



Department of Management Faculty Of Business and Economics Universitas Surabaya

CHALLENGES AND OPPORTUNITIES OF THE LEADING EDGE IN WORLD CLASS SUPPLY CHAIN MANAGEMENT



TAACSB



PROCEEDING

THE 10th INTERNATIONAL ANNUAL SYMPOSIUM ON MANAGEMENT

CHALLENGES AND OPPORTUNITIES OF THE LEADING EDGE IN WORLD CLASS SUPPLY CHAIN MANAGEMENT

Bali, March 16th, 2013

Department Of Management Faculty of Business and Economics Universitas Surbaya

Proceeding

The 10th UBAYA International Annual Symposium on Management

CHALLENGES AND OPPORTUNITIES OF THE LEADING EDGE IN WORLD CLASS SUPPLY CHAIN MANAGEMENT

Editors: Werner R. Murhadi, Dr Prita Ayu, MM

Reviewers: Candra S. Chayadi, Ph.D. (School of Business, Eastern Illinois University) Dudy Anandya, Dr (Universitas Surabaya) Joniarto Parung, Ph.D, Prof. (Universitas Surabaya) Ning Gao, Ph.D. (Manchester Business School) Wahyu Soedarmono, Ph.D. (Research Analyst, The World Bank, Jakarta) Yuanto Kusnadi, Ph.D. (City of Hongkong University)

Published by: Department of Management, faculty of Business & Economics Universitas Surabaya Jl. Raya Kalirungkut Surabaya, Indonesia 60293 Phone : +62-31-2981139 Fax : +62-31-2981239

ISBN: 978-979-99365-7-8

Copyright © 2013 Department of Management, faculty of Business & Economics, Universitas Surabaya

FOREWORD

This proceeding is a compilation of papers submitted for **The 10th International Annual Symposium on Management** (Insyma) conducted by the Department of Management, Faculty of Business and Economics, Universitas Surabaya. This year's theme of the symposium is **Challenges and Opportunities of the Leading Edge in World Class Supply Chain Management**.

In this opportunity, we would like to share our grateful to the institutions (National and abroad) who send their lecturer or researcher to our symposium. This symposium is to provide a sharing forum for researcher, academics, and practitioners engaged in basic and applied research in Supply Chain Management. This theme represents an emerging and highly challenging and opportunities area of research and practice. One of the most significant paradigm shifts of modern business management is that individual business no longer compete as solely autonomous entities, but rather as supply chains. Business management has entered the era of internetwork competition. In this emerging competitive environment, the ultimate success of the single business will depend on management's ability to integrate the company's intricate network of business relationships. The supply chain is not a chain of businesses with one-to-one, business-to-business relationships, but a network of multiple business and relationships. SCM deals with total business process excellence and represents a new way of managing the business and relationships with other members of the supply chain. Successful supply chain Management requires cross-functional integration must play a critical role. The challenge is to determine how to successfully accomplish this integration.

This symposium aims to bring together different points of view from academics, business practitioners, government agencies, and international institutions with the ultimate goal to share and disseminate various ideas and practices in Supply Chain Management.

Finally, we hope that this compilation of papers, ranging from a conceptual work to an empirical research, can enrich our perspective in supply chain management and its application in creating higher level of competitiveness.

Bali, March 16th, 2013

TABLE OF CONTENTS

FORE	EWORD
TABI	LE OF CONTENTS
1.	THE EFFECT OF FINANCIAL RATIOS TO STOCK PRICE IN SEVERAL COMPANIES LISTED IN SRIKEHATI GROUP IN INDONESIA STOCK EXCHANGE Rosemarie Sutjiati Njotoprajitno
2.	HIERARCHICAL INNOVATION MODEL DEVELOPMENT IN INDONESIAN PHARMACEUTICAL INDUSTRI Syuhada Sufian
3.	PLACEMENT EFFECTIVENESS OF AUTOMATIC TELLER MACHINE ON INDONESIAN PRIVATE BANKING Victor Wianto, Agus Zainul Arifin
4.	FACTORS INFLUENCING THE SUPPLY CHAIN PERFORMANCE (A STUDY OF MANUFACTURING FIRMS IN INDONESIA) Lina Anatan
5.	CONSUMER BEHAVIOR AND INDONESIAN VALUES SCALE: VALIDATION AND SHORT-FORM SCALE DEVELOPMENT Sabrina O. Sihombing
6.	CONTRASTING REFLECTIVE AND FORMATIVE MODELS ON E- SERVICE QUALITY: AN EMPIRICAL STUDY Jessica Adelaide Gusti, Sabrina O. Sihombing
7.	THE PREDICTIVE MODEL OF RELATIONSHIP BETWEEN ROLE STRESS, PERSONALITY, AND SALES PERFORMANCE IN SERVICES MARKETING Verina H. Secapramana

ISBN: 978-979-99365-7-8

iv

ill

iv

2

3

5

6

7

8.	EFFECT OF COMPETENCE, TRAINING, MOTIVATION EMPLOYEE PERFORMANCE AGAINST PT THIESS CONTRACTORS INDONESIA AT BALIKPAPAN Didik Hadiyatno, Misna Ariani	8
9.	POLICY INTEGRATION FOR HOUSEHOLD WASTE MANAGEMENT THROUGH ESTABLISHMENT OF WASTE BANK Etty Soesilowati, Sri Utami	9
10.	THE ROLE OF EVENT SPONSORSHIPIN PROMOTING TOURIST ENTHUSIASM (STUDIES IN SEMARANGGREAT SALE EVENT) Yudi Pramudiana, Arinda Ike Wardhani	10
11.	DEVELOPING A CONCEPTUAL MODEL OF HOTEL'S NETWORK OF BUSINESS RELATIONSHIPS IN THE HOTEL INDUSTRY: THE CASE OF HOTELS IN BALI, INDONESIA Nyoman Indah Kusuma Dewi	11
12.	THE EXISTING MODEL IDENTIFICATION OF <i>CUCURBITA Sp</i> (YELLOW PUMPKIN) AGRO INDUSTRY SUPPLY CHAIN MANAGEMENT IN GETASAN SUB-DISTRICT, SEMARANG REGENCY Agustine Eva Maria Soekesi, Meniek Srining Prapti, Inneke Hantoro, Alberta Rika Pratiwi	13
13.	THE ANALYSIS OF INTERNAL AND EXTERNAL FACTORS IN FORMULATING COMPETITIVE STRATEGIES ON SKULL-CAP AND TAMBOURINE INDUSTRIES IN BUNGAH VILLAGE - GRESIK Sri Setyo Iriani, Monika Tiarawati	15
14.	MOTIVATIONAL FACTORS, ENTREPRENEURSHIP, ETHNICITY, AND PARENTAL BACKGROUND: EVIDENCE FROM THE BLOK M SQUARE ELECTRONIC CENTER, JAKARTA, INDONESIA Agung Wahyu Handaru, Widya Parimita, Inna Hadza Sabila	17
15.	THE INFLUENCE OF TOTAL QUALITY MANAGEMENT (TQM) APPLICATIONS TO SALES RAISING AT PT. KERETA API	

ISBN: 978-979-99365-7-8

v

INDONESIA (PERSERO) BANDUNG THE 2ND OPERATIONS AREA R. Ait Novatiani, Pondang.....

- 16. INFLUENCE OF PARTNERSHIP SRATEGIC TO PERFORMANCE OF PRIVATE COLLEGE IN BANDUNG Dini Arwati, Dini Verdania.....
 - 17. EFFECT OF RELATIONAL QUALITY AND ENTREPRENEUR ORIENTATION TOWARD FRANCHISEE PERFORMANCE IN INDONESIA Lim Sanny.....
 - 18. INFLUENCE OF TRUST IN SUPPLIER AND TRUST IN BRAND ON THE PURCHASE AND ATTITUDINAL LOYALTY FOR RETAILER AT PT SINAR SOSRO IN SURABAYA Christina Esti Susanti.....
 - 19. EFFECT CAPITAL ADEQUANCY RATIO (CAR) AND NON PERFORMING LOAN (NPL) ON RETURN ON ASSET (ROA) BANKING IN INDONESIA (SURVEY ON INDONESIA STOCK EXCHANGE /IDX) Rima Rachmawati, Priska Amelia.....
 - 20. CASE STUDY: A PROJECT OF IMPROVEMENT ON THE DESIGN OF JOBS/WORKS FOR PROFESSIONAL WORKERS AT PT. BUKIT BATUBARA TBK – THE YEAR OF 2011/2012 WITH RECOMMENDATION: IMPLEMENTATION OF A CONTRIBUTOR MODEL IN CAREER MANAGEMENT FOR PROFESSIONAL WORKERS T. Soemarman.....
 - 21. IMPACT OF INTELLECTUAL CAPITAL ON THE FIRM'S MARKET VALUE: THE MEDIATION ROLE OF FINANCIAL PERFORMANCE (EMPIRICAL STUDY FROM THE INDONESIAN BANKING COMPANIES SINCE 2007-2011) Sri Harryani, Bagus Nurcahyo, Renny Nur'aini.....

