

Web Appendix Manipulation Texts

The terms *Potential Customer*, *Referrer*, and *Supplier* used fictional firm names in the actual stimuli.

Referral Message Category

Balanced A: “We’re more than satisfied with *Supplier’s* ERP solution. Their solution fit our needs; but ERP solutions are complex, and customizing the application is time-consuming and difficult. We had to have a dedicated in-house team for customization, which increased our expense. But, we have a successful implementation. We achieved our 7% cost reduction target, thanks to *Supplier’s* ERP solution.”

Balanced B: “*Supplier* performed very well on their product, implementation and customization. We do feel that the extent of support they provide can be improved—for example, we’d like them to be accessible on weekends. However, we have a successful ERP implementation. We achieved 7% reduction in operation management costs, and the credit goes to *Supplier’s* ERP solution.”

Good A: “We are satisfied with *Supplier’s* ERP system. Their solution fit our requirements, and was delivered at our launch date. The integration process was without any major issues, and was done within the expected cost. Overall, we’ve reduced our operation management costs by around 5%, and it is because of *Supplier’s* ERP system.”

Good B: “*Supplier’s* ERP system has met our expectations. In terms of needs identification, integration and delivery time, they have performed satisfactorily. Customizing the ERP system to our specific requirements was also done within the stipulated time. We’ve cut costs in operations and administration by 5%, and we feel that credit goes to *Supplier’s* ERP solution.”

Excellent A: “We are more than satisfied with *Supplier’s* ERP solution. They really invested in understanding our requirements, and integrating the ERP system seamlessly into our setup. We’ve cut our operation costs by at least 8%, and have even saved time in several management tasks such as reports and documentation for quality certification. It’s because of *Supplier’s* ERP solution.”

Excellent B: “Our experience with *Supplier* has been nothing less than excellent. Their solution met our needs, and was within budget. We’ve reduced our operation management costs by around 8%, and even experienced some surprise benefits such as improved employee satisfaction. We feel the credit goes to *Supplier’s* ERP solution

Referrer Reputation

Low: *Referrer* was established in 1965. Most of its products have been in the market for the last three years. Last year *Referrer* held 4% of the market share in the networking devices market. In its March 2009 edition, the trade journal *Communications News* presented the results of its latest “Industry Reputation Quotient” survey. In its survey, *Communications News* asks 2,000 executives and directors from peer firms and customer firms to rank companies in an industry on multiple aspects of company reputations. The *Communications News* survey gave *Referrer* a “Satisfactory Reputation” rating, with 65% of the 400 firms in the industry rated below *Referrer*.

High: *Referrer* was established in 1961. *Referrer* introduced networking devices as part of its

product portfolio 20 years ago, and last year held 30% of the market share in the networking devices market. In its March 2009 edition, the trade journal *Communication News* presented the results of its latest “Industry Reputation Quotient” survey. In its survey, *Communication News* asks 2,000 executives and directors from peer firms and customer firms to rank companies in an industry on multiple aspects of company reputations. The *Communication News* survey gave *Referrer* an “Excellent Reputation” rating, with 95% of the 400 firms in the industry rated below *Referrer*.

Referrer–Potential Customer Demographic Homophily

Low: *Referrer* is using *Supplier’s* solution for different requirements as compared to *Potential customer*. *Referrer’s* implementation is focused on standardizing manufacturing and business procedures to reduce costs. *Potential customer’s* requirements are to reduce costs by improving inventory planning and streamlining order fulfillment

High: *Referrer* has the same requirements from *Supplier’s* solution as *Potential customer*—to reduce costs by improving inventory planning and streamlining order fulfillment.

Referrer–Potential Customer Needs Similarity

Low: In the course of your conversation with *Referrer* you realize that *Referrer* deployed the ERP system for a larger business size (\$845 million in 2008 revenue) as *Potential customer*.

High: In the course of your conversation with *Referrer* you realize that *Referrer* deployed the ERP system for a similar business size (\$150 million in 2008 revenue) as *Potential customer*.

Supplier’s Status

Low: *Potential customer* has earlier done business with *Supplier*, but for a simple accounting product, that is not related to the ERP solution.

High: *Potential customer* has never done business with *Supplier*.