

ABSTRACT

Sugarcane is one of the very important commodity in Indonesia. Sugar Factory Rendeng known as PG Rendeng Kudus is one of the factories that produce sugar cane. To fulfill the raw material production of sugar, PG Rendeng buy sugar cane harvest farmers with a system of sugar yield content and transparent sugar prices. On the other side, farmers confronted with other advantages such as price advantages, quality of service, reputation, and trust of others sugar factory. This study aimed to determine the effect of sugarcane purchase price, quality of service and reputation of the company to the decision to sell sugar cane farmers in PG Rendeng.

The sampling technique used in this study is purposive sampling. The 150 respondents are the participants they are sugar cane farmers in the district of Jepara under the Sugar Cane Farmers Cooperative members Tebu Abadi (KPTR Tebu Abadi) and become partners PG Rendeng. Data analysis technique that is used is Structural Equation Modelling (SEM) from AMOS 18.0 software package in modeling and review of hypotheses. Exogenous dan Endogenous measurement model has been tested by using analysis confirmatory. Furthermore, the measurement model is analyzed with SEM for models causality testing among variables. Based on the results of data analysis, it can be concluded that the model acceptable.

The results and theoretical implications of this study indicate that this study supports previous study on the relationship between variables of price advantage, quality of service, reputation, trust of others sugar factory and long term relationship. Thus, the decision to sell sugar cane farmers which are affected variable price advantage, reputation, and trust positive influence on PG Rendeng. While the variable quality of service does not affect the PG Rendeng.

Keywords: PG Rendeng, decision sales, sugar cane farmers, the purchase price of sugar cane, quality of service, reputation, trust, long term relationship.