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SATISFACTION LEVEL OF PALM OIL FARMERS TOWARDS PALM OIL RAM SERVICES IN PERLABIAN VILLAGE, KAMPUNG RAKYAT DISTRICT, LABUHAN BATU SELATAN REGENCY

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Abstract

This study aims to identify RAM service attributes based on the level of importance and performance according to oil palm farmers and to determine the level of farmer satisfaction with the services provided by RAM oil palm in Perlabian Village, Kampung Rakyat District. This study was conducted in March 2025 on 105 respondents. The research location was determined purposively. The data analysis methods used were Descriptive Analysis, Importance Performance Analysis (IPA), and Customer Satisfaction Index (CSI). The results are that the service attributes that need to be improved by marketing institutions are the ability of RAM in delivering information, the ability of RAM in providing solutions, the honesty of RAM in the services provided, RAM prioritizing farmers and the availability of RAM in receiving suggestions. The CSI value of farmer respondents for marketing institutions was 72.86%. Overall, the level of satisfaction of oil palm farmers with RAM marketing services is in the Satisfied category.

Keywords: ***Oil palm farmers, Service, IPA, CSI, Satisfaction.***

INTRODUCTION

Oil palm (Elaeis guineensis) is one of the most important agricultural commodities in many tropical countries, including Indonesia, Malaysia, and several African countries. This commodity plays a major role in global and local economies, contributing significantly to national income and creating jobs, especially in rural areas. However, despite oil palm's numerous economic benefits, smallholder farmers often face significant challenges related to the selling price of their products and the services they receive from the Oil Palm Plantation Intermediary (RAM). A RAM is a place for buying and selling fresh fruit bunches from community plantations or oil palm farmers. The word "RAM" itself is a local term referring to the House or Chain of Agents or Purchasing Agents (in some areas also referred to as "Buying Agents").called Independent Agent Chain), but in the context of palm oil in Indonesia, RAM usually refers to a place or business unit that purchases Fresh Fruit Bunches (FFB) of palm oil directly from farmers. (Mariaty, 2024) The palm oil industry is one of the fastest-growing economic sectors. Palm oil is known for its high oil productivity compared to other oil-producing crops such as soybeans, corn, and olives. This makes it the first choice for many countries in meeting global vegetable oil demand.

For example, in Indonesia, palm oil production contributes more than 4% to gross domestic product (GDP) and employs more than 4 million workers, with the majority of farmers being small and medium-sized farmers (BPS, 2023).Palm oil is also one of the plantation subsector commodities widely cultivated in Indonesia, including in South Labuhanbatu Regency. South Labuhanbatu Regency is one of the largest palm oil producing regencies in North Sumatra province, with a planted area of 43,013.00 hectares (BPS, 2021). One area in South Labuhan Batu Regency that cultivates palm oil is Kampung Rakyat District. A survey in Kampung Rakyat District showed that most palm oil marketing institutions are homogeneous or have only one marketing channel. Perlabian Village is one of the villages in Kampung Rakyat District where the majority of residents work as palm oil farmers. In Kampung Rakyat District, specifically Perlabian Village, 59% of farmers sell their harvests directly to RAM (Ministry of Palm Oil) which is still

active at the village level, which is homogeneous, and 34% to middlemen or toke (traders). Therefore, it is this RAM that will later be assessed by farmers (Impiani, 2020). For farmers who sell directly to palm oil mills, only around 7%, because palm oil mills classify fresh fruit bunches. Because of this, farmers sell more of their harvest to brokers or to palm oil RAMs. To satisfy palm oil producers, the best service for farmers is needed, provided by palm oil marketing organizations. The problem is whether palm oil producers are satisfied with the services provided by marketing organizations, because sometimes farmers still complain about some fraudulent practices carried out by marketing organizations. Even so, they continue to sell their crops to these marketing institutions and hope that the service will improve and be responsive so that they remain loyal customers who sell their crops. This is one hope in assessing satisfaction with the marketing organization itself (Impiani, 2020).

