Management Theory and Studies for Rural Business and Infrastructure Development
eISSN 2345-0355. 2017. Vol. 39. No. 4: 510–523.
Article DOI: https://doi.org/10.15544/mts.2017.35

SERVITIZATION OF LITHUANIAN AGRICULTURAL COOPERATIVES

Diana Šumylė[1], Erika Ribašauskienė[2]
[1] *Junior researcher. Lithuanian Institute of Agrarian Economics, V. Kudirkos st. 18-2, 03105, Vilnius. Tel. +370 5 2617071. E-mail diana.sumyle@laei.lt*
[2] *Researcher. Lithuanian Institute of Agrarian Economics. Tel. +370 5 2610758. E-mail erika.ribasauskiene@laei.lt*

Received 07 11 2017; accepted 11 12 2017

To survive and be competitive in the changing economic environment, agricultural cooperatives are innovating and creating more sophisticated, added-value products and broadening the range of provided services. Lithuanian cooperatives, facing the same challenges, are less flexible and adaptable to changes due to short operational history and sparse membership. Therefore, the following scientific problem is addressed: do Lithuanian agricultural cooperatives still represent a shift to servitizing? The aim of this paper is to investigate the current state of servitization among Lithuanian agricultural cooperatives, and to frame directions for further research in this novel research field. The research relies on structured interviews conducted with Lithuanian agricultural cooperatives. The results of statistical data analysis indicate a slow shift of agricultural cooperatives towards servitization, particularly related to the provision of knowledge-based and adding-value services. Identification of general and personal causes of slow servitization among cooperatives is suggested for further researches.

Keywords: service, servitization, product-service system, cooperative.
JEL Codes: Q13, L80, O14, O31.

1. Introduction

Today, agricultural cooperatives around the world encounter increasing survival challenges. The concerns of cooperatives have changed significantly, from support for traditional family farmers to the focus on a more diverse membership, getting access to information, finding a place within value-added system and addressing recent product quality issues. Traditional cooperative model was effective on exploiting economies of scale and offering stable prices for consumers, but it is proving unsuitable in the face of rapidly changing economic environment – unsuitable for growth, competitiveness and survival.

The trend in Europe and North America is showing that more and more agricultural cooperatives undertake structural changes in order to adapt to the new situation. They are concentrating on production further downstream the processing chain and broadening the range of their functions (Hohler, 2011).

Response of cooperatives to the changing situation usually involves innovating and creating ever more sophisticated products and services, so they do not have to compete on the basis of cost. The role of service element constitutes an important part of modern cooperative business strategy following the trend inherent in manufacturing sector for the last thirty years.

Lithuanian agricultural cooperatives face the same challenges, but due to its rather recent history and operational experience of about 15 years, it is difficult for them to be as flexible and adaptable as their Western counterparts. Moreover, Lithuanian cooperatives lag behind European cooperative companies in terms of membership, and less diverse membership determines limited demand for business strategy transformation and service development in order to meet the needs of all cooperative members. So is it possible that Lithuanian cooperatives still follow in example of a recent shift toward servitization?

For the last decade researchers have been analyzing the state of cooperation in Lithuania in relation to different factors (Ramanauskas, 2013; 2017; Žukovskis, 2016). J. Ramanauskas (2013) proposed that in the future service would be one of the primary grounds for traditional cooperatives to remain and be established. In another study researchers presented a model of integral hierarchical state cooperative system, where agricultural cooperatives would perform different functions – provide different services – based on their level of geographical consolidation (Žukovskis, 2016). The majority of researches acknowledged that traditional cooperatives are facing considerable issues in the face of changing global tendencies, and that they must adapt to these changes one way or the another.

Growing literature in the field of servitization – also referred to as product–service systems, servicizing, service innovation, etc. – has identified many cases of the emergence of servicizing within manufacturing firms and studied them in detail. On the other hand, innovations related to services are still not being referred to as servitization in agricultural sector – they are rather being described in terms of industrial economy. The literature does present some initiatives as examples of servitization and agricultural cooperatives (Devisscher, 2008; Manzini, 2002; Pereira, 2016; Baluch, 2017), but overall the servicizing approach within the agri-food sector has not been researched neither comprehensively nor systematically.

The aim of this paper is to investigate the state of art in the servitization process among Lithuanian agricultural cooperatives, and to frame directions for further research in this novel research field.

The object of the research – Lithuanian agricultural cooperatives.

The subject of the research – servitization process in Lithuanian agricultural cooperatives.