ISBN: 978-979-99365-7-8

22.	THE EFFECT OF ECONOMIC GROWTH ON THE NUMBER OF POOR PEOPLE IN INDONESIA, PERIOD 1994-2010 Sugiartiningsih	28
23.	CLUSTER BUSINESS DEVELOPMENT AT THE MICRO, SMALL AND MEDIUM ENTERPRISES Wasifah Hanim	29
24.	PRODUCT QUALITY CONTROL PROFILE ON LASEM <i>BATIK</i> CENTRE Agustine Eva Maria Soekesi	30
25.	BETTER INVESTMENT CHOICE IN CRISIS AND AFTER CRISIS: STOCK VERSUS GOLD Eka Darmadi Lim, Liliana Inggrit Wijaya	32
26.	CAN INNOVATION OF TIME DRIVEN ABC SYSTEM REPLACE CONVENTIONAL ABC SYSTEM? Tan Ming Kuang	33
27.	COST EFFECTIVENESS ANALYSIS OF DIURETICS THERAPY FOR ASCITES IN HEPATIC CIRRHOSIS PATIENTS AT ADI HUSADA UNDAAN WETAN HOSPITAL IN SURABAYA Doddy de Queljoe, Amelia Lorensia, Indri purnama Putri	34
28.	EXAMINING VIRTUAL RECRUITING ENVIRONMENT FEATURES OF INDONESIA CORPORATE WEB SITE Yenny Purwati, Rosaly Franksiska, Eristia Lidia Paramita	36
29.	THE EFFECTS OF INTERPERSONAL COMMUNICATION AND MOTIVATION TO PRODUCTIVITY OF EMPLOYEES AT HOTEL MULIA JAKARTA I Gede Adiputra	38
30.	THE SURVIVAL OF SMALL RESTAURANTS: MICRO ANALYSIS OF NON CLASSIFIED RESTAURANTS IN KUTA SELATAN, BALI Ida Bagus Made Wiyasha, Ni Luh Suastuti	39

vii

- 31. SUPPLY CHAIN MANAGEMENT: STRATEGY IN INFORMATION TECHNOLOGY TO REDUCE COST Meythi, Riki Martusa.....
- 32. EVALUATING THE FINANCIAL PERFORMANCE USING THE GROWTH OF EPS, CFO, AND EVA AND THEIR IMPACT TO THE STOCK RETURN OF LISTED TELECOMMUNICATION INDUSTRY IN BEI Suskim Riantani, Harry Setyo Negoro, Alfiah Hasanah
- 33. EFFECT OF APPLICATION CORPORATE SOCIAL RESPONSIBILITY ON IMAGE PT . ANTAM UNIT PASCATAMBANG KIJANG Sutama Wisnu D, Budi Astuti.....
- 34. LEADERSHIP AND FIVE STAGE MODEL OF ORGANIZATION GROWTH AT UD "RAMA JAYA" May Eka Saputri, Liliana Inggrit Wijaya.....
- 35. VALUE CHAIN CONCEPT ON STRATEGIC CSR PROGRAM: A CASE STUDY OF MARTHA TILAAR GROUP Dianne Frisko.....
- 36. DEFINE THE CRITERIA TO IDENTIFY CORE AND NON-CORE ACTIVITIES TO LEVERAGE THE COMPANY'S COMPETIITIVENESS AND STRENGTHENING THE PARTNERSHIP WITH OTHERS Alain Widjanarka.....
- 37. DETERMINANTS OF THE DECISION TO BUY AND SELL MUTUAL FUNDS IN INDONESIA Irene Rini Demi Pangestuti.....
- 38. A COMPARATIVE STUDY ON RETURN STOCKS BETWEEN VALUE STOCKS AND GROWTH STOCKS IN THE GO PUBLIC COMPANIES AT THE INDONESIAN STOCK EXCHANGE (PERIOD OF 2006-2010) Panji Aditya Evindo, Nadia Asandimitra Haryono......

ISBN: 978-979-99365-7-8

39.	FOREIGN DIRECT INVESTMENT IN ASEAN, 1994-2010: DOES THE CHINA EFFECT EXIST? Yulius Pratomo	48
40.	THE RELATIONSHIP BETWEEN THE LEVEL OF THE USE OF ERP SYSTEM, SCM,STRATEGIC ALIGNMENT,AND FIRM PERFORMANCE USING BALANCED SCORECARD APPROACH Weli Imbri	49
41.	INTERNAL AUDIT QUALITY ROLE IN IMPROVING EFFECTIVENESS OF QUALITY MANAGEMENT SYSTEM ISO 9001:2000 (Case Study PT INTI Bandung) Christine Dwi K.S., Sondang M.R., Adriana Oktarina Sembiring	50
42.	THE IMPACT OF RELATED PARTIES' TRANSACTIONS TO MARKET VALUATION OF FIRMS Niki Jayanthi, Felizia Arni Rudiawarni	52
43.	TRANSITION OF IFRS IN INDONESIA: FINANCIAL POSITION, FINANCIAL PERFORMANCE AND KEY FINANCIAL INDICATORS EFFECTS Stephanie Susilo, Felizia Arni Rudiawarni	53
44.	INFLUENCE OF JOB MOTIVATION AND JOB SATISFACTION ON EMPLOYEE PERFORMANCE IN ASURANSI JIWA BERSAMA (AJB) BUMIPUTERA 1912 SURABAYA REGIONAL OFFICE Agus Frianto, Ayu Septirini	55
45.	INNOVATION SUCCESS IN SMALL BUSINESS CONTEXT: AN EMPIRICAL EVIDENT FROM INDONESIA Aluisius Hery Pratono, Suyanto	56
46.	FACTORS INFLUENCE INDONESIAN YOUNG CONSUMERS' ONLINE PURCHASE INTENTION IN SOCIAL MEDIA WEBSITES Levina Rolanda Tjia, Christina R. Honantha	57
47.	CAREER DEVELOPMENT OF CREATIVITY REVIEWED, AND COURAGE IN BUSINESS INNOVATIVE MULTI-LEVEL	

ISBN: 978-979-99365-7-8

ix

MARKETING (MLM) DISTRIBUTOR ORIFLAME DENPASAR Luh Kadek Budi Martini.....

- 48. ANALYSIS OF THE MACRO ECONOMIC INFLUENCE FACTORS FINANCIAL AND PERFORMANCE COMPANY TO BUILD A MODEL PREDICTION BANKRUPTCY (STUDY AT LISTED COMPANIES IN IDX FOR YEAR 1999-2010) M. Sienly Veronica.....
- 49. EARNINGS MANAGEMENT TREND TOWARD COAL COMPANY LISTED IN THE INDONESIA STOCK EXCHANGE WHICH EXPECTED TO BANKRUPTCY BY USE THE ALTMAN Z-SCORE MODEL, SPRINGATE MODEL AND ZMIWISKY MODEL IN PERIOD 2009-2011 Suciaty Debora Ridwan, M.Sienly Veronica.....
- 50. FIRM CHARACTERISTICS, INTELLECTUAL CAPITAL, AND ENVIRONMENTAL PERFORMANCE (EMPIRICAL EVIDENCE FROM LISTED COMPANIES IN INDONESIA) Ni Wayan Rustiarini.....
- 51. IMPROVING COMPANY'S COMPETITIVE ADVANTAGES BY IDENTIFYING WASTE IN THE PRODUCTION PROCESS CASE STUDY AT WATOETOELIS SUGAR MANUFACTURER IN SIDOARJO Tuwanku Aria Auliandri.....
- 52. GAUGING THE FINANCIAL PERFORMANCE OF BANKING USING CAMEL MODEL: THE PROSPECT OF ISLAMIC BANK IN INDONESIA ACCORDING TO PUBLIC TRUST COMPARED WITH CONVENTIONAL BANK Yohanna Handjaja, Deddy Marciano, Liliana Inggrit Wijaya
- 53. THE INFLUENCE OF MANAGEMENT PERFORMANCE AND INTELLECTUAL CAPITAL TOWARD THE FIRM VALUE Agus Wahyudi Salasa Gama, Ni Wayan Eka Mitariani.....

