European Journal of Social Sciences

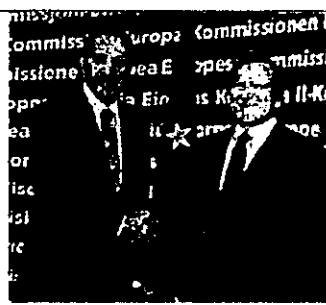European Journal of Social Sciences is an international peer-reviewed academic research journal, which has a particular interest in policy-relevant questions and interdisciplinary approaches. The journal serves as a forum for review, reflection and discussion informed by the results of recent and ongoing research. It adopts a broad-ranging view of social studies, charting new questions and new research, and mapping the transformation of social studies in the years to come. The principal purpose of European Journal of Social Sciences is to publish scholarly work in the social sciences defined in the classical sense, that is in the social sciences, the humanities, and the natural sciences. The research that is published may take a theoretical or speculative model as well as statistical and mathematical. Contributions are welcome from all fields which have relevant and insightful comments to make about the social sciences.

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European Journal of Social Sciences realizes the meaning of fast publication to researchers, particularly to those working in competitive and dynamic fields. Hence, it offers an exceptionally fast publication schedule including prompt peer-review by the experts in the field and immediate publication upon acceptance. The editorial board aims at reviewing the submitted articles as fast as possible and promptly include them in the forthcoming issues should they pass the evaluation process. The journal is published in both print and online formats.

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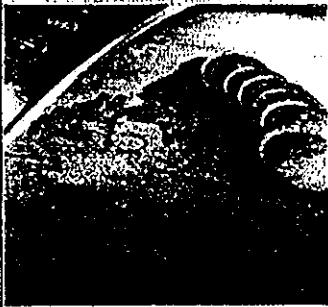European Journal of Social Sciences is an international peer-reviewed academic research journal, which has a particular interest in policy-relevant questions and interdisciplinary approaches. The journal serves as a forum for review, reflection and discussion informed by the results of recent and ongoing research. It adopts a broad-ranging view of social studies, charting new questions and new research, and mapping the transformation of social studies in the years to come. The principal purpose of European Journal of Social Sciences is to publish scholarly work in the social sciences defined in the classical sense, that is in the social sciences, the humanities, and the natural sciences. The research that is published may take a theoretical or speculative model as well as statistical and mathematical. Contributions are welcome from all fields which have relevant and insightful comments to make about the social sciences.

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Relationship Marketing in Agricultural Products: Empirical Evidence from the Agricultural Sector in Western Region of Java

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Abstract

Relationship marketing in agricultural products market alleged marred by the behavior of people who engage in such activity. Interactions between actors are not only based on the principle of trading alone but also social and cultural aspects have a crucial role in the color pattern of relationships that occur. To reveal how much social and cultural influences play in the relationship marketing of agricultural products including vegetables and fruits and poultry pieces. The main purpose of this study is to examine the pattern of relationship marketing as well as identifying key factors that influence the occurrence of relationship marketing of agricultural products in West Java. The study was conducted with a quantitative approach, involving 256 respondents and a qualitative approach through in-depth interviews. Structural modeling is used to parse the linkages between factors in relationship marketing.

Keywords: Relationship Marketing, Trust, and Commitment.

Introduction

Indonesia has about 17,504 islands (according to 2004 data), with the number of population according to the Central Bureau of Statistics estimated in 2010 reached 234.2 millions, this is a very large market. The island of Java as the most densely populated island, with 61% population of Indonesia, which is the province of West Java province with the highest population of 41 million and ranking second is the East Java province (38 million) and the three provinces of Central Java (34 million). As the province with the largest population in Indonesia, West Java is a region with diverse cultures and local languages or dialects as well characterized in contrast to the two identities, namely the urban communities who mostly live in the area JABOTABEK (Greater Region of Jakarta, the capital city of Indonesia) and traditional peoples who live in rural remaining.

This is an example of how various cultures in Indonesia with the characteristics and customs that differ from one another. How they interact and what happens to social relationships could then continue in a business is an interesting thing to note, though there is some relevant connection, relationship marketing refers to a particular way of doing business that not only includes the establishment and management of personal relationships and businesses, but also how the business is defined from a social perspective, and managing relationships.

