Strategic policy for investment development and service quality towards marketing performance as well as the competitiveness of SMEs in Jambi City

Marzon Marzon*; Syamsurijal Tan; Johannes Johannes; Ade Octavia
Doctoral Program in Economics, Postgraduate, Universitas Jambi, Indonesia
*To whom correspondence should be addressed.

ABSTRACT: This study examines the effect of strategic policies on investment development and service quality of investment services and one-stop integrated services on the marketing performance and competitiveness of small and medium enterprises in Jambi City. The research sample was 134 small and medium enterprises scattered in each sub-district in the city of Jambi. This research data processing using descriptive method and using SEM-PLS analysis tools. This study indicates that the strategic policy of investment development and service quality simultaneously has a significant positive effect on the competitiveness of small and medium enterprises in Jambi City. Meanwhile, partially the strategic policy of investment development, service quality affects marketing performance. Likewise, service quality and marketing performance can affect competitiveness. However, strategic policies on competitiveness do not affect.
Keywords: Competitiveness, Investment, Service Quality, Marketing Performance, SMEs

I.   INTRODUCTION

Small and medium enterprises (SMEs) can develop economic growth in a region and open employment opportunities for the surrounding community. An increase must also follow the current rapid development of SMEs' ability to provide customer satisfaction (customer satisfaction) to foster retention loyalty to the products or services produced (Bastiar, 2010).

The map of economic strength and the business world's climate is marked by increasing competition due to the emergence of economic globalization. It requires every business actor and government agency to strive to further improve their capabilities and resilience by mobilizing all available potentials to compete in the era of globalization. This globalization reflects both a challenge and an opportunity, where the increasing level of competition between countries will impact the Indonesian economy anddirectly impact the regional economy, especially after the era of regional autonomy.

Based on data from the World Economic Forum on the Global Competitiveness Index ranking for the 2017-2018 period, Indonesia is ranked 36 out of 137 countries. This position is below the rankings of Singapore (3), Malaysia (23), and Thailand (35) for countries in the Southeast Asia region. Meanwhile, in terms of ease of doing business, Indonesia was ranked 91 out of 191 countries (The World Bank, 2017). Meanwhile, based on ACI NUS, Jambi province's competitiveness is ranked 25th out of 33 provinces in Indonesia with a score of -0.607. This position is below the rankings of Aceh (20), North Sumatra (22), West Sumatra (24) for provinces on the island of Sumatra.

Investment is the main economic activity that can be the prime mover of a region's economic development. The important role of investment is to increase people's income, absorb labor, empower local resources, improve public services, increase gross regional domestic production and develop micro, small businesses, and cooperatives. Therefore, at various levels, almost all governments always try to find ways to encourage investment activities in their respective regions.

Business growth established by business actors forms the basis for the economic development of a region. In this case, the government has tried to facilitate business actors to run a business according to the government's standards, including the Investment Service and One-Stop Integrated Services (DPMPTSP).DPMPTSP seeks to improve the regional economy by providing opportunities for business actors to improve their healthy competitiveness. In general, the level of competitiveness of an area is in line with community welfare. Increasing competition demands local governments to prepare their regions

in such a way as to attract investors to invest. A region's success in increasing its attractiveness to investment depends on its ability to formulate policies related to investment (Kuncoro and Anggi, 2005).

One of the DPMPTSP Service policies to increase investment is increasing the ease of licensing and promotion and increasing investment attractiveness through promotion and cooperation (DPMPTSP strategic plan2018-2023). This strategy is a derivative of Government Regulation Number 45 of 2008. This regulationwas updated to Government Regulations Number 24 of 2019 by expanding the incentives and ease of investment in the regions.

The Jambi City Government has done various things to facilitate licensing arrangements. The government has issued Presidential Regulation No. 98/2014 concerning Licensing for Micro and Small Businesses. The Ministry of Home Affairs has also issued Permendagri No. 83/2014 concerning Guidelines for Granting Micro and Small Business Licenses. This regulation serves as a guideline for the government to grant business licenses for micro and small businesses (IUMK) for micro and small business actors (PUMK). However, not all UMKM actors have applied for business licenses. Strategies in public services determine the quality of service, especially by the government, to serve the public effectively. Without implementing a good public service strategy, it will be a futile endeavor. It proves that it has not had an impact on the growth rate of SMEs in Jambi city. Based on data from the Jambi City Cooperatives and MSMEs Office, the number of SMEs in Jambi has not shown any growth from 2016 to 2017.

