

## RELATIONAL MARKETING MODEL WITH DETERMINANTS OF SERVICE QUALITY AND PRICING IN CREATING CUSTOMER LOYALTY

(Case Study of Seaweed Farmer *Glacillaria sp* in Brebes Regency-Central Java)

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**Abstract :** This study aims to determine and analyze how much the contribution of service quality, pricing and relational marketing to the satisfaction and loyalty of *glacillaria sp* seaweed farmers in brebes district, central Java, or the services of their partners, plasma nucleus companies. The research method used is explanatory survey. Data was collected using a questionnaire, the time of data collection was cross-sectional. Data analysis using SEM. The survey identified a sample of 180 samples. The results showed that service quality, pricing and relational marketing contributed significantly to the satisfaction and loyalty of seaweed farmers.

**Keyword:** *Relational Marketing Model, Service Quality, Pricing; Loyalty*

### 1. Introduction

Seaweed *glacillaria, sp*, is a source of foreign exchange for accelerating the growth of the fisheries sector due to the elastic nature of its demand for income. Along with the rate of population growth coupled with an increase in income and the development of industrial, tourism and culinary centers, it is a potential factor for increasing demand for seaweed products. The demand for Indonesian seaweed continues to increase in the world market, in 2011 as much as 70,200 tons, in 2012 it increased to 85,000 million tons and it is estimated that in 2013 it will require 102,300 dry tons (Anggadireja dan Angkasa, 2012)

The importing countries for Indonesian seaweed are Denmark, America, China, Hong Kong, the Philippines, France, Spain, Taiwan, Japan, England and several other countries. Currently on the north coast of Brebes Regency, the number of seaweed farmers who partner or enter into a partnership pattern with the plasma core seaweed company Tambak Aji in Randusanga Wetan village Brebes district, is + 500 seaweed farmers and is the largest number compared to the number of farmers. They have a partnership with a plasma nucleus seaweed company in another village in Brebes Regency. Even compared to other regencies along the north coast of Java, the core seaweed plasma company, Tambak Aji, has the highest number of seaweed farmers. In the practice of seaweed cultivation, at first, it was something new for seaweed farmers in Brebes Regency. Apart from being a new thing, the plasma core pattern which was built on the basis of relational marketing as the basis for developing the seaweed cultivation business has not produced optimal results. As a result, plasma farmers feel dissatisfied with the applied partnership pattern and the impact on plasma farmers' loyalty to core entrepreneurs is also low. Plasma seaweed farmers whose expectations are met will be relatively loyal and carry out the plasma core relationship agreement as well as possible.

The loyalty of the plasma seaweed farmers will also support the continuous availability of quality raw materials to the plasma core seaweed entrepreneurs. Building the loyalty of partner seaweed farmers is one of the main activities carried out by the plasma core seaweed companies to maintain survival, many plasma core seaweed companies realize that the activity of retaining partner seaweed farmers is more profitable than if the plasma core seaweed companies have to attract new partner seaweed farmers, one of the factors that determine the success rate of implementing this plasma core relationship pattern is the ability of plasma nucleus companies to provide services to farmers. The company's success in providing quality services to farmers is largely determined by the approach used.

The consequences of the service quality approach have an important essence for the core company's strategy to maintain the level of continuity of the plasma core relationship. In addition to the service quality factor, another factor that also affects the success of plasma core relational marketing is the price that must be profitable for both parties. Often companies because they feel they have provided services to partner farmers, the services provided are compensated by reducing the purchase price, even if the price difference is small compared to the purchase price set by other core companies, partner farmers will move or break partnerships with core companies. Actually, it may not be the problem of the price difference that makes seaweed farmers leave the partnership pattern, but the issue of openness in determining the purchase price, certainty of purchase and certainty of payment which results in a lack of confidence in seaweed farmers to plasma core seaweed entrepreneurs.

The implementation of the pricing strategy in this case the determination of the purchase price that is not open, there is no certainty of purchase and payment. If the needs and desires of farmers are met, it means that the basic expectations of farmers have been fulfilled. When these expectations are then compared with the perceived performance of an item or service, it can be said that partner farmers experience satisfaction or dissatisfaction. The attitude of partner farmers can indicate that partner farmers are satisfied or dissatisfied with the performance of the plasma nucleus relationship that has been carried out, which will have an impact on farmer loyalty to the core company. Farmers whose expectations are met will be relatively loyal and carry out the plasma core relationship agreement as well as possible. Basically the plasma core relationship pattern is one of the business practices in accordance with the marketing relationship concept. This pattern actually aims to strengthen market mechanisms and business competition so that they are more efficient and productive, in order to divert the emergence of monopolistic tendencies. As (Morgan, R. M. and Hunt, 1994) state, "relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining, successful relational exchanges". The essence of relationship marketing involves at least an ongoing relationship and continuous exchange and requires mutual trust and dependence.