ISBN: 978-979-99365-7-8

54.	THE ROLE OF POWER AND CONFLICT RESOLUTION IN SUPPLY CHAIN RELATIONSHIPS: SMALL AND MEDIUM-SIZED ENTERPRISES CONTEXT	
	Amak Mohamad Yaqoub, Indri Apriani Rahma Pratama	67
55.	THE INFLUENCE OF PROSPECTOR AND DEFENDER STRATEGIES ON PERFORMANCE WITH DIMENSIONS OF SOCIAL CAPITAL AS MODERATING VARIABLES Bambang Suko Priyono	68
56.	ACTIVITY PERFORMANCE ANALYSIS OF SUPPLY CHAIN PERFORMANCE OF ACTIVITY MODEL APPROACH STUDY AT UKM KRIPIK BUAH KEBONSARI Choirum Rindah Istiqaroh, Saraswati Budi Utami	69
57.	THE INFLUENCE OF FINANCIAL PERFORMANCE {EPS (EARNING PER SHARE), PER (PRICE EQUITY) AND ROA (RETURN ON ASSETS)} TO SHARE PRICE INDEX EARNING RATIO), DPR (DEVIDENT PAYOUT RATIO), ROE (RETURN ON EQUITY) AND ROA (RETURN ON ASSETS)} TO SHARE PRICE INDEX Dheo Rimbano, Sardiyo, Maulana	71
58.	THE RELEVANCY OF USING WEBSITE FOR PROMOTING HEALTH CARE PRODUCT AND SERVICES Edo Sri Harsanto, Naafilah Lailatirrohmah	73
59.	EMOTIONAL ATTACHMENT AS A MEDIATOR OF THE RELATIONSHIP BETWEEN SERVICE QUALITY AND EMOTIONAL BRAND Rendy May Fandi, Efendi	74
60.	MALMI AND BROWN'S MANAGEMENT CONTROL SYSTEM IN PRODUCTION AREA: A CASE STUDY IN PT DS SURABAYA Fandy San Kartawidjaja, Fidelis Arastyo Andono	75
61.	THE EFFECT OF FINANCIAL CONDITION, THE FAILURE OF DEBT RATIO, FIRM SIZE AND PUBLIC ACCOUNTING	

ISBN: 978-979-99365-7-8

- -

xi

REPUTATION ON ACCEPTANCE OF GOING CONCERN OPINION Hendro Lukman, Stevanus Adree Cipto Setiawan......

62. EFFECT OF INVESTMENT OPPORTUNITY SET ON CASH DIVIDEND POLICY WITH AVERAGE OF SALES GROWTH ON EVERY LIFE CYCLE AS A MODERATING VARIABLE (STUDIES ON MANUFACTURING COMPANIES IN INDONESIA STOCK EXCHANGE) I Dewa Made Endiana.....

63. THE EFFECT OF AGE, LEVEL OF EDUCATION, AUDITORS WORK EXPERIENCE AND TYPE OF BUSINESS CLIENT ON THE AUDIT DELAY PUBLIC ACCOUNTANT IN BALI I Gede Cahyadi Putra.....

64. GOOGLE SEARCH TRAFFIC AND IT'S INFLUENCE ON RETURN, LIQUIDITY AND VOLATILITY OF STOCK RETURN EMPIRICAL STUDY: MANUFACTURING FIRMS IN INDONESIA STOCK EXCHANGE Berto Usman, Eduardus Tandelilin.....

- 65. PENETRATING INDONESIAN BANK ASSURANCE MARKET: STRATEGIC MANAGEMENT, PT. ASURANSI CIGNA – INDONESIA STYLE Suresh Kumar, Randy Prasetyo.....
- 66. COLLABORATION STRATEGY ON INDUSTRIAL CLUSTER (THE NEW STRATEGY OF THE NEW ERA) Noviaty Kresna Darmasetiawan.....
- 67. FISH DISTRIBUTION SYSTEM DESIGN (CASE STUDY: FISH AUCTION PLACE SIDOARJO) Verani Hartati, Wiwik Sulistiyowati.....
- 68. SELF-CONCEPT AND SELF-EFFICACY FOR BUILDING AN ACADEMIC PERFORMANCE: SISTEMATIC REVIEW APPROACH Jun Surjanti, Dwiarko Nugrohoseno, Sanaji......

ISBN: 978-979-99365-7-8

69.	TOTAL QUALITY MANAGEMENT IN EDUCATION (TQME):PROSPECTIVE STRATEGY FOR HIGHER EDUCATIONINSTITUTIONRatna Widiastuti	4
70.	THE ROLE OF ENVIRONMENTAL UNCERTAINTY AND IMPLEMENTATION SUPPLY CHAIN FOR INCREASING COMPETITIVE ADVANTAGE MANUFACTURING INDUSTRIES IN EAST JAVA	5
	Sahnaz Ubud	5
71.	INCREASING WHOLESALE CENTERS ROLE AS PART OF SUPPLY CHAIN MANAGEMENT OF SMES	
	Kabul Wahyu Utomo, Ludwina Harahap, Lely Dahlia 8	6
72.	COLLECTIVE ENTREPRENEURSHIP PARADIGM AS A PATTERNSFOR COOPERATIVE DEVELOPMENT IN KULONPROGO REGENCY, 2013 Lely Dahlia	
73.	THE EVALUATION OF USING IMPORTANCE PERFORMANCE ANALYSIS (IPA) TO DESIGN SERVICE EXCELENCE PROGRAM Mudiantono, Rizal Hari Magnadi	39
74.	IMPROVEMENT BANK CUSTOMER SATISFACTION WITH SERVICE QUALITY ABSTRACT	
	Yetty Dwi Lestari	0
75.	STRATEGIES TO IMPLEMENT THE CHANGES IN THE BASIS OF CASH TRANSFER FROM A HOUSEHOLD-BASE TO A FAMILY- BASE: THE CASE OF <i>PKH</i> IN INDONESIA Muhammad Nashihin	91
76.	CORPORATE GOVERNANCE, SUSTAINABILITY, AND ISLAMIC BANKING PERFORMANCE	
	Rohmawati Kusumaningtias	92

ISBN: 978-979-99365-7-8

xiii

77.	THE ROLE OF INSURANC	E AGREEMENT	AS	PART	OF	RISK
	MANAGEMENT IN INDONE	SIAN BUSINESS	AC	FIVITY		
	Aris Armuninggar					

78. THE IMPACT OF THE USE OF OUTSOURCING EMPLOYEE AGAINST PRODUCTIVITY COMPANIES IN PT.PINDAD BANDUNG Sri Wiludjeng S. P., Muhammad Madyosa Ibrahim...

79. SUSTAINABLE BUSINESS INNOVATION TO WIN THE COMPETITION A CASE STUDY OF INNOVATION BY WAYAN IN BULLFROG FARMING IN BALI Liliana Inggrit Widjaya, Dudi Anandya, Fitri Novika Wijaya

- 81. MANAGING GLOBAL BUSINESS BY MINIMIZING THE EFFECTS OF RUPIAH'S VOLATILITY Christina Yanita Setyawati.....
- 82. THE PERCEPTION OF ADOPTING AN INFORMATION TECHNOLOGY INNOVATION ON THE RURAL BANKS

OWNED BY LOCAL GOVERNMENT Elen Puspitasari, Ceacilia Srimindarti.....

- 83. MODEL APPLICATION SERVICE LEVEL WITH SERVICE UNITS PER DEMANDED TYPE ON GRESIK CEMENT AND TONASA CEMENT STOCKS IN UD "TJ" DALUNG-DENPASAR-BALI Pertiwi Surya Negara, Juliani Dyah Tresnawati, Budhiman Setyawan.....

ISBN: 978-979-99365-7-8

.....

