



Kaunas University of Technology

School of Economics and Business

**Leveraging Value-Creating Factors to Build and Maintain
Relationships With Business Clients in the European Road
Logistics Market**

Master's Final Degree Project

Deividas Vitkauskas

Project author

Prof. dr. Rimgailė Vaitkienė

Supervisor

Kaunas, 2023



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International Business (6211LX029)

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Project author

Prof. dr. Rimgailė Vaitkienė

Supervisor

Assoc. prof. dr. Jurga Duobienė

Reviewer

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Summary

Relevance of the topic. The European logistics market is experiencing increasing competition, due to established large market players, new start-ups, as well as other 3 million companies offering their logistics services in Europe. Despite the high competition in the European logistics market, there are other additional challenges for companies providing road logistics services. Challenges identified in literature and information sources are changing market conditions, a complex regulatory environment, limited access to resources, and increasing labor costs. These factors can affect the company's competitiveness, profitability, and ability to meet the needs of business clients. In addition to competition and other challenges, there are ecological problems caused by global warming and pollution, with road freight accounting for more than 25% of CO₂ emissions in the EU. Companies that do not maintain their competitive advantage may find it difficult to attract new clients and retain existing ones, which may ultimately jeopardize their ability to stay in business. Sharpening competition, constant changes in the business environment, and emerging ecological problems force logistics companies to look for better strategies for competitive advantage, which leads to greater attention to the management of business clients and the development of relationships with them. There is a lack of research in the scientific literature on how to use value-creating factors and other factors in building and maintaining relationships with business clients, especially in the European road logistics market, which could be used by road transport companies to remain competitive. This is especially important in this period when the business faces many survival challenges, which are directly related not only to economic and ecological factors but also to the state of business client relationships. In this setting, potential research can not only fill the gaps in the literature on this topic but also provide recommendations for road logistics service companies seeking to maintain competitive advantage and use key factors and service values to attract new business clients and retain existing ones, thereby creating long-term business relationships and fostering client engagement, potentially leading to market competitiveness and long-term success.

Research object – service perceived value effect on business relationship quality and client engagement in the case of the European road logistics service market.

Research aim – to analyze the possible impact of perceived service value on the quality of relationships and client engagement in the business-to-business European road logistics service market.

Main theoretical findings: Long-term business relationships offer strategic value that *reduces uncertainty, improves planning, reduces risks, reduces operating costs, and boosts logistics service providers growth*. Building long-term connections with B2B clients can build up *trust, satisfaction, and loyalty* between involved parties, which can lead to increased client engagement on offers. B2B

clients value monetary and qualitative values, like *cost savings, price transparency, volume discounts, faster delivery times, improved inventory management, risk reduction, reliability, flexibility, communication, transparency, trackability, responsiveness, compliance, and expertise* of the logistics services. By adopting sustainability practices, logistics service providers can lower their environmental impact and provide additional value, together with monetary and qualitative ones, to their B2B clients. Road logistics service providers must continue to assess and improve the quality of their relationships with B2B clients through *clear communication, frequent satisfaction surveys, and a culture of continuous development*. By doing so, they can develop and maintain long-term B2B relationships while encouraging stronger client engagement, which leads to *additional service purchases, recommendations, useful information, and stronger commitment*.

Main empirical results: Identified key factors, such as *price competitiveness, capacities, reputation, and general information of the company*, that potential clients consider before establishing business relationships. Clients also take into account both monetary and qualitative values of logistics services, such as *cost savings, delivery time, risk reduction, volume discounts, communication, reliability, expertise, flexibility, traceability, and compliance with industry standards*. Highlighted most important values, such as *cost savings, communication, delivery time, reliability, and expertise*, can directly influence the quality of business relationships. *Sustainability reports* can be a useful application not only for business clients but also for road logistics companies in order to evaluate different applicable sustainability principles. It was found that if road logistics companies *tracked statistics of the provided services* and shared them during occasional *meetings*, it would help to monitor and evaluate business relationship quality. *Lack of communication, lying, non-compliance, change of responsible manager, delivery delays, increasing damage, inadequate prices, and client theft* are factors that can worsen or end business relationships with clients. Long-term relationships with road logistics service providers can influence client engagement in purchasing, which can be expressed through *priority given to offers, less sensitivity to service prices, additional potential orders, representation of service quality, and efforts to find the best solution for all parties*. In addition to service purchases, business clients would *aid in various situations, give required information, and promote them to their colleagues*. Based on empirical study results, five recommendations were provided for road logistics service providers, who want to develop and maintain long-term relationships with B2B clients.

Vitkauskas, Deividas. Vertę kuriančių veiksnių panaudojimas kuriant ir palaikant ryšius su verslo klientais Europos kelių logistikos rinkoje. Magistro baigiamasis projektas / vadovė prof. dr. Rimgailė Vaitkienė; Kauno technologijos universitetas, Ekonomikos ir verslo fakultetas.

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Santrauka

Temos aktualumas. Europos logistikos rinka patiria vis didesnę konkurenciją, dėl įsitvirtinusių stambių rinkos dalyvių, naujų startuolių, taip pat ir kitų 3 milijonų įmonių siūlančių savo logistikos paslaugas Europoje. Nepaisant didelės konkurencijos Europos logistikos rinkoje, kelių logistikos paslaugas teikiančioms įmonėms kyla ir kitų papildomų iššūkių. Literatūroje ir informacijos šaltiniuose įvardijami iššūkiai – besikeičiančios rinkos sąlygos, sudėtinga reguliavimo aplinka, ribota prieiga prie išteklių, didėjančios darbo jėgos sąnaudos. Šie veiksniai gali turėti įtakos įmonės konkurencingumui, pelningumui ir gebėjimui patenkinti verslo klientų poreikius. Be konkurencijos ir kitų iššūkių, yra ir ekologinių problemų, kurias sukelia visuotinis atšilimas ir tarša, o krovininis kelių transportas sudaro daugiau nei 25 % CO₂ emisijų ES. Įmonėms, kurios neišlaiko savo konkurencinio pranašumo, gali būti sunku pritraukti naujų klientų ir išlaikyti esamus, o tai galiausiai gali kelti pavojų jų galimybėms išlikti versle. Konkurencijos aštrėjimas, nuolatiniai verslo aplinkos pokyčiai, kylančios ekologinės problemos verčia logistikos įmones ieškoti geresnių konkurencinio pranašumo strategijų, o tai lemia didesnę dėmesį verslo klientų valdymui ir santykių su jais plėtrai. Mokslinėje literatūroje trūksta tyrimų, kaip panaudoti vertę kuriančius veiksnius ir kitus faktorius, kuriant ir palaikant ryšius su verslo klientais, ypač Europos kelių logistikos rinkoje, kuriais galėtų pasinaudoti kelių transporto įmonės, norėdamos išlikti konkurencingos. Tai ypač svarbu šiuo laikotarpiu, kai verslas susiduria su daugybe išlikimo iššūkių, kurie tiesiogiai susiję ne tik su ekonominiais ir ekologiniais veiksniais, bet ir verslo klientų santykių būkle. Šioje aplinkoje galimi tyrimai gali ne tik užpildyti šios temos literatūros spragas, bet ir pateikti rekomendacijas kelių logistikos paslaugas teikiančioms įmonėms, siekiančioms išlaikyti konkurencinį pranašumą ir panaudoti pagrindinius veiklos veiksnius ir paslaugų vertes, siekiant pritraukti naujus verslo klientus ir išlaikyti esamus, taip kuriant ilgalaikius verslo santykius ir skatinant jų įsitraukimą, kas galimai sąlygotų konkurencingumą rinkoje ir ilgalaikę sėkmę.

Tyrimo objektas – paslaugos suvokiamas vertės poveikis verslo santykių kokybei ir klientų įtraukimui Europos kelių logistikos paslaugų rinkos atveju.

Tyrimo tikslas – išanalizuoti galimą suvokiamos paslaugos vertės įtaką santykių kokybei ir klientų įsitraukimui Europos kelių logistikos paslaugų rinkoje verslas-verslui.

Pagrindinės teorinės išvados: Ilgalaikiai verslo santykiai suteikia strateginę vertę, kuri *sumažina neapibrėžtumą, pagerina planavimą, sumažina riziką, sumažina veiklos sąnaudas ir skatina logistikos paslaugų teikėjų augimą*. Ilgalaikių ryšių su B2B klientais kūrimas gali sustiprinti dalyvaujančių šalių *pasitikėjimą, pasitenkinimą ir lojalumą*, o tai gali paskatinti didesnę klientų įsitraukimą į pasiūlymus. Verslo klientai vertina pinigines ir kokybines vertybes, tokias kaip: *išlaidų*

taupymas, kainų skaidrumas, nuolaidos kiekiui, greitesnis pristatymo laikas, geresnis atsargų valdymas ir rizikos mažinimas, patikimumas, lankstumas, komunikacija, skaidrumas, sekamumas, reagavimas, taisyklių atitiktis ir kompetencija, logistikos paslaugose. Taikydami tvarumo praktiką, logistikos paslaugų teikėjai gali sumažinti savo poveikį aplinkai ir suteikti papildomos vertės kartu su piniginemis ir kokybinėmis savo verslo klientams. Kelių logistikos paslaugų teikėjai turi toliau vertinti ir gerinti savo santykių su verslo klientais kokybę per *aišką bendravimą, dažnas pasitenkinimo apklausas ir nuolatinio tobulėjimo kultūrą*. Taip elgdamiesi jie gali plėtoti ir palaikyti ilgalaikius verslo santykius, kartu skatindami stipresnį klientų įsitraukimą, o tai paskatins *papildomų paslaugų pirkimą, rekomendacijas, naudingą informaciją ir tvirtesnę įsipareigojimą*.

Pagrindiniai empiriniai rezultatai: Nustatyti pagrindiniai veiksniai, tokie kaip *kainų konkurencingumas, pajėgumai, reputacija ir bendra įmonės informacija*, į kuriuos potencialūs klientai atsižvelgia prieš užmegzdami verslo santykius. Klientai taip pat atsižvelgia tiek į pinigines, tiek į kokybines logistikos paslaugų vertes, tokias kaip: *išlaidų taupymas, pristatymo laikas, rizikos mažinimas, apimtys nuolaidos, komunikacija, patikimumas, kompetencija, lankstumas, atsekamumas ir atitikimas pramonės standartams*. Išryškintos svarbiausios vertybės, tokios kaip *išlaidų taupymas, bendravimas, pristatymo laikas, patikimumas ir kompetencija*, gali tiesiogiai paveikti verslo santykių kokybę. *Tvarumo ataskaitos* gali būti naudinga programa ne tik verslo klientams, bet ir kelių logistikos įmonėms, siekiant įvertinti skirtingus taikomus tvarumo principus. Nustatyta, kad jei kelių logistikos įmonės *sektų teikiamų paslaugų statistiką* ir dalintųsi ja per *susitikimų* metu, tai padėtų stebėti ir vertinti verslo santykių kokybę. *Bendravimo trūkumas, melas, reikalavimų nesilaikymas, atsakingo vadybininko pasikeitimas, pristatymo vėlavimas, didėjanti žala, neadekvačios kainos, klientų vagystės* yra veiksniai, galintys pabloginti ar nutraukti verslo santykius su klientais. Ilgalaikiai ryšiai su kelių logistikos paslaugų teikėjais gali turėti įtakos klientų įsitraukimui perkant, o tai gali būti išreikšta *pirmenybės teikimu pasiūlymams, mažesniu jautrumu paslaugų kainoms, papildomais galimais užsakymais, paslaugų kokybės reprezentavimu ir pastangomis rasti geriausių sprendimą visoms šalims*. Verslo klientai gali ne tik pirkti paslaugas, bet ir *padėti įvairiose situacijose, suteikti reikiamą informaciją, rekomenduoti juos savo kolegoms*. Remiantis empiriniais tyrimo rezultatais, pateiktos penkios rekomendacijos kelių logistikos paslaugas teikiančioms įmonėms, norinčioms plėtoti ir palaikyti ilgalaikius santykius su verslo klientais.

Table of contents

| | |
|---|-----------|
| List of figures | 9 |
| List of tables | 10 |
| Introduction | 11 |
| 1. Analysis of Competition, Sustainability, and Other Problematic Challenges in the European Road Logistics Market | 13 |
| 1.1. High Competition in the European Road Logistics Market | 13 |
| 1.2. Challenges Determining Competitive Edge in the European Land Logistics Market | 14 |
| 1.3. Climate Change and Arising Sustainability/Circular Economy Requirements..... | 18 |
| 2. Theoretical Aspects of Developing B2B Relationships and the Value-Creating Factors that Influence it..... | 21 |
| 2.1 Relationships Development with B2B Clients and Their Quality Identification | 21 |
| 2.1.1 The Importance of Developing Long-term Relationships with B2B Clients | 21 |
| 2.1.2 Development Stages of Long-term Relationships with B2B Clients | 25 |
| 2.1.3 Evaluating and Improving the Quality of Relationships with B2B clients | 28 |
| 2.2 Factors and Drivers That Create Value for B2B Clients in Logistics Market..... | 30 |
| 2.2.1 Service Value and How it's Perceived by B2B Clients | 30 |
| 2.2.2 Value-creating Factors/Drivers for B2B Clients | 33 |
| 2.2.3 Sustainability as Value Driver for B2B Clients | 36 |
| 2.3 Conclusions of Theoretical Analysis..... | 38 |
| 3. Research Methodology | 40 |
| 3.1. Research Problem..... | 40 |
| 3.2. Aim of the Research and Objectives | 40 |
| 3.3. Nature and Method of Research | 40 |
| 3.4. Research Sample and Selection Criteria..... | 42 |
| 3.5. Research Ethics | 43 |
| 3.6. Research Structure with Questions and Logic Behind Them..... | 43 |
| 3.7. Research Limitations | 45 |
| 4. Results and Discussion of an Empirical Study of the Perceived Value Provided by Road Logistics Service Providers to Business Clients and Their Impact on Relationship Quality and Engagement..... | 47 |
| 4.1. Characteristics of Cases in the Empirical Study..... | 47 |
| 4.2. Effect of Monetary and Qualitative Service Perceived Values on Relationship Quality and Development with Business Clients in European Road Logistics Market Results from Research Interview..... | 48 |
| 4.3. Possible Effect of Sustainability Application in Road Logistics Services on Business Relationship Quality in the European Road Logistics Market Results from Research Interview | 55 |
| 4.4. Effects of Developing and Evaluating Long-Term Relationships with Clients in the Business-to-Business European Road Logistics Market Results from Research Interview | 58 |
| 4.5. Effect of Developed Relationship Quality on Client Engagement in the Business-to-Business European Road Logistics Market Results from Research Interview..... | 63 |
| 4.6. Key Findings and Discussion for Future Research | 66 |
| 4.7. Recommendations for Companies Providing Road Logistics Services Based on the Results of an Empirical Study | 69 |
| Conclusions | 70 |

| | |
|---|-----------|
| List of references | 72 |
| List of information sources | 77 |
| Appendixes | 78 |
| Appendix 1. Invitational Email for Participation in Empirical Research..... | 78 |
| Appendix 2. Structured Interview Questionnaire Groups and Questions | 78 |

List of figures

| | |
|--|----|
| Fig. 1. European Union Inflation Rate 2018-2022 (Trading Economics, 2022)..... | 15 |
| Fig. 2. Atmospheric carbon dioxide amounts and annual emissions 1750-2021 (Climate.gov 2021) | 19 |
| Fig. 3. B2B Relationship development stages (Zindelin, 2002; Vaitkienė and Pilibaitytė, 2008; Pick, 2010)..... | 26 |
| Fig. 4. Factors determining service granted value for B2B clients (Wijaya et al. 2020, Kotler, P., & Keller, K., 2012)..... | 31 |
| Fig. 5. Circular economy model (European Parliament, 2015)..... | 36 |
| Fig. 6. Conceptual model of B2B Client Perceived Value, Relationship Quality and Client Engagement interactions and important factors for relationship (Pansari, A., & Kumar, V., 2017; Agyabeng-Mensah et al., 2020; Itani et al., 2019; Hsiao et al., 2016; Jin et al., 2015; Chowdhury, P.P., 2012) | 39 |
| Fig. 7. Updated conceptual model of B2B Client Perceived Value, Relationship Quality, and Client Engagement interactions and important factors for relationship by a research study (Pansari, A., & Kumar, V., 2017; Agyabeng-Mensah et al., 2020; Itani et al., 2019; Hsiao et al., 2016; Jin et al., 2015; Chowdhury, P.P., 2012) | 68 |

List of tables

| | |
|---|----|
| Table 1. Research framework (Pansari, A., & Kumar, V., 2017; Agyabeng-Mensah et al., 2020; Itani et al., 2019; Hsiao et al., 2016; Jin et al., 2015; Chowdhury, P.P., 2012)..... | 44 |
| Table 2. Description of the cases analyzed in the empirical study | 47 |
| Table 3. Identified factors that determine the beginning of business relationships in the studied cases. | 49 |
| Table 4. Highlighted road logistics service monetary values by interview respondents | 50 |
| Table 5. Highlighted road logistics service qualitative values by interview respondents | 51 |
| Table 6. Identified most important service perceived values that determine business relationships quality in the studied cases. | 53 |
| Table 7. Respondents statements on monitoring and evaluating road logistics service providers ... | 54 |
| Table 8. Respondents statements on the importance of sustainability principles application in logistics services | 55 |
| Table 9. Mentioned sustainability application in road logistics services possibilities by respondents | 56 |
| Table 10. Application of sustainable practices in road logistics services and their influence on business relationship quality by respondents..... | 57 |
| Table 11. Importance of developing long-term business relationships with logistics service providers by respondents | 59 |
| Table 12. Business relationship stages when trust, loyalty, and satisfaction factors start to form by respondents | 59 |
| Table 13. Opinion on constant monitoring and evaluation of the quality of business relationships by respondents | 60 |
| Table 14. Suitable practices to monitor and evaluate business relationship quality by respondents | 61 |
| Table 15. Factors determining the deterioration or termination of business relationships by respondents | 62 |
| Table 16. Long-term business relationship impact on transportation offers by respondents | 64 |
| Table 17. Engagement of business clients beyond purchases in long-term relationships by respondents | 65 |
| Table 18. Factors that can improve business clients engagement by respondents | 66 |

Introduction

The European logistics market is experiencing increasing competition from both established large market players and new startups offering innovative logistical solutions and other 3 million companies offering their logistics services, making it challenging for road logistics service providers to establish and maintain relationships with business clients in the European market. Despite high competition in the European logistics market, there are other additional challenges that road logistics service providers face. The challenges identified in the literature and information sources are changing market conditions, a complex regulatory environment, limited access to resources, and rising labor costs. These factors may affect a company's competitiveness, profitability, and ability to meet the demands of business clients. In addition to competition and other challenges, there are also ecological problems caused by global warming and pollution, which are the result of the driving forces of the global economy, and road freight transport accounts for more than 25% of CO2 emissions in the EU. Companies that fail to maintain their competitive advantage may find it difficult to attract new clients and retain existing ones, which may ultimately put their ability to remain in business in the long run at risk. Even though the business literature abounds with comparisons claiming that it costs 5 to 30 times more to attract and sell services to new clients, than it does to sell services to existing ones, new business clients receive significantly more attention, than focusing on creating and maintaining long-term relationships with business clients. Intensification of competition, constant changes in the business environment, and rising ecological problems push business organizations to seek better strategies of competitive advantage, which leads to increased attention to business client management and the development of relationships with them. There is a lack of research on using value-creating factors to build and maintain relationships with business clients, especially in the European road logistics market, which could be used by road logistics service providers to stay competitive. It's especially important at this time when businesses face many survival challenges, that are directly correlated not only with economical and ecological factors but also with the state of relationships with clients and their possible migration to competitors. To avoid such situations and to remain profitable and growing in the European B2B market, road logistics service providers should look for prevention measures, by trying to avoid client migration, or even encourage competitor clients to migrate to them, while recognizing the essential value factors that create and maintain business relationships. In this environment, possible research can not only fill in the gaps in the literature on this topic, but also provide recommendations for road logistics service providers to maintain a competitive edge and use key factors and service-provided values to attract new business clients and retain existing ones by building long-term relationships, and encouraging their engagement in order to stay ahead of their rivals and reach for long-term success.

To overcome possible problems of this topic, the research aims to respond to **three main research questions**, which will be analyzed in the theoretical and empirical parts, these questions are:

1. What are the factors that affect relationship development with B2B clients in the road logistics market?
2. Which specific factors from the theoretical analysis have an influence on the development of B2B relationships in the European road logistics market?
3. How can these factors influence the quality of relationships and business client engagement?

Research object – service perceived value effect on business relationship quality and client engagement.

Research aim – to analyze the possible impact of perceived service value on the quality of relationships and client engagement in the business-to-business European road logistics service market.

Research tasks:

- 1) To identify problematic factors for road logistics service providers operating in the European market.
- 2) To reveal theoretical aspects of the developing B2B relationships and the value-creating factors that influence it.
- 3) To justify methodology for analyzing the effect of value-creating factors on business relationship quality and client engagement.
- 4) To investigate and analyze the possible impact of perceived service value on the quality of relationships and client engagement in the business-to-business European road logistics service market and provide recommendations for European companies providing road logistics services based on the results of an empirical study.

Research methods: The work uses the analysis of scientific literature and information sources. A structured interview, qualitative content analysis, and a deductive model are used in 4 different cases, to obtain the results of the qualitative research.

Structure of the research

The research consists of 5 parts, 80 pages, 18 tables, 6 figures, and 2 appendixes. The first part analyses problematic factors and the logistics market situation in Europe in order to understand the problematic factors that might affect the success of road logistics service providers and the difficulties they might face in trying to attract and retain business clients. In the second part, with the help of scientific literature sources, a theoretical model is determined, which describes the possible influence of logistics service factors in developing business relationships, and how the quality of business relationships can influence the engagement of business clients in the offers of companies providing road logistics services. The third part will provide theoretical frame work and justify the used methodology for understanding the possible impact of perceived service value on the quality of relationships and client engagement in the business-to-business European road logistics service market. The fourth part consists of results and findings from the empirical research and includes recommendations for road logistics service providers as well as future research. The fifth section of the research paper is the conclusions, which relate to its aim and objectives.

1. Analysis of Competition, Sustainability, and Other Problematic Challenges in the European Road Logistics Market

In the European market, companies in the logistics industry face a variety of challenges, including increased competition, increasing labor costs, lack of space for development, complicated regulations, infrastructure constraints, concerns about sustainability, and the requirement to digitally transform their operations. Due to the difficulties posed by these factors, it may be difficult for logistics businesses to maintain their profitability and keep up with the competition in the market. In order for businesses to be successful in overcoming these challenges, they may need to adopt innovative business strategies. Some examples of such strategies include making investments in technology, simplifying their processes, and finding methods for lowering costs while still preserving a high level of service.

1.1. High Competition in the European Road Logistics Market

Numerous organizations compete for a portion of the European logistics industry, which is very competitive. DHL, TNT, UPS, DB Schenker, Kuehne + Nagel, and FedEx, as well as regional competitors such as GLS and DPD, are among the major participants in the European logistics business (*Logistics Market in Europe by Type and End-user - Forecast and Analysis 2022-2026*, 2022). These businesses provide a variety of services, such as air and ground transportation, freight forwarding, warehousing, and distribution. In addition to traditional logistics organizations, the sector is experiencing rising competition from e-commerce enterprises and tech-driven startups offering new logistical solutions which can directly impact the profitability or even the existence of other market players if the competitive edge is lost. Big logistic market players in Europe can and will always try to widen their operational and competitive field for which they have resources, while medium or smaller logistic companies might be limited in expansion due to the lack of competitive resources. The other reason why the logistics market in Europe alone is extremely competitive is due to the large number of organizations fighting for a slice of the available business. According to sources such as the EU Chamber of Commerce, yellow pages, and Eurostat data, there are more than 3 million companies operating in the European Logistics sector (*Top 50 Largest Logistics Companies Europe*, BoldData, n.d.). A large number of logistic companies in the EU is not the only number that can state competition in the market, as part of those companies do not even own their own trucks and operate based on the expedition principle, which means that according to their client needs, they arrange and buy transportation service from other carriers. But different data can cover the overall competition of logistics in the EU. According to collected data by ACEA (*Fact Sheet: Trucks*, 2022) there are more than 6.2 million lorries in circulation within the EU, of which 77% deliver products over land. Big competition in the market can reduce profit margins and make it harder for businesses to remain competitive. Logistic companies operating in the European market might be doing their activities in different specific regions and provide different logistic services, but regardless of that, it shows how essential it is for a firm to retain its competitive edge and create value through its services to sustain existing partnerships with other companies for which using logistic services is crucial for operating and to establish new ones.

