The Influence of Company Image, Partnership Company Support, Logistic Service Quality, Complaint Handling on Customer Loyalty with Customer Satisfaction as An Intermediary Variable at Broiler Partnership

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Abstract. Poultry prices, especially broilers, are very volatile. The price of live chicken is still below the Purchase Reference Price (HAP) and the Cost of Production (HPP), which has an impact on the decline in production and the number of partners (farmers). On the other hand, there are still complaints about the products sold from PT ABCD, indicating a decrease in partner satisfaction and loyalty. So that requires the company to carry out various strategies to increase partner satisfaction and loyalty again. In this study, it is known that customer loyalty itself will increase in line with customer satisfaction with the services and products produced during the farmer's partnership with the company. The results of this study are to determine the effect of perceived company image, partnership company support, logistic service quality, and complaint handling on customer loyalty through customer satisfaction as an intervening variable, by knowing the effect of these various variables, it is hoped that it will be able to improve and increase the number of customers (partners) at PT ABCD.

Keywords: Partnership, Customer Loyalty, Customer Satisfaction

1. Introduction

Indonesian poultry enterprises are one of the few major national business sectors that supply 65% of animal protein and employ 12 million national workers [1]. Currently, the poultry industry has developed into a capital-intensive industry with a modern management system and has complete components from upstream to downstream sectors [2], [3]. In the upstream part of the poultry industry, one important part is poultry farming with a partnership system. MOA No. 13/2017 states that livestock business partnerships are cooperation between livestock businesses on the basis of the principles of mutual need, strengthening, benefit, respect, responsibility and dependence.

Based on these regulations, partnerships are carried out in various patterns, one of which is the core plasma partnership pattern [4], [5]. The core-plasma partnership is defined as cooperation carried out by partner companies with partner farmers where the partner company group is used as the core while the partner farmer group is used as plasma. The core generally provides brokers with production facilities such as feed, vaccines, vitamins, Day Old Chicken (DOC), medicine, technical guidance, and explanation of results while the plasma provides employee facilities and livestock premises.

The partnership pattern in the broiler farming business is an option that must be taken by most business actors. This is because the partnership system can provide protection against fluctuations in the price of live chickens in the market, thus guaranteeing the risk of bankruptcy [6]. In addition, government support for the partnership system is also reflected in the mandate of the Minister of Agriculture Regulation (MOA) 32 of 2017. Data from the Central Statistics Agency (BPS) in 2017 explains that Indonesia's per capita consumption of broiler chicken meat continues to increase. This can be seen from 2015-2017 amounting to 4,797 Kg up to 5,684 Kg, the double-digit percentage increase over the three years is inseparable from increasing income accompanied by awareness of the benefits of consuming broiler chicken in Indonesia. The positive trend in the demand for chicken meat in Indonesia is an attraction for investors/business actors, it can be seen from BPS 2020, where 397 companies have expanded in the Indonesian poultry business with the overall production value of the poultry sector in 2020 reaching 15.92 trillion rupiah with a profit of 6.83 trillion.

One of the few companies engaged in the poultry sector is PT ABCD, which is located in West Java. The company focuses on the business of selling Day Old Chicken (DOC) and live broilers. In order to support the company's business expansion, PT ABCD through its partnership division works on broiler farming with a core plasma partnership system. PT ABCD's partnerships are mostly in West Java and a small part in Central Java. The PT. ABCD partnership itself is one of the partnerships that has become a benchmark in determining share prices, especially in the Cirebon, Majalengka, Kuningan and Indramayu (CIAYUMAJAKUNING) areas because of the large broiler population they produce.

The market and price of poultry development is very volatile, especially live chicken, this occurs because of the dependence on the supply of output and input goods [7]. The price of live chicken in 2019-2021 fluctuated with a three-year average of IDR 17.037. This price is below the Purchase Reference Price (HAP) at the Breeder level of IDR 19.000 or the Cost of Production (HPP) according to at IDR 18.185. The impact of unstable prices on a national scale has resulted in a decrease in production and the number of companies at the national level. This also happened in the PT ABCD partnership where there was a decrease in the number of partners followed by a decrease in the amount of production produced.

Given the challenges of price fluctuations and business competition between companies, companies are required to carry out various strategies to continue to get and continue to maintain customer loyalty (partner breeders) [8]. Customer loyalty itself will increase in line with customer satisfaction with the services and products produced. Satisfaction of partner breeders can be seen in various perceptions in terms of products and services in the partner company (core) [9]. Satisfaction of partner breeders (plasma) with the partnership company (core) has an important role and has a positive impact because plasma will have a loyal tendency and will not search for other partnership companies, and vice versa [10]. Several other factors can also affect the satisfaction of partner breeders with the core, including perceptions of company image, perceptions of partnership company support, perceptions of logistical service quality, and perceptions of complaint.