85.	INDONESIAN READERS' MOTIVATIONS AND ATTITUDE TOWARDS DIGITAL PRESS Christina Rahardja Honantha, Dudi Anandya, Indarini 10	1
86.	MANAGEMENT STYLE OF CHINESE OVERSEAS COMPANIES	
	AND INDONESIA COMPANIES Yie Ke Feliana	02
87.	IMPLEMENTATION OF VALUE CHAIN ANALYSIS IN THE BROILER SUPPLY CHAIN AGRIBUSSINESS	
	BROILER SUPPLY CHAIN AGRIDUSSINGES 1 Rini Oktavera, Erna Andjani 1	03
88.	IMPACT OF DIVERGENCE BETWEEN VOTING AND CASH FLOW RIGHTS ON PEROMANCE: ULTIMATE OWNERSHIP IN	
	INDONESIA I Putu Sugiartha Sanjaya1	05
89.	ACTIVITY COMPLAINT HANDLING THE ENGINEERING DEPARTMENT NOVOTEL SURABAYA HOTEL & SUITES Anita Wongso, Fitri Novika Widjaja1	106
90.	IMPLEMENTATION OF FIVE FORCES ANALYSIS IN BUSINESS	107
91.	IMPACT OF ACQUISITION OF PT. INDOSIAR KARYA MEDIA, TBK BY PT. ELANG MAHKOTA TEKNOLOGI, TBK Kazia Laturette	108
92.	THE INFLUENCE OF MONETARY POLICY (BI RATE) ON PROFITABILITY OF COMMERCIAL BANKS IN INDONESIA Lia Amaliawiati, Edi Winarso	110
93.	OUTSOURCING OR INSOURCING? AN EMPIRICAL INVESTIGATION FOR CATERING OPERATION AT "NH AQIQAH" BUSINESS FIRM, SURABAYA H. Johny Rusdiyanto	112

XV

- 94. FACTORS THAT INFLUENCED SYNDICATED LOANS DECISIONS IN THE ASEAN OVER THE PERIOD 2006-2010 Anthony Kevin Bandono, Deddy Marciano......
- 95. THE APPLICATION OF FAMA AND FRENCH THREE FACTORS MODEL AND CAPITAL ASSET PRICING MODEL AT INDONESIAN STOCK EXCHANGE Mudji Utami.....
- 96. THE EFFECTS OF LOGISTICS SERVICE QUALITY AND CUSTOMER SATISFACTION TO CUSTOMER LOYALTY OF DELIVERY ODER SERVICE IN FAST FOOD RESTAURANTS IN SURABAYA Juliani Dyah Trisnawati, Veny Megawati, Prita Ayu Kusumawardhany.....
- 97. THE STUDY OF DYNAMIC TRADE-OFF CAPITAL STRUCTURE EXISTENCE TO THE NONFINANCIAL BUSINESS ENTITIES LISTED ON INDONESIA STOCK EXCHANGE DURING PERIOD 2007-2011 Endang Ernawati, Werner R. Murhadi.....
 - 98. SCALE DEVELOPMENT AND VALIDATION OF PROCEDURAL JUSTICE CLIMATE Joseph L. Eko Nugroho.....
 - 99. LOGISTIC SERVICE QUALITY IN PT MENTARI SEJATI PERKASA (MSP) SURABAYA Siti Rahayu, Fitri Novika, Anthony Soenardi Sudartan
 - 100. PERCEPTION OF ACCEPTANCE KOMMUTER TRAIN SIDOARJO-SURABAYA ROUTE TO WORK PLACE AS ALTERNATIVE CHOICE ON PUBLIC TRANSPORTATION WITH PLANNED BEHAVIOR THEORY Moh. Rofik, Nindria Untarini, Yessy Artanti.....
 - 101. THE FACTORS AFFECTING THE COMPANIES CAPITAL STRUCTURE IN THE SECTOR OF INFRASTRUCTURE,

ISBN: 978-979-99365-7-8

11

	UTILITIES, AND TRANSPORTATION LISTED ON INDONESIA STOCK EXCHANGE DURING PERIOD 2006-2010 Julius Irianto Gunawan, Endang Ernawati	121
102.	ANALYSIS EFFECT OF INCENTIVE AND COMPETENCY TO THE WORKING PERFORMANCE OF EMPLOYEES AT SMART MANAGEMENT CONSULTANT PALEMBANG Maulana, Sardiyo	122
103.	ANALYSIS OF FACTORS THAT INFLUENCE CAPITAL STRUCTURE AND TEST DIFFERENT CAPITAL STRUCTURE IN FINANCIALLY CONSTRAINED (FC) AND NON FINANCIALLY CONSTRAINED (NFC) (CASE STUDY MANUFACTURING COMPANY IN THE STOCK EXCHANGE ON THE PERIOD FROM 2007 TO 2009)	
	Siti Puryandani, Dewi Mayasari	124
104.		
	INFORMATION Budhi Purwandaya, Eko Kusmurtanto	125
105.	EFFECTIVENESS OF IT GOVERNANCE IN BANKING SECTOR Samuel David Lee, Pandam Rukmi Wulandari, Aris Budi Setyawan	126
106.	THE ROLE OF LEVERAGE IN THE EFFECT OF GOOD CORPORATE GOVERNENCE ON CORPORATE PERFORMANCE Andrea Widianti Maris, Samuel David Lee, Renny Nur'ainy	127
107	ORIENTATION, STRATEGIC ORIENTATION AND PERFORMANCE OF SMES (EMPIRICAL STUDY ON SMALL AND MEDIUM INDUSTRIES PEKANBARU CITY))
	Susi Hendriani, Machasin, Budi Trianto	
108	B. THE EFFECT OF MACRO ECONOMIC TOWARD THE CHANGE OF STOCK PRICE INDEX IN JAKARTA ISLAMIC INDEX Lely Fera Triani, Etty Puji Lestari	S 130

ISBN: 978-979-99365-7-8

xvii

- 109. DETERMINANTS OF INVESTMENT IN INDONESI (MACROECONOMIC ASSESSMENT WITH VAR MODEL) Etty Puji Lestari, Lely Fera Triani.....
- 110. COMMUNICATION EFFECTIVENESS IN PT. SALIM BROTHERS PERKASA, SIDOARJO Elsye Tandelilin, Christina.....

INFLUENCE OF TRUST IN SUPPLIER AND TRUST IN BRAND ON THE PURCHASE AND ATTITUDINAL LOYALTY FOR RETAILER AT PT SINAR SOSRO IN SURABAYA

Christina Esti Susanti Widya Mandala Catholic University

ABSTRACT

Trust is the foundation of business. A business transaction between two or more parties will occur if there is trust each other. Trust can't simply be claimed by other parties/business partners, but must be built from scratch and can be proven. Trust is an important factor because it is very fundamental in a business relationship and a measure of the quality of business relationships forged. The purpose of this study was to determine the effect of trust in supplier and trust in brand on purchase and attitudinal loyalty for retailer's PT Sinar Sosro in Surabaya.

This study formulates its problems as follows: (1) Does trust in supplier affect on the purchase at PT Sinar Sosro in Surabaya?, (2) Does trust in brand influence on purchase at PT Sinar Sosro in Surabaya?, (3) Do trust in suppliers and trust in brand simultaneously influence on the purchase at PT Sinar Sosro in Surabaya?, (4) Which of trust in supplier and trust in brand has a dominant influence on purchase at PT Sinar Sosro in Surabaya?, (5) Does trust in supplier influence on attitudinal loyalty at PT Sinar Sosro in Surabaya?, (6) Does trust in brand influence on attitudinal loyalty at PT Sinar Sosro in Surabaya?, (7) Does trust in suppliers and trust in brand simultaneously influence on attitudinal loyalty at PT Sinar Sosro in Surabaya?, (7) Does trust in suppliers and trust in brand simultaneously influence on attitudinal loyalty at PT Sinar Sosro in Surabaya?, (8) Which of trust in supplier and trust in brand has a dominant influence on attitudinal loyalty at PT Sinar Sosro in Surabaya?, (8) Which of trust in supplier and trust in brand has a dominant influence on attitudinal loyalty at PT Sinar Sosro in Surabaya?, (7) Does trust in supplier and trust in brand has a dominant influence on attitudinal loyalty at PT Sinar Sosro in Surabaya?, (8) Which of trust in supplier and trust in brand has a dominant influence on attitudinal loyalty at PT Sinar Sosro in Surabaya?, and (9) Does purchase intention influences on attitudinal loyalty at PT Sinar Sosro in Surabaya.

This research is the study of hypothesis testing, with members of the population of retailers that sell Teh Botol Sosro in Surabaya with a total sample of 100 respondents. The sampling technique in this study used a non probability sampling with a purposive sampling method. The analysis technique used is multiple linear regression analysis, analysis of multiple correlation coefficient, the coefficient of multiple determination analysis, correlation coefficient analysis and partial determination.

The research found that: (1) trust in supplier influences on purchase intention at PT Sinar Sosro in Surabaya, (2) trust in brand influences on purchase intention at PT Sinar Sosro in Surabaya, (3) trust in suppliers and trust in the brand simultaneously influence the purchase intention at PT Sinar Sosro in Surabaya, (4) trust in brand dominantly influences on purchase intention at PT Sinar Sosro in the Surabaya, (5) trust in supplier effect on attitudinal loyalty at PT Sinar Sosro in Surabaya, (6) trust in brand effect on attitudinal loyalty at PT Sinar Sosro in Surabaya, (8) trust in brand influence simultaneously on attitudinal loyalty at PT Sinar Sosro in Surabaya, (8) trust in brand dominantly influences of attitudinal loyalty at PT Sinar Sosro in Surabaya, (8) trust in brand dominantly influences of attitudinal loyalty at PT Sinar Sosro in Surabaya, and (9) purchase intention influences on attitudinal loyalty at PT Sinar Sosro in Surabaya.

