

THE INFLUENCE OF CUSTOMER VALUE ON MARKETING PERFORMANCE FOR SMALLHOLDER RUBBER FARMERS IN KUANTAN MUDIK DISTRICT, KUANTAN SINGINGI REGENCY

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Abstract The success of customer value can affect the marketing performance of rubber. The research was conducted in Kuantan Mudik District, Kuantan Singingi Regency, Riau. The purpose of this study was to determine the effect of customer value on emotional value, social value, quality value, and price value on smallholder rubber farmers. The population in this study were 205 farmers, the sample was taken 15% of the population of 31 farmers selected by simple random sampling technique. Analysis of the data used is multiple linear regression analysis with SPSS application. The results of the study explain sig.t value for X1 is 0.003, sig.t value of X2 is 0.014, sig. t value of X3 is 0.021 which is smaller than the 0.05 level of significance. This means that X1, X2, and X3 partially have a significant effect marketing performance. While sig t value of X4 is 0.216 which is greater than the significant level, means price value partially has no significant effect marketing performance. f-test results sig.f value of 0.000 is smaller than the significant level of 0.05, meaning that the customer value seen from the emotional, social, quality, and price values simultaneously has a significant effect on increasing marketing performance.

Keywords: *Emotional Value, Market Performance, Quality Value, Social Value*

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INTRODUCTION

Rubber plants have a big role in Indonesia's economic growth. Most Indonesians rely on this sap-producing product to survive. Indonesia is a country with the largest rubber plantations in the world with an area of 3,671,387 hectares of which 88.13% are cultivated by smallholder farmers (people's plantations), 5.16% are cultivated by the private sector, and 6.70% are state-owned (Directorate General of Plantations, 2019). Kuantan Singingi Regency is one of the districts that produce rubber

plants in Riau Province with a fairly rapid plantation development. According to BPS Kuantan Singingi Regency (2020), the area of rubber plantations in Kuantan Mudik Subdistrict was recorded in 2019 at 8,784.00 Ha with rubber production results of 6,312.80 tons with the number of smallholder rubber farmers as many as 4,193 farmers. Pebaun Hilir Village and Sangau Village are villages in Kuantan Mudik Sub-district that implement an auction marketing system in selling their rubber plantation products. The Kuantan Singingi Rubber Farmers

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Association is an institution that serves as a forum for farmers to market rubber. The marketing system is carried out by forming an auction market which is carried out once a week. The association has determined the quality and quality of rubber that must be produced by farmers, this is so that the selling price of rubber is high.

Socio-economic conditions of farmers are related to the production and price of rubber received by farmers. Increased production and quality of rubber can increase the selling price of rubber which can improve the socio-economic conditions of farmers. The price of natural rubber that fluctuates and tends to below is one of the obstacles faced by rubber farmers in marketing their products. Based on data from ARBC Price (2020) the price of Indonesian rubber in January 2020 was in the average range of 1.49 USD/Kg, in May 2020 the price of rubber fell to 1.11 USD/Kg. Marketing is the main factor determining the success of farming. The low price of rubber received by farmers can be caused by the quality and quality of the rubber produced is low and contains high water content. This has an impact on the decline in the value of farmers' rubber sales because the desires and needs of customers are not met.

Customers are one of the driving forces in the agribusiness sector that can affect the benefits, performance, and planning of marketing strategies. Customer value is the preference felt by customers for customer evaluation of emotional, social, quality, and price attributes obtained from product purchases (Khaswarina, 2020). The desires and needs of customers for quality and rubber products must be met in order to provide satisfaction to customers. The achievement of customer value has an important effect on the success of marketing bokar farmers and can increase sales value. Marketing performance is a measure of success in doing farming, low marketing performance causes a decrease in sales volume due to a lack of customer interest in buying products. Marketing performance is a form of income measure that can be obtained from all company activities, especially in the marketing field of a company or organization (Hidayatullah et al., 2019). Good marketing performance can be seen from the ability of farmer groups in the Kuantan Mudik sub-district in increasing their productivity. Basically, the achievement of customer value and marketing performance can improve the standard of living of farmers.

The purpose of this study was to determine the effect of customer value on marketing performance

in terms of emotional value, social value, quality value, and price value of smallholder rubber farmers in Kuantan Mudik District, Kuantan Singingi Regency.

