

Can consumers drive sustainability in global supply chains? Empirical evidence and policy recommendations

**An example of graduate international business education
at
TH Köln**

AIB SE Conference 2020
Beyond 2020: Developing IB Research & Education for a New Decade

Introduction

Content

- Applied research in teaching IB
- Project Research Question
- Hypothesis: the model
- Empirical research – Supply side
- Empirical research – Demand side
- Comparison of results
- Future Research

Applied research in teaching IB

- Concept: combination of several levels of Bloom's hierarchy
- Increase knowledge of basic methods used in cross cultural studies and in international risk management
- Develop research skills in both fields
- Create competence for business specific decision making
- = Learning on the job

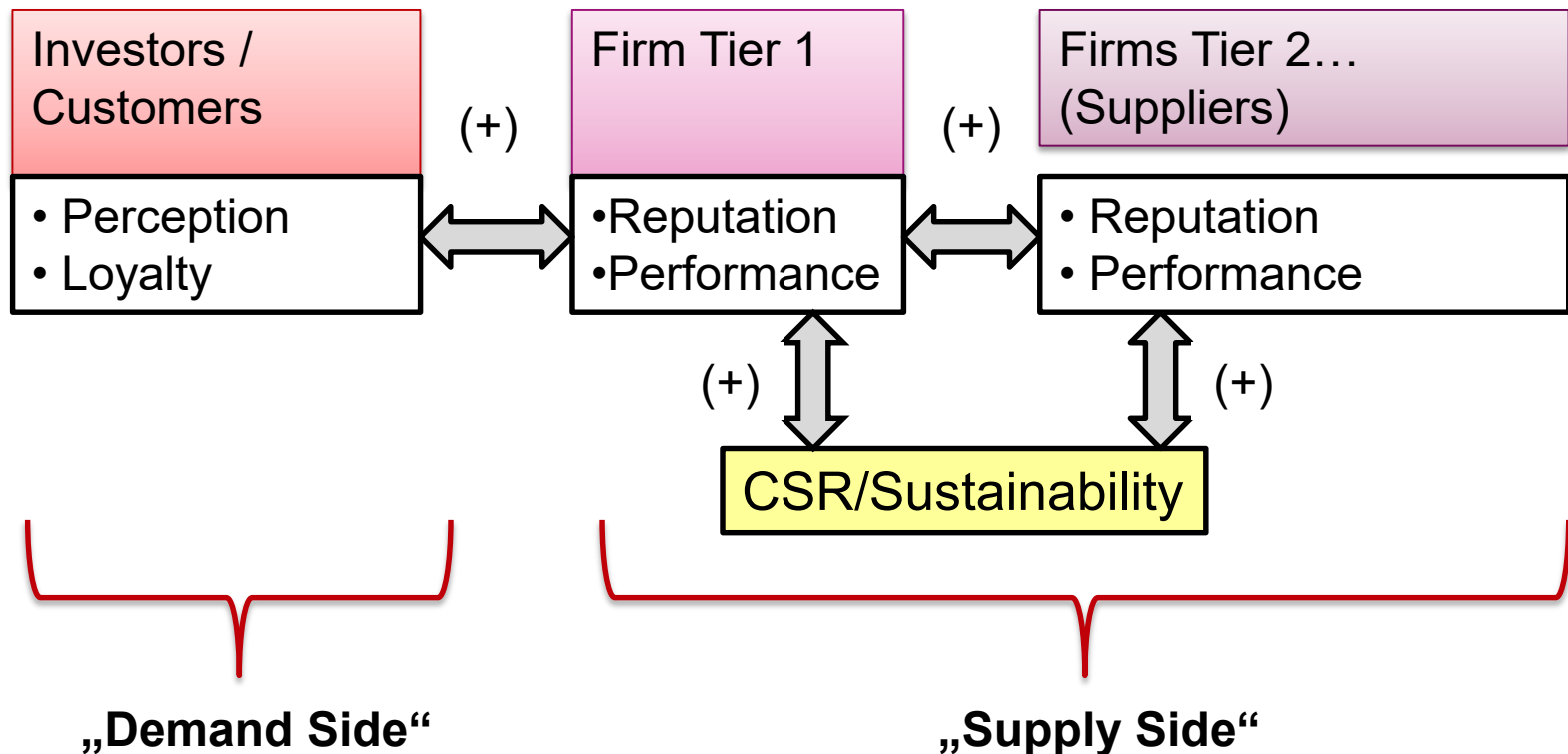
Research questions

- How can sustainability profiles of international supply chains be aligned with sustainability preferences of consumers?
