



Research on The Development Mode of Fresh Food E-commerce in China in The Post-epidemic Era --The Example Of FRESHIPPO

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Abstract. As the leading fresh food e-commerce company in China, FRESHIPPO has been developing rapidly during the epidemic. However, after the epidemic, people's lives gradually return to normal. In the post-epidemic era, fresh food e-commerce enterprises will face a series of upgrading challenges. In this paper, it will use the SWOT model to analyze China's fresh food e-commerce enterprises' current situation in the post-epidemic era. And this paper will give some suggestions to China's fresh food e-commerce enterprises, based on their opportunities and challenges they will face in the post-epidemic era.

Keywords: post-epidemic era; fresh food e-commerce; FRESHIPPO

1 Introduction

Before the outbreak of the new crown pneumonia at the end of 2019, people mostly bought fresh products in traditional food markets or offline supermarkets. After the outbreak, people could not buy food at any time like before, and fresh produce is an essential part of daily life, so fresh produce e-commerce played an extremely important role during the epidemic, which solved the problem of buying food for most people in the country during the critical period, and was highly sought after for a while, and fresh produce e-commerce gradually became the mainstream of the fresh produce retail industry. However, at the same time, many problems were exposed, such as the shortage of stock during the epidemic, the shortage of distribution staff, the problem of commodity price control, the problem of supply chain logistics safety, the risk of cold chain products and packaging carrying viruses, and the risk of virus infection among distribution staff.

After the epidemic, life is gradually returning to normal and people are moving from online to offline. Although fresh food e-commerce companies have made corresponding countermeasures to many of the problems that emerged during the epidemic, they will also face the challenge of upgrading in the post-epidemic era. When the epidemic breaks out again, whether they have a complete and reasonable response plan; how to retain users and improve user stickiness in the post-epidemic era; how to optimize product quality; whether technology still needs to be upgraded; whether they need a special

fresh food cold chain logistics system in the post-epidemic era; whether the service model still needs to be diversified and how to expand the target audience, etc. are questions that need to be considered in the long run.

FRESHIPPO as a representative enterprise of China's fresh food e-commerce industry, it takes the post-epidemic era as the background and take the fresh food e-commerce enterprises in China as the research object. By using the SWOT analysis model to study its own current situation, internal and external environment, opportunities and challenges it faces in the post-epidemic era, and put forward corresponding suggestions and development strategies to provide the development of China's fresh food e-commerce industry in the post-epidemic era. We also propose suggestions and development strategies to improve the development of China's fresh produce e-commerce industry in the post-epidemic era.

2 Basic information of FRESHIPPO

FRESHIPPO is a brand of Alibaba and the first new retail superstore in China. Founded in 2015, FRESHIPPO opened its first store in 2016, featuring offline stores and an online app, mainly selling fresh goods. According to the official website, as of June 2022, FRESHIPPO has 320 officially operating stores in 27 cities across China. The location of FRESHIPPO's stores is mainly in the more economically developed cities, mainly in residential neighborhoods and near shopping areas. FRESHIPPO adopts dual online and offline channels, warehouse-store integration, "fresh supermarket + catering" composite business mode. Using big data, mobile Internet, intelligent Internet of Things, automation and other technologies and advanced equipment to achieve the most optimal matching between people, goods and fields [1].

3 FRESHIPPO swot analysis

3.1 Competitive Advantages

Having the support and technology provided by Alibaba: FRESHIPPO is Alibaba's example of new retail industry, and Alibaba has given a lot of help in various fields such as capital, technology and supply chain. As the only company controlled by Alibaba, FRESHIPPO received \$150 million in investment from Ali in its first store project. In addition, the initial FRESHIPPO employees who were transferred from within Alibaba, as well as the technical team from Alibaba that was responsible for setting up FRESHIPPO's initial network and online business system.

Fast development and multi-format model: FRESHIPPO had been leading the industry, with a total of 320 stores open by the end of 2021. In terms of business form, FRESHIPPO further strengthens the efficient integration of online and offline, whether you place an order in the APP or buy in offline stores, you can enjoy the logistics and delivery of "three-kilometer range, half-hour delivery". The second is the composite business mode of "fresh supermarket + catering". The biggest difference between

FRESHIPPO and other fresh supermarkets is that it has opened a dine-in area, while promoting the "raw and cooked linkage" and "cooked and raw linkage" experience.