Explain that corporate image is the impression of an institution as a whole, so it is not just an image of a service or product. The dimensions of corporate image based on include Reputation, Value, Personality, and corporate identity. Previous research by showed that the company's image (core) has a positive influence on breeder satisfaction. In addition, the company's image can directly have a positive influence on customer satisfaction and loyalty.

Existing partnership company support consists of five components, namely livestock production facilities (sapronak), plasma training, technical assistance, broiler marketing and cooperation contract agreements. Various previous studies suggest that partnership company support has a positive influence on farmer satisfaction.

Logistic service quality is the development of service quality in measuring customer satisfaction in the logistics sector. Logistic service quality is measured in 5 dimensions, namely timeliness, order accuracy, information quality, quality of personnel contact, and problem handling. From the results of previous research, it shows that there is a positive effect of logistic service quality on customer satisfaction.

States that effective complaint handling can provide an opportunity to make changes to customers who are dissatisfied to be satisfied. There are 4 aspects in handling complaints including empathy for angry customers, speed in providing complaint handling, fairness or justice in solving problems/complaints, ease for customers in presenting input, suggestions, criticism, and questions. Based on the results of previous research, found that complaint handling has a positive impact on customer satisfaction. In fact, according to research, complaint handling has a positive influence on customer satisfaction and loyalty.

2. Method

This research is a quantitative study with a causal research type. The subjects of this research are partners of PT ABCD in West Java, while the objects of this research are perceived company image, perceived partnership company support, perceived logistic service quality, and perceived complaint handling as independent variables, customer satisfaction as an intervening variable and customer loyalty as the dependent variable. This study is the population, namely all partners who made purchases and used all products and services from the PT ABCD partnership in the last year of 2021, namely 876 partners, while the sample is part of the total and characteristics that the population has. The number of samples was calculated using the Slovin formula with an error rate of 10% and obtained 90 respondents but rounded up to 100 respondents. The data used in this study are primary data (from partner questionnaires) & secondary data (from PT ABCD partnership management). The data collection method uses questionnaires, interviews, and document review. This research will use the perceptions of partner breeders, namely perceptions of company image, perceptions of partnership company support, perceptions of logistical service quality, and perceptions of complaint handling as exogenous constructs, customer satisfaction and loyalty as endogenous constructs. The data analysis technique used in this research is Partial Least Square (PLS) and the data processing uses SmartPLS software. There are several ways that are required to be implemented in this technique, including: (1) Creating a model conception, (2) Algorithm analysis method defined. (3) The specified resampling method, (4) Draw a path diagram, (5) Conduct model evaluation.

3. Result and Discussion

SEM analysis was conducted to examine the effect of the variables of company image (X1), partnership company support (X2), logistic service quality (X3), complaint handling (X4) on customer loyalty (Z) through customer satisfaction (Y) as an intervening variable. The data is processed using structural equaltion modeling with the Palrtiall Lealst Squalre estimation method (SEM-PLS) Figure 1 presents the relationship path between variables.
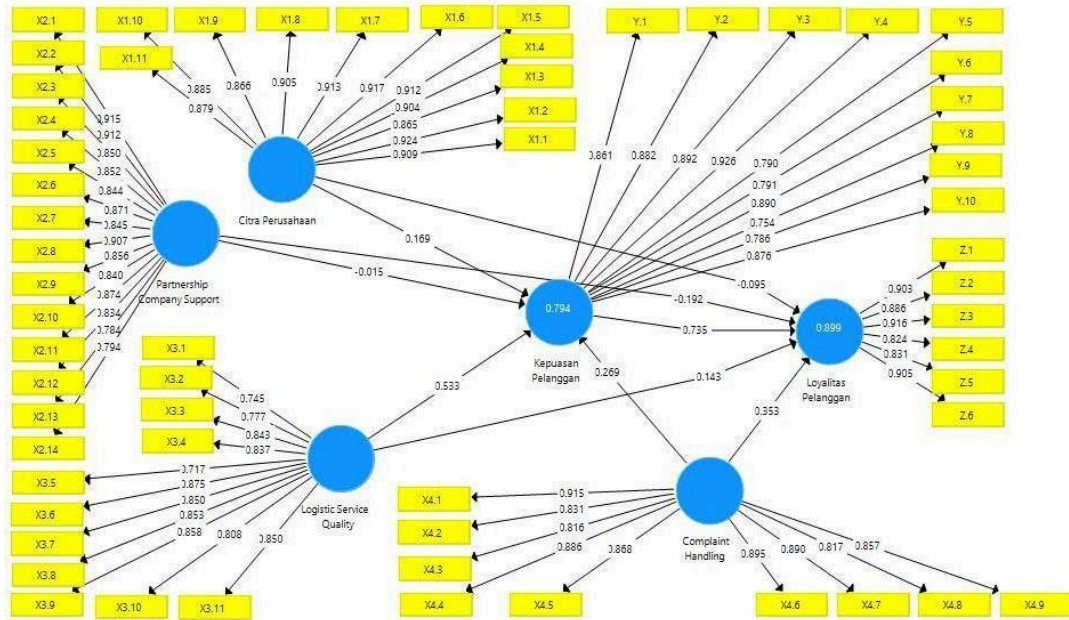
Figure 1. Outer loading

Based on Figure 1 above, it is found that the outer loading value for each indicator meets the outer loading threshold value so that it can be said that all questions are valid because they have met the requirements, which are greater than 0.7 (Chin, 1995 and Hair et al., 2006).

