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ACTIVITIES OF DAIRY COOPERATIVES FROM THE SOUTH-EASTERN POLAND IN THE AREA OF FINANCIAL SERVICES

Izabela KONIECZNA[1*], Barbara ZBROIŃSKA[2]

[1] The Jan Kochanowski University in Kielce, Faculty of Law and Social Sciences, Institute of Management; izakonieczna@ujk.edu.pl, ORCID: 0000-0002-3632-3245
[2] The Jan Kochanowski University in Kielce, Faculty of Law and Social Sciences, Institute of Management; barbara.zbroinska@ujk.edu.p, ORCID: 0000-0002-1724-0786
* Correspondence author

Purpose: Identification of activities of value creation for customers from different geographical markets in the area of financial services.
Design/methodology/approach: Direct interviews using a questionnaire survey were conducted among representatives of dairy cooperatives from southeastern Poland representing 33% of the population, which resulted from the willingness to participate in the survey.
Findings: Activities of offering additional financial services while selling own products are not provided by most of cooperatives for different kind of customer groups from different geographical markets. There are clear differences in the approach to offering additional financial services when selling their own products between cooperatives from different voivodeships.
Research limitations/implications: The limitation of the study is the number of cooperatives and the geographic area examined.
Originality/value: The comparison of financial services provided and outsourced by selected cooperatives from southeastern Poland voivodships.
Keywords: financial services, customer value creation, cooperatives.
Category of the paper: Research paper.

1. Introduction

A market offering is something separate that has a group of features that can be physical or not, clear or unclear, and might be seen by possible buyers as something that meets their needs (Hunt, 2000, p. 43). If a seller has more valuable things to offer, customers will want to keep relationship with them. Trust and communication are important for building good relationships between customers and sellers. But these relationships can also depend on specific service features. These include things like service customization and waiting time. Customers notice, judge, and value these features (Hansen, 2010, pp. 4-5). Companies can create a comparative advantage for nonfinancial firms over financial intermediaries in providing short-term corporate financing to their customers (Barrot, 2016, p. 1982). Short-term corporate financing aims to create customer value and in consequence retaining existing customers, capture new business, attract specific customers and achieve specific marketing aims. Short-term corporate financing can serve as a versatile marketing and relationship management instrument and/or as a way to convey details to the market or certain customers regarding the company, its offerings, and its future intentions (Summers, Wilson, 2003, p. 439).

The aim of this article is to identify the activities of value creation for customers from different geographical markets in the area of financial services. Activities have been divided into the performed activities, outsourced and controlled activities, outsourced and uncontrolled activities, and activities that are not present in the cooperative.

H1: Most cooperatives offer additional services in the form of financial services while selling their products to consumers.

H2: Cooperatives that provide additional activities in the form of financial services prefer to offer them for their customers from home voivodeship market than from other markets.

H3: Cooperatives prefer to control additional activities in the form of financial services for their customers that are outsourced to external entities than to provide them by themselves.

H4: Cooperatives from different voivodeships in similar extend provide additional activities in the form of financial services for their customers.

2. The characteristic of selected financial services offered by nonfinancial companies to their customers

A non-financial company can offer its customers a range of financial services that not only support sales but also build long-term business relationships by creating value for the customer. Among the many forms of such services, we can distinguish: trade credit, assets leasing, installments or installment systems (BNPL), factoring, financial advice, add-on insurance, loyalty programs with financial elements:

1. Companies that have the capacity to give loans can serve as lenders to their customers by allowing them to delay payments for what they buy (Karaca, 2023, p. 156). This way of financing is called trade credit. Trade credit is a deal between a seller and a buyer, in which the seller lets the buyer buy items on account without needing to pay in cash or through a bank right away. This deal gives the buyer the chance to use their purchases to earn money before settling their bills with the sellers. Additionally, trade credit offers convenience to both trading partners since it helps reduce the financial strain that immediate payments would create (Jou, Li, Wang, 2023, p. 1). It is enhancing financial results, decreasing costs of transactions, and improving the effectiveness of managing

inventory, along with lessening financial struggles for the recipient of trade credit, particularly during challenging periods (Karaca, 2023, p. 156). Trade credit is an important source of short-term funding for companies (Jou, Li,, Wang, 2023, p. 1) and the way of creating value form customers. Sellers willingly provide trade credit because lengthy payment periods in case of trade credit could stop their competitors from joining, growing, and lasting in the market (Barrot, 2016, p. 1976).

