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ANALYSIS OF THE EFFECT OF TRUST, SATISFACTION, AND OFFERS ON THE COMPETITIVENESS OF SMALL AND INDIVIDUAL CONTRACTORS

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Abstract

In 2022, Indonesia was home to 24,236 construction companies, with contractors dominating the sector, comprising 21,786 firms or 89.86%. The large number of contracting companies has led to intense competition. Several factors enable contractors to compete, including owner trust, owner satisfaction, and pricing offers. This study aimed to analyze the impact of trust and satisfaction on contractor competitiveness, with pricing offers serving as an intervening variable. In the competitive Indonesian construction industry, understanding the factors that affect contractor competitiveness is crucial as it enhances the effectiveness of competitive strategies. Strategies to compete include increasing trust, strategies that can be used to influence the trust of project owners include contractor reputation, quality of work, professional attitude, project management capabilities, and good communication. This research employed a quantitative method with a survey approach. Data was collected through questionnaires from 97 project owners with a project value criteria range between 100 million and 1 billion IDR, path analysis was used to test the relationship between the research variables with the help of SmartPLS data processing tools. The results of this study indicate that trust affects competitiveness through offers as an intervening variable, while satisfaction directly affects competitiveness without going through offers as an intervening variable, these findings contribute to the construction industry by offering strategies to improve contractor competitiveness through strengthening client trust and satisfaction, as well as optimising offers as a supporting factor. The novelty of this research is the mediating role of offers on competitiveness.

Keywords: Trust, Satisfaction, Offers, Competitiveness, Smart*PLS*.

Introduction

The construction sector is a business field related to the planning, implementation, and supervision of construction activities to create buildings or other physical forms. The use and utilization of these buildings involve the interests and safety of the community who use these buildings in daily activities. The construction service industry is a part of the industrial sector that contributes to Indonesia economic growth (Sattung et al., 2019). As of 2022, Indonesia had 24,236 construction companies, dominated by 21,786 contractors, accounting for 89.86% of the industry (Badan Pusat Statistik, 2022), the large number of contracting companies has resulted in fierce competition among contractors, where competition is the essence of a company's success or failure. Competition has two sides: it drives companies to be more dynamic and competitive in producing products and offering top-notch services to their market, while on the other hand, it leads to failure by weakening static companies that fear competition and are unable to produce quality products (Johari & Soekiman, 2019), contractors must be aggressive in competition to respond to competitors' actions and gain a competitive advantage to survive (Setiawan et al., 2015), companies must have the right strategies in marketing and unique design innovations to secure project contracts to enhance their competitive edge (Sawlani et al., 2022).

One example of a company engaged in construction is PT Agye Jaya Mandiri with the construction and renovation of residential buildings, warehouses, factories, shops and others with private and individual clients. Client trust, price offers and service user satisfaction are the main focus in maintaining the company's existence, often the company gets work based on the trust of new clients on the basis of recommendations from old clients who are satisfied with the projects undertaken by PT Agye Jaya Mandiri, it is not uncommon to fail to get work because the price offer is considered still high or less competitive with other companies, the company's reputation or image is still not well known by the general public which causes a lack of trust to provide work.

Trust from project owners in contractors is a crucial factor affecting the success of construction projects. Factors influencing project owners trust include contractors reputation, work quality, professional attitude, project management capabilities, and effective communication. Additionally, having a clear and transparent contract and maintaining open and effective communication with project owners is important (Tai et al., 2016). Residential construction contracts are often awarded without tenders, making it crucial to build trust with contractors in executing the work (Chandra & Limanto, 2014). The offers strategy model is based on the expected profit maximum, where higher bid prices decrease the likelihood of being the lowest offers, with lower offers increasing the chances of winning the tender. Success in offering on a job is often affected and characterized by experimental behaviors, creating an impression that the offers process forms a cycle (Pahlevi & Mahmuddin, 2020). The quality of services and construction products produced is of utmost concern to every player in the construction industry in facing fast-changing challenges or competition to meet customer expectations and satisfaction and gain a good reputation and evaluation from service users and the community (Al-jabbar et al., 2022). Project owner satisfaction can be evaluated based on time, cost, and quality according to planning (Syahroni & Siswoyo, 2018). Other factors that can support competitiveness include the ability to produce work quality that meets owner expectations, contractor's core business – specialist or generalist, highly motivated employees committed to project success and health and safety, availability of industrial materials such as cement, iron, steel, and others, innovation particularly towards construction products and services, construction methods that are effective and efficient according to project location (Denny et al., 2011) , the construction industry's competitiveness is enhanced by the hiring of skilled labour and state-of-the-art technology, partnerships between academia and industry, funding for R&D projects, and a stable business environment (Azeem et al., 2020), company characteristics, technology adoption, and technology readiness (Sudiansyah & Adi, 2022).

