

ABSTRACT

This paper aims to conduct an empirical study of the perceived forecast quality of suppliers and also to explain the impact of forecast information access and forecast information quality (FIQ) on supply chain performance.

Forecast information quality (FIQ) is defined with four variables: In-time, Accurate, Convenient to Access, and Reliable, derived from a theoretical framework on FIQ (English, 1999; Petersen, 1999; Moberg et al., 2002). Supply chain performance deals with three dimensions: Corrective Actions, Preventive Actions, and Customer service; related to metrics reflecting cost, tied-up capital and customer service (Brewer and Speh, 2000).

The analysis in this research is based on a survey of the most important suppliers of Thailand Air-conditioning manufacturers. T-Test was used to analyze the significant differences in supply chain performance between suppliers with access to customer forecasts and suppliers without access to forecasts. Pearson correlation and Linear Regression were used to analyze the significance correlation between supply chain performance and FIQ.

Findings showed that supply chain performance was positively correlated with Forecast Information Quality but it was not significantly different in supply chain performance between suppliers with access to customer forecasts compared to suppliers without access to forecasts. The study also indicated that less than 40% variability in Supply Chain Performance was explained by perceived FIQ, and more than 60% could be explained by other factors.

FIQ also showed quality deficiencies on some variables, which indicates room for improvement from forecasting. Customers and Supplier Managers should consider the perceived forecast quality in order to reduce supplier cost, provide good customer service, and also reduce the total cost of a supply chain.