



THE INFLUENCE OF INTERNATIONAL COOPERATION ON FURNITURE MANUFACTURE'S SECTOR'S LOYALTY TO LOGISTICS SERVICE PROVIDER

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Abstract. The paper deals with cooperation between business to business sector, its importance, necessity and the key elements that influence the success of the partnership. Also examined and the importance of the loyalty to business partner. Based on the scientific literature analysis, the model is presented. It reflects the key relationships between cooperation and loyalty. Also there are raised the hypothesis about relations between elements. Based on questionnaire survey, a study among Lithuanian furniture manufacturing companies was done in purpose to substantiate or refute the original claims. The results was calculated with SPSS software, using the correlation and regression analyzes. The key elements, that influences cooperation between the furniture manufacturing companies and logistics providers was identified. As well as the elements that influence the logistics service loyalty.

Keywords: logistics, service, sector, manufacture, loyalty, cooperation.

JEL classification: M00, M310, R320, R390.

1. Introduction

Increased competition and comparability enhances the participants in business-to-business (B2B) sector to pursue new more effective tools that could extremely improve the performances (Giovanis *et al.* 2013). The market pressure rapidly spreads a tendency of creating and building long lasting relationships, which brings superior benefits (Va'zquez *et al.* 2005). Cooperative relationships nowadays are considered as a strong competitive advantage of business units (Bidault, Salgado 2001). But the critical and challenging factor of the business-to-business relationships requires to establish a high level of customer loyalty (Čater, Čater 2010), which is seen as the core goal in marketing context (Hamid *et al.* 2013). Many business partnerships are failed because of the lack of knowledge's about the required attributes of cooperation and the disability to relate and to adapt those two concepts in their practice (Ritter *et al.* 2004). Different sector requires different intentions and attributes (Lancastre, Lages 2006), so it is very important to identify the relation between those components and the main precursors that could influence the most successful scenario of the future. Is it especially actual in the services industry, where the level of uncertainty, because of its specification, is higher than elsewhere.

The scientific research has widely reported about the cooperation, loyalty and their benefits in B2B sector. But there is no sufficiently information about the links between those two concepts. Also just a small quantity of the researches tries to identify the main precursors that influence the successful partnership. Considering the importance of logistics services in stand of globalization, international logistics providers need to identify the most important attributes that determine the valuable relationship and strong loyalty (Durasula *et al.* 2006). Also, according to the one of the most developed and efficiency Lithuania's furniture manufacturing sector, logistics services is a meaningful factor to competitiveness, that requires the attention (Jucevičius 2009). So the problem is how cooperation influences Lithuania's furniture manufacturing loyalty to logistics providers? What are the main attributes of successful cooperation and strong loyalty?

The main task of this paper is to identify the key attributes of cooperation and loyalty and to determine their interrelations between Lithuania's furniture manufacturing companies and international logistics service providers.

In the paper, the following methods of scientific research are employed: comparative analyses, synthesis and quantitative research method - a survey.

2. The concept of cooperation

In today's competitive and rapidly changing business environment, the long-term relationships have become not only the crucial to the success but even to the survival of the companies (Giovanis *et al.* 2013). The formation and nurture of relationships in business-to-business sector is seen as a core stone of international business (Leonidou *et al.* 2011). It is important in any kind of business because the success in the market depends not on a single effort but rather on the cooperative business-to-business relationships (Ruyter *et al.* 2001, Woo, Ennew 2004).

“Cooperation can then be defined as similar or complementary coordinated actions taken by firms in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time” (Anderson, Narus 1990: 45). It is developed over long time and consists an adaptation of both parties, including coordination of routine, workflow and resources and developed knowledge (Eriksson, Sharma 2003). In a cooperative relationships, every firm is concerned not about themselves, but also about the welfare of his partner and his interests (Williams 2005) and expectations (Eriksson, Sharma 2003). The key aspect of the cooperation is joint actions (Eriksson, Pesamaa 2007). Parties work together to achieve the mutual goals, so the results exceed those, which would be if the firms would work alone in their own best interest (Lancastre, Lages 2006; Va'zquez, A'lvarez-Gonza 2005). It means that two companies, with their own strategic resources decides to cooperate, because after the analyze of their own and the market capabilities, they decided that working alone or doing some practices by their own is not effective and profitable.