RESEARCH METHODS

The research was carried out in Pebaun Hilir Village and Sangau Village, Kuantan Mudik District, Kuantan Singingi Regency with the object being a farmer group that has joined the Kuantan Singingi Rubber Farmers Association and marketing rubber through the auction market. The location selection was determined based on the consideration that the village was a potential area for rubber plantations. The type of approach in this research is descriptive quantitative with primary data sources obtained through the distribution of questionnaires, interviews, and direct observations in the field. Secondary data was obtained from various reference sources and related agencies that support the research.

The population in this study were farmer groups who participated in the auction of rubber marketing in Kuantan Mudik District, there were 6 farmer groups from Pebaun Hilir Village and one farmer group from Sangau Village with 205 farmers. Sampling used is a simple random sampling technique on farmers who do auction marketing and are active in group activities. The number of samples for research according to Arikunto (2010) if the number of respondents is less than 100, then all samples are taken, whereas if the number of respondents is more than 100, the sampling is 10%-15%. From this population, 15% of the existing population was taken, so the number of samples was 31 respondents. Data collection was carried out by instrument testing consisting of reliability and validity tests. Analysis of the data used to determine the effect of customer value on the marketing performance of smallholder rubber farmers is a statistical test in the form of an F test and t-test, coefficient of determination R², as well as multiple linear regression analysis.

Multiple linear regression analysis is used to predict future demand based on the past to determine the effect of the independent variable on the dependent variable (Siregar, 2013). The regression equation used is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Information :

Y = Marketing Performance

X₁ = Emotional Value
 X₂ = Social Value
 X₃ = Quality/Performance Value
 X₄ = Price Value

a = Intercept Coefficient
 b_(1,2,3,4) = Coefficient of Regression
 e = Error Term

RESULTS AND DISCUSSION

Respondent Characteristics

Table 1. Shows the frequencies and percentages describing the sample.

Demographic	Option	Amount	Persentase
Gender	Male	26	83,87%
	Female	5	16,13%
	Total	31	100%
Age	0 - 14	0	0,00%
	15 - 55	20	64,52%
	≥56	11	35,48%
	Total	31	100%
Last Education	SD	5	16,13%
	SMP	9	29,03%
	SMA	13	41,94%
	D3	4	12,90%
	Total	31	100%
Farming Experience	3 - 22	12	38,71%
	23 - 42	17	54,84%
	43 - 62	2	6,45%
	Total	31	100%
Land Area	0,5 - 1,5	22	70,97%
	0,6 - 2,0	5	16,13%
	> 2,1	4	12,90%
	Total	31	100%

Source: Primary Output Analysis (2021)

Based Table 1 characteristics of respondents based on gender, the highest number of respondents was 26 male with a percentage of 83,87%. This shows that in general, male respondents are more dominant than female respondents in doing rubber farming. However, success in rubber farming is not absolutely influenced by gender alone, so it is possible that the female gender can also be successful in running rubber farming.

The characteristics of Respondent based on age, the largest number of respondents are in the productive working age group 15-55 with a percentage of 64,52%. At productive age, it can be said that farmers have the ability to work and have a good attitude to meet new things that are useful for the progress of farming. According to Arlis (2016), farmers who are relatively young are stronger at work, agile, easy to accept new innovations, responsive to the surrounding environment when compared to farmers who already have a relatively old age who often refuse new innovations.

Characteristics of respondents based on the latest education, the highest number of respondents is high school graduates with a total 13 respondents

with a percentage of 41,94%. According to Yusmel et al (2019), the level of education of farmers will affect the way farmers think in managing their farming business, namely in terms of their ability to manage farming and accept new innovations.

The characteristics of respondents based on farming experience, the highest number of respondents with experience is 23-43 years with a percentage of 54,84%. Mardani et al (2017) who stated that experience in farming affects the development of farming, the length of experience in farming affects the level of farmers' ability to manage farming well.

Characteristics of respondents based on land area, the largest number of respondents with a land area of 0,5-1,5 hectares with a percentage of 70,97%. Gustiana and Irwanto (2017) which state that the area of land cultivated in farming activities can affect the level of income earned by farmers.

