INFLUENCE OF SERVICE QUALITY, CORPORATE IMAGE, AND RELATIONSHIP MARKETING ON FARMER LOYALTY

Dwi Junianto¹*, Soni Harsono²

¹Student of Magister Management, STIE Perbanas, Surabaya, Indonesia
²Department of Management, STIE Perbanas, Surabaya, Indonesia

Author’s email: junianto97@gmail.com; soni@perbanas.ac.id
*Corresponding author: junianto97@gmail.com

Abstract. This research aimed to analyze the influence of service quality, corporate image, and relationship marketing on farmer loyalty. The respondents were sugarcane farmers in Kediri, East Java. Primary data were collected through questionnaires containing statements to be responded directly. A total of 119 farmers in this study were selected using purposive sampling. The analysis was done using WarpPLS 7.0 software to solve the structural equation model. The results proved that service quality, corporate image, and relationship marketing have significant influence on farmer loyalty. Service quality has the most considerable path coefficient value, followed by corporate image and relationship marketing.

Keywords: Relationship Marketing, Corporate Image, Service Quality, Farmer Loyalty

1. INTRODUCTION

Sugarcane is the primary raw material of sugar as a strategic commodity in Indonesia and also one of the necessities for Indonesians, as a relatively cheap source of calories. The total area of smallholder sugarcane farming reached around 235.76 thousand hectares in 2018 (BPS, 2018). It has been continuing to experience a sharp or drastic decline so that the total national sugar production is still in deficit. As a result, to meet the demand for sugar, the government must open imports from several countries, including Thailand, Australia, India, and Brazil.

Based on data from the Central Statistics Agency, East Java Province is the base for sugar production that provides the most considerable contribution, namely 51.15% (BPS, 2018). Ironically, the existence of an enormous market segmentation opportunity has not been able to increase the competitiveness of the sugar factories on the island of Java, as proven by the permanent closure of the Toelangan, Watoetoelis, and Colomadu Sugar Factories. The main characteristic of the sugar industry on the island of Java is very dependent on the supply of smallholder sugarcane. Various problems that occur as well as weakening competitiveness are not only caused by land conversion, which has eroded the area of sugarcane plantations, but also due to the low performance of the sugar factories.

Studies on loyalty have certainly discussed various topics such as banking, tourism, and automation. But, studies on plantations, especially sugarcane farmers, are still rarely carried out. Customer loyalty is related to commitment and consistency,
which are the basic foundation of continuity, which is reflected in the activity of using services or products repeatedly in the future. Having loyal customers is the main goal that must be achieved by each company to determine its existence.

A good relationship marketing can generate high loyalty from customers. Commitment to a strong bond with customers, effective communication, empathy, and response to handling complaints can create a better quality relationship (Kwan and Carlson, 2017). Relationship marketing is oriented towards creating long-term value from a relationship to gain benefits (Bojei and Abu, 2014). Detailed information related to customer descriptions provides essential information in the design of the company's business strategy through information technology that creates connectivity in optimizing value creation and quality customer perceptions.

Service or goods companies need to build an image to have added values in the eyes of customers. The corporate image plays an increasingly important role in the competitive environment for business and attracting and retaining customers. Corporate image is a critical element in influencing customer perceptions of quality in various ways (Tjiptono, 2015:269). Meanwhile, Pratama and Nurcaya, (2016) suggested that corporate image is related to a person's feelings that arise from their knowledge and experience.

Fulfilling customer wants and needs is the top priority of service quality. Service is said to be good if it is equal to or greater than expectations, and vice versa (Kotler and Keller, 2016:440). Customer satisfaction has a psychological impact on loyalty, which is an intangible asset with strategic value for the long-term sustainability and competitiveness of a company, especially in sugar factories.

Various empirical studies conducted previously by Malik et al. (2017) and Amalijah and Sunarti (2018) proved a significant relationship between relationship marketing and loyalty. However, research conducted by Karim et al. (2020) showed different results. Namely, relationship marketing has no significant impact on customer loyalty.