SMEs also face problems: limited working capital, low human resources, and minimal mastery of science and technology (Sudaryanto and Hanim, 2002). Until now, SMEs who have experienced problems in applying for business loans are very closely related to SMEs' licensing problems, which many do not yet have.

Various studies on strategies in public services include Prima (2013), Dwiyanto (2002), Holle (2011), Rahadi (2007). Likewise, research on service strategies in the investment sector includes Priyono (2006), Destiana (2011), Aliya (2015). Meanwhile, research on the growth of MSMEs and research on the effect of MSME growth on economic growth was put forward by researchers including Sudaryanto et al. (2014), Haryadi (2014), Bappenas (2014), Syukriah et al. (2013), Purwanti (2012), Handriani (2011), Tambunan et al. (2006), Hamid et al. (2015), Jauhari (2010), Junaidi and

Amir (2014), Sutrisno (2006), Susilo (2012), Widyastuti et al. (2010).

They depart from the above phenomena and the literature search that the researchers did if related to the service strategy concept. Building SMEs' competitiveness is by improving SMEs' marketing performance. SMEs' marketing performance is expected to increase if the investment development strategy.It includes providing incentives and simplifying licensing. The quality of services in the investment sector, which includes physical facilities, consistency, and competence of officers provided to SMEs in the licensing process, are carried out effectively and efficiently. With the increase in SME marketing performance, including sales turnover, market share, and profitability, it is hoped that it can help grow SMEs' competitiveness. On that basis, it is necessary to research "Strategic Analysis of Investment Development Policy, Service Quality on Marketing Performance and Competitiveness of SMEs in Jambi City".

II. LITERATURE REVIEW
Companies and SMEs

The creative industry is the process of creating, creativity, and the ideas of a person or group of people who can produce work without exploiting natural resources and can be turned into a productive economic product. The creative industry can take the form of various businesses, ranging from manufacturing, services, and goods that can be enjoyed by the surrounding community and the wider community according to the needs and desires of consumers.

One of these creative industries is SMEs. SME is a type of business run on a small and medium scale and is not a subsidiary or branch of any company. So, indirectly, SMEs' definition is that small businesses have an income of below 300 million with several workers under 20 people. Meanwhile, medium-sized businesses with revenues below 500 million have employees below 30 people. Furthermore, the Ministry of State for Cooperatives and Small and Medium Enterprises states that Small Enterprises (including Micro Enterprises) is a business entity with a net worth of at most IDR 200,000,000, excluding land and buildings for business premises, and has annual sales of not more than Rp. 1,000,000,000. Meanwhile, Medium Enterprises are business entities owned by Indonesian citizens who have a net worth greater than Rp. 200,000,000 to Rp. IDR 10,000,000,000, excluding land and buildings.

Competitiveness

Competitiveness is productivity, which is defined as the output produced by labor (Porter, 2001). Meanwhile, according to Kuncoro (2007), competitiveness is the concept of comparing companies, sub-sectors, or countries' ability and performance to sell and supply goods and or services provided in the market. SMEs' ability to compete in the global era depends on internal and external variables (Nicolescu, 2009). Internal variables include factors such as company size, stakeholder personality, and educational background (owners and employees), as well as company culture. Meanwhile, external factors that can affect performance are national culture, a country's economic system, regional economic integration, and people's purchasing power (Nicolescu, 2009).