Table 1. Alverage Variance Extracted (AlVE)

Variables	Average variance extracted (AVE)
Company Image (X1)	0.807
Palrtnership Compalny Support (X2)	0.747
Logistic Service Quallity (X3)	0.717
Complalint Halndling (X4)	0.674
Customer satisfaction (Y)	0.771
Customer loyalty (Z)	0.733

Source: Primary Data Processed

Based on the table above, the AVE value for all variables is greater than 0.5 (Chin, 1995 and Hair et al, 2006). The AVE value indicates that on average the information contained in each

indicator can be reflected through each variable greater than 50%. Based on Figure 1 and Table 1 above, it can also be concluded that the data model tested has met the requirements in a conerent manner.

Reliability test is used to measure the consistency of measuring instruments in measuring a concept. Reliability test is a measurement that shows the extent to which the measurement is without bias and therefore guarantees consistent measurements across time. This test can be done using two methods: (a) Cronbalch's allphal, measuring the lower limit of the reliability value of a variable and can be accepted if the value is > 0.6. (b) Composite relialbility, measuring the actual value of the reliability of a variable and can be accepted if the value isl > 0.7.

Table 2. Realibility Value

Variables	Cronbach's Alpha	Composite Reliability
Company Image (X1)	0.976	0.979
Palrtnership Compalny Support (X2)	0.972	0.975
Logistic Service Quallity (X3)	0.951	0.958
Complalint Halndling (X4)	0.958	0.964
Customer satisfaction (Y)	0.955	0.962
Customer loyalty (Z)	0.940	0.953

Source: Primary Data Processed

Table 2 shows the reliability values for exogenous and endogenous variables. The reliability value for all variables is greater than 0.7 so it can be said to be reliable. Table 2 shows the reliability values for exogenous and endogenous variables. The reliability value for all variables is greater than 0.7 so it can be said to be reliable.

After testing and measuring the model by assessing validity and reliability, then testing the structural model (inner model) is carried out. Structural model evaluation aims to predict the relationship between latent variables. The R value is used to measure the level of variation in changes in the independent variable on the dependent variable. The higher the R value, the better the prediction model of the proposed research model. Table 3 presents the value R square of the PLS SEM model for endogenous variables of customer satisfaction and loyalty.

Table 3. *R-Squalre*

Variable	R Square	R Squalre Aldjusted
Customer satisfaction (Y)	0.794	0.785
Customer loyalty (Z)	0.899	0.893

Source: Primary Data Processed

Making a decision to accept or reject a hypothesis on the PLS method of direct influence is based on the significance value of t_count. The criterion for accepting or rejecting the hypothesis is a significant value t_count> 1.29 if it is less than that then Ho is rejected, it can be seen from the table 4.

Table 4. Hypothesis

Hypothesis	Original Salmple	T Staltistics	Description
H1	0.169	2.183	significant
H2	-0.095	1.352	No
H3	-0.015	0.156	No
H4	-0.192	2.161	significant
H5	0.533	5.089	significant
H6	0.143	1.251	No
H7	0.269	2.475	significant
H8	0.353	2.834	significant
H9	0.735	6.994	significant
H10	0.124	2.224	significant
H11	-0.011	0.15	No
H12	0.392	3.836	significant
H13	0.198	2.063	significant

Source: Primary Data Processed

4. Conclusion

The conclusions that can be drawn from the results of the analysis that has been carried out are as follows. There is a positive effect of the company's image on the customer's qualifications. There is no significant effect of the image of the company on customer loyalty. There is no effect of partnership company support on customer satisfaction. There is a negative effect of partnership company support on customer loyalty. There is a positive effect of logistic service quallity on customer loyalty. There is no effect of logistic service quality on customer loyalty. There is a positive effect of complaint handling on customer satisfaction. There is a positive effect of complaint handling on employee loyalty. There is a positive effect of employee satisfaction on employee loyalty. Customer satisfaction is unable to significantly mediate the effect of company image on customer loyalty. Customer satisfaction has not been able to mediate the effect of partnership company support on customer loyalty. Customer satisfaction is able to mediate the effect of logistic service quality on

customer loyalty. Customer satisfaction is able to mediate the effect of complaint handling on customer loyalty.

Acknowledgments

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