Opportunities and Challenges of Light Food Industry in the Context of E-commerce

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Abstract: With the rapid development of e-commerce, the light food industry has ushered in new opportunities. E-commerce platform provides more sales channels and publicity opportunities for the light food industry, making the brand easier to be found and recognized by consumers. However, the light food industry is also facing some challenges. This paper analyzes the current situation of light food industry in the context of e-commerce, focuses on the analysis of opportunities and challenges, and puts forward certain development countermeasures.

1. Research background

With the upgrading of consumption and the gradual enhancement of people's awareness of healthy diet, people have higher requirements for their own nutrition and health, and light food meets this demand from the function to the concept, so light food is accepted and loved by more and more people [1]. At the same time, the popularity of e-commerce platforms and the change of consumers' shopping habits have also ushered in new opportunities for the light food industry. Consumers can easily buy a variety of light food products, such as salads, sandwiches and chicken breasts, through e-commerce platforms. Secondly, e-commerce platforms also provide more sales channels and publicity opportunities for the light food industry, making brands easier to be discovered and recognized by consumers. According to the "2023 Consumption Hotspot Observation Report", "green intelligent consumption" has become a hot spot of consumption. In China, many e-commerce platforms have combined with the light food industry to meet the needs of customers in a smarter and greener way. However, the industry is also facing some challenges, such as fierce market competition, logistics and distribution issues, and consumers' increasing concern about health and environmental protection, which also put higher requirements on the industry.

In short, the light food industry has good opportunities and broad market prospects in the context of e-commerce, but it also faces some challenges. The research on light food industry in the context of e-commerce has certain practical significance and value.

2. Analysis of the current situation of light food industry in the context of e-commerce

2.1 Analysis of light food market

2.1.1 Porter's Five forces analysis

(1) Supplier bargaining power

In the context of e-commerce, suppliers in the light food industry have relatively strong bargaining power, mainly as follows:

① Large number of suppliers: the number of suppliers in the light food industry is large, and the competition is fierce. The competition among suppliers makes suppliers more inclined to cooperate with customers with stable orders and good reputation, so the customers are relatively disadvantaged in the negotiation.

② Small procurement scale: the procurement scale of the light food industry is relatively small, and some suppliers may raise the price or reduce the quality of service because of the small procurement scale of customers, thereby increasing the cost and risk of customers.

③ Bargaining advantage of suppliers: Some suppliers may have a strong bargaining advantage, such as having unique technology, patents, brands and other advantages, thereby increasing the procurement cost and risk of customers.

(2) The buyer's bargaining power

In the context of e-commerce, the bargaining power of buyers in the light food industry is relatively weak, mainly as follows:

① Consumer demand is relatively stable: consumer demand for light food products is relatively stable, and consumers are less sensitive to price, so the bargaining power of buyers to suppliers is relatively weak.

② Fierce brand competition: the brand competition in the light food industry is fierce, and suppliers usually attract consumers by improving product quality and taste, strengthening after-sales service and other ways, while the bargaining power of buyers to suppliers is relatively low.

③ More consumer choices: there are many light food brands on the e-commerce platform, and consumers can choose different brands and suppliers, so the bargaining power of the purchaser is relatively weak.

(3) The threat of potential entrants

In the context of e-commerce, the threat of potential entrants in the light food industry is relatively strong, mainly as follows:

① The industry threshold is relatively low: the light food industry is relatively mature and competitive, and entrants need to have certain advantages such as capital, technology and resources in order to obtain a certain market share.

② Fierce competition: the competition in the light food industry is fierce, and there are already many brands and suppliers in the market occupy a certain share and position, and new entrants need to face higher competitive pressure.

③ Brand loyalty: Light food consumers pay more attention to the needs of brand and taste, and new entrants need to establish their own brand image and reputation, so as to gain the trust and support of consumers.