This can be applied in the hope of business sustainability, so in the concept of relationship marketing, marketers place great emphasis on the importance of long-term good relationships with consumers and marketing infrastructure, which can create awareness in the form of comprehensive

and sustainable relationships and commitments. From the description above, this study will try to find out and analyze how big the contribution or determinants of service quality, pricing and relational marketing in shaping the satisfaction and loyalty of the farmer partners of the seaweed farming plasma core company in brebes regency.

## **2. Literature Review**

One of the efforts to create, pay attention and improve relationships with customers is to provide consistently quality services and better value at every opportunity and provide services that are superior to competitors. Service quality is the level of excellence to meet customer desires. Service quality is assessed based on customer perceptions that compare expectations to receive service and the actual experience of the service received. Service quality according to (Oliver et.al, 1999) is formed by comparisons between ideals and perceptions of quality performance. Oliver further stated that service quality can be seen from the customer's trust in the company's promises. According to (Duffy and Ketchand, 1998) quality includes the customer's assessment of the core of the service, the service provider or the entire service organization. Meanwhile, (Hurley and Estelami, 1998) state that service quality and customer satisfaction have a real relationship construction and there is a causal relationship between the two.

The definition of quality is very diverse and contains many meanings, quality is a word that for service providers is something that must be done well. (Kotler and Amstrong, 2012) If the quality of service received by customers is in line with their expectations, then they are of the view that the service has good quality. If the customer gets good quality, then this right will be that experience with the product. (Lovelock, 2001) defines that in a process there is input data output, but in this case the input and output of the service are people or customers as objects. The results of research by (Duffy and Ketchand, 1998) show that in general, companies that have problems in service, then the company does not have the ability to satisfy customers, moreover, accuracy in providing services will determine customer satisfaction. Results While (Cronin and Taylor, 1992) suggest that service quality is shaped by expectation, performance, and disconfirmation. (Zeithaml, 1996)

The dimensions of service quality include: (1) Reliability; (2) Responsiveness; (3) Assurance; (4) Empathy; (5) Tangibles. If these dimensions can be done, then the customer will be able to feel satisfaction with the service he has received (perceived service). Therefore, customers will be able to have a positive perception of the service in question. While Richins (1983:2) and Scaglione (1988:6) state that if customers get less quality from the company, they will show signs of leaving the company or reducing their spending. This has implications for the destruction of the company's efforts. A number of studies that have been conducted by (Oliver et.al, 1999) have found that the purpose of measuring service quality and customer satisfaction is to obtain information to increase customer loyalty. In the increasingly fierce competition, efforts to provide high service quality and create high customer satisfaction are felt to be very important for entrepreneurs, because according to Griffin (2005) high service quality and high customer satisfaction will ultimately create customer loyalty.

Price is an important element in marketing strategy. Price interacts with all other elements in the marketing mix to determine the effectiveness of each element and of all elements. The objectives that guide pricing should be part of the objectives that guide the overall marketing strategy. Therefore, it is not true that price is seen as an independent element of the marketing mix, because price itself is a central element in the marketing mix. Price is the amount of money (plus some products) needed to get a number of combinations of products and services (Djaslim Saladin, 2003)

From this definition, it can be seen that the price paid by the buyer includes the services provided by the seller, many companies approach pricing based on objectives to be achieved. These goals can be in the form of increasing sales, maintaining market share, maintaining price stability, achieving maximum profit and so on. (Engel, J and Blackwell 2004). Meanwhile, according to Lamb (2001) price is defined as something that is given up in exchange for goods or services, in the marketing mix, price is the only element that provides income for the company, while the other three elements (product, promotion and distribution) are the elements that cause costs (Kotler and Armstrong, 2012). There are 2 (two) main factors that need to be considered in setting prices (Kotler dan Armstrong, 2012) namely the company's internal factors and external environmental factors, the company's internal factors include the company's marketing objectives, marketing mix strategy, costs and organization, meanwhile, external environmental factors include the nature of the market and demand, competition, and other environmental elements, pricing as one of the policies within the company, of course, must not conflict with the policies of the company as a whole.

