Oral Defense Announcement
University of Missouri – St. Louis Graduate School

Doctor of Philosophy in Business Administration
with an emphasis in Logistics and Supply Chain Management

Thomas J. Schaefer

M.B.A., December, 2004, University of Missouri-St. Louis
B.S.B.A., May, 2002 University of Missouri-St. Louis

Incoterms® Use in Buyer-Seller Relationships: A Mixed Methods Study

Date: May 18, 2017
Time: 1:00 p.m. to 4:00 p.m.
Place: Dean’s Conference Room 401 SSB

Abstract

The negotiation and communication of logistics management decisions between buyers and sellers of goods is critical for effective supply chain management. Incoterms® rules, a set of three character acronyms, are often used by buyers and sellers to communicate each party’s logistics management responsibilities when transacting goods. Inappropriate application of Incoterms® rules can lead to miscommunication of logistics responsibilities and expose either party to unanticipated costs and risks. This three-part mixed methods research explores the circumstances that contribute to errors in logistics management decision communication within buyer-seller dyads, the consequences of these errors, and methods to improve logistics management decision communication.

Study one is a qualitative pilot case study that explores how buyer-seller dyads negotiate and communicate logistics management decisions and the communication errors that occur within a large, anonymous, international corporation. Study two conducts multiple qualitative case studies utilizing in-depth semi-structured interviews that explore how buyer-seller dyads negotiate and communicate logistics management decisions and the communication errors that occur within these buyer-seller dyads. Study three quantitatively tests hypotheses developed from analysis of the results of study two using a scenario-based experiment deployed via a questionnaire, and seeks to find methods to improve the quality of communication of logistics management decisions in buyer-seller dyads.

The hypotheses tested in study three are: H1-Incoterms® training leads to a decrease in miscommunication of logistics decisions; H2-using fully specified and explicit Incoterms® definitions leads to a decrease in miscommunication of logistics decisions; and H3-using both fully specified and explicit Incoterms® definitions and Incoterms® training leads to a further decrease in miscommunication of logistics decisions. Examining the results of the questionnaire respondents using binary logit and ordered logit: H1 is supported, H2 is partially supported, and H3 is not supported.

The findings of the research detail the process used in the negotiation and communication of logistics management decisions. While Incoterms® rules appear widely used in goods transactions to communicate logistics decisions; their inappropriate use causes a variety of issues including unanticipated costs and risks. Incoterms® training is shown to have the biggest impact on improving the quality of buyer-seller dyads’ communication of logistics management decisions.

Defense of Dissertation Committee
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