- Is there scope for optimization of this alignment in actual supply chains?

External input to students

Hypothesis derived from literature review: model

Model: consumer driven sustainability in supply chains



Country specific student teams:

Empirical Research 1 – Supply Side view:

Supply Chain Sustainability (Food, Garments)

Originating Markets:
Caribbean producers

- Jamaica
- Cuba
- Dominican Republic
- Haiti



Target Markets
(Food, Garments)

- USA
- China
- India

Databases:

Trade Map (<https://www.intracen.org/itc/market-info-tools/market-analysis-tools/>)

Sustainable Society Index (<https://ssi.wi.th-koeln.de/index.html>)

Empirical research 2 – Demand side view:

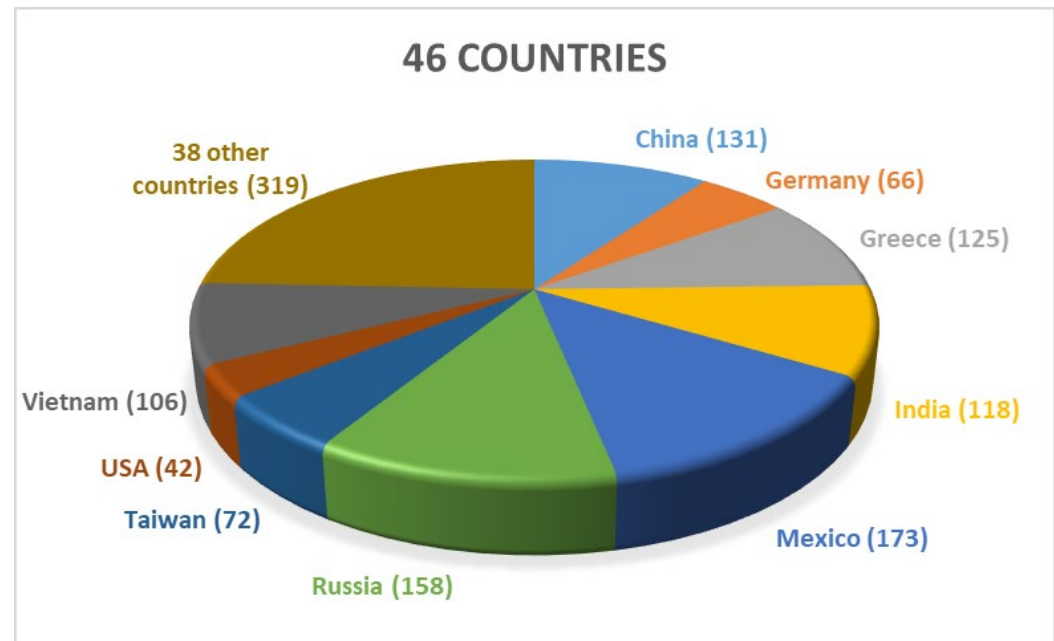
Analysis of consumer/firm relationship (segment 1 of model)

Demand side consists of consumer and investor preferences for sustainability profiles of supply chain elements and perception of company versus country of origin reputation