A new approach called relationship marketing (Relationship Marketing) or customer relationship (customer relationship), which is an approach that involves all actors in a system of marketing, as well as reviewing various values of the reference or a key factor that links between actors in the system them. In implementation, relationship marketing seeks browse all the actors involved and the activities associated with the marketing mix, where the consumer or the customer is placed at the center of the overall marketing activity.

Various previous studies in relationship marketing (Palakshappa and Gordon, 2005, and Baglieri et al., 2006), suggests that trust and commitment are very important aspects in starting a business before a co-operation carried out. According Thorelli (1990), the establishment of a network relationship of trust is very long and complex, and extremely time consuming. Akrout and Akrout (2007) reinforce the results of his research that the key to the successful passage of a marketing system of relationships between buyers and industry suppliers are: perception of the trust, confidence and trust behavior.

In relationship marketing, customer is the central point of the whole purpose of activities undertaken, the approach becomes one of relationship marketing will guarantee the achievement of that goal. It is shown from a study conducted by Palmatier et al. (2006), Brady et al. (2007), Grégoire et al. (2009), Susan, (2002), which states that trust is the belief of the parties on the reliability, durability, and integrity of others in terms of relationship and the belief that his actions are the best alternative and will produce positive results for a trusted party. In general, the trust will generate customer loyalty and relationship commitment.

In Indonesia relationship marketing in agribusiness in particular cases has not been researched if not arguably extremely rare. Agribusiness sector is a crucial role in providing food for the public and involve a lot of manpower, both in production activities (on farm), and marketing. Institutional marketing play a role in marketing agricultural commodities may include farmers, traders, middlemen and retailers (Kuma'at, 1992).

According to Irawan et al (2001), lack of harmony of the relationship between agribusiness actors due to the lack of equality of bargaining power resulting in a double margin, and the difficulty of farmers get a fair price. Meanwhile, the problems that arise in the marketing system of agricultural commodities such as: marketing activities or trading system that has not run efficiently, so the absence of a fair wage.

Therefore, efforts to determine the pattern of linkages between agribusiness actors approach to relationship marketing becomes very crucial, given the relationship and the close connection between price, production and trading system, each has a crucial role and influence each other. It is not only

intended to reveal the values that the key relationships among marketing actors, but also the values which guarantee the sustainability and future development of quality relationships.

We explore and identify key factors that play a role in determining the occurrence of relationship marketing of agricultural products, as well as building (modifying) model of relationship marketing of agricultural products as well as verify and model development in accordance with local conditions. To that end, in the first part of this article we discuss the concept of relationship marketing, which was then in the second part we submit the data and the methodology we use, we convey the results in section three and in the end we submit the conclusions.

Relationship Marketing

Kotler and Armstrong (2008) defines marketing as a process in which companies create value for customers and build strong relationships with customers, with the goal of capturing value from customers in return. Agricultural marketing system is a whole sequence of marketing institutions that perform marketing functions to facilitate the flow of agricultural products from producers to consumers beginning to the end and otherwise facilitate the flow of money, the product created by the productive activities undertaken by marketing institution from the hands of end consumers into the hands of producers early in a system of commodity.

The complexity of the agricultural sector implies for the complexity of the marketing system of agricultural commodities. This is due to the nature of products, production systems, as well as market structure and characteristics of a typical of agricultural products such as the nature prone to breakage, especially for fruits, vegetables and meat of livestock, has a pile of large size and quality various. Seasonal nature, the supply of products varies and is not stable over time, the amount of production that is difficult to determine and vary due to production centers geographically.

One of the company's values is the relationship, and the actors of these relationships are customers, employees, suppliers, distributors, dealers, and retailers. In addition, the company's relationship capital is the sum of knowledge, experience, and trust company with its customers, employees, suppliers and distribution partners. The shift to the relationship does not mean leaving the company marketing the transaction entirely. Most companies must operate with a mix of transaction and relational marketing approach. Companies that sell in large consumer market have a greater percentage of the Transactional Marketing while companies with a smaller number of customers have a higher percentage of the Relational Marketing.

McGarry (1951) argues that having long-term relationships, constantly between buyers and sellers develop a bond of common interests and confidence and respect can reduce marketing costs between 10-20 percent. In this view, long-term cooperation and collaboration between buyers and sellers is seen as a mechanism for improving marketing efficiency from the perspective of the seller. McGarry (1951) also discussed the function of marketing contractual form the basis of cooperation and collaboration between the sellers and buyers.

