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## **THE IMPACT OF FARMER'S ATTITUDE AND PERCEIVED QUALITY TO FARMER'S SATISFACTION AND ITS EFFECT ON BRAND LOYALTY**

**DANIEL WAHYUDI, EKA SULISTIANI & MUHAMMAD HARIS MUHAJAT<sup>1</sup>**

*<sup>1</sup>Graduate Student, Department of Business & Management, BINUS University*

### **Abstract**

This study aims to analyze the impact of farmer's attitude and perceived quality to farmer's satisfaction and its effect on brand loyalty in using Bisi-2 hybrid corn seeds in Tekasire village. This study uses causal analysis methods, thus multiple linear regression is utilized to analyze answer the research question. Before the data is analyzed, there will be some tests apply to the data, this procedure is called as classical assumption tests. The result revealed that perceived quality and customer attitude significantly and positively affect customer satisfaction of farmers toward Bisi-2 corn seed and so customer satisfaction affects brand loyalty, however direct relationship between perceived quality and brand loyalty is weak or not significant and so with relationship between customer attitude and brand loyalty. Bisi-2 corn seed sellers is suggested to pay attention on customer satisfaction as first priority since it is the only way to make their customers become loyal to their brand. Meanwhile customer satisfaction can be achieved by increasing customer positive attitude toward their product and perceived quality from customer point of view.

*Keywords: Corn, Satisfaction, Brand Loyalty, Attitude, Perceived Quality*

### **1. Introduction**

The agricultural sector is one of the foundations of the economy in Indonesia which has an important role in national stability. The agricultural sector consists of food crops, horticulture, forestry, plantations, and livestock subsectors. Among the four subsectors, the food subsector is one sub-sector that has an important role in providing the main food for the community to support survival. While the sector's contribution to its national gross domestic product has significantly declined in the last 50 years, it currently remains an income generator for the majority of Indonesian households. Indonesia is the leading corn producer among the members of the ASEAN Economic Community, with the Philippines and Vietnam trailing behind. In 2014, Indonesia produced 19 million metric tons of this grain, which was slightly higher than the 18.5 million metric tons produced in 2013. Despite being a large corn producer, this Southeast Asian country consumes more corn than it produces. The majority of the corn is consumed by Indonesia's booming livestock sector. (World Facts, 2019)

NTB Province is one of the main corn producers in Indonesia due to its climate conditions, soil types, and NTB topography are very supportive for the development of corn. Corn production in NTB has experienced a very significant increase in the last five years. Based on BPS (2013) data, NTB corn production has almost tripled with a production of 642,675 tons with an average productivity of 5.49 t / ha. Based on statistical data,

corn production in NTB over the past few years has increased by an average of 35% per year. In 2008 NTB province's corn production only reached 196,237 tons. However, the results of the BPS survey in 2012 showed a significant increase in corn yield, namely 642,674 tons. (BPS NTB Province 2012; Agricultural Statistics 2013).

Dompu Regency is one of the districts that develops maize where Manggelewa Subdistrict is one of the largest corn producing sub-districts with harvested area in 2016 is 7,508 ha, production of 55,169 tons and productivity of 73.48 kw / ha (Office of Food Crop Agriculture Province of West Nusa Tenggara , 2016). Tekasire Village is one of village in Manggelewa Subdistrict, where designed as one of the pilot villages in the use of Village Funds in Dompu District in 2017. Most of the residents of Tekasire Village work as farmers (90%), while the remaining worker are traders (3%), breeders (3%), and also as civil servants (2%) (teachers, and other public servants) and furniture producers. (Soriutu Village, 2019) To maintain the consistency of the quantity and quality of domestic corn production with the selection of the right seed varieties, it is expected to produce a positive attitude and high satisfaction. This condition will certainly shape the attitude of farmers in the use of seeds, so that eventually the farmers are able to evaluate certain seed varieties in meeting their needs, especially in Tekasire Village and resistant to disease. (Directorate General of Food Crops, 2017)

Brand loyalty needs to be investigated because it is a measure of customer engagement with a brand. The size illustrates the possibility of whether or not the customer moves to another brand. This measure of consumer loyalty can give an idea of how much consumers recommend and continue to use products with the same brand (Pratiwi et al., 2015) Brand loyalty is influenced by many factors, one of which is perceived quality (Ha and Kang He Park, 2012). Consumer satisfaction is also a factor that influences brand loyalty (Ahmed, 2014). Izzati (2016) previously also found prove that loyalty is influenced by perceived quality of a product as well as customer satisfaction. This is also supported by