Pieces of research conducted by Yudiana and Setyono (2016) and Dewi et al. (2019) showed that corporate image significantly affects customer loyalty. However, some studies provide the opposite results, which prove that corporate image does not have a significant direct effect on customer loyalty (Apriyanti et al., 2017). Research conducted by Rozaq and Soni (2018) and Elaman and Agustin (2019) revealed that service quality has a significant direct effect on customer loyalty. These results are not in line with a study by Kusuma (2018) that found that service quality does not have a significant effect on customer loyalty.

These research gaps in previous research encouraged the researchers to reassess, with different research objects, namely sugarcane farmers. This study aimed to analyze the influence of service quality, corporate image, and relationship marketing on farmer loyalty in Kediri, East Java.

2. LITERATURE REVIEW

2.1 Relationship Marketing

Relationship marketing, based on the explanation of Gilninia et al. (2013) is a strategy to attract, retain, and build relationships with customers. The concept of relationship marketing is the process of identifying, building, and maintaining the main factors in achieving company goals in the context of understanding long-term relationships that have causal factors. This means that the existing sustainability will be able to retain customers. Therefore, the strategy to retain customers will cost less than finding new customers.

Relationship marketing can be used as the right tool in complex business competition and gain a competitive advantage (Brodie, 2017; Payne and Frow, 2017). Furthermore, relationship marketing is a way of thinking about customers, marketing, and value creation, not just technical tools and tactics. The design that is built is an
integrative or holistic function to strengthen the company’s marketing competence to partner in the long term.

2.2 Corporate Image

According to Kotler and Keller (2016:274), an image is defined as a set of beliefs, ideas, and impressions that a person has about an object. Understanding corporate image is also related to the perception of a company’s good name and is an asset to be built and maintained continuously. The impressions, images, beliefs, and knowledge of the community will be embedded as a collection of attributes that can be positive or negative. A corporate image that has a positive impression will be able to develop creativity and establish strong bonds between customers and the company.

Grunig et al. (2015:34) provides an explanation that synonyms of the term corporate image are message, reputation, perception, credibility, belief, communication, and relationships. Company descriptions that are embedded in customers’ memories will be a filter that can influence their decisions. Company attributes such as company name, architecture, product or service, and quality that are communicated to customers in interacting with the company are related to the company. Company efforts to form a corporate image require complete information, which can answer customer needs and desires.

2.3 Service Quality

It’s not easy to get customer loyalty. It requires structuring and evaluation of service quality. Customers will assess the service they receive by comparing it with what they expected before. If the perceived performance is in accordance with their expectations, they will be satisfied, and vice versa. Tjiptono (2015:59) suggested that service quality is the level of expected excellence and control to fulfill customer desires. Good quality service is manifested in the form of friendly, fast, and precise services and good ethics.

2.4 Customer Loyalty

According to Kotler and Keller (2016:153), customer loyalty is a firmly held commitment to repurchasing, both products or services, in the future, even though situational influences and marketing efforts have the potential to cause the behavior to shift. Customer loyalty is often an indicator illustrating the loyalty formed within the customers. In addition, customer loyalty is a commitment to persistence and consistency in continuously re-subscribing to products or services.

According to Priansa (2017:493) loyal customers can provide six benefits, namely (1) saving on marketing costs; (2) reducing transaction costs; (3) reducing customer turn over costs; (4) increasing cross-selling; (5) giving positive information to others, and; (6) reducing the cost of failure. There are three characteristics of customer loyalty which are manifested in attitudes and behavior, namely (1) recommending to others; (2) making repeat purchases, and; (3) showing that there is immunity to the pull of competitors. Thus, the factors that influence the maintenance of satisfaction, positive commitment, and the company’s image in the eyes of customers will form customer loyalty (Kaur and Soch, 2018).