The pricing objectives should be linked to the company's objectives, pricing is a crucial and difficult one among the elements in the marketing mix, however, even so, price is the only element in the marketing mix that will bring profits to the company (Ma'ruf, 2006). Pricing is one of the most important functions in marketing, when companies develop marketing programs, companies can compete on the basis of price or non-price, according to (Erwanto, 2005) the concepts of price, value and utility are interconnected in economic theory. Utility is an attribute of a product that is able to satisfy customer desires, while value is an expression of a product that has the appeal to be exchanged with other products, prices may also be set for the purpose of preventing the entry of competitors, maintaining customer loyalty, supporting resale, or avoiding government interference, the above pricing objectives have important implications for the company's competitive strategy. Customer value is the ratio of the benefits obtained from the sacrifices incurred by consumers, including transaction costs, life cycle costs, and the risk that must be borne to get the product (Naumann, 1995).

The perception of customer value is formed from three main components, namely product quality, service quality, and the price/sacrifice that must be paid/expended by consumers in the form of money or other resources such as time, effort and effort to obtain goods and services (Naumann, 1995). . Value refers to the quality of products that can be enjoyed by consumers at a certain price level (Oliver et.al, 1999). Because the benefits and sacrifices are determined by the consumer, it can

be said that the consumer also determines the value of a product. Value for consumers can mean a low price, something that consumers want for a product, quality that is obtained by paying a certain price, or it can also be interpreted as something that is obtained for something given. Based on the above, the dimensions of the price based on customer value are the value of benefits and the economic value of the price. Benefit value is the benefit of the relationship between the plasma core pattern, namely the relationship between seaweed farmers and plasma nucleus companies, while the economic value is the seaweed price determined by the company that has economic value. Relationship marketing (relationship marketing) is a way of marketing efforts to customers that enhances the company's long-term growth and maximum customer satisfaction. A good customer is an asset if handled and served properly will provide long-term income and growth for a business entity. Sanchez et al, (2009: 93-113), state that relationship marketing is an approach to marketing with its customers that promotes both the company's long-term growth and the customer's maximum satisfaction, while Murphy, Lacznik and Wood (2007:39), mention that the relational marketing process is an activity that includes management activities, namely: 1) Getting new customers. 2). Mastering and retaining existing customers, and 3). Develop customer values. Furthermore, (Gronroos, 1994) states that relational marketing is in an effort to develop, maintain, improve, and commercializing customer relationships in order to realize the objectives of all parties involved. Meanwhile, (Morgan dan hunt 1994) states that the formula for relational marketing as all marketing activities is directed at building, developing, and maintaining successful relational exchanges. (Zeithaml and Bitner, 2008), define relationship marketing as a philosophy of doing business, strategic orientation, which focuses on maintaining and developing existing customers, better than on attracting new customers. (Chan, 2003), relationship marketing is an introduction to each customer is closer to creating a two-way communication with managing a mutually beneficial relationship between the customer and the company. (Kotler dan Armstrong, 2012)) say that relationship marketing is the introduction of each customer in more detail by creating a two-way communication with managing a profitable relationship between customers and enterprises, making enterprises to always have a frame of mind in the long run. (Kotler dan Armstrong, 2012), redefined that relationship marketing as the process of identification, maintenance, strengthening and in the case of necessity, terminating with customers and other beneficiaries in a reciprocal profit, so that all groups are realized in this regard. (McKenna, 1991) mentions that relationship marketing is a strategy in which transactions between buyers and sellers exchange sustainable, does not end after the sale is completed, understanding relational marketing requires knowledge that distinguishes between transactions that have a short duration and ends quickly and relationship marketing which has a longer duration and reflects an ongoing process.

Customer satisfaction is the level of one's feelings after comparing the perceived performance (or outcome) with his expectations. Thus, the level of satisfaction is a function of the difference between perceived performance and expectations. (Kotler dan Armstrong, 2012). According to Peter and Olson (1996) satisfaction or dissatisfaction is a comparison between

performance expectations before buying and perceptions of performance received by customers after buying. If the performance expectations before buying are greater than the performance received after buying, then the customer is said to be dissatisfied. Conversely, if the performance expectations before buying are smaller than the perceived performance received after buying, the customer experiences satisfaction. (Woodruff, R. B. and Gardial, 1996), define customer satisfaction as a comparison between the performance received with comparison standards (expectations, ideals, competitors, marketers' promises, industry norms). Traditionally satisfaction is a measurement concept that occurs during and after consumption, it is stated that the orientation of satisfaction measurement tends to the past (historical), which is a documentation of previous events. In short, measuring customer satisfaction is to answer the question: How do you feel about the experience after using the product. According to Wilkie (1990) satisfaction is basically an emotional response to the evaluation of the consumption experience of a product or service. (Engel, J and Blackwell, 2004) defines satisfaction as a post-purchase evaluation where the chosen alternative is at least equal to or exceeds customer expectations, while dissatisfaction arises when the outcome does not meet expectations. Satisfaction is influenced by the level of expectations for service quality. Customer satisfaction as a result of a comparison between the expectations of a product or service and the reality received by a person raises two possibilities.

