Inter-organizational Trust and Authenticity in Supply Chain: Cross-national Research in Restaurants at Germany and Italy

Luciana Florêncio de Almeida

ESPM SP, Brazil

luflorencio@gmail.com

Purpose and Context

In the literature on contracts and hybrids forms, there is an established discussion of minimizing ex-post and ex-ante risks in trading between partners (Menard, 2004; Gullati, 1995; Williamson, 1996). There is a quest to align interests so that both parties can be winners. Specifically, inter-organizational trust in supply chain relationships is supported as a key element in this alignment which can lead to direct economic outcomes, indirect outcomes or relational outcomes such as loyalty, joint responsibility, purchasing cost reduction, among others (Delbufallo, 2012). Nevertheless, the existent literature had not addressed authenticity as a direct outcome of inter-organizational trust in supply chain relationships. This paper proposes a theoretical framework that conceptualizes authenticity as a result of strategic alignment between trading partners based on inter-organizational trust. As en empirical illustration and a test for the proposed framework, the relationship between restaurants and their food suppliers was investigated and analyzed.

Design/methodology

The present study adopted the method of comparative cross-national qualitative research aiming to apply the proposed framework at two different cultural, social and economic contexts. The comparison permits the emergence of interesting insights and perspectives (Martinus; Hedgcock, 2015) molded by patterns and divergences between and in-between the cases. Three interviews in each country were collected, in the State of Bavaria in Munique and the Marche Region in Italy, summing for 6 data records. Except for two cases, all the interviews was recorded and transcript in English language. For the others two, interviewing process was made with the help of a native speaker. The same script was applied for all participants and some cases it was e-mailed before the interview. As it was of great importance to understand the whole context of each interviewing and to avoid misinterpretation due the language challenge for the participant and researcher, we opted to apply the

content analysis technique without a software support.

Findings and Conclusions

The strategic alignment in the supplier-buyer relationship is becoming crucial in the modern societies. Competition, contractual complexity, quality assurance, operational performance and customer orientation are some of the antecedents for interorganizational trust (Poppo & Zenger, 2002; Kut et al, 2016, Prado & Almeida, 2019). As result, firms search for continuous scrutiny to achieve the best match between their needs to be fulfilled and the partner´s capacity to guarantee transparency, predictability and commitment. Authenticity emerges as a response to help firms in the matching process due its capacity to deliver specialization, customization and traceability. In the two investigated regions, authenticity has an institutional support. In the case of the Bavaria region, the Association of Restaurant Products (DEHOGA) established an accreditation system that indicates the authenticity level of the products offered by the restaurants in relation to local content (BAYERISCHEKUECHE, 2018). In Italy, the regional original is even more salient. In all investigated restaurants in the Marche region, the owners were unanimous in reporting that 70% of the products are from local origin. The all cases were clear to demonstrate the importance of the interorganizational trust as a key element for the authenticity emergence. As noted by Opara (2003) the uncertainty associated with variations in product quality and safety had moved strategic attention to the food supply chain management. The long term relationship based on relational contracts and trust emerged as a source for authenticity, traceability and sustainability which are current trends for the global food industry (Mascaraque, 2019).

References

Delbufalo, E. (2012), "Outcomes of inter-organizational trust in supply chain relationships: a systematic literature review and a meta-analysis of the empirical evidence", Supply Chain Management, 17(4), 377-402. https://doi.org/10.1108/13598541211246549

Gulati, R. (1995) Does familiarity breed trust? The implications of repeated ties for contractual choice in alliances. Academy of Management Review, 38 (1), 85-112.

KU, E., CS; WU, W.& CHEN, Y. (2016) The relationships among supply chain partnerships, customer orientation, and operational performance: the effect of flexibility. Information systems and e-business management, 14(2), 415-441.

Martinus, K. & Hedgcock, D. (2015). The methodological challenge of cross-national qualitative research: Comparative case study interviews in Australia and Japan. Qualitative Research Journal, 15(3), 373-386.

Mascaraque, M. (2019). Disrupted or distracted? Understanding insurgent brands and new business models in food. Retrieved from **http://**go.Euromonitor.com/ANUGApres

Ménard, C. (1996). On clusters, hybrids, and other strange forms: the case of French poultry industry. Journal of Institutional and Theoretical Economics. 152,154-183.

Poppo, L. & Zenger, T. (2002) Do formal contracts and relational governance function as substitutes or complements?. Strategic management journal, 23 (8), 707-725.

Prado, M. F. A., & Almeida, L. F. (2019). Key factors for building trust in the context of high technology pharmaceutical industries and its customers. Brazilian Journal of Marketing, 18 (2), 112-138. https://doi.org/10.5585/remark.v18i2.3942

Williamson, O. (1996). The Mechanisms of Governance. Oxford, New York, USA: Oxford University. 429p, 1996