The main method used in this research is a structured interview carried out with Lithuanian agricultural cooperatives, which allowed ensuring systematical data collection, wide scale of survey and its representativeness as well as comparability of data.

eISSN 2345-0355. 2017. Vol. 39. No. 4: 510–523.
Article DOI: https://doi.org/10.15544/mts.2017.35

2. Theoretical assumptions of the research

This paper is developed by trying to integrate two academic literature topics – servitization and agricultural cooperatives.

The concept of servitization was first introduced by S. Vandermerwe and J. Rada in 1988 marking the beginning of academic, business and government interest in this phenomenon. Services traditionally have been conceptualized as largely independent economic activity, but evidence appeared to suggest that there are potential synergies between manufacturing and services to enhance both firm-level competitiveness and consumer satisfaction (Vendrell-Herrero, 2017). Another inherent dichotomy – between service and product – has been replaced by a service-product continuum. This continuum, also referred to as 'product-service system', defines the essence of the servitization which is the creation of value through combination of products and services by increasing the service component to the offer.

Different authors usually highlight the same features of servitization underlying the whole perception of this process. It is said to originate as a 'move', a 'shift', a 'process of change' (Baines, 2009; Almeida, 2008; Pereira, 2016) which results in an innovative business strategy (Vendrell-Herrero, 2017; Pereira, 2016). This change of strategy takes place when manufacturing companies reorient from selling products to selling integrated products and services that deliver value in use. During the process of change companies are developing the capabilities they need to provide services and solutions that supplement their traditional product.

S. Vandermerwe and J. Rada (1988) state that companies have always been in services, but exclusiveness of the movement toward servitization is a trend, creating specialized services directly connected to the product, to the sale of company's know-how and the creation of specific activities related to these services. As manufacturers servitize, they are expected to provide solutions that support or complement their services.

Nearly all products today have a service component to it and many products are being transformed into services. Not all companies, on the other hand, are equally prone to shift toward servitization. C. Raddats et al. (2014) suggest to classify enterprises according to their service approaches: *service doubters*, for whom services are not a strong differentiator and who share low motivation to servitize; *service pragmatists*, for whom services play an important role, and their motivation to servitize is average; and *service enthusiasts*, for whom services are both a differentiator and an enabler of growth, therefore their motivation is high.

Manufacturing companies are motivated to include services in their portfolio for several different reasons. The support of the product and the support of the customer are distinguished as two main reasons for servitization (Vendrell-Herrero, 2017). Other authors extend this list with economic motivation (Raddats, 2014; Almeida, 2008). In the first case, manufacturers view their products as their primary resource with services an approach to creating competitive advantage and market differentiation. Therefore, product supporting services are supposed to ensure the smooth functioning of the product. The second motive is related to improving the

quality of the customer relationship and increasing customer loyalty. And the third motive, or reason, emerges due to company's intention to enable new revenue streams and thus to balance the effects of economic cycles.

Importance of different types of service activities increased not only in manufacturing sector but in the agricultural sector as well. In other words, a spillover effect of servitization from industrial manufacturing to agriculture is being observed.

From a farm position, servitization represents an outsourcing of certain functions. These functions are outsourced to a specialized provider that, due to specific knowledge and skills, is able to fulfil a need in a more effective manner (Pereira, 2016). Farmers are, therefore, released from the burden to make certain major investments and from having to undertake various specialised activities. In consequence, they have more time and resources to devote to their focal activity.

At the farmers' cooperation level, according to A. Pereira et al. (2016), servitization is characterized by the following generic features:

- combination of products and services, when agricultural cooperatives provide a combination of products and services to its partners including material inputs, technical advice, maintenance and repairs, marketing services, etc.;
- enabling platform by granting farmers with access to resources that would be difficult for them to obtain individually, such as the latest technological advances in machinery and genetics, as well as technical knowledge;
- functional result, when the objective of being a member of a cooperative is not mutual ownership of products and services per se but rather obtaining the function of these products and services.

According to the content of the features of servitization through cooperatives, all core functions performed by them are associated to servicizing. In general, functions of agricultural cooperatives can be classified into three broad categories (Ortmann, 2007; USDA, 2002):

- marketing products, i.e. handling, processing or manufacturing members' products into other, more valuable products; bargaining for better prices of members' products, and selling farm products, produced by their members, in either raw or processed form;
- purchasing supply, i.e. purchasing in volume, manufacturing, processing or formulating, and distributing farm supplies and inputs, such as seed, fertilizer, feed, chemicals, petroleum products, farm equipment, hardware, and building supplies;
- service, i.e. providing both farm specific services, such as trucking, storage, grinding, drying, artificial insemination, irrigation, crop harvesting, applying fertilizer, animal feed processing, and general services, such as credit, utilities, and insurance.

