

Interaction of Feed Quality, Price and Service on Satisfaction and Loyalty Customer Pt. Japfa Comfeed Indonesia in Regency of Tanah Laut

Agustiar Yeta¹⁾, Yusuf Azis²⁾ Nuri Dewi Yanti³⁾
*Master of Agricultural Economic, Faculty of Agriculture – ULM University
Banjarbaru – South Borneo*

Abstract: *Customer satisfaction is the suitability of the expectations desired by the customer for the performance of the product attributes offered by the supplier. The high level of satisfaction felt by customers will be create loyalty. Customer satisfaction surveys are needed by companies in order to make decisions marketing strategies program that are useful for maintaining or even increasing market share. Tanah Laut Regency is a very strategic location for animal feed mill because it is a source of production of the main raw material for feed, as specially corn and as area for the development of poultry production. There are 2 units of animal feed mill in Tanah Laut Regency, one of which is PT. JapfaComfeed Indonesia. The purpose of this study was to analyze the level of customer satisfaction with the performance of PT. JapfaComfeed Indonesia and knowing the level of importance and performance of the indicators of exogenous and endogenous variables. This survey was conducted to 106 partnership plasma farmers as customers by use feed products from PT. JapfaComfeed Indonesia which is located in 3 Districts, namely: Plaihari Sub District, BatuAmparSub District and JorongSub District. Each customer has different characteristics in age, education, broiler farmer duration, length of time as a partnership and the livestock population owned. The analysis of this study uses the structural equation modelling (SEM) method and Importance Performance Analysis (IPA). This result of study product quality variables have a very significant, price variables have a significant and service variables have no significant to customer satisfaction and customer satisfaction can create significant on loyalty. Indicators that are the main priority for companies in the analysis of the IPA method are the feed price on quality (H1), IP score (K2) and preventing changes in firmness, odor, color and insect invasion (K6) in feed products.*

Key Word: *Feed Quality, Price, Service, Satisfaction, Loyalty, SEM, IPA*

Date of Submission: 05-10-2020

Date of Acceptance: 19-10-2020

I. Introduction

In the era of digitization, customers have many choices for the types of goods they want. Products that match the expectations and desires and affordable prices are considered by customers. Customer satisfaction is conformity to the expectations desired by customers for the performance of the goods offered by the manufacturer. Companies as suppliers must understand what customers want. The concept of customer satisfaction starts with what the company wants to produce a good or service for, then how the resulting product is valued by the customer. The resulting product fulfills the needs and wants expected by the customer to become a value for the level of customer satisfaction. Customer satisfaction is very important for the company in order to set what strategies will be implemented to achieve company goals. Product quality, price and service quality that are acceptable are taken into consideration for customer satisfaction and loyalty. Tanah Laut Regency is one of the potential areas for poultry development. South Kalimantan BPS data (2009-2019) shows that the poultry population from 2008 - 2018 in Tanah Laut Regency increased sharply, from 8,891,849 birds to 67,910,840 birds or experienced a significant growth of 664% over a span of 10 years (Figure 1).

Poultry is a source of animal protein which is relatively cheaper in price compared to sources of animal protein from cows. The growth of the broiler partnership system has contributed to the increase in the supply of chicken meat products to the community.

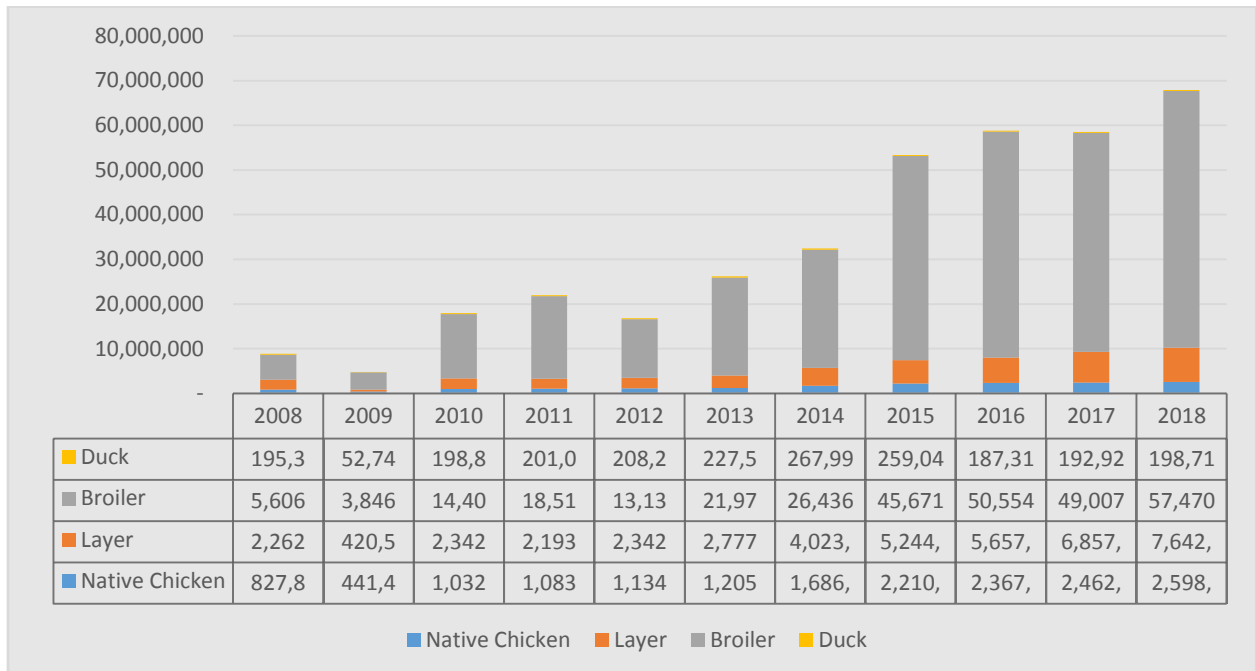


Figure 1. Graph of Poultry Population in Tanah Laut Regency (BPS, 2009-2019)

South Kalimantan Province has an area of 37,530.52 km² and 37% of it is used as agricultural and plantation land. This vast land has not been fully utilized. This land has the potential to be developed as agricultural land, especially corn crops. South Kalimantan BPS data (2009-2019) shows that corn production from 2008-2018 in South Kalimantan Province increased significantly. Corn production in 2008 was 95,064 kg / year, then grew in 2018 to 442,883 kg / year. The increase in corn production was very high, reaching 366% over a period of 10 years (Figure 2).

