

FACTORS DETERMINING BUYER-SELLER RELATIONSHIPS: EMPIRICAL RESULTS FROM AN AGRIBUSINESS PERSPECTIVE

Hesty Nurul Utami¹, Dini Turipanam Alamanda² and Risma Muhamad Ramdani³

¹Newcastle University Business School, Newcastle University, 5 Barrack Road,
Newcastle Upon Tyne, United Kingdom

^{2,3}Faculty of Economics, Garut University, Jalan Samarang 52, 44151 Garut, Indonesia

E-mail: h.n.utami2@newcastle.ac.uk; alamanda.dini.2017@gmail.com; risma.ramdani91@gmail.com

ABSTRACT. Continuous development of the Indonesian agri-food retail in the past decades has shown an evolutionary way on how the buyer and seller build their interaction during the exchange transaction process. It shows the significance of beneficial buyer-seller relationships in the shifting from traditional food retailing model to modern food retailing model, including in developing economy context. The study aims to investigate the factors affecting the buyer-seller relationship concept to access the modern market from the farmer producer perspective in the setting of an emerging market. This study surveyed 75 respondents of vegetable farmer group members located in a vegetable cluster in West Java, Indonesia. An explanatory quantitative method with Confirmatory Factor Analysis (CFA) was used for the data analysis. The findings verified four primary factors that can explain the B2B buyer-seller relationship of farmers deciding to partner with modern retailers such as supermarkets, which consists of trust, loyalty, relationship commitment, and business communication. The findings propose a further understanding related to the factors that influence the buyer-seller inter-relationships in the B2B context of the agriculture sector.

Keywords: trust; loyalty; commitment; communication; confirmatory factor analysis

FAKTOR-FAKTOR YANG MENENTUKAN HUBUNGAN PEMBELI-PENJUAL: HASIL EMPIRIS DARI PERSPEKTIF AGRIBISNIS

ABSTRAK. Perkembangan industri ritel makanan bahan makanan di Indonesia selama beberapa tahun ke belakang telah menunjukkan suatu evolusi tentang bagaimana penjual dan pembeli melakukan interaksi selama proses pertukaran transaksi. Hal ini menunjukkan peran penting dari membangun hubungan penjual dan pembeli yang menguntungkan di dalam transisi dari model ritel tradisional ke model ritel modern di sektor pertanian, termasuk di dalam konteks negara berkembang. Tujuan dari studi ini adalah untuk menguji faktor-faktor yang mempengaruhi konsep hubungan pembeli-penjual untuk mengakses pasar modern dari perspektif petani produsen. Penelitian ini dilakukan melalui survei terhadap 75 anggota kelompok tani sayuran di sebuah kelompok sayuran di Jawa Barat. Metode kuantitatif eksplanatori melalui Analisis Faktor Konfirmatori digunakan sebagai alat analisis data. Hasil analisis memverifikasi empat faktor utama yang dapat menjelaskan mengenai hubungan penjual dan pembeli di dalam konteks B2B dari sudut pandang petani yang memutuskan untuk bekerjasama dengan ritel modern seperti supermarket, yaitu faktor kepercayaan, kesetiaan, hubungan komitmen, dan komunikasi bisnis. Penelitian ini memberikan pemahaman lebih lanjut mengenai faktor-faktor yang dapat mempengaruhi hubungan antar pelaku di antara pembeli-penjual di dalam konteks antar pelaku bisnis B2B dari industri pertanian.

Kata kunci: kepercayaan; kesetiaan; komitmen; komunikasi; analisis faktor konfirmatori

INTRODUCTION

Buyer – seller relationship in B2B marketing explains the key business relationships to achieve a long-term relationship with the business partners. The relationship among business parties has developed as a strategic means to achieve business goals in terms of cost and uncertainty reduction (Wilson, 1995). Supplier-buyer relationships in marketing research, however, mostly give more concern on marketing relationships between marketing channels in the manufacturing sector, including the relationship among the distributors (Su & Yang, 2017). In practice, how the concept of buyer-seller relationships in B2B marketing for different industries and different levels of relationship build are resulting in different relevant

influencing factors to the success or the failure of the relationships model.

Another challenge for the concept of buyer-seller relationship in today's marketing dynamic is the advancement of marketing logic from product-centric to customer-centric that indicated in service-dominant philosophy (Vargo & Lusch, 2004; 2008). Services become the source in the competitive market sphere, both in the goods and services industry.

In many companies operating strategies, B2B relationships are increasingly significant. The importance of the B2B buyer-seller relationship in the marketing field has been gained massive attention, although previous studies show gaps that need to be examined regarding the transition towards solution provision as the crucial stage in the initiation of the buyer-seller relationship (Valtakoski,

2015). The shifting from transactional to relational marketing perspective also mean the moving from the product orientation to customer orientation as the solution that includes a more complex and dynamic relationship between buyer and seller (Spekman & Carraway, 2006).

Marketing value creation based on strong buyer-seller relationship explains a long-term gain for both businesses. By shifting the market orientation from conventional market channels (e.g., wet market) to modern market channels (e.g., Supplier Company, Retail Company, food services industry), the farmers and traditional traders are joint in the farmer group or farmer group association and appointed as the seller. Meanwhile, the conventional marketing system with the transactional method is the most common marketing practices when involving smallholder farmers in the chains.

However, some smallholders in vegetable production areas in Indonesia start to shift their business orientation to a more stable business system by selling the product to modern markets such as a Retail Company, fresh produce Supplier Company, and foodservice industry. Smallholders start to realize the importance of doing farming as a business not only for self-sufficiency and for inheritance culture. Along with the improvement of the smallholder marketing system, value creations developed through marketing relationships with business buyers. The smallholder farmers joint together into a farmer group, to enable supply more product supply by differentiating the commodities based on buyer preferences in terms of quantity and quality.