Cooperatives may perform one or more of three core functions: services may be provided as a division or subsidiary of a cooperative whose primary function is either marketing or purchasing. Although "service" represents as a separate function, it refers mainly to the classic understanding of service activity, whereas marketing and purchasing also find their place in the servitizing context as functions providing services which help cooperative members to add value to their products, and introduce

innovation into cooperative business strategy. Therefore, categories of cooperative functions can be equated to the service groups provided by cooperatives.

Although the unique aspect about agricultural cooperatives is that the demand for services does not come from ordinary customers but rather from the members, i.e. farmers, and this member-driven orientation makes them fundamentally different from other enterprises (Zeuli, 2004), it does not imply a differentiated motivation for and benefits of servitization in cooperatives compared to the ones experienced by manufacturing firms. Agricultural cooperatives are equally interested in satisfying the needs of customers, obtaining competitive advantage and improving company's, i.e. cooperative's, performance.

The apparent difference lies in the nature of services – traditional or modern – provided by the cooperatives implementing its functions. Generally, farmers formed and still form cooperatives with the objective to generate greater profits by obtaining inputs and services at lower cost than they could obtain individually or that were not available, and by marketing their products at better prices or in markets that were previously not accessible (Ortmann, 2007). Thus, traditional strategy of cooperative is based on bargaining in input and output markets, reduction of transaction costs, and providing technical assistance. Modern strategy, on the other hand, is related to customer responsiveness, quality control or assurance, innovation development, and logistic efficiency (Bijman, 2015). Providing modern services means shifting attention from farmer's needs per se to the satisfaction of a well-functioning market. In other words, modern definition of service is market driven (Hogeland, 2003).

Traditional strategy is not expected to be completely absent from modern cooperatives. Agricultural cooperatives in their traditional form are production oriented business. Even today activities related to the production are of primary importance for them (Nilsson, 1998). On the other hand, cooperatives, seeking to be competitive in the knowledge economy, develop strategies and services oriented toward mobility, flexibility, and information versus stationery structures and physical inventory (USDA, 2002). Functioning of modern cooperatives is based on the accumulation and creation of knowledge, and not of capital. And the highest value-added agricultural cooperatives can generate is through participation in the direct food and service supply chain, including production, processing, marketing and sale.

One of the challenges that are encountered by cooperatives during the process of servitization, is the lack of professional leadership. Traditional cooperatives would be short of the knowledge and experience in terms of service design methods and tools to assess and implement services, service management systems, entrepreneurial personnel who are skilled in service development and provision (Manzini, 2002). Moreover, servitization challenges cooperatives financially as it poses the need of increased investment into service offering and redistribution of resources. Transformation to servicizing is especially challenging for the agriculture as an area that had been growing under the industrial paradigm because farmers have to overcome an inherent disbelief in the financial opportunities of services.

3. Methods

Research data was obtained through structured interviews with Lithuanian agricultural cooperatives. The preliminary list of cooperatives along with their contacts was submitted by the Chamber of Agriculture of the Republic of Lithuania, responsible for collecting information on agricultural cooperatives operating in the state. The original list was made up of 252 cooperatives. All cooperatives for which limited data was available (contacts were not specified or incorrect) and those with apparent inconsistencies in the data (appeared to operate no longer) were eliminated from the sample. The list was also reduced due to the multiple duplications of contacts. Therefore, the final sample consisted of 177 agricultural cooperatives.

Structured interviews were conducted from October to December 2016. Fully completed questionnaires were received from 60 cooperatives. Passive involvement of cooperatives into research does not imply the unrepresentativeness of data obtained. According to the methodology of social research, minimum number of cases investigated should not be less than 30 in order to acquire statistically reliable results (Kardelis, 2002).

Interview questions were set out based on the information derived from the literature. Questions were dedicated to investigate the socio-economic characteristics of cooperatives; the amount and diversity of services provisioned by the cooperatives to its members; the type of servitization (outward or inward); the organizational forms of service provision; the scope of introduction of new services, their types and perceived benefits. The data collected was statistically analysed using Excel programme.

4. Results

The analysis of socio-economic characteristics of the respondent cooperatives showed that majority of them was established more than 10 years ago (Fig. 1). The recently established cooperatives constitute only around 12 percent of all respondents which indicates once again a rather complicated process of cooperative system development in Lithuania in general, and a rather small sample of the cooperatives with short duration of activity for further comparisons and generalisations.

Socio-economic characteristics also revealed that the vast majority of respondent cooperatives were small in terms of the membership (Fig. 1). Similar tendencies were observed in relation to the newly (over the last two years) accepted members: only 18 per cent of cooperatives accepted more than 10 new members, whereas 42 percent accepted less than 10 members and 40 percent have not accepted any members at all. Great part of those respondent cooperatives, which accepted more than 10 new members, was formed of newly established cooperatives.