The creation and development of the relationships in an organization is very importance, but also it is very difficult to reach, so many partnerships are failed (Ritter *et al.* 2004). Cooperation is always surrounded by uncertainty, which means that expected and actual outcomes of the future cannot confirm to each other (Eriksson, Sharma 2003). Successful and satisfied relationships are based on the internal cooperation and organizational learning (Hillebrand, Biemans 2003). Also as the very important factors to the high quality relationships there is mentioned the developed coordination mechanism, complementary capabilities and resources (Va'zquez, A'lvarez-Gonza 2005), goals and objectives conformity, arrangements and contributions formation and balancing of the long-term exchange (Leonidou *et al.* 2011).

Cooperative relationships are the most valuable resource of the firm, because it provides a lot of benefits (Ritter *et al.* 2004). As the main advantage of the cooperation is competitiveness, which is based on the external long term relationships (Eriksson, Sharma 2003; Briggs, Grisaffe 2010, Čater, Čater 2010). And that is the most motivating aspect of the cooperation (Bidault, Salgado 2001). Also cooperation can reduce the transaction costs (Williams 2005; Lancastre, Lages 2006, Hillebrand, Biemans 2003), increase the quality, safety performance, innovations and sustainability (Eriksson, Pesamaa 2007). In addition to this, Va'zquez and A'lvarez-Gonza (2005) states that cooperation generates such a strategic outcomes like a faster product life cycle, a better brand image, productivity, greater value to customer, profit and satisfaction.

As a result, it is obvious that cooperation is very important in today's business world and also beneficial to every company included in such type of relationships. So this study will be based on the Kuppelwieser *et al.* (2011) approach that that in service sector, cooperated business-to-business companies has much more benefits and are more profitable.

2.1. The elements of cooperation

After examining the scientific literature, it becomes obvious that the authors distinguish the different elements of the cooperation. Most of the researches identifies that the main determinants of the cooperation are trust and commitment (Lancastre, Lages 2006, Gounaris 2005, Kuppelwieser *et al.* 2011; Laaksonen *et al.* 2009)). Those two determinants mediate between component attitudes and cooperation. Trust is seen as a basis (Durvasula *et al.* 2006), which effects the commitment and plays the most significant role in the whole development of the cooperation (Sequeira, Carvalho 2012). In addition to this, trust must be developed by establishing relationship policies and practices, communication and meaningful information exchange facilities, the fulfillment of all forwarded promises, and of course pricing policy (Lancastre, Lages 2006). Nonetheless, that most authors identifies commitment as a precursor of the cooperation, Čater and Čater (2010) add the statement, that cooperation also could be the antecedent of commitment.

As the most significant precursors of cooperation Va'zquez and A'lvarez-Gonza (2005) exclude goal congruence, trust, relational norms, also commitment and joint investment in specific assets. They give a lot of attention to the investments

as the way how to adapt to partners needs and to reach mutual goals. Leonidou et al. (2011) states that cooperation is the precursor of adaptation which plays a critical role in a relationship and makes them effective and efficient. According to him high level of trust, good communication, commitment and cooperation impacts the adaptation and creates good working relationships. Some authors as a important factor there are also identified the economic value (Briggs, Grisaffe 2010).

Based on the earlier findings the further study will be based on the Lancaster and Lages (2006) conceptual model (Fig. 1).