The first is if the seller provides excessive information to the customer, the customer will have too high expectations, so that result in dissatisfaction if the seller cannot fulfill the information. The second possibility is that if the seller cannot provide information to the customer, the customer will be less interested in the product or service, so the transaction will not occur. (Bowen, J. T. and Chen, 2001) state that customer satisfaction is closely related to customer loyalty, where satisfied customers will become loyal customers. Then the loyal customer will become a "powerful marketing force" for the company by providing recommendations and positive information to other potential customers. According to Palilati (2003: 56), customer satisfaction is a level where the needs, desires and expectations of customers will be met or exceeded through a transaction that will result in repeat purchases or continued loyalty. There is a relationship between types of customers with different perceptions and behaviors of satisfaction (Wahyuningsih,2007).

That is, the types of customers who are divided into passive, rational-active, relational-dependent, differ in their behavior in seeking information. The rational nature seeks higher levels of satisfaction and shows clearer desires. Various variables, namely perceptions, disconfirmations, customer reactions, expectations, product performance, ratings, expectations, experiences, mental conditions, attitudes towards the assessment of goods and services consumed, become variables related to customer satisfaction. It must be underlined that the satisfied condition does not only come from the goods and services consumed, but also relates to the psychological, mental, and mental conditions of the customer. Either this appears for a moment will consume, or because of the accumulation of knowledge and experience.

The more conducive this is, then the potential for him to be in a satisfied state will be higher when things are fulfilled. The development of customer care has become a separate part in the field of management with the development of customer relationship marketing (CRM). This concept as stated by (Lucas, 2005) explains that customer satisfaction must focus on the company's organization. This means that it is the company's organization that ultimately makes customer satisfaction an absolute part of the company. So it is concluded that more importantly the company must build a culture that cares about satisfaction. It was explained that efforts to build a culture of satisfaction include the dimensions of philosophy and mission rather than services, roles and expectations of employees, policies and procedures, management support, goods and services, motivators and rewards, training, and delivery systems. In line with the view that it is important for companies to build culture, vranesevic (2002; 364 – 374) explains that what is important in building satisfying customer relationships is how to improve through company culture. The indicators for measuring customer satisfaction according to (Irawan, 2008: 37) are as follows: a. Feeling satisfied. b. Always buy products. c. Would recommend to others. Customer satisfaction can only arise from companies that make satisfaction part of the company's cult that makes satisfaction part of the company's cult. Kinsey (2002:129) describes how satisfaction can be translated into operations in the following order; 1) strategy, 2) structure, 3) system, 4) staff, 5) shared values, and 6) skills.

The problem of customer satisfaction is also determined by the understanding of the employee, the design of the service delivered, and how it is communicated to the customer. Customer Loyalty or Customer Loyalty arises without coercion, but arises from self-awareness. Efforts made to create customer satisfaction are more likely to influence customer attitudes. The concept of customer loyalty emphasizes more on buying behavior. According to (Kotler dan Armstrong 2012), loyalty comes from fulfilling customer expectations or expectations, while expectations themselves come from previous purchase experiences by consumers, opinions from friends and relatives, promises or information from marketers or competitors. Customer loyalty is defined as people who buy, especially those who buy regularly and repeatedly. A customer is someone who continuously and repeatedly comes to the same place to satisfy his desire by having a product or getting a service and paying for the product or service.

The term loyalty is often used by marketing experts and business practitioners. Loyalty is a concept that seems easy to talk about in everyday contexts, but becomes more difficult when its meaning is analyzed. In many senses Ali Hasan (2009: 81) explains loyalty as a generic concept, brand loyalty shows the tendency of customers to buy a certain brand with a high level of consistency. As a behavioral concept, repurchase is often associated with brand loyalty. The difference is, if brand loyalty reflects a psychological commitment to a particular brand, repurchase behavior involves buying the same brand repeatedly. Repurchase is the result of dominance that has succeeded in making its product the only alternative available, continuously doing promotions to lure and persuade customers to repurchase the same brand. Griffin (2005:5) argues that a customer is said to be loyal or loyal if the customer shows regular buying behavior or there is a condition

where it requires the customer to buy at least twice in a certain time interval. Efforts to provide customer satisfaction are carried out to influence customer attitudes, while the concept of customer loyalty is more related to customer behavior than customer attitudes. Customer loyalty is one of the core goals pursued in modern marketing. This is because with loyalty, it is expected that the company will get long-term benefits from the mutualism relationship that exists within a certain period of time. Research on customer loyalty is generally centered on customer loyalty to tangible products, and is often referred to as brand loyalty.