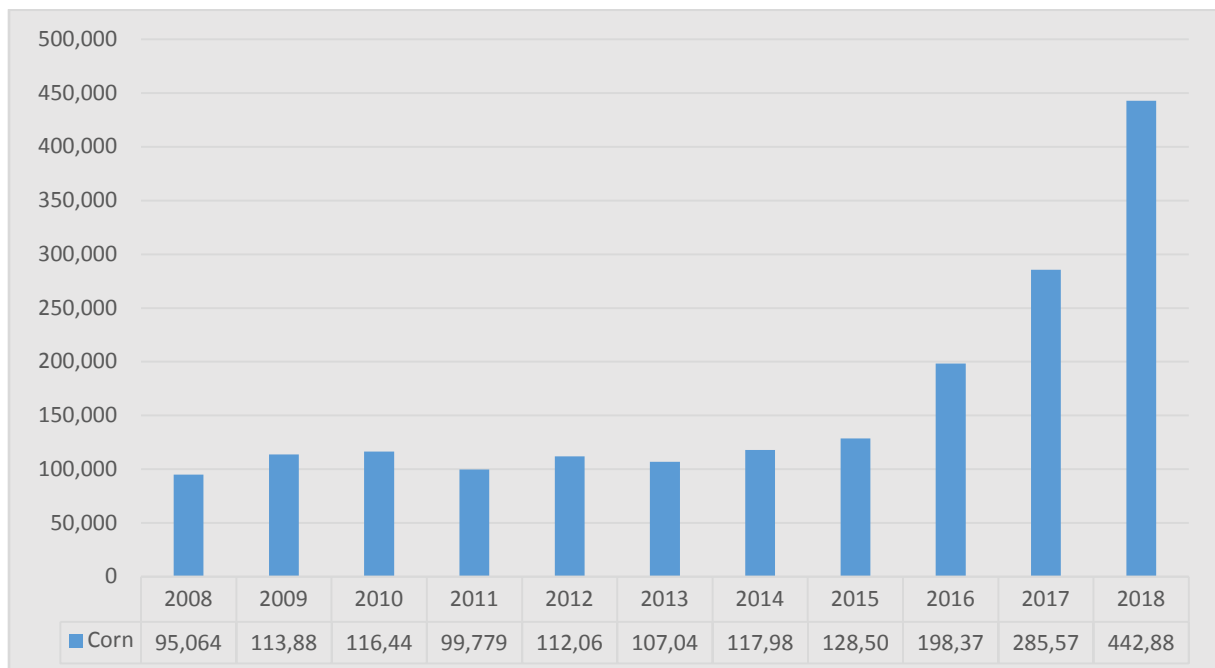


Figure 2. Graph of 2014-2018 Corn Production in South Kalimantan (BPS, 2009-2019)

The high increase in the number of broiler populations and the corn production from year to year in South Kalimantan Province, especially Tanah Laut Regency, have attracted capital owners to establish animal feed mills. Tanah Laut Regency has two operational animal feed mill units, namely PT. CheilJedang Feed and PT. JapfaComfeed Indonesia Tbk (GPMT, 2020). PT. JapfaComfeed Indonesia Tbk, as the first animal feed mill in South Kalimantan Province, has a dominated market share compared to its competitors. Therefore, a customer

satisfaction survey needs to be conducted by PT. JapfaComfeed Indonesia Tbk. in order to make decisions in making marketing strategies that are useful to maintain or getting increase of market share. Partnership plasma farmers have expectations of the performance attributes of feed quality, price and service, as promised by the producers so that customer satisfaction and loyalty will be created.

Based on the description above, the problem formulation in this study is how the interaction between variables of product quality, price and service quality can affect customer satisfaction and the creation of loyalty. The purpose of this study was to analyze the level of customer satisfaction with the performance of PT. JapfaComfeed Indonesia, analyzes the interaction of variables, and knows the distribution of the level of importance and performance of the indicators of exogenous variables on feed quality, price, service and endogenous variables of satisfaction and loyalty.

This research is expected to provide benefits to: 1) The management of PT. JapfaComfeed Indonesia as an evaluation material for the level of customer satisfaction and loyalty. 2) Local government to see the development of the husbandry partnership business in Tanah Laut Regency. 3) Higher education as a reference for student final assignments to examine customer satisfaction and loyalty.

II. Method

Research place and time

This research was conducted in Tanah Laut Regency, South Kalimantan, from May to August 2020.

Data types and Sources

This research method uses a survey method with a quantitative method approach. The data used in this study are primary data and secondary data. Primary data obtained through direct interviews with respondents. Secondary data were obtained from related agencies. The variables studied were the quality of feed, price and service on satisfaction and loyalty customer.

Sampling method

Plasma farmer customer PT. JapfaComfeed Indonesia is spread across 7 sub-districts in Tanah Laut Regency. Sampling was carried out in 3 districts with the most subscribers, namely Jorong District, BatuAmpar District and Pelaihari District. The number of customers who became respondents was 106 using proportionate stratified random sampling. The number of respondents needed for this study was 106 people with the assumption that they could represent the population and in accordance with the number of samples needed for the structural equation modelling (SEM) and Importance Performance Analysis (IPA).

Data analysis

Processing and data analysis in this study was carried out quantitatively based on primary data obtained from field survey results. Data processing with quantitative methods, namely the analysis of the influence of exogenous variables of feed quality, price and service on endogenous variables of customer satisfaction and loyalty using the structural equation modelling (SEM) and Importance Performance Analysis (IPA).

