

**Chapter 17****Categorizing the Supplier Content  
of Public Web Sites**

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Web-based supplier communication and supplier diversity efforts have received little research attention to date. This study identifies the supplier communication and supplier diversity content on the public Web sites of the firms on the 2000 Fortune 500 list and creates a categorization scheme for that content. Just over a quarter (27.1%) of these large firms' public Web sites mention majority (i.e., primary) supplier issues or supplier diversity. Only 28.4% of Fortune 500 firms with supplier content actually describe a formal supplier diversity program on their public Web site. Therefore, public Web sites are largely underutilized as a means of interacting with potential suppliers from a diverse population. The most common supplier diversity content for prospective suppliers on Fortune 500 public Web sites is: certification requirements, on-line applications, and a contact name/title for the diversity manager.

**INTRODUCTION**

Public Web sites are actively used for both business-to-consumer and business-to-business commerce. Organizations are finding the Web to be an effective way to attract, communicate, and carry out transactions with trading partners such as customers and suppliers. For supplier interactions, the Web is beginning to

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replace earlier technologies, such as EDI, as a fast and efficient means of paperless interaction.

Suppliers can have an existing relationship with a buying firm and link to that firm using either the buyer's public Web site, or a private Web-based extranet. The Web may also serve as a means of communicating with potential suppliers. A public Web site is a convenient means of "telling" prospective suppliers about the buyer's price and quality expectations, and for publishing application forms. Many firms are interested in attracting a diverse base of suppliers, so the public Web sites of buying firms can also be an outlet for publicizing supplier diversity efforts.

This study examines Web-based supplier communications. The public Web sites of each of the firms on the 2000 Fortune 500 list were examined for majority, or primary, supplier communication and supplier diversity content. The objectives of the study are to describe and then categorize Web-based supplier communication and supplier diversity content on the public Web sites of these large corporations. The following sections review related studies, describe this study, discuss the findings, and suggest directions for future research.

## **SUPPLY CHAIN AND DIVERSITY RESEARCH**

Two areas in the research literature support this present study: electronic, business-to-business (B2B) supply chain linkages, and diversity programs, including supplier diversity efforts. Electronic B2B supply chain linking is by far the most actively researched of these two areas.

Web-based B2B commerce has many benefits, such as enabling firms to create "end-to-end supply grids containing real time business process facilities" (Fingar, 2000). Some industries have not aggressively sought Web-based supplier links. A recent survey of large retailers found that these firms have been slow to use the Web to link with suppliers; "only seven percent of respondents with Web sites . . . use them to collaborate with trading partners" (CSC, 2000). The CSC study notes that Web links can improve inventory management in the areas of shipment tracking and merchandise allocation. Conversely, other firms actively use the Web for supplier interactions. For example, IBM does business with 95% of its suppliers over the Internet (Carbone, 2000). Many of IBM's suppliers are transitioning from EDI to Web links.

B2B procurement is assisted by Web-based catalogs that link buyers and sellers (Baron, Shaw and Bailey, 2000). These Web interactions eliminate many manual and paper-based procurement activities. Baron et al. note that the Web is replacing EDI for some B2B transactions because of the need for high volumes of transactions to justify the cost of EDI. They categorize information exchanges between buyers and sellers, and each category focuses on ordering and payment processes. Suppliers in their study saw benefit for participating in these electronic

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