The market positioning and target customers are clear, and the variety of products is diverse: the positioning of FRESHIPPO is to take the boutique route, and most of the products in the store are fresh products, and support buy-now-eat-now, and all fresh products are processed and packaged in a uniform manner [2].

3.2 Disadvantages

High store costs and difficulty in expansion: FRESHIPPO's stores are mostly located in residential areas with high traffic flow or in more lively commercial areas, so the store rent burden is relatively heavy, plus the integration of warehouses and stores makes the store space relatively large. Moreover, since FRESHIPPO has its own perfect logistics system in all aspects of the supply chain, warehousing and distribution, this model is also a significant expense for its initial investment.

The offline stores do not have a high user experience: The staff of FRESHIPPO has opened a dine-in area dedicated to food and beverage for customers to purchase seafood and other ingredients, which can be processed and eaten on site afterwards to improve customer retention time and user experience. The dining area is generally adjacent to the retail area, and the dining area is small, which often fails to meet the needs of customers during peak dining periods, resulting in long waiting times and other problems, thus greatly reducing the customer dining experience [2].

3.3 Current Opportunities

The industry is constantly innovating and upgrading: along with the various fresh food e-commerce enterprises have joined, online and offline fresh food e-commerce enterprises continue to educate consumers in their own way to upgrade consumption, the phenomenon of high prices of fine fresh food is gradually recognized by the relatively developed economy of the first and second-tier cities.

3.4 Potential Threats

Diversified customer needs: diversified levels of consumption, diverse consumer preferences and diverse needs have led today's consumers to no longer rely on just a single product or category. Because of this, fresh produce e-commerce companies are constantly innovating their products and services and introducing various "new ways to play", but this has also brought about many negative effects. Similar kinds of goods continue to increase, whether it is the previous products, or just launched a new product, consumer loyalty is relatively has a substantial decline. Therefore, how to improve customer loyalty and the willingness to keep buying is the key issue that FRESHIPPO now needs to consider.

4 Suggestions for the development of FRESHIPPO in the post-epidemic era

4.1 Strengthen Product Source Control

Today, with the rapid development of network technology and the sharing economy, FRESHIPPO F can rely on Ali's data platform to optimize the screening of source suppliers and share data with multiple parties through the sharing economy to ensure the timeliness of information and eliminate products that do not meet standards, thus achieving quality control at the source [3] and also increasing consumer stickiness. At the same time, FRESHIPPO can also take advantage of the opportunity of national support for agricultural development to improve the production efficiency of all aspects of production, distribution and sales of agricultural products through intelligent data technology, thus reducing the cost of the supply side of agricultural products.

4.2 Build A Fresh Supply Chain Logistics System in The Post-epidemic Era

With the increasing demand of the whole society for the operation and supervision of the cold chain logistics, FRESHIPPO must strengthen the management and monitoring of the cold chain logistics and enhance the monitorability of information to ensure that customers can track the whole production process and provide timely feedback. In order to achieve "cost reduction and efficiency increase", we must strengthen the informationization and networking of the fresh food supply chain and the management of the whole industry chain [4].

4.3 Expanding User Groups

FRESHIPPO APP mainly focuses on people aged 25-35[5], among which women are the majority, and the consumer group is relatively concentrated and limited. Therefore, FRESHIPPO should make the products affordable to more masses by reducing costs and lowering the prices of the products, and continuously broaden the consumer base and increase the purchasing power of consumers through the promotion of the network and the market.

4.4 Improve Online Shopping Fulfillment Ability

FRESHIPPO Fresh Living may face problems such as unexpected epidemics, traffic congestion and weather changes, and in the long run, consumers' experience of online purchasing experience will become worse and worse. Therefore, FRESHIPPO should enhance the efficiency of recruitment, strengthen the induction training and performance evaluation of employees, and use Ali's big data technology to achieve intelligent matching of riders, scientifically plan delivery paths, improve the efficiency of services, and reduce unnecessary expenditure costs.

5 Conclusion

The epidemic brings opportunities and challenges to fresh food e-commerce companies. Under the epidemic, the outbreak of demand is a special product [6], if they can't optimize the supply chain and launch better and better products, even if they have attracted a large number of "new customers", but they have higher requirements for product quality. Consumers will choose to leave if they cannot optimize the supply chain and launch better and better products. Therefore, how to improve the customer experience, enhance customer loyalty, so that customers have more choices, this is a fresh e-commerce enterprises must consider the problem. In short, the development of China's fresh produce e-commerce in the post-epidemic period is a battle of capital, technology, service and product quality.

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