2. Leasing is a popular way for businesses to finance their needs, allowing them to access property, equipment, and machinery without needing to spend a lot of money upfront (Bolea, Cosma, 2015, p. 295). A lease refers to the temporary handover of an asset in exchange for regular payments known as rent. Usually, the lessor is the individual who owns the asset and receives it back once the lease period ends. The lessee has the right to use the asset without any interruptions from the lessor during the lease, as long as the lessee pays the rent and fulfills other responsibilities outlined in the lease agreement (Merrill, 2020, pp. 221-222). Leasing agreements can meet different business requirements, whether for using assets for a short time or for financing them over a longer period. Leasing is appealing as a financing option due to its adaptable nature (Bolea, Cosma, 2015, p. 295). Asset leasing enabling businesses to offer flexible and on-demand access to assets while minimizing financial risks. By leveraging leasing, companies can provide customers with a wide range of support, cater to their evolving preferences, and stay ahead in this dynamic market (Grip, 2025) creating this way the value for them.
3. Buy Now Pay Later (BNPL) has risen in popularity as a payment choice, enabling customers to settle their bills in interest-free payments in installments over a brief timeframe (Maesen, Ang, 2024, p. 13) to help them manage their finances. This payment method that allows consumers to make purchases and defer payment to a later date, usually in installments over a period (Mukhtar et al., 2023, p. 804). Such actions by companies are aimed at creating value for customers attracting new or retaining existing ones. In this way, customers receive the opportunity to spread payments over time, which makes even more expensive goods affordable for customers with a smaller budget, and fixed, predictable installments help plan expenses and are not as financially burdensome as a single payment. Additionally, companies often allow early repayment without additional costs or a change in the repayment schedule.
4. Companies can offer their customers an additional service in the form of factoring, in which a factoring company takes over receivables from customers. Factoring is a form of funding for businesses where companies sell their reliable money owed from customers for less than its total value (usually covering interest and service charges) to get quick cash (Klapper, 2006, p. 1). It not only enhances the flow of money, but with factoring, a business can take on a large order from a customer that would have otherwise tied up the company's funds. The business can also buy in large quantities

with the funds obtained, allowing them to receive additional discounts, which can be utilized to boost sales and profit margins (Sarma, 2012, p. 211). With better money management, companies can seize chances for growth by purchasing new equipment, broadening their activities, or exploring new markets (Corporate Factoring). In this scenario, it is a beneficial situation for everyone involved (Sarma, 2012, p. 211).

5. Companies can provide financial advice to their customers by helping them optimize their purchasing costs, e.g. by analyzing TCO (Total Cost of Ownership). Total cost of ownership is a way to help customers buy things, and a way of thinking, that helps them understand the real cost of buying something from a certain seller (Ellram, 1995, p. 4). By calculating the TCO, entities can find new ways to save money in the long-term scenario. TCO calculation takes into account the upfront spending and gathers as much information as possible to factor in expenses connected to the ongoing use of the asset (Machado Pureza, 2021). Total cost of ownership is a complicated method that needs the purchasing company to figure out which costs they think are the most critical or noteworthy in the buying, owning, using, and eventually getting rid of a product or service. Besides the amount spent on the product, TCO might consider factors like placing orders, finding and vetting suppliers, shipping, receiving, checking, returning, replacing, lost time due to malfunctions, and costs for disposal, among others (Ellram, 1995, p. 4).
6. Add-on insurance is a type of insurance that is offered to consumers in addition to another product, including: Consumer Credit Insurance (CCI), Guaranteed Asset Protection Insurance (GAP Insurance), Tyre and Rim Insurance, Extended Warranty/ Mechanical Breakdown Insurance (AFCA, 2025). This kind of additional insurance offer can create value for customers as instead of visiting various sellers, a consumer can get multiple items at once and in the same place or online. Add-ons insurance helps sellers to create products that suit a diverse group of buyers and provide more options for customers as they can choose anything from a ‘basic’ item without extras to one that comes with different add-ons (Oxera, 2014).
7. The important elements of a loyalty program with financial elements are the fact that it is designed to create both value for the customer and value for the company itself. The value for customers is additional benefits of a financial, social, emotional nature that enrich the basic relationship, while the value for the company is the deepening of knowledge about customers and the ability to influence their attitudes and purchasing behaviors regarding both scale, scope, and frequency (Spyra, 2013, p. 59). Loyalty programs achieve their goal of increasing customers’ loyalty by offering true value (Butscher, 2002, p. 5).