Classic Assumption Test

1. Normality Test

The data normality test was conducted to see whether the data used were normally distributed or

not. Normality testing can be done using the normal probability plot graph method which compares the cumulative distribution of the actual data with the cumulative distribution of the normal distribution (Lawendatu, 2014). The results of the normality test in this study can be seen in the following figure:

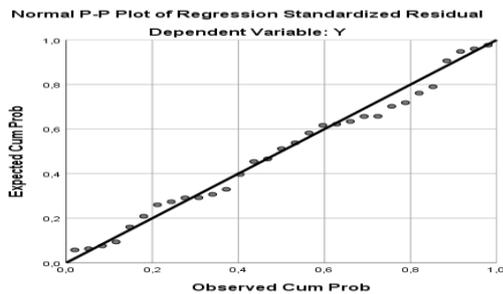


Figure 1. The result of the normality test.

Figure 1 above shows the distribution of the points on the normal probability plot graph which is relatively close to a straight line, so it can be concluded that the data is normal and almost does not provide extremely low and high values and the data tends to feel on the normal line. Normality test can be done using the Kolmogorov-Smirnov method, the test statistic value is 0.074 and Asymp. Sig. of 0.200, this value is greater than the significant level of 0.05, it can be concluded that the data in this study is normally distributed.

2. Multicollinearity Test

Multicollinearity test is used to determine whether or not there are independent variables that have similarities with other independent variables in one model. Multicollinearity testing can be seen from the value of Variance inflation Factor (VIF) and Tolerance. If the value of VIF < 10.00 and tolerance > 0.100 then the model is free from multicollinearity.

Table 2. The result of the multicollinearity test

		Coefficients ^a	
Model		Collinearity Statistics	
		Tolerance	VIF
1	X1	0,473	2,114
	X2	0,415	2,410
	X3	0,486	2,057
	X4	0,516	1,937

Source: Primary Output Analysis (2021)

Table 2 data shows that the value of tolerance and VIF of each independent variable is > 0.100 and < 10.00. It can be concluded that the independent variables used in this study were not multicollinearity problems or there was no correlation between independent variables.

3. Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another observation. If there is a certain pattern such as dots that form a regular pattern such as wavy, widening or narrowing, it indicates that heteroscedasticity has occurred. Variables are stated in the position that there is no heteroscedasticity if the spread of observer points is above and below zero on the Y axis leading to an unclear pattern.

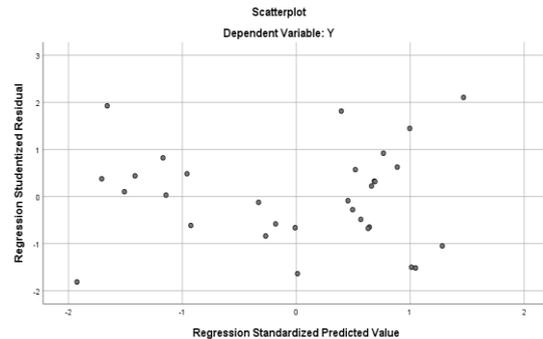


Figure 2. The result of heteroscedasticity test

Based on the image the dots spread above and below zero on the Y axis and do not form a clear specific pattern. So it can be concluded that there is no heteroscedasticity problem in this study, which means that the data in this study are homoscedasticity.

Multiple Linear Regression Analysis

The test results of the analysis of the influence of customer value on the marketing performance of smallholder rubber farmers using multiple linear regression can be seen in the following table.

Table 3. Multiple linear regression analysis test result

	B	Sdt. Error	t	Sig.
Constant (2.717)				
Emotional Value (X1)	.558	.171	3.254	.003
Social Value (X2)	.515	.196	2.628	.014
Quality Value (X3)	.309	.126	2.453	.021
Price Value (X4)	.137	.121	1.134	.267
R Square	.838			
Adjuster R Square	.813			

Source: Primary Output Analysis (2021)