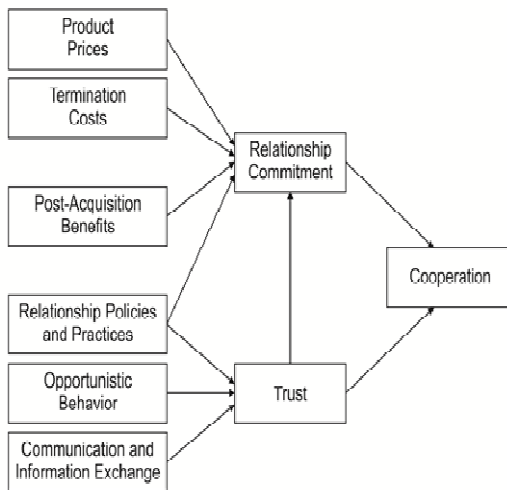


Fig. 1. The determinants of cooperation (Lancastre, Lages 2006)

It was chosen because of its complexity and accuracy. Also it adapts the most useful elements of the cooperation like trust and commitment. In addition to this the adaptation will be added as an important precursor. Some elements, like termination costs, post-acquisition benefits, relationships policies and practices and opportunistic behavior will be cut out, as a non necessarily in logistics services industry. Instead, the more important elements, like quality, will be added.

3. The concept of loyalty

The important of the loyalty has been widely recognized. It is well known, that existing customers must be appreciable, because the acquisition of the new one, costs too much time and finance resources (Gil-Saura et al. 2009). Also the loyal customers provide free and effective advertising by positive word-of-mouth recommendation and are interest in continuance of the relations (Čater, Čater 2010). Such kinds of benefits are the reward, which motivates business-to-business relationship loyalty (Briggs, Grisaffe, 2010).

Loyalty means the repeating purchasing, when the repurchasing is not based on inertia, but customer is committed to the brand (Caceres, Paparoidamis 2007). Some authors calls it as a strategy that creates benefits to firms and to customers (Li 2006) or as a source of competitive advantage, that makes a significant impact to companies overall performance (Hami et al. 2013). Some authors believe that the loyalty leads to the higher revenues (Lam et al. 2004). This is because loyal customers are fewer prices sensitive, so they are prepared to pay higher prices (Zineldin 2006). Considering the statements, which were mentioned before, it could be sad that because of the nature of large amount and continuing purchases in business-to-business sector, the companies, that creates and sustain loyal customers, are very succeed and can expect the rewards.

In the literature many authors distinguish two types of the loyalty: behavioral and attitudinal (Rauyruen, Miller 2007). The first kind of loyalty is defined as the intension of repurchasing the service and maintaining the relationships with services provider. According to Giovanis et al. (2013) it is measured by such variables like intention to re-purchase and word of mouth. The attitudinal loyalty refers to psychological desire to continue the relationship with the provider.

Loyalty is seen not only as a continuing repurchancing. Rauyruen, Miller (2007) states that in business-to-business sector besides number of customers the loyalty also consists of relationship development. According to Bennett et al. (2005) the repurchasing intension comes with the experience. It means that after first time, the client forms the option, what affects the self-determination to become loyal or not. Rawwas and Iyer (2013) put the emphasis on the investment and behavioral activities that results the loyalty between business partners.

Most authors identify satisfaction of the customer as the main element of the loyalty (Gil-Saura et al. 2009, Rauyruen, Miller 2007; Jha et al. 2013; Andreassen, Lindestad 1998). Also the dominant precursor is excluded the performance of the services (Andreassen, Lindestad 1998, Rauyruen, Miller 2007, Briggs, Douglas Grisaffe 2010), perceived value (Jha et al. 2013, Parasuraman, Grewal 2000, Andreassen, Lindestad 1998) and corporate image (Jha et al. 2013, Andreassen & Lindestad 1998, Caruana, Ewing 2010). In addition to this, Čater and Čater (2010) suggest that in the model should be incorporated such elements like cooperation, adaptation, commitment and trust Ruyter et al. (2001), Gil-Saura et al. (2009), Čater, Čater (2010), Rauyruen, Miller (2007), Briggs, Grisaffe (2010).