Gummesson (1999) defines relationship marketing in terms of relationships, networks and interaction. He identifies 30 types of relationships (30Rs) in certain markets, including relationships with customers, competitors, governments, investors, employees, media, and other supply chain. According to Jackson (1985) in the industrial market, a commitment plays an important role in building long term relationship with customers.

Paradigm shift has occurred in the marketing of the transaction approach is based on the concept of exchange, and on relationship marketing focuses on building, maintaining, and improving relations with other partners, develop a sustainable long-term contact with clients or customers so that their needs can be targeted and satisfied with the rewards customer loyalty. The advantage for suppliers is the repetition of the business. Partnership is one way of relationship marketing. The concept of partnership was developed with the aim to develop appropriate marketing concept in B2B market, especially in the services sector. Relationship marketing can achieve this because it contains strategies

that inform not only the sales process, but also delivery of all contractual and management structure for a company.

In relationship marketing, trust is very important and the basis for the formation of strategic partnerships. Without trust, a relationship will not be able to walk in the long run, because the relationship is formed from the mutual trust (trust) that is very valuable to those who commit to it. Similarly, Sheth and Parvatiyar (1995) regard "relational marketing as an orientation to develop close interactions with selected customers, suppliers and competitors for value creation through cooperative efforts."

Confidence is an important element in inter-organizational relationships that contribute to launch the transaction, encourage cooperation between the larger organizational, and reduce transaction costs. Thus according to the statement of Morgan and Hunt (1994) stated that the commitment is influenced by trust, confidence (trust) is the confidence in the reliability and integrity of the exchange partners. Each party must look at the last interaction was good and confident that the actions of the partnership in the future can be more constructive. They must feel that they can be a harmonious partner, if the relationship develops the content build social norms that will guide the behavior of partners.

Partnering is about moving away from open competition. It's more about moving toward a strategy of cooperation, but it does not mean that cooperation is balanced or equal. The emphasis of procurement means that the client is maintaining the position of ruling. Gray (2004) explains that the partnership in the literature there are four major themes to describe the performance of the partnership are (1) relational exchange view that argues that successful partnerships result from relationships that demonstrate commitment to characteristics such as trust, cooperation and communication (Dwyer, Schurr, and Oh, 1987; Morgan and Hunt, 1994), the relationship of an enterprise is a valuable corporate resources (Hakansson, 1987). (2) The relationship of an enterprise provides benefits for companies such as through the provision of valuable functions, the creation of resources and access to resources and competencies. (Hakansson and Snehota, 1995). (3) The competency-based on view, which argues that successful companies operate the alliance, has developed core competencies and the organization has the ability to secure, develop and manage alliances. (Lambe *et al.* 2002). (4) View argues that the competitive advantage of successful companies from the alliance than competed, can produce the best value or reduce costs. (Hunt and Morgan 1997; Dyer and Singh, 1998)

Characteristics that underlie all of these views the competency or capacity needed to facilitate successful partnerships. In each view the above there are a number of specific the competency must be owned either by the relationship manager and / or organizations to facilitate the success of such partnerships. Hunt (2002) explains that a business alliance or partnership is defined "broadly as a cooperative effort between two or more companies that gather their resources in an effort to achieve common goals are compatible that they can not achieve alone only".

Data and Methodology

Based on previous research studies on the relationship of sellers and buyers, then the conceptual framework of research can be formulated as illustrated in Figure 1. The model will be developed is the incorporation of state of the art of several models that have been studied previously, namely: (1) Trust and Commitment in Business Relationships collaborative involving the Company in New Zealand (Palakshappa and Gordon, 2005), (2) Understanding the role of ability relational in the relationship the buyer and the seller (Smirnova and Kushch, 2006), (3) belief in the relationship between private buyers and sellers in the B2B (Akrout and Akrout, 2007), (4) conceptual model for the retailer and vendor relationships based on trust and commitment theory (Smith, 2008), and (5) the direct relationship of trust and commitment among the sellers, distributors, and customers (Wang, 2009).

