



Innovative Model Effectiveness Research of "New Retail" - Taking Freshippo as an Example

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Abstract. This paper examines Freshippo as a case study to explore its innovative model and outcomes within the context of "New Retail." Through a literature review on retail business model innovation, we identify technological advancements, shifts in consumer preferences, and supply chain optimization as key drivers of New Retail development. As a flagship New Retail enterprise under Alibaba, Freshippo leverages advanced technology to achieve deep integration of online and offline operations. By adopting multi-format collaborations and redefining the functions of offline stores, Freshippo has established a distinctive and innovative business model. This study conducts an in-depth analysis of Freshippo's innovative model, including its business strategy, operational management, and marketing approach, and employs a SWOT framework to comprehensively reveal its competitive strengths and weaknesses in the market. Furthermore, it proposes strategic recommendations to address future challenges. The research highlights Freshippo's ability to adapt to the evolving retail landscape and its potential to shape the future of New Retail.

Keywords: New Retail, Fresh retail, Digital technology, Freshippo.

1 Introduction

1.1 Research Background

The key to business model innovation in the retail industry lies in achieving seamless integration between online and offline channels, with the core being the synergy and enhancement of digital technology in the business system [1]. New Retail Business Model Innovation reconstructs the three core elements of retail—consumer, product, and scenario—through digital technologies, enabling seamless integration, precise matching, and an online-offline unified commercial ecosystem [2,3].

In 2016, Jack Ma first introduced the concept of New Retail, asserting that the distinction between online and offline commerce would disappear, with traditional e-commerce being replaced by New Retail. Consequently, Alibaba accelerated its offline physical retail expansion, followed by companies such as Suning, JD.com, and Bubugao, all increasing their investments in New Retail. According to the China

Fresh Food E-commerce Industry Report, the transaction volume of China’s fresh food e-commerce sector reached 200 billion yuan in 2018. By 2019, as the industry model gained broader acceptance, growth stabilized, transitioning from rapid expansion to steady development and adjustment. From 2020 to 2023, the pandemic catalyzed a new wave of transformation in online retail. The fresh food market surged from 288.84 billion yuan in 2020 to 705.42 billion yuan in 2023, maintaining double-digit growth despite a high base. The surge in consumer demand for online shopping injected new traffic into businesses and platforms, creating opportunities for deeper integration of online and offline channels in fresh food e-commerce.

1.2 Research Methodology

Under the overall principle of "theoretical sampling," this article follows the principles of extremity and revelatory nature in single-case research, selecting Freshippo as the case study subject [4]. Founded by Hou Yi in March 2015 under Alibaba Group, Freshippo is a data- and technology-driven New Retail platform designed to create community-centric, one-stop experiential centers that blend technology and human-centric services to deliver a “fresh and delightful lifestyle.” As China’s first retail format to restructure the dining and retail consumption model, Freshippo integrates online, offline, and logistics through data-driven innovation, offering 30-minute ultra-fast delivery and in-store dining options. This “pioneering” approach underscores its extremity.

From its inception, Hou Yi established five New Retail standards—unified membership, unified inventory, unified pricing, unified marketing, and unified settlement—to standardize operations, encapsulating Freshippo’s core value proposition as “accessible, high-quality, convenient, and trustworthy.” In January 2016, Freshippo’s first store opened in Shanghai’s Pudong Jinqiao International Commercial Plaza, achieving single-store profitability within six months. Its sales per square meter reached approximately 56,000 yuan, 3-5 times higher than traditional supermarkets. This signifies that this case is instructive.

1.3 Development History of Freshippo

Freshippo has achieved full profitability in the eight years since its establishment, and even with Alibaba's strong capital, traffic and digital technology support, Freshippo's development path in the past eight years is still full of challenges.

As early as 2015, Freshippo began secret preparations. In 2017, Jack Ma personally stood for Freshippo, which quickly became a hot spot, and the concept of "new retail" also became popular. During this stage, Freshippo achieved the digital transformation of online and offline integration, and opened 200 stores across the country.