The concept of customer loyalty is also extended to service companies that usually provide intangible products. Experts argue that the construct of service loyalty is different from brand loyalty. Some of the reasons are as follows: (1) service providers have the ability to create stronger loyalty attachments with their clients than goods providers (Czepiel and Gilmore, 1987), (2) loyalty is greater or more common with service products, compared to service providers. in consumers who consume goods (Snyder, 1986), (3) services provide more opportunities for personal interaction (Czepiel and Gilmore, 1987) which in turn provide more opportunities to build loyalty (Parasuraman, 1985) (4) perceived risk is usually greater than when buying goods, (5) in some services, switching between service providers involves certain barriers that are not present in switching brands when buying goods. (Zeithaml, 1981), as quoted from Gremler (1996). Early definitions of loyalty focused almost entirely on the behavioral dimension. In particular, loyalty is interpreted as a form of direct customer behavior towards a particular brand over time. Several studies suggest that loyalty to a brand or store comes first in the customer's mind when the need to make a decision about what to buy or where to buy arises. Based on the literature study, the researcher wanted to see the effect of customer satisfaction on loyalty. Several studies have found satisfaction is a major factor in determining loyalty (Anderson and Weitz, 1992). Several other studies have stated that satisfied customers are not enough to make them loyal (Cronin dan Taylor, 1992). Gremler (1996) states that customer loyalty is not only influenced by customer satisfaction, but also switching costs and interpersonal bonds. Loyal customers are assets for the company and to find out who are loyal customers the company must be able to offer products or services that can meet customer expectations and can satisfy their customers, if customers make purchases repeatedly and regularly then the customer is a loyal customer.

This is reinforced by a statement from Griffin (2005: 31), which states that the characteristics of loyal customers include: 1) Make purchases on a regular basis. 2). Buy outside the product or service line. 3). Recommend to others. 4). Not affected by the attractiveness of competitors' customers. To become a loyal customer, the customer must go through several stages.

### **3. Methodology**

The research method used is explanatory survey. The variables studied in this study are service quality, pricing, relational marketing, customer satisfaction and customer loyalty. Collecting data using a questionnaire, the time of data collection was done cross-sectional or one shoot data

collection. The unit of analysis in this study were farmers participating in the plasma core program for the cultivation of glacialaria sp seaweed in the brebes regency, central java province in March 2020. The data analysis used SEM. The survey identified a sample of 180 samples.

#### 4. Results And Discussion

The results showed that based on age, the majority of respondents aged 41-45 years were 33.33%, then aged 46-50 years were 27.78%, then aged 51-55 years was 17.78%. Most of these seaweed farmers are of productive age. The majority of respondents' education was at the elementary school level of 39.44%, junior high school 36.11%, then senior high school as much as 17.78% and then 6.67% did not attend school. The results of the research reliability test showed that all the choronbach alpha values produced by each research variable had exceeded the required number of 0.5.