Figure 1: Conceptual Research Model
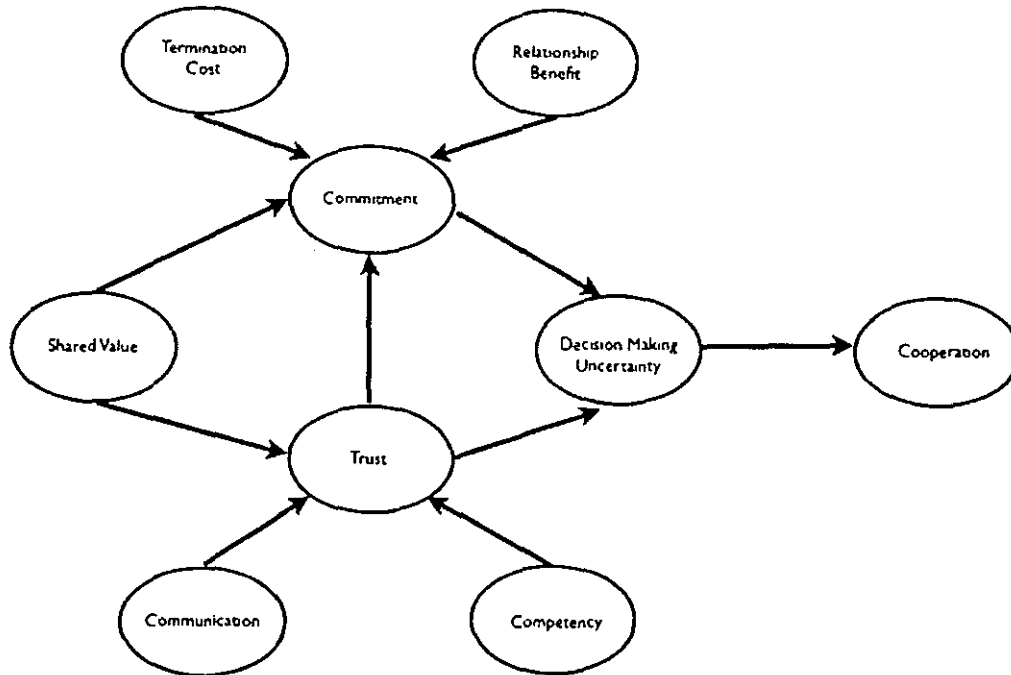
From the above model can be described as follows: trust and commitment are the foundation of a business relationship. It is indirectly the basis of a power to stimulate the emergence of shared values that will strengthen decision-making uncertainty.

A bond of trust and commitment between partners indicates that the touch will work mutually beneficial in the long term and build a positive foundation to a productive relationship. When viewed the relationship between trust and commitment to fully then it will increase the chances of a long-term cooperation or a strategic partnership to achieve a goal that can deliver value and profit for the company and its partners.

Trust is the basic attitudes and expectations of both parties that partner, trust is not something appear out of nowhere, but it was built by the competency and communication abilities of the parties to the partnership, trust requires a personal relationship that goes beyond an individual contact, and reinforced by face-to-face relationships, while the benefits of the relationship and the cost of building a termination of the commitment, which requires long-term benefits that the relationship should be maintained and enhanced in order to fulfill the promises given.

The research was conducted in West Java and Jakarta and surrounding areas, site selection is done intentional (purposive) on the grounds in West Java and Jakarta and surrounding areas have about the adequacy of the objects under study Manufacturers, Suppliers and retailers for agricultural commodities, which involved 205 respondents as a source of information. Selection of respondents who will be interviewed in this study is that a person or head of the firm Producers (farmers or ranchers), Suppliers and retailers of products of fruits, vegetables, and chicken broilers.

Based on structural models that have been proposed in the framework of thought, then to know the value of the coefficient of the model or the contribution of each latent exogenous variables to endogenous latent performed using coefficient prediction approach to Structural Equation Model (SEM), SEM analysis aims to test the statistical model usually in the form of models of causation and have characteristics that are as analytical techniques to further affirm rather than to explain (Suharjo and Suwarno, 2002). SEM analysis is an analysis based on Confirmatory Factor Analysis (CFA), a method that combines correlation analysis, regression analysis, traffic analysis and factor analysis (Suharjo, 2007).