After 2019, its development began to face challenges, and some stores were closed for the first time. On the one hand, the rapid expansion of stores has brought financial pressures, and on the other hand, the promise of high-quality goods has also slipped, and food safety problems have emerged, leading to a decline in reputation. Founder Hou Yi explored multiple sub-brands—such as Freshippo X members’ club, Freship-

po Neighbor Business , Freshippo Mini, and Freshippo Grocery—to redefine New Retail’s core competitiveness.

After the exploration and adjustment in the early stage, the operational efficiency of Freshippo will be significantly improved in 2022, and the product strength of Freshippo will be formed based on its own brand system and global direct procurement system. Looking to the future, comprehensive profitability is just the beginning for Freshippo, and there is still more room for development and challenges in the future.

2 Analysis of Freshippo’s Innovative Business Model

2.1 Breaking the Boundaries Between Online and Offline Channels

Freshippo, leveraging Alibaba's "Internet Plus" technology and big data analysis, fully utilizes cloud computing to achieve seamless integration between physical stores and e-commerce platforms, enabling efficient supply chain management and personalized marketing. This not only provides users with convenient and efficient services but also creates a closed-loop business model. By combining "to-home" and "to-store" services, Freshippo enhances the prominence of its self-operated products and integrates suppliers, retailers, and brand owners into a cohesive ecosystem.

The online network eliminates the limitations of time and space in transactions, while the physical stores provide tangible and high-quality experiences. These two dimensions complement each other [1]. Freshippo primarily fosters online-offline synergy through entertaining consumer engagement and rapid product delivery.

The Freshippo application serves as the bridge linking online and offline channels. To acquire firsthand consumer data, Freshippo initially implemented application-based self-checkout, excluding other payment methods. Although this approach faced initial resistance from consumers, its reliance on Alibaba and Alipay ensured secure transactions. Coupled with high-quality products, in-store dining experiences, and 30-minute delivery services, consumers gradually embraced application payments. Consequently, Freshippo successfully guided users from offline to online platforms, cultivating habitual application usage and improving customer repurchase rates.

2.2 Multi-Format Integrated Operations

Freshippo's multi-format strategy is one of its most prominent characteristics. The diversification and complementarity of its business formats foster synergistic relationships among various products and services [5]. Tailored to different commercial districts and customer segments, Freshippo has developed distinct formats under the umbrella of Freshippo. Today, Freshippo is not merely a single brand but a comprehensive portfolio of new retail formats designed to cater to varying consumption levels, market scales, and district characteristics. These formats are interlinked simultaneously meeting diverse market demands.

Freshippo operates two primary categories of business formats. The first includes Freshippo and Freshippo X members’ club, targeting middle-class consumers. The

second includes Freshippo Neighbor Business and Freshippo Outlet Stores, catering to the general population. Additionally, Freshippo Neighbor Business focuses on serving suburban communities. These formats emphasize segmentation to address the specific needs of different consumer groups, ensuring targeted and effective service delivery.

Freshippo's warehouse-store integration model reduces storage costs and supports the exploration of innovative business approaches. Multi-format operations also encompass the expansion of product categories. Although centered on fresh produce, Freshippo extends beyond this core offering. A quick look at the Freshippo application reveals a wide range of product categories, including seasonal fruits, fresh vegetables, seafood, meat, groceries, and household goods. Freshippo has also introduced a C2B pre-order channel, and launched various private-label brands. The ultimate goal is to provide customers with a comprehensive service system that integrates Freshippo into their daily lives.

Through diversified formats and the synergistic interaction between online and offline touchpoints, Freshippo better meets customer demands. By addressing customer pain points and enhancing consumer benefits, Freshippo ensures customer satisfaction. This is achieved through three key strategies:

Serving Quality-Oriented Consumers: Freshippo targets urban middle-to-upper-class professionals, emphasizing the provision of fresh, high-quality ingredients and promoting the concept of a "fresh and beautiful life." Its private-label products are exclusively fresh, pre-packaged, and portioned to meet daily dining needs. As one interviewee noted, "The products consumers buy are always fresh, and the food they eat each day is always fresh."