SMEs' competitiveness is based on innovation, entrepreneurship, human capital, sources of funds, market potential, and business strategy (Anton et al., 2015). SMEs' competitiveness can be increased through human resources, working capital, and management and technology expertise (Tambunan, 2009). This statement is reinforced by Praude and Volvenkins (2011), who concluded that the internet and information technology (IT) has a major role in increasing SMEs' competitiveness. Then, competitiveness can also be increased by the Network factor, which Kuncoro (1997) defines as joining and collaborating in a company to produce the desired product or service.
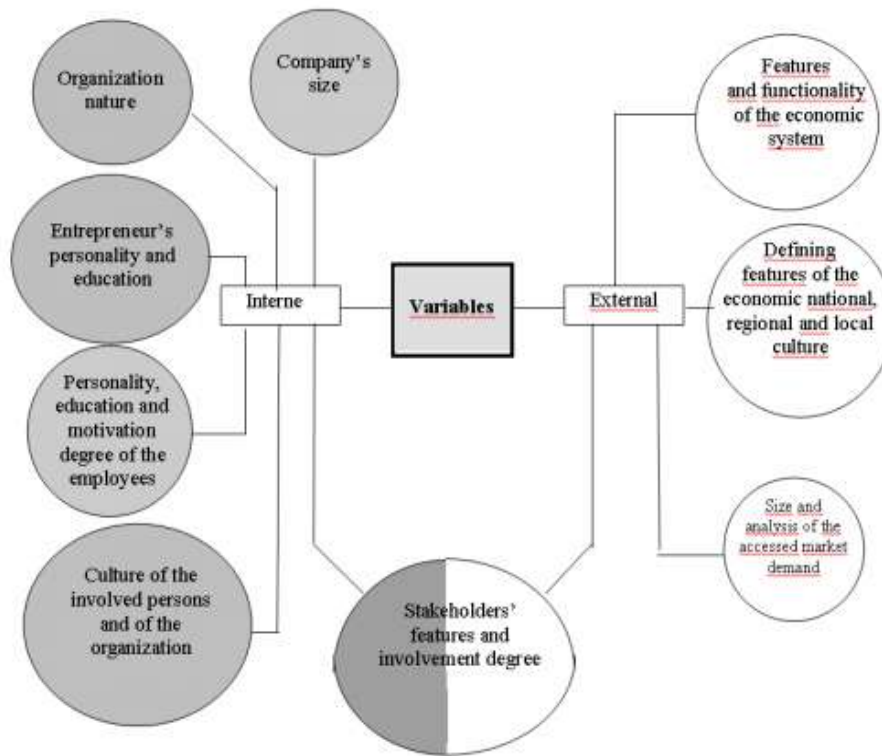

Figure 1: Internal and External Variables of Competitiveness

Strategic Policy

Since the implementation of Law Number 22 of 1999 concerning Regional Government, the complexity of the problems faced by business people who intend to invest in Indonesia has increased. Various investment barriers range from local tax and levy policies to illegal levies, from uncertainty in costs and time to facilitation payments. Consequently, in the context of investment, it is believed that regional autonomy

policy has had a counterproductive effect and, in turn, reduces Indonesian investment's attractiveness.

The government has many options to improve the investment climate in the regions. One of the policies related to these interests is applying the One-Stop Integrated Service (PTSP) system based on Law no. 25/2007 concerning investment. In theory, PTSP can improve the quality of licensing services in the investment sector by

simplifying licensing and accelerating completion times. With the existence of strategic policies that need to be well managed and provide benefits for regional development, PTSP can manage SMEs in each region to improve the regional economy and the business community.

Service quality

Public services are always associated with an activity carried out by certain agencies to provide assistance and convenience to the community to achieve certain goals. This public service is important because it is always connected with people with various interests and goals (Dwiyanto, 2005). According to Kotler (2011), service is all activities or activities that a person can provide to another party in this case in the form of services and does not affect anyone's property rights. Payne (2011) defines service as all the activities needed to receive, process, transfer, and provide services to other parties.

Public services are related to activities carried out by the government to meet community needs in a good and quality manner due to the duties and functions of the services it carries, based on the community's rights to achieve governance and development goals. According to Tjiptono (2010), service quality can be defined as how much difference between customers' reality and expectations for the services they receive. If the perceived service is as expected, the service quality will be considered good or positive. If the imagined service exceeds the expected service, the service quality is said to be ideal quality. Likewise, on the contrary, if the service is considered to be worse than the expected service, the service quality is said to be negative or bad. Whether or not the service's quality depends on the size of the service provider's ability to provide services consistent with customer expectations (Tjipono, 2010). A service quality measurement tool called SERQUAL (service quality) was developed to simplify service quality assessment and measurement.

