can benchmark the company's purchasing and logistics performance. Companies that can meet consumer expectations so that consumers feel satisfied with the company's products services, and sales. The increase in sales will align with the increase in the company's purchasing and logistics activities. The company's success in achieving customer satisfaction indicates that customers have trust in the company because of the company's consistency in maintaining product quality, the number of products ordered, and product delivery on time so this sense of trust will influence the company's purchasing and logistics performance to run better.

This is supported by Heikkilä (2002), who states that customers who are satisfied with the services provided by the company can improve various aspects of logistics activities, which can run more effectively and efficiently because the company and customers can share valid information and customers do not need to afraid of the quality of the products provided by the company because customers are based on satisfaction during transactions with the company. So this will affect purchasing and logistics performance, allowing them to run more optimally. The condition of the COVID-19 pandemic, which has changed people's behavior and people's trust in product hygiene, has forced food and beverage manufacturing companies to improve product quality and delivery systems to customers so that customers can trust that the products they buy are in good condition and companies can achieve customer satisfaction and purchasing. and logistics performance during the Covid-19 pandemic.

The results of the fifth hypothesis test state that partnerships in purchasing and logistics have a positive and significant influence on purchasing and logistics performance. In this research, it can be concluded that companies with partnerships in purchasing and logistics have advantages such as efficient supply chain activities, which can positively influence company performance. Collaborative actions with external parties within a company, organization, community, and others will influence the organization's performance. If the collaboration goes well according to plan, performance will improve. Likewise, partnerships in purchasing and logistics will impact purchasing and logistics performance.

This is supported by Rezaei et al. (2018), who stated that partnerships in purchasing and logistics significantly affect purchasing and logistics performance. Research also supports this (Ellram & Cooper, 1990), which states that a series of collaborations within a

company is essential. The Covid-19 pandemic has impacted the company's purchasing and logistics performance. There are changes in partnerships in purchasing and logistics as well as purchasing and logistics performance resulting from restrictions on company and export-import activities. The PSBB makes companies unable to work optimally, which can affect the company's purchasing and logistics performance.

5.1. Managerial Implications

This research has reduced costs because supply chain drivers can impact purchasing and logistics performance partnerships. This condition allows food and beverage companies to use packaging and distribution costs as a form of cost reduction to increase partnerships in purchasing and logistics. They are increasing investment, risk/reward, and communication as a form of company commitment to increasing competitiveness. These results have implications for companies to pay increased attention to investments and rewards provided by companies as an adequate system to increase competitiveness. Cost reduction in food and beverage companies, described by packaging costs and distribution costs, impacts purchasing and logistics performance by increasing responsiveness to customers and delivery speed to customers. Food and beverage companies have been able to pay attention to important things for the company's customers, in this case, the retail or wholesaler. The implications of this hypothesis state that companies can pay attention to and identify important things to customers. The company tries to listen to customers' voices to make improvements so that cost reduction can run well, but customer satisfaction continues to increase. The customer satisfaction that is formed can improve purchasing and logistics performance and increase the company's competitiveness on an ongoing basis. A practical contribution to the company is given to the marketing manager to understand what is essential to customers and how to fulfill it so that the expected satisfaction can be achieved. Managers are expected to be able to measure customer satisfaction every time a product is delivered. Customer satisfaction results are the basis for companies to make continuous improvements. These findings enrich the resource-based view theory on competitiveness with supply chain performance.

6. Conclusions

Companies operating in food and beverage are trying to increase competitiveness by improving purchasing and logistics performance. This increase requires good cooperation with supplier partners and customers. The company tries to involve partners to reduce costs and increase customer satisfaction. This research shows that cost reduction and customer satisfaction as supply chain drivers are the driving factors for companies to establish partnerships in purchasing and logistics. A well-established partnership can improve company performance, and help companies have dynamic capabilities in business conditions that can change dynamically. This research also shows that customer satisfaction can be a benchmark for purchasing and logistics performance in manufacturing companies. If the company can provide and fulfill consumer expectations to achieve customer satisfaction, it can be said that the company's purchasing and logistics performance is running well. However, it was found that cost reduction did not affect purchasing and logistics performance. Suggestions for future research are that the research be carried out more broadly, such as including factors outside the variables of this research, namely growth, inventory demand optimization, inventory optimization, and innovation. The population can also be expanded by choosing research subjects different from the scope of this research, such as the tobacco industry, food chemistry, crafts, etc., to get different perspectives.

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