The importance of maintaining a competitive edge in the logistics sector can be attributed to a number of factors, including the following:

Attracting customers: A firm that offers a significant edge over its competitors has a better chance of attracting in new clients and securing new business. Customers in the logistics industry frequently search for the most productive and economical solutions; hence, a business that is in a position to provide these options will have an advantage over its competitors.

Building relationships: Maintaining a competitive edge may also help a firm create good connections with its customers and partners, which can be a beneficial advantage for the company. According to the State of the European Supply Chain Report done by FourKites (*State of the European Supply Chain: Logistics, Sustainability and Visibility Report 2022*, 2021) almost two-thirds of respondents (63%) listed carrier connections as a continuous challenge, since building effective carrier and broker partnerships entail addressing internal systems in addition to dealing with external systems. For instance, a firm that routinely provides high-quality services and satisfies the requirements of its clients has a greater chance of establishing and maintaining long-term relationships with those clients.

Staying ahead of the competition: An organization's ability to keep its market share and stay one step ahead of its rivals may be greatly aided by its ability to keep up with the competitive edge. This is of utmost significance in the logistics market, which is characterized by intense rivalry and an ongoing requirement to create new partnerships and enhance existing ones.

In general, it is necessary for firms operating in the logistics market to maintain a competitive edge in order to continue to remain ahead of the competition, attract new clients, and develop strong relationships. If a firm is unable to maintain its competitive advantage, it may find it difficult to attract in new clients and retain the ones it already has. This may ultimately put the company's ability to remain in business in the long run at risk, as falling sales and profitability are likely to result from it.

1.2. Challenges Determining Competitive Edge in the European Land Logistics Market

Even though there is intense competition in the European logistics market, it may be difficult for companies to establish and maintain an existing business relationship due to a number of other factors (Sergi, Bruno S., et al. 2021). The following is a list of some of the most common challenges that logistics businesses may encounter according to various literature sources (Lu et al. 2019; Luo et al. 2001; Clark, 2022; Voldnes et al. 2012) and information sources (*European Union Inflation Rate, Trading Economics, 2022; Europe driver shortage to triple by 2026 if no action: new IRU report, 2022; Annual increase in labor costs at 2.9% in the euro area, Euroindicators, 2022*):

- **Changing market conditions:** The logistics industry is subject to continuous change, as new technologies and trends emerge on a regular basis. The demand for logistics services and the capacity of businesses to invest in their operations can be influenced by economic factors such as GDP growth, unemployment rates, and inflation. A large number of companies operating inside the European market is not the only problem as new challenges emerge with the growing inflation rate.

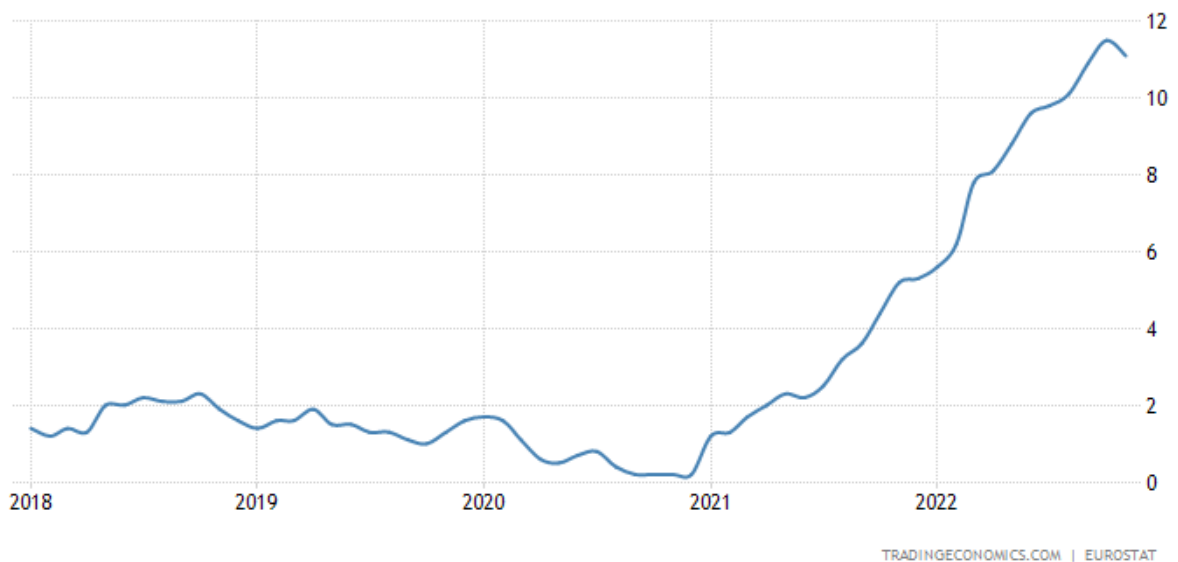


Fig. 1. European Union Inflation Rate 2018-2022 (Trading Economics, 2022)

From 2000 to 2022, the inflation rate in the European Union averaged 2.22% and peaked at 11.50% in October 2022 (*European Union Inflation Rate*, Trading Economics, 2022). As a result of having to pay more for gasoline, labor, and other inputs, high inflation can result in higher expenses for logistics providers and customers may be unable or incapable of paying higher rates, making it difficult for logistics providers to pass through increased expenses. This can reduce service provider profit margins, as they may not be able to completely recover their higher expenses. Changes in trade policy, such as tariffs and trade agreements, can alter the flow of exports between countries and impact the need for logistic services. Adopting new technology, such as automation and digitalization, may increase the effectiveness of logistics operations and provide a competitive edge and demand for logistics services can be affected by customer desires, such as the need for personalization or sustainability. Changing market circumstances can influence the demand of B2B clients for logistics activities, purchasing decisions, and relationships with logistics providers. Because of this, it can be challenging for firms to stay up with the ever-shifting market and preserve their advantage over their competitors.

- **Complex regulatory environment:** The European logistics industry is subjected to a complicated regulatory environment, which can make it difficult for companies to comprehend and comply with all the essential laws and regulations. Different countries have different transportation requirements, making it challenging for businesses to navigate through different laws, and this is especially true in Europe, where the logistics industry is subject to this environment. Green logistics, or an environmentally friendly logistics system, is gaining importance in Europe's high-income nations, where the primary focus is on greening various logistics processes, such as transportation, warehousing, and distribution, as well as green recycling of reverse logistics, such as waste recycling and disposal (Lu et al. 2019). Companies might be required to invest in new equipment, retraining, or additional procedures to comply with the regulations, which can be expensive. This can be a concern for businesses attempting to retain B2B connections since it can impact their profitability and competitiveness. The desire to maintain a competitive advantage in the context of this challenge can be difficult for logistics companies.

- **Limited access to resources:** Limited access to capital, personnel, and infrastructure can affect the competitiveness of the European logistics sector and the ability of companies to satisfy the demands of B2B clients. Large-capital corporations can invest in new technology or grow their businesses, giving them a competitive edge. Companies with low money may struggle to innovate and compete against larger, better-funded rivals. Companies with qualified employees and efficient infrastructure can provide high-quality logistics solutions and meet client demands. According to the IRU report (*Europe driver shortage to triple by 2026 if no action: new IRU report*, 2022), the growing gap between retiring and new drivers is expected to triple the rate of unoccupied truck driver positions to more than 60% by 2026, and unless action is taken to consider making the driver career more accessible and appealing, Europe could be short over two million drivers by 2026, affecting half of all freight movements. Companies that fail to attract and retain talented personnel or operate in places with poor infrastructure could struggle to compete. Limited resources might affect B2B clients' ability to obtain logistics services that fit their demands and satisfaction levels with said services they receive. Companies that can successfully manage company resources and satisfy the expectations of B2B clients will be competitive. This also can be a barrier for other logistic companies to establish and sustain a competitive advantage in the market.
- **Rising Labor costs:** Increasing labor costs might have a substantial effect on the European logistics market, affecting both competitive edge and B2B clients. According to the data released by Eurostat (*Annual increase in labor costs at 2.9% in the euro area*, Euroindicators, 2022) the average labor expenses increased by 2.9% in the eurozone and 3.4% in the EU during the third quarter of 2022, compared to the same period of the previous year. Rising labor expenses can reduce profitability and make it more difficult for logistics firms to compete in the market. Companies that can properly manage their labor expenditures and uncover strategies to boost efficiency could gain an advantage over their competitors. Adopting new technology, such as automation and digitalization, which may reduce the demand for labor and increase productivity, is one approach for businesses to combat growing labor costs. Companies that effectively adopt certain solutions may be able to compensate for growing labor costs and preserve their strategic advantage. Rising labor expenses can affect freight forwarding pricing and can influence B2B clients buying decisions. Clients may indeed be willing to pay more for high-quality service, but if the price of such services becomes too expensive, they may seek alternatives. This can be a difficulty for organizations that are attempting to preserve a competitive advantage, especially when they are competing with enterprises headquartered in locations that have lower labor costs. Overall, growing labor expenses can be a challenge for the European transportation industry, but businesses that can adapt and find methods to boost efficiency may indeed be able to preserve their competitive edge and continue to satisfy the demands of B2B clients.
- **Infrastructure challenges:** Significant infrastructure differences across the European Union can have an effect on the road transportation industry. In certain places, the highways and roads are well-maintained and allow efficient transportation, however, in others, the infrastructure could be outdated and in poor condition, affecting the cost and efficiency of logistical operations. The accessibility of transportation infrastructure might differ across Europe too, especially when it comes to oversized transportation, where it is important that all the turns and roads are suitable for loaded trucks to cross it. There may be limited road and highway infrastructures in some places at some time, this can be foreseen with online websites like TrafficBan.com to make the planning easier, but regardless of that, it can bring difficulties

for logistic companies to transport goods and provide on-time services. Not only are poor roads a frequent element of the logistics infrastructure of less developed nations, but so are a lack of storage facilities, weak technological infrastructure, unreliable banking systems, and the absence of a commercial code and enforcement mechanisms (Luo et al. 2001). These distinctions might provide difficulties for businesses attempting to create and sustain B2B connections since the quality of Europe's transportation systems can vary widely. The accessibility and availability of charging stations for electric trucks might influence their adoption and application in the logistics industry. Countries with a well-developed charging infrastructure have an advantage in this aspect compared to countries that have low adoption of this new technology. Attempting to maintain market advantage in the context of these infrastructural challenges can be difficult for logistics and transportation companies.

- **Political and economic uncertainty:** Uncertainty regarding politics and the economy in Europe, such as that caused by Brexit or the ongoing COVID-19 pandemic, or the latest war in Ukraine can present difficulties for logistic companies who are attempting to keep a competitive advantage in the market. Political instability and changes in trade policy in a region can have an impact on the safety and reliability of transport networks and the general market condition, therefore affecting the competitiveness of transportation businesses operating in that nation, for example: due to the Russian aggression towards Ukraine, the transit through the mentioned aggressive country is not possible anymore for European transportation companies. These kinds of occurrences can produce unpredictability and cause chaos in supply chain operations, making it more challenging for firms to efficiently prepare for and carry out their operations. Fluctuations in currency rates can affect the prices of imported and exported goods, as well as their transportation costs together with changes in the economy's conditions, such as a recession or expansion, can have an effect on the demand for transported products as well as the overall business climate for logistics firms. In 2020, Europe's portion of the global GDP was slightly under 15 percent; this percentage is projected to decline to 13.99 % by 2026. Europe's falling share of the international economy is a clear trend attributable to European economies developing at a slower rate than those of other regions, such as Asia and China in particular (Clark. 2022). Generally, political and economic unpredictability can create difficulties for logistics firms in the European transportation industry, which can affect their competitiveness and capacity to attract B2B clients.
- **Cultural differences:** Europe is a culturally and linguistically varied continent, which can provide difficulties for businesses attempting to create and sustain B2B connections in the road logistics sector. There may be different standards for verbal and nonverbal communication, different methods of addressing people, and varied expectations for politeness and formality among cultures. According to Voldnes et al. (2012), cultural differences between business partners can lead to misunderstandings and unsolved disagreements, which can be disastrous to partnerships. These differences may demand adjustments to maintain good communication between logistics companies and their customers. Different cultures could have different preferences for business procedures, such as the importance of personal relationships and the usage of agreements and contracts. These differences might impact the manner in which logistics companies and their B2B clients cooperate and the amount of trust between them. Different cultural groups may have different negotiating methods, with some cultures prefer direct and forceful techniques and others indirect and subtle ones. These distinctions can impact how logistics companies and their B2B clients approach negotiations and the results of such interactions. In certain cultures, creating

strong personal ties is an essential component of conducting business, but in others, formal agreements and contracts are emphasized more. These variations can impact how logistics companies connect with their B2B clients and the degree of trust that is developed between them. Some cultures may value more personal and attentive service, while others value efficiency and speed. The manner in which logistics companies serve their B2B clients and the satisfaction levels of those customers might be affected by these differences. In order to effectively service B2B clients and maintain a competitive edge, logistics companies must be aware of cultural differences and adapt their operations and communication techniques accordingly.

In general, the logistics and road transportation market in Europe is extremely competitive due to the large number of organizations fighting for a slice of the available business which potentially might cause some of the logistic service providers on the edge of bankruptcy if they are unable to create and maintain existing business relationships. With over 3 million companies offering their logistic services and over 5 million trucks that are going through the whole of Europe, transportation service companies can find themselves stuck between lower profit margins and collapsing relationships with their business partners. Even though there is intense competition in the European logistics market, it may be difficult for companies to establish and keep an existing business relationship due to a number of other factors, like Changing market conditions, Complex regulatory environment, Limited access to resources, Rising Labor costs, Infrastructure challenges, Political and economic uncertainty, and Cultural differences. Firms operating in the logistics market must maintain a competitive advantage in order to remain ahead of their competition, acquire new clients, and develop strong relationships. If they do not, their ability to remain in business may be compromised, as dropping sales and profitability are likely to be a result of it.

1.3. Climate Change and Arising Sustainability/Circular Economy Requirements

In various information channels, it is increasingly possible to hear the emphasized problems of global warming and pollution both at the world level and in Lithuania, and this should not surprise the public. They are the result of several driving forces of the global economy: technological innovation, consumption habits, the pursuit of wealth, and the exponential growth of the human population in recent centuries. These economic drivers have transformed the planet to create economic opportunities for businesses and raise the standard of living for many people around the world. But over time, scientists increasingly express concern about growing ecological problems and send warnings that if the principles of unconditional consumption and business activities of mankind do not change, it may endanger not only the sources of resources but also the entire humanity.

To see the overall current ecological situation, it is worth considering specific indicators that directly determine climate change and the future of the planet. In the atmospheric carbon dioxide amounts and annual emissions 1750-2021 diagram (Climate.gov 2021) we see the effects of the first changes caused by the industrial revolution. Since the end of the first industrial revolution, the world has seen an exponential increase in carbon dioxide emissions. As new technologies and market consumption rise, so has atmospheric CO₂, with 2019 recording the highest annual carbon dioxide emissions on record at 36.5 billion metric tons (see Fig. 2.). According to the article written by Dr. Daniel Haag (*Sustainability in the transport and logistics industry*, PWC, 2021) road freight transport accounts for more than 25% of CO₂ emissions in the EU, and since 1995 their impact on CO₂ emissions in the atmosphere has risen for more than 20%, despite improved vehicle efficiency.

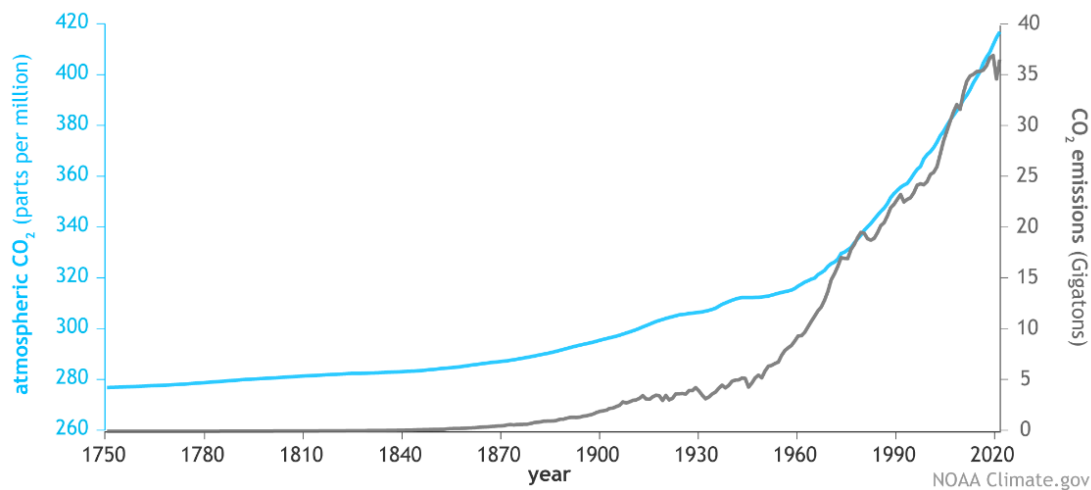


Fig. 2. Atmospheric carbon dioxide amounts and annual emissions 1750-2021 (Climate.gov 2021)

In 2020, we see a decrease in the number of emissions of gases responsible for the greenhouse effect, but this is explained by the start of the COVID-19 pandemic when most of the world's industrial and business processes were suspended together with logistic operations, but now, the world has partially adapted and continues to operate, so it is likely that CO₂ emissions will remain unchanged or continue to rise in the coming years unless global action is taken to stop them.

Climate change, polluted air, polluted water sources, deforestation, excessive use of natural resources, accumulating waste - all these ecological problems are not hidden and more and more organizations and people are beginning to emphasize them. According to Susskind et al. (2020), many ecological problems cannot be solved by a single individual, organization, or group of people, they require collective agreement and work to combat it at least partially. It has also been understood by various organizations that in order to live on this planet and in the future, certain agreements must be established to help slow down and maybe even solve the ecological problems that have arisen on the planet.

To overcome the mentioned challenges, the European Commission launched a new strategy, the "European Green Deal", which sets out three goals for the European Union and its producers, distributors, consumers, and retail businesses. (European Commission, 2019):

- From the year 2050, no more emissions of greenhouse gases.
- European economic growth would not be based on the extraction of natural resources.
- No person or place would be left out.

The European Green Deal is a plan to create a sustainable economy in the European Union, with the aim of turning current challenges into opportunities. The European Green Deal plan targets the following tasks:

- Promote efficient use of resources in the transition to a clean circular economy.
- Restore biodiversity and reduce or completely stop pollution.

The implementation of the goals of the European Green Agreement directly depends on the consolidation of the principles of the circular economy for the actors of the system, such as producers, consumers, distributors, wholesale, and retail trade businesses, therefore this task is the most emphasized in the plans of the European Council, looking at the situation of ecological problems.

Therefore it singled out as a separate action plan to introduce a circular economy and to develop new directives (European Commission 2019).

Logistics services in the supply chain entail extensive resource loss and harm to the environment (Zaman & Shamsuddin, 2017). And according to Jayarathna et al. (2021), the negative effects of logistics operations generate interconnected economic, social, and environmental challenges, requiring logistics organizations to implement more sustainability initiatives. Due to the effects which logistic operations might cause on the environment and growing requirements from European Commission, more and more businesses are increasingly taking into account logistics service providers and their operations in order to meet not only the requirements set by the authorities but also to be positively visible in the market. Apart from the intense competition in the market and other challenges that can disrupt the introduction of sustainability into logistics operations, road transport service providers must find ways to implement more circular economy solutions into their operations in order to maintain and improve existing relationships with their B2B clients.

To summarize problem analysis, it focuses on the challenges faced by road logistics service providers in the European market when trying to establish and maintain relationships with business clients. The highly competitive logistics industry is experiencing increased competition not only from large market players such as DHL, TNT, UPS, DB Schenker, Kuehne + Nagel, and FedEx but also from other 3 million companies operating in the European logistics market, which includes e-commerce enterprises and tech-driven startups offering new logistical solutions, which can directly impact the profitability of traditional road logistics service providers. Despite high competition in the European logistics market, there are other additional challenges that road logistics service providers face. The challenges identified in the literature and information sources are changing market conditions, a complex regulatory environment, limited access to resources, and rising labor costs. These factors may affect a company's competitiveness, profitability, and ability to meet the demands of business clients. Problem analysis also discusses the ecological problems caused by global warming and pollution, which are the result of the driving forces of the global economy, and road freight transport accounts for more than 25% of CO₂ emissions in the EU. To address these challenges, the European Commission launched the European Green Deal, which aims to create a sustainable economy in the European Union and promote the efficient use of resources in the transition to a clean circular economy. Road logistics services entail extensive resource loss and harm to the environment, and logistics service providers are required to implement more sustainability initiatives in their business operations. Therefore, road transport service providers must find ways to implement more circular economy solutions into their operations in order to reach Europe's goals. Companies that fail to maintain their competitive advantage may find it difficult to attract new clients and retain existing ones, which may ultimately put their ability to remain in business in the long run at risk. In this environment, it is essential for road logistics service providers to maintain a competitive edge and use key factors and service-provided values to attract new business clients and retain existing ones by building long-term relationships, and encouraging their engagement in order to stay ahead of their rivals and reach for long-term success.

2. Theoretical Aspects of Developing B2B Relationships and the Value-Creating Factors that Influence it

The theoretical understanding of value-creating factors in long-term interactions with B2B (business-to-business) clients is crucial for a number of reasons.

1. This type of analysis can assist businesses in gaining a better understanding of the dynamics of long-term relationships with B2B clients and in identifying strategies for creating value for both parties. Rather than focusing solely on creating value for one party, it is often crucial in B2B relationships to identify ways to produce value that is mutually beneficial. By undertaking a theoretical evaluation of the aspects that lead to value creation in long-term partnerships, businesses are able to find possibilities to produce mutually beneficial value.
2. An additional reason why theoretical research of value-creating elements in long-term relationships with B2B clients is significant is that it can assist businesses in gaining a deeper understanding of these interactions' fundamental drivers. For instance, research may identify trust, communication, and commitment as crucial criteria for the success of long-term B2B interactions. By recognizing these forces, businesses may create strategies and policies that facilitate the establishment of strong, long-lasting relationships with their B2B clients.
3. Theoretical analysis of value-creating elements in long-term interactions with B2B clients can also assist businesses in gaining a deeper understanding of the competitive landscape and identifying possibilities for differentiation. By understanding the variables that contribute to value creation in long-term B2B relationships, businesses may build strategies that distinguish them from competitors and provide them with a competitive edge.

Overall, theoretical analysis of value-creating factors in relationships with B2B clients is substantial because it can assist businesses in identifying strategies for creating mutual value, better fully understanding the drivers of these relationships, and differentiating themselves in the competitive landscape.

