

Impact Of Trust On B2B Relationship In Coconut Industry

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Abstract:

This study looks at how trust shapes and improves business-to-business (B2B) relationships in the coconut sector. In a market that is becoming more international and competitive, trust has become a strategic asset that encourages cooperation, operational stability, and sustained investment between suppliers and customers.

Purpose:

To assess the effects of several aspects of trust on the robustness and sustainability of business-to-business (B2B) interactions in the coconut sector, including strategic gains, operational stability, global competitiveness, and collaborative value.

Methodology:

A standardized questionnaire with a 5-point Likert scale was given to 304 professionals in the sector from different areas. Multiple linear regression, ANOVA, and chi-square tests were used to evaluate the data in order to ascertain the impact of elements connected to trust. The significance levels, R², and F-statistics were among the model diagnostics. The analysis was done with SPSS.

Major Findings:

The two most important determinants of trust-driven investment attraction in business-to-business (B2B) interactions were collaborative value and global edge. There were clear regional differences, with South Asian respondents demonstrating a higher level of strategic participation. Operational stability and investment appeal are favorably connected with trust-based cooperation.

Keywords: Trust, business-to-business connections, the coconut sector, strategic alliances, capital, cooperation, and worldwide competitiveness.

Introduction

It looks at how trust changes as time passes in business-to-business connections and how it affects company success. Although trust improves productivity at first, particularly in beginning situations, its impact diminishes as the relationship develops. The results provide important insights for managing long-term B2B partnerships by highlighting the fact that trust's effect is not continuous and diminishes with time. **Ha, Hong-Youl. (2020)**

The coconut supply chain in Indragiri Hilir, Indonesia, is the subject of this study, which reveals poor financial viability, particularly in marketing. More stringent laws and stakeholder cooperation are required to increase general resilience and long-term viability even while social and ecological variables are mild. **Wahyudi, A., Ardana, I. K, et.al (2025)**

For PT XYZ, this research created a procurement plan to guarantee a supply of organic coconut sugar between 2023 and 2025. The item was classified as dangerous & significant impact using the Kraljic Matrix, which puts it in the strategic quadrant. **Murwaningrum, E. S., & Yunus, E. N. (2024).**

The coconut industry has become increasingly pivotal to global agribusiness due to its nutritional, environmental, and economic relevance. In the context of expanding international demand and supply chain vulnerabilities, trust has emerged as a critical factor in sustaining long-term business-to-business (B2B) relationships. The absence of trust in B2B relationships within the coconut industry disrupts supply chain coordination and weakens long-term collaboration. If unresolved, it may lead to relational breakdowns, market inefficiencies, and diminished global competitiveness. Social Exchange Theory: This explains this context by suggesting that trust in B2B relationships is built through reciprocal, value-driven interactions where both parties seek mutual benefit over time. This study is essential to understand how trust mechanisms impact operational efficiency and relationship strength in B2B coconut trade. Enhancing trust can improve supplier loyalty, reduce risk, and enable smoother strategic alliances across global markets. The research is grounded in Social Exchange Theory and Commitment-Trust Theory, both of which explain how relational factors like trust, satisfaction, and dependency influence long-term B2B cooperation and performance in supply chains.

Research questions

1. How does trust affect supplier–buyer relationships in the coconut industry’s B2B framework?
2. What are the key dimensions (e.g., satisfaction, commitment, dependency) that influence trust in these relationships?
3. How can trust-based models improve supply chain performance and global competitiveness?

Review of literature:

Ajmal Abdulsamad (2016) A regional strategy promoting public–private partnerships have enhanced the integration of small Caribbean economies into the global coconut industry. This initiative spans nine nations, including Jamaica, Guyana, and Saint Lucia. The study highlights regional collaboration as a key driver of sustainable coconut sector development (ITC & CARDI, 2020).

Bhagya, B & Wijesuriya, M & Sandun Weerasekera (2022) This study investigates the key factors contributing to coconut supply shortages affecting ABC (Pvt) Ltd’s ability to meet global demand. Thematic analysis revealed critical supply constraints and proposed practical solutions.

Manaek Simamora & Syahrul Aiman & Bambang Subiyanto (2015) Supply Chain Management (SCM) is widely recognized as a strategic tool for enhancing organizational competitiveness. This study reviews evolving SCM practices and examines their application in PT Tropica Nurifera Industry (TNI), an Indonesian SME producing coconut-based products.

Zainol, F. A., Arumugam, N., et al. (2023) Malaysia’s coconut industry has long faced economic disruptions, but recent EU restrictions on palm oil have created new growth potential. This study systematically reviews challenges in coconut usage and supply chain efficiency. It concludes that the industry holds promise for sustainable expansion amid global environmental shifts.