PT Sinar Sosro are advised to more understanding and attention to the needs and desires of the retailer. It is something urgent to improve the product quality of Teh Botol Sosro in order for retailer's trust in PT Sinar Sosro in Surabaya increase.

Keywords: trust in supplier, trust in brand, purchase, and attitudinal loyalty.

RESEARCH BACKGROUND

In this era, purchase intention and attitudes of consumers loyal to the company is also heavily influenced by the confidence (trust) consumers, employees, companies, and brands. Trust is the basis for a business relationship and an important prerequisite in a business interaction. Trust becomes a foundation for the company or a person to transact business with other companies or individuals. The trust that exists between the consumer (retail) either by employees, companies, and brands of the company can make the relationship more closely, and the company as a vendor more flexibility to develop new products and offer it to consumers.

According to Morgan and Hunt (1994) if a company can increase the confidence of retail outlets that become customers, then the long-term relationships with retailers will be realized. Anderson, Claes, and Donald (1994) in Schellhase (2000) stated that the distribution partner satisfaction is the key to success suppliers suppliers. Ganesan (1994) states that retailer confidence in the company (suppliers) can influence the willingness of retailers (outlet) is to establish a long term relationship with the company.

Plank, Reid and Pullins (1999) states that in the event the relationship between the buyer (retailer) and sellers (suppliers) then that should be considered is the salesperson's confidence because it is a reflection of the confidence in the reliability of the power and the responsibility of the seller because the seller has obtained a good faith of the retailer (outlet). Crosby, Evans, and Cowles (1990) stated that the reliability of the sales force effect on relationship quality (trust) from a retailer in the sales force. So with the reliability that is owned by the sales force is expected confidence in the sales force can be realized. Liu and Leach (2001) stated that the perception of the reliability of the sales force is a form of consumer confidence and trust that the salesperson has a range of relevant specialist knowledge and support for the success of the business relationship. Anderson and Narus (1990) in Liu and Leach (2001) states that if there is a trust between the buyers and salespeople will create a partnership to develop their ideas, goals and solve problems. Crosby, et al, (1990) also stated that belief reflected in the company of the buyer's willingness to rely on the sale of the company.

Previous research referenced in the study conducted by Rauyruen et al., (2007) with the title "Relationship Quality as Predictor of B2B Customer Loyalty". Conclusion The results of these studies is to maintain customer loyalty to the supplier, the supplier can pay attention to four aspects of relationship quality that consists of trust, commitment, satisfaction, and service quality.

Problem Formulation

Based on the background of the problem, the research question of this study are as follows:

- 1. Does trust in supplier affect on the purchase at PT Sinar Sosro in Surabaya?
- 2. Does trust in brand influence on purchase at PT Sinar Sosro in Surabaya?
- 3. Do trust in suppliers and trust in brand simultaneously influence on the purchase at PT Sinar Sosro in Surabaya?
- 4. Which of trust in supplier and trust in brand has a dominant influence on purchase at PT Sinar Sosro in Surabaya?
- 5. Does trust in supplier influence on attitudinal loyalty at PT Sinar Sosro in Surabaya?
- 6. Does trust in brand influence on attitudinal loyalty at PT Sinar Sosro in Surabaya?
- 7. Do trust in suppliers and trust in brand simultaneously influence on attitudinal loyalty at PT Sinar Sosro in Surabaya?
- 8. Which of trust in supplier and trust in brand has a dominant influence on attitudinal loyalty at PT Sinar Sosro in Surabaya?

9. Does purchase intention influences on attitudinal loyalty at PT Sinar Sosro in Surabaya.

Research Objectives

Based on the formulation of the problem, the objectives of this study were to determine:

- 1. Trust in supplier influences on purchase at PT Sinar Sosro in Surabaya
- 2. Trust in brand influences on purchase at PT Sinar Sosro in Surabaya
- 3. Trust in suppliers and trust in the brand simultaneously influence the purchase at PT Sinar Sosro in Surabaya
- 4. Trust in brand dominantly influences on purchase at PT Sinar Sosro in the Surabaya
- 5. Trust in supplier effect on attitudinal loyalty at PT Sinar Sosro in Surabaya
- 6. Trust in brand effect on attitudinal loyalty at PT Sinar Sosro in Surabaya
- 7. Trust in supplier and trust in brand influence simultaneously on attitudinal loyalty at PT Sinar Sosro in Surabaya
- 8. Trust in brand dominantly influences of attitudinal loyalty at PT Sinar Sosro in Surabaya.
- 9. Purchase intention influences on attitudinal loyalty at PT Sinar Sosro in Surabaya.

Benefits of Research

The results of this study might be expected to provide:

1. Academic benefits

The results of this research can be used as an additional reference for those who want to do further research, in particular on the effect of employee trust, trust in suppliers, trust in brand to purchase intention and attitudinal loyalty.

2. Practical benefits

The results of this research can be used by companies as an additional information in decision-making, particularly in developing attitudinal loyalty and purchase intention.

LITERATURE REVIEW

Previous Research

Previous research referenced in the study conducted by Rauyruen et al., (2007) with the title "Relationship Quality as Predictor of B2B Customer Loyalty". From the results of these studies it is known that to obtain customer loyalty, suppliers seeking to improve customer satisfaction and service system design is excellent. For that, one must focus on building supplier relationships to create the basis of consumer confidence. Furthermore, the results of these studies indicate that trust in suppliers affects loyalty. It also implies the basis of the behavior of the consumer repurchase intentions and loyalty behaviors are more influenced by consumer confidence and commitment to the supplier.

Trust

According to Anderson and Narus (1990), trust is a willingness to rely on the cooperation of partners who have believed. From the definition, it can be stated that the trust is a trust given to the other party in the transaction having a conviction that those who believed it would meet its obligations as well, as expected. Therefore, confidence in the salesperson, product, and the company is very important in maintaining long-term relationships between the company and customers (retailers) because trust is the overall confidence of the buyer (retailer) of the salespeople, brands, and companies to offer suitable compliance knowledge customers.

Morgan and Hunt (1994) states there are several indicators for the variables shown confidence in the company (supplier): credibility, reliability and caring company. Credibility is the ability of the company to be shared by the partners both orally and in writing; reliability of the company is the image of the company both in terms of toughness and services of marketed products; care is a form of action that is displayed by the company as a form of aid and attention to retailers. According to Lau and Lee (1999) there are five indicators to measure consumer confidence in the suppliers are: consumers believe in the company, consumers believe that companies have a good product quality, consumers are able to trust the company as a company that has a good production standards, consumers feel safe when using products from companies because they know the company will not make her upset, consumers believe that companies can work well.

Lau and Lee (1999) define trust in the brand as the desire of the consumer to rely on the function of the performance of a brand. Further Lau and Lee (1999) states that the trust of the brand is the consumer's willingness or willingness to face risks related to brand purchased and will give a positive result or benefit. According to Kotler and Armstrong (2001) trust in a brand is a set of consumer beliefs about a particular brand. Lau and Lee (1999) stated that there are five indicators to measure consumer confidence in the brand are: consumers believe in the brand, the brand company to be reliable, consumers feel that companies can trust the brand because it has good quality, consumers can rely on the company's brand, consumers feel safe when purchasing company's brand because consumers know the brand of the company will not disappoint.

Purchase Intention

Kotler (2005:224) stated that the purchase intention begins with the stage looking for or recognize the need, then the consumer will move to the second stage of information retrieval. The information sought is about products, brands and manufacturers of these products. The information collected will be evaluated at a later stage. As the output of the third stage is the purchase decision. When it has made a purchase and consume products purchased, consumers will evaluate both products and services that have been received in the purchasing process. Positive results of the evaluation will push to make repeat purchases in the future, but a negative evaluation will motivate consumers to no longer consume the product.

Attitudinal Loyalty

Approach to understanding attitudinal loyalty as the aspect of joy and commitment to a particular object (Assael, 1998:130; Dharmmesta, 1999). According to Schiffman and Kanuk (2000:130), the attitude of loyal customers is a consistent choice or purchase the same brand, by consumers of a particular product. The attitude of loyal consumers can be understood as a positive attitude towards a brand that encourages consumers to consistently buy the brand when the product category is needed. That should be done by marketers are continuously communicate the brand positioning to consumers. With these communication activities also indirectly marketers build brand preference and establish loyal consumer attitudes towards brands and products.

