



Efficient consumer response for fresh/refrigerated products.

Prof. Ir. A.J.M. Beulens
Wageningen Agricultural University
Department of Computer Science
Wageningen, the Netherlands

Abstract.

Efficient consumer response (ECR) is propagated as a means towards efficient co-operation in the chain of suppliers, manufacturers, retail trade partners and the consumers. A number of A-brand manufacturers of fresh/refrigerated products intend to gain, by means of this project, knowledge and understanding of the total integral chain for fresh/refrigerated products. Following this, co-operation with the chain partners should result in both short-term and long-term solutions which create improvements in returns and efficiency for the parties involved. Knowledge in the field of efficient consumer response (ECR) will be developed and applied in this context.

3.1 Introduction.

Food manufacturers form a widely varied group of companies that process agricultural materials into products for human consumption. The agricultural materials to be processed by the food manufacturing industry can be delivered by primary producers, but also by other processing industries.

Consumers have more demands concerning food products: quality characteristics, convenience, packaging, shelf-life, availability to consumer, service-level, health, safety and production processes that are human and animal friendly are getting more and more important. Fulfilling these changing consumer demands with respect to food products is essential to stay in business.

Besides that, low cost strategies are essential; the successive links within the chain have to co-ordinate their activities to stay in business due to increasing national and international competition on food markets.

Especially in the chains for fresh products, vertical co-ordination is very important, due to the perishable character of the products. To improve the co-operation in the chain for fresh/refrigerated products, the ECR project has been set up.



3.2 The project.

The ECR project aims at analysing the fresh/refrigerated sector of the food industry as a basis for recommendations and priorities concerning the effects of improvements in distribution and co-operation with respect to logistics, information and marketing within the chain for fresh/refrigerated products.

The urgent need for improvements within the chain for fresh/refrigerated products is caused by increasing competition, constantly changing consumer demands with respect to food products, delivery requirements by retailers, decreasing product life cycles, technological and institutional developments.

The exact consequences of these forces are not sure. But there will be an increasing emphasis on the price/quality ratio and customer service. This gives rise to innovation in order to improve efficiency and effectiveness within the chain.

The ECR concept demands integration of the successive links within a chain with respect to communication and organisation, as well as integration of various functions like marketing, logistics, production and management.

The ECR concept consists of four aspects:

- efficient assortments;
- efficient replenishment;
- efficient promotions;
- efficient introductions.

The basis of the ECR concept are changing consumers demands. By integrating these four aspects into one new concept, an overall optimisation can be realised for all links within the supply chain.

Effective logistics and effective marketing through information (technology) systems are the central points of attention within the ECR project.