Modeling done in accordance with step Suharjo (2007), as follows:

1. Development model, at this stage is the principle of analyzing the causal relationship between exogenous and endogenous variable, as well as examine the validity and reliability study.
2. Cross diagram reconstruction, this diagram serves to show the flow of a causal relationship between exogenous and endogenous. To see the flow of causal relationships created several models were then tested using SEM to get a model with the most appropriate criteria for Goodness of Fit, and convert it into Cross Diagram.
3. General structural equation model is defined as follows:

$$\eta = B\eta + \Gamma\xi + \zeta \tag{1}$$

with,

B: Structural parameters relating latent endogenous variables *(mxm)*

Γ: Structural parameters relating latent endogenous to exogenous variables *(mxn)*

η: Latent endogenous variables *(m × 1)*

ξ: Latent exogenous variables *(n × 1)*

ζ: Structural disturbances (errors in equations) *(m × 1)*

Measurement model consists of the measurement model for y and the measurement model for x

$$y = \Lambda_y\eta + \varepsilon \tag{2}$$
$$x = \Lambda_x\xi + \delta \tag{3}$$

with;

y: Indicators of latent endogenous variables *(px1)*

x: Indicators of latent exogenous variables *(qx1)*

Λ_y: Factor loadings relating indicators to latent variables *(pxm)*

Λ_x: Factor loadings relating indicators to latent variables *(q × n)* ε: Measurement errors in endogenous indicators *(px1)*

δ: Measurement errors in exogenous indicators *(qx1)*

4. Determine the type of input matrix, in this study used covariance matrix, because the purpose of the analysis is the purpose of the analysis is testing a model that has a theoretical justification.
5. Identification of Model, problems that often arise in the structural model is the estimation of parameters can be Un-Identified or Under-Identified causes estimation process does not generate a unique probe and the model can not be trusted. Symptoms appear a problem of identification include: There are standard error of the estimators of parameters that are too large, the inability of the program presents a matrix of information that should be presented, parameter estimation can not be obtained, the numbers appear a negative error variance, and there was a high correlation -1 or 1.
6. Conformity Determination Criteria Model, to obtain a valid model of the analysis required several assumptions parameter estimation and hypothesis testing. Assumption of parameter estimation and hypothesis testing between the units of which are independent observations, the data is a random sample of the population and patterns of relationships among variables entirely linear. SEM analysis extremely sensitive to the distribution of data, so the major deviations of multi-normal it will affect the Chi-Square (biased results). Suitability model to the indices mentioned above must meet the following criteria;

   a. Chi-square (χ^2), The smaller the better. Used small chi square value for Ho: $\Sigma = \Sigma$

   (θ), is not rejected. Test χ^2 Used to test the hypothesis: Ho: $\Sigma = \Sigma(\theta)$, H1: $\Sigma \neq \Sigma(\theta)$, Σ is a matrix with covariance population and $\Sigma(\theta)$ is a matrix covariance generated vector parameters that define the hypothetical model. To test the above hypothesis, the matrix S is used as an alleged covariance for Σ and $\Sigma(\theta) = \Sigma$, is alleged to $\Sigma(\theta)$. Decisions are expected to accept Ho so that it can be concluded that the hypothesis of the model fit the data.

b. Probability ≥ 0.05

c. GFI (Goodness of Fit Index), the higher the better value. GFI ≥ 0.90 is a good-fit, GFI $\leq 0.08 < 0.90$ is marginal fit. GFI represents the percent of diversity of S, which can explain the Σ, namely the diversity in the model.

$$GFI = 1 - \frac{tr\left[\Sigma^{-1}(S-I)^2\right]}{tr\left[(\Sigma^{-1}S)^2\right]}$$

(4)

d. AGFI (Adjusted GFI), the higher the better value. AGFI ≥ 0.90 is a good fit, AGFI $\leq 0.80 < 0.90$ is marginal fit.

$$AGFI = 1 - \left[\frac{q(q+1)}{2df}\right][1 - GFI]$$

(5)

With q the number of indicators of the latent exogenous variables and df degrees of freedom. According to Bollen (1989), the practical arrangements for the feasibility of a model of GFI and AGFI should be respectively greater than 0.90 and 0.80.