This study adopts the model of the Caceres, Paparoidamis (2007). In Figure 2 it is seen that the main precursors of the loyalty are service and relationships qualities that according the authors, influences the repurchasing effect.

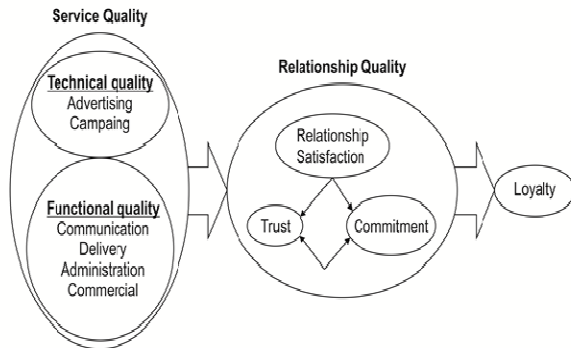


Fig. 2. The elements of the loyalty (Caceres, Paparoidamis 2007)

Also some changes will be made. Based on the specific of the logistics services and the most authors' attitude, the qualities will be replaced by the performances of the services and relationships. The service will consist of quality, economic value that the service brings to the clients, also the communication and information exchange, as functional dimensions of the services. The relationship will consist of the elements that were identified in earlier studies: cooperation and its precursors trust, commitment and adaptation. Also, according to the most scientific literature authors statements there will be added such elements like satisfaction and corporate image, as the important elements that strongly affects the loyalty.

Following analysis of the scientific literature has been seen that most authors understand and emphasize the importance of the relationships and

loyalty between business-to-business companies. But all of them identify the different elements that influence the cooperation and loyalty. Based on the view that in highly competitive services industries, those two elements are especially important, is essential to identify where providers has to focus their attention. Examined data helped to purify the most significant elements of the cooperation and loyalty in logistics sector. The following research will let to know if those findings can be applied in the cooperation and loyalty intentions between logistics service providers and furniture manufacturing companies.

4. Research framework and hypothesis

Building on the preceding literature review, the following model links cooperation through three main constructs (adaptation, relationship commitment and trust), while loyalty consists by the service construct, relationship construct, corporate image and customer satisfaction (see Fig 3).

Trust is seen as a sense, that business partner has the abilities and the motivation to reach the mutual goals and to work for the welfare of both. It influences the short-term relationship conversion into long-term cooperation (Leonidou *et al.* 2011, Lee & Whang 2004, Jones *et al.* 2010, Laaksonen *et al.* 2009). Trust is especially important in service industry, where because of its intangibles clients can not test it, so the uncertainty are high (Čater 2007). Consequently, given the emphasis on the importance of trust, the following hypothesis is raised (Fig. 3):

H₁: The greater the level of trust, the higher the level of cooperation.

Commitment is seen as a desire to continue a relationship in a long term perspective. Also it is

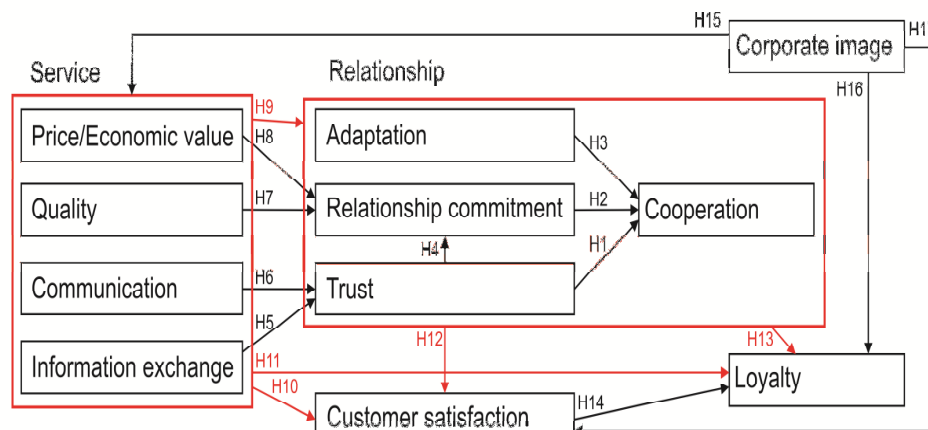


Fig. 3. Research model (created by authors, based on the approach of Caceres, Paparoidamis (2007) and Lancaster, Lages (2006))