Innovating Products Based on Customer Preferences: Freshippo localizes standardized mass-market products to align with regional tastes. As a result, some of these optimized and innovative products have evolved into Freshippo's private-label offerings.

Providing Unconditional Returns: Since its inception, Freshippo has committed to a "100% unconditional return" policy. Dissatisfied customers can initiate returns via the Freshippo application without visiting the store or providing proof of purchase, and refunds are seamlessly processed through Alipay. This innovative service safeguard has gained widespread customer approval by prioritizing consumer rights.

From the perspective of brick-and-mortar retail, Freshippo's multi-format strategy also embodies brand building. By establishing brand recognition across various customer segments through omnichannel efforts, Freshippo resolves its traffic challenges. With consistent customer traffic, Freshippo can further explore platform-based development rooted in its internet-driven corporate.

2.3 Redefining the Functions of Physical Stores

Freshippo combines the characteristics of a fresh supermarket and a restaurant to reconstruct the shopping scene and achieve one-stop consumer services. Not only has it redefined the concept of the home kitchen, but it has also moved the kitchen experi-

ence to the supermarket, where customers can choose ingredients, flavors, and cooking methods, enhancing experiential consumption.

When you enter a Freshippo offline store, you will not only see the product display area, but also a dining area that accounts for about 1/3 of the business area and some food processing stalls. Due to the lack of trust in customers to buy fresh food online, Freshippo enhances the customer experience by allowing customers to eat in person and feel the quality of Freshippo to dispel their concerns and build trust. The second is to create a sense of entertainment and participation. Freshippo stores are designed to set aside an area as an event venue for events that allow customers to participate on weekends or holidays. By enhancing member rights and interests and pre-sale, in-sale and after-sales services, Freshippo promotes consumption upgrades and provides products that exceed expectations, thereby enhancing customers' sense of gain and satisfaction. For non-in-store customers, whether they want fresh seafood or hot cooked food, as long as they place an order through the Freshippo APP, it will be delivered within 3 kilometers as fast as 30 minutes with the support of the store's efficient sorting and distribution system.

Freshippo's offline stores not only sell goods, but also guide online traffic and achieve real-time adjustment between online and offline. When the offline customer flow is too large, encourage customers to place orders online and deliver them quickly; When there are too many online orders, guide customers to consume offline, so as to meet the needs of different consumption scenarios to the greatest extent.

3 SWOT Analysis of Freshippo

3.1 Strengths

Technological Advantages. The key to innovation in retail business models lies in achieving an omnichannel integration of online and offline operations, with digital technology playing a crucial role in enhancing and coordinating business systems. The ability to achieve synergistic complementarity of data resources and capabilities has become a critical factor in the success or failure of many new retail enterprises. Through the continuous accumulation of user data and continuous learning and optimization of artificial intelligence algorithms, it can bring users products or real-time personalized experiences that meet their preferences, thereby significantly enhancing their perceived value [5,6]. Freshippo, leveraging Alibaba's mature artificial intelligence and big data technologies, employs precise user profiling to deliver personalized product information to customers, thereby increasing the sales of fresh products and facilitating a synchronous sales model across online and offline channels.

User data serves as an important source and basis for innovation within enterprises. By maintaining continuous interactions with users, businesses can incorporate user data into key processes such as research and development and design. Utilizing big data analysis techniques, including machine learning algorithms, companies can unearth the value of accumulated user data, leading to shorter iteration cycles for new product development or product innovation. This agile response to market changes enables firms to quickly and accurately meet diverse user needs, further expanding

user bases and data volumes, ultimately enhancing both customer and enterprise performance [7]. The product value increases with the increase of data, and the increase in product usage generates more data, further enhancing the product value, forming a virtuous cycle [6,8].