Procedure and Sample

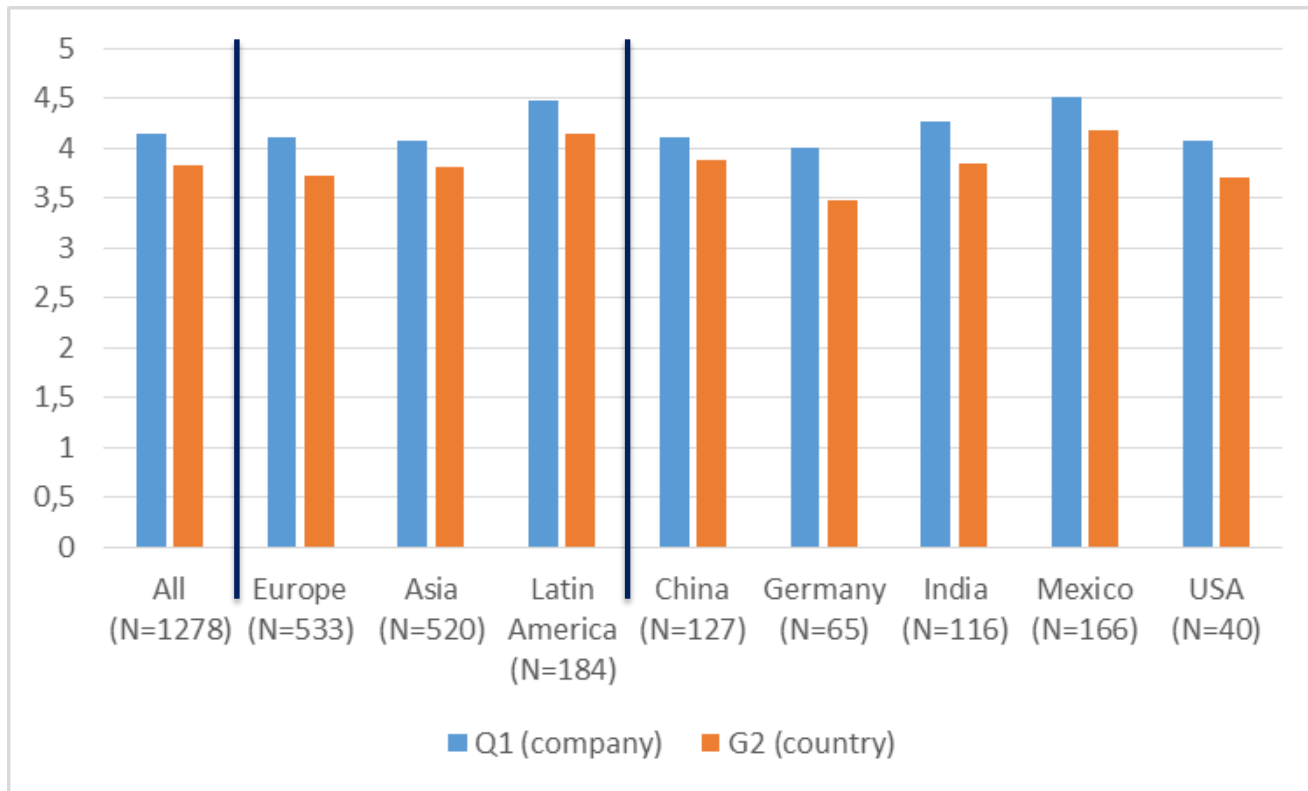
1310 participants

- 40.3% male; 59.7% female
- Mean age: 29.2 years (sd = 10.1 years)
- Latin America: 191
- Europe: 547
- Asia: 529