as a tool to reduce the risk of the exchange by taking various inconvenient costs of the relations (Leonidou *et al.* 2011). Drawing on the findings of the studies discussed, it is hypothesized that:

H₂: The greater the level of commitment, the higher the level of cooperation.

Adaptation is a behavior of business unit, which is created to meet special needs and requirements of the partner (Sequeira, Carvalho 2012). Different kind of changes, made through adaptation processes are vital to partnership, long term cooperation cannot exist without it (Leonidou *et al.* 2011). Hence, it is hypothesized that:

H₃: The greater the level of adaptation, the higher the level of cooperation.

Business partners tend to be committed to relationships, based on trust, because such kind of partnership are highly valued (Lancastre, Lages 2006). The main reason of this is the feeling of stability and assertiveness that trust ensures (Čater 2007). So as long as commitment entails vulnerability, parties will seek only trustworthy partners (Ruyter *et al.* 2001). On balance, such a hypothesis are made:

H₄: The higher the level of trust between the companies, the higher the level of commitment.

Communication and the information exchange between partners are important especially in logistics sector, where the attention is focused on the information's quality and its efficiency: information has to be timeliness, accurate and significance (Wiengarten *et al.* 2010). Also open sharing of information instigates partners to work more closely and has a positive impact to the trust (Ruyter *et al.* 2001). On balance, it is hypothesized that:

H₅: The higher the level of information exchange between the companies, the higher the level of trust.

H₆: The higher the level of communication, the higher the level of trust.

The quality is more appreciated than any other aspect of the service (Čater, Čater 2010). Nevertheless, it is difficult to tangible the quality of the services, because it is unique and customers assess it subjectively. So service quality is a result of the difference between what consumer think the service should be like and what he actually gets (Parasuraman *et al.* 1985). As a result, the perception of the received services performance impacts the willingness to commit (Caceres, Paparoidamis 2007).

H₇: The higher the quality, the higher the level of commitment.

Economic value is the financial benefits that the customer gets from a relationship with its service provider (Briggs, Grisaffe 2010). In competitive market, such a furniture manufacturing, lower

costs are rated as a superior benefit to the logistic partners, so it is highly valued and promotes to commit into the relationships with logistics service providers (Cannon, Homburg 2001). Summarizing the propositions discussed in this section, it is hypothesized that:

H₈: The higher the perceived economic value, the higher the level of commitment to service provider.

Logistic services are one of the most important tasks, that strongly influences the performance of the partner (Rawwas, Iyer 2013). Perceived service impacts the relationships (Gounaris 2005) and the satisfaction (Bennett *et al.* 2005), which in turn, enhances loyalty to the provider (Durvasula *et al.* 2006). Drawing on the findings of the studies discussed, it is hypothesized that:

H₉: The better the performance of the service, the greater the relationship between companies.

H₁₀: The better the performance of the service, the higher the level of customer satisfaction.

H₁₁: The better the performance of the service, the greater the loyalty.

Relationship and its quality in business to business context consists of several first-order constructs: trust, adaptation, cooperation (Čater, Čater 2010) and commitment (Athanasopoulou 2009). Successful and qualified business relationships enhance clients satisfaction, the performance of the companies (Holmlund 2008) and can build up loyalty to the firm (Kuppelwieser *et al.* 2011). On balance, it is hypothesized that:

H₁₂: The stronger the relationship, the higher the level of customer satisfaction.