According to Indrasari (2019), customer service in general is all activities that have the intention or goal of providing customer satisfaction, through which customer desires and needs can be met. The Big Indonesian Dictionary explains that serving is trying to meet the needs of others and help prepare them (helping someone with what they need). In essence, service is a series of activities that form a process that takes place regularly, continuously and covers all of human life in society, a process of fulfilling needs through the activities of other people. So, in this context, according to (Utami, 2019), marketing institutions must have 5 dimensions of service, each of which consists of several service attribute items such as tangible (physical evidence), reliability, responsiveness, assurances, and empathy. These attributes will be assessed to see the level of farmer satisfaction with RAM itself. One management tool that is often used is Importance Performance Analysis (IPA), which has several advantages, including being able to show attributes that need to be improved, maintained, or reduced to maintain customer satisfaction. Importance Performance Analysis has the main function of showing information related to service attributes that farmers believe greatly influence their satisfaction and loyalty, as well as service attributes that need to be improved because according to farmers the service is not yet satisfactory. (Impiani, 2020)Therefore, this study aims to 1) identify RAM service attributes based on the level of importance and performance according to oil palm farmers and 2) determine the level of farmer satisfaction with the services provided by the Oil Palm RAM.

RESEARCH METHODS

Determination of Research Area

The method used to determine the research location was purposive, meaning the location was chosen based on a specific objective. This research location is in Perlabian Village, Kampung Rakyat District, South Labuhan Batu Regency, North Sumatra. This location was chosen because Perlabian Village is one of the areas where oil palm farmers sell their harvest to RAM.

Sampling Determination Method

The sampling method used was probability sampling. The probability sampling technique used was total sampling. Total sampling is a sampling technique that uses all members of the population as samples. Therefore, the sample size was 105 oil palm farmers who sell their harvest to RAM.

Data Analysis Methods

Importance Performance Analysis (IPA)

According to Latu, as quoted by (Lupiyoadi, 2015), the Importance Performance Analysis modelis to "measure the relationship between consumer perceptions and product/service quality improvement priorities." In this regard, Martinez in (Lupiyoadi, 2015) stated that "the IPA model has been generally accepted and used in various fields of study due to its ease of application and the display of analysis results that facilitate proposals for performance improvements." (Lupiyoadi, (2015) explains that with use Importance Performance Analysis (IPA) method, companies can find out the level of customer satisfaction, as well as what just Which need improved and continuously maintained regarding the services provided, so that it can be the basis for increasing consumer satisfaction. IPA analysis is used to compare consumer assessments of the level of importance of service quality with the level of service quality performance. IPA analysis is used to assess the extent of farmer satisfaction and level of importance of aspects of marketing institution services. A 5-level Likert scale is used to measure the level of importance and performance, namely very important, important, quite important, less important and not important as well as very satisfied, satisfied, quite satisfied, less satisfied and dissatisfied. The steps used inmethod *ImportancePerformance*

Analysis(IPA) is as

following.

1 Calculate the average performance level ($\bar{X}$) and importance ($\bar{Y}$) of each attribute using the formula:

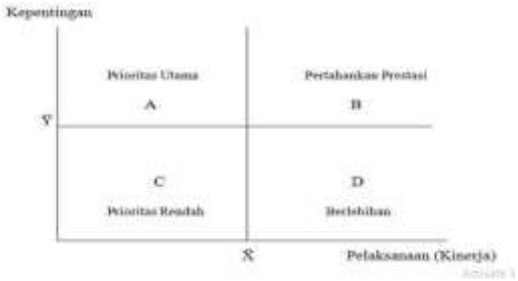

Figure 1. Cartesian diagram

It can be seen from the Cartesian diagram above that it is divided into 4 parts which have different interpretations, namely as follows.

a) Top Priority (A)
Shows attributes that are considered to influence farmer satisfaction, including service elements that are very important, but for marketing institutions, their implementation is not in accordance with farmers' wishes, so they are disappointing or not yet satisfactory.

b) Maintain Achievement (B)
Shows service elements that have been carried out well and these elements must be maintained. So it is considered very important and satisfies farmers.

c) Low Priority (C)
This demonstrates the insignificance of several factors for farmers in their implementation and is considered trivial by marketing institutions. Consequently, it is considered less important and less satisfying for farmers.

$\bar{X} = \sum Xi$

Information:

$\bar{Y} = \sum Fi$

n

d) Excessive (D)
Shows the lack of importance of factors that influence farmers but their implementation is excessive. Considered less important but very satisfying.