3. RESEARCH METHODS/METHODOLOGY

The conceptual framework of this research will be presented in Figure 1 as follows:
A serious relationship marketing strategy can generate high loyalty of customers. Based on this theory, relationship marketing that is well-established and maintained will foster a loyal attitude within the customers. Besides, relationship marketing activities can form business relationships to attract customers and build long-term, mutually symbiotic relationships. The stronger the implementation of relationship marketing and mutual benefits between companies and customers can make business existence and create profits with customer loyalty. Customer loyalty is the primary goal of the company that is always maintained through the process of designing, maintaining, and strengthening strong and value-filled relationships with customers and mutual trust. Relationship marketing is also the introduction of each customer more closely by creating two-way communication. This is in line with research conducted by (Zaid, 2018).

**H1:** Relationship marketing has a significant effect on farmer loyalty.

A good company image helps to increase the company’s sales and market share and to build and maintain customer loyalty relationships. In addition, company image can also be used to improve or maintain a competitive position, retain old customers, and attract new customers. This is also reinforced by the results of research that company image has a significant direct impact on customer loyalty (Yudiana and Setyono, 2016).

**H2:** Corporate image has a significant influence on farmer loyalty.

The quality of service will be assessed thoroughly by customers based on the service they receive. The company will provide a level of excellence in service quality as expected to fulfill customer desires. Thus, the quality of service is based on the owner’s ability to consistently but dynamically meet customer expectations by following their needs. This is also in line with research results that show service quality has a direct significant impact on customer loyalty (Elaman and Agustin, 2019).

**H3:** Service quality has a significant influence on farmer loyalty

### 3.1 Research Design

This research used a quantitative approach, namely an explanatory research type that would explain the relationship between the variables formulated in advance. The research instrument used was in the form of questionnaires containing statements distributed to respondents to get their responses. Based on the framework prepared, the variables used as a guideline for discussion in this study are as follows: an endogenous variable, namely farmer loyalty, and exogenous variables, including relationship marketing, corporate image, and service quality. The data measurement technique used a five-scales of Likert, ranging from the lowest value, representing strongly disagree, to the highest value, representing strongly agree.

The measurement of the variable relationship marketing, according to Kwan and Carlson (2016), involved trust, bonding, communication, shared value, empathy, and reciprocity. Meanwhile, the variable corporate image was measured through personality, reputation, value, and corporate identity (Kasmiruddin and Rajagukguk 2015). The quality of service by sugar factories for sugarcane farmers was measured by a number of indicators, namely providing counseling, guarantor of credit capital, production facility assistance, and partnership meeting forums (Lukito, 2019; Adnyana and Mohktar, 2019). For the endogenous variable farmer loyalty, measurement was done through a number of manifestations consisting of recommending others, making repeat purchases, and showing the existence of immunity to the pull of competitors (Priansa, 2017:496). WarpPLS 7.0 was used for the analysis.

### 3.2 Population and Sample

A research population is all research subjects in the form of a group of individuals with specific qualities and characteristics that have been determined in advance. The population in this study were sugarcane farmers in the Kediri area. The sample in this
study was farmers who made sugarcane delivery transactions at the PTPN X Sugar Factory. The technique used for sampling was non-probability sampling. The sampling technique used purposive sampling based on the following criteria: (1) over 18 years of age; (2) the length of the partnership is more than two years; (3) have a minimum education of junior high school. The sample size in the Structural Equation Model (SEM), which uses the maximum likelihood estimation (MLE) estimation model, is 100-200 (Hair et al. 2017) or as much as 5 - 10 times the number of indicators tested. It had been planned that the sample to be taken is 7 x 17, namely 119 respondents.

4. RESULTS AND DISCUSSION
4.1 Outer Model
The outer model is used to test the validity and reliability where the validity test is to determine whether a research instrument is valid or not and the reliability test examines the accuracy and consistency of the measuring instrument. According to Solimun et al. (2018) the validity of the questionnaire measures something to be measured according to actual conditions and reliability shows the extent to which the questionnaire is able to measure consistently.