Vegetables are one of the belle agricultural commodity in West Java, Indonesia. Nowadays, the sales contribution of vegetable commodities reaches 16,2% in the modern market based on the Horticultural General Directorate of Agriculture Ministry in 2013. The number is inseparable from the increasing number of consumer vegetable demand in the modern market such as modern retail and food market. The rose of fresh produce (e.g. vegetables) consumption twice compared to rice as the staple food of most Indonesia people in 2007, especially in the urban communities (World Bank, 2016). This number is predicted to continue rising along with the multiple numbers of middle-class segment end customers.

Bao et al. (2012) suggested that in conventional supply chains of fresh produce commodities, such as fruits and vegetables, there is a longer delivery time of these products to consumers. Many excessive logistic activities could be the reason to this. Chladkova & Formankova (2016) indicated another significant

factor that influence the agricultural businesses related to the suppliers' purchasing power. Carbone (2017) stated that smallholder farmers who are, not involved in any kind of more established relationships in the marketplace will likely suffer from limited human capital, produce lower product quality, and, less innovative.

The novelty of the current study is as a new contribution to B2B relationship marketing in agricultural business. The focus on the buyer-seller relationship as a new paradigm on marketing value creation, seller focus becomes essential. The agricultural industry in developing countries comprises a complex system, which involves various distribution channels and extended supply chains. Meanwhile, agricultural products such as vegetables were mostly done by smallholders individually and neglected business focus by selling the product to the traditional market with volatile prices. The situation often disadvantages smallholder and affects business profit and sustainability. Therefore, this study aims to investigate factors associating the B2B buyer-seller relationship in an agribusiness context.

It is crucial for both business-to-business (B2B) and business-to-customer (B2C) companies to achieve positive results and maintain long-term relationships because, in addition to better opportunities, they face higher risks (Kandampully, 2003) the Internet provides firms with a new platform – commonly referred to as electronic marketplaces or electronic hubs (“e-marketplaces” or “e-hubs”. Maintaining good relationships in B2B marketing may facilitate benefits for business operation processes, such as managing continued production (Rochdiani & Utami, 2009). B2B company's operation has significant effects on how they provide values to B2C. Also, the innovation activities where the B2C markets are fully involved with their B2B customers (Wright et al., 2019).

Value concepts become a robust topic among researchers and academicians. It propositions valuable feedback to assess products or business performance in the industry. Relating to B2B, creating values through relationship marketing could improve customer loyalty (Futrell, 2000).

Kooli et al. (2019) with very few conducted in emerging countries, is provided. Findings: The results highlight similarities in the factors affecting the intention to use social media sites in emerging countries: perceived usefulness and perceived utility were found to significantly influence the intention to use social media sites in Jordan and also in China and South Korea. However, the perceived usability of social media sites did not have any influence on

Jordanian B-to-B marketers' intention to use those sites. In addition, result demonstrability, of less importance in developed countries, was found to significantly influence Jordanian B-to-B marketers' intention to use social media sites. Image and subjective norms were found to influence perceived usefulness. Efficiency has no significant influence on perceived usability, whereas error, satisfaction, learnability, and memorability were found to significantly influence Jordanian B-to-B marketers' perceived usability of social media sites. Research Implications: This research contributes to the technology acceptance research field and particularly the area of B-to-B firms' use of social media sites. It combined (istated that images, subjective norms, and the results of demonstrability had significant effects on the perceived benefits. The preference change of relationship marketing practice preferences could be influence by customer personality traits and the type of customer (Caliskan, 2019). In the context of B2B relationship, these factors t will then influence marketer's intention to use and function social media for marketing (Kooli et al., 2019)with very few conducted in emerging countries, is provided. Findings: The results highlight similarities in the factors affecting the intention to use social media sites in emerging countries: perceived usefulness and perceived utility were found to significantly influence the intention to use social media sites in Jordan and also in China and South Korea. However, the perceived usability of social media sites did not have any influence on Jordanian B-to-B marketers' intention to use those sites. In addition, result demonstrability, of less importance in developed countries, was found to significantly influence Jordanian B-to-B marketers' intention to use social media sites. Image and subjective norms were found to influence perceived usefulness. Efficiency has no significant influence on perceived usability, whereas error, satisfaction, learnability, and memorability were found to significantly influence Jordanian B-to-B marketers' perceived usability of social media sites. Research Implications: This research contributes to the technology acceptance research field and particularly the area of B-to-B firms' use of social media sites. It combined (i. Wright et al. (2019) added that nowadays, the primary service of B2B innovators consists of data storage, but it can be anything.