2.1 Relationships Development with B2B Clients and Their Quality Identification

Identifying prospective valuable clients is essential because it enables a firm to concentrate on clients who are most expected to be profitable and who have a strong potential for repeated business. Acknowledging the development of relationships with these clients is also essential since it enables a company to form and sustain long-term partnerships. Long-term relationships with quality clients may generate a steady revenue stream and enhance word-of-mouth recommendations. In addition, by recognizing and catering to the individual wants and preferences of key B2B clients, a business may boost client engagement and established relationship quality, which can lead to repeat business and a strong industry reputation. In conclusion, recognizing possible profitable B2B clients and developing long-term relationships with them is essential to ensuring a profitable and stable business by concentrating on clients who are most likely to generate a positive investment return and by appealing to their particular needs and preferences, thereby increasing B2B relationship satisfaction and retention together with overall business profitability in a highly competitive and challenging market.

2.1.1 The Importance of Developing Long-term Relationships with B2B Clients

Developing long-term relationships with B2B (business-to-business) clients is crucial for many reasons. Long-term business partnerships are beneficial to all sides. Customers are more likely to remain loyal to a service provider when they believe they are getting "excellent value"—better quality

service—for their money. Venetis, K. A., & Ghauri, P. N. (2004) stated that providing excellent customer service increases customers' desire to make repeat purchases, make larger purchases, use other services, become less price sensitive, and recommend the business to others. An empirical investigation done by Reinartz and Kumar (2000) asserts that these connections raise obstacles to competition, lessen price competitiveness, and increase revenue per consumer while cutting costs. Long-term and open relationships are not only highly beneficial but also necessary for sustaining the company's competitive edge in the market and establishing or preserving its reputation (Portna, O. V., et al., 2021). In some service businesses, keeping just 5% of the current client-base can boost profits by as much as 125%. The same or similar benefits are stated in other literature sources, but Alshurideh, M. T. (2016) points out that in addition to the financial advantages that a business can gain from retaining clients, there are numerous more indirect advantages that could even outweigh the direct rewards to the client. From the perspective of the customer, being a part of a long-term relationship has many advantages, including increased confidence, forming social connections with others, special treatment advantages, risk reduction, economic advantages, social advantages, and adaptability, and the ease and effectiveness of the decision-making process. Convenience, time savings, and making the most effective purchase decision are examples of functional benefits for clients who are in long-term relationships with service or product suppliers. The literature points out that long-term relationships and customer loyalty can be correlated together where customer loyalty is seen as a source of competitive advantage because it has been shown to have a significant impact on business success (Gil-Saura, I., Frasset-Deltoro, M., & Cervera-Taulet, A., 2009). Combining findings and insights from research we can conclude the definition of a long-term business relationship:

Long-term business-to-business relationship - Lasting commercial engagement between two separate companies which is based on trust, satisfaction, and loyalty in pursuit of economical and social benefits for involved parties (Venetis, K. A., & Ghauri, P. N., 2004; Reinartz & Kumar, 2000; Alshurideh, M. T., 2016; Gil-Saura, I. et al., 2009; Portna, O. V., et al., 2021).

Business partnerships and literature research findings have proven that loyal clients are more likely than disloyal customers to work together to achieve goals that benefit both parties, boost competition, and lower transaction costs because customers feel they are getting "good value" and higher-quality services for their money, which makes them more likely to remain loyal to the service provider.

Combining research results and insights of Venetis, K. A., & Ghauri, P. N. (2004), Reinartz and Kumar (2000) and Alshurideh, M. T. (2016) the primary advantages of establishing long-term connections with B2B clients are:

- **Increased relationship retention:** Clients are more likely to continue doing business with a firm as long as they believe they can rely on that company to continuously supply high-quality products or services. It could also lead to increasement in the number of new customers: according to Sin, Tse, Chan and others (2006) businesses receive considerably better reviews from devoted customers who stay in touch with them than do all the other customers. They frequently communicate their good feelings to other people. This demonstrates that devoted clients are content, devoted, and eager to keep doing business with the company. This can lead to an increase in client retention as well as a reduction in the number of clients who switch from one supplier to another, both of which can be very essential in fields where competition is particularly strong and this can help to ensure that business has a consistent source of revenue, even there are difficult times in the market.

- **Improved efficiency:** As a firm works with a client for a period of time, they become more familiar with their business and the unique requirements they have which can create “Strategic Value” for both of the parties. According to Biggemann and Buttle (2005), Strategic value created in long-term relationships gives greater stability and less uncertainty to the parties involved, allowing them to expand their planning horizon. This enables better planning, lowers risks, allows better operating costs, and creates a solid platform for business growth. As a result, they are typically able to simplify their procedures and discover ways to more effectively satisfy those requirements. This has the potential to not only save resources and time but also result in cost savings for the firm and the client, as well as an improvement in profitability for the company.
- **Enhanced reputation:** Businesses that have a demonstrated history of cultivating strong, long-term partnerships with the B2B clients they serve are frequently seen as more dependable and trustworthy than their competitors. According to Chowdhury, P. P. (2012) over time, a company gains a reputation for fairness by acting reliably and consistently. This reputation is linked to the firm's credibility, a key element of trust. Thus, trust is created, but the connection is not very significant, although company/seller reputation and partner devotion are important. This has the ability to contribute to the enhancement of the company's reputation in the sector, increasing its appeal to potential clients and partners in the future.
- **Increased opportunities for business expansion and growth:** Clients who were satisfied and had a favorable experience with a company in the past may be more inclined to suggest that firm to others or explore existing partnerships using other services offered by the company in the future. B2B connections help organizations commercialize new services and generate ideas for entering new product categories, especially when their customers are more experienced. Technology companies often partner with existing companies to share information and co-create value (Zheng, L. J., Zhang, Y., Zhan, W., & Sharma, P. 2022). This has the potential to bring in new clients and increase the company's income which can result in increased prospects for business expansion and growth in the existing or new market.
- **Customized services:** By building lasting relationships with clients, a business can better understand their unique requirements and preferences. In business-to-business relationships, customers invest money, people, equipment, and business procedures, which increases switching costs. Clients who perceive high switching costs are especially motivated to keep a successful relationship with their service providers because of the time, effort, and financial risk(s) associated with attempting to find another provider (Coulter, K. S., & Coulter, R. A. 2002). As a result, the business may be able to provide products or services that are tailored specifically to the needs of each individual customer. This degree of personalization can improve client satisfaction and provide the business with a competitive edge.
- **Improved communication:** Companies with long-term connections with their clients often establish robust channels of contact over time. Long-term relationships enable open lines of communication. In other words, parties exchange information, which may include market knowledge, criticism of their performance, strategies for simplifying procedures, or new ideas for running their businesses. Additionally, the parties are more inclined to collaborate in "idea generation" teams. In other words, the parties share knowledge with one another, which is referred to as "Knowledge Value" (Biggemann, S., & Buttle, F., 2005). As a result, it may be simpler for both the organization and the client to communicate their wants and make requests or offer feedback. A relationship that is more fluid and effective can result from improved

communication which can provide greater bargaining power to negotiate for more favorable conditions, such as price increases or flexible payment terms.

- **Greater flexibility:** Businesses with long-term connections with their clients may be more responsive to adjusting and making changes to satisfy the client's needs. Collaboration is key to solving difficult challenges and adapting to changing environments. The goal is to develop strong, long-term connections amongst corporate partners to gain competitive advantage as such interactions enable information sharing and value creation (Lostakova, H., & Pecinova, Z. 2014). Because of this, relations between businesses can be stronger which can lead to vitality and innovation during market changes. This may be particularly crucial in fields where sudden changes or difficulties frequently happen.
- **Enhanced problem-solving:** A company that has been doing business with a client for a while may be more familiar with the client's operations and business, which could allow both parties to work together and solve any problems that can possibly occur. According to the research done by Biggemann and Buttle (2005), respondents say they are more eager to assist the client or are more tolerant of the supplier under difficult conditions, these are signs of Personal Value. A good relationship, according to one source, offered a cover that could be used in challenging circumstances, preventing relationship collapse. This may make it possible for the business to troubleshoot and resolve issues more successfully in the future.

In summary, everyone benefits from long-term commercial partnerships. When customers believe they're getting good value, they're more loyal, and keeping just 5% of current clients can improve profits by 125% for the company. Regular clients give businesses better reviews also they are more likely to conduct business with a company if they trust its products or services, this helps provide a steady revenue stream. Long-term connections offer strategic value that reduces uncertainty which improves planning, reduces risks, reduces operating costs, and boosts corporate growth. It can save the firm and the client money and boost profitability too. Businesses with a history of solid, long-term B2B partnerships are more reliable and trustworthy. A corporation establishes a reputation for fairness by behaving reliably and regularly, says Chowdhury (2012). B2B links help commercialize new services and penetrate new product segments. Customers who have had a positive experience with a company may recommend it to others or use additional services it offers. Customers spend money, people, equipment, and business procedures in business-to-business connections, increasing switching costs by which they are encouraged to preserve a good connection since switching carriers take more resources. Long-term client relationships create strong communication channels. Improved communication can lead to a more fluid and successful partnership, which can lead to better negotiating power. Collaboration helps solve problems and adapt to changing situations which means that long-term client relationships may make businesses more flexible and involved parties more committed. Stronger business relationships can boost market vitality and innovation, this can help both sides troubleshoot and solve problems in advance too.

In general, developing and maintaining long-term relationships with B2B clients can establish and nurture the following partnership benefits which directly impact B2B client engagement:

- **Loyalty** – loyal customers are less interested in looking at other competitors offers.
- **Trust** – trust in a relationship creates less doubt about the decisions made.
- **Satisfaction** - Satisfaction with existing relationships encourages nurturing and maintaining those relationships.

In general, building long-term connections with B2B clients can build up trust, satisfaction, and loyalty between involved parties, followed by improved efficiency, cost savings, and promotion of company progress. Additional advantages can include personalized goods and services, stronger problem-solving abilities, and improved communication. These advantages may contribute to the development of a competitive edge and of business expansion.

2.1.2 Development Stages of Long-term Relationships with B2B Clients

The constant evolution of digital technologies has brought in a fundamental shift in the manner in which organizations interact and sell. The adoption of social networks, search engine marketing, and online analytics has revolutionized business-to-business (B2B) sales, particularly in international transactions. The time limits, limited staff, and resource constraints that are characteristic of B2B purchases and evaluations create an environment in which businesses are unable to develop personal relationships with all of their customers and suppliers, which often means that, effort and resources are focused on the most strategic partnerships. For the remaining partnerships, businesses seek external and internal online tools that give decision-making insights. Especially in the case of strategic connections, internet reviews are utilized to gather multiple points of view, find issues not previously explored, and therefore achieve better conclusions (Steward et al. 2018). With direct online access to vast amounts of data and a detailed understanding of client preferences, salespeople can now target the most lucrative international business possibilities and manage customer relationships more efficiently (Fraccastoro et al. 2021). Building connections takes time, but by delivering value and being attentive to their requirements, a firm may create confidence and form long-term partnerships with potential B2B clients. Regardless of new possibilities to identify and start new relationships with other businesses, every relationship has its own development stages and duration. Dowell, D., et al. (2013) studied several former academics who examined the course of the relationship and how it was divided into three distinct phases at first: the initial stage, the buying process, and the consuming stage. Zineldin (2002) observed that those 3 mentioned stages do not reflect reality anymore, indicating that the development stage of the relationship between the organization and its customers is a continuation of the preceding stage and reflects the attitude of the interacting parties toward the developed mutual relationships. This procedure consists of the following stages: 1) pre-relationship stage, 2) early stage, 3) development stage, and 4) steady, stable stage. In the first phases of a relationship, both parties have numerous uncertainties about each other, therefore they must strive to learn as much as possible about each other and adjust. In later stages, the distance between each other should be diminished, and mutual trust should be established. But established relationships rarely last forever, and due to this, Zindelin (2002) himself and other researchers pinpointed that every relationship sooner or later comes down to an end by factors caused by one of the parties. According to Pick (2010), some of the relationships which start and continue to be profitable in the beginning sometimes can lead to too many obligations and contractual agreements which if not managed accordingly can proceed to unprofitable ways of operating for the business. The same thing can be seen from the B2B client if they spot that long-term relationships become too tight and businesses start losing competitive flexibility due to the close relationships between a service provider and the company purchasing the services. Combining findings of researches done in the past Vaitkienė and Pilibaitytė (2008) divided the relationship life cycle into five stages: 1) Relationship initiation, 2) Relationship creation, 3) Relationship development, 4) Relationship maintenance, 5) Relationship termination. After analyzing the stages of development of relationships with customers, it can be seen that some authors distinguish three, others four, but in most cases, five stages of relationship

development are emphasized, which are named similarly by researchers. While studying the conclusion of the relationship's development, more distinctions are observed: some view the end of the relationship as a unique stage of the relationship's development, while others conclude the relationship's development at its most intense stage. Presenting the end of the relationship as a separate stage may give the impression that the relationship must always end or that the end of the relationship is the purpose of the development of the relationship. However, this is not the case, as the end of the relationship is presented as the final possible stage of the development of the relationship, but in no way as the purpose of the relationship's development.

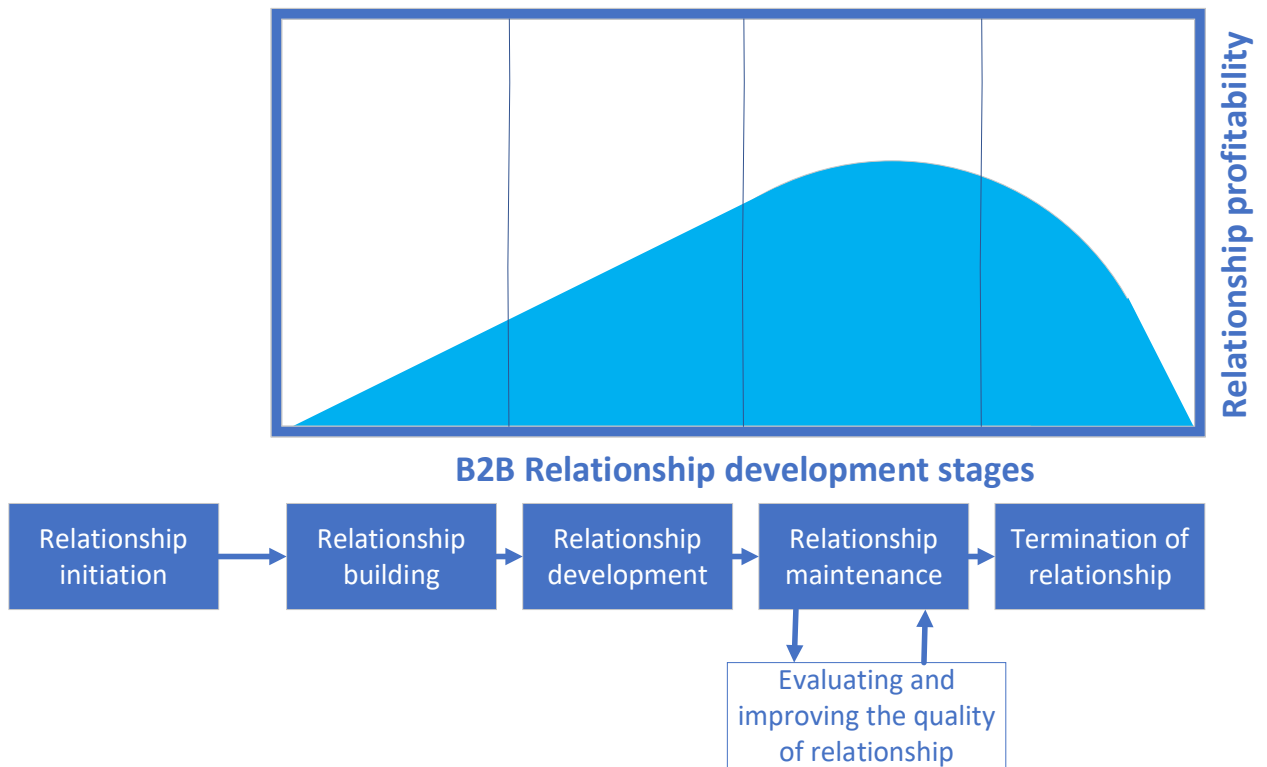


Fig. 3. B2B Relationship development stages (Zindelin, 2002; Vaitkienė and Pilibaitytė, 2008; Pick, 2010)

Every stage of the relationship-building process demands work and collaboration. It should also be emphasized that at each step, the relationship's partners encounter changing expectations, wants, wishes, requirements, experiences, and intended outcomes. To understand how to form, maintain, and improve good relationships, you must get familiar with all stages of relationship development and give sufficient attention to the analysis of each. The following are some of the stages that can be included in the building of long-term relationships with significant B2B clients:

Relationship initiation - Establishing first contact with prospective customers through various means, such as networking, cold phoning, or emailing. According to researchers, user knowledge and user behavior awareness are prerequisites for users to receive the appropriate attention from the organization (Edvardsson et al., 2008). The potential client becomes the target of the service provider - the service provider aims to create a service or offering that meets the client's needs and expectations, thus turning a potential client into a potential long-term relationship business partner. At this point, neither party is aware of the other's capabilities and needs; thus, these must be explained and communicated. The relationship can proceed to the next stage of its life cycle if they learn that this

objective has been efficiently and successfully reached. But Zineldin (2002) also pinpoints that if the parties learn during this stage that they do not comprehend each other's needs and desires, fail to produce an adequate offering or do something conflicting with expectations, the following stage will likely not follow.

Relationship building - Building a connection with a B2B client and gaining their confidence requires giving them value on a constant basis and being attentive to their requirements. This stage is crucial for both the company providing service and the client's communication, as the corporation attempts to persuade the B2B client that the given products or services match his wants and expectations. This stage is defined by the exchange party's growing experience. Good connection between the parties is crucial at this stage because it provides the foundation and ground rules for the following stage. Zineldin (2002) also suggests that during this stage, the partners are getting familiar with one another and are (to a certain extent) sure of the object's value. If the result is negative, the following stage will not take place. If the conclusion is favorable, it is likely that a strategic business partnership will be maintained.

Relationship development - Although the first purchase operation has taken place, the relationship between the organization and the client is not yet stable, so the organization must take care of preserving and nurturing already established relationships with consumers while consistently meeting and surpassing the expectations of the client by delivering outstanding customer service and pushing beyond in order to satisfy their requirements. According to Hohenthal and others (2014), if this stage is reached, they have built a strong, close, and engaging connection marked by trust and understanding, respect, and happiness, and they are capable of creating additional value together.

Relationship maintenance - The relationship maintenance stage is the culmination of the relationship development process when the relationship between the organization and the business client is at its most intense and strongest point. It's necessary to put in place a system of frequent communication with the customer to check in with them and make sure their requirements are being met, while constantly looking for new methods to enhance the items or services that are provided to the customer while also remaining receptive to their feedback. Zineldin (2002) notes that the relationship's perceived importance may change over the course of time. The likelihood that the relationship may remain, and partner dedication and retention will be greater if the client is satisfied. This is why, continued efforts are needed to satisfy the demands and expectations of the B2B client with all of the service provider's ability; otherwise, the connection may decline or even terminate altogether.

Termination of relationship – According to already investigated information, the establishment of a long-term economic relationship does not ensure its long-term sustainability. Relationship stress is regarded to be a risk factor impacting the relationship's health (Holmlund-Rytkönen, M., & Strandvik, T., 2005). Relationship risk factors are indicators of a relationship's fragility that, on their own, may be pretty harmless, but which, if they compound over time, can have catastrophic results. The cause of relationship termination could also be the fact that B2B clients might have been approached with lower prices, higher quality service, or more favorable service conditions by competitors, as issues with the company's service or product create new possibilities for its rivals.

Evaluating and improving the quality of the relationship* - Evaluation of the relationship on a regular basis, identification of areas in which it may be improved, and action taken to address any

potential problems that may occur can help to maintain and sustain already existing long-term B2B relationships and keep it from its failure in the long run. As this B2B relationship stage is not separated from other stages in scientific research and is usually correlated together with the “relationship maintenance” stage, it’s very important to separate and understand this step in order to not only maintain existing B2B relationships but also improve on constant basis with provided service activities. For this reason, it needs to be investigated more in order to provide possible ways to evaluate and improve the quality of existing B2B relationships.

In summary, it can be said that the cycle of development of relations with B2B clients consists of stages of initiation, creation, development, maintenance, and sometimes termination. An organization seeking to create, maintain and strengthen relationships with customers must be familiar with all stages of relationship development. Understanding client behavior and determining the target segment is a necessary condition for a company offering its services to receive adequate attention from B2B clients and constant assessment and improvement of the quality of relationships can not only maintain existing relationships but also raise the company's competence in relation to other B2B clients.

2.1.3 Evaluating and Improving the Quality of Relationships with B2B clients

Building loyalty, trust, and satisfaction levels with B2B clients enables the development of lasting partnerships. Clients do not immediately become loyal; it is a lengthy process that needs more work and resources, but in the long run, it yields greater returns (Jiang et al., 2016). This is why, while creating a relationship with a B2B client, it is essential to determine the level of their loyalty, trust, and satisfaction which can directly indicate the quality of B2B relations and pursue engagement from them. Each level of client loyalty, trust, and satisfaction are distinguished by distinct user behaviors and requirements. Understanding these demands provides additional possibilities to design individualized service, encourage attachment, and increase exit costs, eventually making them into loyal clients which can lead into continues B2B client engagement.

Analyzing and improving the level of quality of relationships with B2B clients demands a multi-factor, comprehensive strategy and approach (Aykol, B., & Leonidou, LC., 2018). Companies may evaluate and enhance the quality of their long-term relationships with B2B clients by taking the following steps and measures:

- 1) **Establish clear communication channels:** Establishing and maintaining long-lasting relationships requires clear communication. Communication is the human behavior that forms and maintains relationships between the parties involved; hence, the communication construct is selected since it is essential and necessary for developing and sustaining any commercial relationship (Lages et al. 2005). A company seeking to improve has to ensure that there are well-developed communication channels between their B2B clients because it allows the company to properly interact with their clients and understand if their established requirements are being met, as it also allows them to urgently react to any problems or issues that might arise. Immediately addressing client issues is vital for fostering trust and sustaining long-lasting partnerships (Zineldin, 2002). Companies providing service or product has to ensure to have procedures in place for addressing consumer problems and complaints in a prompt and effective way.
- 2) **Set clear expectations:** To ensure that B2B clients are happy with provided services, it is crucial to set clear expectations. Previous researches indicate, that long-term orientation relates to the impression of the interrelation of results when both a provider's outcome and collaborative

outcomes are believed to serve the client in the long run (Lee, D.Y., & Dawes, P.L., 2005). This involves establishing delivery time, price, and service quality requirements as also setting clear long-term orientation goals for both parties in order to reach them in the long run and meet established expectations.

- 3) **Conduct regular client satisfaction surveys:** Frequent client satisfaction surveys may give insightful information about the quality of established B2B relationships. According to Sanzo et al. (2003), a difference between social and economic satisfaction is crucial in this context because it permits isolating the social environment in which market exchanges occur from the economic one. Companies providing services or products can use received feedback to enhance their offerings and strengthen established connections.
- 4) **Ensure service quality:** Service quality is essential for establishing and sustaining long-term client relationships along with a customer-centric attitude, which is crucial for establishing long-lasting partnerships with B2B clients (Fleming et al., 2016). This involves concentrating on client needs and objectives and providing solutions that satisfy or exceed their requirements. Implementation of quality control procedures can help to ensure the quality delivery of services, and frequently monitoring provided services can lead to the discovery of opportunities for improvement which would establish a stronger commitment to the B2B relationship.
- 5) **Foster a culture of continuous improvement:** Constant improvement is vital for sustaining a high standard quality of service and establishing lasting relationships with clients. Promotion of client input, reviewing service quality, and analyzing and adapting provided services to the B2B client's needs often to guarantee continual progress in logistic service operations (Lindgreen et al. 2012). Continuous improvement can result in the offering of value-added services that enhance relationships with B2B clients. This may involve providing discounts, innovative solutions, or additional services that appeal to their specific requirements and goals.