Jalees et al (2015) who recorded that customer satisfaction has an effect on customer loyalty. In obtaining customer satisfaction, customer attitude factors become the factors that have the highest impact (Pantouw, Pengemanan and Tumiwa, 2017). However, some researchers still argue differently that loyalty was not affected by perceived quality and customer satisfaction (Marakanon & Panjakajornsak, 2017). Roselina (2017) also confirmed that attitude does not necessarily affect customer satisfaction in her study therefore it can be concluded that there is still research gap in this topic. Due to all facts above, this research is intended to research about the impact of farmer's attitude and perceived quality to farmer's satisfaction and its effect on brand loyalty

## **2. Literature Review**

### **Customer Satisfaction**

Customer satisfaction is the overall pleasure felt by consumers, as a result from ability of the product to meet consumer needs and expectation (Calabuig et al., 2014). Furthermore, Kim, S. H (2014) suggested that there are two types of customer satisfaction, specific customer satisfaction and overall satisfaction. Specific customer satisfaction is emotional reaction that comes immediately after purchasing. Conversely, overall customer satisfaction stands for the accumulated overall emotional reaction that consumers have after experienced product through time. This study represents customer satisfaction as overall customer satisfaction.

Customer satisfaction is one of the most important issue concerning business organization of all types, which is justify by the customer oriented philosophy and the principles of continues improvement in modern enterprise. For the reason, customer satisfaction should be measured and translated into number of measurable parameter. Customer satisfaction measurement may be considered as the most reliable feedback, providing client' preferences and experiences in an effective, direct, meaningful and objective way. Thus, customer satisfaction may be considered as a base line standard of performance and a possible standard of excellence for any business organization (Agholor, 2013).

Wilkie (2018) states that there are 5 elements in customer satisfaction, namely: 1) Expectations, expectations of consumers of an item or service that has been formed before consumers buy goods or services. When the purchase process is done, consumers buy goods or services they receive according to their expectations, desires and beliefs. Goods or services that are in accordance with consumer expectations will cause consumers to be satisfied, 2) Achievements, consumer experience of actual products or compilation services is used without help by their expectations. Items that can be bought with money, 3) comparison, this is

done by comparing the expectations of success of goods or services before buying with the perception of the actual performance of the goods or services. Consumers will be satisfied with the compilation of expectations before purchasing according to or exceeding their perceptions of the actual performance of the product, 4) Confirmation, the expectations of consumers from their experience against using brands of goods or services that are different from others. Confirmation occurs if the expectations match the actual product. Conversely disconfirmation occurs when expectations are higher or lower than the actual performance of the product. consumers will feel satisfied when there is confirmation / disconfirmation

Jalees et al (2015) stated that customer satisfaction has an effect on customer loyalty. In obtaining customer satisfaction, customer attitude factors become the factors that have the highest impact (Pantouw, Pengemanan and Tumiwa, 2017). Conformity between consumer expectations and the reality obtained on a brand will provide satisfaction in the minds of consumers. From the research findings stated that consumer satisfaction has a positive and significant influence on brand loyalty. So the third hypothesis which states that consumer satisfaction has a significant effect on brand loyalty is proven true. The statement are also consistent with several previous studies which also discussed the influence of consumer satisfaction on brand loyalty, including Jalees et al (2015), Cloud and Rehman (2014), Al Msallam (2014) and Pratiwi, et al (2015) who recorded that customer satisfaction has an effect on brand loyalty.

### **Customer Attitude**

Consumer attitudes are important factors that will influence consumer decision processes. The concept of attitude is very much related to the concept of belief and behavior. Attitude is an expression of consumer feelings about an object whether liked or not, and attitude can also describe consumer confidence in various attributes and benefits of the object (Sumarwan, 2004). Yuliawati (2012) states

that there is a strong relationship between consumer attitudes and their loyalty to the product. A positive attitude towards a particular product will allow consumers to repurchase. Conversely a negative attitude will prevent consumers from buying again. Susilowati (2016) also stated that customer attitude had significantly affected customer satisfaction, which was in line with its previous researcher Rafikah (2014).

Consumer attitudes towards a product can vary depending on its orientation. With regard to the attitude of consumers, marketers can identify consumer segments based on the benefits of the products consumers want. Segmentation of the benefits of products for consumers is very basic for targeting consumers, because the desired benefits will affect their attitudes and behavior towards the brand. Thus will determine the consumer's decision on the product. Understanding of consumer attitudes is very crucial, especially in developing marketing strategies. Product development can be done by first doing research to find out consumer attitudes. Research to measure consumer attitudes can be done by distributing questionnaires to target consumer groups that have previously been identified. The consumer group can be based on demography, social class, and lifestyle. For the target segment a number of questions regarding the product to be developed are proposed. By basing on the attitude and assessment of the consumer segment, product development is carried out. Consumer attitudes are very important in developing a promotion strategy or marketing strategy. For example, if the attitude of consumers from a particular market segment that has been identified wants a product that is easy to carry and is able to solve all problems for laptop computer products, the promotion strategy must emphasize the description of mobility and problem solving quickly. Likewise for other market segments, product development must adjust the attitude of consumers so that promotional or marketing goals can be achieved.