H₁₃: The stronger the relationship, the greater the loyalty.

Because of the huge competition among logistics service providers, customer satisfaction has reach the huge preoccupation. It is important because customer satisfaction is a pivotal concept of loyalty (Durvasula *et al.* 2006). Consequently, given the emphasis on the importance of customer satisfaction, the following hypothesis is raised:

H₁₄: The higher the level of customer satisfaction, the greater the loyalty.

Corporate image is understanding as the companies impression made to the society (Nguyen, Leblanc 2001), that plays an important role in attracting and maintaining customers. Generally, customers consider the company's reputation before adopting a decision to purchase the services (Caruana, Ewing 2010). When the perceives services meet the expectations, their approach to company becomes better, so the satisfaction grows up and the loyalty occurs (Andreassen, Lindestad 1998). Drawing on the findings of the studies discussed, it is hypothesized that:

H₁₅: The better the image of the corporate, the better the performance of the service.

H₁₆: The better the image of the corporate, the greater the customer loyalty to the provider.

H₁₇: The better the image of the corporate, the higher the level of customer satisfaction.

5. Research method

The most appropriate option for data collection was seen the questionnaire survey, fulfilled by e-mails. The reason is the opportunity to interview a large amount of achievable respondents, easily and comprehensibly to process the collected data and to determine the causes and connections between the components. Also most of the authors are using questionnaire surveys to identify the elements that influences any kind of relationships (Ruyter *et al.* 2001; Sequeira, Carvalho 2012; Vázquez *et al.* 2005, Durvasula *et al.* 2006).

The survey was composed from 16 main questions and it consists of two parts. The questions from the first part was about the general information about the company. The second part was about the furniture manufacturing companies cooperation with logistics service providers and the loyalty to them. The questions are formed by Likert scale method using 5 points scale. Such form of the question was chosen because it is easy to answer, there is no need for a huge time resource. Also it lets to avoid the errors of interpretation and editing.

General entirety of the research was understood as the whole Lithuanian furniture manufacturing companies logistic managers, specialists or the person who are knowledgeable in logistic processes. The general entity number of the selected furniture manufacturing companies was 950. Unfortunately, replied only 78 representatives of the companies and it is 8% of general entity. Nevertheless, 33 of the respondents write that they do not use the services of logistics providers. Then those questionnaires were rejected. Respondents were asked to indicate the nature of the company's activities, business type, company size, and their position in the respondent company. The half respondents (52%) were trading companies and the other half (42%) production companies. Three of the four companies was very small. Most of the respondents were specialists, responsible for several areas and the managers of the logistics, supply and transport staff. All of the respondents were using the services of the logistics providers. Also more than a half, near the logistics providers services, uses

they own vehicles and for some of them, the supplier suggests their vehicles or their own logistics providers.

6. Analysis and the results

6.1. Correlation analysis

In this section the hypothesis is analysed, which was raised in order to identify the constructs, that influences the cooperation and the loyalty. Also, the point of this analyze is to identify what the relationship exists between the constructs and how deeply one depends form another. To reach those assignments, bivariate correlation analyses was used, which let to identify if the growth of a single variable influences the growing of another and vice versa. Through the correlation analyses, the Spearman coefficient was used. The statistical hypotheses were tested at the 0.05 significance level. Correlation between variables was considered weak, when the correlation coefficient was between 0 and 0.3, the average – between 0.31 and 0.6, strong – between 0.61 to 1.

The results shows, that trust and cooperation are correlated between one other at the average level. As a result, it can be stated, that when the level of cooperation decreases, the trust is also decreasing, so the hypothesis H₁ is supported. As the other construct of the cooperation, there is mentioned the commitment, which importance was substantiated by most of the authors (Čater 2007; Fullerton 2003; Tellefsen 2002). The correlation analyses also supports the significance of this relation, so H₂ is accepted.

