

Chapter 14

Electronic Retailing of Prepared Food in Australia

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ABSTRACT

The advent and evolution of the Internet has dramatically transformed the way businesses used to operate. Modern businesses perform many transactions in an electronic environment and offer many advantages for both retailers and consumers alike. Electronic retailing has gained consumer acceptance as consumers are becoming increasingly confident in the application of their electronic processing skills. Many electronic retailers complement both off line and online practices to cater to the needs of their customers through effective logistics and supply chain management. This chapter provides information about the application of electronic retailing by Mitchell's Quality Foods (MQF), into Lite n' Easy (LnE) operating in Australia as a case study format. Critical drivers and barriers to electronic retailing particularly in the prepared food sector are discussed in detail. Furthermore, implications for practitioners are pinned down from the electronic business perspective with service-oriented solutions.

INTRODUCTION

The advent of the Internet has transformed the traditional mode of business operations throughout the world. The Internet provides direct communication between the companies and the customers and allows for the exchange of standard business transactions between buyers and sellers that con-

tributes to E-business (O'Cass & French, 2003). The usage of the Internet offers many benefits for the retailers in the form of reduced number of transactions, time saving, cost reduction, space utilization, reaching a large pool of customers etc., (Monsuwe et al., 2004) Thus traditional brick and mortar businesses being aware of the benefits associated with the usage of the Internet

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for businesses, have acted quickly in the market place. As a result in order to gain a competitive advantage, both brick and mortar businesses have been transformed to click and mortar or have embedded the Internet and increased their online presence for day today activities (Pearce, 1992). Today the applications of E-business is many fold and is visible in diverse sectors such as hospitality, travel, recreation, retail, health, education, and so forth.

Increasingly not only the service providers, but also the service receivers in the form of customers are also switching to electronic options in many sectors. One such sector that has shown phenomenal growth relates to the retail banking sector evident as the proliferation of service delivery channels (Menon & Kahn, 2002). Banks throughout the world have introduced new service delivery channels and also complemented traditional physical bank branches. New service delivery channels are technologically advanced such as telephone banking, internet banking and mobile banking. The benefits of engaging in electronic business activities are many fold to customers in the form of convenience, ease of use, 24/7 options, faster access, value based perceptions, and so forth (Chan & Pollard, 2003).

Electronic retailing has gained enormous attention recently as more and more businesses are offering their products and services to their end users in an integrated manner by complementing off and online options. As a result, today's consumers have more choice, greater access and enormous exposure to a wide range and variety of products, services and brands (Mehrtens et al., 2001). With one click online, consumers can retrieve piles and piles of information about the product or service that they are in need of. Customers also became more cautious in assessing the credibility of the information that they retrieve whilst making their purchasing decisions (Masui et al., 2003).

Despite the before-mentioned advantages that electronic business generates to its sellers and buyers, successful business can be generated only

through implementation of an effective service-oriented architecture in place (Steinfeld et al., 2002). Therefore this chapter sets out to explain the nature of electronic retailing and service oriented solutions in place.

Moreover, this chapter provides information about Mitchell's Quality Foods operating in Australia in a case study format and assesses the application of electronic retailing model. Furthermore, this chapter provides information related to the critical drivers and barriers for businesses to engage in electronic business. The chapter provides important implications for practitioners and potential businesses that are currently engaged/ will engage in electronic business from the retailer and consumer perspectives.

BACKGROUND

Businesses have formulated many strategies to successfully engage in an electronic environment in order to capture the customer market and increase the market share (La & Kandampully, 2002). However, certain companies only captured the electronic market through value added offerings and service efficiency and have set standards. The strategies followed by these successful companies are often used as benchmarks by the followers. Yet, other set of companies became very popular due their failure to devise a successful electronic business related strategies (Zott et al., 2000). Electronic business models developed so far focused on the degree of innovation as well as on highlighting the functional integrity. These earlier approaches of electronic business models exhibited contextual similarity to both business to business and business to consumer contexts. Later researchers identified the need to separate the aforesaid contexts due to the complexity associated in each of these processes.

Customer-oriented approach with the electronic environment focused on the development of transaction-based business models. These models

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