

How To Improve Social Media Apps For Online Purchase Behavior By Chinese Young Consumers Generation Y In Order To Influence The Purchase Of Fresh Food Products From SMEs?

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Abstract: *This study intends to analyze the factors that influence mobile customers of Generations Y repurchase intentions for agricultural fresh food product apps and Small and Medium-sized Enterprises (SMEs') E-commerce fresh food platforms. Beginning with a rationale and background information of China's agricultural fresh food internet marketing and retail business.*

Keywords: Fresh food, Repurchase intention, Generation Y, Small and Medium-sized Enterprises (SMEs')

1. Introduction

China's fresh food and produce industry is currently experiencing a phase of growth and expansion, driven by the urgent and critical demand of consumers for such products in their daily lives. The burgeoning e-commerce sector has captured the attention of consumers owing to its rapidity, intuitive user interface, economical nature, and a wide array of novel products that are obtainable for procurement. In the initial stages of the year 2020, the novel coronavirus disease (COVID-19) surfaced (Zou, 2022). Since the month of February, a considerable number of urban centers in China have enforced a stringent home confinement strategy as a countermeasure to mitigate the transmission of the pathogen. In light of the prevailing exigent circumstances, there has been a noteworthy upswing in the requisition for e-commerce platforms catering to the distribution of unpreserved comestibles. Empirical evidence suggests that during the Chinese Spring Festival period of the same year, the quantity of diurnal active users utilising fresh food delivery applications has exceeded the noteworthy threshold of 10 million. In contradistinction to the Spring Festive of the antecedent year, it has been observed that the quantity of diurnal active users has evinced a noteworthy augmentation of 91.46% (Zou, 2022).

According to the figure 1 presented by Iresearch business in 2022, the fresh food retail market in China has exhibited a steady expansion in its market size from 2016 to 2022. Over the period of 2016 to 2020, there was a consistent upward trend in the market size, which rose from 40,078

billion CNY to 50,395 billion CNY. The data indicates that the industry has experienced a favourable upward trend in growth, suggesting a robust expansion rate. The rates experienced an upward trend, with a range of 4.6% to 9.2%, over the period spanning from 2017 to 2019. The growth rates observed in 2019 and 2021 exhibited a significant increase in comparison to preceding years, with a notable surge of 9.2% and 8.5%, respectively. The aforementioned suggests a rapid expansion of the fresh food sector during that period, potentially propelled by various factors such as evolving consumer inclinations, heightened consciousness of nutritious dietary habits, and enhanced distribution channels (Sun, 2021).

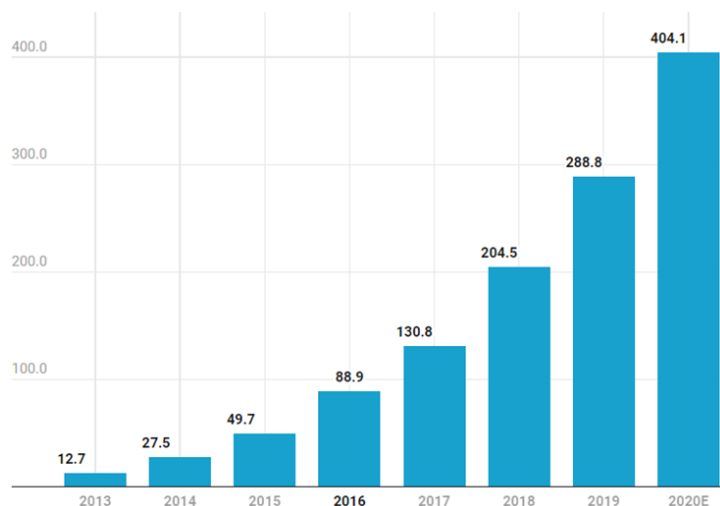


Figure 1: Chinese Online Fresh Food Market Size-Million RMB
 (Source: Zou,2021)

FigIn addition, the COVID-19 pandemic has had a significant impact on the Chinese catering industry, necessitating that businesses remain abreast of the latest trends in dining consumption. It has been observed that customers exhibit a preference for the utilisation of online platforms for the purpose of ordering food delivery. Additionally, they tend to display a proclivity towards engaging with social media promotions and availing themselves of diverse discounts(Xu,2021). Furthermore, these individuals place a high degree of importance on the assurance of food safety and quality. To enhance profitability for businesses, it is suggested that tailored product and promotional tactics, partnerships with online opinion leaders, streamlined logistics networks, and diversified avenues for expanding ancillary enterprises be implemented.