The H₃ is testing the statement that adaptation to specific business partners needs, values the business cooperation and creates strong and respectful relationship (Su *et al.* 2008; Sequeira & Carvalho 2012; Lukkari, Parvinen 2008). How it is seen in Table 1, the correlation coefficient is 0.041, while the significance level between adaptation and cooperation is 0.791. This level is too much higher than the adopted 0.05, so it is unreliable. As a result it can be stated, that there is no relation between adaptation and cooperation. While those two determinants do not correlate, it can be stated that in furniture manufacturing sector the adaptation of logistics services is no needed. The assumption is that manufacturing companies are satisfied and fully equipped by the logistic providers, so there is no special needs for them. Anyway, H₃ has to be rejected.

The intention of the fourth hypothesis is to identify if there is a relation between two, most significant elements to cooperation. Based on the

Table 1. Correlations of key construct

| Variables | Correlation Coefficient |
|---|-------------------------|
| Trust and Cooperation | 0.570 |
| Commitment and Cooperation | 0.475 |
| Adaptation and Cooperation | 0.041 |
| Trust and Commitment | 0.492 |
| Information Exchange and Trust | 0.515 |
| Communication and Trust | 0.480 |
| Quality and Commitment | 0.582 |
| Economic Value and Commitment | 0.625 |
| Service and Relationship | 0.873 |
| Service and Customer Satisfaction | 0.585 |
| Service and Loyalty | 0.448 |
| Relationship and satisfaction | 0.645 |
| Relationship and loyalty | 0.515 |
| Satisfaction and loyalty | 0.477 |
| Corporation Image and Service | 0.376 |
| Corporation Image and Loyalty | 0.407 |
| Corporation Image and Customer Satisfaction | 0.278 |

authors opinion, the trustworthy partners are more willingness to commit into the relationships (Lancastre, Lages 2006). So the significance level is 0.001, which is too much lower than 0.05. Also the correlation coefficient is 0.492. Based on those two estimates, there can be stated, that correlation between trust and commitment is positive and it is moderately strong. So there is no hesitation about the relation between those two elements and H_4 is accepted.

The hypothesis H_5 and H_6 , which states that low or not qualified information sharing and communication with business partners do not create closer trustworthy cooperation was also proven. The results shows that between information exchange and trust exists positive, moderate correlation.

As it is shown in Table 1, among the elements of quality and commitment there is a positive correlation. Correlation coefficient shows that when the quality becomes higher, the customers intention to commit becomes stronger. So the hypothesis H_7 is also acceptable. In addition to this, H_8 is

also accepted, because correlation analysis shows that economic value strongly impacts the commitment.

Services strongly influences the relationships with customers. Its group consists of economic value, quality, communication and information exchange, while relationships group consists of adaptation, commitment, trust and cooperation. The appreciation of those two groups shows that their correlates strongly. It means that better services determines better relationships between business partners. The hypothesis H_9 is accepted. Also the results shows that between service performance and customer satisfaction exists positive correlation. When the services become better, the customer satisfaction becomes higher and vice versa. The weak relation of service performance to clients loyalty is also seen. The hypothesis H_{10} and H_{11} is accepted.

Successful and qualified business relationships strongly influences the satisfaction of the customers. It means that if the relations between business partners are going worst, the dissatisfaction is growing, so the customers becomes more disappointed. Such assumptions are justified by the strong correlation, so H_{12} is supported. H_{13} is also supported, that leads to the conclusion, that the stronger the relationship, the greater the loyalty. In addition to this, loyalty has a moderate relation with customer satisfaction. It means, that H_{14} statement is correct: the higher the level of customer satisfaction, the greater the loyalty.