The methods listed above can help companies to assess and improve the quality of an existing B2B relationship, but they may not always reveal the actual quality of a relationship. According to Grönroos, C., & Helle, P. (2012), the relationship between partners is based on establishing a win-win situation for all parties engaged in relational activities. This means that relationships are probably best measured through actual customer engagement.

Customer engagement - Customers' direct (i.e., purchase engagement) and/or indirect contribution to the firm's value. (i.e. commitment, knowledge, and referrals) (Pansari, A., & Kumar, V., 2017).

Based on the long-term relationship orientation, engagement is the actual showing of activities and/or strategies that a buying firm thinks are necessary to keep the relationship going so that it can reach its goals and get value as well as benefits for the organization (Stewart, G.T., et al., 2012). These factors can be initiated by the B2B client to reveal the actual quality of the B2B relationship:

- **Purchases** - Engagement in a purchase shows a desire to build a connection with a service company that offers value and convenience (Nyadzayo, M. W., et al., 2020).
- **Referrals** – The customer recommends the company to others, thereby expressing trust in the relationship and their business activities (Venetis, K. A., & Ghauri, P. N., 2004).
- **Knowledge sharing** - The customer shares their knowledge, and insights or provides feedback to help improve the company's performance (Biggemann, S., & Buttle, F., 2005).
- **Commitment** - Exchanging partner's wish to keep a connection with one another (Han, S. L., & Sung, H. S., 2008).

In conclusion, analyzing and improving the level of quality of long-term relationships with B2B clients requires a whole strategy that takes various elements into account. By creating clear communication channels, establishing clear expectations, performing frequent client satisfaction surveys, assuring service quality, and fostering a culture of continuous development can help to maintain and improve existing long-term B2B relationships while developing stronger loyal bond which is supported by maintained and exceeded satisfaction, trust, and loyalty factors from clients perspective and their engagement.

2.2 Factors and Drivers That Create Value for B2B Clients in Logistics Market

Determining customer perceived values is crucial because it enables organizations to determine what customers value most in a product or service. This may assist firms in determining what characteristics to include in their products or services, how to price them, and how to advertise them. By understanding the elements that may influence a B2B client's perception of value, organizations may modify their offers and marketing strategies to better suit the preferences and requirements of their target segment. This can help businesses create closer ties with their clients, which might enhance retention and loyalty in the relationship.

2.2.1 Service Value and How it's Perceived by B2B Clients

The customers of today are quite educated and operate in a global economy where there are a growing number of options for goods and services especially in a competitive market. To satisfy user expectations, it is not sufficient to claim that a service is of good quality, conveniently accessible, or affordably priced; rather, it is crucial to comprehend how clients view the value they have gotten. In scientific journals and practical actions, the term value is used in a variety of senses. When analyzing value-related topics, the majority of researchers reach the conclusion that value perception is subjective. Moreover, despite the fact that marketing studies provide a wide range of definitions of value, it is evident that the idea of value in the context of content is perceived similarly which can be an essential factor for companies trying to gain competitive advantage, while together understanding potential customer behavior while offering its services. According to Jin et al. (2015) research on consumer behavior, the customers' perception of a product's (or service's) value is one of the most important factors in customer decision-making. In consideration of its significance, scholars have given numerous interpretations and conceptions of the idea of perceived value based on various views. Rutner and Langley (2000) together with Odoom, R., et al. (2017) define value in two perspectives, which are appropriate for businesses: monetary and quality. From a monetary standpoint, value is really the difference between the price a customer is willing to pay for a good or service and the actual price paid, and Odoom, R., et al. (2017) pinpoints that customers want value in the majority of transactions they engage in. Perceived value in the context of quality is the gap between the price a consumer pays for a service or product and the product's/service's actual quality. Combining monetary and quality value perspectives definitions, a general definition of value could be:

Value - consumer's overall assessment of what is provided (costs or perceived sacrifices) and what is gained (profits or perceived benefits).

In summary, businesses which seek logistic services are intelligent and operate in an international market with many service provider alternatives, so it's important to understand how they evaluate service value. The perspective of the buyer determines the value, not the assumptions or intentions of

the provider. According to Kotler and Keller (2012), the user's experience and likelihood of using the service again are dependent on whether the service supplied is justified. According to their own efforts, expertise, and income, users evaluate which offer would deliver the needed value and select accordingly. The perception of value is heavily influenced by the prior experience of consumers, the price of products or services, the offers of competitors, the expenses of having to switch to another supplier, and the consumer's needs in a particular area when selecting the most suitable service for a given situation; consequently, each organization must determine how consumers perceive value. The understanding of service value can be determined through the perception of service, personal, personnel, and supplier image received values if they are justified by monetary, time, energy, and moral expenses as seen in Figure 2 (Wijaya et al. 2020). In short B2B clients judge service value by what they pay and what they get. Customer impression of service value is a key factor for decision-making consideration.

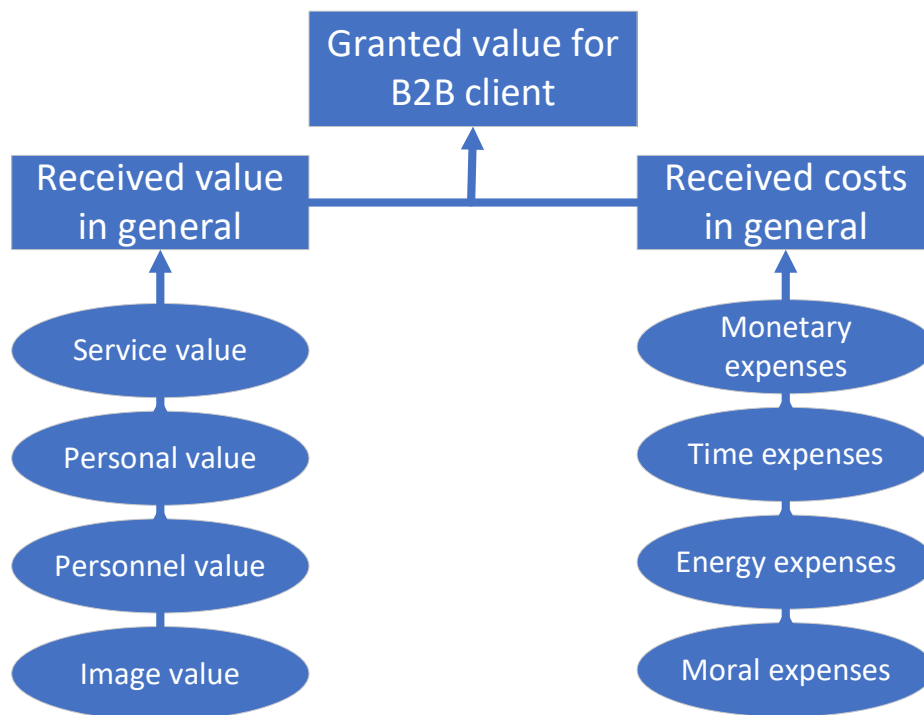


Fig. 4. Factors determining service granted value for B2B clients (Wijaya et al. 2020, Kotler, P., & Keller, K., 2012)

As value is seen and evaluated differently depending on the product or service the customer is considering purchasing it's important to understand customer perceived value (CPV) and how it's determined. The perceived value of a service or product is the gap between the perceived advantages and perceived expenses of achieving those benefits. It is essential since it can affect a customer's decision to acquire a service, as well as their loyalty to the company they are purchasing from.

Customer perceived value - It is the value that a consumer sets on a product or service based on their impression of how well it fits their requirements and expectations (Hsiao et al. 2016).

The importance of B2B client perceived value is based on the fact that it might affect a client's purchase choice. They determine if the offered monetary and quality value by a company stands up against other offers and are suitable to provoke an engagement on it. Customers are more inclined to acquire a product or service if they think that the advantages outweigh the expenses. Alternatively, if

a customer believes that the expenses outweigh the advantages, they may be unwilling to purchase services or products from the company.

Perceived customer value is also crucial since it influences customer relationship quality. If a customer believes they are receiving good value for their money, they are much more likely to commit to the company and make future purchases while developing relationships and its quality with the supplier or service provided by receiving stronger satisfaction, trust, and loyalty from established B2B relationship. Alternatively, if a client believes that they are not receiving excellent value for money, they may seek alternatives and be less loyal to the brand. PCV can directly impact customer engagement which could lead to the return of the purchases or its increased volume of it. If the customer believes he is receiving good value for the money, they are possibly gaining personal value, by increasing companies' profits or effectiveness in the market, which can directly impact the person and his carrier who is making the final decisions of the engagement. Satisfied customers are more inclined to share valuable information or provide positive reviews or referrals to their other partners or colleagues, which can directly determine profitability and competitive advantage in the operating or new market.

By combining research information, it can be said that Customer Perceived Value (CPV) consists of two important perspectives for businesses: monetary and quality values. What kind of benefits customers can determine from CPV can not only affect the already established relationships and their quality but also determine the Customer Engagement for potential new customers (Itani et al. 2019, Hsiao et al. 2016, Jin et al. 2015, Chowdhury 2012). Additionally, consumer perception of value might have an effect on the overall performance of a company. If a company can continuously provide high rates of customer perceived value, it will be more likely to attract and retain customers, which may lead to improved revenues and the long-term success of the business.

According to Itani et al. (2019), CPV can be seen differently depending on the customer's intentions, and some customers might have different value consciousness which can be related to the specific needs of it. Some clients may not necessarily purchase the product/service with the highest quality-to-price ratio since it may not be the greatest value for them, and value-conscious buyers often want a product/service to provide unique benefits (Pillai and Kumar, 2012). Before engaging, these consumers are motivated to seek out further information, invest in in-depth analysis, and make well-informed decisions.

The offered value by a product supplier or service provider can be determined by a client in several different ways (Kaponen and Julkunen, 2022; Steward et al. 2018; Kotaniemi, 2022; Zhu and Zhang, 2022; Vis and Ursavas, 2016; Rahikka et al. 2011), including the following:

- 1) **Cost-benefit analysis:** According to Kaponen and Julkunen's (2022) research findings - continuous assessment of the relation's costs and benefits is key to the development of long-term client connections in the B2B sector. Customers can do a cost-benefit analysis by comparing the prices of various service providers and weighing those prices against the advantages these providers offer, such as the speed of delivery, the dependability, and the flexibility of their services.
- 2) **Customer reviews:** These third-party, online customer evaluations may be a helpful source of information for those purchasing professionals who seem to be unfamiliar with a given product or service, as well as with the provider of that product or service in a B2B context (Steward et al. 2018). Customers are able to browse reviews and ratings left by other customers on various

websites, platforms, or forums in order to have a better idea of the value provided by a certain company.

- 3) **Testing and trial periods:** The results of Kotaniemi's (2022) research revealed that the trial period is constantly viewed as part of the process of purchasing a service, and it plays a crucial role in ensuring that the product is matching the requirements of the business. Before committing to a relationship with another business for the long term, some clients prefer to give them a test run for a shorter length of time to assess how well they operate before committing to a relationship with them.
- 4) **Industry benchmarks:** The proportion of an organization's total assets can be used to represent the scope of the business. Customers can use industry benchmarks to evaluate the value of a service by comparing the provider's company characteristics to other industry players. The capacity of a business to generate a profit is an essential component of its financial capability and is one of the metrics utilized to measure both the effectiveness of management and the success of the enterprise overall (Zhu and Zhang, 2022). Such analysis can include fleet size, number of employees, operating years, etc. which can determine if the company will be capable of meeting the needs of requirements.
- 5) **Consultations with experts:** Customers who want a deeper knowledge of the value offered by various companies may seek the guidance of consultants or professionals with expertise in the relevant industry. An article written by Vis and Ursavas (2016) also suggests that consultation with experts is sometimes very helpful while planning logistic procedures for bigger projects, which provided knowledge and data that can also help determine specific partners for logistic operations.
- 6) **Previous experience:** Most customers potentially try out several service providers during their business operations. If the consumer is expected to evaluate the performance of the service provider over time: Customer experience results from the combination of all customer contact points with a business (Rahikka et al. 2011). Depending on past experience and received quality or price for the services, they can evaluate different values offered by different service providers to determine the best choice.

The individual requirements and goals of a client are ultimately the most important factors that will determine the value of a service they are considering. The things that are important to one B2B client could not be the same things that are important to another as the goals and expectations can vary of many different factors.

2.2.2 Value-creating Factors/Drivers for B2B Clients

Customer perceived value is based on monetary and quality values, but every customer might value different factors differently before engaging in service offerings. Due to this reason, logistic service providers have to pinpoint and highlight various different value drivers that can impact customer engagement and use them in order to create and maintain B2B relationships. Selection and evaluation of logistic service providers (LSPs) are crucial components of the logistics outsourcing procedure. Logistics operations are among the most important tasks that companies no longer need to manage internally since they may be assigned to a qualified service provider (Ciravegna et al. 2013; Ho et al. 2012). And for specific firms outsourcing logistics services through other logistic service providers can help to focus on main activities and objectives which can bring the highest profit for the company, and avoid heavy investments required for transportation network establishment (Nurjaman, R., et al., 2021). This can help not only to establish and develop relationships with a logistics service provider

but also allows the logistic service user to develop and improve their main activity's competitive advantage in their designated market or industry.

Numerous definitions and explanations exist for how logistics provides value. According to Tu, L., et al. (2021), the most conventional value indicators previously were based on the qualities of time and location utility. Recent approaches to logistics value place a greater emphasis on marketing, customer service, core competencies, and competitive advantage. Logistics value is an essential element of customer service in order to preserve a competitive edge. As discussed before, the perceived value that B2B clients set on a service is based on their impression of how well it fits their requirements and expectations through monetary and quality values (Hsiao et al. 2016). It is important to separate quality and monetary values from each other for logistic services providers in order to see which factors could potentially improve or sustain already existing B2B relationships.

Monetary value-creating factors/drivers

Land logistic service providers might provide a range of monetary values to their B2B clients based on the individual services provided and the client's demands. The following are potential monetary values that a land logistic service provider might offer to their B2B clients (Mentzer et al., 1997; Lisińska & Gajewska, 2014; Franceschini & Rafele, 2000; Rixer et al., 2001; Fulconis et al., 2016):

- **Cost savings:** By streamlining supply chain operations, decreasing transportation costs, and increasing overall efficiency, a supplier of logistic services may offer cost benefits to their B2B clients.
- **Price transparency:** By providing straightforward and open pricing structures, a supplier of land logistic services may assist its B2B clients in better managing their logistics expenses and budgets.
- **Volume discounts:** Depending on the number of shipments, a logistic service provider may give discounts to its B2B clients, which can cut expenses and increase profitability.
- **Faster delivery times:** By providing faster transit times, a logistic service provider may assist B2B clients to minimize inventory and labor costs while boosting client satisfaction.
- **Improved inventory management:** By providing real-time delivery tracking and visibility, a logistic service provider may assist its B2B clients enhance inventory management, hence decreasing the risk of running out of stock and overstocking.
- **Risk reduction:** A logistic service provider may assist their B2B clients in mitigating the financial risks connected with shipping and logistics by providing full insurance coverage and services for risk management.

B2B clients value cost savings, price transparency, volume discounts, faster delivery times, improved inventory management, and risk reduction of the logistics services. In the end, the particular monetary values that a logistic service provider may provide its B2B clients will rely on each client's individual demands and expectations. It is essential for the service provider to comprehend the client's industry and personalize their services to their unique requirements.

Qualitative value-creating factors/drivers

Logistic service providers can offer a variety of qualitative values to their B2B clients, based on the nature of the offered services and the client's requirements. Among the potential qualitative values

that a provider of logistic services might provide its B2B clients are (Mentzer et al., 1997; Lisińska & Gajewska, 2014; Franceschini & Rafele, 2000; Rixer et al., 2001; Fulconis et al., 2016):

- **Reliability:** Reliable logistics suppliers are able to regularly fulfill delivery schedules, which is crucial for B2B clients since it ensures they get the items they require when they need it. Additionally, dependable logistics suppliers have a reputation for delivering items without loss or damage, which helps to decrease expenses and boost customer satisfaction.
- **Flexibility:** B2B clients favor logistics suppliers who can adapt to shifting needs and expectations, such as the emergence of new items or a change in delivery routes. This ensures that the supply chain continues to be efficient and effective despite changing conditions.
- **Responsiveness:** B2B consumers favor logistics suppliers who are sensitive to their demands and concerns and capable of resolving any potential problems swiftly. This ensures the supply chain operates smoothly and effectively.
- **Communication:** Communication is essential to the success of logistical operations. A logistic service provider may serve their B2B clients with clear and fast communication, offering cargo status updates. B2B partners favor logistics suppliers who are sensitive to their demands and concerns and capable of resolving any potential problems swiftly. This ensures the supply chain operates smoothly and effectively.
- **Visibility and trackability:** Transparency and real-time shipment tracking, as well as precise and timely delivery status updates, are highly valued by B2B clients. This helps to give supply chain visibility and better decision-making.
- **Compliance with industry regulations and standards:** B2B clients may appreciate logistics service providers that can assist them in complying with legislation and industry norms. This may involve the management of hazardous products or the implementation of eco-friendly procedures.
- **Expertise:** The supply chain's efficiency and effectiveness can be enhanced by logistics providers with specific knowledge and experience. This may involve experience in areas like international shipping, freight forwarding, customs operations, or temperature-controlled transportation. B2B clients may also appreciate logistics providers who may offer a network of contacts and services that can enhance the supply chain's efficiency. This may involve relationships with other shipping companies, transportation firms, or third-party service providers.
- **Sustainability:** Some B2B clients may favor logistics service providers who can supply environmentally friendly solutions with minimum environmental effects. This may involve the use of environmentally friendly transportation or the implementation of sustainable corporate practices. In order to see how sustainability can be implemented into logistic services and provide additional value for B2B clients, a deeper analysis has to be done.

B2B clients value reliability, flexibility, communication, transparency, trackability, responsiveness, compliance, expertise, and the sustainability of the logistics services. Ultimately, the particular qualitative values that a logistics service provider may give its B2B clients will rely on each client's individual demands and expectations. It is essential for the service provider to comprehend the client's industry and personalize their services to their unique requirements.

2.2.3 Sustainability as Value Driver for B2B Clients

Due to the current ecological situation and the highlighted problems of climate change, not only the European Commission imposes requirements on the society living on the continent to live and operate more sustainably, but also the businesses themselves, this is increasingly emphasized when looking for partners providing logistics services. Therefore, it is very important to understand how logistics companies can do this in a more sustainable way and how this would affect the value of the logistics services they offer.

In scientific sources, sustainability is often identified with the concept of circular economy, which aims to transform the way we use available natural resources. This means changing existing open economic systems based on the linear economy model to new economic systems based on the circular economy model. Singh and Ordonez (2016) describe the circular economy as an economic strategy that offers innovative solutions to transform the dominant existing linear economy consumption systems into a circular one while achieving economic sustainability and resource conservation. The very term "Circular economy" is identified with many meanings by different authors, but in the general idea, it is summarized by the concept that all economic activities must take place in a closed system that does not create unprocessed waste and other effects harmful to the ecosystem (Murray et al., 2015).

The circular economy is an industrial economy that aims to reduce waste and resource use as much as possible through advanced product design, product reuse and repair, recycling, sustainable consumption, and innovative business models while using renewable energy sources and focusing on the circulation of resources in the operational system (see Fig. 5.) (Singh and Ordonez 2016; Murray et al. 2015).

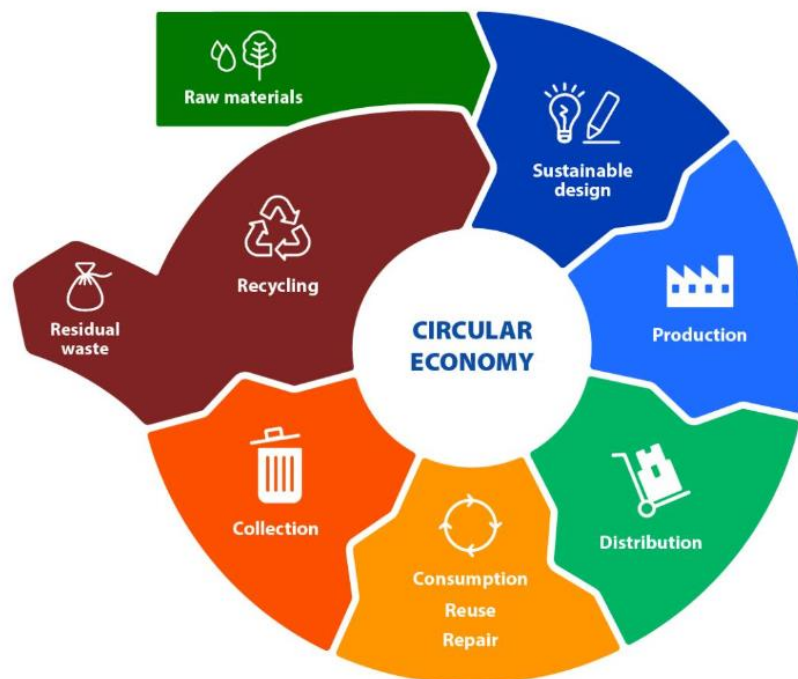


Fig. 5. Circular economy model (European Parliament, 2015)

The circular economy model aims to keep raw materials in circulation as long as possible, but since the companies providing logistics services do not actually produce any product, but provide a service,

the application of the principles of the circular economy becomes more complicated, because the principles of sustainability need to be applied not to the product, but to the service itself.

But despite the challenges, there are several methods in which a provider of logistics services might apply sustainability in their operations to offer value for their B2B clients. Here are some suggestions:

- **Pollution prevention:** Switching to cleaner energy, utilizing electric vehicles, and eliminating empty truck runs all contribute to a reduction in energy use (Jayarathna et al., 2023). Using low-emission vehicles is one of the most effective strategies to minimize the environmental impact of road logistics. By switching to electric or hybrid vehicles, emissions of greenhouse gases and air pollution can be greatly reduced.
- **Optimize routes:** By optimizing routing, logistics businesses may cut emissions and fuel usage. The findings of a study done by Sureeyatanapas et al. (2018) in Thailand logistics organizations indicate that vehicle route optimization and green driving are the most prevalent green practices in Green Logistics. This can be done by using route optimization software that considers variables such as weather, road conditions, and traffic.
- **Reduce packaging waste:** Along with their B2B clients, logistics companies may reduce packaging waste. A thoughtful selection of used packaging and materials can help to reduce the impact on the environment and also usage of cleaner products can make logistic service providers look more responsible in their client's sight (Grant et al. 2017). This can be achieved through the use of reusable packaging or eco-friendly materials.
- **Use renewable energy:** Companies in the logistics industry can practice sustainable development by investing in wind energy, solar panels, rainwater harvesting, biodiversity conservation, sewage treatment plants, and tree planting as these practices help to restore and regenerate the ecosystem by decreasing the use of natural resources and the negative environmental impact (Jayarathna et al., 2023). Renewable sources of energy, such as solar and wind power, can be used to power the operations of logistics companies inside facilities. Implementation of mentioned principles will aid in the reduction of greenhouse gas emissions and provide a competitive edge to B2B clients seeking sustainable partners.
- **Implement recycling and energy-saving programs:** Logistics companies may reduce waste and encourage a circular economy by introducing recycling and energy-saving initiatives. Examples include minimizing paper waste by process automation or recycling all items moving through their network, including tires, reducing electricity usage through the use of sensor-driven lighting systems, and installing LED lights in all warehouses and offices (Jayarathna et al., 2023). This may involve the recycling of cartons, plastics, paper, and other materials not only inside the operating offices and warehouses but also in drivers' cabins.
- **Provide sustainability reporting:** The B2B clients of logistics companies might receive sustainability reports documenting their efforts to lessen their environmental effects. According to Mohsen, BH (2022) a criterion for assessing the problem of choosing a courier service, sustainability is one of the evaluation criteria, because some logistic and transport businesses offer CO2 emission reports, which can assist their customers in attaining certain goals and objectives. This can assist B2B clients in making more educated choices when selecting partners for logistics operations.