e. RMSR is the average size of the square of the remnant. The greater the RMSR value the worse the hypothetical model in fitting the data, and vice versa. RMSR ≤ 0.05 good-fit, the RMSR is formulated as follows:

$$RMSR = \sqrt{\frac{\sum_{i=1}^{p+q}\sum_{j=1}^{i}(S_{ij} - \sigma_{ij})^2}{(p+q)(p+q+1)/2}}$$

(6)

Where
p: the number of indicators for latent endogenous variables
q: the number of indicators for the latent exogenous variables
Sij: matrix·element S

$\hat{S_{ij}}$: Element of matrix $\hat{\Sigma}$

f. RMSEA (Root Mean Square Error of Approximation), average difference per degree of freedom is expected to occur in the population and not in the sample, RMSEA ≤ 0.08 is a good fit, RMSEA ≤ 0.05 is a close fit. RMSEA is used as a companion for the statistics x^2 in assessing the feasibility of a model. RMSEA obtained from the following formula:

$$RMSEA = \sqrt{\frac{x^2}{(n-1)df} - \frac{df}{(n-1)df}}$$

(7)

x^2 is the value of the chi square model, df is the degrees of freedom model and n is the sample size, RMSEA value of $\leq 0:05$ indicate a good model, whereas RMSEA value between 0.05 and 0.08 is an indication of acceptability of a model.

7. Interpretation and Modification Model, When the model is good then the model can be interpreted, but if not, whether modifications need to be done. Modifications can be made when there is a significant change with the support of empirical data.

The software used in SEM analysis is LISREL 8.5.1. Using LISREL patterns of relatedness in the data will be more easily identified, so the role of Trust and Commitment in determining the value creation and performance of business relationships can be measured in a structured way.

Results and Discussion
Results

From the model descriptions (constructs) measurement or latent variables that have been described earlier, what is the main indicator of each construct was. This section will discuss the pattern of relationships of all latent variables to obtain a complete picture of how the process happens and how the relationship affects the performance of farm businesses involved in the relationship marketing. Based on structural models that have been proposed in the framework of thought, then to know the value of the coefficient of the model or the contribution of each latent exogenous variable to endogenous latent performed prediction coefficients by using the rules Unweight Least Square (ULS). Coefficient estimates and test results can be seen in Figure 2 as follows:

Figure 2: Structural Coefficient Equation Model of Marketing Relationships
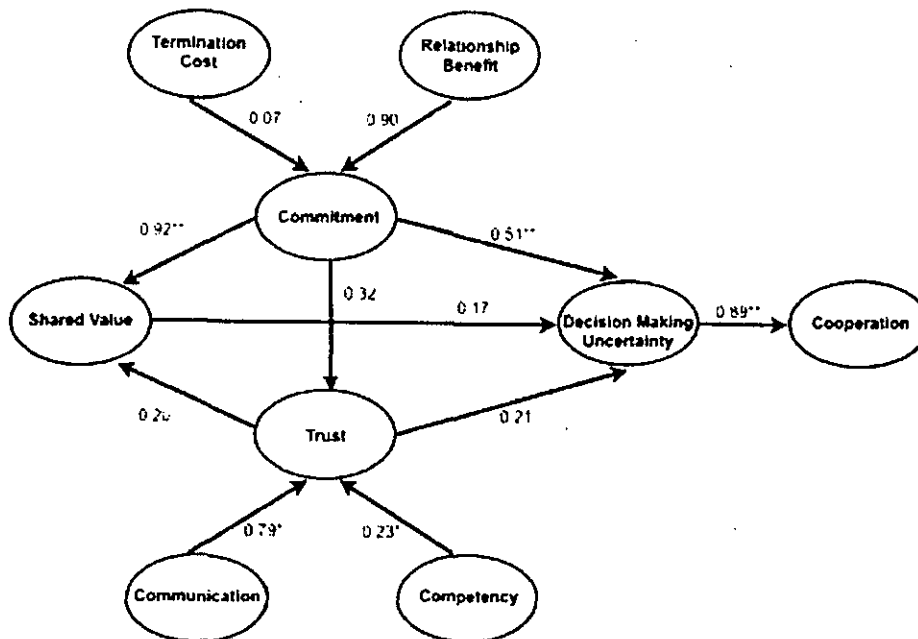
Chi-Square = 2486.83, cf=903, P-Value=0.0000, RMSEA=0.073

The hypothesis tested in this model (H0) is the matrix of the same population covariance sample matrix ($\Sigma = S$), while his match hypothesis (H1: $\Sigma \neq S$). Expectations of this testing is to accept hypothesis H0. That is, the model structure (diversity model) can be used to predict the structure (diversity of population). To test this hypothesis used two statistical tests (Joreskog, 1998) that is statistically Chi-Square ($\chi2$) and RMSEA. H0 is accepted when the P-value ($\chi2$ test) greater than 0.05 or RSMEA value of less than 0:08.