(4) The threat of substitutes

In the context of e-commerce, the threat of potential substitutes in the light food industry is relatively small, mainly as follows:

① The difference in quality and taste of the alternatives is small: the main cost of light food

products lies in ingredients and cooking techniques, and brands are stuck in a "grass-eating" model. And because of the need of reducing fat with less oil and salt, the manufacturing steps of light food do not need to consider the heat, side dishes and other aspects like traditional dishes. Light food is easy to make and replicable, which also leads to serious homogenization in the industry. [2]. It is difficult for consumers to find alternatives with obvious advantages.

② Consumers' cognition and demand for light food are relatively stable: light food products have a certain degree of awareness and demand in the market, and consumers' demand for light food is relatively stable, so the potential substitutes are relatively small threats to the light food industry.

(5) The power of competitors in the same industry

In the context of e-commerce, there are relatively more competitors in the light food industry, mainly the following points:

① Competition between brands and suppliers: there are many brands and suppliers in the light food industry, and competitors need to attract consumers by improving product quality, taste, price, service and other aspects, so as to obtain market share and status.

② Price competition: light food industry price competition is more intense, so suppliers need to reduce costs, improve efficiency and find out other ways to improve their own price competitiveness, so as to get more market share.

③ Channel competition: Light food brands and suppliers on the e-commerce platform need to strengthen their own channel construction and management, improve their own market coverage and brand awareness, so as to obtain more consumers and market share.

2.1.2 PEST Analysis

(1) Political environment

In the context of e-commerce, the political environment of the light food industry is relatively stable, and the government's regulatory policies on the light food industry are relatively loose, as there are no obvious policy risks and restrictions. The government's supportive policies for the light food industry are mainly reflected in the following aspects:

① The Government encourages innovation, research and development: the government encourages the light food industry to strengthen innovation and research and development, to improve the quality and taste of products, and to promote the technological progress and industrial upgrading of the industry.

② Light food industry promotes brand building and market promotion: the government encourages light food brands to strengthen their own brand building and market promotion, improve their competitiveness and market share, so as to promote the development and growth of the industry.

(2) Economic environment

The economic environment of light food industry in the context of e-commerce is relatively good, mainly due to the following factors:

①Consumers' demand for healthy food increases: with the improvement of people's living standards and the enhancement of health awareness, consumers' demand for healthy food continues to increase, and light food as one of the health foods, the market demand is also growing.

②The rapid development of e-commerce platform: the rapid development of e-commerce platform, it provides more sales channels and promotion opportunities for the light food industry, and also reduces the sales cost and threshold, providing more opportunities and space for the development of the light food industry.

③The profit margin of the light food industry is large: the cost of the light food industry is mainly in the aspects of ingredient sand cooking technology, so the profit margin is relatively large, which also attracts more investors and entrepreneurs to enter the light food industry.

(3) Social environment

The social environment of light food industry in the context of e-commerce is relatively positive, mainly due to the following factors:

①The popularity of healthy diet concept: with the popularity of healthy diet concept, more and more people began to pay attention to healthy diet and balanced nutrition, light food as one of the health food, more and more favored and sought after by consumers.

②Consumers' attention to food safety: with the continuous improvement of consumers' attention to food safety, the light food industry also pays more attention to food safety and quality control to ensure the quality and safety of products.

③ The government's supervision of the food industry is strengthened: the government's supervision of the food industry continues to strengthen, and the light food industry also needs to comply with relevant laws and regulations and standards to ensure the quality and safety of products.

(4) Scientifical and technological environment

In the context of e-commerce, the science and technology environment of light food industry is relatively good, mainly due to the following factors:

① The popularization and development of Internet technology: the popularization and development of Internet technology provides more sales channels and promotion opportunities for the light food industry, but also reduces the sales cost and threshold, and provides more opportunities and space for the development of the light food industry.

② Application of intelligent logistics system: The application of intelligent logistics system can improve logistics efficiency, reduce logistics costs, and provide better logistics support and services for the development of light food industry.

