An Exploratory Study of Fresh Food E-Commerce in the UK and China

Yangyan Shi, Shanxi University, School of Econ and Management, Taiyuan, China & University of Auckland, Business School, Centre Supply Chain Management, Auckland, New Zealand
Chunxiang Xie, Shanxi University, School of Econ and Management, Taiyuan, China
Rui Han, The University of Warwick, Coventry, England

ABSTRACT

Fresh food e-commerce has become a burgeoning branch in online markets and changed the circulation of fresh food. Concerning the background of e-commerce, this study tries to relate suppliers’ awareness of promoting fresh food business with the logistic obstacles and consumer impacts. The article first introduces five guiding questions after reviewing present literature. To better understand the fresh food markets, it analyzes the operational model of respective suppliers in the UK and China separately. The article also describes primary data collection through the distribution of questionnaires to the sample population. According to the valid feedbacks, the article concludes different consuming trends in fresh food markets and finds that logistical services are still the biggest challenge which need to be improved. Based on the results, it provides recommendations to suppliers for improving the fresh food e-commerce.

KEYWORDS

Case Studies, China, Consumer Impacts, Electronic Commerce, Fresh Food, Supply Chain Logistics, UK

INTRODUCTION

A recent news article described a crucial issue about the rising conscious of fresh food e-commerce in China (Sohu news, 2017). It illustrates that many online shops, which cover fresh food business, have expanded to improve margins, but finally failed because of the declined profits and efficiencies. At the same time, “The report of fresh food e-commerce logistics industry in China in 2016” shows that the volume of business has constantly increased within the business of fresh food e-commerce, which reveals the great potential of developing fresh food e-commerce (Loghub, 2016). All of these show that there is a large potential market for selling fresh food on the worldwide web. However, in the real world, few companies can constantly maintain increased profits in fresh food e-commerce for multiple reasons. Because of its essential characteristics, suppliers consistently try to promote the fresh food transportation by using diverse theories and advanced technologies. Therefore, it is reasonable to pay enough attention to understand fresh food e-commerce, explore related consumer phenomenon and try to provide some suggestions to the e-commerce suppliers against the challenges in promoting fresh food e-commerce.

DOI: 10.4018/IJAL.2018070101
According to the latest scientific reports, information illustrates that there are two issues related to fresh food e-commerce in China. On one hand, the common obstacle of developing fresh food e-commerce is the difficulty of managing fresh food logistics (Wang et al., 2017). Supply chain management is an important branch of effective management to control the industrial processes better, decreasing costs, increasing the profits and stimulating business development (Christopher, 2016; Tan & Ludwig, 2016). At the same time, fresh food e-commerce supply chain is one of the latest branches of supply chain development, which is considered as an effective approach to promote the fresh food e-commerce business. Besides, Merkuryev (2009) argued the relationship of developing fresh food e-commerce and supply chain management. He suggested that re-engineering the logistics network can eliminate the constraints in developing the fresh food e-commerce (Merkuryev, 2009). Thus, to explore whether or not Merkuryev’s view is sufficient enough and to better understand challenges in developing fresh food e-commerce logistics, the priority of the research is to define constraints and to class them. On the other hand, though much literature examined consumer role in fresh food e-commerce in the UK and China separately. Yet there is a gap in this feild on the background of electronic commerce (Zhang, 2016). Due to the increasing perception of e-commerce in economies, it has gradually changed people’s way of life (Shahriar, 2016). It is necessary for researchers to find out what is the modern consumer preferences and what consumer trends are reflected, and accordingly, provide some recommendations for supplier managements. Moreover, to clarify the researching map, the research has four guiding questions aiming to lead a further analysis.

- What are the restrictions on developing fresh food e-commerce in China?
- How about the actual situations of fresh food e-commerce supply chain in UK and China?
- What are the differences about fresh food supply chain management in UK and China? And what are the advantages and disadvantages of them?
- What is the impact of consumer behavior on fresh food e-commerce?
- Is there any logistical problems reflected in the two fresh food e-commerce cases?

In conclusion, the fresh food supply chain management in China is an inadequate research field that needs to be improved and it is worthwhile to explore the consumer impact on it. Aiming to analyse the challenges in developing the fresh food e-commerce supply chain management, the authors compare different logistics modes in the UK and China. In order to provide some suggestions in promoting fresh food business, the authors analyse consumer behavior in the UK and China respectively through qualitative method. The paper consists of six sections where introduction is followed by Literature Review, which provides a review of research on several aspects of fresh food e-commerce and supply chain management thereof. Research Methodology is followed by Empirical Evidences and Analysis, which compares the Jing Dong model with the Ocado model and try to fine more about the preference of consumers from several aspects. Discussion and Managerial Insights, based on the previous section, analyses current phenomenon and gives some recommendations from the supplier’s point of view. Conclusion and Future Research concludes the paper and future directions.

**LITERATURE REVIEW**

**Fresh Food E-Commerce**

The practice of inter-organizational systems, which allow organizations to exchange information and engage in business electronically, also known as electronic commerce (e-commerce), has been existed since 1965. As Laudon and Traver’s (2017) latest opinion, e-commerce is the process of sharing information, managing business relationship and transactions with cooperators through advanced technologies and supply chain networks. Although it only has about 60 years history, it benefits to break out the boundaries of geography, time differences, cultural conflicts and others limitation in
Related Content

Optimal Pricing Strategies for an Inventory System with Perishable Items and Waiting Time Dependent Order Cancellations
www.igi-global.com/article/optimal-pricing-strategies-inventory-system/37594?camid=4v1a

Supply Chain Efficacy in Relief Delivery
www.igi-global.com/article/supply-chain-efficacy-in-relief-delivery/230983?camid=4v1a

Using Outsourced Logistics Services (4pl): Economical and Technical Analysis of an Operational and Business Model
www.igi-global.com/chapter/using-outsourced-logistics-services-4pl/69253?camid=4v1a
A Comparison of Information Technology Usage across Supply Chains: A Comparison of the U.S. Beef Industry and the U.S. Food Industry
www.igi-global.com/article/comparison-information-technology-usage-across/48512?camid=4v1a