### **Perceived Quality**

Perceived quality also can be analyzed from the customer valuation about overall product superiority with preference (Kapferer, 2012). Since creating brand image of the product has been associated with customer mind, then it contains their motive to make choices. Thus, the customer valuation is an essential resource for marketer to understand their gap in competitive advantage (West, 2015). In this case, quality must be more objective measurement than subjective opinion to achieve better understanding about customer loyalty on certain brand (Muth et al, 2012).

Izzati (2016) said that every brand has the impression of a different quality in the minds of consumers. Based on the results of data analysis states that perceived quality has a positive and significant influence on

brand loyalty, so the first hypothesis which states that perceived quality has a significant effect on brand loyalty is proven true. The results of this study are consistent with the research conducted by Ha and Kang He Park (2012) and Alhaddad (2015) who stated that perceived quality has a significant effect on brand loyalty.

Perceived quality is a component of brand value, therefore the perception of high quality will encourage consumers to prefer the brand compared to competing brands. Positive perceived quality will encourage consumers to buy and create loyalty to the product. Consumer perceptions can be predicted so if the perception of quality is negative, the product will not be liked and will not last long in the market. Conversely, if the perception of quality is positive then the product will be liked. The higher perceptions of customer quality will tend to encourage consumers to be loyal to the products that have been perceived so that the perception of quality is related to customer loyalty. Perceived quality is a component of brand value, therefore the perception of high quality will encourage consumers to prefer the brand compared to other brands. Positive perceived quality will encourage consumers to buy and create loyalty to the product. Furthermore, considering that consumer perceptions can be predicted, if the perception of quality is negative, the product will not be liked and will not last long in the market. Conversely, if the perception of customer quality is positive then the product will be favored. Thus, the higher the perceived quality of the customer will tend to encourage consumers to be loyal to the product that has been perceived so that it can be said that the perception of quality associated with brand loyalty. Nguyen, Barrett and Miller (2011) found that there was a positive relationship between both perceived quality and brand loyalty.

### **Brand Loyalty**

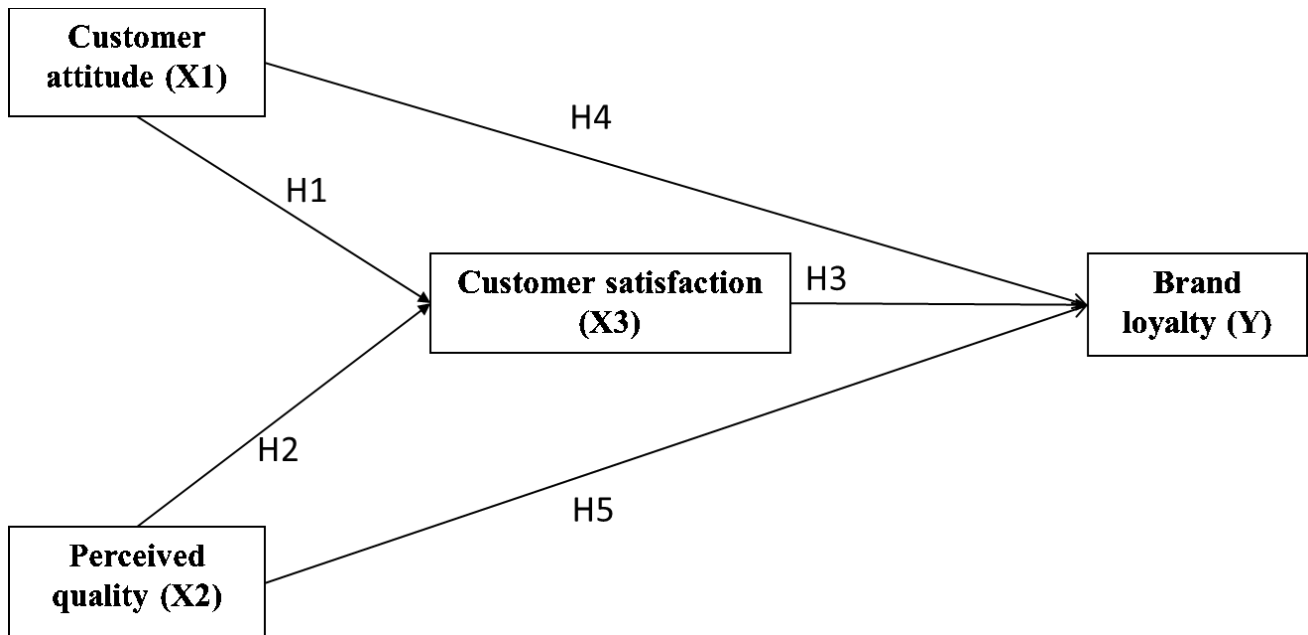
Loyalty itself is best defined as a state of mind, a set of attitudes and desires of the client (Martin, 2017). Loyalty can also be seen as commitment that customer hold to consistently repurchase a favourable product in the future. Brand loyalty is the customer attitude towards a brand, which predisposes the customer to repeat purchasing behaviour (Hsin Hsin Chang & Chen, 2009). They also