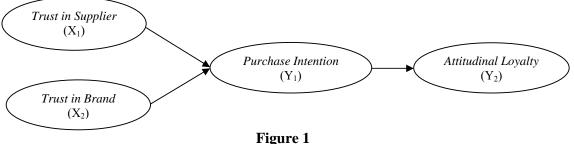
Influence Between Variables

Ganesan (1994) stated that in order to create consumer purchase intention, the variables that influence trust in the supplier is formed of satisfaction with service strategy and the reputation of the supplier. Morgan and Hunt (1994) states that the behavior of connection that occurs between a company and its partners are largely determined by consumer confidence and commitment to the company. So it can be concluded that the belief in the company will have a positive relationship with purchase intentions.

Aperia (2001), quoted Morling and Strannegard (2004) states that the popularity and trust in a brand can provide a sense of prestige and pride to their customers, so that it becomes the first and foremost thing to be considered for the consumer to have the intention to buy a product or merit.

Research Model

The research model in this study is shown in the following figure.



Research Model

Hypothesis

The hypothesis to answer the problem formulation in this study were:Trust in supplier influences on purchase at PT Sinar Sosro in Surabaya

- 1. Trust in brand influences on purchase at PT Sinar Sosro in Surabaya
- 2. Trust in suppliers and trust in the brand simultaneously influence the purchase at PT Sinar Sosro in Surabaya
- 3. Trust in brand dominantly influences on purchase at PT Sinar Sosro in the Surabaya
- 4. Trust in supplier effect on attitudinal loyalty at PT Sinar Sosro in Surabaya
- 5. Trust in brand effect on attitudinal loyalty at PT Sinar Sosro in Surabaya
- 6. Trust in supplier and trust in brand influence simultaneously on attitudinal loyalty at PT Sinar Sosro in Surabaya
- 7. Trust in brand dominantly influences of attitudinal loyalty at PT Sinar Sosro in Surabaya.
- 8. Purchase intention influences on attitudinal loyalty at PT Sinar Sosro in Surabaya.

RESEARCH METHODS

Population, Sample and Sampling Techniques

The population in this study are all retailers that sell Botol Sosro in Surabaya. The sample in this study is the retailer with the following criteria: residence in Surabaya, has sold Botol Sosro for at least 1 year, and have done the reorder more than 12 times. The sample size amounted to 100 retailers. The sampling technique used was purposive sampling technique, so that the sample selected must meet established criteria.

RESULT AND DISCUSSION

Identification of respondents based on the characteristics of respondents in the study are as follows. Table 1

Identification of Respondents					
CHARACTERISTICS	TOTAL	PERCENT (%)			
Domicile in Surabaya	100	100			
The bottle has sold Sosro for ≥ 1 year	100	100			
Have done as much reorder> 12 times	100	100			

Source: Data processed

Based on Table 1 note that all sample respondents met the criteria established in this study. Therefore, the analysis can proceed.

No	STATEMENT	MEAN	EXPLANATION	
Trust in Supplier (X ₁)				
1	PT Sinar Sosro credible	3.9	Agree	
2	PT Sinar Sosro reliably producing	3.8	Agree	
3	PT Sinar Sosro care for retailers	3.8	Agree	
Trust	in Brand (X ₂)			
1	Sosro Botol produced credible PT Sinar Sosro	3.9	Agree	
2	Sosro Botol produced reliable PT Sinar Sosro	3.9	Agree	
3	Sosro Botol produced by PT Sinar Sosro have a	4	Agree	
	good quality			
Purch	ase Intention (Y ₁)			
1	I intend to buy a manufactured Botol Sosro PT	4,3	Very Agree	
	Sinar Sosro as credible			
2	I intend to buy a manufactured Botol Sosro PT	4	Agree	
	Sinar Sosro as reliable			
3	I intend to buy a manufactured Botol Sosro PT	3.9	Agree	
	Sinar Sosro because it has a good quality			
Attitu	dinal Loyalty (Y ₂)			
1	In the future, I will always buy and sell Botol Sosro	4	Agree	
	produced by PT Sinar Sosro			
2	I would recommend another supplier to buy and sell	4,2	Very Agree	
	Botol Sosro produced by PT Sinar Sosro			
3	I will pass on the information to other suppliers	3,6	Agree	
	about the quality of the produced Sosro Botol PT			
	Sinar Sosro			

Table 2Variable Descriptive Statistics Research

Source: Data processed

Based on Table 2 it is known that the respondent agrees to all of the statements of all the variables examined in this study are indicated with a mean of > 3.

Test Validity and Reliability

Validity test is used to measure the validity of the questionnaire revealed that the variables measured in the study. Validity of the test results shown in the following table.

Tab	le 3
Test V	alidity

Item Kuesioner	Val	Explanation		
	Correlation	Significance		
Trust in supplier (X ₁)				
X _{1.1}	0,839	0,000	Valid	
X _{1.2}	0,678	0,000	Valid	
X _{1.3}	0,865	0,000	Valid	
Trust in brand (X ₂)				
X _{2·1}	0,896	0,000	Valid	
X _{2·2}	0,868	0,000	Valid	
X _{2.3}	0,795	0,000	Valid	
Purchase intention (Y1))			
Y _{1.1}	0,843	0,000	Valid	
Y _{1.2}	0,810	0,000	Valid	
Y _{1.3}	0,775	0,000	Valid	
Attitudinal loyalty (Y ₂)				
Y _{2.1}	0,854	0,854 0,000		
Y _{2·2}	0,899	0,000	Valid	
Y _{2·3}	0,820	0,000	Valid	

Source: Data processed

According to Table 3 it appears that the significant value of 0. These results indicate that the item is declared valid questionnaires and deserves to be analyzed further.

Test Reliability

Reliability is a tool to measure the reliability or the reliability of the study variables. A variable is declared reliable if Cronbach Alpha values> 0.60. Reliability test results are shown in the following table.

Table 4 Test Reliability

Variable	Cronbach' Alpha Test	Cronbach' Alpha standar	Explanation
<i>Trust in Supplier</i> (X_1)	0,7		Reliabel
<i>Trust in Brand</i> (X ₂)	0,8	>0,6	Reliabel
<i>Purchase Intention</i> (Y ₁)	0,7		Reliabel
Attitudinal Loyalty (Y ₂)	0,8		Reliabel

Source: Data processed

Based on Table 4 it appears that the value of Cronbach's Alpha> 0.60 for all variables. These results indicate that the variable is declared reliable and feasible study for further analysis.

Data Analysis

Goodness of Fit Measure	Cut-off Value	Result Analysis	Model Evaluation
χ^2 -chi-square	Kecil	154,697	
Significant Probability	<u>≥</u> 0.05	0,060	Fit
RMSEA	≤ 0.08	0,031	Fit
GFI	≥ 0.90	0,931	Fit
AGFI	≥ 0.90	0,913	Fit
CMIN/DF	≤ 2.0	1,033	Fit
TLI	≥ 0.95	0,979	Fit
CFI	≥ 0.95	0,983	Fit

 Table 5

 Structural Equation Modelling Indeks

Source: Data processed

Based on Table 5 note that the results of Structural Equation Modelling index indicates a good value, so it can be concluded that the model is very good for measuring the level of acceptance of a model.

Structural Model Testing (Structural Model Fit)

 Table 6

 Standard Loading Between Variables

Variabel			Standard Loading
<i>Purchase Intention</i> (Y ₁)	<-	<i>Trust in Supplier</i> (X_1)	0.866
<i>Purchase Intention</i> (Y ₁)	<-	<i>Trust in Brand</i> (X ₂)	0.494
Attitudinal Loyalty (Y ₂)	<-	<i>Purchase Intention</i> (Y ₁)	0.205

Source: Data processed

In Table 6 to determine the structural equation model of the study as follows:

Equation 1:

$PI = \beta_1 TiS + \beta_2 TiB + e pi$	
PI = 0,866 TiS + 0,494 TiB	$R^2 = 0,995$

If the variable Trust in Supplier change will cause changes in Purchase Intention in the direction of positive change. Positive sign indicates that the direction of change that is if the variable increases, Trust in Supplier Purchase Intention will increase, and vice versa if the variable decreases the Trust in Supplier Purchase Intention will decrease the value of path coefficient 0.866.