Hypothesis Development

SMEsare a potential business for the community, both actors and users. This potential business raises the government's desire to improve the Indonesian economy in general and the region. By investing, SMEs can get wide opportunities to foreign countries, which is PMPTSP Office's effort to increase potential results. With a marketing system that is managed by both the government and SMEs. Investments made by SMEs as a means of receiving national recognition through the regions, even independent promotion by SMEs, are also

allowed even more leverage so that SME marketing has high performance and is maximized to improve SME provider companies' economy and growth. Besides, the company also has its policies in marketing the products it produces to a wider audience. The company's marketing system is also required to maximize the guidance of the PMPTSP Office and the existing marketing patterns and mixes so that the products produced are beneficial to consumers. Marketing performance has improved due to strategic policies in investment development. So that the first hypothesis in this study is:

H1: The strategic investment development policy undertaken by the PMPTSP Office affects the marketing performance of SMEs in Jambi City.

Services in the government field have a vital role because they involve the public and community interests. The mandate of Law has regulated basic services No. 22 of 1999, which was later amended by Law No. 32 of 2004. According to the principles of autonomy and assistance tasks, the regional government can regulate and manage government affairs by themselves. Empirical research (Jodi, 2016) proves that service quality has a significant effect on marketing performance. Service quality can be identified by comparing consumers' perceptions of the service received or obtained with the service they expect for service attributes (Kotler, 2004). The mandate of Law has regulated basic services No. 22 of 1999, which was later amended by Law No. 32 of 2004, the regional government has the authority to regulate and manage government affairs by themselves according to autonomy and assistance tasks. So, the second hypothesis is:

H2: Service quality in the investment sector of the PMPTSP Office affects the marketing performance of SMEs in Jambi City.

Soenarto, Darno, and Otik (2018) show that entrepreneurship and product quality have a negative effect, while innovation has a positive effect. Simultaneously, all variables have a significant positive effect on marketing performance by 62 percent, while 38 percent are influenced by other variables not examined. Meanwhile, (Sukarno 2009) found that the environment has no significant effect on product innovation. However, the environment has a significant positive effect on creative marketing strategies. In contrast, creative marketing strategies have no significant effect on marketing performance, and product innovation has a significant positive effect on marketing performance. So that the research hypothesis is:

H3: Strategic policies for investment development and service quality in the investment sector of the PMPTSP Office simultaneously affect the marketing performance of SMEs in Jambi City.

Tambunan (2001) states that its comparative advantage and competitive advantage largely determine a country's competitiveness in the international trade arena. Apart from that, it is also influenced by sustainable competitive advantage (SCA) or sustainable competitive advantage (D'Aveni in Hamdy, 2001), especially in facing a level of global competition that is becoming increasingly fierce and harsh or hyper-competitive. The Hyper Competitive Analysis shows that in the end, every country will be forced to find an appropriate strategy so that the country/company can survive in very difficult global competition conditions (D'Aveni in Hamdy, 2001).

SCA is the most effective strategy that consists of integrated planning and operational activities, linking the external and internal environment to achieve short and long term goals, accompanied by success in maintaining/increasing sustainable real income effectively and efficiently. For this reason, a PMPTSP investment development strategy is needed so that SMEs can obtain permits in a timely and efficient manner so that SMEs can get capital assistance from commercial banks. Thus, the fourth hypothesis in this study is:

H4: The strategic policy of PMPTSP investment development affects the competitiveness of SMEs in Jambi City.

Services always emphasize regional heads to facilitate investment or investment licensing and provide fast, precise, and accurate services to the public. The mandate of Law has regulated basic services No. 22 of 1999, which was later amended by Law No. 32 of 2004, the regional government can regulate and manage government affairs by themselves according to autonomy and assistance tasks. The PMPTSP office is an agency that has the task and function of providing various kinds of permits for regions and communities. Through this service, it is hoped that licensing services will be carried out by the principles, legal certainty, orderly state administration, public interest, transparency, proportionality, accountability, efficiency, and effectiveness. Thus, the fifth hypothesis of this study is:

H5: Service quality in the investment sector at Dinas PMPTSP affects SMEs' competitiveness in Jambi City.