The Structural Equation Modelling (SEM) is able to explain the relationship between exogenous variables and endogenous variables through its indicator indicators. SEM is a multivariate analysis that can be used to analyze the complex relationship between variables. SEM method in this study was using theof AMOS 22 software and the science analysis was using of the SPSS 21 program.

Figure 3 shows the flow of the research frame of mind on the exogenous variables of feed quality, price and service that affect customer satisfaction and create loyalty.

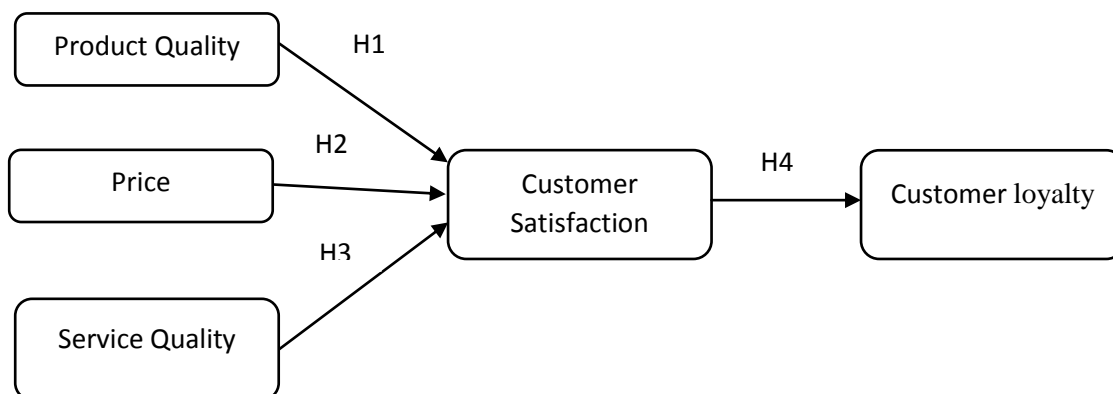


Figure 3. Research Framework

The Importance Performance Analysis method is a technical analysis to measure the level of importance the customer assesses and the level of performance of a product from the company is perceived by the customer. Cartesian diagram as application IPA method (Figure 4). Lupiyoadi and Bramulya (2015), Importance Performance Analysis (IPA) is described in the form of a Cartesian diagram, which is a building divided into four quadrant parts bounded by two lines that intersect perpendicularly at points (X, Y). Symbol X is the average score of the assessment of the performance perceived by the customer and symbol \bar{Y} is the average score of the assessment of the importance expected by the customer. The Cartesian diagram consists of 4 quadrants, namely: 1) Quadrant I, showing indicators that are considered to affect customer satisfaction and are considered very important, but the company has not been able to fulfill what the customer wants (high priority). 2) Quadrant II, shows the indicators that have been successfully implemented by the company and are considered very important to satisfy customers. This quadrant becomes mandatory for the company to pay attention to (Maintenance). 3) Quadrant III, shows indicators that are considered less important to satisfying customers (low priority). 4) Quadrant IV, shows an indicator that customers are satisfied but the resulting performance is more than customer expectations and is considered less important (excessive).

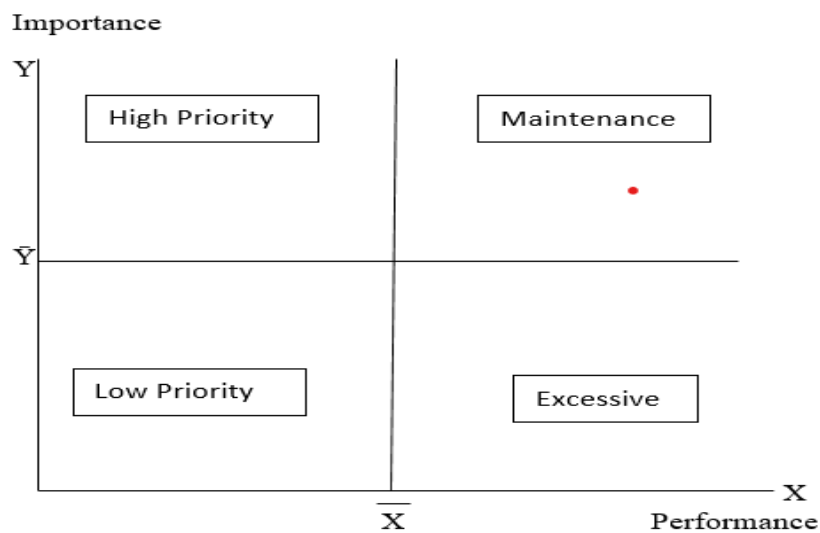


Figure 4. Cartesian Diagram Matrix Performance and Importance (Lupiyoadi and Bramulya, 2015)

In this study, each statement on the indicator is given a scale of 1 to 4. This is to avoid the choice of uncertainty from customers, namely the tendency to choose middle answers or enough categories. The four levels of importance and performance indicators are weighted according to Table 1.

Table 1. Scale of Importance and Performance on Measured Variables

Scale	Importance	Performance
1	Not very important	Not very good
2	Not important	Not good
3	Important	Good
4	Very important	Very good

III. Results And Discussion

Respondent Characteristics

Respondents are partner plasma farmers who use feed produced by PT. JapfaComfeed Indonesia in 3 Districts of Tanah Laut Regency namely Plaihari District, BatuAmpar District and Jorong District. Respondent characteristics include age, education, experience, length of participation as a customer and business scale.

Age

The average age of the respondents was 39.15 years with a range between 24-63 years. Most respondents were 31-40 years old, namely 56 respondents (53%). It can be seen in Table 2. This condition shows that the respondents are generally still young so they have high productivity. Age grouping according to the World Health Organization (WHO) is the age of adults in the range of 20-60 years.