As for the legal status of cooperatives, more than 60 percent of them declared to be legally recognized (Fig. 1), which suggests that cooperatives are purposed to implement development strategy (for example, new service provision) relying on the public aid and investments. This is explained by the fact that only those cooperatives, which conform to the requirements established by the Law of the Republic of Lithua-

eISSN 2345-0355. 2017. Vol. 39. No. 4: 510–523.
Article DOI: https://doi.org/10.15544/mts.2017.35

nia on Cooperatives and pass the recognition procedure, can apply for the support from the national or EU budget.

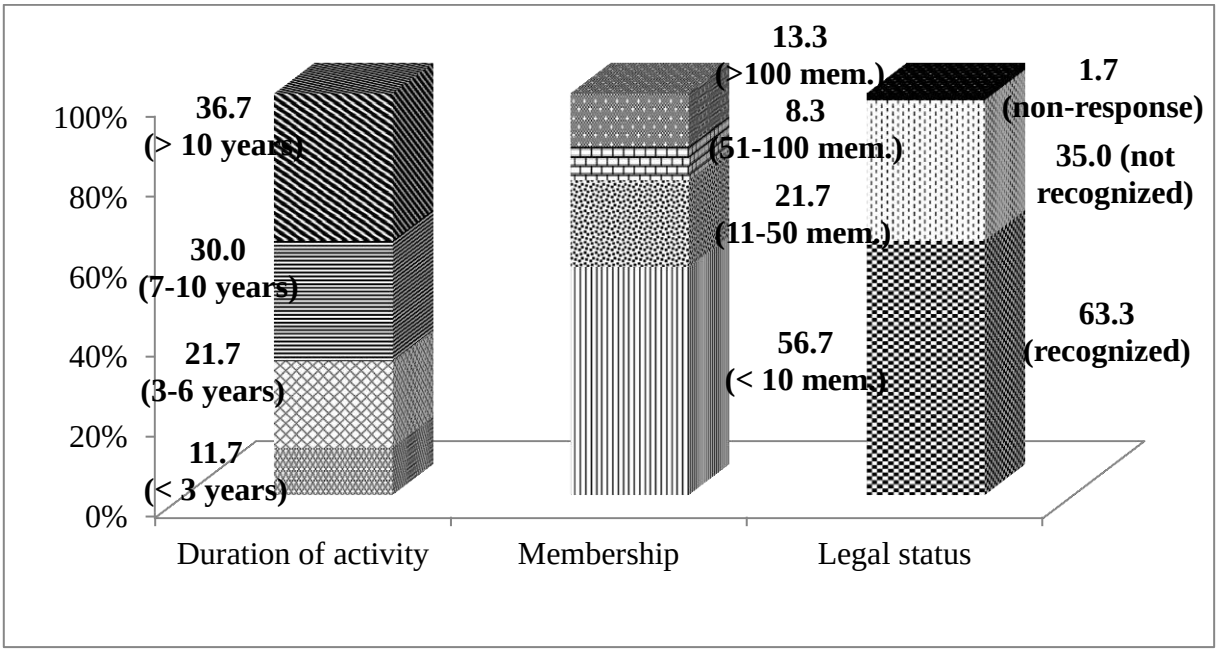


Fig. 1. Distribution of the cooperatives by socio-economic characteristics (N=60)

The analysis of distribution of cooperatives by the coverage of municipalities revealed a rather high territorial dispersion. 53.3 percent of respondent cooperatives reported to have members in more than one municipality, whereas 40.3 percent of respondents have members in only one municipality (non-response constituted almost 7 percent of sample). Among those territorially dispersed, 35 percent have members in different but bordering municipalities. It can be stated that Lithuanian cooperatives are rather suitably territorially organized in order to effectively provide services for the members, in particular, services related to the use of material means and technical facilities.

Table 1 shows the scope of service provision among respondent cooperatives. The most part of them have been usually providing members with such services as joint sale of members' production to processors, joint storage of this production, consulting members on the organization of activities, joint purchase of raw materials for members, and informing on changes related to farming business. In the near future cooperatives were most usually planning to provide assistance on the introduction of innovations on farm, services that are of a permanent necessary for members; farming activities, joint purchase of machinery and facilities as well as joint processing and sale of members' production. Therefore, cooperatives can be said to provide more traditional services than modern, but, on the other hand, planning to further servitize in a slightly more modern and adding-value direction.