Although implementing sustainable practices initially requires more financial resources, it improves long-term financial performance by delivering sustainable services that attract more clients, hence increasing market size, sales, and possibly profitability (Agyabeng-Mensah et al., 2020).

Furthermore, by adopting sustainability practices, logistics service providers can lower their environmental effects and give additional value together with monetary and quality ones to their B2B clients by providing more sustainable solutions.

2.3 Conclusions of Theoretical Analysis

Theoretical analysis of value-creating factors in relationships with B2B clients is substantial because it can assist businesses in identifying strategies for creating mutual value, better fully understanding the drivers of these relationships, and differentiating themselves in the competitive landscape. Recognizing possible profitable B2B clients and developing long-term relationships with them is essential to generate a positive investment return and thereby increase B2B relationship quality and engagement, which can impact mutual success. Long-term connections offer strategic value that reduces uncertainty, improves planning, reduces risks, reduces operating costs, and boosts corporate growth. Building long-term connections with B2B clients can build up trust, satisfaction, and loyalty between involved parties, which can lead to increased client engagement on offers. Understanding client behavior is a necessary condition for a company offering its services to receive adequate attention from B2B clients and constant assessment and improvement of the quality of relationships can not only maintain existing relationships but also raise the company's competence in relation to other B2B clients. By creating clear communication channels, establishing clear expectations, performing frequent client satisfaction surveys, assuring service quality, and fostering a culture of continuous development can help to maintain and improve existing long-term B2B relationships while developing stronger client engagement, which can lead to additional service purchases, recommendations, useful information, and stronger commitment. The individual requirements and goals of a business client are ultimately the most important factors that will determine the value of a service they are considering purchasing. B2B clients value monetary values, like cost savings, price transparency, volume discounts, faster delivery times, improved inventory management, and risk reduction. B2B clients also value qualitative values, like reliability, flexibility, communication, transparency, trackability, responsiveness, compliance, and expertise, of the logistics services. The monetary and qualitative values that a road logistic service provider may provide its B2B clients rely on each client's individual demands and expectations. It is essential for the road logistics service provider to comprehend the client's industry and personalize their services to their unique requirements. By adopting sustainability practices, logistics service providers can lower their environmental effects and give additional value together with monetary and qualitative ones to their B2B clients, which can improve the quality of business relationships and impact their engagement.

By combining theoretical research findings, it can be said that Client Perceived Value (CPV) consists of two important perspectives for businesses: monetary and quality values. According to Agyabeng-Mensah et al. (2020), implementing sustainable practices initially requires more financial resources, but it improves long-term financial performance by delivering sustainable services that attract more clients, hence increasing market size, sales, and possibly profitability. By adopting sustainability practices, road logistics service providers can lower their environmental effects and give additional value together with monetary and quality ones to their B2B clients by providing more sustainable solutions. What kind of benefits business clients can determine from CPV can not only affect the already established business relationships and their quality but also determine Client Engagement (see Fig. 6.) (Itani et al. 2019, Hsiao et al. 2016, Jin et al. 2015, Chowdhury 2012).

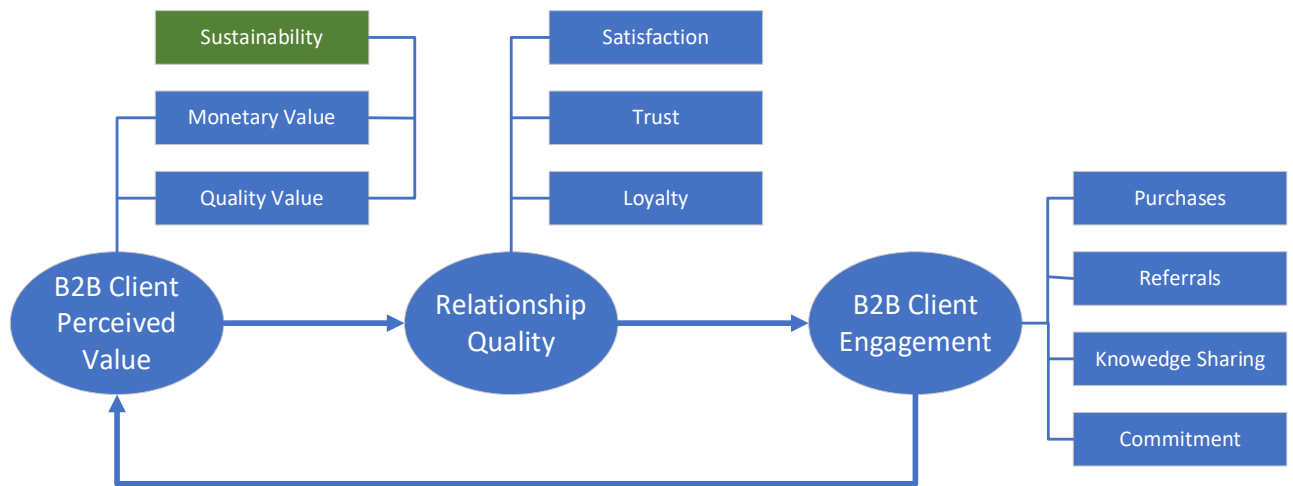


Fig. 6. Conceptual model of B2B Client Perceived Value, Relationship Quality and Client Engagement interactions and important factors for relationship (Pansari, A., & Kumar, V., 2017; Agyabeng-Mensah et al., 2020; Itani et al., 2019; Hsiao et al., 2016; Jin et al., 2015; Chowdhury, P.P., 2012)

Additionally, business client perception of value might influence the overall performance of a company, if a company can continuously provide a high level of client-perceived value, it will be more likely to attract and retain business clients, which may lead to improved revenues and long-term success of the business (Reinartz and Kumar, 2000). According to Itani et al. (2019), CPV can be seen differently depending on the client's intentions, and some clients might have different value consciousness which can be related to the specific needs of it. Hence, it is important for road logistics service providers to understand the client's industry and tailor their services to the client's specific needs, which can not only improve the quality of business relationships but also influence their engagement.

3. Research Methodology

3.1. Research Problem

The retention of existing clients in the business-to-business market, as well as the development of their loyalty, trust, and satisfaction, is one of the essential elements for companies to ensure long-term competitiveness, success, and profitability. As a result, the role of relationship and service quality in establishing relationships with business clients is highlighted; therefore, it is essential to understand which aspects of relationship and service values can influence the relationship quality with clients in the business-to-business market, specifically the European road logistics services market. According to the analysis of both empirical and theoretical studies, scientists distinguish various factors of relationship effectiveness, depending on the context under consideration. Emerging from an analysis of service quality appears a small amount of research on the perceived value effect of logistics services on client relationships in the B2B market, especially in the European road logistics market, where a significant lack of research on the value characteristics of services and long-term relationships is identified. Given the notable lack of scientific research examining the possible factors between the quality of B2B relationships, service perceived value, and client engagement in the European road logistics service market, it is necessary to examine the influence between the identified essential research constructs in greater depth. In order to deeply examine and understand the main factors influencing the quality of business relationships, as well as the involvement of clients in the offers offered by road logistics service providers, qualitative research is naturally the most appropriate.

3.2. Aim of the Research and Objectives

Research aim – to analyze the possible impact of perceived service value on the quality of relationships and client engagement in the business-to-business European road logistics service market.

Research tasks:

- 1) to empirically analyze the effect of monetary and qualitative service perceived values on relationship quality and development with business clients in the European road logistics market.
- 2) to empirically analyze the possible effect of sustainability application in road logistics services on business relationship quality in the European road logistics market.
- 3) to empirically analyze the effects of developing and evaluating long-term relationships with clients in the business-to-business European road logistics market.
- 4) to empirically analyze the effect of developed relationship quality on client engagement in the business-to-business European road logistics market.

3.3. Nature and Method of Research

Qualitative methods will be used to reach and understand the key values that can influence relationship quality and engagement from clients. Multiple case study methodology will be utilized in this study due to its exploratory characteristics, which enable researchers to comprehend the underlying reasoning and logic in greater depth than with more structured methods. According to Yin (2003), this form of case study is used to investigate situations in which the being evaluated intervention does not have a clear, singular set of outcomes. But in order to highlight and „generalize“ possible factors and values which could apply to a broader range of clients, in some cases qualitative

content analysis will be used. According to Kohlbacher (2006), qualitative content analysis can be regarded as an integrated approach to data analysis that appears to be particularly suited for multiple case study research, as it can undeniably contribute to augmenting the accuracy, validity, and reliability of case study research. Combining research results and insights of Mentzer et al. (1997), Lisińska & Gajewska (2014), Franceschini & Rafele (2000), Rixer et al. (2001), Fulconis et al. (2016), logistic service providers might provide a range of monetary and quality values to their B2B clients based on the individual services provided and the client's demands, but there is lack of researches done on investigating the deeper factors and situations which can influence their decision making and how exactly business relationship are formed. Combining research results and insights of Singh and Ordonez (2016), Jayarathna et al. (2023), Sureeyatanapas et al. (2018), Grant et al. (2017), Mohsen, BH (2022), Agyabeng-Mensah et al. (2020) by adopting sustainability practices, logistics service providers can lower their environmental effect and give additional value together with monetary and quality ones to their B2B clients by providing more sustainable solutions, but yet there is also lack of in-depth researches done on this field as we do not know how application of sustainability methods would influence those behind making decisions to develop and maintain relationships with logistics service providers. According to research results and insights of Jiang et al. (2016), Aykol, B., & Leonidou, LC. (2018), Lages et al. (2005), Zineldin (2002), Lee, DY., & Dawes, PL. (2005), Sanzo et al. (2003), Fleming et al. (2016), Lindgreen et al. (2012), Grönroos, C., & Helle, P. (2012), by creating clear communication channels, establishing clear expectations, performing frequent client satisfaction surveys, assuring service quality, and fostering a culture of continuous development can help to maintain and improve existing long-term B2B relationships while developing stronger loyal bond which is supported by maintained and exceeded satisfaction, trust, and loyalty factors from the clients perspective and their engagement, but as most of those researches were based on a quantitative approach and different fields, it's still not known how exactly business clients from different business fields like to develop and maintain relationships with road logistics service providers, and what kind of factors influence their engagement on established relationships for a long-term. According to Baxter (2008), the approach of multiple case studies is used to analyze and comprehend the facts of particular objects within their context by employing a variety of tools, which enables the context of the researched fact to be viewed from a variety of perspectives. Such a research method is based on an interview plan, which includes specific questions and a pre-determined sequence of their presentation. For mentioned reason structured interview is used as this research methodology can help to examine the perceived characteristics of logistics service providers and their provided values that influence the formation of B2B relationships with clients based in Europe. A quantitative research method, in this case, would not have provided relevant information in order to thoroughly clarify the effect of perceived value factors provided by road logistics services and their influence on the quality of business relationships, as well as on the engagement of clients in long-term relationships with companies providing road logistics services. Also, the research method, structured interviews allow for a comprehensive understanding of the client's perspective on the business relationships, the key values of road logistics services, and the factors that determine long-term engagement. Oftentimes, researchers had predetermined hypotheses based on theory or prior research, and they utilized the research interview to test the validity of their hypotheses (Sarah and Alan, 2009). Due to this reason, the deduction model approach is going to be used to analyze research data. The deduction model analyzes facts by testing a general theory against individual findings (Johnson-Laird, P. N., 2015). In this research, the deduction model can evaluate the idea that certain key factors are essential to a successful logistics service provider and business client interactions. This methodology lets the

researcher find patterns and relationships that support or disprove the theory in organized individual interview data.

Individual structured interviews are an effective method for determining the main values that influence the development of business relationships, their quality, and long-term engagement with clients of logistics service businesses. According to Hsieh & Shannon (2005), Patton (2002), Hong (2008), Strauss & Corbin (1998), and Bryman & Bell (2015) there are a number of reasons why this method is effective:

- 1) Individual interviews that comply to a specific set of questions and protocols enable the researcher to collect data in an organized way. This method ensures that every relevant subject is covered and that the collected data is consistent across clients.
- 2) Using a structured method assures the validity and reliability of the collected data. By asking all participants the same questions, the researcher can make valid comparisons and derive accurate conclusions from the collected data.
- 3) The structured interview method enables the researcher to delve deeper into the essential values that influence the development of relationships, their quality, and long-term commitment. By asking perceptive questions, the researcher can investigate the client's perspectives, attitudes, and behaviors in greater depth, yielding a deeper understanding of the relationship's influencing factors.
- 4) A structured approach improves the researcher's ability to maintain objectivity throughout the interviewing process. By committing to a set of guidelines, the researcher can maintain objectivity and avoid biases that could affect the collected data.
- 5) Using structured individual interviews to collect data, the researcher may create a research-driven action plan to enhance service quality, strengthen relationships, and ensure long-term engagement. The insights gained from the interviews can be used to develop specific strategies to resolve client concerns and enhance the service's overall quality.

Overall, structured individual interviews are an effective method for revealing the main values that influence the development of relationships, their quality, and long-term engagement with clients of road logistics service businesses. This approach can help to uncover valuable insights into the factors that determine the success of business relationships in the logistics industry by providing a controlled and consistent environment, allowing for a deeper examination of participant responses, and tailoring questions to the specific research context. An exploratory design is used to gain insights and familiarity with the investigated area, as well as gain an understanding of how the studied factors affect business clients and which factors would effectively apply to the development of successful long-term business relationships.

3.4. Research Sample and Selection Criteria

In order to understand whether the logistics perceived values separated in theoretical research have an effect on business relationship quality and can be applied in the European road logistics market, the respondents must be real international clients who perform direct functions responsible for ordering logistics services and supply chain operations. Since the respondents of the study must be directly related to the researched market and be sufficiently withdrawn to sincerely answer the questions of the structured interviews, the client database of the company providing road logistics services, operating for more than 20 years in the international European market, is used. The sample for the study for wanted results and insights directly depends on the availability of access to the

necessary customer data, which would indicate the e-mail addresses for sending invitations to participate in the individual structured interviews, in order to obtain useful answers to achieve the research objectives. Also, it's very important to conduct structured interviews with respondents representing companies of different activity fields or industries and based in different countries, in order to understand if there is a similarity in pinpointed key factors influencing relationship development, quality, and their engagement on offers made by road logistics service providers. The primary purpose of interviewing the employees directly responsible for purchasing and administering road logistics operations inside the EU region within their organization is to collect information from primary sources free of any biases or opinions from third parties. This straightforward approach will eradicate certain limitations of the multiple case study methodology. Using the available client database, those companies that potentially spend more on logistics services and the activities of the company they represent cover more than 4 different countries were filtered to invite the selected participants to take part in structured interviews. A total of 22 invitations to participate in structured interviews were sent, of which 4 company representatives agreed to participate.

3.5. Research Ethics

In conducting an empirical study of the interaction of value components of logistics services with the quality of business relationships and client engagement, all respondents are provided with detailed information about why this study is being conducted, and each research participant is informed that they have full rights to choose to participate or not to participate in the study (see Appendix 1). Also, the anonymity of all participants participating in the research is defined and maintained, as the research questions do not ask for sensitive information such as names, surnames, places of residence, or other information that allows identification of the respondent or its represented company. Participation in the study involves contacting by e-mail or phone calls the relevant company managers or representatives who are responsible for ordering and supervising logistics operations in the respective company. All questions of the structured interview have been sent together with an invitational email so that possible respondents could review them and evaluate themselves if the provided questions can be answered in detail by them. It is also worth noting that the questions of an individual structured interview does not use humiliating or displeasing statements and adhere to all ethical principles in order not to offend the dignity of the respondent.

3.6. Research Structure with Questions and Logic Behind Them

The empirical research is based on individual structured interviews, which is based on the author's conceptual model, in order to find out the possible effects of logistics service value dimensions on the quality of business relationships, as well as find out the role of business relationship quality in client engagement, considering the formation of long-term relationships with European companies providing road logistics services. The research questions are divided into 5 different groups in order to maintain the structure of the interviews and avoid misunderstandings between the interviewer and the interviewee. These question categories are General, Perceived service value, Sustainability, Relationship quality, and Client engagement (see Table 1.).

Table 1. Research framework (Pansari, A., & Kumar, V., 2017; Agyabeng-Mensah et al., 2020; Itani et al., 2019; Hsiao et al., 2016; Jin et al., 2015; Chowdhury, P.P., 2012)

| Research Question | Interview Questions | Outcomes | Expected Research Results |
|---|--|---|---|
| What are the characteristics of European road logistics services clients and how it affects perceived service values as well as business relationships | General questions 1 – 5 (see Annex 2.) | Information about the respondent's role in the company, represented company's industry, headquarters, countries of activity, and monthly expenditure on road logistics services. | The characteristics of European road logistics services clients will be understood. It will be possible to determine the possible relationship between different clients, taking into account the respondent's position, field of activity, location of headquarters, area of operation, and average costs incurred for logistics services. |
| What kind of factors or monetary and qualitative values influence business relationships, and which values are the most important and if those values are monitored internally? | Perceived service value questions 6; 10 (see Annex 2.) | Information about factors, which influence the start of business relationships, and if those factors are monitored inside purchasing company. | The most important service-perceived factors and values that can influence the development and quality of business relationships in the European road logistics market. |
| | Perceived service value questions 7 - 9 (see Annex 2.) | Information about the important logistics service's perceived monetary and qualitative values that could influence business relationship quality and which values are the most important. | |
| How important is to implement sustainability methods into provided logistics services and if the applied methods can impact business relationships? | Sustainability questions 11 – 13 (see Annex 2.) | Information about the importance of implementing sustainability methods to provided logistics services and if applied methods can influence business relationships. | Importance of implementing sustainability methods to road logistics services, and what methods can influence business relationships with clients. |
| How important is it for business clients that long-term relationships with logistics service providers are constantly evaluated and what kind of factors could worsen or even end established business relationships? | Relationships quality questions 14 – 15 (see Annex 2.) | Information about the importance of developing long-term relationships with logistics service providers, and when they start to feel trustworthy, loyal, and satisfied with established business relationships. | Importance of developing and evaluating established long-term relationships with business clients using suitable methods, and what kind of factors should be avoided to keep relationships intact. |
| | Relationships quality questions 16 - 18 (see Annex 2.) | Information about the importance of monitoring and evaluating business relationships with suitable methods, and what kind of factors can worsen or even end established business relationships | |
| How established relationships can influence the engagement of business clients, and what factors could improve their engagement? | Client engagement questions 19 – 21 (see Annex 2.) | Information about the influence of relationship quality on business clients engagement, and what kind of factors could improve it. | Influence of long-term relationships and additional factors on business clients engagement in European road logistics market. |

The questions of the first group aim to find out the characteristics of the respondents and the companies they represent, including the respondent's position in the company, the company's field of activity, the location of the company's headquarters, areas of operation, and the average costs spent

on ensuring logistics operations. This information can reveal the profile of the company represented by the respondent and, in the course of the research analysis, allow to compare whether the extracted values or other components that can influence business relations can be identified together with other companies that purchase road logistics services.

The second group of questions aims to find out factors that determine the beginning of business relationships and what monetary and qualitative values are most important in developing and maintaining business relationships. Also, these questions seek to find out whether the extracted values are tracked and evaluated within the purchasing company, which could influence business relations with companies providing logistics services. The information obtained would be useful in order to point out which value factors should be emphasized at the beginning of the relationship, and which value factors could be followed and evaluated from the perspective of the logistics service provider, in order to maintain high service standards and thus improve the quality of business relations with clients.

The third group of questions aims to find out how important it is for companies providing logistics services to introduce sustainability methods into their services and how introducing sustainability into their services can enrich business relationships with clients. This information is useful in order to find out whether the application of sustainability is important and can potentially be useful for companies providing logistics services, not only from the environmental side but also from the side of improving the quality of business relations. Also, the information received would allow us to acknowledge and recommend which specific sustainability methods would be appreciated from the perspective of business clients.

The fourth group of questions aims to find out whether it is important for clients ordering logistics services to create long-term business relationships with service providers and under what circumstances they begin to feel satisfied, confident, and loyal in existing business relationships. It also aims to find out the best methods to constantly evaluate and improve those relationships, and to determine what factors can worsen or even end them completely. This information is useful in providing the most appropriate means to evaluate and improve relationships with business clients who order logistics services, and what to avoid in business relationships in order to maintain them.

The fifth group of questions aims to find out the influence of long-term business relationships on the involvement of clients in the offers of logistics service providers and what factors could improve said involvement. This information is useful in order to find out the potential results if business relationships were emphasized from the side of logistics service providers, and to provide additional factors that could be applied in order to increase client involvement not only in the offered logistics service offers but also in the business relations themselves.

3.7. Research Limitations

As with any research study, there are a number of limitations to consider when examining the key values and factors that determine the development, quality, and long-term engagement of logistics service business clients. Despite using the method of purposive sampling, **the first limitation** could be the possibility of sampling bias. For example, respondents may be more inclined to take part if they have had a good experience with the logistics service provider, resulting in an overrepresentation of positive viewpoints. **The second limitation** is limited generalizability: The findings of this research may not be applicable to all clients of logistics service businesses because the study was

limited to a certain group of people with particular characteristics. Additionally, the findings may not be applicable to other industries or countries. **The third limitation** is that the data obtained for this study will rely on self-reported information, which may be vulnerable to bias regarding social desire. Participants may provide responses that they perceive to be socially acceptable, as opposed to their genuine feelings and beliefs. **The fourth limitation** of this study may be constrained by time, as clients of logistics service businesses may lack time or opportunity to participate in structured interviews. This may restrict the sample number or data collected depth. **The last limitation** is that the study concentrates on the perspective of business clients of logistics service providers and does not consider the position of logistics service providers and other parties involved in the relationship. It is vital to consider the study's limitations to make sure that its results are correctly interpreted and applied.

4. Results and Discussion of an Empirical Study of the Perceived Value Provided by Road Logistics Service Providers to Business Clients and Their Impact on Relationship Quality and Engagement

Structured interviews were conducted with 4 respondents, three of which were conducted through the Microsoft Teams program and one through a telephone interview. Interviews with respondents lasted from 31 minutes to 48 minutes. Interviews were recorded with the permission of the respondents and later transcribed into a computer using text files for analysis and interpretation. The questions of the first group seek to determine the characteristics of the investigated cases. The questions of the second group seek to find out the values and factors of road logistics services emphasized from the point of view of purchasing business clients. The third group of questions seeks to find out whether the introduction of sustainability in road logistics services could influence business relationships and their quality. The questions of the fourth group examine the importance of long-term business relationships and improving their quality between the company providing road logistics services and the business client. The questions of the fifth group examine the involvement of business clients in relationships with companies providing road logistics services and the factors influencing it.

4.1. Characteristics of Cases in the Empirical Study

Analyzing the results of the empirical study, the results of the first five questions examining the activity profile and scope of the interviewed respondents and the companies they represent are presented first (see Table 2).