If the variable changed the Trust in Brand Purchase Intention will cause a change in the direction of positive change. Positive sign indicates that the direction of change that is if the variable increases, the Trust in Brand Purchase Intention will increase, and vice versa if the variable decreases the Trust in Brand Purchase Intention will decrease the value of path coefficient 0.494. While the relationship between the Trust in Supplier and Trust in Brand Purchase Intention is equal to 0.995.

Equation 2:	
$AL = \beta_1 PI + e al$	
AL = 0,205 PI	$R^2 = 0.042$

If the Purchase Intention variable changes, it will lead to attitudinal changes Loyalty to the direction of positive change. Positive sign indicates that the direction of change that is if the variable increases, the attitudinal Purchase Intention Loyalty will increase, and vice versa if the variable decreases the Purchase Intention attitudinal Loyalty will decrease the value of path coefficient 0.205. While the relationship between Purchase Intention with attitudinal Loyalty is at 0.042.

Hypothesis Testing

The next step is to test the hypothesis of causality, which examined the effect of the variables corresponding research hypothesis.

Hypotesis	Information			Estimate	Р	Significance
1	Purchase Intention (Y ₁)	<-	Trust in Supplier (X_1)	0.494	0.000	Significant
2	Purchase Intention (Y ₁)	<-	Trust in Brand (X ₂)	0.866	0.005	Significant
3	Purchase Intention (Y ₁)	<-	Trust in Supplier (X_1) , Trust in Brand (X_2)	0.995	0.000	Significant
5	Attitudinal Loyalty (Y ₂)	<-	Trust in Supplier (X_1)	0.101	0.000	Significant
6	Attitudinal Loyalty (Y ₂)	<-	Trust in Brand (X ₂)	0.177	0.000	Significant
7	Attitudinal Loyalty (Y ₂)	<-	Trust in Supplier (X_1) , Trust in Brand (X_2)	0.042	0.000	Significant
9	Attitudinal Loyalty (Y ₂)	<-	Purchase Intention (Y_1)	0.205	0.042	Significant

Tabel 7Estimate Direct Effect

Source: Data processed

Table 7 shows that all the hypotheses proposed in the study is significant. This means that all the hypotheses stated in this study revealed a statistically acceptable.

Discussion

1. Trust in supplier Influences on purchase intention at PT Sinar Sosro in Surabaya

In this study demonstrated that the variables of trust in the supplier has an average rating of 3.83 which means that the responses to the variables of trust in the supplier

is good. While purchase intention variable has an average rating of 4, which means the responses are good. The variable trust in suppliers weak but significant effect on purchase intention for 0494. This means that the hypothesis first proposed in this study, is acceptable.

This indicates that the company's retailer confidence is one factor that makes the retailer intends to buy products from the company. The results of this study corroborate the opinion Ganesan Morgan and Hunt, 1994 and 1994 which states if consumers believe the company will lead to consumer purchase intention. Instead, the results of this study do not support the research that has been done before by Rauyruen et al., (2007) which showed that trust in suppliers that do not have a significant effect on purchase intention.

2. Trust in the brand Influences on purchase intention at PT Sinar Sosro in Surabaya

In this study demonstrated that the variables trust in the brand has an average rating of 3.93 which means that the responses to the variables trust in the brand is good. While purchase intention variable has an average rating of 4, which means the responses are good. The variable trust in brand strong influence on purchase intention significantly because they have value estimate for 0866. 2, which means that the hypothesis proposed in this study, is acceptable.

The results of this study support the idea Aperia (2001), quoted Morling and Strannegard (2004) which states that the confidence of a brand can be a consideration for consumers to have the intention of purchasing a product or service.

3. Trust in suppliers and trust in the brand simultaneously influence the purchase intention at PT Sinar Sosro in Surabaya

Variables trust in the supplier and variable trust in the brand is very strong simultaneously have significant effect on purchase intention for 0995. This indicates that the company's confidence in retailers and suppliers to brand trust is a factor that makes the retailer intends to buy products from the company. This means that the third hypothesis proposed in this study, is acceptable.

4. Trust in the brand dominantly Influences on purchase intention at PT Sinar Sosro in the Surabaya

Based on the hypothesis 1 and 2 it appears that trust in brand purchase intention dominant influence on PT Sinar Sosro Surabaya. This means that in this study, demonstrated that when compared with the effect of consumer trust on consumer confidence in the brand suppliers more dominant influence on buying interest in PT Sinar Sosro Surabaya. This means that the fourth hypothesis proposed in this study, is acceptable.

5. Trust in supplier effect on attitudinal loyalty at PT Sinar Sosro in Surabaya

In this study demonstrated that the variables of trust in the supplier has an average rating of 3.83 which means that the responses to the variables of trust in the supplier is good. Whereas attitudinal loyalty variable has an average rating of 3.9, which means the responses are good. The variable trust in suppliers weak but significant effect on attitudinal loyalty for 0101. 5 This means that the hypothesis proposed in this study, is acceptable.

6. Trust in effect on attitudinal brand loyalty at PT Sinar Sosro in Surabaya

In this study demonstrated that the variables of trust in the brand has an average rating of 3.93 which means that the responses to the variables of trust in the brand is good. Whereas attitudinal loyalty variable has an average rating of 3.9, which means the responses are good. The variable trust in suppliers weak but significant effect on attitudinal loyalty for 0177. 6 This means that the hypothesis proposed in this study, is acceptable.

7. Trust in supplier and trust in the brand influence simultaneously on attitudinal loyalty at PT Sinar Sosro in Surabaya

Variables and variable trust in the supplier trust in the brand is very strong simultaneously have significant effect on attitudinal loyalty for 0042. This indicates that the company's confidence in retailers and suppliers to brand trust is a factor that makes the retailer intends to be loyal to the company. This means that the hypothesis 7 are proposed in this study, is acceptable.

8. Trust in dominantly Influences of attitudinal brand loyalty at PT Sinar Sosro in Surabaya

Based on the hypothesis 5 and 6 it appears that trust in the brand dominant influence attitudinal loyalty to PT Sinar Sosro Surabaya. This means that in this study, demonstrated that when compared with the effect of consumer trust on consumer confidence in the brand suppliers more dominant effect on the interest of loyalty to PT Sinar Sosro Surabaya. 8 This means that the hypothesis proposed in this study, is acceptable.

9. Purchase intention Influences on attitudinal loyalty at PT Sinar Sosro in Surabaya

The variable purchase intention weak but significant effect on attitudinal loyalty for 0,205. This suggests that the effect on the purchase intention supplier intention to be loyal to the company. This means that the hypothesis 9 is proposed in this study, is acceptable.

Conclusion

Based on the analysis and discussion, the conclusion of this research is all the hypotheses proposed in this study received. This means that consumer confidence in the supplier and consumer confidence in the brand either partially or simultaneously significant effect either on purchase intention and intention of consumers loyal to the supplier. In addition to this, the effect on consumer purchase intention of consumers loyal intentions of its suppliers.

Suggestion

Based on the analysis and discussion of the advice that can be given is as follows:

1. Theoretical suggestions

For future studies are expected to examine in more depth especially on other factors beyond those examined in this study, the effect on purchase intention and intention retailers are loyal to the company.

- 2. Practical Advice
 - a. PT. Rays Sosro recommended to better understand and consider the needs and desires of retailers to increase trust in the supplier.
 - b. PT. Sosro ray suggested to improve the quality and quality of marketed products and increase the variety of products that are sold to enhance trust in the brand.