further said that firstly, product must exceed customer expectation, then they will feel that have found an organization that can meet their expectation and they are motivated to get involved in working together with company to discover their needs and desires, therefore customer satisfaction is required to achieve loyalty.

Griffin. J (2013) said that a customer can be said to be loyal to the company if the customer demonstrate specific purchasing behaviour characterized by an interval based on a series of decisions. Loyalty is characterized by a situation that shows how long they consume the product accompanied by repurchase action. He also added that a consumer is loyal or disloyal when consumers exhibit a regular purchase or there is a condition which obliges consumers to buy at least twice in one interval.

Izzati (2016) conducted the same research that proves there is significant impact of perceived quality and satisfaction on brand loyalty. It is also supported by Istyanto (2018) conducted study on Lazada to figure out the impact of perceived quality on customer satisfaction and loyalty. He found that customer's perceived quality has positive and significant impact on customer satisfaction however he failed to prove that perceived quality has significant impact on customer loyalty therefore the research gap has to be researched.

Based on the literature reviews above, thus the researcher then develops a farmer's loyalty construct as follow:



*Figure 1. Research Framework*

### **Hypothesis:**

- H1. Customer attitude impacts significantly and positively toward customer satisfaction
- H2. Perceived quality impacts significantly and positively toward customer satisfaction
- H3. Customer satisfaction impact significantly and positively toward brand loyalty
- H4. Customer attitude impacts significantly and positively toward brand loyalty
- H5. Perceived quality impacts significantly and positively toward brand loyalty

### **3. Methods**

This research is a causal study with the nature of quantitative research. This research is also a mono method which means use only quantitative tool to research. Cross sectional time horizon applied in this research which means that it is one already established, whereby the data must be collected. The research will be conducted in Tekasire Village, Manggelewa, Dompu because there is decreasing output of corn in this area on recently while it is major producer for corn in Dompu area. The availability of respondents and permission from local people has also been obtained by researcher who used to live there. Since this research was conducted within that place, thus the population of this research will be farmers in Tekasire Village, Manggelewa, Dompu. The sampling method used in this study is Purposive. We use purposive sampling because our sample will be farmers who plant the Bisi-2, P2, and Guluk-guluk corn seeds. According to data from BPS Dompu area in 2017, for number of Dompu population based on their occupation, there is about 140 farmers in Dompu area therefore number of sample in this research is all those 140 farmers. Data will then be collected and analyzed by SEM (Structural Equation Modeling). In the Structural Equation Model (SEM), Amos is used as a general approach to data analysis. SEM is also known as Analysis of Covariance Structures or often referred to as a model of causation. Calculations in the Structural Equation Model will be much easier to use Amos compared to other calculating devices. In addition, Amos can also make it easier to specify, view, and modify graphics using a simple tool. Amos is a special program used in the analysis of structural equations (Structural Equation Model) or better known as SEM (Priest, 2013). Initially Amos was independent statistical computing software, along with its development Amos is now taken over by SPSS so that the version of the Amos application follows the development of the SPSS application.