$\bar{X}$ = Average performance of each attribute
n = Number of attributes
$\bar{Y}$ = Average importance of each attribute
Xi = Performance assessment score
Yi = Importance assessment score

2 Calculate the level of suitability between performance level (X) and importance (Y), using the formula:

$$TKi = \frac{\bar{X}}{\bar{Y}} \times 100\%$$

After the suitability level value is obtained, the value is calculated further and the attribute point coordinate pairs are used as a reference for positioning where an attribute is located on the Cartesian diagram. The following explanation of the Cartesian diagram can be seen in Figure 1.

Customer Satisfaction Index (CSI)

The customer satisfaction index is used to determine the overall level of user satisfaction by examining the importance and performance of the service quality attributes provided (Deviani, 2016). According to Simamora

(2004), the first step in creating a linear numeric scale is to subtract the highest percentage from the lowest percentage and divide by 5 (a Likert scale). Based on the Likert scale range, the satisfaction criteria are as follows.

1) 0% □CSI□20% (dissatisfied),
2) 21%□CSI□40% (less satisfied)
3) 41% □CSI □60% (quite satisfied),
4) 61% □CSI□80%(satisfied)
5) 81% □CSI□100% (very satisfied).

The steps used in the Customer Satisfaction Index (CSI) method are as follows.

1) Calculate the Mean Satisfaction Score (MSS) and Calculate the Mean Importance Score (MIS) with the formula:

CSI = Satisfaction Index
HS = Maximum scale (Highest Scale)

RESULTS AND DISCUSSION

Performance Level and Importance Assessment

$MSS = \sum$ Xi

Information:

$MIS = \frac{\sum \text{Fi}}{}$

RAM Service

Levelsuitability is a comparison between the performance level score and

MSS= Average attribute performance
MIS = Average attribute importance
*X*i = Performance assessment score
*Y*i = Importance assessment score
n = Number of attributes

2) Calculate the Weight Factor (WF) which is the Mean Importance Score (MIS) value of each attribute against the total mean importance score (MIS) value of all attributes, using the formula:

$$WF = \sum \text{Fi} \times 100\%$$

$$\sum \text{MIS}$$

3) Calculate the Weight Score (WS) which is the multiplication of the Weight Score (WF) and the Mean Satisfaction Score (MSS), using the formula:
$WS\text{i} = WF\text{i} \times MSS$
4) Calculating customer satisfaction index
The customer satisfaction index (CSI) is the final value of the satisfaction level. The customer satisfaction index (CSI) is calculated by dividing the weight score (WS) by the highest scale used in the study. The calculation formula is as follows:

$CSI = \frac{\sum \text{WS}}{\text{HS}}$

Information:

The level of importance will determine the priority order for improving the performance of each attribute (Santoso, 2011). Based on the Table calculation, the average percentage value of the level of conformity is 84%. This indicates that RAM's performance has met the expectations of oil palm farmers. Table 1 also shows that the attribute with the lowest level of conformity is the attribute of honesty of RAM in the services provided with a percentage of conformity of 75%. This means that the attribute of honesty of RAM in the services provided still meets the expectations of farmers so that slight improvements are needed from RAM. In accordance with the opinion of Sudaryanto (2007), if the percentage is 80-100%, it is said that the performance of the conformity has been able to meet the expectations of oil palm farmers but still needs to be each attribute is located in its quadrant according to the results of the level of importance and performance obtained from the assessment of the farmers