Table 3 shows the multiple linear regression equation is $Y = 2.717 + 0.558X_1 + 0.515X_2 + 0.309X_3 + 0.137X_4 + e$. A constant of 2.717 means that if the emotional value (X₁), social value (X₂), quality

value (X_3), and price value (X_4) are 0, then the marketing performance (Y) value is 2.717. Regression coefficient X_1 is positive 0.558, this means that if the emotional value is increased by one unit with the other variables being fixed, then this can increase the value of marketing performance by 0.558. The value of the X_2 coefficient is positive 0.515, meaning that if the social value variable is increased by one unit, it can increase the value of marketing performance by 0.515 assuming other variables remain. The coefficient value of X_3 is positive 0.309, which means that if there is an increase of one unit on the quality/performance value variable, then it can increase the value of marketing performance by 0.309 with other variables constant. The positive value of the X_4 coefficient is 0.137 which means that if the price value increases by one unit, then it can increase marketing performance by 0.137 assuming other independent variables remain. The results of this study are in line with those of Azila and Rahman (2016) with the regression equation $Y = 0.454 + 0.206 X_1 + 1.386 X_2$, which examines the effect of market orientation and customer value on marketing performance. The value of the constant is positive 0.454 indicating that there is a positive influence in improving marketing performance.

1. Statistics F test

The F-test was used to show how far the influence of the independent variables simultaneously (together) in explaining the dependent variable. This test is carried out by comparing the alpha (α) value with the sig value or by comparing the F_{hit} and F_{tab} . If sig. $F > 0,05$, then H_0 is accepted and H_1 is rejected, and if sig. $F < 0,05$, then H_0 is rejected and H_1 is accepted. From the test statistics result, the sig. F value is $0.000 < 0,05$, and the F_{hit} value of 33.558 with a F_{tab} value is 2.728. This means that $F_{hit} > F_{tab}$, with this condition the H_0 is rejected and H_1 is accepted, meaning that the independent variable (customer value) which consists of emotional value (X_1), social value (X_2), performance/quality value (X_3), and price value (X_4) simultaneously or jointly affects the dependent variable (marketing performance) smallholder rubber farmers.

2. Statistics t test

T statistical test is used to determine how far the influence of one independent variable (X) partially (individually) in explaining the dependent variable (Y). According to Yuliara (2016) the t-test is used to determine whether the independent variable has a partially significant effect on the dependent variable. The partial test is done by comparing the alpha value with a significant value or comparing t_{hit} to t_{tab} . If the significant value is < 0.05 and $t_{hit} > t_{tab}$, then H_0 is rejected and H_1 is

accepted. So it can be said that there is a partial influence between the independent variable and the dependent variable, and vice versa.

The result of the t-test which showed the t_{hit} value of emotional value (X_1) was $3.254 > 2.056$, social value (X_2) $2.628 > 2.056$, Quality value (X_3) $2.453 > 2.056$, it can be stated that H_0 is rejected, meaning that X_1, X_2, X_3 has a significant effect partially on the marketing performance of smallholder rubber farmer. While the t_{hit} value of price value is $1.134 < 2.056$, this means that H_0 is accepted, meaning that X_4 partially does not have a significant influence on the marketing performance of smallholder rubber farmers.

3. Coefficient of Determination (R^2)

The coefficient of determination (R Square) is used to measure how far the model's ability to explain variations in marketing performance variables. The value of the coefficient of determination is between 0 and 1, a value close to one means that the independent variables in the study almost provide all the information needed to predict variations in marketing performance variables. The low value of R Square explains the limited ability of the independent variable (X) in explaining the variation of the dependent variable (Y). The result of the statistic test, the coefficient of determination (R Square) is 0.838. This means that emotional value, social value, performance/quality value, and price value can explain the marketing performance of 81.3% in other words the independent variable influences 81.3%, while the remaining 18.7% is influenced by the variable others included or excluded from this study.

The Effect of Emotional value on Marketing Performance

Emotional value is a feeling in the form of positive emotions felt by customers that can create a sense of trust in buying bokar and feelings of pleasure or satisfaction when buying bokar products to farmers. Based on the results of the data testing carried out, in the Coefficient table the significant value is 0.03 which is smaller than the alpha value or the significant level is 0.05 ($0.03 < 0.05$). This shows that H_0 is rejected and H_1 is accepted, which means the emotional value regression coefficient has a partially significant effect on the marketing performance of smallholder rubber farmers. According to Nurhalimah (2019), the bond emotional between the customer and the manufacturer after the customer uses a product and finds that the product or service provides value plus.

Emotional value is seen based on customer trust. The trust that customers have arises from a sense of satisfaction with the availability of bokar products, the shape, and quality of the resulting bokar, and the benefits obtained by buying these

products. According to Kabue (2020), the emotional value that arises from within the customer or factory after using a product or service can be in the form of feelings of pleasure or disappointment. The achievement or fulfillment of customer satisfaction and needs can provide changes in the value and benefits of bokar products that customers want.