Buyer-seller relationship concept relies on the term of exchange with four key advantages. There is the exchange as a center of exchange events; exchange as a social network identification; exchange as an examiner for the transferred entities;

and exchange as critical events in the market sphere (Dwyer et al., 1987)

In industrial markets, buyer-seller relationships often depicted by complex communication patterns in which the quality of information exchange determines the activities' efficiency and effectiveness (Gadde & Håkansson, 1993). Dadzie et al. (2018) combined findings of cognitive and affective interpersonal dimensions affecting buyer and seller relationships in a heterogeneous market structure that dominated by small-scale entrepreneurs. Marketing campaigns by developing beneficial relationships between buyer and seller such as engagement development can influence customer satisfaction (Sukandi et al., 2019)seperti lewat website, blog, email marketing serta media sosial. Penelitian ini bertujuan untuk menganalisis dampak dari pemasaran digital yang dilakukan oleh perusahaan terhadap tingkat kepuasan yang dirasakan oleh nasabah serta corporate image yang dihasilkan oleh lembaga perbankan dari dilakukannya pemasaran digital, sampel kuesioner yang digunakan adalah konsumen lembaga perbankan PT. Bank Negara Indonesia (BNI). Bourassa et al. (2016)it is poorly defined and understood, especially in business literature. We reviewed literature from various fields, including education, aging, and social work, and conducted in-depth interviews with 24 North American professionals. Through thematic analysis of transcripts, we found respect is about valuing relationship partners. It results not only in commitment and positive word-of-mouth (as expected highlighted the need to establish respect to improve long-term buyer-seller relationships.

Trust has become a key issue involving at least two parties in several business research fields regarding buyer-seller relations(Li & Betts, 2016) whether it is interpersonal trust, organizational trust, or trust in exchange relationships, has drawn great attention from both business practitioners and scholars in recent years. Numerous studies have been done, but the meaning of trust seems to remain elusive. Few constructs have been defined in so many different ways resulting in much confusion. This research attempts to improve our understanding of the nature of trust through reviewing existing business literature on this construct. By comparing and contrasting different perspectives of defining trust, the paper argues that trust is not a calculated probability of the behavior of the party to be trusted, and neither is it ones willingness to risk vulnerability. Emphasizing the social or relational nature of trust, this paper defines trust as a choice, a decision to place ones confidence in others. Cognitive expectation (the

calculated probability. Fenneteau & Guibert (1997) proposed three aspects of trust:

- 1) Predictability (the action based on limited observation and interpretation that the opponent repeats coherently);
- 2) Dependency (the evaluation conducted on the opponent's specific behavior related to conflicts of interest or vulnerability); and
- 3) Faith (the component that built based upon in-depth observation of the opponent's behavior to face varied interpretations).

Trust identifies as the construction of trust behavior, meaning that one party trusts another party in a relationship (Li & Betts, 2016) whether it is interpersonal trust, organizational trust, or trust in exchange relationships, has drawn great attention from both business practitioners and scholars in recent years. Numerous studies have been done, but the meaning of trust seems to remain elusive. Few constructs have been defined in so many different ways resulting in much confusion. This research attempts to improve our understanding of the nature of trust through reviewing existing business literature on this construct. By comparing and contrasting different perspectives of defining trust, the paper argues that trust is not a calculated probability of the behavior of the party to be trusted, and neither is it ones willingness to risk vulnerability. Emphasizing the social or relational nature of trust, this paper defines trust as a choice, a decision to place ones confidence in others. Cognitive expectation (the calculated probability. Upamannyu et al. (2015) indicated the positive impact of customer trust on customer loyalty.

Loyalty referred to the dedication, commitment, or service to someone, profession, nation, institution, trust, or causes (Rai & Srivastava, 2014). Loyalty programs may affect customers' loyalty to encourage repeat purchases, to maintain the brand, including the workplace, and to improve products and services (Uncles et al., 2003). Customer loyalty can be represented through various customer post-purchase behaviour, such as repurchase behavior, positive word of mouth, resistance to buy other products with any persuasion, and reducing to find new product categories (Dickinson, 2013) supply-side (firm-controllable. The company loyalty and sales strategies actively improve investment relationships affecting the customers' loyalty (Wang et al., 2015).

The seller's efforts can raise buyer confidence, even though the buyer does not show any interest in forming a long-term commitment with the product. This means the link between trust and relationship

commitment is not affected by the buyer's intention to maintain and improve the relationship (Crotts et al., 2011).

However, if consumers have difficulty in finding alternative suppliers, then trust does not guarantee consumers' relationship commitment to the company (Crotts et al., 2011). The effectiveness of buyer power in facilitating supplier behaviour depends on the extent to which such power can motivate suppliers to maintain relationships with the buyers (Chae et al., 2017).

Communication between buyers and suppliers occurs as coordination, that is, building or negotiating relationships and/or contracts as a conflict resolution to realize a long-term relationship (Ambrose et al., 2008). The choice of communication media platforms is influenced by the necessities of communication, buying context of sellers, buyers, including suppliers, and the stage of relationship (Ambrose et al., 2008).

Changes in technology, particularly smart phones in the millennial generation, have substantially changed the behavior of communication between sellers and buyers (Carlson, 2018). Text-based communication becomes preferable and prevalent among youths in exchanging information which underlies and supports the expected behavior in the development of relations between the two parties.

Companies get benefits by expanding marketing training, such as sales to overcome both technical knowledge and communication skills. This can be done by using technology and innovation improving services and enhancing customer satisfaction with better information provision and communication delivery (Agnihotri et al., 2009). Therefore, no matter how difficult the problems faced by the companies, high quality of sales representatives with good communication skill and trusted behavior will be able to become "trusted advisors" (Carlson, 2018).

METHOD

The methods section explains the research designs regarding the number of subjects and the collected data's demographic profiles (Azwar, 2007). As this study employed quantitative research and used specific measuring instruments, then the number of items, the label of the measuring instrument, the reliability coefficient, and the method to analyze the data are explained.