Table 2. Description of the cases analyzed in the empirical study

| Case | Position held by the respondent in the company | Activities of the represented company | The headquarters of the represented company | Area of activity of the represented company | Average expenditure on road logistics services per month (€) | Interview duration (minutes) |
|------|--|--|---|--|--|------------------------------|
| A | Manager of logistics | Development, sale, and production of wind turbines | Rostock, Germany | The whole continent of Europe | >500K | 42 |
| B | Head of logistics operations | Production and supply of agricultural machinery | Milan, Italy | The whole continent of Europe | 400K – 700K | 31 |
| C | Head of sales | Production and supply of modular houses | Tallinn, Estonia | Finland, Sweden, Norway, Hungary, Italy, America, France, Germany, Spain, etc. | 50K – 120K | 37 |
| D | Director of operations | Transport, logistics, and supply chain management | Helsinki, Finland | Export/import in Finland, Baltic countries, Sweden, and Norway. | 250K – 500K | 48 |

The first question of the research found that although all the interviewees hold different positions in the represented companies, they are all responsible in one way or another for ordering road transportation services from companies providing logistics services. This shows that all the participants who participated in the study and their expressed opinions are important in examining

logistics service factors influencing business relationships and client engagement, and the shared information is suitable for further empirical research analysis.

The second question clarified the activities of the companies represented by the respondents, and 3 out of 4 companies are engaged in production and supply activities in different fields. Interestingly, company D provides logistics services itself, but it does so as an intermediary between the end customer and logistics partners, in other words it acts as a middle-man.

The third question revealed that all the respondents in the structured interviews and the headquarters of the companies they represent are located in Europe, but in different countries.

The answers to the fourth question reveal that almost all the companies represented by the respondents supply their products and services throughout the European continent, except for case D, which focuses more on the Scandinavian and North-East European regions. The operational areas of the companies represented by the respondents meet the research criteria for examining the European road logistics services market.

The respondents could not give an exact answer to the fifth question, because the average amount of money spent on road logistics services depends on the demand of clients and the market. But all the companies represented by the respondents spend a quite solid amount of money on logistics services, with the vast majority about half a million euros per month, except for case C, when they spend from 50,000 euros to 120,000 euros per month.

All the respondents who took part in the structured interview confirmed that the companies and business processes they represent would not be complete without the purchase of road logistics services, which shows that the results of the study and their analysis can be useful considering the values provided by road logistics services and their influence on business relationships and the involvement of clients themselves.

In the next part of the analysis of the research results, the perceived values of road logistics services and factors that influence the quality of business relationships will be examined.

4.2. Effect of Monetary and Qualitative Service Perceived Values on Relationship Quality and Development with Business Clients in European Road Logistics Market Results from Research Interview

The second group of questions attempts to determine the factors that determine the starting point of business relationships, as well as the monetary and qualitative values that are most significant in establishing and sustaining such relationships. Also, those questions seek to determine whether the extracted values are monitored and evaluated within the company that purchases services, which could impact business relationships with logistics service providers.

The sixth question of the structured interview, or the first question of the second group, aimed to find out exactly what factors influence the decision of business clients to start the development of relationships with companies providing road logistics services. The respondent of case A said that they do not have any contractual obligations with logistics service providers, but always consider their reputation, service prices, and service capabilities before starting cooperation. On the contrary, the respondent of case B assured that the beginning of business relations with them begins with the signing of the contract, but before doing so, they evaluate the prices offered by logistics companies,

the fleet of available trucks, and the general policy of the company. The respondent of case C stated that he does not have many partners providing logistics services, but at the beginning of the business relationship, he tries to assess the available information about the company, its reputation, and the competitiveness of the price of the offered services. The respondent of case D assured that without partners providing logistics services, the business would not be able to function, therefore, at the beginning, he always tries to find out the service capacities, general information about the company, and assess the prices of the offered services.

Table 3. Identified factors that determine the beginning of business relationships in the studied cases.

| Category | Sub-category | Substantive statements |
|---|-------------------------------|---|
| Factors determining the beginning of business relationships | Price competitiveness | <p><we check what kind of prices they can provide for specific routes and compare it with other carriers> (Case A)</p> <p><we launch a tender through the platform, which is available to carriers and they can fill in their offered prices for certain directions and loads> (Case B)</p> <p><maybe even send out a couple of shipping requests to see if they can be price competitive> (Case C)</p> <p><...see what they can offer for actual loads> (Case D)</p> |
| | Capacity | <p><...their fleet capacities is also an important factor> (Case A)</p> <p><They also answer the question asking for the number of available trucks...> (Case B)</p> <p><...we always try to assess their capabilities> (Case D)</p> |
| | Reputation | <p><...we usually we place high priority on their reputation> (Case A)</p> <p><we try to investigate their reputation> (Case C)</p> |
| | Information about the company | <p>< ...we familiarize ourselves with the slides sent by them or the information provided in the e-mail> (Case C)</p> <p><Sometimes we make a short meeting to get to know each other> (Case D)</p> |
| | Company's policy | <p>< They also answer the question asking ... and the general policy of the company> (Case B)</p> |

The answers to the research question revealed that the competitiveness of service prices is one of the essential factors at the beginning of a business relationship since all the respondents distinguished that at the beginning of the relationship, they evaluate the competitiveness of the prices of the offered services (see Table 3.). Another important factor is the capacity of the company providing logistics services, as in 3 out of 4 cases, the need to find out service capacities before starting a business relationship was highlighted. 2 out of 4 respondents also singled out available information about the logistics company and their reputation as important factors for starting a business relationship. And only 1 case singled out company policy. Looking at these research data, it can be assumed that the price competitiveness of the offered services and the service capacities are one of the most important factors determining the start of business relations. But the availability of general information and the reputation of logistics service companies are also important factors to be taken into account when considering the start of relationships with road logistic service providers.

The seventh question of the structured interview is intended to highlight the important monetary values provided by road logistics services that influence business relationships with service providers. The respondent in case A first mentioned the value of the price, which is important to them at the current moment. He also mentioned the fast delivery time as an additional monetary value, because if it is not done on time, there are problems with the cranes at the unloading point and they need to be hired again, which can lead to additional costs for purchasing company. He also mentioned that

depending on the size of the project, more trucks may be needed to haul everything, in which case he expects a discount on the total project transportation offer. The respondent in case B also mentioned price value and delivery time first. But also shared that recently it is more and more common that their production machines are damaged during transportation, partly it could be to the lack of monetary value "risk reduction", so, in this case, it will be treated as an additional monetary value that could improve business relations. The respondent in case C also expressed the cost of services as the main monetary value but also mentioned that the modular houses they produce are also made of glass, which affects their fragility, so they also singled out cargo insurance as a value that can influence the quality of business relationships which in this case is treated as "risk reduction". The respondent in case D kept up with the others and also singled out price as the main monetary value, as it directly affects the prices they offer to their customers. Delivery time has also been singled out as it is often relied upon by their demanding customers and the required cargo insurance has been mentioned.

Table 4. Highlighted road logistics service monetary values by interview respondents

| Category | Case | Statements | Monetary values |
|---------------------------------------|------|--|---|
| Perceived monetary values of services | A | <i>“Well, to be honest price of services is important for us, specially in this time of period. The fast delivery time is also very important, as sometimes there are delays in materials manufacturing, and we have wind park site with cranes waiting for it, so it's important to for us that they can load materials following day after letting them know, so there is no need to rearrange cranes for unloadings. Also when we quote bigger projects, we expect some sort of discount on whole offer.”</i> | <ul style="list-style-type: none"> • Cost saving • Delivery times • Volume discounts |
| | B | <i>“First of all, we take into account the price of the services, as well as the delivery time, but recently we keep having problems that some of our machines reach our partners damaged during transportation, it would be good to take better care of them”</i> | <ul style="list-style-type: none"> • Cost saving • Delivery times • Risk reduction |
| | C | <i>“Well, from the monetary name alone, it can be said that the prices should be competitive, and the houses we manufacture have a mirror profile, so they are quite fragile, so it is very important that they are insured and taken care of during transportation so that they are not damaged.”</i> | <ul style="list-style-type: none"> • Cost saving • Risk reduction |
| | D | <i>“In any case, the price of the service is very important to us, because we have to offer it to our client with our own appropriate margin. We also have clients who are very demanding in terms of delivery time, due to fixed project or exhibition dates... Of course, when our services include supply chain management, delivery time is also important for us too, along with cargo insurance.”</i> | <ul style="list-style-type: none"> • Cost saving • Delivery times • Risk reduction |

Looking at the responses of the structured interview respondents, all cases mentioned price first, which suggests that cost savings could be the main monetary value in the logistics services provided, which influences the quality of business relationships with clients (see Table 4.). Delivery time and risk reduction were also singled out in 3 out of 4 cases, although the main activities of the companies represented by the respondents differed, so it can be assumed that these monetary values can influence the quality of business relationships with clients. The strange thing is that even though 3 cases out of 4 are involved in the production of a certain product and you can expect larger quantities of loads from them, but volume discount was mentioned only once. This may be so, because most of them had such situations in mind when they mentioned the price value, so it could be said that the volume discount is also an important monetary value that can influence the quality of business relations, regardless of client activity in the market.

The eighth question of the structured interview is intended to highlight the important qualitative values provided by road logistics services that influence business relationships with service providers. The respondent of case A singled out the communication first, because he mentioned that they often need a quick answer from the carriers about whether they can load the cargo on time or not, because of this answer, even two qualitative values can be distinguished, such as communication and responsiveness. For the same reasons, the values of flexibility and reliability were singled out, which can influence the quality of business relationships. The respondent in case B also singled out communication as a value that can influence the quality of the relationship. Also, due to the damage of the previously mentioned cargoes, the reliability value was also distinguished. The respondent mentioned that they have a traceability system, but not all carriers are able to manage it, it is more like a lack of responsibility, but since the qualitative value of "visibility and traceability" was highlighted in the theoretical analysis, it really corresponds to this problem. Case C respondent stressed the importance of reliability, noting that carrier relationships with them and their customers depend on it. Also, due to the specifics of the modular houses they produce and the delivery locations, they have distinguished expertise as a business relationship influencing qualitative value. Communication was also mentioned by the respondent. The respondent of case D said that they themselves emphasize communication and reliability in their activities, therefore they expect the same qualitative values from carriers. Respondent said that some orders require special permits or solutions to transport, so two more qualitative values have been identified.

Table 5. Highlighted road logistics service qualitative values by interview respondents

| Category | Case | Statements | Qualitative values |
|--|------|--|---|
| Perceived qualitative values of services | A | <i>"First of all, excellent communication is a must, as I mentioned before, sometimes we need quick reaction if they can deliver it or not on our wanted time. I think for that reason it also includes flexibility to meet our specific needs at the time, and reliability of the services is also important, as if they only lay empty promises, then what is the point of stating that you can do it?"</i> | <ul style="list-style-type: none"> • Communication • Responsiveness • Flexibility • Reliability |
| | B | <i>"Well, it is important for us to have active communication and to provide accurate information. Going back to the previously mentioned issue, I think logistics services must be reliable as well. We also have a system where both we and our partners can monitor the location of the machines in real time, but unfortunately, very few carriers can do it well, which causes us inconvenience."</i> | <ul style="list-style-type: none"> • Communication • Reliability • Visibility and trackability |
| | C | <i>"Since the companies providing transport services transport our cabins, they bear responsibility not only for themselves, but also for us, in front of the clients, so reliability would be one of the values. I would also like to add that, as I mentioned, our houses are transported to non-standard places, so the experience of the carriers and drivers themselves is important in order to find out whether our houses can be delivered to a certain place or not. Communication is also important, because if there are any obstacles during transportation, it is important that that information reaches the clients and they can properly prepare for unloading."</i> | <ul style="list-style-type: none"> • Reliability • Expertise • Communication |
| | D | <i>"We place great emphasis on customer service and reliability in the services we provide, so we expect the same from our partners who provide transport services. There are also such specific cargoes that require relevant mandatory permits or solutions, so it is important for us that our partners can help with their insights in this matter."</i> | <ul style="list-style-type: none"> • Communication • Reliability • Compliance with industry regulations and standards • Expertise |

Summarizing the answers to the eighth question, as in the previous question, it was possible to see a recurring trend for the extracted qualitative values. In all cases, communication and reliability were highlighted as qualitative values that can influence the development of business relationships, regardless of the company's activities (see Table 5.). Due to the specifics of the loads in the cases, 2 cases highlighted expertise as the qualitative value that could influence the development of business relations. Other qualitative values such as flexibility, visibility, and traceability, compliance with industry standards and regulations have been highlighted in different cases, but they depend on the activities of different customers, but this does not mean that they should be ignored in the provision of road logistics services perceived values, as they can also affect the development of business relationships with one or another client.

Although we learned the important monetary and qualitative values from the respondents purchasing logistics services, the ninth question of the structured interview asked the respondents to identify 3 or more of the most important values that guide them when creating and engaging in business relationships with companies providing logistics services, so they can be distinguished from other mentioned values in order highlight the most important ones, on which road logistic service providers could focus on. The respondents of cases A and B identified the same 4 most important values for the development of business relationships with logistics service providers, such as price (cost savings), communication, delivery time, and reliability (see Table 6.). Case C respondent also singled out price as the most important value for their customers, as they pass on the cost of transporting the modular homes to their customers who pay those bills. But he also mentioned reputation, credibility, and experience which according to the analysis of the theoretical part corresponds to the qualitative values of reliability and expertise. The respondent of case D also mentioned service, price, and communication as one of the most important values for the development of business relations, because these two values are also closely associated with their direct customers. Experience and efforts to load and deliver cargo at the desired times were also mentioned, which means expertise and delivery time values which also influence business relationships. Summarizing the results of the eighth structured interview question, we can see some repeated service perceived values which this time are highlighted by the respondents as the most important.

In all 4 cases, price efficiency was mentioned, and this result was not surprising, since price has played an important role in all industries and markets for many years (see Table 6.). This is one of the main values of the logistics service should be cost savings, which companies probably already do by nature. If it is difficult to optimize the prices offered by logistics services, other popular values highlighted by the respondents should be taken into account. In different cases, the same most important values of logistics services influencing the development of business relations, such as communication, delivery time, and reliability, were mentioned 3 times. These three highlighted values must be emphasized and a high standard level maintained in provided road logistics services, if one wants to develop and improve the quality of business relationships with clients. The last single-out important value of logistics services was expertise; it was mentioned in 2 cases. It is natural that clients do not always know everything best, therefore companies providing logistics services must be ready and qualified to help business clients with their expertise and knowledge when one or the other party sees a need for it.

Table 6. Identified most important service perceived values that determine business relationships quality in the studied cases.

| Category | Sub-category | Substantive statements |
|--|------------------|---|
| Most important service perceived values for business relationships | Cost savings | <p><In that case I think it's communication, cost-effectiveness, time of delivery and reliability.> (Case A)</p> <p><I think that, from those mentioned values, price, delivery time, reliability and communication when needed> (Case B)</p> <p><For the sake of our customers, we are forced to consider the price, because they pay for the transportation services themselves. > (Case C)</p> <p><...probably one of the most important factors would be the price of the services...> (Case D)</p> |
| | Communication | <p><In that case I think it's communication, cost-effectiveness, time of delivery and reliability.> (Case A)</p> <p><I think that, from those mentioned values, price, delivery time, reliability and communication when needed.> (Case B)</p> <p><...probably one of the most important factors would be the ..., communication...> (Case D)</p> |
| | Time of delivery | <p><In that case I think it's communication, cost-effectiveness, time of delivery and reliability.> (Case A)</p> <p><I think that, from those mentioned values, price, delivery time, reliability and communication when needed.> (Case B)</p> <p><probably one of the most important factors would be the ... efforts to create opportunities to provide the service when it is needed.> (Case D)</p> |
| | Reliability | <p>< In that case I think it's communication, cost-effectiveness, time of delivery and reliability.> (Case A)</p> <p><I think that, from those mentioned values, price, delivery time, reliability and communication when needed.> (Case B)</p> <p><Their reputation and credibility are also very important, as with that comes their experience.> (Case C)</p> |
| | Expertise | <p>< Their reputation and credibility are also very important, as with that comes their experience.> (Case C)</p> <p><probably one of the most important factors would be ..., their experience> (Case D)</p> |

The tenth question in the structured interviews aimed to find out whether the respondents and the companies they represent follow and evaluate the aforementioned values of logistics services in the course of business relations with carriers. The respondent of case A said that apart from the price of services, they do not apply any evaluation and monitoring criteria for cooperation with road logistics service providers (see Table 7.). But they also mentioned that they don't always take the same price into account, but rather look at the possible delivery time in each situation. The respondent in case B said that their company maintains and tracks internal KPI indicators that take into account the time of delivery of contractual goods and damages. Also, the respondent of case B shared that if these criteria were not monitored, it would be very difficult for them to control and make appropriate decisions with a large circle of companies providing road logistics services. The respondent in case C mentioned that he always tries to compare the quotation prices received from different carriers, but he usually also relies on feedback from his direct customers who buy modular homes, where they take into account whether the delivery information was provided on time and how smoothly the entire unloading process with the drivers went, regardless they do not apply specific measurement tools in business relationships with companies providing logistics services. The respondent of case D shared that they have divided their partners providing logistics services into different groups, according to

their specialization, but they also do not use any specific methods of monitoring and evaluating business relationships but rather rely on common experience and make decisions based on this, if necessary.

Table 7. Respondents statements on monitoring and evaluating road logistics service providers

| Category | Case | Statements |
|--|------|---|
| Monitoring and evaluation of purchased road logistics services | A | <i>“Apart from price of services, we do not evaluate or measure values of carriers. And even the price does not always affect us, as we usually react to other criterions like time of delivery on certain loads, but no, we do not usually measure the relationship quality with our logistics providers.”</i> |
| | B | <i>“Yes, we track each carrier's contractual delivery times and damages of machines, so we can measure KPI. If we do not follow, it would be very difficult to control such a circle of carriers and make decisions accordingly.”</i> |
| | C | <i>“We always try to compare the prices we receive, and we also take into account the feedback of our customers, how smoothly the work with the drivers during unloading went, whether the information provided was accurate and timely. Such a close relationship with our clients allows us to understand which partners we can trust and turn to when needed.”</i> |
| | D | <i>“Well, we have divided our transport partners into different groups, knowing in which spheres of service they are the best. We do not use specific monitoring or evaluation tools, but sometimes it is already clear which way the cooperation is leaning and then we make the appropriate decisions.”</i> |

Summarizing the answers of the respondents to the tenth question, we can notice that in 3 out of 4 cases, companies purchasing logistics services do not use specific methods or tools for tracking or evaluating business relations with companies providing logistics services, but rather look at the general context and are guided by it. In only 1 out of 4 cases, the respondent states that they have their own tracking system, in which they are guided by the time of contractual cargo transportation and the damage caused. The rarity of monitoring and evaluation systems from the client's side may be due to the fact that logistics companies have to monitor their performance values themselves, assuming that if clients feel that a business relationship deteriorates, they may turn to competitors.

Summarizing the answers to the second group of questions received from the respondents, the companies purchasing road logistics services at the beginning of the business relationship take into account price competitiveness, capacities, reputation, and general information of the company, including policies. The highlighted monetary values of logistics services, such as cost savings, delivery time, risk reduction, and volume discounts, can influence the quality of business relationships. The distinguished qualitative values of logistics services, such as communication, reliability, expertise, flexibility, traceability, and compliance with industry standards, also have a very important role in developing business relationships with clients. When the respondents were asked to single out at least 3 or more of the most important values of the logistics service, they emphasized that cost savings, communication, delivery time, reliability, and expertise are the most important logistics service values that determine the quality of business relationships. But the last question of the group revealed that only 1 in 4 respondents apply specific methods of monitoring and evaluating values, assuming that if they feel that the values received in business relationships do not meet their needs, they simply turn to competitors, so it is important that logistics service providers themselves would constantly assess and evaluate the mentioned values.

4.3. Possible Effect of Sustainability Application in Road Logistics Services on Business Relationship Quality in the European Road Logistics Market Results from Research Interview

The third group of structured interview questions aims to determine the importance of the application of sustainability principles in road logistics services from the perspective of business clients. It is also trying to find out which principles of sustainability application in logistics services could provide additional value and improve the quality of relationships with business clients.

The eleventh question of the structured interview seeks to clarify the opinion of business clients about the importance of applying sustainability principles in road logistics services (see Table 8.). The respondent in case A states that the application of sustainability principles in logistics services would benefit everyone, as the European Union is already moving in that direction, so it is important. The respondent of case B says that they themselves are not yet solving this problem, but emphasized that logistics services cause a lot of pollution, which is why the application of sustainability principles in them is important. The respondent in case C shared that they are moving towards this themselves by planning to use solar energy and using sustainable materials in the production of modular homes, and therefore also emphasized that logistics companies should apply similar principles. The respondent of case D emphasized that it is very important for his company's activities because more and more often his customers and management begin to emphasize it and take it into account in the services provided, but because he depends on other companies that provide logistics services, it is difficult for him to control.

Table 8. Respondents statements on the importance of sustainability principles application in logistics services

| Category | Case | Statements |
|--|------|--|
| The importance of sustainability principles application in road logistics services | A | <i>“Well, I guess that would be a win-win situation, no?... (laughter) But yes, thats where whole Europe is heading step by step, so I think it's important.”</i> |
| | B | <i>“Well, yes... of course we have not solved this issue ourselves yet, but transport pollution really has a significant impact on the environment.”</i> |
| | C | <i>“Oh... I really think so. We are already starting ourselves little by little, we have already ordered the solar power panels that we will place on the roof of the factory premises. We also try to use only sustainable materials in the production of our houses, so similar steps should be taken by logistics transport companies.”</i> |
| | D | <i>“This is very important, considering that it is very relevant to our business. Increasingly, customers and other stakeholders are becoming interested in the sustainability of our services, but when our services consist of services from different carriers, it is difficult for us to assess ourselves.”</i> |

Summarizing the responses to the structured eleventh question, all 4 cases agreed that sustainability principles should be applied in the road logistics service process. In order to find out what sustainability principles could be applied in road logistics services, the answers to the twelfth question will have to be analyzed.

The twelfth question of the structured interview aims to find out the opinion of business clients, on which applications of sustainability factors in road logistics services would be the most necessary (see Table 9.). The respondent of case A said that the goal of zero emissions would be ideal, but also expressed that he understood the difficulties of achieving this, but still believed that it was necessary to find ways to reduce pollution or carry out activities that could save the environment. The

respondent also mentioned that it would be good if companies providing logistics services shared sustainability achievements with them, so in this case it can be understood as a desire to receive sustainability reports. The respondent in case B did not express much desire to comment, as logistics carriers should know better themselves, but mentioned that they should start with recycling or improving processes. The respondent in case C suggested looking for ways to reduce pollution, introduce sorting programs or use renewable energy at least in offices. The respondent also suggested that logistics service providers could implement and monitor sustainability reports so that they could brag about themselves. The respondent in case D himself agreed that the use of electric trucks is not yet realistic, but also said that sustainability should start from management offices by reducing waste. The respondent also suggested planting trees or digitizing processes and comparing the introduced sustainability principles with the company's processes, which suggests that it is about sustainability reports.