③ Intelligent and digital transformation of e-commerce platform: e-commerce platform is actively carrying out intelligent and digital transformation, through big data, artificial intelligence and other technical means to improve the degree of platform intelligence and user experience, for the development of light food industry to provide better technical support and services.

2.2 Analysis of current situation

The rise of e-commerce platforms has provided the light food industry with broader sales channels and richer marketing means, making it easier for the light food brand to reach consumers and better meet the needs of consumers. As a healthy, nutritious and convenient way to eat, light food has great market potential, which is also proved by the sales data of e-commerce platforms. Recently, with the release of the 2023 financial report one after another, the "top 3" of e-commerce—Alibaba, Jingdong and Pinduoduo have once again become the focus of market attention. From the data in Table 1, Pinduoduo leads the way with an amazing growth rate, with a revenue growth rate of 89.68%, showing a strong momentum of development; While Alibaba and JD.com are facing varying degrees of growth bottlenecks and need to find new breakthroughs. Behind the financial report competition, it also reflects that the competitive pattern of the e-commerce industry is undergoing profound changes. From these data, we can also see that e-commerce provides more sales channels and opportunities for the light food industry.

Table 1: Comparison of Core data of Ali JD.com pinduoduo 2023 Financial report

index	Ari	JingDong	Pinduoduo
sales	$927.5 billion	$1.085 trillion	2476亿
Revenue growth	7.28%	3.67%	89.68%
Gross profit	$350.4 billion	$159.7 billion	$155.9 billion
Gross profit growth	11.34%	8.59%	57.34%
net profit	$100.29 billion	$24.17 billion	$60.03 billion
Net profit growth	225.13%	132.82%	90.33%
R & D expenses	$52.06 billion	$16.39 billion	$10.95 billion
R & D expenses increase	-3.23%	-2.96%	5.49%
Marketing expenses	$111.25 billion	$40.13 billion	$82.19 billion
Increased marketing costs	5.18%	6.25%	51.25%
Total assets	$1.821 trillion	$629 billion	$348.1 billion

(Note: Data from net Economic and Social)

Of course, light food brands need to pay attention to quality and supply chain management on the e-commerce platform to ensure the freshness and quality of ingredients, and also need to pay attention to brand building and marketing promotion to improve brand awareness and reputation.

2.3 Analysis of development trend

①Online sales channels will continue to play an important role. E-commerce platforms provide light food brands with broader sales channels and richer marketing means. Enterprises need to pay attention to e-commerce operation and promotion to improve brand awareness and sales performance.

②Consumers have increasingly high requirements for the quality and taste of light food products. Therefore, light food brands need to pay attention to the freshness and quality of ingredients, and also need to pay attention to product development and taste innovation to meet the needs of consumers.

③Intelligent logistics and supply chain management will become an important competitiveness of

the light food industry, enterprises need to strengthen the construction of intelligent logistics system, improve logistics efficiency and distribution quality, but also need to pay attention to cost control and risk management.

④Brand differentiation will become an important development trend in the light food industry, and enterprises need to improve brand awareness and reputation by creating a unique brand image and brand story to attract more consumers.

⑤Social e-commerce and content marketing will become an important marketing means of light food brand, enterprises can carry out content marketing and social interaction through social media, short video and other platforms, light food track will become an incremental market, for the marketing of young people, it will also cooperate with some fitness competitions to make brand differentiation[3], attract more consumer attention and purchase.

3. Opportunities and challenges of light food industry in the context of e-commerce

3.1 Opportunities

①The rise of e-commerce platforms has provided the light food industry with broader sales channels and richer marketing means, making it easier for the light food brand to reach consumers, but also to better meet the needs of consumers.

②The consumer group of the e-commerce platform is more young, and the demand for healthy, nutritious and convenient diet is more obvious. Therefore, the light food brand can use the e-commerce platform to carry out precision marketing and attract more young consumers.

