

## Supply Chain Transparency, Reputational Risk, and Costs: A Focus on Customers in Saudi Arabia

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### Abstract

This study investigated how supply chain transparency affects company reputation and operational costs. The study assumed that stakeholders favour companies that disclose information about their supply chain operations, given the growing interest in supply chain transparency. Companies that practice such transparency build stakeholder trust and loyalty, thereby reducing business risks while benefiting from sustained customer relationships. However, transparency also carries risks, including potential patent and copyright infringement. Thus, the paper also sought to determine how companies can disclose information without risking confidential information about their operations. Using a qualitative approach, the study conducted in-depth interviews with eighteen supply chain professionals across logistics, planning, customer service, technology management, inventory, and warehouse operations. Data analysis revealed that supply chain transparency is crucial for mitigating reputational risks and reducing operational costs, as stakeholders preferentially collaborate with trustworthy, reliable, and efficient companies. Moreover, companies should balance out the information they divulge to the public by revealing what is pertinent and withholding what can jeopardize the business. Advanced technologies such as artificial intelligence (AI), cloud computing, social media and big data can be used to disclose information in a balanced way. These findings have practical implications for organizations seeking to enhance collaboration, build stakeholder loyalty, and reduce costs associated with poor market perception.

**Keywords:** supply chain, transparency, reputational risk, costs