The study focuses on the factors affecting the buyer-seller relationship in the B2B context taken from the seller perspective in the agribusiness sector, primarily the B2B market of fresh produce commodities. The study surveyed the members of

Lembang Agriculture Farmer Association located in West Bandung, Indonesia. This farmer association was selected due to fits the criteria aims for this study. Lembang as the location taken for this study was selected based on several reasons:

- 1) Lembang is the center for horticulture production in West Java Province, Indonesia.
- 2) Lembang has become the pilot project for agribusiness cluster by making the horticultural farmers in this area use modern market channel to sell their products, such as to supermarkets.
- 3) Lembang Agriculture Farmer Association is one of the farmer associations under the guidance of the local government, Bank of Indonesia, and under the supervision of the Ministry of Agriculture. These government agencies try to facilitate this farmers' association to build their professional business by linking it to modern market channels. This has led to the changes of the marketing perspective of the association from a conventional agriculture business perspective into a more skilled and professional one.

The study aims to gain an understanding of the B2B buyer-seller relationship in the agriculture sector. A survey was used for the data collection using a structured questionnaire that consisted of two main sections. The first section comprises questions about respondents' profiles: gender, age, education, and the length of business experience, size of farming land, and land ownership status. The second section consists of a set of variables regarding four constructs in the buyer-seller relationship: trust, loyalty, relationship commitment, and business communication. The first and the second constructs comprised three items: the third and the fourth covered two and four items. We used a 7-point Likert Scale in the questionnaire from 1 (strongly agree) to 7 (strongly disagree) to broaden the range of choices that could improve the specificity of the research results. A central point on this scale is four (4) that used to stimulate psychologically interval data in the mind of the respondents.

The study employed an explanatory research design. A face-to-face survey was conducted to 75 farmer members of the farmers' association. A simple random sampling was used to sample the respondents by randomly selecting the samples based on 138 data members given by the association. A total of 75 members of the farmer group gave their consent to participate in this research. The data sampling was followed the desired level to determine sample size in multivariate analysis. In this type of research, the sample size is preferably at least ten

times the observed variables, and the more, the better (Sekaran & Bougie, 2016). Although, there is nothing general agreement among scholars about the sample adequacy and the sampling method used for confirmatory factor analysis (Harrington, 2009). However, we followed the rule of thumb on sampling size determination for multivariate analysis that requires 15 to 20 observations for each of the observed variable (Hair Jr. et al., 2014). The study consisted of four variables, namely, trust, loyalty, relationship commitment, which means the minimum sample size for this study was 40 to 80 samples. In total, the study involved 75 participants that met the adequate samples for the analysis.

After we obtained the data, we analyzed it using SPSS 20. In the data analysis, we employed descriptive and inferential statistics. We also tested the data adequacy to determine the suitability for the data to be analyzed using factor analysis. Data accuracy was validated with the Kaiser-Meiyer-Oikin indicator (KMO) and Bartlett's Test of Sphericity. The CFA was then applied using the extraction method based on principal component analysis. The rotation method was also employed for further analysis using Varimax with the Kaiser Normalization. Each construct was analyzed using these methods to determine the factors influencing the B2B buyer-seller relationship of farmer producers joining the farmers' association and shifting business market orientation from conventional traditional to the modern market.

The CFA was applied to discover the pattern of the item – factor relationships by verifying some of the underlying dimensions of the observed instrument (Brown, 2015). Also, as an analytic method to build construct validation in social science. In this study, a set of questions was adapted from the original scales to examine four factors in the buyer-seller relationship. The fundamental strength of CFA approaches is the capability to measure error and error theory based on construct validation. It is then resulting in the adjusted convergent and discriminant validity estimations (Brown, 2015). The CFA can examine a hypothesized factor structure with highly complex algebra (P. Kline, 1994). The application of a CFA has a more robust analytical framework compare to other traditional approaches, which could not provide the measurement error (Brown, 2015).

RESULTS AND DISCUSSION

The respondents' profile of this study is presented in Table 1. The descriptive analysis showed that 74.7% of the respondents were men, and

only 25.3% were women. About 36% of respondents were aged between 31 – 40 years old, 25.3% were aged between 41 – 50 years old, only 13.3% were categorized young with age between 20-30 years old, and the rest of respondents (25.3%) were seniors age above 51 years old. Most respondents graduated from elementary school (76%), and only 5.4% had a university degree (2.7% had a bachelor's degree, 2.7% had a diploma degree). About 48% of respondents had more than twenty years of farming experience, and only 9.3% were new in this field with 0-5 years of experience. About 54.7% of respondents were smallholder farmers with less than 0.3-acre land, and only 10.3% had more extensive land with more than one acre. Although these farmer producers were categorized as smallholders, 74.7% of them owned the farming land.

Table 1. Demographic Profile of Respondents

	Criteria	F	%
Age (year-old)	20-30	10	13.3
	31-40	27	36.0
	41-50	19	25.3
	51-60	13	17.3
	>61	6	8.0
Gender	men	56	74.7
	women	19	25.3
Education	Bachelor	2	2.7
	Diploma	2	2.7
	High School	4	5.3
	Junior High School	10	13.3
	Elementary School	57	76.0
Farming experience (year)	0-5	7	9.3
	6-10	11	14.7
	11-15	6	8.0
	16-20	15	20.0
	>20	36	48.0
Size of farming land (acre)	<0.3	41	54.7
	0.3 - 0.99	26	34.7
	>1	8	10.7
Type of land ownership	Personal Ownership	56	74.7
	Rent	12	16.0
	Mixed of personal ownership and rent	6	8.0
	Owned by farmer association	1	1.3

Source: Primary data (2020)

VALIDITY AND RELIABILITY ANALYSIS

This study used the KMO and Bartlett's test for data validation (see table 2). The Kaiser-Meiyer-Olkin (KMO) test result is 0.77, supporting data validity and employing the CFA. This result passed the threshold for the KMO indicators that should be exceeded by 0.6 (Kaiser, 1970). The result is also aligned with Kline (2005) that sample size less than 100 to 200 is suggested to have standardized factor loadings above 0.6 to proceed with the CFA.