Freshippo collects data through multidimensional user behavior tracking across all online and offline channels, creating a comprehensive consumer data loop. Online behavioral data includes users' browsing history within the Freshippo app (e.g., product clicks, time spent, search keywords, add-to-cart/favorite actions, and order history such as purchase frequency, average transaction value, and category preferences). Offline consumption data is gathered via store POS systems, membership cards, and scan-to-purchase methods, capturing details like customers' in-store timing, product combinations purchased, and payment methods. Additionally, external data sources complement this information by integrating Alibaba ecosystem data (e.g., Alipay consumption capacity tags and Amap location information) and third-party market reports (e.g., regional consumption trends), thereby enriching user profiling dimensions. Finally, platforms such as Hadoop and Spark enable real-time processing of massive data sets, connecting multi-channel data through user IDs (e.g., mobile numbers, Alipay accounts) to eliminate information silos.

According to public reports and industry analyses, such as the Taodou network case study, Freshippo's precise marketing strategies based on data have improved order conversion rates, average transaction values, promotional ROI, and user retention rates. Compared to a control group that did not utilize personalized recommendations, the conversion rate from clicks to purchases among the target user group increased by 15%-20%. Through related recommendations (e.g., “users who buy steak are recommended wine”), the average order value per transaction increased by 10%-15%. Users who accepted personalized recommendations exhibited a 25% higher repurchase rate within 30 days compared to regular users, with long-term retention rates (beyond six months) increasing by 18%.

Supply Chain Advantages. Freshippo establishes new cooperative relationships by building new transaction content, structures, and governance models with partners [9,10]. Specifically, Freshippo collaborates directly with fresh agricultural product production bases, establishing a supply model centered on direct sourcing from manufacturers by entering into long-term contracts with rural cooperatives or agricultural enterprises across the country. This local sourcing of fresh products reduces transportation costs while maintaining product freshness.

In Kashgar, Xinjiang, Freshippo has pre-locked orders and optimized transportation routes to deliver plums directly from the fields to stores, thereby avoiding the multiple levels of distribution typical of traditional supply chains. Through direct sourcing from the production site, transportation distances have been reduced by 40%, and the waste rate has decreased from 20% in traditional models to below 5%. In Ganzi, Sichuan, Freshippo has rescued the struggling golden pod industry through cooperative models, sourcing directly from Bake Village and distributing to stores nationwide. In 2023, sales of golden pods at Freshippo stores exceeded 2,000 tons, resulting in an additional income of over 5,000 yuan per household for farmers, while

transportation costs decreased by 30% compared to traditional models. In Enshi, Hubei, Freshippo has incorporated locally unsold potatoes directly into its supply chain. Through local direct sourcing, transportation time has been reduced from three days in traditional models to within 24 hours, with transportation costs decreasing by 25%, simultaneously enhancing the brand premium of the potatoes by 50%. In East China, Freshippo collaborates with local farms in Jiangsu and Zhejiang provinces; for instance, the Freshippo NB store in Zhili Town, Zhejiang, achieved sales of 960,000 yuan on its opening day through local direct sourcing of fresh products, with transportation costs accounting for only 60% of those in traditional models.

This supply chain model not only reduces Freshippo's overall procurement costs, enabling it to remain competitively priced, but also provides consumers with affordable and fresh products.

Logistics Advantages. The key factor for the success of online retailers lies in providing efficient and reliable door-to-door delivery services, especially for fresh produce retailers [11]. Due to the perishable nature of fresh produce, the importance of this service is even more pronounced to ensure consumers can receive the highest quality products and services.

Freshippo has established a comprehensive logistics system, utilizing specialized cold chain technology and equipment to ensure the freshness of fresh products during long-distance transportation, thereby reducing transportation losses and costs. For instance, with apples from Aksu, Xinjiang, a low-temperature cold chain transportation method is employed, keeping the time from harvest to shelf placement within 48 hours, while the transportation loss rate is only 3% (compared to the industry average of 15%), resulting in an overall transportation cost reduction of 20%. Freshippo has also set up seafood direct sourcing bases around Shanghai, employing a fully cold chain delivery system. The transportation cost of live freshwater bass from the Jiangsu base to Shanghai stores is reduced by 35% compared to interprovincial transfers, with delivery times improved to within 12 hours.