**Table 1. Operational Definition**

<b>Variabel</b>	<b>Definition</b>	<b>Dimension</b>	<b>Indicator</b>	<b>References</b>
<i>(Customer Satisfaction) (X1)</i>	Customer satisfaction is the overall pleasure felt by consumers, as a result from ability of the product to meet consumer needs and expectation (Calabuig et al., 2014)	Conformity of expectations	The product matches or exceeds as expected	Tjiptono (2004)
			Service is appropriate or exceeded as expected	
			Supporting attribute is in line with expectation and even more	
		Repurchase intention	Willing to use the same product again in the future	
		Willingness to recommend	Willing to recommend to other people	
<i>(Customer Attitude) (X2)</i>	Attitude is an expression of consumer feelings about an object whether liked or not, and attitude can also describe consumer confidence in various attributes and benefits of the object (Sumarwan, 2011)	Cognitive (knowledge)	Attitudes are based on experience and information obtained from other sources	Sumarwan (2011)
		Affective (Feeling)	Attitudes are based on personal feelings towards something	
		Conative (Action)	Tendency to behave towards something	
<i>(Perceived Quality) (X3)</i>	Perceived quality is defined as the consumers' judgment about an entity's services containing overall excellence or superiority (Snoj et al., 2004)	Security	Product security guaranteed	Bruhn et al (2013)
		Function	Product functions can meet needs	
		Company Image	Good company image	
		Material	Good quality of material	
		Physical appearance	Physical appearance is trusty	
<i>(Brand Loyalty) (Y)</i>	Loyalty itself is best defined as a state of mind, a set of attitudes and desires of the client (Martin,	Repurchase	Actions to buy another product in the future	Kotler & Keller (2006)

#### **4. Results and Discussion**

Before hypothesis testing, descriptive statistical analysis is carried out first to obtain an overview or description of the variables in the study. Based on data collected from the Domp, 132 respondents that met the criteria for the study sample were obtained. Then from the 132 samples, 4 samples were discarded or expelled to fulfil the classical assumptions underlying structural equation modelling, so that the remaining samples to test the hypothesis were 128 samples. From those 128 samples, 87 respondents are male and 41 respondents are female, 100 respondents have age between 18-30 people which is categorized as youngster while the rest are above 30 years old, but mostly they graduate from elementary school only which takes account for 119 respondents, only few can graduate from junior high school and senior high school. The following are the results

of descriptive statistics that contain the characteristics of the study sample in the form of sample numbers, minimum values, maximum, average values, and standard deviations:

**Table 2. Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	128	1.00	2.00	1.6797	.46843
Age	128	2.00	5.00	2.2891	.64175
Education	128	1.00	3.00	1.0859	.33267
BL4	128	1.00	5.00	2.1641	1.70121
BL5	128	1.00	5.00	2.4609	1.84818
CA1	128	3.00	5.00	4.2109	.61031
CA2	128	3.00	5.00	4.1484	.60301
CA5	128	3.00	5.00	4.1016	.74072
CS1	128	3.00	5.00	4.0391	.66879
CS2	128	2.00	5.00	3.8516	.74337
CS3	128	3.00	5.00	4.0625	.71816
CS4	128	2.00	5.00	4.0469	.76188
CS5	128	2.00	5.00	3.9062	.78808
PQ3	128	1.00	5.00	3.6562	.75751
PQ4	128	1.00	5.00	3.6875	.67287
PQ5	128	1.00	5.00	3.9453	.72425
Valid N (listwise)	128				

From the descriptive statistic above, it can be seen that all collected respondents are 128 people with maximum score for each question 5 and minimum score for each question 1 because we used likert scale ranged from 1-5. Standard deviation is less than its mean for all items which indicates the normality of the data and there is no extreme outlier in data.

### **Explanatory Factor Analysis**

**Table 3. Rotated Factor Matrix**

KMO = 0.733	Factor			
	1	2	3	4
EC3	.839			
EC4	.800			
EC5	.732			
EC1	.643			
EC2	.533			
A4		.879		
A5		.739		
A3		.695		
A6		.589		
A2		.547		
CK1			.799	
CK2			.626	
CK5			.605	
PB5				.992
PB6				.560

Kaiser-Meyer-Olkin (KMO) Test is a measure of how suited your data is for Factor Analysis. The test measures sampling adequacy for each variable in the model and for the complete model. The statistic is a measure of the proportion of variance among variables that might be common variance. The lower the

proportion, the more suited your data is to Factor Analysis. KMO returns values between 0 and 1. A rule of thumb for interpreting the statistic:

1. KMO values between 0.6 and 1 indicate the sampling is adequate.
2. KMO values less than 0.6 indicate the sampling is not adequate and that remedial action should be taken. Some authors put this value at 0.5, so use your own judgment for values between 0.5 and 0.6.
3. KMO Values close to zero means that there are large partial correlations compared to the sum of correlations. In other words, there are widespread correlations which are a large problem for factor analysis.

According to our result, the KMO is adequate because it lies between 0.6-1 which is 0.733. So with the factor for each variables, it is good enough because all is already above 0.05.