The services listed above can be provided independently or in cooperation with financial institutions, e.g. banks or leasing companies.

3. Activities creating value for individual customer groups of dairy cooperatives in the form of financial services – research results

The subject of the research conducted among representatives of the dairy cooperatives of Southeastern Poland was the identification of activities constituting the customer value in the sphere of financial services, which have been divided into the performed activities, outsourced and controlled activities, outsourced and uncontrolled activities, and activities that are not present in the cooperative. The respondents had to indicate activities, taking into account customers from home voivodeship, from other voivodeships, from the European Union and from other markets. Direct interviews using a questionnaire survey were conducted among representatives of the cooperative representing 33% of the population, which resulted from the tendency to participate in the research. Research results are presented in Table 1 and Figure 1.

Table 1.
Activities creating value for different kind of customer groups from different geographical markets in the form of financial services provided by dairy cooperatives from southeastern Poland.

Voivodeship	Carried out activities				Controlled activities outsourced to external entities				Uncontrolled activities carried out by external contractors			
	Home voivodeship	Other voivodeships	UE markets	Other main markets	Home voivodeship	Other voivodeships	UE markets	Other main markets	Home voivodeship	Other voivodeships	UE markets	Other main markets
Lubelskie	40%	40%	0%	0%	20%	20%	20%	20%	0%	0%	0%	0%
Małopolskie	25%	0%	0%	0%	25%	0%	0%	0%	0%	0%	0%	0%
Podkarpackie	0%	0%	0%	0%	33%	0%	0%	0%	0%	0%	0%	0%
Śląskie	100%	80%	60%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Świętokrzyskie	0%	0%	0%	0%	67%	0%	0%	0%	33%	0%	0%	0%
Mean taking into account all cooperatives at particular geographical markets	40%	30%	15%	0%	25%	5%	5%	5%	5%	0%	0%	0%

Source: own work.