Octavia, Zulfanetti, and Erida (2017) examined improving regional competitiveness by improving micro, small and medium enterprises in Jambi province. The results of the study found that there was no significant effect of market orientation on business performance. However, there is a significant influence between entrepreneurial orientation and management ability on business performance. To increase regional competitiveness, the government and the private sector's role is needed to improve the business performance of MSMEs. In this case, other parties' role, especially the government (related agencies), is needed to help SME marketing. Thus, the final hypothesis of this study is:

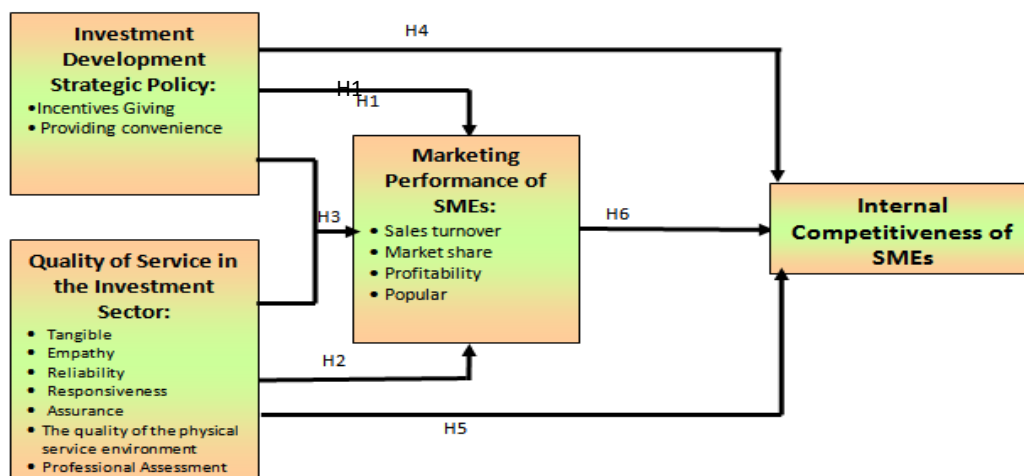H6: The marketing performance of the PMPTSP Office affectsSMEs' competitiveness in Jambi City.

Figure 2: Research Hypothesis Model

III. METHODS

Population and Sample

This research population is SMEs that operate in 11 sub-districts in Jambi City and have been registered with the Jambi City Investment Office for at least 1 year running. The research sample was taken using the stratified random sampling method. The number of samples in this study was 134 SMEs. This sample size refers to Hair et al. (1996), Ferdinand (2002), and Ghozali (2006), who states that the number of samples can be calculated from the size of the parameter multiplied by 5 to 10.

Types and Sources of Research Data

The type of data used is in the form of quantitative data and qualitative data. Quantitative data is data that can be input into a statistical measurement scale. Qualitative data is data that can include almost any non-numeric data. Meanwhile, the data source of this study uses primary data and secondary data.

Research Instruments

This research instrument uses several stages to obtain data information directly on the object of research. The research instruments include interviews, questionnaires, observation, and explanation.

Operational Definition of Variables

The strategic policy for investment development as the first variable is sourced from the study of policies on strengthening regional competitiveness and PP. 24 of 2019 to improve community welfare,consisting of 9 statements.

Service quality as a second variable source is taken from Cronin and Taylor (1992) with sub-variables, namely tangible, empathy, reliability, responsiveness, assurance. To differentiate from previous research, the researcher added a physical service environment quality sub-variable with 3 statements from Brady and Cronin (2001) and a professional assessment sub-variable with 5 statements from Haywood-farmer (1988) with a total of 30 statements.

SME marketing performance is the third variable where the indicators used are marketing performance indicators related to this relationship. These indicators are elaborated by researchers/experts who measure marketing performance or explain theoretically about marketing performance measures, namely: Aaker (1991), Abels and Ambler (2006), Anand and Khanna (2000), Ferdinand (2000, 2003)), Murphy et al. (2005), Muthusamy, et al. (2007), Olivia

(1999), Stokes (2003), and Storbacka, et al. (1994)., With a total of 4 statements.

The source of SMEs' competitiveness as the fourth variable is taken from Nicolescu (2009), with a total of 6 internal variable statements. Namely company size, organizational experience, entrepreneurial personality and education, level of education and motivation of employees, organizational culture and parties involved, level of shareholder involvement.