### **Goodness of Fit Model**

**Table 4. Goodness of Fit Model**

Rotation converged in 5 iterations.			
Good of fit index	Cut-off value	Result	Information
Chi-Square (df=50)	$\leq 67.505$	65.884	Good
Probability Chi-Square	$\geq 0.05$	0.066	Good
Cmin/DF	$\leq 2.00$	1.746	Good
RMSEA	$\leq 0.08$	0.042	Good
GFI	$\geq 0.90$	0.896	Good
AGFI	$\geq 0.90$	0.842	Good

The goodness of fit (GoF) has been developed as an overall measure of model fit for SEM. However, as the GoF cannot reliably distinguish valid from invalid models and since its applicability is limited to certain model setups, researchers should avoid its use as a goodness of fit measure. From the goodness of fit model criteria above, it is visible that our model has met all the criteria therefore the data is good enough to precede further for path analysis.

### **Path Analysis**



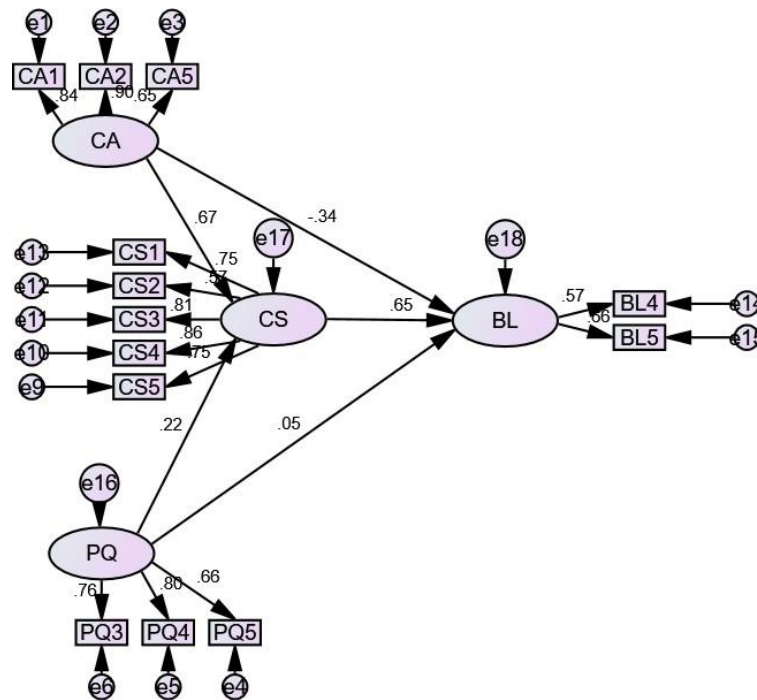


Figure 2. Path Analysis

Path analysis is a straightforward extension of multiple regression. Its aim is to provide estimates of the magnitude and significance of hypothesised causal connections between sets of variables. This is best explained by considering a path diagram. To construct a path diagram we simply write the names of the variables and draw an arrow from each variable to any other variable we believe that it affects. We can distinguish between input and output path diagrams. An input path diagram is one that is drawn beforehand to help plan the analysis and represents the causal connections that are predicted by our hypothesis. An output path diagram represents the results of a statistical analysis, and shows what was actually found.

Table 5. Path Analysis

		Estimate	S.E.	C.R.	P
CS	<--- CA	.765	.116	6.615	***
CS	<--- PQ	.265	.106	2.497	.013
BL	<--- CS	1.089	.409	2.663	.008
BL	<--- CA	-.644	.380	-1.693	.090
BL	<--- PQ	.091	.273	.333	.739
CA1	<--- CA	1.000			
CA2	<--- CA	1.064	.099	10.760	***
CA5	<--- CA	.943	.122	7.727	***
PQ5	<--- PQ	1.000			
PQ4	<--- PQ	1.130	.176	6.421	***
PQ3	<--- PQ	1.205	.187	6.438	***
CS5	<--- CS	1.000			
CS4	<--- CS	1.089	.112	9.684	***
CS3	<--- CS	.981	.106	9.218	***
CS2	<--- CS	.716	.115	6.226	***
CS1	<--- CS	.842	.100	8.401	***
BL4	<--- BL	1.000			
BL5	<--- BL	1.261	.455	2.774	.006

### **Customer attitude to customer satisfaction**

H1 is accepted because P value is less than 0.05 or CR (Critical Ratio) is more than 1.96 therefore it can be concluded that customer attitude impacts significantly and positively toward customer satisfaction.

Customer attitude is proven to affect customer satisfaction on Bisi-2 seed. Attitude of consumers is an important factor that will influence consumer decisions. The concept of attitude is closely related to the concept of belief and behavior. Consumer trust is consumer knowledge about an object, its attributes, and benefits. Consumer knowledge is closely related to discussion of attitudes because of consumer knowledge. Consumer trust or consumer knowledge concerns the belief that a product has attributes and various benefits from these attributes. Marketers must know the attributes that are known to consumers and the attributes that are used as evaluations of these products. This knowledge is useful in communicating the attributes of a product to consumers. Consumer trust in a product, attributes and benefits of the product illustrates consumer perceptions; therefore the trust of a product is different among consumers. Satisfying consumer needs is the desire of every company. In addition to important factors for the survival of the company, satisfying consumer needs can enhance excellence in competition. Consumers who are satisfied with products and services tend to repurchase products and reuse services when the same needs arise again in the future. This means that satisfaction is a key factor for consumers in repurchasing which is the largest portion of the company's sales volume.