The primary goal of contracting companies is to win as many projects as possible, as it is through these projects that a contractor can sustain its existence (Pahlevi & Mahmuddin, 2020).

The high level of competition allows service users to freely choose their construction company, and one way to win this competition is by creating and maintaining satisfied and loyal customers (Maulana, 2020). Small and individual contractors often face various challenges that hinder their ability to compete effectively and meet the ever-evolving market needs. The intense competition among small contractors requires each to emphasize their unique advantages and maintain or even expand their existing market share. In this context, each small contractor is demanded to have good competitiveness to remain viable in the existing conditions (Samuel, 2020). The issues identified in the observed projects provide a clear picture of the complexity of the construction business environment. One major problem faced by small and individual contractors is limited resources, both financial and human. With smaller teams and restricted access to technology and equipment, they often struggle to complete projects efficiently and maintain high-quality standards. Additionally, the high risk of non-payment and difficulties in securing new projects also pose significant challenges to business continuity.

It is important to recognize that the project values handled by small and individual contractors are typically lower than those of larger companies in the industry, where the project values for individual contractors are less than 300 million IDR, and for small contractors with K1 qualification range between 300 million and 1 billion IDR (Peraturan Lembaga Pengembangan Jasa Konstruksi Nasional, 2017). While research on customer loyalty has been extensively conducted, studies linking trust and satisfaction with contractor competitiveness are scarce, presenting a significant gap in the literature that explores the role of offers as an intervening variable. Based on a literature review, few studies are focusing on the impact of trust and satisfaction on contractor competitiveness in the Indonesian construction industry. Previous research has often focused on other industries or has not considered the role of offers as an intervening variable. This study aims to further investigate the challenges and opportunities faced by small and individual contractors in the construction industry. It is expected to provide valuable insights into business dynamics and strategies that can be implemented to enhance the performance and sustainability of small and individual contractors in a competitive market. This research employs a quantitative methodology, with employing surveys and questionnaires to gather data, followed by analysis of the data using the SmartPLS data processing tool.

This research offers novelty by developing a model that connects trust and satisfaction to contractor competitiveness with offers as an intervening variable, where previous research analyses the relationship directly, In addition, this research also applies the SmartPLS analysis approach which has not been widely used in previous research.

Research Methods

This study employs the quantitative research methodology (Purwanza, 2022), quantitative research is aimed at testing hypotheses or theories that have been formulated previously and gathering information objectively and measurably. This method is relevant to the research objective, which is to analyse the influence of trust, offers, and satisfaction on contractor competitiveness. With a quantitative approach, this research can measure the cause-and-effect relationship between variables in a measurable way. In addition, this method supports comprehensive statistical analysis using SmartPLS, which allows testing direct and indirect relationships between variables and identifying the role of intervening variables.The quantitative data collection was conducted through a survey (Wardhana, 2022) by distributing questionnaires to respondents (Prawiyogi et al., 2021), the collected data were then analyzed using the SmartPLS tool, the questionnaire used in this study was a closed type with likert scale responses ranging from 1 to 5 (Riduwan, 2013), the 5 point likert scale was chosen because it provides sufficient variation in answers to answer the level of respondents perceptions of each statement submitted, the use of the likert scale in this study aims to measure respondents perceptions regarding the research variables, namely trust, offers, satisfaction, and contractor competitiveness, quantitatively. This