4.2 Convergent Validity
Convergent validity aims to test the correlation between indicators and latent variables that will be assessed based on the loading factor. Convergent validity testing is said to be valid if all indicator values have a loading factor greater than or equal to 0.50 to 0.60 (Solimun et al. 2018). The value of the rule of thumb used is ≥ 0.60.

Table 1. Loading Factor Value

<table>
<thead>
<tr>
<th>Variable</th>
<th>Loading Factor</th>
<th>p-value</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>0.741</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Bonding</td>
<td>0.672</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Communication</td>
<td>0.682</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Shared value</td>
<td>0.704</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Empathy</td>
<td>0.867</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Reciprocity</td>
<td>0.731</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Personality</td>
<td>0.810</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Reputation</td>
<td>0.904</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Value</td>
<td>0.725</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Corporate identity</td>
<td>0.676</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Extension</td>
<td>0.650</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Guarantee of working capital credit</td>
<td>0.921</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Production facility assistance</td>
<td>0.906</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Partnership meeting forum</td>
<td>0.879</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Recommend to others</td>
<td>0.859</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Repeat purchase</td>
<td>0.908</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>Immunity to the pull of competitors</td>
<td>0.819</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: processed data (2020)

Table 1 shows that all indicators are able to explain their respective latent variables with outer loading values> 0.6. Thus, it can be said to be valid.

4.3 Discriminant Validity
Discriminant validity aims to determine the principle of measuring different constructs that should not be highly correlated. The discriminant validity measurement test is assessed by looking at the cross loading of the measurement with the construct. Each indicator will be said to be able to explain the variable compared to other variables if the cross loading value between indicators and the latent variable is greater than the cross loading value between indicators and other latent variables.
Table 2. Cross Loading Value

<table>
<thead>
<tr>
<th>Variable</th>
<th>Relationship Marketing</th>
<th>Corporate Image</th>
<th>Service Quality</th>
<th>Farmer Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship Marketing</td>
<td>(0.736)</td>
<td>0.644</td>
<td>0.693</td>
<td>0.537</td>
</tr>
<tr>
<td>Corporate Image</td>
<td>0.644</td>
<td>(0.802)</td>
<td>0.411</td>
<td>0.443</td>
</tr>
<tr>
<td>Service Quality</td>
<td>0.693</td>
<td>0.411</td>
<td>(0.837)</td>
<td>0.531</td>
</tr>
<tr>
<td>Farmer Loyalty</td>
<td>0.537</td>
<td>0.443</td>
<td>0.531</td>
<td>(0.863)</td>
</tr>
</tbody>
</table>

Source: Processed data (2020)

Table 2 shows each indicator of the cross loading value is greater in the latent variable than the other variables. Thus it is concluded that the indicators studied have been able to explain latent variables, so that they meet the requirements of discriminant validity.

Table 3. AVE root

<table>
<thead>
<tr>
<th>Variable</th>
<th>AVE</th>
<th>AVE Square Root</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship Marketing</td>
<td>0.736</td>
<td>0.858</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Corporate Image</td>
<td>0.802</td>
<td>0.896</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Service Quality</td>
<td>0.837</td>
<td>0.915</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Farmer Loyalty</td>
<td>0.863</td>
<td>0.929</td>
<td>Acceptable</td>
</tr>
</tbody>
</table>

Source: processed data (2020)

In addition, assessing discriminant validity can be done by comparing the AVE root values. The discriminant validity requirement is if the AVE root of each construct is greater than the correlation between construct and construct. Table 3 explains the role of thumbs requirement for discriminant validity is valid.

4.3 Reliability Test

The reliability test uses two approaches, namely Composite Reliability and Cronbach’s Alpha, with the requirements that each construct variable has a value of more than 0.7 and 0.6, which concludes that the data has met the element of reliability (Solimun et al. 2018).