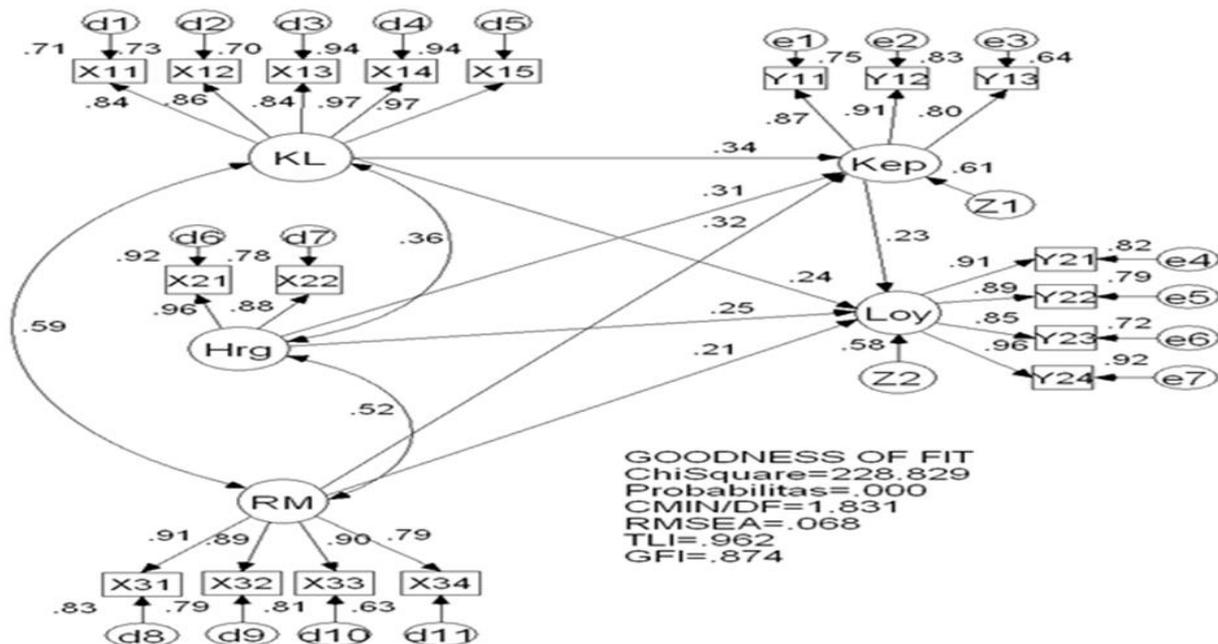


Figure 1 : Research Model

The value of chi square/degree of freedom and the tucker lewis index (Tucker Lewis Index (TLI)) with the condition that the acceptance of a model has met the requirements, while there are other indices that still do not meet the requirements. (Hair, JF., Anderson R.E., Tathan R.L. 2006) et al explained that the model is declared good if one or two of the goodness of fit criteria meet the recommended cut-off value. Thus the structural equation model that is built is able to become an analytical model to test hypotheses and research findings. From the results of the SEM analysis, it is obtained that the estimated standardized coefficient value of the influence between research

variables and the standardized factor loading coefficient value is the contribution of service quality, pricing and relational marketing to satisfaction of 0.341 or 34.1%. Pricing contributes to customer satisfaction in this case seaweed farmers in Brebes district by 0.308 or 30.8% and relational marketing contributes to seaweed farmer satisfaction by 0.315 or 31.5%. Furthermore, customer satisfaction contributes to the formation of customer satisfaction by 23.0%.

The contribution of the service quality variable to loyalty without going through the satisfaction variable is 24.0-%, then the pricing variable contributes to loyalty by 25.0% and relational marketing contributes 21.0%. Overall, the results of the analysis show that service quality, pricing and relational marketing have direct and indirect effects on loyalty. Therefore, this finding proves that service quality, pricing and relational marketing have an effect on loyalty through the satisfaction of partner seaweed farmers from the core company of seaweed farmers, *glacilaria sp.* in brebes regency.

The service quality variable illustrates that the five service quality indicators, namely direct evidence, reliability, responsiveness, assurance and empathy, make a real contribution to service quality. Among direct evidence, reliability, responsiveness, assurance and empathy, the dominant contribution to service quality is service guarantee. Partner seaweed farmers respond to service quality indicators which are the main thing in the plasma core pattern. Among direct evidence, reliability, responsiveness, assurance and empathy, the dominant contribution to service quality is assurance. This fact shows that the guarantee in the quality of service provided by the plasma core companies has been felt by the partner seaweed farmers. The existence of a plasma core company that has been operating since 2004 and has been in touch with partner seaweed farmers has seen the quality of its service. The plasma nucleus seaweed company provides guarantees to the plasma nucleus farmers, namely: guarantees that the seaweed agribusiness benefits the plasma nucleus seaweed farmers; Guaranteed purchase certainty, price and payment as promised; and Guarantee that the assistance carried out in the seaweed agribusiness will be successful. These three things make the plasma nucleus farmers feel satisfied and ultimately loyal to the plasma nucleus company because according to (Griffin, 2005) high service quality and high customer satisfaction will ultimately create customer loyalty. Assistance services for plasma nucleus farmers carried out by plasma nucleus companies are the main services to increase the success of seaweed agribusiness businesses. Assistance services are carried out starting from planting, how to carry out maintenance and harvesting.

The company also placed several experts in seaweed cultivation in the field. They coordinate all aspects of seaweed agribusiness such as proper planting and fertilization times, water changes, pest and disease control, and harvest schedules. At first, because seaweed is a new commodity, most of the plasma core farmers are not too sure that seaweed agribusiness is profitable. However, with the assistance provided and the results experienced by the plasma nucleus farmers, gradually all the plasma nucleus farmers believe that agribusiness is indeed a profitable business. Marketing of

agricultural products to small-scale farmers is generally a critical point in the agribusiness chain (Saptana et al 2009) Certainty of purchases, prices and payments is at the core of the plasma core pattern of all agribusiness ventures. In carrying out the plasma nucleus pattern, the plasma nucleus company does not provide a limit to receiving dried seaweed products from plasma nucleus farmers if the quality is in accordance with the agreed upon. So regardless of the amount of dried seaweed produced by the plasma nucleus farmers, they will definitely be bought or accepted by the plasma nucleus companies.