Table 9. Mentioned sustainability application in road logistics services possibilities by respondents

| Category | Case | Statements | Sustainable practices |
|---|------|--|--|
| Possible sustainability applications to road logistics services | A | <i>“Ideally reaching zero emission goals would be great, but I understand its a bit hard for them to do it that quick. But they should start somewhere, atleast try to see how they can lower pollution or maybe do some sort of activities which would benefit the environment. It's up to them, but if they would apply some sort of sustainable solutions, it would be great if they would share it with us.”</i> | <ul style="list-style-type: none"> • Pollution prevention • Implement recycling and energy saving programs • Provide sustainability reporting |
| | B | <i>“I can't comment on that, I think they themselves know better where sustainability could be introduced. But you should probably start with simple things like recycling or improving certain processes.”</i> | <ul style="list-style-type: none"> • Implement recycling and energy saving programs • Optimize routes |
| | C | <i>“I think they should look for ways to reduce the resulting pollution, or also start using renewable energy at least in the offices, apply some sorting programs. I don't know how realistic it is, but it would be good if they made some sustainability reports themselves and could brag about what they do or don't do.”</i> | <ul style="list-style-type: none"> • Pollution prevention • Use renewable energy • Implement recycling and energy saving programs • Provide sustainability reporting |
| | D | <i>“As far as I'm concerned, the introduction of electric trucks is still unlikely in four years, but there are various ways to apply sustainability in logistics. Maybe they should start with the trucks managers environment or office, somehow reduce waste or use less paper. Initiatives such as planting trees or digitizing certain processes could be undertaken. I understand that diesel trucks are difficult to replace at the moment, but if they take other initiatives and then compare them with each other, I think it would be a great start.”</i> | <ul style="list-style-type: none"> • Pollution prevention • Implement recycling and energy saving programs • Provide sustainability reporting |

Summarizing the responses of the respondents to the twelfth question of the structured interview, it is very difficult to single out specific sustainability measures that could be applied by companies providing road logistics services. In many cases, the idea has been expressed that logistics companies themselves need to find ways to reduce pollution or implement sorting or energy-saving programs, and they are not wrong. As already discussed in the problem analysis section, the application of sustainability principles in logistics services can be complicated due to many different factors, so companies providing logistics services have to find the most suitable ways to do it themselves. Interestingly, in 3 out of 4 cases, it was possible to see the need to receive sustainability reports from

the carriers, which suggests that companies providing logistics services should consider applying such a report not only for themselves but also for their business clients.

The thirteenth question of the structured interview aimed to find out whether the application of the sustainability principles in purchased logistics services could affect the quality of business relationships with companies providing road transport services and the performance of their own business processes (see Table 10.). The respondent of case A said that the question of sustainability should be raised individually by everyone, therefore he stated that at the moment the previously mentioned values are more important for the quality of a business relationship, but he did not hide that it could be benefited with the value of sustainability. The respondent of case B also admitted that at the moment he does not look into the sustainability of logistics service providers, but due to the attempt to introduce sustainability into production processes from the company's side, the principles of sustainability in logistics services may be useful in the future. The respondent of case C emphasized that the issue of sustainability is very relevant to him and revealed that they are trying to attract a client who takes sustainability into account when choosing production partners, which is why they themselves started to apply sustainability principles in the production of model houses. The respondent also said that if logistic service providers also took sustainability initiatives, it could help to lead their success in the future. The respondent of case D said that the application of sustainability initiatives would show that companies providing logistics services care not only about profit but also about all other well-being that would be noticeable and appreciated in business relationships.

Table 10. Application of sustainable practices in road logistics services and their influence on business relationship quality by respondents

| Category | Case | Statements |
|---|------|---|
| Sustainable practices application effect on business relationship quality | A | <i>“To be honest, when it comes to sustainability, we should look at ourselves first, that why I would say that other values at this time is more important for us and relationship development, but of course additional sustainability would benefit business relationships.”</i> |
| | B | <i>“At the moment, I don't think it could have an impact, but as far as I know, our management has already started considering how to make certain processes more sustainable, at least from the production side. If the logistics services purchased would apply sustainability solutions, I think it would be useful in the future.”</i> |
| | C | <i>“I really think so, you see, this issue is very relevant for us, because we want to start working with one Swedish company, which could be our biggest business client, but they put a lot of emphasis on sustainability when choosing partners. They require a sustainability report, which is why we ourselves started to look at sustainability a little more seriously, and if the carriers could also contribute to this goal, I think it could determine our success in the future.”</i> |
| | D | <i>“Well, I think the application of sustainability initiatives would show that they care not only about profit, but also about the well-being of the entire environment. I think such an approach would be noticeable and useful in business relations for all parties.”</i> |

Summarizing the answers received from the respondents to the thirteenth question of the structured interview, whether the application of sustainability in logistics services can affect the quality of a business relationship depends on the client's situation. In cases A and B, the respondents expressed the idea that the values of logistics services highlighted at the moment are more important for the quality of business relations than sustainability. And in the case of C, sustainability would be assessed now, in order to achieve the goal set for them. Although not in all cases the need to introduce sustainability solutions into purchased logistics services was expressed, all respondents mentioned

that sustainability could positively affect the quality of business relationships, if not now, then definitely in the future.

Summarizing the answers to the third group of questions from the respondents, all cases agreed that the application of sustainability in road logistics services is important, due to the environmental effect it causes. In all cases, proposals for logistics companies to include sustainability in their services have differed, but this is due to the fact that transport companies themselves have to find the most suitable solutions for applying sustainability. But it was possible to see that sustainability reports can be useful not only for companies providing logistics services but also for their business clients. It was not agreed in all cases that the application of sustainability practices in logistics services could somehow drastically affect the quality of business relationships, but all companies agreed that the application of sustainability could provide benefits and be important in the near future.

4.4. Effects of Developing and Evaluating Long-Term Relationships with Clients in the Business-to-Business European Road Logistics Market Results from Research Interview

The fourth group of questions in structured interview aims to find out whether it is important for clients ordering logistics services to create long-term business relationships with service providers and under what circumstances they begin to feel satisfied, confident, and loyal in existing business relationships. It also aims to find out the best methods to constantly evaluate and improve those relationships, and to determine what factors can worsen or even end them completely. This information is useful in providing the most appropriate means to evaluate and improve relationships with business clients who order logistics services, and what to avoid in business relationships in order to maintain them.

The fourteenth question of the structured interview aims to find out the importance of building long-term relationships with companies providing logistics services from the perspective of business clients (see Table 11.). The respondent of case A agreed without hesitation that if the company providing logistics services communicates well and meets the requirements, then long-term relationships are naturally formed. Case B's respondent only partially agreed, sharing that attachment can influence good decision-making, but this response does not deny that long-term relationship building is unimportant, only that other things should always be considered as well. The non-specific answer of the respondent may be due to the fact that they apply contractual obligations in their relations with the transporters, which can form a different attitude towards the quality of business relations with the transporters. The respondent of case C agreed that having reliable logistics service companies is an important component of their business, therefore they agreed with the importance of developing a long-term business relationship. The respondent in case D fully agreed with the importance of developing a long-term relationship, as their business directly depends on it.

Summarizing the responses received from the respondents to the fourteenth question, in most cases, everyone fully agreed with the importance of developing a long-term business relationship with companies providing logistics services, if they meet their needs. Except for case B, when business relations with carriers are based on contractual obligations, in this case, they value not only the quality of the relationship but also emphasize other values of logistics services that come when decisions need to be made.

Table 11. Importance of developing long-term business relationships with logistics service providers by respondents

| Category | Case | Statements |
|---|------|---|
| Importance of developing long-term business relationships | A | <i>"Well of course! If they meet our requirements and communication is great, then it naturally occurs."</i> |
| | B | <i>"Partly yes, but I think attachment can also cause problems. You need to think rationally, and existing business relationships can get in the way."</i> |
| | C | <i>"Yes, having logistics partners you can trust is a very important component of our business."</i> |
| | D | <i>"Of course, we depend on them, just as they partly depend on us. Such a long-term relationship would only create an environment for them not to fade."</i> |

The fifteenth structured interview question aimed to understand at which stage the factors of trust, satisfaction, and loyalty begin to form in the business relationship with companies providing logistics services (see Table 12.). It was difficult for the respondent of case A to give a precise answer because he mentioned that in most cases they do not even start the development of new business relationships with logistics service providers. But the respondent does not hide that it takes time to develop satisfaction, trust, and loyalty, which in their case may take more than half a year. The respondent of case B also could not name precisely, stating that in their company, trust, and satisfaction are formed according to KPI indicators, and if those observed indicators are good and this is supplemented by good communication, quality factors in business relations can be formed after a few months of cooperation. The respondent of case C, as in cases A and B, could not name precisely, saying that their clients and themselves are satisfied with the logistics services purchased and their quality, trust, and satisfaction can start to form after a few months. The respondent of case D did not even mention the preliminary period like other cases but distinguished that the mentioned factors are formed when he can turn to a specific carrier with a specific question and seek an optimal solution suitable for all parties. If the carrier with which the respondent feels trust, satisfaction, and loyalty cannot resolve the issue or offer a suitable solution, only in this case will he turn to other carriers.

Table 12. Business relationship stages when trust, loyalty, and satisfaction factors start to form by respondents

| Category | Case | Statements |
|--|------|---|
| Relationship quality factors in business relationship development stages | A | <i>"It's hard to say, because in most cases we don't even admit new carriers. But I think it takes time and work to get to that stage of a relationship. If I had to name it, I would say that it can take more than half a year."</i> |
| | B | <i>"I can't say specifically because some important things are visible in the reports. If KPI indicators and communication are good, I think trust and satisfaction can be formed after a few months."</i> |
| | C | <i>"I don't know, it kind of comes naturally. If everything is fine for more than a few months and both we and our clients are satisfied, then I think that trust and satisfaction is forming."</i> |
| | D | <i>"Oh, I really can't say specifically. I think this happens when you can approach only one specific carrier with a specific question at first and work together to look for opportunities that are mutually beneficial for both the clients, us, and the carriers."</i> |

Summarizing the responses of the respondents to the fifteenth question, in all cases the respondents could not name exactly at what stage of relationship development they begin to feel trust, satisfaction, and loyalty to logistics service companies, but in cases A, B, and C it was emphasized that if the companies providing logistics services communicate well and correspond or even exceeds the demands of the customers, the quality factors of the relationship can begin to form naturally already

after a few months or half a year. The answer of case D revealed that relationship quality factors are formed when a business customer applies to only one carrier, and not to a group of them. Therefore, it is very difficult to determine the trust, satisfaction, and loyalty felt by the client in companies providing logistics services or in business relationships, as it depends on each individual case.

The sixteenth question of the structured interview aimed to find out the opinion of the respondents about the constant monitoring and evaluation of the quality of business relationships, and whether such a practice could influence business relationships for the better (see Table 13.). The respondent of case A shared that they themselves evaluate the quality of business relationships only through the prism of work and specific situations, but partially agreed that monitoring and evaluating the quality of relationships in other ways can be useful. The respondent of case B did not completely deny that monitoring and evaluating the quality of business relations can be useful for them, but it should be kept in mind that the company of case B conducts itself and monitors KPI indicators, so it can also assess the quality of relations with companies providing logistics services. The respondent also mentioned that monitoring and evaluation should also take place on the part of carriers so that they themselves assess what can influence the quality of business relationships. The respondent in case C also did not express a desire to monitor and evaluate the quality of business relations if everything is in order anyway, but mentioned that it would be useful in case of problems. The respondent in case D agreed that monitoring and evaluating the quality of the business relationship could be useful for the parties involved, as it would allow for discussion and resolution of problem areas in the relationship. The respondent also revealed that they send e-mails with comments to carriers, but they are not always responded to.

Table 13. Opinion on constant monitoring and evaluation of the quality of business relationships by respondents

| Category | Case | Statements |
|---|------|---|
| Constant monitoring and evaluation of the quality of business relationships | A | <i>“Perhaps, but at the same time it is difficult to say, since it is not clear by what means it would be done. Constant evaluation and follow-up, at least from our side, works through the side of work and specific situations. But it would probably be useful to evaluate those things in other ways from time to time.”</i> |
| | B | <i>“Maybe, but with our system, I don't think it's necessary. Companies providing logistics services themselves must observe and feel what they do well and what can influence business relations.”</i> |
| | C | <i>“Well, if there are things that cause problems for the business, then yes, but if everything is in order, then I don't think it is very necessary.”</i> |
| | D | <i>“I think it can really be mutually beneficial, because it would allow us to draw attention to potentially problematic areas and solve them jointly, because sometimes we provide our comments via emails about negative things, but they are not always reacted to.”</i> |

Summarizing the responses of the respondents to the sixteenth question, most cases disagreed that constant monitoring and evaluation of relationship quality could improve business relationships with logistics service companies, especially when those business relationships already satisfy clients. The benefits of continuous monitoring and evaluation of the quality of business relationships could only be seen in cases A, C, and D, but even then it was emphasized that it would help in solving problem areas, but logically thinking, if there are recurring problems in business relationships, it is likely that business clients will seek of other companies providing logistics services, and it may already be too late to monitor and evaluate the quality of the relationship. Only in the case of D, the respondent agreed that it could be useful to get more responses from transport companies.

The seventeenth question of the structured interview aimed to determine methods of monitoring and evaluating the quality of business relationships that would be acceptable from the side of business clients (see Table 14.). The respondent of case A did not really know what would be best in terms of tracking and evaluating the quality of business relationships, but he suggested keeping statistics of the services provided, which could be evaluated and monitored. Also, the respondent mentioned that the best way to discuss the quality of business relations would be through meetings. The respondent of case B thinks that the best way for companies providing logistics services to track and evaluate the quality of business relationships would be to keep service statistics and suggested that internal tracking of KPI indicators could be useful as well. The respondent of case C said that when they hear bad feedback from their customers, they always address it to the carriers and see how they react to it, but could not offer specific measures, but did not rule out the meetings, as that could be one of the methods to monitor and evaluate business relationships. The respondent of case D expressed the opinion that communication could also be used for monitoring and evaluating the quality of business relations, but from more specific methods, he suggested that companies providing logistics services conduct service statistics.

Table 14. Suitable practices to monitor and evaluate business relationship quality by respondents

| Category | Case | Statements | Monitoring and evaluating methods |
|--|------|---|--|
| Suitable methods for business clients to monitor and evaluate quality of relationships | A | <i>“I can't really come up with specific tools for tracking relationships right now, but maybe it would be quite good if logistics companies provided certain relationship statistics from time to time, such as the percentage of cargo delivered on time. But I think it would be best to meet face-to-face from time to time and discuss existing problems or things that just went smoothly.”</i> | <ul style="list-style-type: none"> • Service statistics • Meetings |
| | B | <i>“I think it would be best if the carriers themselves take into account the quality of their services and the values they provide, maybe even start keeping their own internal service KPI.”</i> | <ul style="list-style-type: none"> • Service statistics • Internal service KPI |
| | C | <i>“If something is wrong, or if we receive a complaint from our client, we always report it and try to resolve it with the carrier, then we see how they react to it. Well, you probably wouldn't need any special measures, maybe it would just be enough to make a meeting and share points of interest.”</i> | <ul style="list-style-type: none"> • Addressing issues • Meetings |
| | D | <i>“I think it's best to evaluate the relationship based on how you communicate with the responsible partner, because sometimes communicating only about work is harmful. But if specific methods were needed, maybe some general statistics would be enough, but I don't know if this is really necessary.”</i> | <ul style="list-style-type: none"> • Communication • Service statistics |

Summarizing the answers received from the respondents to the seventeenth question, in cases A, B, and D, it was suggested that companies providing logistics services start keeping and sharing statistics of services provided, which could help monitor and evaluate the quality of business relations not only for them but also for customers. Also, cases A and C mentioned meetings as a means of monitoring and evaluating the quality of business relationships, although case D did not single out this specific measure, but mentioned communication, which is a component of meetings. In the case of C, it was suggested to conduct an internal KPI of services, because they themselves are guided by this when communicating with companies providing logistics services, but in this case, this method could also be assigned to the conduct of statistics of the services provided. Generally speaking, keeping statistics

of services provided and regular meetings could be one of the means to monitor and evaluate the current quality of business relationships for road logistics service providers.

The eighteenth and last question of the fourth group of the structured interview sought to find out the factors that can cause the quality of business relationships to suffer or end completely (see Table 15.). The respondent of case A identified lack of communication, non-compliance with requirements, and lying as some of the factors that could worsen or end business relations altogether. Also, the respondent shared that when the manager of logistics services with whom he was used to communicating changes, often those relationships end, due to lack of opportunity creation. The respondent of case B specifically mentioned constant delays, lack of communication, and growing damage cases as factors that could end business relationships with companies providing logistics services. The factors identified by the respondent were mentioned as such because they are directly related to the mentioned most important values and are evaluated in the KPI report. The respondent of case C singled out inadequate prices, lying, and lack of communication as factors that could worsen or completely terminate the established business relationship. The respondent in case D also said that lack of communication and inadequate prices are among the factors that can end existing business relationships with logistics carriers. But also the respondent singled out one factor that was not singled out in other cases, he mentioned that some carriers try to steal their clients, which is unacceptable from their side.

Table 15. Factors determining the deterioration or termination of business relationships by respondents

| Category | Case | Statements | Negative factors |
|--|------|---|---|
| Factors determining the deterioration or termination of business relationships | A | <i>“Well, the factors that spoil the relationship would be communication problems, lying or non-compliance with our requirements. Next time, I'm not really sure why this happens, but there have been various situations when unexpectedly a reliable partner is no longer available or the employee I was in contact with has changed.”</i> | <ul style="list-style-type: none"> • Lack of communication • Lying • Non-compliance with requirements • Change of responsible manager |
| | B | <i>“Constant delays in cargo delivery, lack of information sharing, lack of communication and increasing amount of damage to our machines.”</i> | <ul style="list-style-type: none"> • Delivery delays • Lack of communication • Increasing damage cases |
| | C | <i>“Illogical prices, empty promises and lack of communication, if such problems are not solved in time.”</i> | <ul style="list-style-type: none"> • Inadequate prices • Lack of communication • Lying |
| | D | <i>“There can be many of those factors, ranging from lack of communication to inadequate service prices. There are all kinds of situations, but I think it is important to solve them promptly. By the way, in some cases carriers try to steal the clients and work with them directly, for obvious reasons this is not acceptable from our side.”</i> | <ul style="list-style-type: none"> • Lack of communication • Inadequate prices • Stealing clients |

Summarizing the answers to the eighteenth question, in all cases the lack of communication was singled out as one of the main factors that can worsen or terminate business relationships with companies providing logistics services. In cases A and C, lying was mentioned, and in cases C and D, inadequate prices were also singled out as negative factors in business relationships. The negative factors identified in case B are directly related to the KPI report they are reporting. And in the case of D, client theft was mentioned as one of the negative factors. Although client theft was mentioned

only in one case, it is very important to take into account in order to cooperate with companies that act as a middleman in logistics, and it is likely that if more forwarding companies had participated in the study, this negative factor would have been mentioned more than once.

Summarizing the answers of the respondents of the fourth group of questions, in almost all cases the respondents agreed that it is important to create long-term business relationships with companies providing logistics services, unless those relationships are already bound by contracts, in which case it can be said that long-term relationships have already been achieved and all that remains is to fulfill the obligations. Also, it was difficult for the respondents to distinguish a specific stage or period of business relations when trust, satisfaction, and loyalty begin to form in business relations with companies providing logistics services, which suggests that focusing specifically on these components of the quality of business relations may not show results and it's better for companies providing logistics services to focus on the quality of logistics services provided. In many cases, it was agreed that if the existing business relationship is good, it is not necessary to specifically monitor and evaluate the quality of the business relationship with the clients, unless there are perceived problems that should be addressed in time. Although many respondents did not fully agree that monitoring and evaluating the quality of business relations can be useful, in many cases it was highlighted that the method of keeping statistics of the logistics services provided would be suitable for evaluating the work done not only for business clients but also for the companies providing logistics services themselves, supplementing this with occasional meetings could benefit business relationship quality. The respondents singled out that lack of communication, lying, non-compliance with the requirements, change of the responsible manager, delivery delays, increasing cases of damage, inadequate prices, and client theft are negative factors that can worsen or completely terminate established business relationships with clients, so logistics service providers should avoid these actions or respond to them in a timely manner in order to maintain a good quality of business relationships.

4.5. Effect of Developed Relationship Quality on Client Engagement in the Business-to-Business European Road Logistics Market Results from Research Interview

The fifth group of questions aims to find out the influence of long-term business relationships on the involvement of clients in the offers of logistics service providers and what factors could improve said involvement. This information is useful in order to find out the potential results if business relationships were emphasized from the side of logistics service providers, and to provide additional factors that could be applied in order to increase client involvement not only in the offered logistics service offers but also in the business relations themselves.

The nineteenth question of the structured interview seeks to find out the influence of long-term business relationships on the engagement of clients to the transport offers of companies providing road logistics services (see Table 16.). The respondent of case A distinguished that in most cases he gives priority to logistics companies with whom he has long-term business relations and is less sensitive to the prices of the offered transportation services if they can be done in the required time. The respondent in case B said that sometimes transport companies have problems fulfilling their contractual obligations, in which case they turn to logistics companies with whom they have long-term business relationships for help. The respondent of case C distinguished that he is also less sensitive to the prices of services offered by road logistics companies with long-term relationships and vouches for the quality of services to his clients. The respondent of case D shared that sometimes

the prices for transportation services are quite high for both them and their customers, but working together with logistics companies with long-term relationships, they make efforts to find the most optimal solution for all parties.

Table 16. Long-term business relationship impact on transportation offers by respondents

| Category | Case | Statements | Engagement factors |
|--|------|--|--|
| The impact of long-term business relationships on incoming transportation offers | A | <i>“Of course, sometimes even that higher price offered is not that important, as long as they can provide services on time. In most cases, I only send requests to the most reliable carrier, and if they simply do not have the capacity to take the load, only then will I turn to others.”</i> | <ul style="list-style-type: none"> • Priority of offer • Less sensitivity to price |
| | B | <i>“Yes, because there are situations when some of the carriers cannot fulfill their contractual obligations and we suddenly feel a shortage of logistics services in one direction or another, in such cases we turn to reliable partners in order to get help, of course it often costs more than planned, but that's understandable.”</i> | <ul style="list-style-type: none"> • Potential for additional orders • Less sensitivity to price |
| | C | <i>“Oh, yes indeed. Sometimes we see that some carriers have higher prices than others, but we still try to explain to our clients that those carriers are reliable and good, regardless of the higher price.”</i> | <ul style="list-style-type: none"> • Less sensitivity to price • Vouching for the quality of services to clients |
| | D | <i>“Well, we know that there will certainly be situations when the price presented is not attractive to us or to the client, but in such a case we are looking for ways to do things differently in order to resolve the issue.”</i> | <ul style="list-style-type: none"> • Efforts to find a suitable solution |

Summarizing the responses of the respondents to the nineteenth question, cases A, B, and C shared that in cases where transport companies with which they have long-term relationships can provide the required services, they are less sensitive to the cost of transportation. It was also highlighted that the priority of the offer, potential additional orders, guaranteeing the quality of service to customers, and assistance in finding the most optimal mutual solution are some of the additional factors in the long-term relationship that business clients can provide when purchasing transportation services.

The twentieth question of the structured interview aims to find out the additional involvement of business clients, apart from service purchases, in long-term relationships with companies providing road logistics services (see Table 17.). The respondent of case A mentioned that apart from purchasing services from long-term logistics companies, they would always try to help them with other issues or share useful information. The respondent also mentioned that he would recommend them to his colleagues who are engaged in other projects, which means potentially more orders and profits for reliable transport companies. The respondent of case B joked that he could welcome them as guests in his country, but did not mention any additional involvement apart from purchases. The respondent in case C said that he shares potentially useful information in advance with long-term logistics partners, indicating when and what size projects are expected in the future so that the logistics service company can better prepare and assess the incoming increased orders flow. The respondent of case D mentioned that in long-term relationships with logistics companies, they would always try to help in case of problems or share useful information. The respondent also mentioned that he would recommend particularly reliable logistics partners to his colleagues from other regions, which could potentially provide companies providing logistics services with not only more orders but also open new markets.

Table 17. Engagement of business clients beyond purchases in long-term relationships by respondents

| Category | Case | Statements |
|---|------|---|
| Additional engagement of business clients apart from purchases in long-term relationships | A | <i>“Well, it's a mutual relationship, if I need urgent help and they can help, then sometimes they ask me for help to get cargo and if I have the opportunity I always try to help. But in addition to purchases, I think I can share information that can be useful in one or another situation, as well as recommend them to colleagues who take care of other projects.”</i> |
| | B | <i>“For them to come and visit me in Italy, I would treat them to a delicious dinner with wine and show them around Milan (laughter).”</i> |
| | C | <i>“Well, we usually share preliminary information. I tell them when and how big the projects are expected to be in advance. I hope this helps them prepare better or assess their own possibilities.”</i> |
| | D | <i>“If they need any information, we always try to help with the issue. There are also such carriers that we are not afraid to recommend to our colleagues from other regions and departments, of course it is a little scary that they do not disappoint them, but for such recommendations we are very selective about what to recommend and what not.”</i> |

Summarizing the responses of the respondents to question twenty, in cases A, C, and D, sharing of useful information was mentioned as additional engagement in long-term relationships with companies providing transport services. In cases A and D, recommendations were also highlighted as additional engagement that can attract not only new orders but also open new markets for companies providing road logistics services. In only case B, the respondent joked that hospitality would be provided to long-term logistics companies, but additional engagement in relationships was not mentioned.