Changing attitudes is generally very difficult, particularly when consumers suspect that the marketer has a self-serving agenda in bringing about this change (e.g., to get the consumer to buy more or to switch brands). One approach is to try to change affect, which may or may not involve getting consumers to change their beliefs. One strategy uses the approach of classical conditioning try to "pair" the product with a liked stimulus. For example, we "pair" a car with a beautiful woman. Alternatively, we can try to get people to like the advertisement and hope that this liking will "spill over" into the purchase of a product. For example, the Pillsbury Doughboy does not really emphasize the conveyance of much information to the consumer; instead, it attempts to create a warm, fuzzy image. Although Energizer Bunny ads try to get people to believe that their batteries last longer, the main emphasis is on the likeable bunny. Finally, products which are better known, through the mere exposure effect, tend to be better liked--that is, the more a product is advertised and seen in stores, the more it will generally be liked, even if consumers do not develop any specific beliefs about the product. Another approach is changing behaviour. People like to believe that their behaviour is rational; thus, once they use our products, chances are that they will continue unless someone is able to get them to switch. One way to get people to switch to our brand is to use temporary price discounts and coupons; however, when consumers buy a product on deal, they may justify the purchase based on that deal (i.e., the low price) and may then switch to other brands on deal later. A better way to get people to switch to our brand is to at least temporarily obtain better shelf space so that the product is more convenient. Consumers are less likely to use this availability as a rationale for their purchase and may continue to buy the product even when the product is less conveniently located. (Notice, by the way, that this represents a case of shaping). The last is changing beliefs. Although attempting to change beliefs is the obvious way to attempt attitude change, particularly when consumers hold unfavourable or inaccurate ones, this is often difficult to achieve because consumers tend to resist.

### **Perceived quality to customer satisfaction**

H2 is accepted because P value is less than 0.05 or CR (Critical Ratio) is more than 1.96 therefore it can be concluded that perceived quality impacts significantly and positively toward customer satisfaction

The results showed that perceived quality had an effect on customer satisfaction on Bisi-2 seed. These results indicate that respondents assessed the extent to which perceived quality helped determine the extent of customer satisfaction. The better perceived quality, the more likely customers are to be satisfied. Satisfaction is an actual measure of how consumer acceptance and conformity to a brand, and satisfaction is the actual measure for an agriculture product business. Customer satisfaction starts from the company's commitment to treat its customers well. This proves that perceived value is an important element in forming satisfaction, especially in service businesses. Increased perceived quality will produce satisfied consumers. Consumer relations with companies are strengthened when consumers get adequate results about the company's perceived value and

become weak when consumers get negative results about the company's perceived quality. The quality of a product is something that greatly affects the level of satisfaction of the customers who buy it. Every customer hopes that the product they buy has high quality. High quality products can provide high value on satisfaction measurements. If a product has good quality, the product can cover the price that must be spent so that it grows satisfaction because its value is commensurate.

### **Customer satisfaction to brand loyalty**

H3 is accepted because P value is less than 0.05 or CR (Critical Ratio) is more than 1.96 therefore it can be concluded that customer satisfaction impact significantly and positively toward brand loyalty

The results of the study show that satisfaction influences brand loyalty on Bisi-2 seed. These results indicate that the satisfaction felt by customers is certainly loyal to Bisi-2 seed because increasingly fierce competition among corn seed providers causes consumers to have many choices in choosing these seed providers, where consumers pay more attention to satisfaction. Satisfaction describes the response after a consumer's purchase of a product / service that is believed to be appropriate or there is a match between what is expected by the customer and the performance of the service he has received. Consumer satisfaction with products/services is not only determined by a match between the expectations of the product/service performance, but also determined by the quality of service from the service provider. The result of this analysis is in line with Jalees et al (2015) and (Pantouw, Pengemanan and Tumiwa, 2017). Conformity between consumer expectations and the reality obtained on a brand will provide satisfaction in the minds of consumers. From the research findings stated that consumer satisfaction has a positive and significant influence on brand loyalty. The statement are also consistent with several previous studies which also discussed the influence of consumer satisfaction on brand loyalty, including Jalees et al (2015), Cloud and Rehman (2014), Al Msallam (2014) and Pratiwi, et al (2015) who recorded that customer satisfaction has an effect on brand loyalty.