Table 2. Age Distribution of PT. JapfaComfeed Indonesia

Age (year)	Amount (person)	Percentage (%)
20 - 30	13	12
31 - 40	56	53
41 - 50	32	30
50 - 60	3	3
> 60	2	2
Total	106	100

Source: Processed data, 2020

Education

The education levels of the respondents varied, from primary school (SD) to Bachelor (S1). The highest education level of respondents is Senior High School (SMA), namely 59 people (56%) and the lowest is the level of education of a Bachelor (S1) as many as 7 people (7%). Customer education level can be seen in table 3.

Table 3. Tingkat Respondents Education Level

Level	Amount (orang)	Percentage (%)
Primary School (6 years)	12	11
Junior High School (9 years)	28	26
Senior High School (12 years)	59	56
Bachelor (5 years)	7	7
Total	106	100

Source: Processed data, 2020

Experience

The respondent average farming experience was 4.24 years. The majority of respondents had 3-4 years of farming experience, 38 respondents (36%), on the other hand, respondents with more than 6 years of experience were only 18 people or 17% (Table.4).

Table 4. Respondents' Experience in Farming Broiler Chickens

Experience (years)	Amount (person)	Percentage (%)
1 - 2	30	28
3 - 4	38	36
5 - 6	20	19
> 6	18	17
Total	106	100

Source: Processed data, 2020

Length of participation as a customer

The length of time the respondent's participation as a customer illustrates the experience of the agreement rules that have been passed. Most of the respondents (62%) have just become customers of PT. JapfaComfeed Indonesia, while only 14 people have been subscribers for more than 5 years (13%), the rest, namely 25%, have been subscribers for 3 - 4 years. The average length of participation as a customer is 2.64 years (Table. 5).

Table 5. Length Participation Respondent

Length Participation (years)	Amount (person)	Percentage (%)
1 - 2	66	62
3 - 4	26	25
≥ 5	14	13
Total	106	100

Source: Processed data, 2020

Business scale

Average population of broiler chickens was 5,754.71 bird. The most respondent of the broiler chicken business scale is in the population of 3,000 - 5,000 bird, that is, 72 people(68%), while the business scale of more than 10,000 has a population of only 3 people or 3% (Table 6).

Table 6. Respondent Business Scale

Population (bird)	Amount (person)	Percentage (%)
3.000 – 5.000	72	68
6.000 – 10.000	31	29
>10.000	3	3
Total	106	100

Source: Processed data, 2020

The respondent's business scale depends on the capital owned, the greater the population of broiler chickens, the greater the capital issued by the respondent. The population of broiler chickens also determines the level of farmer income as a plasma partnership.

Customer Perception of Feed Quality, Price and Service to Satisfaction and Loyalty Customer

The perception of customers that is assessed is the performance of the feed products of PT. JapfaComfeed Indonesia regarding satisfaction and loyalty customer. Customer perceptions of PT. JapfaComfeed Indonesia which is seen from the score of each indicator is shown in Table 7.

Interviews with customers have 4 perceptual measurement scales for indicators of each exogenous variable of feed quality, price and service as well as endogenous variables of customer satisfaction and loyalty. The average value of each indicator is obtained from the total value of the measurement scale divided by the number of respondents. The average value of customer perceptions of the performance of feed quality, price, service and satisfaction and loyalty is above 3.00 except for the endogenous variable of loyalty, namely the population increase indicator (Z1) 2.42. This is because to increase the population, it is necessary to increase the capacity of the sheds, even though many respondents have limited capital. Loyalty as a customer (Z2) is an indicator that has the highest perceived value of respondents, namely 3.42. Respondents said that as long as they get profit from the maintenance efforts carried out, they will be loyal as plasma.

Table 7. Customer Perceptions of Feed Quality, Price and Service, Satisfaction and Loyalty

Variable	Dimension	code	Indicator	Customer Perception				Score	Scale
				NVG (1)	NG (2)	G (3)	VG (4)	Average	
Feed Quality	Performance	K1	Feed conversion ratio (FCR)		9	70	27	3.17	Good
		K2	Performance Index (IP)		11	71	24	3.12	Good
	Reliability	K3	Feed intake at 1 week of age		16	75	15	2.99	Good
		K4	Body weight at 1 week of age		8	79	19	3.10	Good
	Durability	K5	Storage durability		10	74	22	3.11	Good
		K6	Change in firmness, odor, color and contamination of insect		9	77	20	3.10	Good
Price	Feed Price	H1	Feed price to quality		13	75	18	3.05	Good
		H2	Feed price to service		1	86	19	3.17	Good
		H3	Feed price versus of competitor's feed price		9	57	40	3.29	Good
Service	Reliability	P1	Time of feed delivery and order		11	58	37	3.25	Good
	Responsiveness	P2	Responsiveness of complaint		10	62	34	3.23	Good
	Anssurance	P3	Suitability of item and quantity order		7	61	38	3.29	Good
	Tangibles	P4	Field crew visits and counseling		9	70	27	3.17	Good
Satisfaction		Y1	Customer complaint		2	67	37	3.33	Good
		Y2	Performance expectation		8	61	37	3.27	Good
		Y3	Continuity of supply		6	69	31	3.24	Good
Loyalty		Z1	Population increase		79	10	17	2.42	Less
		Z2	Loyalty as customer		5	51	50	3.42	Good

Source: Processed data, 2020

NVG = Not very good, NG = Not good, G = Good, VG = Very good

Goodness of Model the Variable of Feed Quality, Price and Service to Satisfaction and Loyalty Customer

The indicators used in measuring exogenous variables include feed quality, price and service and endogenous variables satisfaction and loyalty customer, will be form a model that can explain the relationship between variables. Waluyo (2016) states that the measurement model is shown to confirm a dimension or factor based on the empirical indicators obtained, while the structural model is a model regarding the structure of the relationship that forms or explains the causality between factors / constructs / variables.