scale was chosen because it is easy to use, can be statistically analysed, and is able to provide relevant interval data for path analysis techniques using SmartPLS. This involved four variables: two independent variables, Trust (X1) and Satisfaction (X2); one intervening variable, Offers (Z1); and one dependent variable, Competitiveness (Y1). The data collection technique used was purposive sampling (Lenaini, 2021), because this technique allows researchers to select respondents who are considered to have relevant information in accordance with the research objectives, data is collected through questionnaires from owners or project owners with project value criteria range between 100 million and 1 billion IDR with a minimum sample size according to Cochran's formula being 96 respondents (Riduwan (2015:65) as cited in Mardian, 2021). After the data were collected, they were analyzed using the SmartPLS tool. The PLS-SEM path analysis model consists of two components: the structural (inner model) and the measurement (outer model). The inner model shows the relationship between latent variables. Meanwhile, the outer model describes the relationship between latent variables and indicator variables (Nugraheni et al., 2021).

Research Results and Discussion

The SmartPLS software was used to process the data through several testing stages.

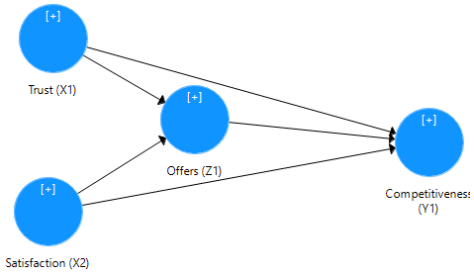

Figure 1. Research Model

Outer Model

Before proceeding with the hypothesis testing for the relationships among latent variables in the structural model, it is essential to first evaluate the measurement model to verify the latent variables with indicators.

Convergent Validity

Convergent Validity has the principle that the measurement of a construct should be highly correlated. The test for convergent validity can be observed from the loading factor values for each construct indicator. A loading factor is considered valid if the value is greater than 0.5 (Ghozali, 2021). The loading factor values for this study are shown in Table 1 below:

Table 1. Loading Factors Results

Trust (X1)	Loading Factor	Satisfaction (X2)	Loading Factor	Offers (Z1)	Loading Factor	Competitiveness (Y1)	Loading Factor
X1.1A1	0.70	X2.2B1	0.56	Z1.1B1	0.77	Y1.1C3	0.75
X1.1A2	0.77	X2.2C1	0.63	Z1.1B2	0.81	Y1.1D2	0.68
X1.1A3	0.68	X2.2D1	0.79	Z1.1C1	0.85	Y1.1G2	0.70
X1.1A4	0.77	X2.2E1	0.67	Z1.2A2	0.80	Y1.2C1	0.67
X1.1A5	0.75	X2.3A2	0.65	Z1.2B1	0.75	Y1.3A2	0.65
X1.1B1	0.70	X2.3B2	0.73	Z1.2B2	0.70	Y1.3B1	0.69
X1.1B2	0.81	X2.3C2	0.67	Z1.2C1	0.77	Y1.3B2	0.72
X1.2A2	0.71	X2.3D2	0.77			Y1.3D1	0.68
X1.2B2	0.78	X2.3E1	0.75			Y1.4B1	0.74
X1.3A1	0.71	X2.3E2	0.73			Y1.4B2	0.75
X1.3B1	0.72	X2.4A1	0.79			Y1.5A1	0.69
		X2.4C1	0.82			Y1.5A2	0.78

Trust (X1)	Loading Factor	Satisfaction (X2)	Loading Factor	Offers (Z1)	Loading Factor	Competitiveness (Y1)	Loading Factor
		X2.4E1	0.68			Y1.5B1	0.70
		X2.4E2	0.58			Y1.6A1	0.72
		X2.5B2	0.81			Y1.6C1	0.69
		X2.5C2	0.66			Y1.7B1	0.65
		X2.5D1	0.67			Y1.7B2	0.79
		X2.5D2	0.80				
		X2.5E1	0.72				

After obtaining the initial loading factor values, the next step is the elimination or removal of loading factors that do not meet the requirements, specifically those with values smaller than 0.5 and those that fail the Discriminant Validity test based on the Fornell-Larcker Criterion. Elimination or deletion of items is performed until the loading factors meet the required values, and reanalysis is conducted until all loading factors are satisfactory. Indicators that did not pass can be seen in Table 2 below:

Table 2. Indicators That Did Not Pass

Variable	Indicator
Trust (X1)	X1.2A1, X1.2B1, X1.3A2, X1.3B2, X1.3C1, X1.3C2, X1.4A1, X1.4A2, X1.4A3, X1.4B1
Satisfaction (X2)	X2.1A1, X2.1A2, X2.1B1, X2.1B2, X2.1C1, X2.1C2, X2.1D1, X2.1D2, X2.1E1, X2.1E2, X2.2.A1, X2.2.A2, X2.2B2, X2.2C2, X2.2D2, X2.2E2, X2.2E3, X2.3A1, X2.3B1, X2.3C1, X2.3D1, X2.4A2, X2.4B1, X2.4B2, X2.4C2, X2.4D1, X2.4D2, X2.5A1, X2.5A2, X2.5B1, X2.5C1, X2.5E2
Offers (Z1)	Z1.1A1, Z1.1A2, Z1.2A1, Z1.2C2, Z1.2C3, Z1.2C4
Competitiveness (Y1)	Y1.1A1, Y1.1A2, Y1.1B1, Y1.1B2, Y1.1C1, Y1.1C2, Y1.1D1, Y1.1E1, Y1.1E2 , Y1.1F1, Y1.1F2, Y1.1G1, Y1.1H1, Y1.1H2, Y1.2A1, Y1.2B1, Y1.2B2, Y1.2D1, Y1.2D2, Y1.2E1, Y1.2E2, Y1.3A1, Y1.3C1, Y1.3C2, Y1.3D2, Y1.4A1, Y1.4C1, Y1.4D1, Y1.4D2, Y1.5C1, Y1.5D1, Y1.6A2, Y1.6B1 , Y1.7A1, Y1.7A2

Construct Reliability and Validity

The next step involves measuring the internal consistency reliability of constructs based on composite reliability and Cronbach's alpha values. Latent variables are considered robust if the values of composite reliability and Cronbach's alpha exceed 0.7. The validity of latent constructs is assessed based on the Average Variance Extracted (AVE) with a minimum threshold of 0.5 (Hamid & Anwar, 2019). Table 3 below displays the findings of the analysis for composite reliability (CR), Cronbach's alpha (CA), and average variance extracted (AVE):

Table 3. Construct Reliability and Validity Results

Variable	Cronbach's Alpha (CA)	Composite Reliability (CR)	Average Variance Extracted (AVE)
Trust (X1)	0.92	0.93	0.54
Satisfaction (X2)	0.95	0.95	0.51
Offers (Z1)	0.89	0.92	0.61
Competitiveness (Y1)	0.94	0.95	0.50

The analysis results indicate that the composite reliability (CR) and Cronbach's alpha (CA) values are above the 0.70 threshold, confirming that all constructs exhibit good reliability according to the minimum required standards. The AVE values in Table 3 meet the requirement, as each exceeds the minimum AVE threshold of 0.50. Following the determination of AVE values for each construct, the next stage involves comparing the square root of the AVE with the correlations among constructs in the model in the subsequent phase.

Discriminant Validity

Discriminant validity is a test used to test the validity of indicator blocks. indicator blocks are said to be valid if the value of each indicator that measures the construct variable is higher than the value of each indicator that measures other construct variables. Discriminant validity is evaluated according to the Fornell-Larcker Criterion, which involves comparing the AVE values with the square roots of the correlation values between constructs or comparing the square root of AVE with the correlation values between constructs. The results of the Fornell-Larcker Criterion analysis can be observed in Table 4 below:

Table 4. Fornell-larcker criterion Results

Variable	Trust (X1)	Satisfaction (X2)	Competitiveness (Y1)	Offers (Z1)
Trust (X1)	0.74			
Satisfaction (X2)	0.42	0.71		
Competitiveness (Y1)	0.55	0.66	0.71	
Offers (Z1)	0.73	0.35	0.60	0.78

The square root of AVE's correlation value with its construct variable must be higher than it is with other construct variables, which is a crucial requirement. This can be observed in the diagonal and vertical directions of each column of variables. In Table 4, it can be seen that the square root of AVE for X1, which is 0.74, is greater than the correlations between X1 and X2 (0.42), X1 and Y1 (0.55), and X1 and Z1 (0.73). Similarly, the results among the other constructs also meet the necessary criteria by showing that the square root of AVE is greater than the correlation values with other latent variables.