Comparing the scope in three main service groups, no apparent difference or tendencies can be observed. The shares of cooperatives providing marketing and pur-

chasing related services and direct services are almost equal, with the first group constituting around 32 percent, the second – around 29, and the third – around 25 percent of all respondent cooperatives. In the nearest future, the highest share of cooperatives (8.3 percent) are planning to provide marketing related services, a slightly smaller share (6.5 percent) – direct services, and the lowest share (4.8 percent) – purchasing related services.

Table 1. Scope of services provision by cooperatives to its members (N=60) (%)

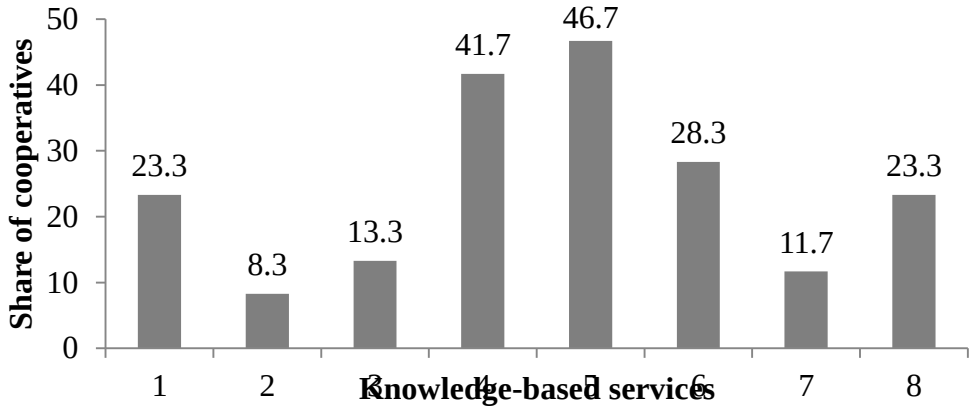
Services	Share of cooperatives			
	providing the service	planning to provide it	not providing it	non-response
Marketing related:				
joint sale of members‘ production to processors	63.3	3.3	25.0	8.3
joint processing and sale of members‘ production	25.0	11.7	50.0	13.3
joint sale of members‘ production in retail	13.3	6.7	61.7	18.3
creation of direct sale channels (places) for members’ production	23.3	0	56.7	20.0
finding subscribers for members’ production box	8.3	5.0	65.0	21.7
assistance and advice on the start of production of a new product, providing necessary knowledge and/or supplying necessary means and purchasing production	13.3	5.0	61.7	20.0
collection of members’ production for sale from a farm or other agreed place	55.0	1.7	26.7	16.7
Service provision:				
joint storage of members’ production	46.7	3.3	38.3	11.7
organization of joint work on carrying out an agricultural production operation on a member’s farm	11.7	5.0	61.7	21.7
provision of information on changes in farming regulation, taxation, aid receiving, and other business news	41.7	5.0	35.0	18.3
consulting members on the organization of activities	46.7	3.3	33.3	16.7
organization of training	28.3	5.0	48.3	18.3
legal assistance and advice	11.7	8.3	56.7	23.3
assistance on the introduction of innovations on a farm	23.3	13.3	41.7	21.7
assistance on the lease of temporarily unnecessary members’ physical assets (parcels, agricultural machinery or buildings)	15.0	3.3	61.7	20.0
organization of parcel exchange between members related to crop rotation	10.0	5.0	61.7	23.3
provision of services, permanently necessary during members’ farming activities	20.0	13.3	46.7	20.0
provision of services necessary for the processing of members’ production on a farm	16.6	6.7	55.0	21.7
Purchasing related:				
joint purchase of necessary raw materials for members	43.3	8.3	33.3	15.0
joint purchase of necessary machinery and facilities for members	20.0	11.7	50.0	18.3
delivery of necessary production resources directly to members’ farms	31.7	5.0	41.7	21.7

Statistical association between servitization and the size of cooperative (measured in terms of membership) as well as its activity duration was also examined. The results showed that servitization is more likely among cooperatives average in size (joining from 11 to 50 members) than small or large ones and among recently established (over the last three years) than the older ones. The first association can be ex-

plained in relation to the complex decision making process in cooperatives: the smaller cooperative is, less votes it needs to make a decision to provide more services. According to this explanation, cooperatives with less than 10 members, or the smallest ones, should have demonstrated the highest rate of service provision. Actually, cooperatives in this group either do not provide any services at all or provide a wide spectrum of services which distorts the overall results. The second association most probably appears due to the fact that newly established cooperatives develop and apply modern strategies where value adding activities are at the central position. Besides, new cooperatives usually lack specialization, and provision of diverse services is a way to find profitable area of activity. There is no guarantee that these cooperatives will maintain their orientation toward servitization in the future.