In terms of short-distance transportation, Freshippo commits to delivering products within a 3-kilometer radius in 30 minutes, optimizing and restructuring the circulation processes involved in production, transportation, storage, and sales. Freshippo primarily enhances sorting and delivery efficiency by constructing a fresh direct sourcing system and integrating the store and warehouse. First, Freshippo develops the fresh direct sourcing system by collaborating with local governments and enterprises nationwide to formulate agricultural planting plans, gradually establishing large-scale planting and processing bases. Freshippo's core competitiveness lies in its fresh supply chain system, which reduces intermediary steps and lowers circulation costs through direct sourcing from bases.

Secondly, the integration of stores and warehouses improves sorting and delivery efficiency. To achieve the goal of "delivery within 30 minutes for a 3-kilometer radius," Freshippo adopts a front-store, back-warehouse layout, where stores combine storage and sales functions. Fresh products are delivered directly from the source to the back warehouse of the store, optimizing the logistics chain through "integrated storage and delivery" and smart algorithms. The use of a hanging chain system con-

nects the front store and back warehouse, facilitating the identification and operation of various processes—from product arrival, shelving, picking, packing, to delivery—using intelligent devices, making the operation simple and efficient. The picking process is controlled to be within 3 minutes, with the entire picking and packing completed in 10 minutes.

Furthermore, Freshippo employs big data analysis to accurately match supply and demand, thereby reducing redundant transportation. By leveraging big data to forecast order demand based on sales data and consumption trends, Freshippo optimizes delivery routes and enhances order collection efficiency. In the East China region, the empty mileage rate for deliveries has decreased from 25% to 12%, the quantity of products delivered per trip has increased by 30%, and the transportation cost per kilometer has dropped by 18%. Additionally, Freshippo sends fresh procurement plans to production bases in advance, allowing suppliers to harvest and package according to demand. For example, Shandong Shouguang Vegetable Base has increased the frequency of transportation from 1 to 3 times a day through an order forecasting system, but the single transportation volume has been reduced by 40%, and the overall cost has decreased by 10%. There is also a dynamic adjustment of the transportation strategy, for example, during the typhoon season, Freshippo adjusts the transportation routes in East China through real-time data to avoid delays and losses caused by weather, and the transportation cost volatility is reduced by 50% compared with the traditional model.

Enterprise Internal Environmental Advantages. Relying on Alibaba's technical resources, Freshippo has established a training system covering the entire career cycle, based on a hierarchical training mechanism, starting with new employee induction training, covering corporate culture, job skills, use of digital tools, etc., to quickly improve employees' adaptability through a combination of online and offline methods. The second is special skills training, which is customized for supply chain management, sales skills, customer service and other positions, such as supply chain personnel need to master inventory forecasting algorithms and cold chain management technology, and sales personnel need to learn data-based product selection strategies. In addition, the leadership development program cultivates middle-level managers through job rotation practice and mentorship system, so that they can have the ability to operate the whole chain of new retail.

Employees can learn independently through an internal platform, with courses covering technology applications, industry trends, etc., and supporting real-time data analysis and feedback on learning results. Strengthen the actual combat ability through simulated store operations, case review and other forms. For example, the Fresh Waste Management course requires employees to develop a loss reduction plan based on historical data and validate the optimization in real-world scenarios.

Freshippo's corporate culture integrates the characteristics of Alibaba and the characteristics of the retail industry, forming the core values of "customers first, employees second, and shareholders third". Specific measures include: first, flat management and equal communication, eliminating traditional hierarchical titles, and encouraging cross-departmental collaboration and open discussions, for example, store employees

can directly feedback operational problems to regional leaders. Second, an innovative performance management approach whereby the performance of frontline employees is not directly tied to profits but is instead based on service quality and efficiency metrics (such as picking accuracy and delivery timeliness), while management performance is linked to store profits, thereby ensuring fairness and fostering a sense of accountability. Third, an employee welfare system that provides 24-hour mental health counseling, maternity lounges, long-term service leave for senior employees, and enhances a sense of belonging through "customized special gifts".