Factors Determining Buyer-Seller Relationships: Empirical Results From an Agribusiness Perspective
(Hesty Nurul Utami, Dini Turipanam Alamanda and Risma Muhamad Ramdani)

Barlett's test of sphericity indicated a significant result ($p < 0.00$) and confirmed a further analysis for the CFA.

Table 2. Data Validity Results

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.770
	Approx. Chi-Square	382.897
Bartlett's Test of Sphericity	Degree of freedom	66
	Significance	0.000

Source: Primary data (2020)

Reliability analysis assesses the internal consistency of the items of each observed variable (Harrington, 2009). Using the α coefficient can measure the observed variables' consistency over time, along with their internal consistency (Kline, 1994). The Cronbach Alpha coefficient was used for the reliability check. A factor should at least score 0.6 to be considered reliable variables (Bagozzi & Yi, 1988). Others recommended a value of 0.7 or above as the threshold for reliability analysis (Nunnally & Bernstein, 1994). The test showed that all four factors examined in this study were reliable and consistent as the score was higher than 0.7 (see table 3).

Table 3. Reliability Test Results

Instrument	Cronbach Alpha	Items
Factor 1: Trust	0.754	3
Factor 2: Loyalty	0.730	3
Factor 3: Relationship Commitment	0.904	2
Factor 4: Business Communication	0.723	4

Source: Primary data (2020)

CONFIRMATORY FACTOR ANALYSIS – (CFA) RESULTS

The objectives of factor analysis are two-folds. First, to examine the relationship among variables that are possible from theories, and second as substantial support on an examination to observe the mutual relationship between the factors (Schilderinck, 1970). In this study, the number of extracted factors are represented by Eigenvalues and the variance of each factor (see table 4). The analysis revealed that the four factors of the B2B buyer-seller relationship explained 71.2% of the total variance. The result also showed that 'trust' had a more significant influence than other factors of 'loyalty, relationship commitment, and business communication'. These three factors showed to have an almost an equal contribution to the B2B buyer-seller relationship.

Table 4. Percentage of Variance Explained

Factors	Eigen Value	Variance Explanation
1. B2B Trust	2.497	20.809
2. B2B Loyalty	2.052	17.103
3. B2B Relationship Commitment	2.032	16.932
4. B2B Business Communication	1.963	16.360
Cumulative (%)		71.203

Source: Primary data (2020)

FACTOR 1: B2B TRUST

The 'trust' factor explained about 20.81% of the total variance (see table 4). This factor consists of three indicators with factor loading varying from 0.710 to 0.826. The three indicators explained about (see table 5): (1) farmer trust as the seller to buyer/supplier credibility, (2) farmer trust as the seller to supplier/buyer record of accomplishment, and (3) farmer trust as the seller to supplier/buyer goodwill and reputation. From these three indicators, the first one about putting trust in buyer credibility gained the highest score with 0.826, and indicator three related to trusting to buyer reputation and goodwill resulted in the lowest score with 0.710. This result support previous research regarding private organizations having greater buyers' trust than public organizations (Dadzie et al., 2018). The analysis also aligned with previous research about buyer credibility that could use to as the key to gaining market credibility (Bly, 2013). Trust from the seller in the B2B relationship based on the business buyer credibility is essential to achieve a long-term relationship with the buyer. This result revealed that in the B2B marketing relationship, the business buyer should gain the seller's trust to extend the business relationship to ensure the product supply from the seller as the supplier for the products, which could support product delivery to end-consumers. A B2B positive experience is expected to ensure and maintain both business seller and business buyer trustworthiness.

In the B2B relationship, buyer goodwill and reputation reflect company professionalism and services (Bly, 2013). This means the B2B seller will have greater trust in the B2B buyer who have better goodwill and reputation and goodwill. Trust is a crucial element for buyers to decide where to satisfy their needs. Trust also reflects how sellers enable to provide the buyers' needs and what is best for them (Green, 2006). In the agribusiness sector dominated by smallholder farmers, joining a farmer group or farmers' association is a business strategy to penetrate the modern market, such as supermarkets. This requires the buyer's trust to succeed with the B2B

relationship. The farmer group is functioned as the marketing and logistic hub to distribute the products, including advocating farmers' members of how do business with the modern market as business buyers. Although, accessing modern retail for smallholder farmers may experience more complicated business process to partner with modern retailers. The new business process that the farmers' members need to follow requires the farmer group or farmers' association efforts to enhance member trust and convince them that this modern retail channel benefits. Focusing on customer needs and putting them as a partner in the business possibly contributes to value creation (Maxim, 2009). Trust among the B2B parties positively affects collective behavior (Pimentel Claro et al., 2005). Therefore, the farmer group or farmers' association need to find and create the most suitable system to reconfigure the new B2B marketing system that benefits the buyer-seller relationship.