The indicators that have been determined on the exogenous variables of feed quality, price and service are first tested for the suitability of the model. Testing the goodness of fit includes (1) chi-square value (χ^2); (2) Probability; (3) The Minimum Sample Discrepancy Function Divided with Degree of Freedom (CMIN / DF); (4) Root Mean Square Error of Approximation (RMSEA); (5) Goodness of Fit Index (GFI); (6) Adjusted Goodness of Fit Index (AGFI); (7) Tucker-Lewis Index / Non Normed Fit Index (TLI) and (8) Comparative Fit Index (CFI) in this study using the AMOS 22 program. If appropriate, the results of the model test can be used as a parameter to measure the exogenous variables. Haryono (2016) states that Goodness-of-Fit is a way of measuring the suitability of the observed input (covariance or correlation matrix) with the predictions of the proposed model. A low chi-square (χ^2) value will result in a significant level ≥ 0.05 ($p \geq 0.05$) which results in an accepted hypothesis (H_0).

The results of the model suitability test on the indicators of the feed quality variable on customer satisfaction show the chi-square value (χ^2) of 27.373 is smaller than the table value ($\alpha = 5\%$), resulting in a probability of 0.390 (≥ 0.05). The price exogenous variable shows the chi-square result (χ^2) 14.451 is smaller than the table value ($\alpha = 5\%$) and the probability value is 0.071 (≥ 0.05). The service exogenous variable resulted in a chi-square value (χ^2) 15.408 smaller than the table value ($\alpha = 5\%$) and a probability 0.283 greater than the standard value (≥ 0.05). The exogenous variables of feed quality, price and service resulted in a fit test value for the CMIN / DF, RMSEA, GFI, AGFI, TLI and CFI models. These results can be seen in Table 8.

Table 8. Model Goodness of Fit Indicators of Variable Feed Quality, Price and Service on Customer Satisfaction

Goodness of Fit Indices	Feed Quality			Price			Service		
	Model Value	Cut-off Value	Explanation	Model Value	Cut-off Value	Explanation	Model Value	Cut-off Value	Explanation
χ^2 (Chi-Square)	27,373	38.8851	Fit	14,451	15,507	Fit	15,408	22.362	Fit
Probabilitas	0,390	≥ 0.05	Fit	0,071	≥ 0.05	Fit	0,283	≥ 0.05	Fit
Degrees of freedom (df)	26			8			13		
CMIN/DF	1,053	≤ 2.00	Fit	1,806	$\leq 2,00$	Fit	1,185	≤ 2.00	Fit
RMSEA	0,022	≤ 0.08	Fit	0,088	≤ 0.08	Fit	0,042	≤ 0.08	Fit
GFI	0,944	≥ 0.90	Fit	0,957	≥ 0.90	Fit	0,962	≥ 0.90	Fit
AGFI	0,903	≥ 0.90	Fit	0,90	≥ 0.90	Fit	0,918	≥ 0.90	Fit
TLI	0,988	≥ 0.90	Fit	0,921	≥ 0.90	Fit	0,977	≥ 0.90	Fit
CFI	0,992	≥ 0.90	Fit	0,958	≥ 0.95	Fit	0,985	≥ 0.90	Fit

Source: Processed data, 2020

Structural Equation Model (SEM) Interaction of Feed Quality, Price and Service with Satisfaction and Loyalty Customer

Structural equation modeling (SEM) is a clearly defined theoretical basis. Basic of theoretical then becomes a concept of the relationship between variables. SEM analysis is a model that combines structural and measurement equations.

The proposed model of feed quality, price and service towards customer satisfaction and loyalty in this study used SEM analysis with the amos 22 software program. This study has 3 exogenous variables (quality of feed, price and service) with 13 indicators and 2 endogenous variables (satisfaction and customer loyalty) with 5 indicators (Figure 5).

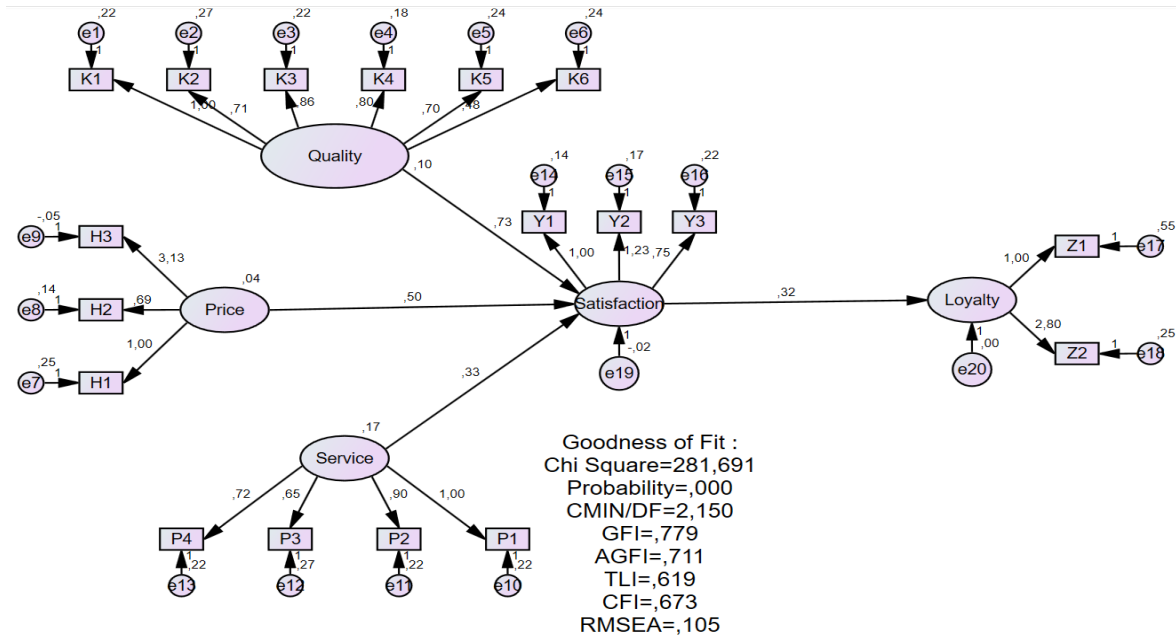


Figure 5. Proposed SEM Model for Feed Quality, Price and Service on Customer Satisfaction and Loyalty

The results of the goodness of fit the proposed model at SEM show the chi-square value (χ^2) 281.691 is higher than the table value (158.71), meaning that this model will produce a probability ≤ 0.05 , as well as the CMIN / DF calculated value of 2,150 higher than the standard value (CMIN / DF ≤ 2) and the RMSEA value (0.105) was higher than the standard value. Values goodness of fit the model test parameters for GFI, AGFI, TLI and CFI are lower than the standard values (Table 9).