Test results yield a value P-Value = 0.000 and RMSEA = 0073. That is, the overall empirical model can be adopted in accordance with the criteria required by Joreskog et al. (1998), although the P-value less than 0.05. From this it can be concluded that the coefficients of the model can be used as a probe size of contributions or the influence of exogenous latent variables to endogenous latent, although the overall model has not been too good.

To elucidate the structural model will be discussed in stages with the hope of the process or causal relationships that occur in between exogenous latent can be explained in detail.

- Commitment

Commitment endogenous variables influenced by exogenous variables and terminated Cost benefit relationship. Structural sub model want to clarify which of these variables have a strong contribution in building commitment.

From the construct of commitment has been demonstrated that the indicators of cooperation with current partners will generate interest to partner in the long term has the dominant contribution in explaining commitment. From the analysis indicated that aspects of the benefits of relationships (coefficient value of 0.90) has contributed a very dominant and significantly affect the commitment, a while the terminated cost (coefficient value of 0.07) are not significant. Clearly visible the relationship benefits and shared value dominant, that partnering can improve the performance of the company.

- Trust

Confidence shown by the efforts of the parties who have partnered to deliver and consistent run in accordance with the previously promised, on this model, trust is affected by Communications (coefficient 0.79), commitment (coefficient 0.32) and competence (coefficient 0.23), seen here that the belief is strongly influenced by communication, from a relationship interactions that occur either formally or informally and in person or organization.

In a study conducted, it is evident that during the communication takes place either formally or informally, there has been such a positive interaction or exchange ideas and develop ideas to enhance cooperation, solve problems, to exchange information, so that they can be always Up to Date and trustworthy.

Competence is that, the other person feels confident about the technical capabilities required and enabled him to do a good job, and the ability to interact with satisfactorily in order to maintain and develop relationships.

- Shared values

Shared value is one of the main aspects underlying the establishment of an inter-entity cooperation. From the analysis of the construct of shared values is known that increasing the mutual benefit financially is an indicator of the most dominant, besides the efforts to enhance mutual trust and improve the image of the parties to the partnership.

In this research, shared values are influenced by two latent variables of trust and commitment. From the analysis indicated that the contribution of the two differ, the influence of commitment (coefficient 0.92) has a more dominant effect than of beliefs (coefficient 0.20).

This happens because of how much trust that the partnership between parties, is still a perception or attitude and not be proved before such cooperation activities take place. So it is clear that the key of a partnership is a commitment. Found in this study, that when a commitment is violated, such as can not send an order in accordance with the agreement, then the risk is decreasing trust and will ultimately lead to termination.

- Decision Making Uncertainty

In this study the uncertainty of decision making influenced by the commitment, shared values and beliefs. The results of the model coefficient estimates show that the commitment (coefficient of 0:51), shared values (coefficient of 0:17) and trust (coefficient of 0:21) have a significant influence on decision-making uncertainty.

Based on the above results can be interpreted that decision making uncertainty that is predominantly reflected by the considerations of good or evil caused to the business environment, highly influenced by the desire of the parties who have partnered to work together in the long run, as well as efforts to deliver what was promised. With the high commitment of each party to the partnership, then each party will endeavor to maintain or keep what has become a deal.

- Cooperation

Of the models studied relations, cooperation in business is only affected by the decision-making under uncertainty (coefficient 0.89), seen here that the cooperation will only occur when the partners were able to provide assurance that the cooperation will take place will be able to walk with the most minimal risk .

Two indicators that describe the cooperation is the mutual benefits that may be obtained and the presence of both parties to cooperate in the long run. That is, commitment and confidence has contributed greatly to the creation of cooperation, in line with what is expressed Morgan and Hunt

(1994), that both commitment and trust is important to ensure the emergence of cooperation in a partnership.