Inner Model

The structural model test is used to examine the relationships among constructs or latent variables by assessing the coefficient estimates and significance. There are several stages in evaluating the relationships among constructs, which can be seen from the path coefficients that depict the strength of the relationships. There are three categories of R Square values: Models with strong structure 0.75, moderate structure 0.50, and weak structure 0.25. (Hamid & Anwar, 2019).

Table 5. R Square Results

Variable	R Square	R Square Adjusted
Competitiveness (Y1)	0.59	0.58
Offers (Z1)	0.53	0.52

Testing the inner model by examining R Square is done to assess the model's alignment. The results in Table 5 show that the Competitiveness (Y1) variable has an R Square of 0.59, falling into the "moderate" category. This result indicates that 59% of the variance can be explained by the variables Trust (X1), Satisfaction (X2), and Offers (Z1) concerning Competitiveness (Y1), with the remaining 41% explained by other variables outside the model. Similarly, the Offers (Z1) variable has an R Square of 0.53, also classified as "moderate," meaning that 53% of the variance can be explained by the variables Trust (X1) and Satisfaction (X2) concerning Offers (Z1), with the remaining 47% explained by other variables outside the model.

Evaluating the structural model using the Partial Least Square (PLS) approach involves calculating path coefficients. Results are considered acceptable if the t-statistics exceed the t-table value (1.96) and the p-value is smaller than 0.05. The outcomes from the path coefficients and t-statistics obtained through the bootstrapping process are presented in Table 7.

Table 6. Predictive Relevance Results

Variable	Q^2
Competitiveness (Y1)	0.278
Offers (Z1)	0.308

Predictive relevance is the testing stage through the blindfolding process, based on the results of testing on this research model has results such as table 6, the results show that each variable has the results that meet the necessary requirements, namely> 0, it can be interpreted that the results show the quality of the structural model in accordance with the positive index and is able to consider the measurement model as a whole.

Table 7. Direct Path Coefficient Results

	Original Sample (O)	T Statistics	P Values
Trust (X1) -> Competitiveness (Y1)	0.06	0.50	0.62
Trust (X1) -> Offers (Z1)	0.70	11.64	0.00
Satisfaction (X2) -> Competitiveness (Y1)	0.50	8.77	0.00
Satisfaction (X2) -> Offers (Z1)	0.06	0.62	0.54
Offers (Z1) -> Competitiveness (Y1)	0.38	3.55	0.00

The Effect of Trust on Competitiveness

Results from the analysis of the relationship between trust and competitiveness showed a 0.62 P-value and 0.50 T-statistics value.Since the T-statistic is smaller than the T-table value (1.96) and the P-value is greater than 0.05, the results indicate that there is no significant effect between the two variables. The relationship between trust and competitiveness is very weak, as demonstrated by the Original Sample value of only 0.06, indicating that the relationship between these variables falls into the weak category.

The analysis results suggest that there is no significant relationship between trust and competitiveness. The low T-statistics value and the insignificant P-value indicate that an increase in trust does not significantly correlate with an increase in competitiveness. Therefore, the hypothesis relating the variable of trust to competitiveness is rejected. This finding is supported by similar research indicating that trust does not have a significant effect on customer loyalty (Saputra, 2021), however, other studies have found contrasting results, stating that the Trust variable significantly affects Project Success (Chandra, 2009; Ondy et al., 2013), trust is a key factor in the success of contractors involved in International Joint Operations (Lumeno, 2013), and there is a significant positive correlation between trust and customer loyalty (Leninkumar, 2017; Trif, 2024).