China fresh food retail Market Sizes 2016-2020(Billion CNY)

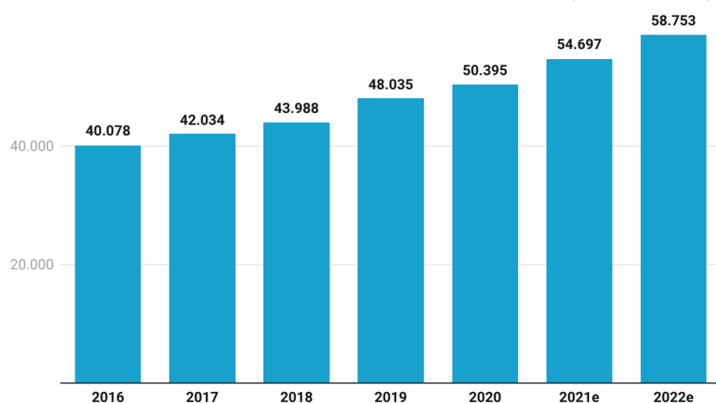


Figure 2: China fresh food retail market sizes
 (Source: Iresearch, 2021)

The fresh food retail industry in China, being one of the fundamental consumer goods, has a market size of trillions of dollars. In recent years, the Chinese fresh food retail market has exhibited a stable growth trajectory, with the market size surpassing RMB 5 trillion in the year 2020.

The emergence of the Internet has engendered numerous opportunities for electronic commerce, and several electronic commerce enterprises, including Alibaba, which have achieved remarkable triumphs (Ebrahim et al., 2016). The impact of digitization in China throughout the past decade has been unparalleled in its magnitude and scope. The process of converting an analogue signal into a digital form has been characterized as digitalization, as per the definition provided by Brennen and Kreiss (2016). The advent of information and communications technology has resulted in a transformation of their principal applications, as per the findings of Gartner Inc. In light of the proclivity of the industry towards electronic commerce, the latest advancements in internet technology and digitization have effectively fulfilled the Chinese consumer's desire for a multitude of consumption modalities. Therefore, representative for the origins of the fresh produce e-commerce industry also began, The inception of Ego Fresh in 2005 signified the commencement of the e-commerce industry for fresh produce, which has subsequently undergone more than a decade of evolution. At the outset, the market was primarily characterised by the hegemony of vertical electronic commerce platforms that specialised in the distribution of fresh comestibles. Notwithstanding, the advent of corporate behemoths such as Alibaba and JD.com has led to a further proliferation of the e-commerce domain pertaining to fresh food. Hence, the observed trend of shifting preferences and patterns of consumption can be attributed to the pervasive adoption of the Internet in China over the past decade.

To expound, the proliferation of the Internet in China was a tardy occurrence, and the inception of electronic commerce was not realized until the commencement of the 21st century. However, the quantity of individuals utilizing the Internet in China has undergone a meteoric rise over the past thirty years, as reported by the China Internet Network Information Centre in 2019. According to existing literature, the number of internet users in China was reported to be 829 million as of December 2018. Additionally, there was a 3.8% increase in the number of new users, amounting to 56.53 million, as compared to the end of 2017. Furthermore, the internet penetration rate in China reached 59.6%. According to the report published by the China Internet Network Information Centre in 2019, it was found that Commencing from the year 2014, the aforementioned sector has garnered noteworthy interest from investors, thereby giving rise to a plethora of novel models such as front warehouses, shop-warehouse integration, O2O platforms, and community group buying. In the epoch of swift progress, certain small and medium-sized e-commerce enterprises specialising in fresh food encountered obstacles such as exorbitant expenses and disrupted financial streams, culminating in cessation of operations or procurement by other entities. The preliminary stage of reorganisation within the industry has been successfully executed. The advent of the COVID-19 pandemic in 2020 had a profound impact on the domestic economy, resulting in a remarkable surge in the realm of fresh food e-commerce. The emergence of platforms such as Daily Fresh Food, Dingdong Buy Vegetables, and Meituan Buy Vegetables has garnered significant attention in recent times. A number of nascent e-commerce enterprises specialising in fresh food have garnered significant favour in the capital market. Moreover, the market witnessed the emergence of prominent players such as Pinduoduo, Meituan, and Didi, who ventured into the realm of community group buying, thereby augmenting the competitive landscape of the fresh food e-commerce sector. Furthermore, based on empirical evidence gathered by the China Internet Data Centre, the number of virtual consumers in China has surged to 842 million as of December 2021,

signifying a rise of 59.68 million from the antecedent year and constituting 81.6% of the entire Internet user population (China Internet Network Information Centre, 2021). Based on the available evidence, it can be inferred that online shopping is the predominant mode of consumption among Chinese consumers.

According to the Ministry of Commerce of the People's Republic of China (2021), the annual online retail sales in China for the year 2021 amounted to 42.3 trillion CNY (\$6.15 trillion). Zhao et al. (2021) noted a remarkable surge of 19.6% in comparison to the previous year in China's thriving e-commerce industry. This has resulted in the emergence of a novel platform and prospects for the agricultural sector.