A high percentage of non-responsive cooperatives also revealed some tendency about servitization in agricultural cooperatives. One of the likely reasons for such high non-responsiveness is the lack of information on cooperative's activities, which indicates certain issues on the managerial level of organization. Another, and more likely, reason is the lack of perception about the content of presented services. This cognitive shortage, especially visible in the case of modern and innovative services, demonstrates that Lithuanian agricultural cooperatives are stick to the provision of traditional services.

Services, for which provision is highly based on using and generating knowledge, were depicted and compared to each other and to other services. Among knowledge-based services, consulting on the organization of activities and informing about business related changes were provided most frequently. Finding subscribers for members' production box, legal assistance and advice together with assistance on the start of a new product production were provided least frequently (Fig. 2). Knowledge-based services were not among the top usually provided services (compared to all indicated services) but, on the other hand, they were not among the usually not provided services.



Note: 1. Assistance on the introduction of innovations on a farm; 2. Legal assistance and advice; 3. Organization of training; 4. Consulting on the organization of activities; 5. Provision of information on changes in farming regulation, taxation, aid receiving and other; 6. Assistance and advice on the start of production of a new product; 7. Finding subscribers for members' production box; 8. Creation of direct sale channels for members' production.

Fig. 2. Scope of knowledge-based service provision by cooperatives to its members

The vast majority of respondent cooperatives (73.3 percent) provided services not only to its members but also to other farmers. Among these cooperatives, 40 percent declared to be providing services on equal terms for members and non-members. It means that servitization process in Lithuania is more directed outward than inward, and that it is more about cooperative's activity diversification than meeting the needs of members or adding value to their production.

Cooperatives chose traditional organizational forms to provide services to its members (Table 2). These forms are based on joint or bulk purchase to ensure better service prices for members. Cooperatives lack flexibility and a more individual response to the needs of members. They are also missing an orientation towards organizational forms effectively providing access to knowledge-based services (for example, consulting services).

Over the last two years only 18.3 percent of respondent cooperatives have started to provide new services for its members. For the most part, cooperatives have started to consult members on relevant issues (27.3 percent). Book-keeping, legal advice, insurance, processing, services related to joint purchasing, transporting and selling were also mentioned among newly provided services. In five cases out of 11 new services were knowledge-based, constituting 45.5 percent of responses. This leads to conclude that although development of servitization has been slow, its direction is more modern than it is traditional. Although such a tendency could expected to be related to a high inclusion of newly established cooperatives, but that were the cooperatives operating from 3 to 10 years (particularly from 7 to 10 years) who reported to develop new services most frequently.

Table 2. Organizational forms of service provision (N=60) (%)

Organizational form	Share of cooperatives
Cooperative buys machinery and/or facilities necessary for service provision, and hire people who serve members at a fixed price	41.7
Providers of consulting services, constantly needed for members, are employed in cooperative and serve them for free	15.0
Providers of consulting services, constantly needed for members, are employed in cooperative and serve them for a fixed price	5.0
Cooperative contracts with service providers who serve cooperative members according to their needs at a better price and on more favourable conditions than members could obtain individually	20.0
Cooperative buys goods and services periodically needed for all members and sells them to members at a wholesale or a slightly higher price	38.3
Members are encouraged to provide services to each other, mutual provision systems are being organized	15.0
Other organizational forms	16.7

Analysis also revealed that respondent cooperatives were mostly focused on such benefits of new services provision as improvement of the members' production quality and making members available to sell their production more expensive (Table 3). They were least focused on the increase of cooperative's profits, the reduction of risks of members' farming activity, and on the help for members to embed more envi-

eISSN 2345-0355. 2017. Vol. 39. No. 4: 510–523.
Article DOI: https://doi.org/10.15544/mts.2017.35

ronment-friendly technologies (Table 3). Two most valued benefits are "two sides of the same coin" – they are both related to gaining more profit for cooperative's members (but not for a cooperative) which is a traditional and inherent feature of cooperative business. As for the least valued benefits, it can be stated that cooperatives still do not appreciate the potential that servitization has in solving new challenges emerging in the agricultural business.