The company will buy all of the plasma nucleus farmers' produce at an agreed price as long as they meet quality standards. The product still belongs to the plasma nucleus farmers as long as it has not been handed over to the plasma nucleus company. The availability of market guarantees in the plasma nucleus pattern between the plasma nucleus companies and the plasma nucleus seaweed farmers will stimulate the plasma nucleus seaweed farmers to produce more seaweed. In addition, the price given by plasma nucleus farmers is always in accordance with the mutually agreed agreement. For the decrease and increase in the price of dried seaweed, the plasma nucleus companies are always informed, consulted and agreed in advance with the plasma nucleus farmers so that the plasma nucleus farmers do not feel cheated. For the payment of dried seaweed products, plasma nucleus farmers are also always paid in cash after weighing them first. The plasma nucleus company never delays the payment of the dried seaweed that has been weighed in the plasma nucleus company warehouse. So that at harvest time, all of the plasma nucleus seaweed farmers harvest will be purchased by the plasma nucleus company at a pre-determined price level in such a way that every time the plasma nucleus seaweed farmers harvest, the plasma nucleus company will buy at a certain price level which can cause from the total sales, the plasma nucleus seaweed farmers can immediately enjoy the results of their sales. In determining the purchase price of dried seaweed products for plasma nucleus farmers, which is carried out by the plasma nucleus company in an open, deliberation and mutually beneficial way. Prior to setting the purchase price, the plasma core company usually provides information openly about the price received from the seaweed factory and the transportation costs of the dried seaweed to the factory.

From these two components together with plasma nucleus farmers, the purchase price of dried seaweed products is determined. So that the plasma nucleus farmers know the benefits obtained by the plasma nucleus companies and based on this, the plasma nucleus farmers feel that the distribution of profits is carried out evenly and fairly. The plasma nucleus farmers do not feel cheated, everything is done transparently by the plasma nucleus companies. This is in accordance with the opinion of (Kotler dan Armstrong, 2012) that there are 2 (two) main factors that need to be considered in setting prices, namely the company's internal factors and external environmental factors.

The company's internal factors include the company's marketing objectives, marketing mix strategy, costs and organization. Meanwhile, external environmental factors include the nature of the

market and demand, competition, and other environmental elements, in the plasma core pattern of seaweed cultivation, the external factor that must be considered by the plasma core company in determining the price is the income factor that will be obtained by partner seaweed farmers, which must provide economic value, in addition, what makes the plasma nucleus farmers feel satisfied and loyal to the plasma nucleus company is the determination of the lowest basic purchase price for dried seaweed. this is what makes the nucleus plasma farmers feel that there is certainty given by the plasma nucleus company that even though the price of seaweed has fallen drastically for some reason, the plasma nucleus farmers will still make a profit, information regarding the price drop from the plasma nucleus company is also not immediately enforced, usually the price goes down after 1 week the information is given, so that when harvesting the plasma nucleus farmers already know that the price of dried seaweed is down, but when there is a price increase, the price is immediately imposed by the plasma core company.

Cash payments made by the plasma nucleus companies are also a positive thing and make the partner seaweed farmers feel satisfied with the plasma nucleus companies, trust, commitment, communication, and the ability to handle conflict contribute to relationship marketing. Among trust, commitment, communication and the ability to handle conflict, trust is the dominant contribution to relationship marketing. core plasma seaweed companies build partnership relationships with mutual trust and honesty by partner seaweed farmers because they realize the partnership relationship according to the agreements and promises, plasma core companies communicate with partner seaweed farmers through religious and community cultural approaches, The nucleus plasma company every month during the full moon holds a meeting and "padang wulan" meeting by bringing in ulama/religious leaders to give spiritual showers to partner seaweed farmers. this meeting is regularly held every month. In addition to spiritual teachings, the meeting also held a question and answer discussion about the problems faced by partner seaweed farmers and everything related to seaweed agribusiness. In this meeting, the partner seaweed farmers are free to express their criticisms and suggestions to the plasma core companies for improving the plasma core pattern. Submission of criticism, suggestions and all the problems faced by partner seaweed farmers, apart from regular monthly meetings, can also be done every day, either through field workers who always go around to the cultivation location or directly to the plasma core company office. In addition to regular meetings, in implementing to maintain relationships with partner seaweed farmers, the plasma core companies always give bonuses to partner seaweed farmers and their families every year. Bonuses are given in 2 forms, namely (1) in the form of goods; (2) in the form of facilitation, namely facilitating seaweed farmers to travel by providing transportation facilities in the form of buses. To meet the expectations of customers/seaweed farmers, plasma core companies always meet the needs for seaweed cultivation business and increase the income of partner seaweed farmers.