In marketing relationships, the desired cooperation is the formation of a more formal cooperation after the decision-making uncertainty. All this happening is only limited cooperation without any further thought, how to look forward to obtaining better business performance.

Discussion

In studying the relationship marketing of agricultural commodities, directly indirectly, will be related to market structure in which the commodity is traded. Based on the results of the identification of market structures that occur in the agricultural commodities it can be concluded the form that comes closest to the field conditions is monopsony market. Important information related to relationship marketing in the agricultural commodities trade system is a pattern that is common today. The pattern of trade system describes the process of migration of a commodity from producer to final consumer. Each pattern of commodity trade that occurred in the studied succession is described as follows.

The marketing channel is the basis location for operational and administrative office company that has strategic value to expedite and facilitate the delivery of products from producer to consumer through trade transactions. Between producers and consumers there is a group of intermediaries who distribute the product among them. Intermediary is often called the marketing channel. Marketing channels are interdependent and organizations involved in the process of making products and services become available for use or consumption by consumers (Coughan et al, 2001). Kotler and Armstrong (2008) warned that marketing channels are not only serving the market but also creating a market.

Figure 3 describes the displacement groove vegetables and fruits from producers or consumers to the outlet.

Figure 3: Chain trading system Vegetables and Fruit
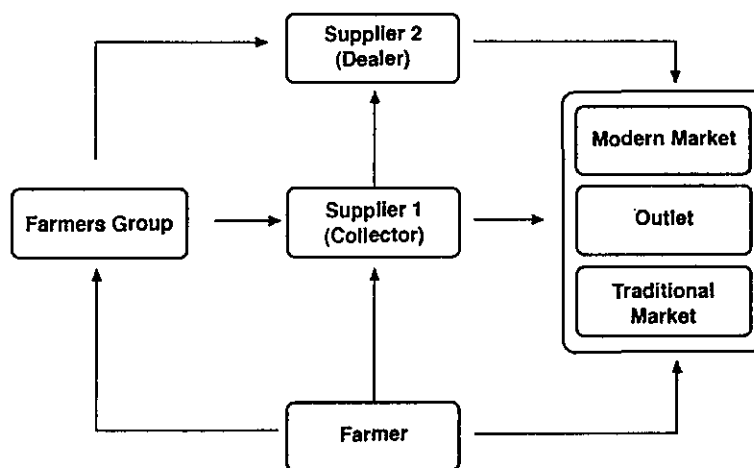
In carrying out activities of collectors around for commodity crops from farmers who are willing to sell for a price, suppliers who have access to traditional markets in general have a relationship with container traders in those markets. Through this container merchant, vegetables or fruits distributed to retailers for sale to end consumers.

The basic fabric of collaboration is trust and commitment in addition to the margin of price expectations as a source of mutual benefit between airports, container traders and retailers. This is due to container merchants often do not buy with cash to suppliers, and suppliers are also doing the same with the farmers but there is a grace period until a few days. A similar thing happens when the dealer supplying to the modern market, the payment system has a time limit in accordance with a written cooperation agreement has been agreed.

Based on the fact, a supplier who can supply to the traditional and modern markets is suppliers that have the competencies, either in the form of facilities and infrastructure, human resources, strong capitalization, knowledge and good communication skills to secure and run their business as well as its commitment to farmers and other suppliers.

Please note that the supply of agricultural commodities to the modern market, the airport is handling the sorting and packaging in accordance to the agreement. When the agreed commitments are violated or not met, then this might impact on the declining confidence in the outlet (the modern market) and can result in a reduction in the number of supply even to the termination of cooperation.

Conclusions

From the results of field observations and analysis has been done related to relationship marketing that occurs in agricultural products, it can be concluded that:

1. The results showed commitment and confidence to shape and influence the Shared Value.
2. Commitment, Trust, Shared Values and Decision Making Uncertainty affect resulting in cooperation.
3. Cooperation helps to achieve good performance.
4. Found patterns of relatedness that occurs in agricultural products is not solely based on the process of buying and selling per se, in which aspects of the financial advantage into primary objectives, but also involves the psychological and culture aspect, which transforms some financial goals to be aspects that are more emotional and social.

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