Dar, B. N., Pérez-Akaki, P., et al. (2023) Coconuts have emerged as a vital raw material in agribusiness due to rising global demand and nutritional awareness. Key technologies were grouped into seven themes, with priorities including circular economy and bio economy. The findings highlight coconut’s potential for technological advancement and sustainable development.

Salam, R., Primary, M. A., & Rahmat. (2025) This study explores relationship marketing between coconut sugar traders, suppliers, and consumers in Tonjongsari Village, West Java. Traders reported stronger relationships with consumers than with suppliers. The findings suggest key areas for improving relationship marketing strategies in the supply chain.

Objectives:

1. To examine how trust influences key dimensions of B2B relationships in the coconut industry’s supply chain.
2. To identify the role of supplier and buyer trust in enhancing relationship marketing and operational coordination.
3. To evaluate the effectiveness of trust-driven partnership models in strengthening competitive advantage in coconut-based enterprises.

Analysis and Interpretation:

H1a: Trust-based factors such as strategic partnerships, operational stability, global competitiveness, and value co-creation significantly influence investment in B2B relationships.

Table 1: Model Summary – Impact of Independent Variables on User Satisfaction

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.530 ^a	.281	.271	1.02115

a. Predictors: (Constant), Collaborative value via trust, Trust boosts operational stability, Strategic gains through trust, Trust expands global edge

Table 2: ANOVA – Significance of the Regression Model

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	120.824	4	30.206	28.968	.000 ^b
	Residual	309.696	297	1.043		
	Total	430.520	301			

a. Dependent Variable: Trust attracts greater investment

b. Predictors: (Constant), Collaborative value via trust, Trust boosts operational stability, Strategic gains through trust, Trust expands global edge

Table 3: Coefficients – Influence of Trust Dimensions on Investment Attraction

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.923	.241		3.826	.000
	Strategic gains through trust	.163	.060	.157	2.696	.007
	Trust boosts operational stability	.115	.060	.113	1.902	.058
	Trust expands global edge	.196	.064	.178	3.046	.003
	Collaborative value via trust	.270	.062	.256	4.389	.000

a. Dependent Variable: Trust attracts greater investment

Analysis and Validation (Based on ANOVA and Coefficients Output)

The multiple linear regression model assesses how four trust-driven variables—Strategic gains through trust, Operational stability, Global competitiveness, and Collaborative value creation impact the dependent variable "Trust attracts greater investment." The ANOVA table shows a statistically significant model fit ($F = 28.968$, $p < 0.001$), indicating that the independent variables collectively predict 'investment levels' (which is influenced by the trust).

The R Square value of 0.281 implies that approximately 28.1% of the variance in investment decisions is explained by the trust-related predictors. Among them, "Collaborative value via trust" ($\beta = 0.256$, $p = 0.000$) is the strongest contributor, followed by "Trust expands global edge" ($\beta = 0.178$, $p = 0.003$) and "Strategic gains through trust" ($\beta = 0.157$, $p = 0.007$). Although "Trust boosts operational stability" shows a positive effect ($\beta = 0.113$), it is marginally significant ($p = 0.058$).

Thus, the hypothesis is validated: trust dimensions significantly influence investment in B2B partnerships within the coconut supply chain. Firms that co-create value, enhance strategic

alignment, and expand competitiveness through trust are more likely to attract and commit higher investments.

Hypothesis (H₂):

There is a significant association between the frequency of strategic partnerships and the region in which a coconut-based enterprise operates.

Table 4: Case Processing Summary – Strategic Partnerships by Region
Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
How frequently does your organization engage in strategic partnerships with suppliers or buyers? * Which region does your company primarily operate in?	304	100.0%	0	0.0%	304	100.0%

Table 5: Crosstabulation – Frequency of Strategic Partnerships by Region of Operation

How frequently does your organization engage in strategic partnerships with suppliers or buyers? * Which region does your company primarily operate in? Crosstabulation						
Count						
		Which region does your company primarily operate in?				Total
		Caribbean	Other	South Asia	Southeast Asia	
How frequently does your organization engage in strategic partnerships with suppliers or buyers?	Always	4	11	16	7	38
	Frequently	10	13	57	16	96
	Occasionally	19	8	59	15	101
	Rarely	19	7	28	15	69
Total		52	39	160	53	304

Table 6: Chi-Square Test – Association Between Region and Frequency of Strategic Partnerships

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.400 ^a	9	.005
Likelihood Ratio	21.694	9	.010
N of Valid Cases	304		

a. 1 cells (6.3%) have expected count less than 5. The minimum expected count is 4.88.

Analysis and Validation

A Chi-Square Test of Independence was conducted to examine the relationship between "Frequency of strategic partnerships" and "Primary region of operation" within the coconut industry. The Pearson Chi-Square value is 23.400 with 9 degrees of freedom, and the p-value is 0.005, which is statistically significant at the 0.05 level.