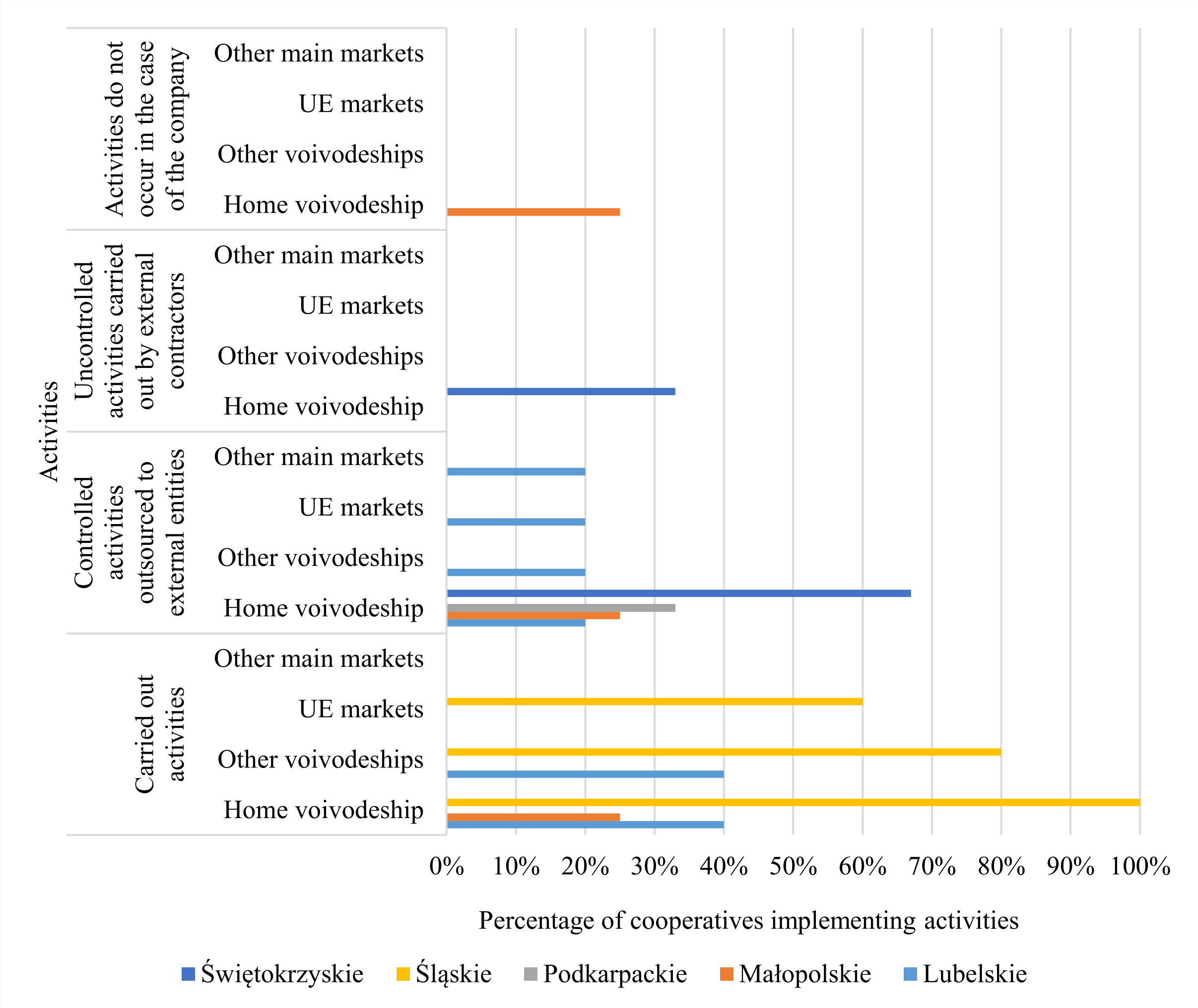

Figure 1. Activities creating value for individual customer groups from different geographical markets in the form of financial services provided by dairy cooperatives from southeastern Poland.

Source: own work.

Taking into account research results shown in Table 1 and Figure 1 it can be seen that activities creating value for different kind of customer groups from different geographical markets in the form of financial services are not provided by all of cooperatives.

The results show that activities carried out or controlled by other entities within the home voivodeship predominate. On average, 40% of all activities performed by cooperatives take place in their home voivodeship. The Silesian Voivodeship, in particular, demonstrates 100% implementation of financial services as additional activities to the sale of its own products in the local market, suggesting a strong commitment to meeting the needs of customers in the home voivodeship to the greatest extent possible. In contrast, cooperatives in the Podkarpackie and Świętokrzyskie voivodeships do not independently implement additional financial services as part of the sale of their products. In the Lublin voivodeship, 40% of cooperatives conduct such activities, and in the Małopolskie voivodeship, 25%.

Some cooperatives that do not provide financial services as additional activities related to the sale of their own products in their home voivodeship outsource these services to other entities while simultaneously controlling them. This approach is particularly favored by cooperatives from the Świętokrzyskie Voivodeship, with 67% of them indicating such activities. A similar strategy was chosen by 33% of cooperatives from the Podkarpackie Voivodeship. Some cooperatives from the Małopolskie (25%) and Lublin (20%) voivodeships, on the other hand, provide such services and/or outsource them to other entities while maintaining control over them.