The efforts made by Zhao et al. (2021) demonstrate that the e-commerce sector has been a target of expansion for the fresh produce industry in recent years. Overall, the fresh food e-commerce industry in China has experienced dynamic changes, with a mix of growth, challenges, and evolving competition. The industry's response to the COVID-19 pandemic has further accelerated its development, highlighting the importance of e-commerce platforms in meeting consumer demands for fresh and safe food products.

1.1 Evaluation of SMEs and Chinese Online Purchase Behavior for Chinese Agriculture and Fresh Food Marketing

Based on the preceding analysis, it has been determined that the COVID-19 pandemic has had a discernible impact on the fresh food industry. The Chinese government has taken significant measures to safeguard public health, particularly in relation to the challenges faced by the fresh food supply chain during transportation. Therefore, the breakdown of the supply chain will result in the breakdown of small and medium-sized enterprises (SMEs) within the industry.

1.1.1 The Small and Medium Enterprises (SMEs) for fresh food and Agriculture in China

The phenomenon of innovation diversity engenders synergistic effects whereby the competencies cultivated for a particular category of innovation can augment the results of other categories of innovation. The study conducted by Verreyne and colleagues (2019) investigates the phenomenon of innovation diversity and its potential impact on the performance of small and medium enterprises (SMEs). The study conducted by Selase et. al. (2019) employs a quantitative methodology to discern the impact of technology adoption and utilization on the market performance of small and medium enterprises in the La-Nkwantanang municipality of Ghana. Drawing upon Aymen et al.'s (2019) conceptual framework of organizational context and job perspective on socially responsible behaviors, this study aims to investigate a model for enhancing the success of small and medium enterprises (SMEs) in the workplace. The study seeks to elucidate the factors that contribute to the success of SMEs, within the context of their organizational environment and job-related behaviors. The adoption of big data analytics (BDA) has emerged as a transformative phenomenon in the contemporary industrial landscape, facilitating precision decision-making and optimal performance. The research conducted by Maroufkhani et al. (2020) delves into the adoption of big data analytic among small to medium-sized enterprises, with a focus on the determinants and performances associated with this phenomenon. However, the determinants or ramifications of its implementation within small and medium-sized enterprises lack clarity, thus prompting the aim of this investigation. The scholarly work conducted by Zhurakovska and colleagues (2020) presents a comprehensive examination of the influence exerted by diverse exogenous variables on the headcount of personnel in the context of small and medium-sized enterprises. The aim of the study conducted by Chłodnicka et al. (2020) is to introduce a set of financial indicators that can facilitate the prompt and efficient evaluation of the likelihood of financial distress leading to the insolvency

of an entity by managers. The primary objective of the study conducted by Pech et al. (2020) is to categorize small and medium-sized enterprises based on their degree of Industry 4.0 implementation, utilizing the Index of Industry 4.0. The present investigation conducted by Briozzo et al. (2020) examines the ramifications of engaging in a voluntary external audit among a cohort of small and medium-sized enterprises situated in the most populous Latin American nations, namely Argentina, Brazil, Colombia, and Mexico. The study conducted by Hernita et al. (2021) endeavors to examine three key areas:

- i. the enhancement of human resource (HR) capacity in small and medium enterprises (SMEs) as a determinant of increased productivity and labor absorption;
- ii. the impact of HR capacity strengthening, business productivity, technology utilization, and business diversification on the sustainability of SMEs;
- iii. the optimization of government support in promoting business development, productivity enhancement, and the stability and sustainability of SMEs. Another noteworthy contribution to the field is the work of Rotar et al. (2019).

Small and medium-sized enterprises (SMEs) have not received adequate scholarly and governmental consideration despite being key actors in the economic landscape. The current investigation conducted by Xu et al. (2008) endeavors to tackle the aforementioned concern by initially scrutinizing the extant employment of the Internet and associated software among small and medium-sized enterprises (SMEs) in the fresh produce supply chain of China. Subsequently, the study aims to discern the factors that facilitate or impede the SMEs in garnering the attention of the government. Upon examination of a representative case study (Ye et al., 2011), it is posited that the modes of collaborative innovation undergo a progression from one phase to the next throughout the collaborative innovation process. The research conducted by Kirezieva et al. (2015) examines the current state of food safety management practices within fresh produce companies operating in the European Union and other regions. This study delves into the food safety management practices of 118 primary producers situated in both EU and non-EU nations. Drawing upon statistical data from the Ministry of Foreign Affairs of the Republic of Latvia and a sample food market research report on Latvian export to China, the present study endeavors to elucidate the legal and cultural impediments that may impede the entry of food producers into the Chinese market. Additionally, the study proffers a set of recommendations aimed at facilitating the export of Latvian food to small and medium-sized enterprises (SMEs) in China, and fostering the establishment, development, and sustenance of commercial activities in the Chinese market (Feng et al., 2016). In their scholarly work, Rodgers (2016) provides a succinct analysis of the technical and operational principles that serve as the foundation for the commercialization of minimally processed functional foods (FFs). These FFs are characterized by their fresh-like attributes, which enable them to command premium prices in the marketplace. The study conducted by Jang (2019) aims to examine the environmental hazards that Chinese enterprises may encounter, particularly in the context of food franchise companies, in order to effectively mitigate any potential risks that may arise from their entry into the Chinese market amidst a climate of uncertainty. The study conducted by Ogi et al. (2020) aims to investigate the determinants that impact the purchasing behavior of local tourists toward small and medium-sized enterprises (SMEs) that specialize in food and beverage offerings within the urban locale of Manado. The objective of the study conducted by Wicaksono et al. (2022) is to enhance the resilience of the food supply chain through the utilization of a quality function deployment approach. This is achieved by comprehending the demands of customers and the logistical hazards associated with the food supply chain. Additional noteworthy contributions encompass (Duan et al., 2007) and (Feng et al., 2021).