FACTOR 2: B2BLOYALTY

The second factor regarding loyalty explained about 17.10% of the total variance (see table 4). This factor consists of three items related to (see table 5): (1) buyer retention (0.798), (2) buyer repeat order (0.739), and (3) financial support from the buyer (0.719). From these three items, keeping buyer retention based on the risks of business uncertainty and price volatility showed the highest score, which means farmers as the business seller consider these risks when trying to keep buyer retention. This result support previous research by White & Yanamandram (2007) that indicate price instability is one factor that can affect customer retention and potentially change preference to competitors. The second item about buyer repeat purchase is relevant with previous research by Uncles et al. (2003) about buyer repeat buying occurring because there is an improvement in production, which satisfies the buyer. The item regarding financial support from the business buyer received the lowest score. Financial support from the business buyer to the farmers to provide financial funding is sometimes given, but not always. This scheme could facilitate the farming production, ensuring the farmers can fulfil the agreed supply, primarily because smallholder farmers usually have financial issues when fulfilling continued business buyer demand, as requested in the contract. The finding supported previous research about the increase in financial support for farmers is consider as investment and support buyer loyalty (Wang et al., 2015). In this study, the result is possibly because not all business buyer provides this collaboration scheme with the suppliers or producers, such as farmers.

Table 5. Confirmatory Factor Analysis (CFA) Results

Variables	Factor Loadings for Components			
	(1)	(2)	(3)	(4)
Trust on suppliers related to product credibility			0.826	
Trust on buyers' record and their accomplishment			0.712	
Trust on buyers' goodwill and reputation			0.710	
Uncertainty in business and price volatility to keep buyers' retention		0.798		
Fluctuation of production keeps buyers to still supporting the seller business by making repeat orders		0.719		
The business buyer provides financial business support for the farmer group as the seller		0.739		
The farmer group members have expected a long-term marketing relationship in the future with the supplier as the buyer	0.898			
The farmer group members' expectation towards relationship continuity that profitable for both the buyer and the seller	0.846			
Intensive communication between the buyer and the seller related to the business opportunities and business market				0.652
Conducting continuous and routine communication as part of business activities				0.780
The buyer recommendation and suggestion to solve the seller's business problem				0.618
Openness to the buyer recommendations related to business and agriculture production problems				0.519

Source: Primary data (2020)

FACTOR 3: B2B RELATIONSHIP COMMITMENT

In this study, relationship commitment comprises two items and explained about 16.4% of the total variance. Initially, four indicators were used in the analysis, but two were excluded for further analysis due to low scores on validity and reliability. The remaining two indicators reflect (1) the seller expectation about a long-term marketing relationship with the buyer (factor loading 0.898); and (2) the seller expectation for a relationship continuity that is beneficial for both seller and buyer (factor loading 0.846).

Commitment occurs when customers desire a stable relationship that can benefit them to gain greater access to market information and select a better product assortment, primarily when the products are limitedly available in the market. Hence, providing

more information about product technical details and how it used become essential to retain customers (Batt, 2000). In the B2B relationship, business sellers and buyers continue looking for challenges and developing beneficial opportunities. An effective commitment could maintain a B2B relationship, and this assume to influence the attachment between the buyer and the seller. Committed to the B2B relationship could propose better decision making based on valuable information obtained by each party (Haider & Shakib, 2018).

FACTOR 4: B2B BUSINESS COMMUNICATION

Business communication is the fourth factor examined in this study, and the results showed that this factor explained about 16.93% of the total variance (see table 4). Initially, seven items were used, but three items were removed due to low scores on validity and reliability and only four remaining. The four items were used (see table 5): (1) intensive communication amongst the B2B parties (0.652); (2) regular communication (0.780); (3) buyer recommendation and suggestion (0.618); and (4) openness to buyer recommendation (0.519). The results showed that regular communication gained the highest score, and seller openness to buyer suggestions gained the lowest score. This means that regular communication between the B2B parties is essential in this context, and openness is considered the least important in the B2B relationship. The findings support previous research about the role of communication, such as between the B2B parties (connections, colleagues), which can enhance the seller's knowledge by receiving more useful information from the networking that also involved the same business buyers (Pimentel Claro et al., 2005). Effective communication also influences the B2B parties' business performance and potentially enhance coordination, commitment levels, satisfaction, and business performance (Hsiao et al., 2002).

In agribusiness marketing, relational marketing application could offer advantages compared to transactional sales usually conducted when farmers or local agriculture traders sold the products to the traditional market. The buyer-seller relationship based upon relational marketing could accelerate business buyer business growth. In addition, with today's digital technology development, communication is borderless by enabling electronic communication without requiring face-to-face communication that save the business sellers or suppliers resources (Hingley & Lindgreen, 2001), such as time and energy.

CONCLUSION

Although this research only used less than ten times the number of variables, it managed to offer several meaningful insights. Regardless of the debate that might occur about its sample adequacy, which has already been resolved by using the Kaiser-Meiyer-Olkin (KMO) test, this research confirms the factors associated with the buyer-seller relationship. The factors are B2B trust, loyalty, commitment, and communication. In this research context of agribusiness marketing based upon the perspective of the fresh produce producers as business sellers, it is essential to develop and maintain these four factors to succeed the B2B relationship. These factors also support the importance of offering good agricultural products to business buyers and services. The farmer group or farmers' association could be used as a facilitator or advocator for smallholder farmers to perform a more professional business when penetrating the modern market. As a facilitator, the farmer group or farmers' association could help the farmers' members dealing with the legal formalities to partner with the modern retail companies as their business buyers, such as dealing with the contract agreement. It should be ensured that the partnership benefits the business buyer and farmers as the producer. Hence, the farmer group or farmers' association needs to be aware of a clear description of the partnership period, the supplied quantity to be fulfilled, prices, and other clauses that may arise when unpredictable situations occur (e.g., price changes, breach of contract).