### **Customer attitude to brand loyalty**

H4 is rejected because P value is more than 0.05 or CR (Critical Ratio) is less than 1.96 therefore it can be concluded that customer attitude does not impact significantly toward brand loyalty.

Customer attitude does not really affect brand loyalty toward Bisi-2 corn seed. It is likely because satisfaction should be achieved first before a customer becomes loyal to a brand therefore direct effect of customer attitude to brand loyalty is weak. This result is not consistent with research conducted by Yuliawati (2012) who stated that there is a strong relationship between consumer attitudes and their loyalty to the product. This is also not in line with Susilowati (2016) and Rafikah (2014) who support that there is strong direct relationship between customer attitude and loyalty.

### **Perceived quality to brand loyalty**

H5 is rejected P value is more than 0.05 or CR (Critical Ratio) is less than 1.96 therefore it can be concluded that perceived quality does not impact significantly toward brand loyalty

Perceived quality cannot necessarily be objectively determined, in part because it is a perception and also because judgments about what is important to customers are involved. An evaluation of washing machines by a Consumer Report expert may be competent and unbiased, but it must make judgments about the relative importance of features, cleaning action, types of clothes to be washed, and so on that may not match those of all customers. After all, customers differ sharply in their personalities, needs, and preferences. Perceived quality is an intangible, overall feeling about a brand. How-ever, it usually will be based on underlying dimensions which include characteristics of the products to which the brand is attached such as reliability and performance. To understand perceived quality, the identification and measurement of the underlying dimensions will be useful, but the perceived quality itself is a summary, global construct. Perceived quality does not really affect brand loyalty toward Bisi-2 corn seed. It is likely because satisfaction should be achieved first before a customer becomes loyal to a brand therefore direct effect of perceived quality to brand loyalty is weak. This result is not

line with Ha and Kang He Park (2012) and Alhaddad (2015) who stated that perceived quality has a significant effect on brand loyalty.

## **5. Conclusion**

There are some conclusions that can be obtained from analysis above:

1. Perceived quality significantly and positively affect customer satisfaction of farmers toward Bisi-2 corn seed
2. Customer attitude significantly and positively affect customer satisfaction of farmers toward Bisi-2 corn seed
3. customer satisfaction affects brand loyalty toward Bisi-2 corn seed
4. Direct relationship between perceived quality and brand loyalty is weak or not significant toward Bisi-2 corn seed
5. Direct relationship between customer attitude and brand loyalty is weak and not significant toward Bisi-2 corn seed.

Bisi-2 corn seed sellers must pay attention on customer satisfaction as first priority since it is the only way to make their customers become loyal to their brand. While customer satisfaction can be achieved by increasing customer positive attitude toward their product and perceived quality from customer point of view. The formation of attitudes requires an understanding of the learning process (more fully can be read in the chapter on consumer learning processes), through classical conditioning, instrumental conditioning, cognitive learning theory and observational learning. Changes in attitude have the same essence as forming attitudes. However, because there has been a previous attitude, then the transition process to a new attitude, it is better to use the term attitude change. The factors that influence change in attitude are the same as forming attitudes. The attitude of consumers can change due to the producer strategy to win the competitive market. Strategies change the attitude of consumers, among others by: 1) Changing the Relative Evaluation of Attributes, including by offering products with different and important attributes, 2) Changing Brand Beliefs, one way is to claim the company's brand has advantages, 3) Add Attributes, 4) Changing the Overall Attitude, among others by changing the brand directly, 5) Changing beliefs about the competitor's brand, namely the producer raises comparative advertising of his product, by comparing it with competing products.

While to achieve perceptions of quality is usually impossible unless the quality claim has substance. Generating high quality requires an understanding of what quality means to customer segments, as well as a supportive culture and a quality improvement process that will enable the organization to deliver quality products and services. Creating a quality product or service, however, is only a partial victory; perceptions must be created as well. Perceived quality may differ from actual quality for a variety of reasons. First, consumers may be overly influenced by a previous image of poor quality. Because of this, they may not believe new claims, or they may not be willing to take the time to verify them. Thus it is critical to protect a brand from gaining a reputation for shoddy quality from which recovery is difficult and sometimes impossible. Second, a company may be achieving quality on a dimension that consumers do not consider important. There is a need to make sure that investments in quality occur in areas that will resonate with customers. Third, consumers rarely have all the information necessary to make a rational and objective judgment on quality and even if they do have the information, they may lack the time and motivation to process it. As a result, they rely on one or two cues that they associate with quality; the key to influencing perceived quality is understanding and managing these cues properly. Thus, it is important to understand the little things that consumers use as the basis for making a judgment of quality.

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