Table 9. Goodness of fit SEM Proposed Model

Goodness of Fit Indices	Model Value	Cut-Off Value	Explanation
X ² Chi-Square	281,691	158,71	No fit
Probabilitas	0,000	≥ 0.05	No fit
Degree of freedom (df)	131		
CMIN/DF	2,150	≤ 2.00	No fit
RMSEA	0,105	≤ 0.08	No fit
GFI	0,779	≥ 0.90	No fit
AGFI	0,711	≥ 0.90	No fit
TLI	0,619	≥ 0.90	No fit
CFI	0,673	≥ 0.90	No fit

Source: Processed data, 2020

The results goodness of fit the suitability test for this model show that the proposed model is declared unfit and then the model is modified. According to Waluyo.M. (2016), if the standardized residual covariance matrix has a value outside the ring $- 2.58 \leq \text{standardized residual} \leq 2.58$ and probability (P) if < 0.05 , the estimated model needs to be modified. Elimination of the indicators is done by comparing the value of the largest modification index, so that the process will result in a significant reduction in the chi square value. Modifications to do because SEM is not intended to produce a theory, but to test a model that has the correct theoretical basis, therefore to provide an interpretation whether the theory-based model being tested can be accepted directly or needs to be modified.

SEM modification

Modifications were made to produce a goodness of fit model that was fit by eliminating several indicators. Amos 22 software program has the facility to modify the model contained in the modification index (MI) section by taking into account the high modification index value. Indicator feed price versus competitor's feed price (H3), Time of feed delivery and order (P1), Field crew visits and counseling (P4), elimination is carried out to produce fit data. The results of this model modification can reduce the chi square value so that it produces a probability value ≥ 0.05 (Figure 6).

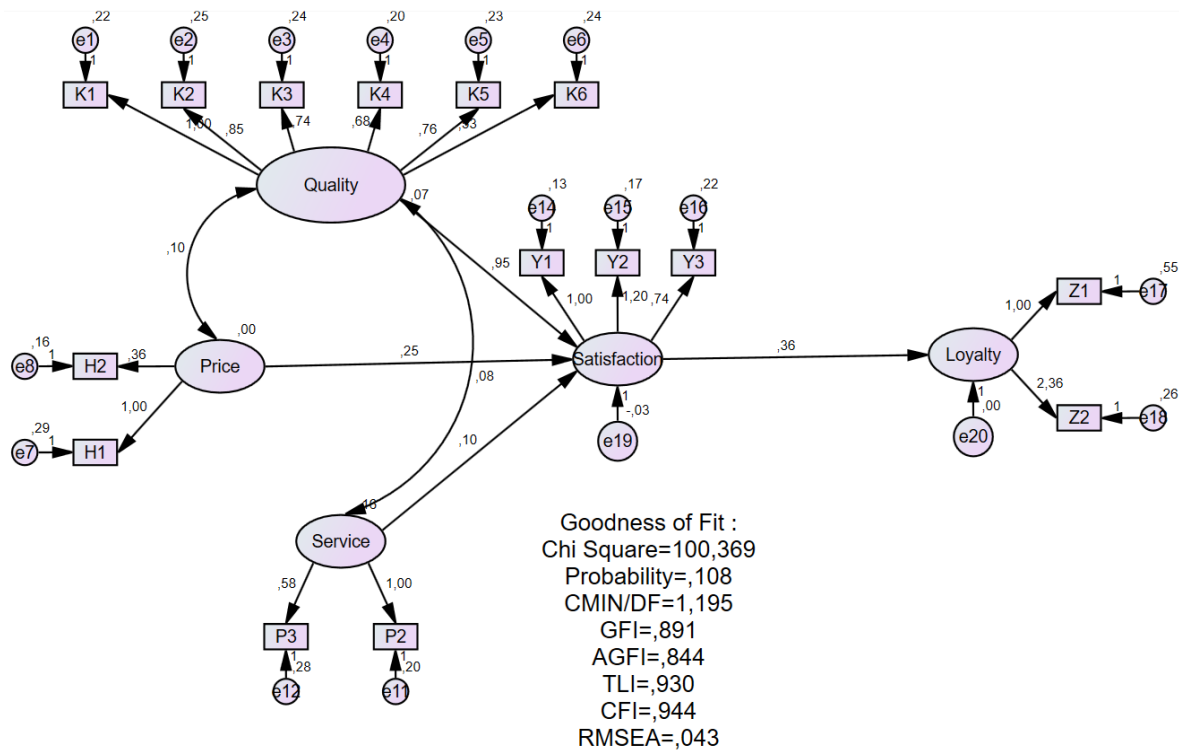


Figure 6. Modification of Analysis SEM Model of Feed Quality, Price and Service on Customer Satisfaction and Loyalty

Modification of the structural equation model resulted in a smaller chi-square value (100.369) than the table value 106.369 ($\alpha = 0.05$) and the probability to 0.108 (≥ 0.05). Likewise, the values of CMIN / DF, RMSEA, GFI, TLI AND CFI show the results of the fit model fit (Table 10).