3.2 Weaknesses

Long Investment Return Cycle. The front store and back warehouse model of Freshippo requires larger space utilization. Store locations are often in high-rent commercial areas or densely populated regions, leading to high rental costs. Fresh product quality assurance demands high freshness levels, necessitating a sophisticated cold chain logistics system. Establishing this system involves high investment and long construction periods, delaying returns over the operational course.

Poor Service Experience. The simultaneous pursuit of scaled expansion and refined management is a necessary condition for a company to cultivate sustainable competitive advantages, but Freshippo hasn't done the best [6]. During peak periods, areas such as seafood and dining zones experience long queues, contrasting with Freshippo's high-end positioning and affecting dining experiences. Additionally, issues in hygiene and service are noted, with reports of frequent food safety concerns and inconsistent service quality, indicating poor management. Given the high quality demands of fresh products, complaints are common, and inadequate complaint handling can negatively impact brand perception.

Unclear Brand Positioning. The multi-format business model may influence consumer brand perception. Freshippo's range includes high-frequency formats such as convenience and community stores, as well as low-frequency, high-ticket membership stores. This approach attempts to tap into both discount and premium markets, leading to ambiguous brand positioning and difficulty in becoming the primary choice for target customer groups.

3.3 Opportunities

Advancement in Internet Technology. Internet advancements and improved electronic payment systems have expanded Freshippo's consumer diversity. Utilizing 5G and AI technologies enables Freshippo to deeply understand consumer habits and create a unique consumption environment meeting diverse needs. Big data analyses consumer behavior and preferences, providing personalized product recommendations to boost sales.

Policy Support. Since 2012, China's Ministry of Commerce and central government have issued policies supporting fresh agricultural product development and promoting innovative online-offline sales models. Such policies benefit fresh e-commerce platforms like Freshippo by encouraging dual development of online and offline business operations [12].

Policies in 2016 and 2018 guided new retail enterprises, driving retail transformation and supply chain innovation. The implementation of the E-commerce Law in 2019 supported healthy new retail development. Government reports frequently mention "new retail" advancement, emphasizing online consumption's economic impact and promoting new industries and models.

Rising Consumer Spending. In the past decade, China has undergone significant economic transformation, with consumer spending structures evolving [12]. As incomes rise, consumers demand higher quality products. Freshippo ensures product freshness by labeling fresh goods with dates and promptly handling soon-to-expire items, offering consumers fresh, reliable options.

Retail Industry Transformation. The "new retail" sector faces unprecedented challenges but progresses towards a more refined model, transitioning from single electronic transactions to diversified ones, improving supply chain efficiency, and fostering healthy market development.

3.4 Threats

Intense Industry Competition. New retail began as an O2O model evolution, initially facing resistance from traditional retail modes and habits. As a burgeoning sector, fresh e-commerce has attracted numerous competitors with varied models and quality, increasing pressure on Freshippo. Established e-commerce giants like JD, Xiaoxiang Fresh, and Meituan also entered the market, intensifying competition.

JD attracts price-sensitive consumers through continuous price reductions, attempting to impact Freshippo's market share with lower prices. For instance, following the launch of its promotional activities in November 2024, some fresh produce categories were priced 15%-20% lower than those at Freshippo. Meituan covers lower-tier markets and achieves an average daily order volume exceeding 40 million, leveraging the high demand for fresh produce to drive sales in other categories. However, it faces challenges due to a low average order value (approximately 20 yuan) and high subsidy costs. Dingdong Maicai has deployed around 100 front warehouses in first-tier cities (such as Beijing and Shanghai) to enhance delivery efficiency through high-density coverage, achieving an average order value of 70 yuan in 2024, significantly higher than the industry average.