Table 3. Benefits of providing new services (N= 11)

Benefits	Share of cooperatives, %
To attract new members	36.4
To increase the turnover of cooperative's production sales	27.3
To increase the assortment of cooperative's jointly purchased production resources	27.3
To provide services at lower than the market price	27.3
To increase cooperative's profits	9.1
To enhance flexibility to regulate the amount and assortment of production submitted for sale	27.3
To improve socio-economic situation of the region	27.3
To teach members to follow products quality requirements	45.5
To make members available to sell their production more expensive	63.6
To make members available to buy production resources cheaper	45.5
To reduce the investment needs using cooperative's machinery and facilities in members' farms	36.4
To reduce members' working time on their farms	27.3
To reduce members' working time selling their production	45.5
To reduce members' expenses for any operation process	45.5
To increase the volume of production produced at members' farms	27.3
To improve the quality of members' production	72.7
To make members available to start producing a more profitable product on their farms	36.4
To reduce the risk of members' farming activity by diversifying it	27.3
To reduce the risk of members' farming activity related to climate change, pests and diseases	18.2
To encourage mutual cooperation among members	27.3
To help members embed more productive production technologies	36.4
To help members embed more environmental-friendly technologies	18.2
To help members improve organization of production process on their farms	36.4
To defend the interests of members legally	45.5

To sum up, according to analysis results presented above, Lithuanian agricultural cooperatives can be attributed somewhere between 'service doubters' and 'service pragmatists', i.e. some cooperatives share low interest and motivation to servitize and some of them are interested and motivated to provide services at an average. In this respect, Lithuanian cooperatives are lagging behind their Western counterparts, but positive tendencies related to servitization process should not be understated.

5. Conclusions

1. Agricultural cooperatives in Lithuania prefer to provide traditional services, which in their essence are product-oriented functions of the cooperative, rather than modern or innovative ones. The later services are provided with medium frequency. On the other hand, cooperatives which are planning to extend the assortment of provided services in the near future, intend to slightly reorient servitization toward a more innovative and adding-value direction.

2. Despite the servitization-favorable territorial arrangement, Lithuanian agricultural cooperatives are not attributable to service enthusiasts. The shift towards servitization is too slow given the low share of cooperatives that have started to provide new services over the last two years and extremely passive plans to develop services in the near future. Cooperatives are not particularly interested in changing status quo of their activities and adapting to the emerging economic environment. They still do not appreciate the potential that servitization has in solving recent challenges emerging in the agricultural business.

3. Cooperatives are low motivated to start providing services by the two out of three most common motivations to servitize – satisfying the needs of customers, i.e. members, and the improvement of cooperative's performance. In the first case, they usually provide services to non-members and often on the same terms as to the members of cooperative. Second, they do not value the provision of new services as a way to increase cooperative's profits. Most of all cooperatives are motivated by the support of the product, i.e. by the traditional orientation of agricultural cooperatives.

4. Present research indicates the state of art of servitization in Lithuanian agricultural cooperatives. Further efforts should be addressed towards identifying the causes and barriers for more successful development of servicizing process among cooperatives. There would be great value in studying cooperatives – service doubters – and indicating motives behind their approach. Recommendations for the responsible public authorities on the improvement of promoting measures for this process should be the pivotal goal of future research.

References

Almeida, L. F., Miguel, P. A. C., da Silva, M. T. (2008). A Literature Review of Servitization: A Preliminary Analysis. In: *POMS 19th Annual Conference*. La Jolla, California, United States of America, 9–12 May 2008. – https://www.pomsmeetings.org/ConfPapers/008/008-0506.pdf [25 09 2017].

Baines, T., Lightfoot, H. W, Benedettini, O., Kay, J. M. (2009). The Servitization of Manufacturing: A Review of Literature and Reflections on Future Challenges // *Journal of Manufacturing Technology Management*. Vol. 20. No. 5: 547–567. – https://doi.org/10.1108/17410380910960984.

Baluch, N., Ariffin, A. A., Abas, Z., Mohtar, S. (2017). Servitization in Malaysian Poultry Contract Farming: A Critical Overview // *International Journal of Supply Chain Management*. Vol. 6. No. 1: 259–265.

Bijman, J. (2015). Recent Developments in Agricultural Cooperatives in Europe // *18th Annual Farmer Cooperatives Conference*. Minneapolis, Minnesota, United States of America. 5–6 11 2015. – http://uwcc.wisc.edu/outreach/FCC/Current/presentations/Bijman_Jos.pdf [19 09 2017].

Devisscher, T., Mont, O. (2008). An Analysis of a Product Service System in Bolivia: Coffee in Yunas // *International Journal of Innovation and Sustainable Development.* Vol. 3. Issue 3–4: 262–284. – https://doi.org/10.1504/IJISD.2008.022229.

Hogeland, J. A. (2003). How Culture Drives Economic Behaviour in Cooperatives // *Journal of Rural Cooperation*. Vol. 32. No. 1: 19–36.

