

# Loyalty Benefits as the Relational benefits for The Logistics Services Providers

Muhamad Faiz Sazali<sup>a</sup>, S.Sarifah Radiah Shariff<sup>b\*</sup>, Ahmad Nazim Aimran<sup>c</sup>, Nadzira Aina Mohamad<sup>d</sup>

<sup>abd</sup>Malaysia Institute of Transport (MITRANS), Universiti Teknologi MARA, Shah Alam, Selangor, Malaysia

<sup>bc</sup>School of Mathematical Sciences, College of Computing, Informatics and Media, Universiti Teknologi MARA, Shah Alam, Selangor, Malaysia

[https://doi.org/10.35609/gcbssproceeding.2022.2\(56\)](https://doi.org/10.35609/gcbssproceeding.2022.2(56))

---

## ABSTRACT

---

In the last decade, the emergence of global supply chain has reshaped the role of logistics service in both scale and scope in the automotive industry. Outsourcing logistics functions have become a compelling choice of many automotive companies. In the automotive industry these days, many companies are looking at strategic advantages in logistics to reduce costs. For some, it is a near life-or-death proposition for their survival. The battle zone for these companies is in reducing inventory and supply chain costs at each transaction and for their customers in the field, on the ground and in the trenches. As the global supply chain becomes more and more complex, manufacturing companies try to ensure reliable and efficient deliveries from their suppliers as well as to their markets and customers. The success of the order fulfil goal relies very much on the services provided by Logistics Service Providers (LSPs). One of the enormous challenges facing by the LSP in automotive industry Malaysia is related to the preservation of successful relationship with car manufacturers in terms of continuation of business contract renewal. The criteria perceived by manufacturers in automotive industry might be different with perceived by other industries. For example, automotive manufacturers might focus on cost reduction to maintain their relationship with their LSP while other industries, they might consider special benefit provided by LSP as their vital point to preserve the successful relationship. Therefore, it is of utmost important, to evaluate which the most perceived criteria by manufacturers in the automobile business. In fact, there is still a void in respect of how does the manufacturer or part suppliers for automotive industries in Malaysia and LSPs work together in order to achieve mutual benefit.

**Keywords:** Loyalty Benefits, Logistics Service Provider, Linear Regression