Freshippo covers all scene demands through a stratified business model, avoiding the risks associated with a single model. Its direct sourcing in the supply chain reduces costs and ensures quality, creating differentiated barriers. Additionally, technological empowerment enhances operational efficiency and user experience, allowing

Freshippo to withstand the impacts of price wars and maintain a leading position in the competitive landscape of fresh e-commerce.

Food Safety Challenges. Although the state has established an inspection system for fresh products, the specific inspection policies for goods sold online are not perfect. Freshippo Fresh is therefore facing challenges in food safety control, and how to ensure the safety of products sold online has become a major challenge.

4 Suggestions for Improvement

To enhance Freshippo's operational ecosystem, Freshippo can integrate user behavior analytics with 5G-enabled IoT infrastructure to develop AI-powered virtual shopping assistants that enable product traceability. For example, customers can scan salmon packages to access real-time video recording the product's journey from ocean fishing to cold chain transportation, enhancing consumer trust. By leveraging AI algorithms, the platform can anticipate customers' immediate needs, such as recommending ready-to-eat meal kits for time-pressed white-collar workers, or syncing with smart home devices to automatically send out replenishment alerts based on refrigerator inventory levels. The collected demand-side data should extend beyond consumer experience optimization to guide supply chain strategies [13], offering premium market intelligence services to agricultural SMEs. These recommendations may include recommendations for crop selection supported by data obtained from Freshippo sales analysis and climate model forecasts. Strategic partnerships with local governments can establish digital agriculture pilot zones in key agricultural areas, using historical order data to develop crop planting standards, while providing policy incentives for the establishment of certified warehouses of origin and quality inspection laboratories. Freshippo can also link reports such as pesticide residues and logistics status with third-party audits, enabling consumers to retrieve end-of-process safety documents by entering batch codes and generating compliance certifications by cross-referencing these documents against regulatory benchmarks. Critical distribution centers should deploy quality inspection systems to automatically intercept non-conforming products while issuing corrective action plans to suppliers, potentially doubling inspection efficiency. At the same time, supplier development programs, including agricultural technology training, digital transformation support, and financing solutions, will increase partner loyalty. To differentiate the urban market, first-tier cities can feature premium cuisine with private label products and live cooking stations, while lower-tier cities may adopt an asset-light franchise model, with Freshippo offering smart inventory systems and supply chain expertise in exchange for profit-sharing. Live streaming of food processing areas and scannable chef credentials increases transparency, complemented by IoT wearables to monitor employee service metrics, such as order fulfillment speed and customer engagement frequency, which are directly linked to performance incentives. Freshippo should publicly display daily disposal logs and monthly quality reports highlighting key product safety indicators that exceed industry standards. To optimize resource allocation, forecasting models that integrate sales,

weather, and traffic data can predict regional demand spikes, while cross-departmental coordination agreements will discourage internal competition, such as restricting the sale of Freshippo's best-selling items at X Members. This integrated approach has made Freshippo a leader in data-driven retail innovation across the value chain.

5 Conclusion

As a benchmark enterprise in the field of new retail, Freshippo has established a significant competitive advantage in the field of fresh e-commerce through innovative models such as online and offline integration, multi-format collaboration and scenario-based experience, relying on Alibaba's technical strength and supply chain integration capabilities. Its technology-driven precision marketing, efficient cold-chain logistics, flexible multi-format layout, and the "customer-first" corporate culture have enabled it to maintain a leading position in fierce competition. However, challenges such as high operational costs, shortcomings in service experience, and ambiguous brand positioning have also exposed the difficulties faced by the new retail model during rapid expansion. Reflecting on Freshippo's development trajectory, its success stems from bold practices in the reconstruction of "people, goods, and places." Nevertheless, the essence of new retail remains retail. While pursuing technological iteration and model innovation, returning to the core of retail—balancing product quality, service warmth, and cost efficiency—is the foundation for long-term competitiveness. In the future, Freshippo needs to find a better balance between the "speed" driven by data and the "steadiness" of quality control to continue leading in the chaotic battle of fresh produce e-commerce.

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