REFERENCES

- Ajzen, I. dan Fishbein. M., 2001, Understanding Attitudes and Predicting Social Behavior, Englewood Cliffs, NJ: Prentice Hall,.
- Anderson, E. dan Weitz, B., 1992, The Use of Pledges to Build and Sustain Commitment in Distribution Channels, *Journal of Marketing Research*, Vol.29, February: 18-34.
- Anderson, James C. dan Narus, James A 1990, A Model of Distributor Firm and Manufacturer Firm Working Partnerships, *Journal of Marketing*, Vol. 54, Januari: 42-58
- Anoraga, P., 2000, Manajemen Bisnis, Jakarta: PT. Rineka Cipta
- Assael, H, 1998, *Consumer Behavior and Marketing Action*, 5th edition, Cincinatti,OH: South Western College Publishing.
- Ball, D., Coelho, P.S., dan, Machas, A., 2004, The role of communication and trust in explaining customer loyalty: an extension to the ECSI model, *European Journal of Marketing*, Vol.38, no. 9/10: 1272-1293
- Barney, J.B. dan Hansen, M.H, 1994, Trustworthiness as a source of competitive advantage, *Strategic Management Journal*, Vol. 15: 175-190
- Blumberg, B.F, 2001, Cooperation Contracts Between Embedded Firms, Organization Studies, Vol 22, No 5: 825
- Brashear, T.G., White, E.L., dan Chelariu, C., 2003, An Empirical Test of Antecedents and Consequences of Salesperson Job Satisfaction among Polish Retail Salespeople, *Journal of Business Research*, No 56: 971-978.
- Champion, D.J., 1992, *Basic Statistic for Social Research*, 2nd ed, New York: Mc. Millan Publishing Co.
- Chiou, jyh-shen., dan Droge, C., 2006, Trust, specific asset investment, and expertise: direct and indirect effects in a satisfaction loyalty framework, *Journal of the Academy of Marketing Science, Vol 8*, No 5: 245
- Chow, S. dan Reed, H, 1997, Toward An Understanding of Loyalty: The Moderating Role of Trust, *Journal of Managerial Issues*, Vol. 8, No. 3: 321
- Cram. D, 2001, *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*, Englewood Cliffs, NJ: Prentice Hall
- Crosby, L.A., Evans, K.R., dan Cowles, D., 1990, Relationship Quality in Services Selling : Ab Interpersonal Influence Perspective, *Journal of Marketing*, Vol. 54, July: 68 – 81
- Dharmmesta, Basu Swastha, 1993, Manajemen Pemasaran Analisa Perilaku Konsumen, Yogyakarta: Lyberty

- Dharmmesta, Basu Swasta, 1999, Loyalitas Pelanggan. Sebuah Kajian Konseptual Sebagai Panduan bagi Peneliti, *Jurnal Ekonomi dan Bisnis Indonesia*, Vol 14/3: 73-88
- Doney, P.M., dan Cannon, J.P., 1997, An Examination of the Nature of Trust in Buyer-Seller Relationship, *Journal of Marketing*, Vol. 61, April: 35-51
- Durianto, D., Sugiarto dan Sitinjak, T., 2001, strategi Menaklukan Pasar Melalui Riset Ekuitas dan Perilaku Merek. Jakarta: PT. Gramedia Pustaka Utama
- Engel, J.F., Blackweel, R.D dan Miniard, P.W., 1994, *Perilaku Konsumen* terjemahan oleh Budiyanto, jilid 1. Edisi ke enam, Jakarta: Binarupa Aksara
- Evans, K.R., dan Cowles, D., 1990, Relationship Quality in Service Selling: An interpersonal Influence Perspective, *Journal of Marketing*, Vol 54, July: 68-81.
- Ganesan, S., 1994, Determinants of Long-Term Orientation in Buyer-Seller Relationship, Journal of Marketing, Vol. 58, April: 1-19
- Ghozali, I., 2002, Aplikasi Analisis Multivariate Dengan Program SPSS, Edisi kedua, Semarang: Badan Penerbit Universitas Diponegoro
- Indriantoro, N. dan Supomo, B., 1999, Metodologi Penelitian Bisnis untuk akuntansi dan manajemen, Yogyakarta: BPFE.
- Kotler, P., 1999, Manajemen Pemasaran di Indonesia, Analisis, Perencanaan, Implementasi dan Pengendalian, Jakarta: Salemba Empat.
- Kotler, P., 2005, *Manajemen Pemasaran*, Edisi Kesebelas, Jilid 2, Jakarta: PT. Indeks Kelompok Gramedia
- Kotler. P., dan Armstrong, G., 2001, *Prinsip-prinsip Pemasaran*, alih bahasa: Damos Sihombing, Jilid 2, Edisi kedelapan, Jakarta: Penerbit Erlangga
- Kristina, A.S., 2005, Analisis pengaruh Kepercayaan pengelola Apotek terhadap Pemasok maupun Tenaga Penjualan dalam Membangun Kesetiaan melalui Kepuasan Pengelola Apotek terhadap Pemasok, *Jurnal Sains Pemasaran Indonesia*, Vol. 4, No. 3, Desember: 105
- Kuusik, A., 2007, Affecting Customer Loyalty: Do Different Factors Have Various Influences in Different Loyalty Levels?, University of Tatu, Faculty of Economics and Business Administration
- Lau, G. T. dan Lee, S. H., 1999, Consumers' trust in a brand and the link to brand loyalty, *Journal of Market Focused Management*, Vol 4: 341-370
- Liliweri, A., 2007, Dasar-dasar Sikap, Yogyakarta: Pustaka Pelajar
- Lind, D.A., Marchal, W.G., dan Wathen, S.A., 2008, *Teknik-teknik Statistika dalam Bisnis dan Ekonomi Menggunakan Kelompok Data Global*, edisi 13 buku 2, Jakarta: Salemba empat

- Liu, A.H. dan Leach, M.P., 2001, Developing Loyal Customers with a Valueadding Sales Force: Examining Customer Satisfaction and the Perceived Credibility of Consultative Salespeople, *Journal of Personal Selling & Sales Management*, Vol. XXI, No. 2, Spring: 147-156
- Malhotra, Naresh K., 2005, *Riset Pemasaran Pendekatan Terapan*, Jakarta: PT. Indeks Kelompok Gramedia.
- Margaretha, M., 2004, Studi Mengenai Loyalitas Pelanggan Pada Divisi Asuransi Kumpulan AJB Bumi Putera, *Jurnal Sains Pemasaran Indonesia*, Volume III, No 3: 289-308
- Mayer, R.C., Davis, J.H., dan Schoorman, F. D., 1995, An Integratif Model of Organizational Trust, *Academy of Management Review*, Vol 30, no 3: 709-734.
- Mentzer, T.J dan Min, S, 2000, The Nature of Interfirm Partnering in Supply Chain Management, *Journal of Retailing*, Vol 76, No 4: 549
- Morgan, R.M., dan Hunt, S.D., 1994, The Commitment-Trust Theory of Relationship Marketing, *Journal of Marketing*, Vol. 58, July: 20-38
- Morling, Miriam S dan Strannegard, L., 2004, Silence of the Brands, European Journal of Marketing, Vol. 38, No. 1 / 2: 224-238.
- Palilati, A., 2004, Pengaruh Tingkat Kepuasan Terhadap Loyalitas, Analisis Vol 1: 78-80
- Plank, E.R., Reid, D.A dan Pullins, E.B., 1999, Perceived Trust in Business-to-Business Sales: A New Measure, *Journal of Personal Selling & Sales Management*, Volume XIX, Number 3, Summer: 61-71.
- Rauyruen, P., Miller, K.E., dan Barrett, N.J., 2007, Relationship Quality as Predictor of B2B Customer Loyalty, *School of Marketing, University of Technology, Sidney*
- Riana, G., 2008, Pengaruh Trust in Brand terhadap Brand Loyalty, *Buletin Studi Ekonomi*. Vol 13 No 2: 86
- Schellhase, 2000, Customer Satisfaction in Business to Business Marketing : The Case of Retail Organizations and Their Supplier, *Journal of Business & Industrial Marketing*, Vol.15, No.2/3: 106 – 121
- Schiffman. L.G., dan Kanuk, L.L., 2000, perilaku konsumen, Edisi Ketujuh, Jakarta: PT. Indeks
- Severin. W.J., dan Tankard, J.W., 2001, Communication Theories; Origin, Methods, and Uses in the Mass Media, Fifth Edition, Austin: Addison Wesley Longman Inc.
- Spector, M.D, dan Jones, G.W, 2004, Trust in the Workplace: Factors Affecting Trust Formation Between Team Members, *The Journal of Social Psychology*, Vol 144, No 3: 311

Spreng, Richard A., Mackenzie, S.B., dan Olshavsky, R.W., 1996, A Reexamination of the Determinants of Consumer Satisfaction, *Journal of Marketing*, Vol 60: 15-32

Swasta, Basu. 2002, Azas-azas Marketing, Yogyakarta: Liberty.

Tanjung, H., 2000, Strategi Relationship, Jurnal Riset Ekonomi, Vol 58: 40-58

- Tjahyadi, Rully A.,2006, Brand Trust dalam Konteks Loyalitas Merek: Peran Karakteristik Merek, Karakteristik Perusahaan, dan Karakteristik Hubungan Pelanggan-Merek, *Jurnal Manajemen*, Vol. 6, No. 1, November: 165
- Yousafzai, S.Y., Pallister, J.G., dan Foxall, G.R., 2003, Strategies for Building and Communicating Trust in Electronic Banking: A Field Experiment, *Journal Psychology and Marketing*, Vol. 22, No. 2: 181-201.
- Yunus, 2006, *Membangun Kepercayaan*, http://www.gsn-soeki.com/wouw, diunduh 12 Oktober 2011.