concerned. As for clarifying the attribute points, they need to be presented in

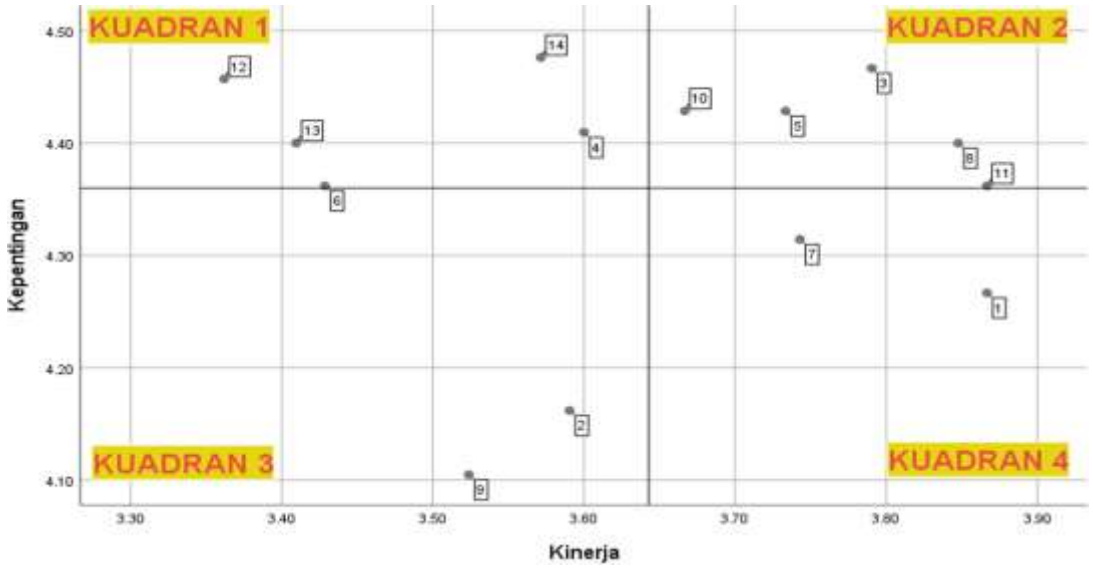

Figure 2. Cartesian diagram for measuring the performance and importance of the services provided by RAM

Table 2 clarifies the aspects of each RAM service, with their distribution on a Cartesian diagram, such as attributes that are considered important by farmers but whose performance ranges from low and in need of improvement to excessive. Based on the analysis, several service attributes are top priorities for farmers in selling their crops to RAM. RAM is expected to have good abilities in conveying information clearly and accurately, and be able to provide fast and appropriate solutions to problems faced by farmers. Honesty is also a key factor that farmers prioritize in the services provided. In addition, RAM is expected to prioritize farmer complaints and always be open to suggestions to improve the quality of service in the future.In terms of maintaining performance, RAM is considered to have adequate transportation to support the smooth delivery of harvested produce. Good communication skills facilitate coordination with farmers, while the service provided meets expectations and must be maintained. RAM also consistently makes payments on time, thus increasing farmer trust, and uses accurate scales so that weighing results can be received fairly. Meanwhile, in the low priority category, the availability of communication tools used by RAM is adequate, although it is not a very decisive factor for farmers. RAM's prices are also considered to be in line with market prices, but not the most important factor. Meanwhile, in the excessive category, the transaction equipment provided by RAM is very complete and is considered to exceed farmers' needs. Furthermore, RAM's responsiveness in serving farmers is also very good, although it is no longer an urgent priority for improvement.

Calculation of the Customer Satisfaction Index (CSI) of Palm Oil Farmers Regarding RAM Services

CSI is a measurement method to determine the overall level of consumer satisfaction by considering the attributes of the service being measured, this can be seen in Table 3.

Table 3. Calculation of Customer Satisfaction Index (CSI) for RAM No. services

	Interest ($\bar{Y}$)	Weight Factor (WF)	Performance ($\bar{X}$)	Weight Score (WS)
1	4.27	6.99	3.87	27.03
2	4.16	6.82	3.59	24.48
3	4.47	7.32	3.79	27.74
4	4.41	7.22	3.6	26.01
5	4.43	7.26	3.73	27.09
6	4.36	7.15	3.43	24.5
7	4.31	7.07	3.74	26.46
8	4.4	7.21	3.85	27.74
9	4.1	6.72	3.52	23.7
10	4.43	7.26	3.67	26.6
11	4.36	7.15	3.87	27.63
12	4.46	7.3	3.36	24.55
13	4.4	7.21	3.41	24.58
14	4.48	7.33	3.57	26.19
Total	61.04	100		

Weighted Total (WT) = WS Total 364.3
Customer Satisfaction Index (%) = (WT/5)10072.86
Source: Primary Data after processing (2025)

Table 3 shows a satisfaction index of 72.86% for farmers who sell their crops to RAM. This indicates that the level of satisfaction of oil palm farmers with RAM's performance is satisfactory. Although farmers are satisfied with the services provided, RAM must still improve performance, which farmers consider important. This aligns with Diyahya's (2016) research, which states:that in order to increase farmer satisfaction, RAM must immediately improve the service performance attributes that are still low so that farmers feel more satisfied and comfortable with the service.