Table 10. Goodness of Fit of SEM Modification Model

Goodness of Fit Indices	Model Value	Cut-Off Value	Explanation
Chi-Square (χ^2)	100,369	106,395	Fit
Probabilitas	0,108	≥ 0.05	Fit
Degree of freedom (df)	84		
CMIN/DF	1,195	≤ 2.00	Fit
RMSEA	0,043	≤ 0.08	Fit
GFI	0,891	≥ 0.90	Fit
AGFI	0,844	≥ 0.90	Marginal Fit
TLI	0,93	≥ 0.90	Fit
CFI	0,944	≥ 0.90	Fit

Source: Processed data, 2020

The modified SEM model has a goodness of fit, so that further statistical analysis is needed to test the regression coefficient (t test) of the exogenous variables of feed quality, price and service on endogenous variables of customer satisfaction and loyalty.

Modified SEM model regression coefficient test results for show that the exogenous variable feed quality has a significant effect on customer satisfaction. The variable of feed quality has a direct effect on customer satisfaction of 0.808, meaning that 80.8% of the plasma partners / farmers are satisfied with the quality of feed products of PT. JapfaComfeed Indonesia. Gultom (2016) states that product quality has a significant effect on customer satisfaction. Juran (1998) stated that the higher quality performance of the product provided by the company, the goal is to provide greater customer satisfaction (Table 11).

The product price variable has a significant effect on customer satisfaction by 0.05 ($\alpha = 5\%$). This result is in accordance with Pratiwi's (2019) research price variable has a low significant effect to customer satisfaction and loyalty. Dimiyati. et al. (2016), that price has a significant positive effect on customer satisfaction.

Product service variables not significant effect on customer satisfaction. Supranto (2006) states that the service attribute provided by the company is an intangible and easily lost action.

Table 11. Regression weights SEM Modification of Feed Quality, Price and Service on Customer Satisfaction and Loyalty

			Estimate	S.E.	C.R.	P	Std. Regression
Satisfaction	<---	Price	0,254	0,135	1,878	0,060*	0,050
Satisfaction	<---	Quality	0,945	0,259	3,651	0,000***	0,808
Satisfaction	<---	Pelayanan	0,103	0,165	0,623	0,533	0,129
Loyalty	<---	Kepuasan	0,357	0,221	1,612	0,107*	1,124
K1	<---	Quality	1,000				0,508
K2	<---	Quality	0,847	0,198	4,278	0,000***	0,423
K3	<---	Quality	0,740	0,186	3,977	0,000***	0,382
K4	<---	Quality	0,679	0,171	3,979	0,000***	0,384
K5	<---	Quality	0,764	0,185	4,122	0,000***	0,397
K6	<---	Quality	0,533	0,169	3,163	0,002**	0,288
H1	<---	Price	1,000				0,117
H2	<---	Price	0,361	0,147	2,448	0,014**	0,057
P2	<---	Service	1,000				0,668
P3	<---	Service	0,580	0,206	2,815	0,005**	0,401
Y1	<---	Satisfaction	1,000				0,659
Y2	<---	Satisfaction	1,205	0,179	6,740	0,000***	0,686
Y3	<---	Satisfaction	0,743	0,161	4,613	0,000***	0,449
Z1	<---	Loyalty	1,000				0,136
Z2	<---	Loyalty	2,363	1,507	1,568	0,117*	0,423
Price	<-- >	Quality	0,097	0,025	3,961	0,000***	5,647
Quality	<-- >	Service	0,076	0,023	3,320	0,000***	0,689

Source: Processed data, 2020

Endogenous variables of customer satisfaction have a significant effect on customer loyalty, at the level of confidence of 90% ($\alpha = 10\%$). Pastika research (2015) shows that the level of satisfaction has a significant relationship with farmer loyalty as a broiler plasma partnership.

Price and feed quality variables have a significant correlation between them. The price of feed PT. JapfaComfeed Indonesia is greatly influenced by the quality of its products. Feed quality and service variable also has a significant correlation.

Importance Performance Analysis (IPA)

Importance Performance Analysis (IPA) is an analysis to measure the relationship between attributes of the importance perceived by the customer and the level performance of products the company produces. The results of the IPA analysis assign the indicators to four quadrants. Results of this study indicate that the level of importance of customers is 3.38 on average higher than the level of performance perceived by customers is 3.15. Cartesian diagram can explain which indicators are the top priority for PT. JapfaComfeed Indonesia to improve its performance indicators.

Cartesian Diagram Matrix Performance and Importance show that the indicators in Quadrant I which are the priority of the company to improve its performance on feed are Feed price to quality (H1), Performance index (K2) and Change of firmness, odor, color and contamination of insect (K6) (Figure 7). Good quality feed will result in performance in broiler chickens so that respondents will get high income from the core company.