The Effect of Trust on Offers

Results from the analysis of the relationship between trust and offers showed a 0.00 P-value and 11.64 T-statistics value. Since the T-statistic is greater than the T-table value (1.96) and the P-value is smaller than 0.05, there is a significant positive effect. The relationship between trust and offers is very strong, as demonstrated by the Original Sample value of 0.70, indicating that the relationship between these variables is very strong.

The results indicate a significant effect of trust on offers, meaning that greater trust leads to more substantial offers. The T-statistics and P-value that meet the criteria demonstrate that an increase in trust significantly correlates with an increase in offers. Therefore, the hypothesis linking the trust variable to the offers variable is accepted.

The Effect of Satisfaction on Competitiveness

Results from the analysis of the relationship between satisfaction and competitiveness showed a 0.00 P-value and 8.77 T-statistics value. Since the T-statistic is greater than the T-table value (1.96) and the P-value is smaller than 0.05, there is a significant positive effect. The relationship between satisfaction and competitiveness is very strong, as demonstrated by the Original Sample value of only 0.50, indicating that the relationship between these variables is very strong.

The results indicate a significant effect of satisfaction on competitiveness, meaning that greater satisfaction leads to greater competitiveness. The T-statistics and P-value that meet the criteria demonstrate that an increase in satisfaction significantly correlates with an increase in competitiveness. Therefore, the hypothesis linking the variable of satisfaction to competitiveness is accepted. Previous research has also shown similar results: the stronger the desired level of consumer satisfaction, the stronger the customer loyalty (Friska Mastarida, 2023; Leninkumar, 2017; Nusjirwan et al., 2017; Putro, 2014; Saputra, 2021; Sulaiman, 2016; Trif, 2024). Customer satisfaction directly affects contractor competitiveness (Prasetya, 2020), This study is also supported by the theory that company sales increase when consumers are satisfied, as customer satisfaction has a very positive impact on the company, both directly and indirectly. Satisfied consumers repeatedly buy products and use services continuously, which boosts sales and product usage(Puspitasari et al., 2023).

The Effect of Satisfaction on Offers

Results from the analysis of the relationship between satisfaction and offers showed a 0.54 P-value and 0.62 T-statistics value. Since the T-statistic is smaller than the T-table value (1.96) and the P-value is greater than 0.05, the results indicate that there is no significant effect between the two variables. The relationship between satisfaction and offers is very low, as evidenced by the Original Sample value of only 0.06, indicating that the relationship between these variables falls into the low category.

The analysis results show that there is no significant relationship between satisfaction and offers. The low T-statistics and the insignificant P-value indicate that an increase in satisfaction does not significantly correlate with an increase in offers. Therefore, the hypothesis linking the variable of satisfaction to the variable of offers is rejected.

The Effect of Offers on Competitiveness

Results from the analysis of the relationship between satisfaction and competitiveness showed a 0.00 P-value and 3.55 T-statistics value. Since the T-statistic is greater than the T-table value (1.96) and the P-value is smaller than 0.05, there is a significant positive effect. The relationship between offers and competitiveness is moderate, as demonstrated by the Original Sample value of only 0.38, indicating that the relationship between these variables falls into the moderate category

The results indicate a significant effect of offers on competitiveness, meaning that greater offers lead to greater competitiveness. The T-statistics and P-value that meet the criteria demonstrate that an increase in offers significantly correlates with an increase in competitiveness. Therefore, the hypothesis linking the offers variable to the competitiveness variable is accepted. This finding is supported by previous research that has shown similar results: Two out of five factors with the highest Relative Importance Index (RRI) that affect competitiveness are cost management and financial stability (Labombang et al., 2022). Factors affecting the competitiveness of small contractor companies in West Java consist of 9 criteria and 51 sub-criteria, one of which includes cost management, six of the 51 sub-criteria are the ability to manage work funds, the company's risk management capabilities, timely payments to subcontractors/suppliers, having

reliable financial resources, financing capabilities, and having financial stability (Johari & Soekiman, 2019), all sub-indicators of marketing and offers play an important role in the competitiveness of contractor companies (Pahlevi & Mahmuddin, 2020), the factor chosen as the most relevant is that price remains the main criterion in awarding contracts (Orozco et al., 2011), project cost management becomes an indicator of the application of project management with the highest average value. Project cost management is also part of a company's growth strategy, as delays in a project can affect performance and the company's reputation, impacting the company's competitive ability (Rachma & Nurisra, 2020).