Reasons and Complaints of Oil Palm Farmers regarding RAM

Based on the results of interviews and data collection, it is known that someMost oil palm farmers choose to sell their crops to RAM for several reasons, including ease of service and trust in their partners. This decision is based on farmers' direct experience with harvesting and sales. One of the main reasons is the ease of the transaction process, particularly in terms of harvest transportation. RAM generally provides transportation to assist farmers in transporting their crops from the plantation to the weighing location without incurring additional costs. This facility is considered very helpful, especially for smallholder farmers who have limited means of transportation. Furthermore, farmers also consider RAM's good and responsive service. Farmers feel valued when the harvest acceptance process is carried out in a friendly, responsive, and non-discriminatory manner. Honesty and accuracy of weighing are also important factors, as they significantly impact the final yield received by farmers. Trust in RAM's honesty is the basis for many farmers' continued loyalty to selling their crops there. Furthermore, timely payments are also considered to significantly influence farmers' decisions. Timely payments provide a sense of security and certainty for farmers, especially in meeting daily needs and future business activities. In fact, several farmers expressed that RAM provided space to convey input or suggestions, thus increasing the comfort of the cooperative relationship.

Based on these various reasons, it can be concluded that good service, technical convenience, and trust in RAM's system are the primary reasons that encourage farmers to continue selling their crops to RAM. The relationships they foster are not only economic but also foster mutually beneficial social bonds between the two parties.Although most farmers still sell their crops to RAM, they have complaints related to honesty in service. Farmers explained that this can sometimes be seen in RAM's facial expressions. This makes farmers sometimes feel unappreciated. This can also be seen from farmers who frequently explain their complaints, but RAM sometimes acts as if they are unimportant and often does not receive a quick response or satisfactory solution. Some farmers feel that their complaints are ignored or addressed as mere formalities, without any real follow-up in the field. This situation gives the impression that RAM does not prioritize farmers' voices seriously, even though complaints are a form of

important input for long-term service improvements.

CONCLUSION AND SUGGESTIONS

Conclusion

1) The service attributes that need to be improved by RAM to Farmers are RAM's ability to convey information, RAM's ability to provide solutions, RAM's honesty in the services provided, RAM's prioritizing of farmer complaints and RAM's availability in receiving suggestions. Meanwhile, the attributes that need to be maintained are the availability of transportation used by RAM, RAM's ability to communicate, good service from RAM, RAM's punctuality in paying, and the accuracy of weighing used by RAM. For low priority attributes are the availability of communication tools used by RAM, and the prices given are appropriate. And for excessive attributes are the availability of transaction equipment used by RAM, and RAM's alertness in serving.
2) The level of satisfaction among oil palm farmers with RAM's services as their partner is 72.86%, which, when rounded up, is 73%. This falls within the range of 61% = CSI = 80%. Therefore, the level of farmer satisfaction with RAM's services is satisfactory.

Suggestion

1) Improve in Service
   RAM is advised to consistently provide sincere and open service to farmers. A genuine attitude of service, such as welcoming farmers in a friendly manner, providing honest information, and not hiding weighing or pricing processes, will build deeper trust. This sincerity will not only foster positive relationships but also make farmers feel valued as equal partners, not simply as suppliers of their harvest.
2) Responding to Farmer Complaints Seriously and in a Structured Manner: A more open, expeditious, and solution-oriented complaints handling system is needed. RAM should provide formal mechanisms such as a suggestion box, hotline, or dedicated staff to accommodate and follow up on farmer complaints. Farmers who feel heard and cared for tend to be more loyal and open to long-term collaboration.
3) Expanding and Improving Information and Communication Systems: The availability of information regarding transportation schedules, price changes, and other policies still needs to be improved. RAM can consider using communication channels such as WhatsApp groups, village information boards, or regular meetings to ensure information is disseminated evenly and without confusion.
4) Maintaining Good Service Aspects
   Services that have been evaluated favorably by farmers, such as the availability of transportation, staff responsiveness, and timely payments, need to be maintained and improved. This is a competitive advantage that can maintain farmers' trust in RAM.
5) Adapting Strategy to the Expectations of Farmers Who Have Not Yet Sold to RAM
   For farmers who haven't yet sold to RAM, a more personalized and educational approach is needed. RAM can conduct outreach or dialogue with these farmers to introduce the existing service system and address their concerns with concrete and transparent solutions.
6) Periodic Evaluation of Service Performance
   It is recommended that RAM conduct regular evaluations of service quality through surveys or farmer discussion forums. This way, RAM can understand farmers' changing needs over time and respond adaptively.

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