Therefore, small-scale farmers need to understand their role in the B2B relationship when they decide to sell the products to the modern market, which has a different business concept than the traditional market with a transactional marketing model. Because farmers as producers and business sellers have certain expectations towards the B2B relationship with the modern markets, they also require providing the same professionalism to maintain the relationship with the business buyers. The seller professionalism also portrays the business readiness of the seller to market the products to modern retail. The farmers' association could provide programs that can support this goal by conducting gatherings with the farmer members and advocating them about relational marketing required in selling the products to modern retail. Further communication between the farmers' members and the business buyers (e.g., supermarkets) could also assist and enhance personal approach and trust between these parties and support the B2B buyer-seller relationship for the long term.

REFERENCES

- Agnihotri, R., Rapp, A. & Trainor, K. (2009). Understanding the role of information communication in the buyer-seller exchange process: Antecedents and outcomes. *Journal of Business and Industrial Marketing*, 24(7), 474–486. <https://doi.org/10.1108/08858620910986712>
- Ambrose, E., Marshall, D., Fynes, B. & Lynch, D. (2008). Communication media selection in buyer-supplier relationships. *International Journal of Operations and Production Management*, 28(4), 360–379. <https://doi.org/10.1108/01443570810861561>
- Azwar, S. (2007). *Metode Penelitian*. Pustaka Belajar.
- Bagozzi, R.P. & Yi, Y. (1988). On the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, 16(1), 74–94. <https://doi.org/10.1007/BF02723327>
- Bank, W. (2016). World Bank Group Country Survey 2015. <http://microdata.worldbank.org/index.php/catalog/2609>
- Bao, L., Huang, Y., Ma, Z., Zhang, J. & Lv, Q. (2012). On the Supply Chain Management Supported by E-Commerce Service Platform for Agreement based Circulation of Fruits and Vegetables. *Physics Procedia*, 33, 1957–1963. <https://doi.org/10.1016/j.phpro.2012.05.308>
- Batt, P. J. (2000). Modelling buyer-seller relationships in agribusiness in South East Asia. *16th Annual IMP Conference*, 1–28. <http://hdl.handle.net/20.500.11937/8110>
- Bly, B. (2013). *The Business-to-Business Marketing Handbook*. Center for Technical Communication.
- Bourassa, M.A., Cunningham, P.H., Ashworth, L. & Handelman, J. (2016). Respect in Buyer/Seller Relationships. *Canadian Journal of Administrative Sciences*, 35(2), 198–213. <https://doi.org/10.1002/cjas.1426>
- Brown, T. A. (2006). *Confirmatory factor analysis for applied research*. The Guilford Press.
- Caliskan, A. (2019). Applying the Right Relationship Marketing Strategy through Big Five Personality Traits. *Journal of Relationship Marketing*, 1–20. <https://doi.org/doi:10.1080/15332667.2019.1589241>

- Carbone, A. (2017). Food Supply Chains: Coordination Governance and Other Shaping Forces. *Agricultural and Food Economics*, 5(1), 1–23. <https://doi.org/10.1186/s40100-017-0071-3>
- Carlson, S. C. (2018). Buyer-Seller Communications : Trusted Advisor Constructs and Measurement Buyer-Seller Communications: Trusted Advisor Constructs and. *Atlantic Marketing Journal*, 7(1). <https://digitalcommons.kennesaw.edu/cgi/viewcontent.cgi?article=1233&context=amj>
- Chae, S., Choi, T. & Hur, D. (2017). Buyer Power and Supplier Relationship Commitment: A Cognitive Evaluation Theory Perspective. *Journal of Supply Chain Management*, 53(2), 39–60. <https://doi.org/10.1111/jscm.12138>
- Chladkova, H. & Formankova, S. (2016). Strategy for SMEs in the Area of Primary Agricultural Production. *Agricultural Economics (Czech Republic)*, 62(9), 395–406. <https://doi.org/10.17221/260/2015-AGRICECON>
- Claro, D.P., Claro, P.B. de O. & Zylbersztajn, D. (2005). Relationship Marketing Strategies: When Buyer and Supplier Follow Different Strategies to Achieve Performance. *BAR - Brazilian Administration Review*, 2(2). <https://doi.org/http://dx.doi.org/10.1590/S1807-76922005000200003>
- Crotts, J.C., Copping, C.M.A. & Andibo, A. (2011). Trust-Commitment Model of Buyer-Supplier Relationships. *Journal of Hospitality & Tourism Research*. <https://doi.org/https://doi.org/10.1177/109634800102500206>
- Dadzie, K.Q., Dadzie, C. A. & Williams, A.J. (2018). Trust and Duration of Buyer-Seller Relationship in Emerging Markets. *Journal of Business and Industrial Marketing*, 33(1), 134–144. <https://doi.org/10.1108/JBIM-04-2017-0090>
- Dickinson, J. B. (2013). Customer Loyalty : A Multi-Attribute Approach. *Research in Business and Economic Journal*, 9(1), 1–18.
- Futrell, C. (2000). *ABC's of Relationship Selling*. Irwin/McGraw-Hill.
- Dwyer, R.F., Schurr, P.H. & Oh, S. (1987). Developing Buyer-Seller Relationships. *Journal of Marketing*, 51(2), 11–27. <https://doi.org/https://doi.org/10.2307/1251126>
- Gadde, L.-E. & Håkansson, H. (1993). Information Exchange in Buyer-Seller Relationships. *Proceedings of the 1993 World Marketing Congress*, 54–58.
- Green, C.H. (2006). *Trust-Based Selling : Using Customer Focus and Collaboration to Build Long-Term Relationships*. McGraw-Hill.
- Haider, T. & Shakib, S. (2018). *A Study on Influences of Advertisement on Consumer Buying Behavior*. 9(1), 1–13. <https://doi.org/10.2991/sschd-16.2016.84>
- Harrington, D. (2009). *Confirmatory Factor Analysis*. Oxford University Press, Inc.
- Hingley, M. & Lindgreen, A. (2001). Relationship Marketing In Agricultural Products Marketing: Case Findings From The Food And Beverage Sectors. *17th Annual IMP Conference: Interactions, Relationships and Networks: Strategic Dimensions*. Oslo: IMP Conference., 9–11.
- Hsiao, M.J., Purchase, S. & Rahman, S. (2002). The impact of Buyer-Supplier Relationship and Purchasing Process on the Supply Chain Performance: a Conceptual Framework. *IMP Conference, Stewart 1995*, 24.
- Kaiser, H.F. (1970). A Second Generation Little Jiffy. *Psychometrika*, 35(4), 401–415. <https://doi.org/10.1007/BF02291817>
- Kandampully, J. (2003). B2B relationships and networks in the Internet age. *Management Decision*, 41(5), 443–451. <https://doi.org/10.1108/00251740310479296>
- Kline, P. (1994). *An Easy Guide to Factor Analysis* (Routledge).
- Kline, R.B. (2005). *Principles and Practice of Structural Equation Modelling (2nd ed.)*. The Guilford. <https://doi.org/https://doi.org/10.1177/1049731509336986>
- Kooli, K., Tzempelikos, N., Foroudi, P. & Mazahreh, S. (2019). What Drives B-To-B Marketers in Emerging Countries to Use Social Media Sites? *Journal of Business-to-Business Marketing*, 26, 245–264. <https://doi.org/10.1080/1051712X.2019.1611078>
- Li, F., & Betts, S. C. (2003). Trust: What It Is And What It Is Not. *International Business & Economics Research Journal (IBER)*, 2(7), 103–108. <https://doi.org/10.19030/iber.v2i7.3825>
- Maxim, A. (2009). Relationship Marketing – A New Paradigm in Marketing Theory and Practice. *Analele Stiintifice Ale Universitatii "Alexandru Ioan Cuza" Din Iasi - Stiinte Economice, Alexandru Ioan Cuza University, Faculty of Economics and Business Administration*, 56(1), 287–290