Empirical research 2 (continued): results

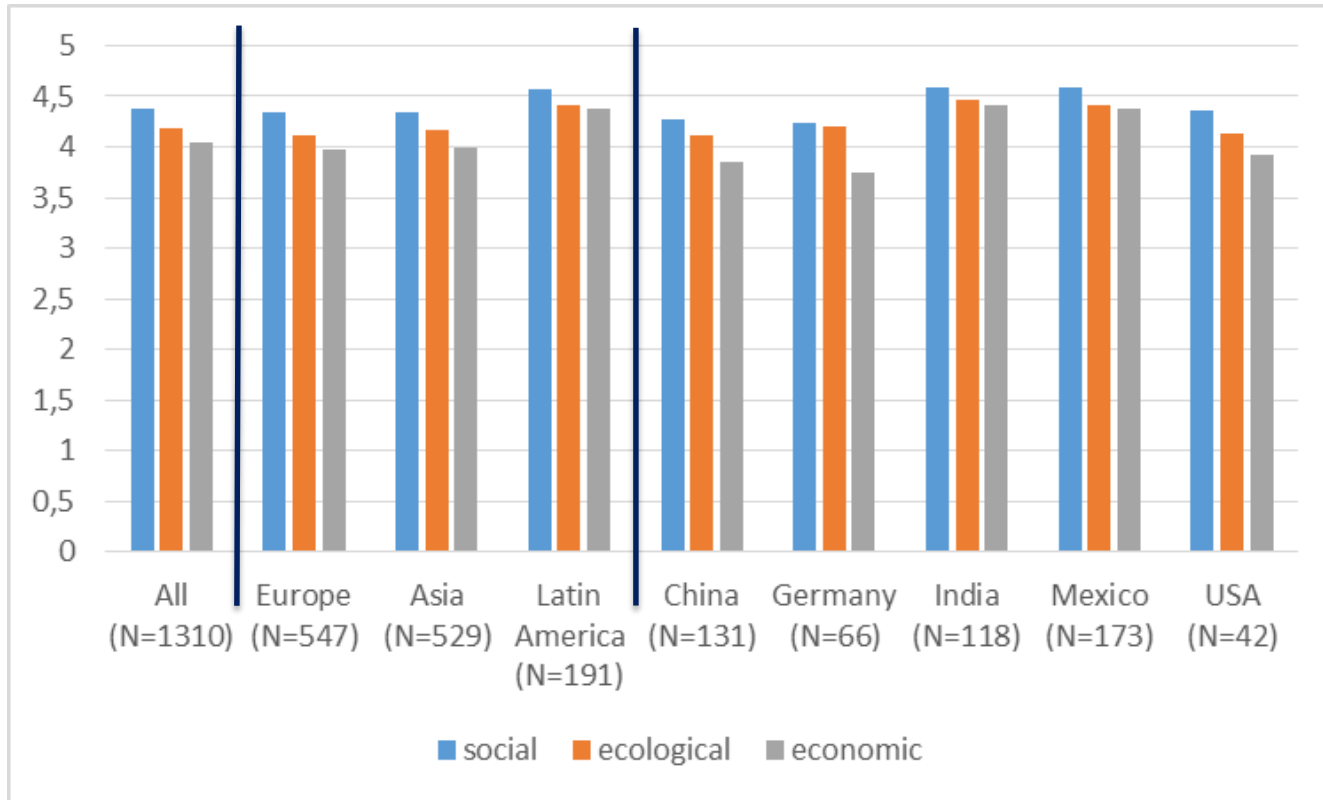
1) For consumers: company reputation is more important than country reputation



p=0.000 except
China: p=0.005
USA: p=0.054

Empirical research 2 (continued): results (demand side)

