

Edition KVV

Michael Becker-Peth

Behavioral Supply Chain Contracting

Decision Biases in Behavioral Operations
Management



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Edition KWV

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Management

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Cologne, 2012
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Contents

List of Figures	x
List of Tables	xi
List of Abbreviations	xii
List of Symbols	xiii
1. Introduction	1
1.1. Motivation	1
1.2. Behavioral Decision Making	4
1.3. Outline	7
1.4. Contributions	8
2. Designing Contracts for Irrational but Predictable Newsvendor	10
2.1. Introduction	10
2.2. Analytical Background	12
2.3. Development of Behavioral Model	13
2.3.1. Effect of Contract Parameters on Orders	14
2.3.2. Mental Accounting	16
2.3.3. Behavioral Model	18
2.4. Design of the Main Experiment	19
2.5. Analysis of Behavioral Models	22
2.5.1. Aggregate Behavioral Model	23
2.5.2. Individual Behavioral Model	26
2.6. Validation Experiments	30
2.6.1. Individual Behavioral Contracts	31
2.6.2. Aggregate vs. Individual Behavioral Contracts	37

2.6.3. Training vs. Individual Behavioral Contracts	38
2.7. Structural Insights	40
2.8. Implication for Theory and Practice	41
2.9. Conclusion	42
2.10. Proofs	44
2.11. Additional Data	47
3. Contract Specific Reference Points in Supply Contracts	53
3.1. Introduction	53
3.2. Analytical and Behavioral Background	54
3.2.1. Analytical Model of Supply Contracts	54
3.2.2. Behavioral Aspects of Supply Contracts	55
3.3. Reference Dependent Utility	57
3.3.1. Initial Experimental Analysis of Revenue Sharing Contract	58
3.3.2. Reference Dependent Valuation	61
3.3.3. Reference Points and the Effect on Supply Contracts	62
3.4. Revenue Sharing Experiment	66
3.4.1. Experimental Design and Laboratory Protocol	66
3.4.2. Experimental Results	67
3.4.3. Estimation of Reference Points	69
3.5. Structural Insights and Implications for Contract Design	71
3.6. Conclusion and Outlook	72
3.7. Proofs	73
3.8. Additional Data	79
4. Empirical Newsvendor Decision Biases under a Service Level Contract	80
4.1. Introduction	80
4.2. Theoretical and Behavioral Decision Making in the Newsvendor Setting	81
4.2.1. Analytical Model for Service Level Contract	81
4.2.2. Behavioral Operations and the Pull-to-Center Effect	83
4.3. The Empirical Newsvendor	85
4.3.1. The Setting	85
4.3.2. Adaptation of Theories and Derivation of Hypotheses	86

4.4. Empirical Analysis	88
4.4.1. Expected Profit Maximization	88
4.4.2. Service Level Differentiation	90
4.4.3. Demand Chasing	93
4.5. Conclusion	94
5. Conclusion	97
A. Appendix	100
A.1. Briefing Documents of Buyback Experiment	101
A.2. Training Documents for Validation Experiment	105
A.3. Briefing Document for Reduced Revenue Sharing Experiment	110
A.4. Briefing Document for Expectation Experiment	114
A.5. Briefing Documents for Revenue Sharing Experiment	117
Bibliography	121

List of Figures

1.1. Supply contracting setting	2
1.2. Order quantities in the newsvendor setting	5
1.3. Order quantities for managers and students in the newsvendor setting	6
2.1. Actual mean orders vs. newsvendor orders of laboratory experiment	23
2.2. Histogram of order quantities for 28 treatments	24
2.3. Actual and predicted mean orders of aggregate behavioral model	26
2.4. Predicted vs. actual orders of subject 26	29
2.5. Actual mean orders vs. newsvendor orders in the validation experiment	32
2.6. Mean order quantities with behavioral contracts in the validation experiment	35
2.7. Effects of preferences on contract parameters for first-best order quantities	41
3.1. Mean order quantities for reduced contracts	60
3.2. Results of Experiment 3.2	65
3.3. Results of revenue sharing experiment	68
3.4. Individual order quantities	69
4.1. Comparison of newsvendor model and actual decision maker	91
4.2. Comparison of newsvendor model and actual decision maker (continued)	92
4.3. Service level per product	93

List of Tables

2.1. Newsvendor orders and actual mean orders of laboratory experiment . . .	22
2.2. Likelihoods and AICs for different aggregate behavioral models	25
2.3. Estimated individual preferences	28
2.4. Newsvendor orders and actual mean orders in Phase 1	32
2.5. Individual behavioral parameters of subjects in the validation experiment	33
2.6. Expected profits in validation experiments	37
3.1. Mean order quantities in the revenue sharing experiment	67
3.2. Estimation results of parameters	70
4.1. Auto-correlation coefficient of demand	86
4.2. Estimation results for demand chasing effects	95

List of Abbreviations

BB Buyback

e.g. Exempli gratia

FB First best

i.e. Id est

NV Newsvendor

RS Revenue sharing

SL Service level

WP Wholesale price

List of Symbols

α	Anchor factor
α^A	Aggregated anchor factor
α_n	Anchor factor for subject n
b	Buyback price
β	Loss aversion factor
β^A	Aggregated loss aversion factor
β_n	Loss aversion factor for subject n
c	Production costs
c_o	Overage costs
c_u	Underage costs
χ	Parameter
CR^{Ret}	Critical ratio of retailer
CR^{SC}	Critical ratio of supply chain
ϵ	Error term
EU	Expected utility
$F(\cdot)$	Cumulative distribution function

$F^{-1}(\cdot)$	Inverse cumulative distribution function
γ	Source dependent valuation factor
γ^A	Aggregated source dependent valuation factor
γ_n	Source dependent valuation factor for subject n
i	Index variable
j	Index variable
μ	Mean demand
n_p	Number of products
n_s	Number of stores
p	Product
Π^{Man}	Expected manufacturer profit
Π^{Ref}	Reference profit
q	Order quantity
r	Unit revenue
RP	Reference point
σ	Standard deviation of error term
SL_α	α service level