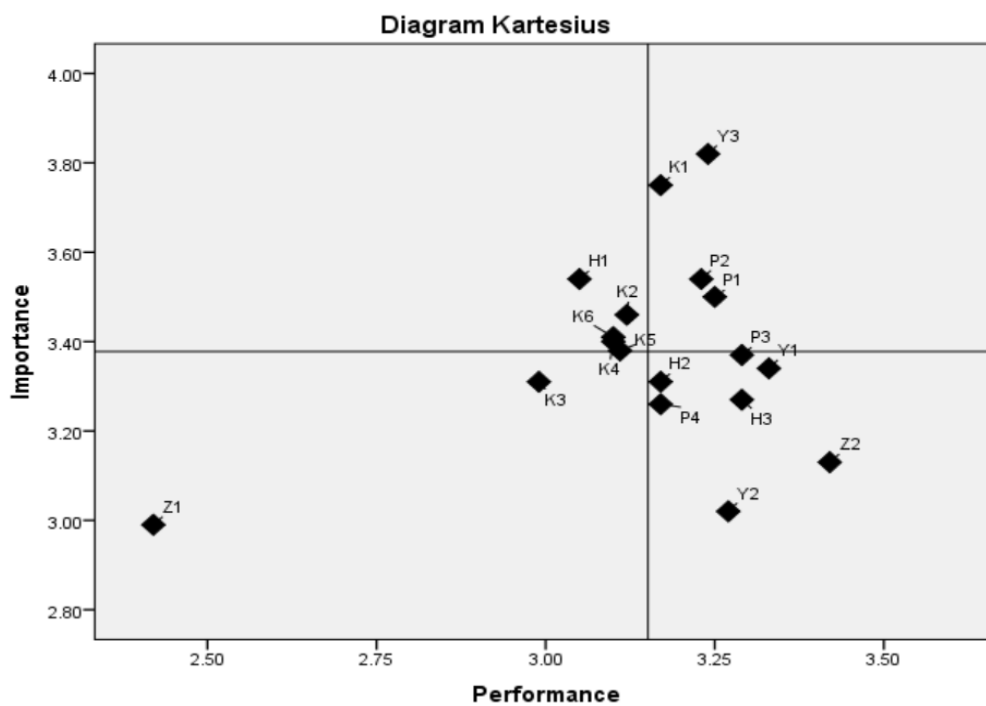


Figure 7. Cartesian Diagram for IPA Analysis

Quadrant II is an attribute that is in accordance with customer expectations, Continuity of supply (Y3), Feed conversion ratio (K1), Responsiveness of complaint (P2), Time of feed delivery and order (P1) and Suitability of item and quantity order (P3). The indicator attribute in quadrant II can be explained that the location of the feed mill of PT. JapfaComfeed Indonesia which is close to the location of partnership plasma so that the fulfillment of customer expectations for service can be fulfilled.

Quadrant III is an attribute of the indicators that respondents consider not so important, Storage durability (K5), Body weight at 1 week of age (K4), feed intake at 1 week of age (K3) and population increase (Z1). Storage durability (K5) from the results of the observation survey of respondents in the field that the core company of the partnership provides feed stock for 5 days, so that the available feed stock is always available.

Quadrant IV is the attribute performance given by the company is higher than the interests expected by the respondent. Customer complaints (Y1), Feed price to service (H2), Feed price versus of competitor's feed price (H3), Field crew visits and counseling (P4), loyalty as customers (Z2) and performance expectations (Y2).

IPA analysis can answer the hypothesis (H3) that the service variable does not have a significant effect on customer satisfaction because the value of the level of importance of the service variable has met the respondent's expectations, which is spread over quadrants II and IV.

IV. Conclusions And Recommendations

Conclusion

The results of the research that have been carried out can be concluded as follows:

1. The exogenous variables of feed quality and price have a significant effect on customer satisfaction. Hypotheses 1 and 2 in this study are accepted.
2. Service exogenous variables do not significantly affect customer satisfaction so that hypothesis 3 is rejected.
3. Hypothesis 4 is accepted because there is a significant influence between the endogenous variables of customer satisfaction on the creation of customer loyalty.
4. SEM modification results show that there is an interaction between exogenous variables of feed quality on price and feed quality to service.
5. Indicators that are of top priority (Quadrant I) in the Importance Performance Analysis (IPA) method are the Feed price to quality (H1), Performance index (K2) and Change in firmness, odor, color and contamination of insect(K6).

Recommendations

PT. JapfaComfeed Indonesia as a supplier of feed products has provided good performance on the quality of its products but to further increase the value of customer satisfaction, it is better to improve the quality of service provided to customers. Plasma farmers as customers, their income level is strongly influenced by the performance of the broiler chickens produced, so they really hope that the quality of the feed used is in accordance with the costs incurred and there is no change on firmness, odor, color and insect contamination in the feed so that it can produce a performance index that is high.

References

- [1]. BadanPusatStatistik, 2009-2019. Provinsi Kalimantan Selatan DalamAngka. BPS Kalimantan Selatan.
- [2]. Dimiyati, M., Subagio, N.A., 2016. Impact of Service Quality, Price, and Brand on Loyalty with the mediation of Customer Satisfaction on PosEkspres in East Java. *Mediterr. J. Soc. Sci.* 7, 74.
- [3]. GPMT. 2020. Pedoman Penyelenggaraan Kongres GPMT ke – XIV di Batu. Gabungan Perusahaan Makanan Ternak. Batu
- [4]. Gultom. W.S.T, Yuliati. L.N danDjohar. S. 2016. Pengaruh Service Quality, Product Quality dan Perceived Value TerhadapKepuasanLoyalitasPelangganIndustriKayuPerhutani. *JurnalManajemen&Agribisnis*, Vol 13 No.2.
- [5]. Haryono. S.2016. Metode SEM PenelitianManajemendengan AMOS, LISREL dan PLS. PenerbitPT. IntermediaPersonalialUtama. Bekasi
- [6]. Juran, J.M. 1998. Juran's quality handbook. 5th ed. Includes indexes. ISBN 0-07-034003-X 1. Quality control—Handbooks, manuals, etc.
- [7]. Lupiyoadi dan Bramulya (2015:240) Model Importance Performance analysis. *Praktikum Metode Riset Bisnis*. Jakarta: Salemba Empat
- [8]. Pastika. K.W, Suparta. N, dan G.A.M.K. Dewi . 2016. Hubungan Tingkat PendapatanandanKeputusanPeternakdenganLoyalitassebagai Plasma padaKemitraanAyam Broiler di KabupatenTabanan. *MajalahIlmiahPeternakan*. Vol 19 No.1
- [9]. Pratiwi. et al (2019). Effect of Price, Promotion, Brand Trust, and Customer Satisfaction on Customer Loyalty in Packaging Products Mineral Water Aqua. *SSRN Journal*.
- [10]. Supranto, J. 2006. Pengukuran Tingkat Kepuasan Pelanggan untuk Menaikkan Pangsa Pasar. Jakarta. PT. Asdi Mahasatya
- [11]. Waluyo, M. 2016. Mudah Cepat Tepat Penggunaan Tools Amos Dalam Aplikasi (SEM). Penerbit UPN "Veteran" Jawa Timur.

Agustiar Yeta, et. al. "Interaction of Feed Quality, Price and Service on Satisfaction and Loyalty Customer Pt. Japfa Comfeed Indonesia in Regency of Tanah Laut." *IOSR Journal of Agriculture and Veterinary Science (IOSR-JAVS)*, 13(10), 2020, pp. 01-12.