Data processing

This study uses a descriptive analysis method and analysis used in the form of data presentation and tables to provide an overview of strategic investment development policies, service quality, marketing performance, and competitiveness. The scale used in this study is a Likert scale 1-5. The classification criteria that refer to the conditions according to Umar (2005) to determine the scale range using the following formula:

$$RS = \frac{n(m-1)}{m}$$

Where:
RS = Rating Scale Range
n = Number of samples
m = Highest Weight

Data analysis

This research uses the SEM analysis method partial regression (Partial Least Square / PLS) to test the six hypotheses proposed in this study. Each hypothesis will be analyzed using SmartPLS 3.0 software to test the relationship between variables. Before conducting PLS research, an analysis of the respondents' characteristics will be carried out using SPSS 22.

The data validity test was conducted to determine the extent to which the measuring instruments arranged could measure what would be measured (Sugiono, 2003). The validity test is intended to test each item's validity or statement for each item on each variable. Test the validity of this study by looking at the loading factor value produced by each model indicator, the expected value to meet the validity with a loading factor value above 0.5 or 50%. Furthermore, the reliability test was carried out in order to find out whether the data collection tool showed the level of accuracy, accuracy, stability or consistency of the tool in expressing certain symptoms from a group of individuals, even though it was carried out at different times (Sugiono, 2003). The acceptable

reliability test criteria can be seen from the Cronbach's Alpha value of> 0.700.

IV. RESULTS AND DISCUSSION
Characteristics of SMEs in Jambi City with the fields of manufacturing, service, and trade are scattered in each sub-district in Jambi City.

These SMEs' characteristics are described in the table below by detailing the workforce working for SMEs, legal entities owned by SMEs, the gender of the owner (owner) and the type of business/field of business of the SME, and the location where the business operates.

Table 1: Distribution of Respondent Characteristics

Characteristics	Description	Total	(%)
Workforce of SMEs	3 – 7	88	(65.7)
	8 – 12	30	(22.4)
	13 – 17	11	(8.2)
	18 – 22	1	(0.7)
	23 – 27	4	(3)
Legal Entity SMEs	PT	8	(6)
	CV	103	(76.9)
	Individual	23	(17.2)
Gender Owner	Male	103	(76.9)
	Female	31	(23.1)
Types of Business SMEs	Trade	45	(33.6)
	Manufacture	45	(33.6)
	Services	44	(32.8)

The table above describes that, based on SMEs' dominant workforce using 3-7 workers with 88 SMEs. SMEs with CV legal status are dominant as many as 103 SMEs or 76.9%. While the gender of the owner of SMEs was male, with 103 respondents or 76.9%. In the trading and manufacturing business sectors, the same number dominates 45 SMEs or 33.6%.

I was referring to the test results of each variable used through model analysis. The outer value on variables that have been retested is several indicators, namely KSP and KPL, which have low outer values. So, what is used in this research is an indicator that has been tested for validity (Figure 3).
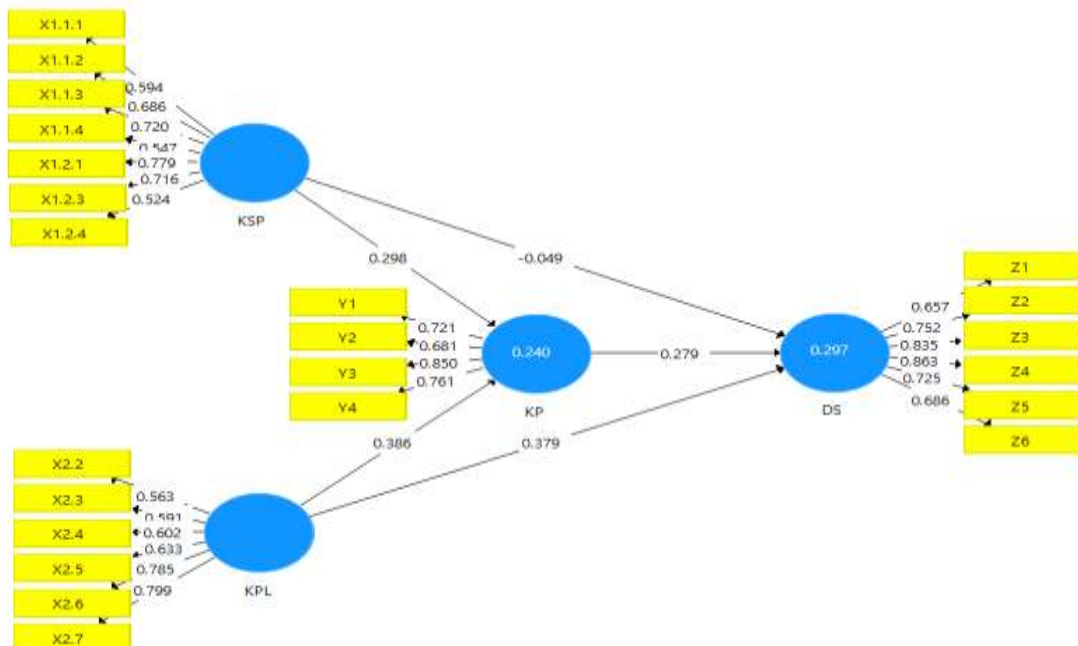