Hohler, J., Kuhl, R. (2014). Position and Performance of Farmer Cooperatives in the Food Supply Chain of the EU-27 // *Annals of Public and Cooperative Economics*. Vol. 85: 579–595.

Manzini, E., Vezzoli, C. (2002). Product-Service Systems and Sustainability // *United Nations Environment Programme (UNEP) booklet.*

Nillson, J. (1998). The Emergence of New Organizational Models for Agricultural Cooperatives // *Swedish Journal of Agricultural Sciences*. Vol. 28: 39–47.

Ortmann, G. F., King, R. P. (2007). Agricultural Cooperatives I: History, Theory and Problems // *Agrekon*. Vol. 46. No. 1: 18–42. – https://doi.org/10.1080/03031853.2007.9523760.

Pereira, A., Carballo-Penela, A., Gonzalez-Lopez, M., Vence, X. (2016). A Case Study of Servicizing in the Farming-Livestock Sector: Organizational Change and Potential Environmental Improvement // *Journal of Cleaner Production*. No. 124: 84–93. – https://doi.org/10.1016/j.jclepro.2016.02.127.

Raddats, Ch., Baines, T., Burton, J., Story, V. M., Zolkiewski, J. (2014). Motivations for Servitization: the Impact of Product Complexity // *International Journal of Operationsand Production Management*. Vol. 36. No. 5: 572–591. – https://doi.org/10.1108/IJOPM-09-2014-0447.

Ramanauskas, J. (2013). Šiuolaikiniai kooperatinės veiklos ypatumai // *Management of Organizations: Systematic Research*. No. 65: 95–108.

Ramanauskas, J., Stašys, R., Conto, F. (2017). The Main Obstacles and Possibilities of the Cooperative Movement in Lithuania // *Management of Organizations: Systematic Research*. No. 77: 101–116.

USDA (2002). Agricultural Cooperatives in the 21st Century. Cooperative Information Report 60. – Washington: USDA. 41 p.

Vandermerwe, S., Rada, J. (1988). Servitization of Business: Adding Value by Adding Services // *European Management Journal*. Vol. 6. No. 4: 214–324. – https://doi.org/10.1016/0263-2373(88)90033-3.

Vendrell-Herrero, F., Wilson, J. R. (2017). Servitization for Territorial Competetiveness: Taxonomy and Research Agenda // *Competetiveness Review: An International Business Journal*. Vol. 27. Issue 1: 2–11. – https://doi.org/10.1108/CR-02-2016-0005.

Zeuli, K. A., Cropp, R. (2004). Cooperatives: Principles and Practices in the 21st Century. – Madison: University of Wisconsin Center for Cooperatives. 90 p.

Žukovskis, J., Ramanauskas, J. (2016). Žemdirbių gamintojų organizacijų formavimas // *Regional Formation and Development Studies.* No. 2 (19): 165–176. – https://doi.org/10.15181/rfds.v19i2.1292.

LIETUVOS ŽEMĖS ŪKIO KOOPERATYVŲ SERVITIZACIJA

Diana Šumylė, Erika Ribašauskienė
Lietuvos agrarinės ekonomikos institutas

Pateikta 2017 11 07, priimta 2017 12 11

Santrauka

Siekdami išlikti ir būti konkurencingi besikeičiant pasaulinėms ekonominėms sąlygoms, žemės ūkio kooperatyvai kuria sudėtingesnę, didesnę pridėtinę vertę turinčią produkciją bei plečia teikiamų paslaugų asortimentą. Lietuvos kooperatyvai susiduria su tais pačiais iššūkiais, tačiau dėl trumpos veiklos patirties ir mažo narių skaičiaus yra riboto lankstumo ir sunkiau prisitaiko prie pokyčių. Todėl straipsnyje formuluojama mokslinė problema: ar Lietuvos žemės ūkio kooperatyvai pereina prie veiklos servitizacijos? Tyrimo tikslas – ištirti kooperatyvų servitizacijos situaciją ir pasiūlyti tolimesnių tyrimų, susijusių su šia žemės ūkiui nauja tema, kryptis. Tyrimas remiasi struktūruotais interviu, atliktais su Lietuvos žemės ūkio kooperatyvais. Statistinės duomenų analizės metu gauti rezultatai rodo labai lėtą kooperatyvų servitizaciją, ypač kalbant apie žiniomis grįstų ir pridėtinę vertę kuriančių paslaugų teikimą. Ateityje siūloma nustatyti bendrąsias ir asmenines lėtos kooperatyvų servitizacijos priežastis.

Raktiniai žodžiai: paslaugos, servitizacija, produkto-paslaugos sistema, kooperatyvas
JEL kodai: Q13, L80, O14, O31.