

The effect customers' requirements on fresh food have on the suppliers' distribution

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Have you ever considered what requirements you have on fresh food? When you enter a store, what do you look for when you pick a product from the shelf? Is it the durability, price, quality or label? Or is it maybe all of them? Depending on what requirements the customers have, the distribution of fresh food needs to be adapted to these in different ways.

The global demand for fresh food is constantly increasing and is anticipated to continue growing in the future. Between 2011 and 2016 the demand increased with approximately three percent per year. Because of this increased demand and the consumers' increased demand for lower prices, better shopping convenience and more freshness, the grocery retail environment is becoming more competitive. Retailers need to constantly strive for perfection in logistics due to limited trade margins.

Fresh food have a short shelf life and often require specific storage conditions and transportation requirements to slow the deterioration rate. One of the most important factor to consider when distributing fresh food, is to maintain high quality so that it will remain consumable and keep a long durability. The quality of fresh food is highly affected by the temperature, and the temperature is pointed out as being one of the most influential factors on the quality. To maintain the quality of fresh food, refrigerated vehicles are normally used for the shipping. There exist different kinds of refrigerated vehicles and load carriers (which in this case refers to the container/body in which the goods

are loaded). The vehicle can for instance have a load carrier with a cooling aggregate which is operating during transportation. The vehicle can also have an isolated container as load carrier where the cooling aggregate cannot operate during transportation, such as swop containers. The load carrier can also have different size, different ability to be pre-loaded with goods, and special features such as monitoring the temperature of the load carrier.

Keeping the temperature when distributing fresh food is more of a prerequisite than a customer requirements. However, the customers often put several requirements on the supplier. These requirements can differ from customer to customer and can be anything from on-time delivery, low price, specific delivery time slots and a certain frequency of the deliveries. Depending on what requirements the customers have, a certain vehicle and load carrier is optimal to use. If the customers want frequent deliveries and order small volumes each time, a small sized load carrier is optimal to use. However, if low price is important it is optimal to consolidate as much goods as possible in a larger load carrier. Therefore, it is important for the supplier to identify their customers' requirements and adapt their distribution, vehicles and load carrier used to suit these requirements. So next time you enter a store and pick a fresh food product from the shelf, you can think about what requirements you have and in what way these requirements will affect the entire distribution of the product.