Among all cooperatives, only 33% of cooperatives from the Świętokrzyskie Voivodeship outsource additional financial services performed when selling their own products on the domestic market to other entities, without controlling them.

Another market where additional financial services are provided as part of the sale of their products is the market of other voivodeships. However, these activities do not apply to cooperatives from all the analyzed voivodeships. Similarly to the home market of the voivodeship, such services in the market of other voivodeships are primarily provided by cooperatives from the Silesian Voivodeship, as evidenced by the declaration of independent implementation of these activities by 80% of cooperatives. Another group of cooperatives that independently implement such activities in other voivodeships is 40% of cooperatives from the Lublin Voivodeship. At the same time, 20% of cooperatives from this voivodeship indicated that they supervise the implementation of such activities, which are outsourced to external entities. Cooperatives from the other voivodeships do not provide or outsource additional financial services as part of the sale of their products.

Only cooperatives from the Silesian Voivodeship indicated that they provide additional financial services as part of the sale of their products in EU markets. This is the case for 60% of cooperatives in this voivodeship.

In other major markets, such activities are outsourced to other entities and controlled by cooperatives only in the case of 20% of cooperatives in the Lublin Voivodeship.

4. Conclusions

Offering additional financial services while selling one's own products can bring many benefits to businesses by creating value for customers. However, research has shown that most cooperatives do not provide such activities for different customer groups from different geographical markets. Therefore, hypothesis H1, which states that most cooperatives offer additional financial services while selling their products to consumers, was not confirmed. The research results show that the largest number of cooperatives implementing such activities is 40% and concerns the implementation of such activities in the home voivodeship market.

The research results show that cooperatives primarily focus on the Polish market, particularly their home market. This means that cooperatives are focused on creating value primarily for regional customers, building loyalty and trust. However, the average share of such activities directed at EU and other major markets is low. Therefore, hypothesis H2, stating that cooperatives that provide additional activities in the form of financial services prefer to offer them to their customers from the home province market rather than from other markets, was confirmed.

Cooperatives that choose to offer financial services as additional services when selling their products prefer to provide them themselves rather than outsource them. At the same time, they prefer to maintain control over these services, even when outsourcing them to other entities. Therefore, hypothesis H3, which states that cooperatives prefer to control additional activities in the form of financial services for their customers that are outsourced to external entities rather than provide them themselves, was rejected. This may indicate that cooperatives prefer to ensure the scope and quality of services themselves, thus having limited trust in external entities providing such services.

There are clear differences in the approach to offering additional financial services when selling their own products between cooperatives in different voivodeships. Cooperatives from the Silesian Voivodeship are a clear leader, as all cooperatives independently conduct such activities for clients in their home voivodeship. These cooperatives also stand out in terms of the geographic scope of their activities, as most also conduct such activities in other voivodeships and on EU markets. The Lublin and Małopolskie Poland voivodeships demonstrate a mixed business model, with some activities performed independently and others outsourced under supervision to external entities. Cooperatives from the Świętokrzyskie and Podkarpackie voivodeships demonstrate very limited additional activities in the form of additional financial services, with small percentages or no activities performed independently. They rely more on controlled outsourcing than cooperatives from other voivodeships. Furthermore, only cooperatives from the Świętokrzyskie Voivodeship outsource such activities without supervision. Thus, H4, stating that cooperatives from different voivodeships in similar extend provide additional activities in the form of financial services for their customers, was rejected.

The limitation of the research which results were showed here is the quantity of cooperatives and the territorial research area. Suggestions for future research could involve exploring the constraints of this study by conducting research on cooperatives in different regions to determine if they carry out additional financial services while selling their products.

The limitation of the study whose findings are presented here is the number of cooperatives and the geographic area examined. Suggestions for future research could involve exploring the constraints of this study by conducting research on cooperatives in different regions to determine if they carry out additional financial services while selling their products.

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