The Effect of Social Value on Marketing Performance

Social Value is one of the attributes of customer value that affects marketing performance. Based on the results of data testing carried out, in the Coefficient table the significant value is 0.014 which is smaller than the significant level of 0.05 or $0.014 < 0.05$. This shows that H_0 is rejected and H_2 is accepted, which means that the regression coefficient of the social value of social value has a partially significant effect on the marketing performance of rubber farmers.

Customers buy bokar directly to farmers because the customer (factory) has established cooperation partners with farmers through associations with an agreement to accept buyers by the factory. The ability to build good relations between farmers and factories is carried out by always maintaining the trust given by customers by paying attention to the quality of the bokar produced for smooth cooperative relations to continue. Based on the results of research conducted by Hendri (2016) explains that social value has a positive influence on customer satisfaction because it is related to the ability of a product to improve its quality. The strong relationship between farmers with institutions and factories is an important factor for smooth marketing activities.

The Effect of Quality Value on Marketing Performance

The quality value is one of the customer value attributes that affect marketing performance. Based on the results of data testing carried out in the Coefficient table, a significant value of 0.021 is obtained, which is smaller than the significant level of 0.05 or $0.021 < 0.05$. This shows that H_0 is rejected and H_3 is accepted, which means that the regression coefficient of the quality/performance value attribute has a significant partial effect on increasing the marketing performance of smallholder rubber farmers. This is because the quality of bokar produced by farmers can provide satisfaction for customers.

Bokar quality according to quality standards can meet customer needs. Improving the performance of farmers in rubber farming such as increasing production and quality of bokar will affect the value of sales and profits which can improve marketing performance. Based on the results of Konuk's research (2018), it is stated that

the quality of the product produced is a key factor in the willingness of customers to return to buy the product. In the face of market competition, farmers must continue to communicate with factories and respond to quality requirements. Increasing product quality can be of added value to customers and can increase product competitiveness.

The Effect of Price Value on Marketing Performance

Price Value is the price of bokar received by farmers based on the quality of bokar produced. Based on the results of testing the data obtained a significant value is 0.267 greater than the significant level of 0.05 or $0.267 > 0.05$. This shows that H_0 is accepted and H_4 is rejected, which means that the regression coefficient of the price value attribute has no partial significant effect on the marketing performance of smallholder rubber farmers. This is because farmers must be able to pay attention to customer needs and desires regarding the appropriate price to meet customer needs by always evaluating customer complaints to create customer value.

The determination of the bokar price is carried out based on the agreement of both parties with the determining factors in the form of a basic price and quality following the provisions and mutually beneficial for both customers and farmers. According to Mahbubi (2019) price is no longer the only driving factor for product purchase choices. However, the expectations of customers will be on prices, payment methods, and cooperation in facilitating transactions.

CONCLUSION

Based on the characteristics of the respondents, most of the respondents are male, 26 farmers with a percentage of 83.87%, aged 15-55 years percentage of 64.52%, with the most recent education being senior high school by 13 percent from 41.94%, with farming experience 23-43 years percentage of 54.84%, with a land area of 0.5-1.5 hectares with a percentage of 70.97%.

Based on the f test obtained the sig. f value 0.000 is smaller than the significant level of 0.05, it can be concluded that customer value is seen from the attributes of emotional value, social value, quality value, and price value simultaneously has a significant effect on increasing the marketing performance of traditional rubber farmers.

The sig. t value for X_1 is 0.003, the value of sig. t of X_2 is 0.014, the value of sig. t of X_3 is 0.021 which is smaller than the value of the significant level of 0.05. Meanwhile, the value of sig t X_4 is 0.216 which is greater than the value of the significant level of 0.05. This means that emotional value, social value, and quality value partially have

a significant influence on marketing performance, while price value partially does not have a significant effect on marketing performance.

The condition of the marketing performance of smallholder rubber farmers in the Kuantan Mudik District is quite good but not optimal because the sustainability of the rubber business is not guaranteed. The government's policy is one of the things that is expected to help the development of the rubber business in the Kuantan Mudik District so that it can improve the bargaining position of farmers to market rubber.

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