The plasma nucleus company provides free seed assistance to partner seaweed farmers and provides facilities and infrastructure for seaweed cultivation businesses. In addition, the plasma core

company provides assistance from the beginning of planting, care and post-harvest handling to partner seaweed farmers. Setting a basic price and conducting trade openly, makes partner seaweed farmers increase their income. The activities that have been described above are activities carried out by plasma core companies in achieving the fulfillment of the expectations of partner seaweed farmers. This is in accordance with the opinion of Palilati (2003: 56) that customer satisfaction is a level where the needs, desires and expectations of customers will be fulfilled or exceeded through a transaction that will result in repeat purchases or continued loyalty. Also according to (Kotler dan Armstrong 2012) that customer satisfaction is a level where the estimated product performance is in line with buyer expectations. If the performance of the product is in accordance with the expectations of the buyer, the buyer will be satisfied, and conversely if the performance of the product is not in accordance with the expectations of the buyer, the buyer will not be satisfied. The partner seaweed farmers feel that what has been done by the plasma core companies has met their expectations, by implementing the plasma nucleus pattern with the plasma nucleus company, the facilities and infrastructure for business are provided by the plasma nucleus company in accordance with their expectations, by implementing the plasma core pattern with the plasma core company, tambak aji, it can increase revenue so that it meets its expectations. The results of this study indicate that the factor of fulfilling expectations provides the most dominant contribution to the satisfaction of partner seaweed farmers compared to partnering routines and referring customers. And this is in line with the opinion of (Irawan, 2008) where customer satisfaction is determined by customer perceptions of product or service performance in meeting customer expectations. Customers are satisfied if their expectations are met or will be very satisfied if customer expectations are exceeded, irawan believes that there are five main drivers of customers, namely product quality, price, service quality, emotional factors, costs and relationship marketing. Saying positive things, taking advantage of other products/services, pride and persistence contribute to the loyalty of partner seaweed farmers and persisting.

The most dominant contribution to the loyalty of partner seaweed farmers is commitment to customer loyalty. Through a defensive strategy, as a partner seaweed farmer, we will continue to maintain a partnership relationship with our partner seaweed farmers and also the plasma core seaweed company. In addition, by persisting in partnering with plasma core companies, partner seaweed farmers will not be tempted to move to other plasma core seaweed companies. The choice of seaweed farmers in partnership, indicates that the partner seaweed farmers are loyal to the plasma core companies. This means that core plasma companies can retain partner seaweed farmers to continue partnering with them in the long term. Loyalty to services can retain customers in the long term, even if possible forever. This endeavor will bring great success in the long run. Experts argue that the construct of service loyalty is different from brand loyalty. Some of the reasons are as follows: Service providers have the ability to create stronger loyalty bonds with their clients than goods providers, Loyalty is greater or more prevalent in service products, than in customers who consume goods, Services provide more opportunities for more personal interaction will ultimately

provide more opportunities to build loyalty. The plasma nucleus company can meet the expectations of the partner seaweed farmers so that the farmers are satisfied with the company's performance and this has an impact on the loyalty of the partner seaweed farmers to the plasma core company. This is in accordance with the opinion of (Kotler dan Amstrong, 2012) that loyalty comes from the fulfillment of consumer expectations or expectations.

This research shows that persistence gives the most dominant contribution to the loyalty of partner seaweed farmers from plasma core companies compared to saying positive things, utilizing other products/services and pride. This is in line with the opinion of (Kotler dan Amstrong,2012) which states that customers are said to be loyal if they have a strong commitment to use or repurchase a product regularly and have an intention to use the product in the future. Research on customer loyalty is generally centered on customer loyalty to tangible products, and is often referred to as brand loyalty.

## **5. Conclusions**

Based on the results of research and discussion, it is concluded:

- 1) Quality of service contributes to customer satisfaction and loyalty of seaweed farmers in brebes district. The assurance dimension of service quality contributes greatly to this disclosure.
- 2) Pricing is a variable that can contribute to customer satisfaction and customer loyalty of seaweed farmers in brebes district, contributed by the economic value and the value of partnership benefits.
- 3) Relationship marketing, which is supported by trust, commitment, communication, and the ability to handle conflict, contributes to customer satisfaction and loyalty of seaweed farmers in brebes district.

## **Recommendation or Suggestion**

Taking into account the research results and conclusions that have been presented, it is further recommended:

- 1) There is an effort to increase relational marketing in the form of a wider partnership by considering social, cultural and religious factors that apply to the partner seaweed farming community.
- 2) Implementing effective and efficient strategies to increase the satisfaction of partner seaweed farmers through the application of cultivation technology programs, developing more competitive markets so as to increase production and purchase prices of partner farmers' seaweed.
- 3) It is hoped that further researchers, when examining the effect of service quality, price and relationship marketing on the loyalty of partner seaweed farmers through partner seaweed farmers' satisfaction can develop other variables such as cultural, religious and social perspectives.

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