Following the conclusion of the Spring Festival in 2020, it was observed that a majority of enterprises in China opted to postpone their resumption of work, with the exception of those engaged in the production of medical supplies. As of March 29th, the proportion of small and medium-sized enterprises (SMEs) in China that resumed operations was recorded at 76.8%. However, the deleterious ramifications of the COVID-19 outbreak persisted for a protracted duration. Towards the conclusion of 2018, the People's Republic of China possessed in excess of 30 million small and medium-sized enterprises (SMEs) and over 70 million individual industrial and commercial households. These entities were responsible for contributing in excess of 50% of the national tax revenue, over 60% of the gross domestic product (GDP), more than 70% of technological innovation achievements, and over 80% of the labor force employment. (Xinhua News Agency, 2019).

The adverse consequences of the epidemic on small and medium-sized enterprises (SMEs) are evidently apparent, due to their vulnerability and constant need to sell in order to generate revenue streams. In contradistinction to their macro-level counterparts, small and medium-sized enterprises (SMEs) are confronted with a unique disadvantage across diverse domains, encompassing but not restricted to financial resources and innovative capabilities. The sustainable development model of small and medium-sized enterprises (SMEs) was formulated by Salimzadeh et al. (2013). The proposition posits that the government represents a significant external factor that exerts a considerable influence on the robust growth and development of small and medium-sized enterprises (SMEs). Bouazza (2015) posits that the expansion of small and medium-sized enterprises (SMEs) is significantly influenced by national policies, legal frameworks, and supportive policies. The corpus of documents presented herein substantiates the proposition that the government exerts a significant impact on the salubrious growth and maturation of small and medium-sized enterprises (SMEs). Even during a phase of consistent economic expansion, the government can acknowledge this phenomenon and offer targeted policy assurances to foster the robust advancement of small and medium-sized enterprises (SMEs) (OECD, 2009).

In contrast, Tutor Wicaksono and Csaba (2022) claim that their research aims to strengthen the resilience of the food supply chain through a complete understanding of customer needs and logistical risks within the food supply chain. According to research, the top three client expectations are "visually appealing and vibrant colors," "durable consistency," and "aromatic freshness." The three greatest threats to the agri-food supply chain are incorrect storage, harvest failure, and human resource threats. Three important measures have been identified to strengthen the resilience of the agri-food supply chain: continual training, preventative maintenance, and supply chain forecasting. Considered crucial for avoiding the aforementioned risks and guaranteeing the efficient operation of the agri-food supply chain, several measures are essential. The present study proposes a unique approach that broadens the scope of supply chain resilience in the agri-food sector by incorporating customer requirements into the assessment of existing risks, with the ultimate goal of enhancing customer satisfaction (Wicaksono, 2022).

In contrast to their larger counterparts, small and medium-sized enterprises (SMEs) exhibit a comparatively limited range of financing options, with a capital chain structure that is overly simplistic. The epidemic has resulted in the closure of small and medium-sized enterprises (SMEs) and the disruption of the capital chain. In light of the outbreak, it is noteworthy that orders which cannot be fulfilled are subject to particular financial compensation, as posited by Du (2021).

2. Conclusion

This study aims to enhance social media applications for online purchasing behaviour among Chinese Generation Y consumers, with the goal of influencing the purchase of fresh food products from small and medium-sized enterprises (SMEs) in the Chinese market. The present chapter has furnished a lucid framework pertaining to the research that will be undertaken in the subsequent chapters. The sections encompassed in the study were the background, problem statement, research objectives, research questions, significance, and definition of terms. The subsequent chapter is dedicated to conducting a comprehensive review of the literature pertaining to the sustained usage of retail applications, along with identifying the existing gaps in the literature that have yet to be addressed.

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