Corporation image is established in customers mind about the providing services (Nguyen, Leblanc 2001; Caruana, Ewing 2010). The better the image, the higher the expectations about the services and the higher the loyalty. According to this, hypothesis H_{15} and H_{16} was raised and based on the calculations, there was raised that the moderate correlation exists. In addition to this, there was an assumption that better image of the corporate, determines the higher level of customer satisfaction. Nonetheless, H_{17} has to be rejected, because the significance level is too much higher (0.64) than acceptable, so the correlation between those two elements do not exist.

In summary it can be concluded, that all the hypothesis, except H_{17} and H_3 are accepted. According to this, the hypothesis about the adaptation influence on cooperation and image relation between satisfaction is rejected. In other cases, the literature based statements are correct. Based on the Spearman's correlation coefficient it can be stated, that the strongest connection was between economic value and commitment an between service and relationships performances.

6.2. Regression analysis

In this section there will be performed a single and multiple linear regression in order to identify and select if the independent variables affect the dependent. In this case the purpose of the analysis is to identify impact of the constructs on business cooperation and loyalty. When the variable discovered models were suitable for forecasting, the regression equations was made and the main elements, that have the greatest weight, was identified.

In order to identify the constructs that are suitable to forecast the model of cooperation, there is need to know the correlation between the constructs. The information exchange and adaptation do not correlate with cooperation. The reason is the significance level, which are higher than acceptable 0.05. Since those two constructs do not correlate with cooperation, they were not included into the prognostic model. The variables have a moderate linear dependence and the independent variable was predicted by 48.5 percent accuracy. Regression equation shows that the greater impact to cooperation between business partners have quality, trust and image.

Through the identification of the constructs, that are suitable for prediction of loyalty there was seen that the economic value, information exchange and adaptation do not to correlate with a loyalty. It is showed by the significance level of these factors. As a result, they were not included in the prognostic model. Five other constructs were incorporated into prognostic model, whose the independencies can be predicted by 34.5% accuracy. So multiple linear regression shows that the greatest impact to loyalty is done by trust and communication. Those two elements are related to different kind of dimensions. Trust depends to relationship, while communication to services performance. Based on these finding, it can be declared that both of them are important in their own way, so no one of them can be underestimated.

Image and services correlate with each other, because the significance level is 0.05. As a result, prognostic model was formed by 16.6 percent accuracy. The results show that the image does not have a significant impact to services. Also the image does not have a significant impact to loyalty.

7. Conclusions

Cooperation is quite poorly analyzed, especially in business-to-business sector. When the significance of it is obvious, the influencing elements are not clearly identified. The large stocks of the provided

elements keeps away the attention from the most important attributes of the services and relationships that strongly influences successful cooperation and higher loyalty.

The research in the furniture manufacturing sector shows the constructs, that are the most important in this field of area. According to this, it was identified that adaptation has no relation with the cooperation and the image of the corporate do not correlate with the customers satisfaction. The strongest relations are between economic value and commitment and between service and relationships performances. It shows some important factors. First, it can be stated, that in furniture manufacture sectors the relationships are based on the low costs. It is because this sector is highly competitive and the changes costs or prices can affect the end customer and his purchasing intentions. Also it is naturally that perceived services influences the relationships. Such a correlation was expected and there is no specific factors or issues.

The calculation of the results of the surveys shows which element influences cooperation and loyalty the strongest. The greater impact to cooperation between business partners have quality, trust and image. The greatest impact to loyalty is done by trust and communication. By comparing these statements, it can be sad, that trust is one of the most significant element when creating strong long-term cooperation, based on the loyalty.

According to the made analysis, such proposals are presented: first, the higher amount of responsive surveys would give more significant and reliable results. Also the survey of logistics service providers could give implication to the research by identifying the opposite opinion about cooperation and loyalty. Finally, according to these findings, there could be done some managerial implications in practice. It has been suggested that logistics service providers have to create a trustworthy cooperation culture with their clients. Also they have carefully monitor the costs of the provided services. Because of the findings, those two aspects are the main in creating successful cooperation and beneficial loyalty.

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