Table 4. Composite Realibility and Cronbach’s Alpha

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Composite Reliability</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship Marketing</td>
<td>0.875</td>
<td>0.828</td>
</tr>
<tr>
<td>Corporate Image</td>
<td>0.842</td>
<td>0.715</td>
</tr>
<tr>
<td>Service Quality</td>
<td>0.901</td>
<td>0.848</td>
</tr>
<tr>
<td>Farmer Loyalty</td>
<td>0.897</td>
<td>0.827</td>
</tr>
</tbody>
</table>

Source: Processed data (2020)

Based on Table 4, the composite reliability value is above 0.70, and Cronbach’s alpha is more than 0.60, so that the reliability test criteria have been met. Thus, it can be said that the instrument used to measure latent variables in this study is reliable.

4.3 Structural Model Testing

Inner model testing aims to see the relationship between constructs, significance...
value, and R-square of the research model. In principle, the inner model measurement tests the effect of one latent variable with other latent ones. The purpose of this test is to see the path value in interpreting if the effect is significant or not by looking at the t-value of the path value. Besides, it also looks at the percentage of R² for endogenous latent variables that are modeled; how much exogenous latent variables influence them.

R-square is used to evaluate the fit of the model in the structural model test between latent variables. According to Chin in Ghozali and Latan (2014), the role of thumbs from the fit of the model is if the R² value is 0.67, the model is categorized as “good”; if it is 0.3, the model is categorized as “moderate”; and if it is 0.19, the model is categorized as “weak.”

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship Marketing</td>
<td>0.359</td>
</tr>
<tr>
<td>Corporate Image</td>
<td></td>
</tr>
<tr>
<td>Service Quality</td>
<td></td>
</tr>
<tr>
<td>Farmer Loyalty</td>
<td></td>
</tr>
</tbody>
</table>

Table 5. R-Square value

In the output display, the R-Square value is 0.359, representing a moderate model. The value of 0.359 shows that the farmer satisfaction variable can be explained by relationship marketing, corporate image, and service quality by 35.90%, while the rest, 64.10%, is influenced by other constructs that are not examined.

Significance testing in research is carried out in order to accept or reject the proposed hypotheses. A hypothesis will be accepted at the alpha degree level (0.05) if the t-statistic value > table (1.96) or the p-value <0.05. In addition, it is also to see the results of the path coefficients between latent variables, whether they are positive or negative.

<table>
<thead>
<tr>
<th>Path Coefficient</th>
<th>p-values</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship Marketing → Farmer Loyalty</td>
<td>0.14</td>
<td>0.04</td>
</tr>
<tr>
<td>Corporate Image → Farmer Loyalty</td>
<td>0.23</td>
<td>&lt;0.01</td>
</tr>
<tr>
<td>Service quality → Farmer Loyalty</td>
<td>0.34</td>
<td>&lt;0.01</td>
</tr>
</tbody>
</table>

Table 6. Path Coefficients

Table 6 shows the results that the p-value of the influence of relationship marketing on farmer loyalty is 0.04 with a p-value <0.04. From these results, it can be concluded that relationship marketing has a positive and significant influence on farmer loyalty. Besides, it is also shown that the p-value of the influence of corporate image on farmer loyalty is 0.23 with a p-value <0.01. Thus, it is concluded that the corporate image variable has a positive and significant influence on farmer loyalty. Meanwhile, the relationship between service quality and farmer loyalty has a value of 0.34 with a p-value <0.01. When viewed from the comparison value on the path coefficient, it was found that the path coefficient of service quality to farmer loyalty was 0.34. That is, to increase the farmer loyalty in the Kediri area, the variable service quality has a more significant influence than the variables corporate image and relationship marketing.