- Rochdiani, D. & Utami, H.N. (2009). Peningkatan Pemasaran Susu Kedelai Bubuk Melalui Strategi Bauran: Studi kasus pada pabrik susu kedelai kadungora di Desa Kadungora, Kecamatan Kadungora, Kabupaten Garut. *Sosiohumaniora*, 11(2), 140–153. <https://doi.org/10.15957/j.cnki.jjdl.2009.07.004>
- Spekman, R.E., & Carraway, R. (2006). Making The Transition to Collaborative Buyer-Seller Relationships: An Emerging Framework. *Industrial Marketing Management*, 35(1), 10–19. <https://doi.org/10.1016/j.indmarman.2005.07.002>
- Su, C., & Yang, H. (2017). Supplier-Buyer Relationship Management in Marketing and Management Research: An Area for Interdisciplinary Integration. *Journal of Business Research*, 78, 180–183. <https://doi.org/https://doi.org/10.1016/j.jbusres.2016.12.013>
- Sukandi, A., Sofiati, N.A. & Sudaryo, Y. (2019). Implementasi Digital Marketing Untuk Meningkatkan Kepuasan Nasabah dan Berdampak pada Citra Lembaga Perbankan. *Sosiohumaniora*, 21(3), 355–364. <https://doi.org/10.24198/sosiohumaniora.v21i3.23464>
- Uncles, M.D., Dowling, G.R., & Hammond, K. (2003). Customer Loyalty and Customer Loyalty Programs. *Journal of Consumer Marketing*, 20(4–5), 294–316. <https://doi.org/10.1108/07363760310483676>
- Upamannyu, N.K., Gulati, C., Chack, A. & Kaur, G. (2015). The Effect of Customer Trust on Customer Loyalty and Repurchase Intention: The Moderating Influence of Perceived CSR. *International Journal of Research in IT, Management and Engineering*, 5(4), 1–31.
- Valtakoski, A. (2015). Initiation of Buyer-Seller Relationships: The Impact of Intangibility, Trust and Mitigation Strategies. *Industrial Marketing Management*, 44, 107–118. <https://doi.org/10.1016/j.indmarman.2014.10.015>
- Vargo, S.L. & Lusch, R.F. (2004). Evolving to a New Dominant Logic for Marketing. *Journal of Marketing*, 86(1), 1–17. <https://doi.org/https://doi.org/10.1509/jmkg.68.1.1.24036>
- Vargo, S. L. & Lusch, R.F. (2008). From Goods to Service(s): Divergences and Convergences of Logics. *Industrial Marketing Management*, 37(3), 254–259. <https://doi.org/10.1016/j.indmarman.2007.07.004>
- Wang, X., Long, Y., Hou, W. C. & Ching, L.A. (2015). Buyer Loyalty in Business Markets: Can the Firm and Salesperson Get What They Truly Desire? *Journal of Business-to-Business Marketing*, 22(3), 197–210. <https://doi.org/https://doi.org/10.1080/1051712X.2015.1081018>
- White, L. & Yanamandram, V. (2007). A Model of Customer Retention of Dissatisfied Business Services Customers. *Managing Service Quality*, 17(3), 298–316. <https://doi.org/10.1108/09604520710744317>
- Wright, L.T., Robin, R., Stone, M. & Aravopoulou, E. (2019). Adoption of Big Data Technology for Innovation in B2B Marketing. *Journal of Business-to-Business Marketing*, 281–293. <https://doi.org/https://doi.org/10.1080/1051712X.2019.1611082>