Figure 3: SEM - PLS Test Results

The following table presents the output for absolute fit measures, incremental fit measures, and parsimony fit measures based on the SEM-PLS results. These measures function as testing the SEM model as a whole. This output can be displayed in the following table in summary form and is listed in full in the appendix.

Table 3: Goodness of Fit (GOF) CFA Test Results

Overall Model Fit Test		Standard Model Fit Values	Model Fit to Data
X^2 chi square	75,667	$\leq 85,75$	Fit
Standardized Root Mean Square Residual (SRMR)	0,114	$\geq 0,10$	Fit
d-ULS	2,561	2,417 s.d 2,908	Fit
d-G	1,009	0,764 s.d 1,025	Fit
NFI	0,552	Between 0 -1	Fit
Rms Theta	0,174	$\geq 0,12$	Fit

Based on the results table above, the chi-square value obtained is 75.667 compared with the standard model fit value determined from the PLS.It is found that the model is suitable because it is smaller than the predetermined value of the chi-square standard. Furthermore, referring to the SRMR (standardized root mean square residual), the findings are 0.114 compared with the standard model fit value greater than 0.10. measurement of the exact model fit consisted of d-ULS and u-G. The d-ULS calculation found the results of 2.561. The value obtained was less than 2.908. The standard value from bootstrapping with a coefficient of 95% to 99%, so it was declared appropriate. The dG value obtained was 1.005 this value obtained. In between the model's standard coefficient values , the coefficient value in question

is more than 1.025, which is obtained by calculation through bootstrapping to be declared appropriate.

An NFI value of 0.9 represents an acceptable fit. Lohmöller (1989) provides detailed information on the computation of NFI from the PLS path model. However, for users implementing this explanation, it is not easy to understand. It is obtained a value of 0.359 at a value of 0 to 1, so the NFI model is declared appropriate. The value obtained from the calculation of the model obtained is 0.174, so it is declared appropriate because it is greater than 0.12.

The first evaluation of the structural model is R2, or R square value, where the value obtained is to describe how much exogenous simultaneous influence on endogenous and

its significance. The following shows the results of the R2 test on exogenous and endogenous variables.

Table 4: R Square Test for Exogenous and Endogenous Variables

Variable	R Square	Sig.
Marketing performance	0,297	0,000
Competitiveness	0,240	0,000

The SEM-PLS test results in the table above found that the R square results were 0.297 or 29.7%. This value was significant. It indicates that 29.7% of strategic investment development policies and service satisfaction on marketing performance are significant. Based on the value above, 70.3% of the other variables significantly influence

marketing performance. Marketing performance can be influenced by entrepreneurial orientation and creativity, and environmental factors (Smawanti, 2008). Meanwhile, according to Rahmawati et al. (2019), it can be in the form of market orientation, product innovation, or entrepreneurial orientation.

Table 5: Partial Research Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
KP -> DS	0.279	0.263	0.107	2.596	0.010
KPL -> DS	0.379	0.388	0.088	4.314	0.000
KPL -> KP	0.386	0.396	0.062	6.245	0.000

KSP -> DS	-0.049	-0.051	0.104	0.475	0.635
KSP -> KP	0.298	0.309	0.081	3.701	0.000
KPL -> KP -> DS	0.108	0.105	0.048	2.230	0.026
KSP -> KP -> DS	0.083	0.079	0.037	2.268	0.024

Based on the table above, the strategic policy of investment development has a significant influence on the marketing performance of 3.701. This means (H1 Accepted). Marketing performance has improved due to strategic policies in investment development. So it takes a vital role of DPMPTSP in fostering SMEs in order to be able to improve their marketing performance in strategic policies for investment development. SMEs that have operated massively and are active in improving the regional economy and investing and facilitating this by the government with flexible policies have brought significant investment development changes.