The results of this study indicated that relationship marketing has a significant positive effect on farmer loyalty. The activities of relationship marketing to establish business relationships are strategies to attract customers and build long-term in a mutual symbiotic system. This means that the application of relationship marketing promotes mutually beneficial patterns at the level of the sugar factory business. This shows that the higher the relationship marketing carried out by the sugar factory, the
higher the loyalty of the farmers. Likewise, on the contrary, the lower the relationship marketing is carried out, the lower the loyalty of farmers.

The relationship marketing established between sugar factories and farmers shows that they rely on each other and try hard to build long-term relationships. Sugarcane farmers feel that the presence of a sugar factory has revived the economy where sugarcane cultivation is not only a livelihood but also absorbs labor. Farmers and sugar factories have a mutual trust, which is an essential part to be maintained. The form of this feeling of trust is a bond between partners where they will need each other.

The partnership ties are maintained in the long term and continuously establish communication. This means that during the interaction, they will provide feedback or input towards improving quality and building loyalty. Various complaints and problems that still occur will be raised openly and honestly. The open segmentation of the sugar market in Indonesia is the trigger for the continuation of mutually beneficial relationships. The existence of a sugar factory also has a positive impact on the lives of the surrounding community.

The results of this study indicate that corporate image has a significant positive influence on farmer loyalty. This provides information that the corporate image, which includes the company name, reputation, and expertise, has a significant positive impact. This corporate image also has positive advantages because it will lead to a decision to reuse the service.

Farmer loyalty as the main supplier for sugar factories must be maintained and even increased. In addition, a good corporate image can build and foster relationships that lead to customer loyalty. Loyalty can repair or retain customers and can even attract new customers.

Companies that have loyal customers will survive and have a competitive edge in the battle with competitors. This corporate image is a valuable asset, which is one of the factors that influence customer loyalty. This is supported by the management who always cares, responds quickly to complaints, and can respond to customer requests. Through this corporate image, farmers will perceive the benefits so that they will remain loyal. Also, a well-maintained corporate image promotes the company to get added values.

The results of this study indicated that service quality has a significant positive influence on farmer loyalty. The loyalty of sugarcane farmers is shown by their commitment to send their sugarcane to the sugar factories. This also indicates that there are indicators of loyalty that are shown by remaining persistent that sugar factories also provide beneficial returns. Furthermore, the farmers are voluntarily willing to recommend to colleagues, friends, other farmers. Of course, this loyalty is formed through the quality of service designed by the factories and perceived by the sugarcane farmers.

The service quality of the sugar factories will be massively assessed by the sugarcane farmers. The description of service quality received by respondents will get a response regarding how high the level of loyalty itself is. This means that loyal farmers will form a positive attitude and be able as marketing agents by words of mouth. However, on the contrary, the absence of this loyalty will bring a negative image and even switch the commodities to other than sugarcane. This loyalty, as a strategically valuable asset, will lead to the sustainability of sugar factories in the future.

Through the quality of services provided by the sugar factories, farmers will voluntarily provide positive recommendations to others. In addition, it will also foster a commitment to do business with the sugar factories in the future. Thus, it will bring positive synergy between the farmers and the sugar factories that are inseparable from each other. The presence of the sugar factories has contributed to farmers, where farmers can also become effective marketing agents.

**CONCLUSION**

Based on the analyzed results, it can be concluded that (1) Relationship marketing has a significant positive influence on farmer loyalty. This explains that the
better the relationship marketing carried out by the sugar factories, the better the farmer loyalty. Conversely, the lower the relationship marketing carried out by the sugar factories, the lower the farmer loyalty; (2) Corporate image has a significant positive influence on farmer loyalty. This explains that the better the corporate image carried out by the sugar factories, the better the farmer’s satisfaction. Conversely, if the lower the corporate image carried out by the sugar factories, the lower the farmer loyalty, and; (3) Service quality has a significant positive influence on farmer loyalty. This explains that the better the quality of service provided by the sugar factories, the better the farmer loyalty. Conversely, the lower the quality of service provided by the sugar factories, the lower the farmer loyalty.

REFERENCES


