

Correlation between Consumers' Perceived Evaluations of the Supply Chain Partners

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In this paper, we explore the dynamic relationship between consumers' perceptions of the supply chain partners, e.g., a manufacturing company and its supplier. As the primary research question, we ask whether the consumers' perceived evaluation of the supplier affects their perceived evaluation of the manufacturer. We also consider the supplier's positioning, e.g., strong versus weak or top versus underdog, as a moderator affecting the relationship. In order to answer the research question, we designed and conducted a vignette based experiment. The experimentation outcomes are as follows. Although the consumers' positive evaluation of the supplier does not affect their positive evaluation of the manufacturer, their negative evaluation of the supplier affects their negative evaluation of the manufacturer significantly: the more negative the consumers' evaluation of the supplier, the more negative their evaluation of the manufacturer. We explain this by negativity bias, which states negative events tend to be more noticeable and stronger than positive events. In addition, the supplier's weak market positioning, i.e., its underdog positioning, moderately affects the correlation between consumers' negative evaluations of the supply chain partners. That is, such correlation becomes stronger when the consumers perceive the supplier as a weak or underdog player in the market. We discuss managerial implications of the research result in detail.