Table 8. Indirect Path Coefficient Results

Variable	Original Sample (O)	T Statistics	P Values
Trust (X1) -> Offers (Z1)-> Competitiveness (Y1)	0.27	3.34	0.00
Satisfaction (X2) -> Offers (Z1)-> Competitiveness (Y1)	0.02	0.60	0.55

The Effect of Trust on Competitiveness Through Offers

The analysis of the effect of trust on competitiveness through offers as an intervening variable resulted in a path coefficient of 0.27, with a T-statistics value of 3.34 and a P-value of 0.00. Since the T-statistic is greater than the T-table value (1.96) and the P-value is smaller than 0.05, there is a significant positive effect. The relationship between trust and competitiveness through offers as an intervening variable is moderate, as indicated by the Original Sample value of only 0.27, suggesting that the relationship between these variables falls into the moderate category. Therefore, the hypothesis linking the variable of trust to competitiveness through offers is accepted.

The analysis of direct relationships between variables showed that trust does not have a significant direct effect on competitiveness. However, trust does affect offers, and offers significantly affect competitiveness. The analysis of the indirect relationship indicates that the offers variable significantly affects as an intervening variable between trust and competitiveness. This suggests that while trust does not have a direct impact on the competitiveness of contractors, through offers as an intervening variable, it can significantly enhance contractor competitiveness. In other words, crafting more competitive and appealing offers can ultimately enhance their ability to compete in the construction market. Therefore, in this context, offers act as a crucial link or mediator between trust and contractor competitiveness.

The Effect of Satisfaction on Competitiveness Through Offers

The analysis of the effect of satisfaction on competitiveness through offers as an intervening variable yielded a path coefficient of 0.02, with a T-statistics value of 0.60 and a P-value of 0.55. Since the T-statistic is smaller than the T-table value (1.96) and the P-value is greater than 0.05, there is no significant effect. The relationship between satisfaction and competitiveness through offers as an intervening variable is weak, as indicated by the Original Sample value of only 0.02, suggesting that the relationship between these variables falls into the weak category. Therefore, the hypothesis linking the variable of satisfaction to competitiveness through offers is rejected.

The analysis of direct relationships between variables showed that satisfaction has a significant direct effect on competitiveness. However, satisfaction does not have a significant effect on offers, and while offers themselves significantly affect competitiveness, they do not significantly act as an intervening variable between satisfaction and competitiveness. Although satisfaction and offers have a direct and significant impact on the competitiveness of contractors, the indirect relationship through offers as an intervening variable shows that when offers are used as an intervening variable, they fail to significantly enhance the relationship between satisfaction and competitiveness.

Conclusion

This study reveals important insights into the complex mechanisms through which trust and satisfaction influence contractor competitiveness in the construction industry. Our findings demonstrate distinct pathways of influence: (1) Trust has no significant direct effect on contractor competitiveness. However, trust has a significant effect on offers and acts as an intervening variable that affects the relationship between trust and contractor competitiveness. Increased trust can increase competitiveness indirectly through improving the quality of offers provided by contractors; (2) Satisfaction has a significant direct effect on competitiveness, but the relationship between satisfaction and offers is not significant. offers also does not mediate the relationship between satisfaction and competitiveness. In other words, client satisfaction can directly improve contractor competitiveness without going through changes to the offers.

This research provides new information on how trust and satisfaction play a role in improving contractor competitiveness. The results also add to the literature on competitiveness strategies in the construction industry, especially in terms of the role of offers and client satisfaction. Contractors can use these results to improve their competitiveness by paying attention to ofers to increase client trust in contractors and increase client satisfaction with contractor performance.

Future research can deepen these findings by exploring other factors that affect contractor competitiveness. In addition, more in-depth analyses can be conducted regarding the role of other variables in the relationship between trust, satisfaction, offers, and contractor competitiveness.

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