This result suggests that there is a significant association between the region and how frequently companies engage in strategic partnerships. For example, South Asian firms show a higher frequency of "frequent" and "occasional" partnerships compared to Caribbean or Southeast Asian counterparts, indicating regional variation in collaborative practices.

Therefore, the hypothesis is supported: the data confirms that regional factors influence the strategic partnership behavior of coconut-based enterprises. This insight can guide localized policy or trust-building initiatives tailored to specific regional dynamics.

Descriptive analysis

The study gathered comprehensive responses from individuals engaged in various roles within the coconut industry, especially those involved in procurement, ownership, and B2B operations. Participants represented a diverse mix of age groups, company sizes, and regional focuses, allowing for a well-rounded understanding of how trust influences business dynamics. providing a holistic view of how trust plays a role in operational and strategic decision-making.

- **Demographics and Roles:** A significant proportion of respondents were male professionals in the age range of 25–35 years, representing the core operational demographic of the industry. Younger participants under 25 years added fresh perspectives, especially in newer roles such as digital sourcing and procurement. **Organizational Background:** Participants came from a variety of enterprise types from coconut processors and trading companies to others involved indirectly in the supply chain. A majority were from small-sized enterprises with 50 employees, while some belonged to large corporations with over 250 employees, offering comparative viewpoints between SME and corporate dynamics.
- **B2B Relationship Exposure:** Many respondents reported between 1–3 years of involvement in B2B relationships within the coconut industry. This shows that while the industry is still maturing in formal partnership structures, there is growing engagement with collaborative models.

- **Regional Focus:** The majority of the responses originated from Southeast Asia, where the coconut industry has strong roots. Some responses were from other global regions, hinting at the international scope of the coconut supply chain and the growing need for cross-border trust.
- **Strategic Partnerships & Trust Engagement:** While a few organizations always engaged in strategic partnerships, others did so only occasionally and rarely. This variation indicates that while the value of trust is recognized, consistent application of trust-based models is still limited.
- **Perceptions on Trust:** Respondents overwhelmingly agreed that trust improves relationship satisfaction, resilience, and strategic alignment. Many acknowledged that lack of trust had directly resulted in missed business opportunities. They also felt that dependency without trust is risky, and that trustworthy communication is essential for B2B success.
- **Trust and Collaboration Tools:** A majority of participants mentioned engaging in collaborative forecasting with trusted partners. These interactions helped in aligning expectations, reducing errors, and improving delivery efficiency. Organizations also reported that trust boosted global competitiveness and willingness to invest in long-term partnerships.

Findings

- Trust is a core driver of strong B2B relationships in the coconut industry, fostering mutual understanding and cooperation. Companies with trust-based partnerships experience smoother operations and more sustainable collaboration.
- Firms with high trust levels reported greater satisfaction, shared goals, and consistent commitment in supply chain dealings. These firms are more likely to maintain long-term partnerships and adapt to changes effectively.
- Lack of trust often resulted in missed deals, order delays, and strained supplier–buyer relations. This disrupts the supply chain and weakens the business's ability to compete in broader markets.
- Organizations that practiced open communication and joint forecasting saw better alignment and reduced risk. Collaborative planning helped avoid misunderstandings and improved operational efficiency.

Suggestions

- Standardize practices like written agreements, service level expectations, and joint planning meetings.
- Equip procurement officers and managers with skills to build, evaluate, and nurture trust with partners.
- Use centralized platforms (like CRMs or supplier portals) to promote real-time, transparent communication.
- Regular check-ins can help evaluate relationship health and align expectations.
- Recognize and reward suppliers or buyers who consistently demonstrate integrity, transparency, and cooperation.

Future implications

- Trust-based B2B models will become essential as global trade in coconut products expands. Companies that foster trust will be better positioned for sustainable market growth.
- Firms with strong partner trust will recover faster from disruptions like supply shortages or logistic delays. Shared responsibility and cooperation will become key to maintaining resilience.
- As customer expectations rise, investors and buyers will prefer businesses with proven trust systems. Transparent, ethical operations will be a competitive advantage in international markets.
- Trust will enable co-creation and innovation, including joint product development and sustainability efforts. These innovations can boost brand value and long-term competitiveness.
- The industry may gradually adopt formal trust frameworks like audits, certifications, and digital trust tools. This will ensure measurable accountability and improve supplier–buyer transparency.

Conclusion

This research confirms that trust is a critical enabler of sustainable and effective B2B relationships in the coconut industry. When trust exists, businesses experience improved collaboration, commitment, and competitive positioning. However, many organizations still rely on informal structures that hinder the full realization of trust's value. To build a resilient, future-ready coconut sector, enterprises must adopt trust-based strategies through formalization, transparent communication, and continuous relationship evaluation. Doing so will not only strengthen individual partnerships but also elevate the entire industry's integrity and global standing.

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