Relative importance of sustainability dimensions:
social > ecologic > economic



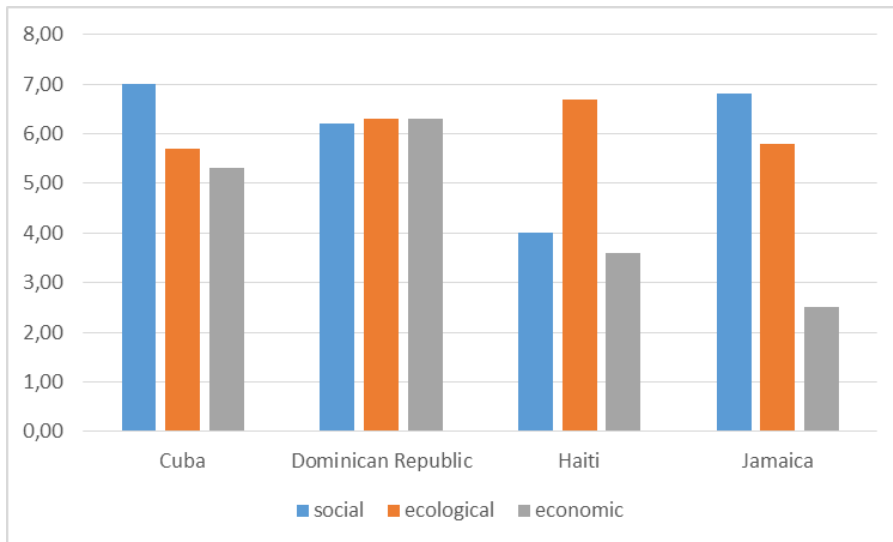
p=0.000 except Germany: soc-ecol p=0.009; USA: soc-ecol p=0.054, soc-econ p=0.001, ecol-econ p=0.060

Tentative analysis: Does supply satisfy demand?

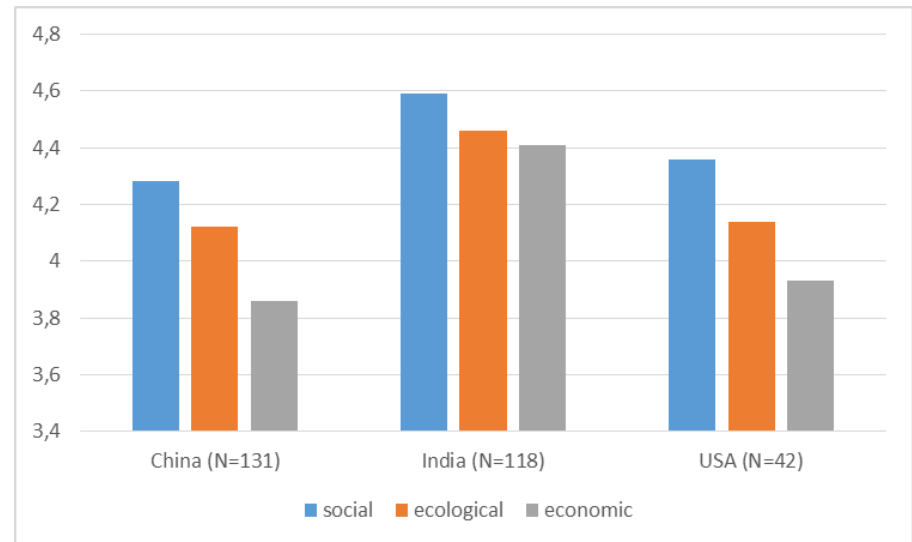
SSI values for some Caribbean countries versus customer preferences

→ Sustainability supply of Cuba and Jamaica match demand structure of China, India and USA best

Supply side (SSI values)



Demand side (perception of sustainability)



General conclusion of multi country studies

Do consumers desire sustainable supply chains?

1. Yes, generally
2. Company sustainability rated higher than country sustainability !

Do supply chain profiles already match consumer preferences?

1. Cannot be answered generally because matching is country and product specific and requires individual analysis
2. Example selected Caribbean countries: Jamaica and Cuba better positioned vis-à-vis consumers in China, India, USA than Haiti; Dominican Republic very balanced results in TBL, but does not meet demand of strong social sustainability

Learning experience: this is not the full story

Suggestions for further research

- Consumer / Investor behavior: more cultural differentiation
- Data use: analysis of alternative measures of competitiveness and sustainability
- Sustainability scores: test for intra industry consistency (HS2-HS6)
- Sustainability dynamics: relationship of TBL-components over time
- Effect of education: longitudinal effect of TBL-education

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