③The e-commerce platform provides more sales data and consumer feedback, enterprises can use these data for analysis and mining, to understand the needs and preferences of consumers, so as to better product development and marketing promotion.

④The competition on the e-commerce platform is relatively small, light food brand can use the e-commerce platform for differentiated competition, create a unique brand image and brand story, and improve brand awareness and reputation.

Enterprises engaged in light food industry need to seize these opportunities, strengthen their own brand building and marketing promotion, improve product quality and supply chain management level, in order to achieve sustainable development.

3.2 Challenges

①Logistics and distribution problems: Light food products have high requirements for freshness and taste, and the logistics and distribution of e-commerce platforms usually need to go through multiple links, which is easy to cause product damage or deterioration. Enterprises need to strengthen the construction of intelligent logistics system, improve logistics efficiency and distribution quality.

②Price competition: there are many light food brands on the e-commerce platform, and the price competition is fierce. Enterprises need to pay attention to cost control and risk management, while improving product quality and taste, in order to gain the recognition and trust of consumers.

③Food safety issues: the light food products on the e-commerce platform need to meet the national food safety standards, enterprises need to pay attention to the freshness and quality of ingredients, but also pay attention to food safety management and quality monitoring, to ensure product safety and hygiene.

④Consumer experience problem: the consumer feedback and evaluation on the e-commerce platform is crucial to the enterprise, the enterprise needs to pay attention to the consumer experience, improve the quality and satisfaction of after-sales service, while strengthening the interaction and

communication with consumers, understand the needs and feedback of consumers, constantly improve and optimize products and services.

Enterprises engaged in the light food industry need to pay attention to these issues, strengthen their supply chain management, quality control, after-sales service and other aspects of the work, in order to improve their competitiveness and market share.

4. The development countermeasure of light food Industry in the context of e-commerce

①For logistics and distribution problems: strengthen the construction of intelligent logistics system, improve logistics efficiency and distribution quality, but also need to pay attention to cost control and risk management, in order to meet the convenient and intelligent consumer demand.

②For price competition: on the one hand, the light food brand should pay attention to cost budget and control, and at the same time, it can carry out cross-border cooperation with other industries, such as health food, sports and fitness, beauty and beauty makeup and other industries, and jointly create a healthy, fashionable and convenient lifestyle, expand the influence of the brand and market share.

③For food safety issues: establish industry standards, effective management, light food as a new industry in the catering industry, there is no authority industry requirements, control the quality of light food. Some restaurants and brands cheat consumers by selling high-calorie and high-fat food in the name of "light food", which is an unfair and vicious competition for those restaurants that really want to do well in light food and spread light food doctrine[4]. If a certification body for the quality of light food can be established, or an industry standard for the mutual supervision of light food brands, it will certainly promote the long-term development of the light food industry and reduce customers' concerns about the safety of light food.

④For consumer experience problems: light food industry improves after-sales service quality and satisfaction, strengthen interaction and communication with consumers, understand consumer needs and feedback, and constantly improve and optimize products and services. At the same time, it is also necessary to pay attention to product research and development and taste innovation to meet consumer needs and preferences.

5. Conclusion

Through the analysis of the current situation of the light food industry in the context of e-commerce, it is found that the opportunities and challenges coexist in the light food industry in the context of e-commerce. The opportunities are mainly manifested in the broadening of sales channels, the change of consumer groups, the analysis and mining of sales data, and the competition of brand differentiation. Challenges are mainly manifested in logistics distribution, price competition, food safety, consumer experience and soon. However, in order to make the light food industry firmly grasp the opportunities and actively respond to the challenges, it is necessary to consider from the two perspectives of the industry and consumers. From the perspective of the industry, it is necessary to strengthen brand building, pay attention to product research and development and taste innovation, strengthen cross-border cooperation with other industries, establish industry standards, and achieve effective management; From the perspective of consumers, we should strengthen the construction of intelligent logistics system and pay attention to consumer experience.

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