Based on the table above, it is shown that service quality affects marketing performance with a value of 6.245 significantly. This means (H2 Accepted). Policies issued by the government through DPMPTSP relating to improving the quality and quantity of SMEs have a significant effect on the marketing performance managed by DPMPTSP to increase existing SMEs' growth and develop businesses. Factors influence the increase in marketing performance in the quality of services provided by DPMPTSP to SMEs and obtaining feedback in the form of an increase in SMEs' number in manufacturing, services, and goods. The implication of service quality on SMEs' marketing performance improves services to SME service users, both in trade, services, and manufacturing.

Furthermore, the indirect effect of strategic policies on investment development on SMEs' competitiveness through marketing performance has a value of 2.268 with a significance acquisition of 0.024, fulfilling the criteria smaller than 0.05. Besides other indirect effects, namely the quality of service on competitiveness through marketing performance, the value was 2,230 with a significance of 0.026, which was stated as significant. From these findings, strategic policies and service quality through marketing performance positively and significantly impactSMEs' competitiveness in Jambi City. This means (H3 Accepted).

The next direct effect shows that the strategic policy of investment development has no direct effect on competitiveness. The value obtained is smaller than the predetermined coefficient value of 0.475 with an insignificant level of 0.635. This means (H4 Rejected).

The next direct effect shows that service quality has a significant positive effect on competitiveness. The coefficient value is 4,314 with a significance level of 0,000. This means (H5 Accepted). The mandate of Law has regulated basic services No. 22 of 1999, which was later amended by Law No. 32 of 2004, the regional government has the authority to regulate and manage government affairs by themselves according to the principles of autonomy and assistance tasks. Thus, DPMPTSP is expected to provide licensing services implemented by the principles, legal certainty, orderly state administration, public interest, openness, proportionality, accountability, efficiency, and effectiveness.

The last direct effect is marketing performance, which can positively and significantly influence competitiveness with a coefficient of 2.596 and a significance level of 0.010. This means (H6 Accepted). To increase regional competitiveness requires the government and the private sector's role to improve SME businesses' performance. In this case, other parties' role, especially the government (related agencies), is needed to help SME marketing.

V. CONCLUSION
Based on the results of this study, it is concluded that:
1. It was found that the effect of strategic policies on investment development on SME marketing performance in Jambi City was significant. It means that the strategic policy of investment development consists of providing incentives in tax reduction and relief, and providing facilities such as the provision of technical assistance and ease of licensing can affect SMEs' marketing performance in Jambi City.
2. It was found that the effect of service quality provided by DPMPTSP on the marketing performance of SMEs in Jambi City is significant. It means that the services provided by DPMPTSP include good physical facilities and competence and consistency of officers in helping SMEs in terms of licensing to run effectively and efficiently can affect SMEs' marketing performance in Jambi City.
3. It was found that a significant simultaneous effect was found on strategic policies for investment development and service quality on

SME marketing performance in Jambi City. Itmeans that strategic policies for investment development and service quality received by SMEs impacted increasing sales turnover, market share, and SME profitability.

4. There is no influence on the relationship of strategic investment development policies on SMEs' competitiveness in Jambi City. It means that the strategic policies for investment development cannot influenceSMEs' competitiveness in Jambi City. It means that SMEs' competitiveness is formed and built by each SME. The more effective and efficient these SMEs are, the more competitive these SMEs will be with their competitors.

5. Found a significant effect of service quality on the competitiveness of SMEs. It means that the quality of service provided by DPMPTSP includes responsiveness such as being willing to help SMEs, empathy such as paying attention to SMEs players' interests, and professional assessment in the form of knowledge and skills guidance received by SMEs can increase SMEs competitiveness.

6. It was found that the effect of marketing performance on SMEs' competitiveness in Jambi City was significant. It means that the marketing performance, which consists of turnover, market share, profitability, and popularity, can affect SMEs' competitiveness in Jambi City.

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