The twenty-first and last research question of the structured interview seeks to find out what additional factors could improve the engagement of business clients in relationships with companies providing logistics services (see Table 18.). The respondent of case A said that maintaining strong communication, demonstrating engagement in joint work, and applying the aforementioned sustainability principles from companies providing logistics services could improve their engagement in business relationships. The respondent of case B expressed that maintaining high service quality and improving the monitored KPI indicators could improve his involvement in business relations, this answer of the respondent is not surprising, because the KPI indicators monitored by his company were often emphasized during the interview. The respondent of case C did not say much, he only said that maintaining the previously mentioned good factors and values and solving the bad factors in time can improve his involvement in business relations. During the interview, the respondent identified cost savings, reliability, expertise, and sustainability as important good factors. The respondent of case D mentioned communication, sharing of clear information, and communication not only about work matters, as factors that could influence his involvement in business relations with companies providing logistics services.

Summarizing the answers of the respondents to the last interview question, factors such as maintaining strong communication, maintaining high service quality, applying sustainability principles, and solving bad factors in time were mentioned, which can strengthen the involvement of business clients in relationships with companies providing logistics services. The factors that improve the engagement of business clients may differ in each case, so it is possible to present only one general conclusion that the factors that can improve the engagement of business clients directly depend on the values of the services valued by clients, and for that determination, each case needs to be examined and taken into account separately.

Table 18. Factors that can improve business clients engagement by respondents

| Category | Case | Statements |
|---|------|---|
| Factors that improve business client engagement | A | <i>“This would probably involve maintaining strong communication, demonstrating a commitment to collaboration, and perhaps even applying the aforementioned sustainability principles.”</i> |
| | B | <i>“Let them maintain high standards of services provided and improve KPI indicators. For the reasons a business partnership starts, I think it should continue with the same reasons.”</i> |
| | C | <i>“Probably following the good factors listed earlier and addressing the bad factors in time.”</i> |
| | D | <i>“Communication, providing clear information about situations and showing a desire to communicate not only in business matters, but also in personal matters.”</i> |

Summarizing the responses of the respondents to the questions of the fifth group, all cases agreed that existing long-term business relationships with companies providing logistics services can influence their engagement in the received offers of transport services, which can be expressed through the priority given to offers, less sensitivity to service prices, additional potential orders, representation of service quality, and efforts to find the most optimal solution for all parties. In addition to purchasing services, business clients would tend to help their reliable road logistics partners in various situations, share necessary information, and recommend them to their colleagues, which can potentially provide not only more orders but also open new markets. Factors that enhance the engagement of business clients depend on each individual case, as they are based on perceived service value and the application of one factor may be effective in one case, but not necessarily in another.

4.6. Key Findings and Discussion for Future Research

The analysis of the study results revealed the following key findings. First of all, potential clients take into account price competitiveness, capacities, reputation, and general information of the company before starting business relationships with companies providing road logistics services. The monetary values of logistics services, such as cost savings, delivery time, risk reduction, and volume discounts, and the qualitative values of logistics services, such as communication, reliability, expertise, flexibility, traceability, and compliance with industry standards are mentioned, which are taken into account by business clients before purchasing transportation services. The most important values, such as cost savings, communication, delivery time, reliability, and expertise are highlighted, which influence the quality of business relationships. Although the above-mentioned most important values of logistics services can directly influence the quality of business relationships, in most of the analyzed cases they are not specifically measured, and business clients rely more on common experience. Secondly, the examined cases agreed that the application of sustainability principles in road logistics services is important and proposed various methods to apply it, but their applicability must be assessed individually by each company providing road logistics services. It was also found that sustainability reports can be a useful sustainability tool not only for business clients but also potentially for road logistics companies themselves. The application of sustainability in logistics services does not affect the quality of business relationships as much as the previously mentioned values, but in all cases, it was agreed that it can provide additional benefits not only now, but also in the future. Thirdly, all non-contractual cases recognized the importance of building long-term relationships with logistics service providers, although it was difficult for cases to identify a specific stage or period of business relationships when trust, satisfaction, and loyalty begin to form. Most of the cases did not fully agree that constant monitoring and evaluation of the quality of business relationships is necessary but shared that it would be most acceptable for them if the companies

providing road logistics services themselves kept statistics of the services provided and shared them with them during the occasional meetings, which could help monitor and evaluate the quality of business relationships. Analyzed cases singled out lack of communication, lying, non-compliance with the requirements, change of the responsible manager, delivery delays, increasing cases of damage, inadequate prices, and client theft as negative factors that can worsen or completely terminate established business relationships with clients. Fourthly, all cases agreed that long-term business relationships with logistics companies can influence their engagement in transport service offers, which can be expressed through priority given to offers, less sensitivity to service prices, additional potential orders, representation of service quality, and efforts to find the best solution for all parties. In addition to buying services, business clients would aid their trusted road logistics partners in various situations, give required information, and promote them to their colleagues, which might lead to more orders and new markets. Business client engagement enhancing factors are based on perceived service value and may vary per case. Overall, research has demonstrated that structured individual interviews with logistics service business clients are able to provide important insights into the key factors that determine the development of business relationships, their quality, and their long-term engagement. By prioritizing these key factors and values, road logistics service providers can enhance the quality of their services, strengthen their relationships with clients, and ensure long-term success for all parties.

Literature findings revealed, that B2B clients value monetary and qualitative values, like *cost savings, price transparency, volume discounts, faster delivery times, improved inventory management, risk reduction, reliability, flexibility, communication, transparency, trackability, responsiveness, compliance, and expertise* of the logistics services, but the empirical study only revealed values such as *cost savings, delivery time, risk reduction, volume discounts, communication, reliability, expertise, flexibility, responsiveness, trackability and compliance with industry standards* (see Fig. 7.). In the theoretical part of the work, it was discovered that the application of *sustainability principles and reports* in logistics services can provide additional benefits along with *monetary and qualitative values*, and the results of the empirical study confirmed this when all cases mentioned that it is important and would be useful in the future. The theoretical analysis revealed, that building long-term connections with B2B clients can build up *trust, satisfaction, and loyalty* between involved parties, which can lead to increased client engagement, an empirical study confirmed that it is true, but respondents had a tough time mentioning *loyalty*, as it was only revealed through engagement on offers. In theoretical analysis, it was mentioned, that logistics service providers can assess and improve the quality of their relationships with B2B clients through *clear communication, frequent satisfaction surveys, setting clear expectations, ensuring service quality, and a culture of continuous improvement*, but the empirical study revealed, that by *ensuring service quality through service statistics (KPI) and maintaining clear communication through occasional meetings* would be most suitable approaches to monitor and evaluate business relationship quality. Also in theoretical analysis, it was found that long-term B2B relationships can encourage stronger client engagement, leading to *service purchases, recommendations, knowledge sharing, and commitment*, which an empirical study confirmed, but also revealed the additional benefits of their specific engagement actions, which can be expressed through *priority given to offers, less sensitivity to service prices, additional potential orders, representation of service quality, efforts to find the best solution for all parties, aid in various situations, give required information, and promote them to their colleagues*.

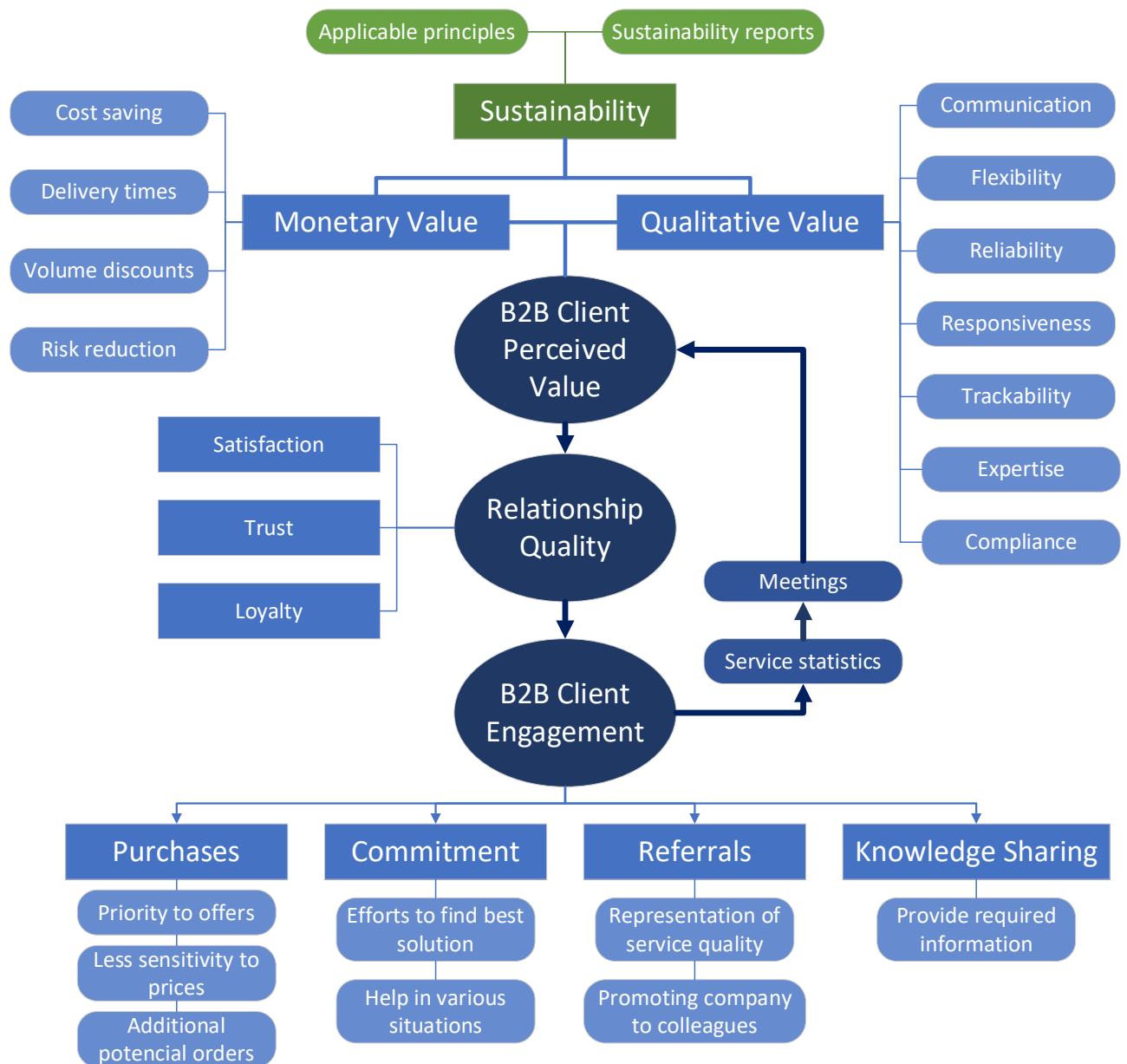


Fig. 7. Updated conceptual model of B2B Client Perceived Value, Relationship Quality, and Client Engagement interactions and important factors for relationship by a research study (Pansari, A., & Kumar, V., 2017; Agyabeng-Mensah et al., 2020; Itani et al., 2019; Hsiao et al., 2016; Jin et al., 2015; Chowdhury, P.P., 2012)

This empirical study focused on the development and maintenance of business-to-business relationships in the European road logistics market, which is why the final work can be used for future research by other researchers in order to fill the literature gap in analyzing the factors influencing business relationships of this specific market. The European B2B logistics market is large and this study analyzed only 4 individual cases in Germany, Italy, Estonia, and Finland, so the findings cannot be generalized to all European business clients and different cultures. In order to generalize the most important road logistics factors influencing the creation and maintenance of business relationships, it would be necessary to use both qualitative and quantitative research and examine a wider range of business clients from different sectors and European countries, for whom the purchase of road logistics services is an integral part of business activity. Also, future research could seek to determine the most important values of road logistics services, which can be generalized in the European market, and further examine the benefits and opportunities of applying sustainability, not only for business

clients but also for the environment. It should be kept in mind that this study focused on the perspective of business clients, future research could examine service values and the application of sustainability from the perspective of companies providing road logistics services.

4.7. Recommendations for Companies Providing Road Logistics Services Based on the Results of an Empirical Study

Taking into account the results of the analyzed cases and the main research findings, the following recommendations can be made for companies providing road logistics services seeking to create and maintain business relationships and promote client engagement in the European market:

- 1) **Prioritize key values:** It is recommended for companies providing road logistics services in the European market assess the competitiveness of their service prices, capacities, reputation, and general information about the company, as these factors are taken into account by clients before starting business relations. Its recommended to provide and maintain a high level of additional service values, such as cost savings, good communication, timely deliveries, reliability in all aspects, and providing the necessary knowledge or insights, as these values influence the quality of business relationships. Tracking and evaluating these values from the side of the company providing logistics services and creating reports can not only help to assess the quality of business relationships but also spot problematic areas of services that should be improved in time.
- 2) **Consider sustainability principles:** For companies providing road logistics services in the European market, its recommended to start researching and applying the most acceptable principles of sustainability in the services provided, as this can provide additional benefits not only to business clients but also to the environment. It would also be appropriate to start conducting and evaluating sustainability reports for transport services, which could help assess the applied sustainability principles and measure their impact, and share this information with business clients. It will be relevant in the future, so it is worth taking the first steps now.
- 3) **Focus on building long-term relationships:** Providers of road logistics services should prioritize establishing long-term relationships with their business clients, as this can positively influence client engagement and contribute to the development of new markets and orders as well as to provide additional values. It is essential for service providers to maintain regular communication with clients and to keep records of services performed in order to monitor and evaluate the quality of business relationships.
- 4) **Address negative factors:** Road logistics service providers should address negative factors that can deteriorate or terminate existing business relationships with clients, such as a lack of communication, lying, noncompliance with requirements, delivery delays, an increase in cases of damage, inappropriate prices, and client stealing. Logistics service providers must try to meet or exceed client expectations with their services.
- 5) **Enhance perceived service value:** Providers of road logistics services should increase the perceived service value by delivering high-quality services and concentrating on the values that matter most to the business clients. Companies should also consider additional services or solutions that can benefit clients and strengthen their relationship with them.

To improve the quality of their business relationships with clients, road logistics service providers should prioritize key values, consider sustainability principles, prioritize building long-term relationships, resolve negative factors, and enhance perceived service value. By doing so, road logistics service providers can increase client engagement and improve business relationship quality, thereby increasing their profitability and success in a competitive and challenging European market.

Conclusions

- 1) The challenges that road logistics service providers experience in the European market include intense competition, changing market conditions, complex regulatory environments, limited access to resources, rising labor costs, and environmental issues. In addition, the highly competitive market is experiencing increased competition from both large market players and new tech-driven businesses offering innovative logistical solutions. Problem analysis also reveals the ecological problems caused by global warming and pollution, and road freight transport accounts for more than 25% of CO₂ emissions in the EU. To address these challenges, road logistics service providers must incorporate more sustainable and circular economy solutions into their operations in order to meet the needs of business clients and achieve Europe's objectives. Failure to overcome challenges in the European market may result in difficulty attracting new clients and retaining existing ones, which may ultimately threaten their survival in the future. In order to remain ahead of their competitors and achieve long-term success, road logistics service providers must use key factors and service values to attract new business clients and retain existing ones by establishing long-term relationships and encouraging their engagement.
- 2) The theoretical analysis revealed, that long-term business relationships offer strategic value that *reduces uncertainty, improves planning, reduces risks, reduces operating costs, and boosts logistics service provider's growth*. Building long-term connections with B2B clients can build up *trust, satisfaction, and loyalty* between involved parties, which can lead to increased client engagement on offers. The individual requirements and goals of a business client are ultimately the most important factors that will determine the value of a service they are considering purchasing. B2B clients value monetary and qualitative values, like *cost savings, price transparency, volume discounts, faster delivery times, improved inventory management, risk reduction, reliability, flexibility, communication, transparency, trackability, responsiveness, compliance, and expertise* of the logistics services. By adopting sustainability practices, logistics service providers can lower their environmental impact and provide additional value, together with monetary and qualitative ones. Business client perception of value may influence the overall performance of a company, as providing a high level of client-perceived value can attract and retain business clients, leading to improved revenues and long-term success. Understanding the client's industry and tailoring services to their specific needs is crucial for improving the quality of business relationships and influencing their engagement. Therefore, road logistics service providers must continue to assess and improve the quality of their relationships with B2B clients through *clear communication, frequent satisfaction surveys, setting clear expectations, ensuring service quality, and a culture of continuous improvement*. By doing so, they can develop and maintain long-term B2B relationships while encouraging stronger client engagement, which leads to *service purchases, recommendations, useful information, and stronger commitment*.
- 3) To reach the objective of the empirical study, and analyze the possible impact of perceived service values on the quality of relationships and client engagement in the B2B European road logistics service market, a qualitative approach is applied. The research method, a structured interview, was chosen in order to find out the factors of logistics services valued by European business clients and how they influence the quality of business relationships, as well as their engagement, because multiple cases of companies purchasing road logistics services can provide a realistic effect of highlighted values of services and determine the influence of values on the quality of business relationships and their engagement. During the semi-structured interview, the aim is to obtain the answers of the managers responsible for purchasing road logistics services in

represented companies to the main questions of the qualitative research, which are formed according to the factors and theory identified in the theoretical analysis. The interview questions were designed and provided to each participant, after which Microsoft Teams and phone interviews were conducted. Results were transcribed and later used in empirical analysis.

- 4) The empirical study has identified the key factors, such as *price competitiveness, capacities, reputation, and general information of the company*, that potential clients consider before establishing business relationships with companies providing road logistics services. Clients also take into account both monetary and qualitative values of logistics services, such as *cost savings, delivery time, risk reduction, volume discounts, communication, reliability, expertise, flexibility, traceability, and compliance with industry standards*. Although the highlighted most important values, such as *cost savings, communication, delivery time, reliability, and expertise*, can directly influence the quality of business relationships, they are not specifically measured in most of the analyzed cases. The study also revealed that sustainability application is important in road logistics services and can provide additional benefits not only for business clients but also for the future, and *sustainability reports* can be a useful application not only for business clients but also for road logistics companies in order to evaluate different applicable sustainability principles. All non-contractual cases recognized the value of long-term relationships with road logistics service providers, but it was difficult to pinpoint a certain stage or duration of business relationships when *trust, satisfaction, and loyalty* begin to form. Most cases did not agree that constant monitoring and evaluation of business relationships is necessary, but it was found that if road logistics companies *tracked statistics of the provided services* and shared them during occasional meetings, it would help to monitor and evaluate business relationship quality. *Lack of communication, lying, non-compliance, change of responsible manager, delivery delays, increasing damage, inadequate prices, and client theft* were identified as negative factors that can worsen or end business relationships with clients. Additionally, long-term relationships with road logistics service providers can influence client engagement in purchasing, which can be expressed through *priority given to offers, less sensitivity to service prices, additional potential orders, representation of service quality, and efforts to find the best solution for all parties*. In addition to service purchases, business clients would *aid in various situations, give required information, and promote them to their colleagues*, which might lead road logistics service providers to new clients, more orders, and new markets. Business client engagement enhancing factors are based on perceived service value and may vary per case. Based on empirical study results, five recommendations can be made for road logistics service providers, who want to develop long-term relationships with B2B clients: 1) Prioritize and maintain a high level of service values, such as *cost savings, communication, timely deliveries, reliability, and expertise*, as these values influence the quality of business relationships. 2) Consider sustainability principles, such as implementing *sustainability reports*, as this can provide additional benefits not only to business clients but also to the environment and company in the long run. 3) Focus on building long-term relationships, as this can positively influence client engagement and contribute to the development of new markets, clients, and orders. 4) Address negative factors such as a lack of communication, lying, noncompliance with requirements, delivery delays, increasing cases of damage, inappropriate prices, and client stealing. 5) Enhance perceived service value by delivering high-quality services and concentrating on the values that matter most to the business clients. By doing so, road logistics service providers can increase client engagement and improve business relationship quality, thereby increasing their profitability and success in a competitive and challenging European market.

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Appendixes

Appendix 1. Invitational Email for Participation in Empirical Research

Dear Mr./Ms...

I trust that you are doing well. I am writing to extend to you and your reputable business a sincere request to participate in my Master's thesis research.

I am studying at Kaunas University of Technology, and my research concentrates on the main values offered by logistics service providers and their influence on the quality of business relationships and engagement in long-term relationships. As the individual in charge of logistics operations within your organization, your opinions and insight would be valuable to the research.

The research method will be a structured interview, allowing for a flexible yet focussed discussion of the topic at hand. If you could provide an available time of yours to participate in the research, we can agree to reach out to each other by the most suitable means of communication (Teams, phone call, Skype, etc.). Your participation in this research will provide valuable insight into the relationship between logistics service providers and clients, and the study's findings may have practical benefits for the industry.

Your participation is entirely voluntary, and all collected information will be kept strictly confidential. You can find enclosed structured interview questions in the attached PDF file, so you would be able to review them and see if you would be capable of answering them in detail. I assure you that your participation will be acknowledged in the thesis and that your efforts and contributions will be tremendously valued.

I appreciate your consideration and look forward to getting the chance of having a discussion with you.

Warm Regards,
Deividas Vitkauskas,
Kaunas University of Technology student
[Researcher's phone number]
[Researcher's email]

Appendix 2. Structured Interview Questionnaire Groups and Questions

General Questions

- 1) What is your position in the company?
- 2) What is your company's field of activity?
- 3) Where is your company headquarters located?
- 4) In which countries does your company provide services/products?

- 5) On average, how much does your company spend on road logistics services per month?

Perceived service value questions

- 6) What influences the beginning of a relationship with companies providing logistics services? Maybe it is influenced by certain factors?
- 7) Could you highlight the monetary values provided by logistics services that may influence a relationship quality with a logistics service provider?
- 8) Could you highlight the qualitative values provided by logistics services that can influence the development of a relationship with a company that provides logistics services?
- 9) Could you single out the 3 or more most important values for you, which you take into account and are guided by when developing business relations with companies providing logistics services?
- 10) Do you somehow follow and evaluate the above-mentioned values in the course of business relations?

Sustainability questions

- 11) In your opinion, is it important that companies providing logistics services take into account the sustainability of the services they provide?
- 12) What do you think are the most necessary applicable sustainability factors for companies providing logistics services?
- 13) Would the application of sustainability in logistics services affect the quality of relationships and the performance of your company?

Relationship quality questions

- 14) Do you believe that building long-term relationships with logistics companies is important?
- 15) At what stage of the relationship do you start to perhaps become more trusting or loyal and feel satisfied with the existing relationship with the logistics company?
- 16) Do you think that constant monitoring and evaluation of the quality of relationships together with companies providing logistics services can maintain and nurture existing relationships?
- 17) What methods of tracking and evaluating the quality of the relationship would be most acceptable to you?
- 18) What factors could worsen or even end established business relationships with companies providing logistics services?

Client engagement questions

- 19) Do you believe that long-term business relationships with logistics service providers can influence your engagement with incoming transportation offers?

- 20) Apart from purchasing road logistics services, what other steps could you take for logistics partners with whom you have a long-term business relationship?
- 21) What factors could strengthen your involvement in business relations with companies providing logistics services?