

Chapter 23

Exploring Alternative Distribution Channels of Agricultural Products

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ABSTRACT

Fresh fruits and vegetables constitute the basis of many people's daily nutrition habits and different distribution systems have been developed to cover daily supply needs. Important components of alternative distribution channels among others are high quality, high standards and consumer-producer trust. Although numerous studies have been conducted on alternative types of distribution channels, there is a lack of research on consumer behaviour towards these ways of distribution. The aim of this article is to identify consumer attitudes and preferences towards alternative agricultural distribution channels regarding fresh fruits and vegetables. In addition, this article contributes to the understanding of consumer behaviour, by pointing out the factors that affect the final purchase of agricultural products.

INTRODUCTION

Globalization and recent economic trends have created highly complex supply chains and as a result their design, organization, interactions, competencies, capabilities and management have become key issues (Ashby et al., 2012). A close study of past research has shown only some traces of a structured approach to supply chains including their weak aspects and the risks involved (Svensson, 2000, Sheffi, 2001,

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Zsidisin et al., 2000, Guertler and Spinler, 2015, Dekker et al., 2013, Cantor et al., 2014, Heckmann et al., 2015). In order to have an integrated supply chain, a totally new approach needs to be implemented, whose development involves other related disciplines, such as market research and operational strategic management, incorporating empirical research theories and methodologies (Cheng and Grimm, 2006, Wisner, 2003). The aim of any commercial operation, including the agrifood sector, is obviously competitive advantage, which can be created by synchronizing supply chain strategy with competitive policy (Porter, 1985). This can be accomplished by establishing a wide spectrum of alternative and opportunity networks, such as distribution channels, that form a coordinated, integrated whole (Achrol, 1997, Tsang, 2000).

Important components of alternative distribution channels among others, are high quality, high standards and consumer-producer trust (Whatmore, 2003). A customer-centered approach (Spiller, 2008) and a short distribution channel direct product provision from producer to consumer, are fundamental to optimal distribution. It was found that short supply chains incorporate farmers' markets, street stalls and street markets, direct farm sales and more recently the Internet. A key priority of agriculture and rural development is to strengthen both the means of distribution and the processes and functions of the short supply chain (Burt and Wolfley, 2009, Mauleón, 2003, Falguera et al., 2012). A competitive perishable food industry, can not only provide healthy and safe food to consumers but also may constitute a factor in stabilizing the economy by generating jobs, for instance, even during the global economic crisis (Mattas and Tsakiridou (2010).

Although numerous studies have been conducted on alternative types of distribution channels, there is no specific research in the field on consumer behaviour towards the use of alternative distribution channels of agricultural product in Greece.

LITERATURE REVIEW

To begin with, the salient characteristics of innovativeness which reinvigorate supply chain management have appeared in conceptual and empirical studies (Chapman et al., 2003, Roy et al., 2004, Soosay et al., 2008, Panayides and Venus Lun, 2009), while Yu et al., (2014) stress that integrated green supply chain management has a positive result on operational performance. In their explanation on the historic evolution of Decision Theory in management, French et al.(2009) state that for an up-to-date, successful decision-making process, the characteristic of sustainability is needed.

There are many researches that focus on the estimation that there is a lack of structured approach regarding supply chains that also include the weak aspects and the risks involved (Sheffi, 2001, Svensson, 2000, Guertler and Spinler, 2015, Dekker et al., 2013, Cantor et al., 2014, Heckmann et al., 2015). Ashby et al (2012) find that the design, organization, interactions, competencies, capabilities and management of complex supply chains have become key issues. Xue et al., (2014) investigate that alternative channel structures are affected by supply chain, and consumer behavior is affected by alternative channel structures. A key priority of agriculture and rural development is to strengthen both the means of distribution and the various processes and functions of the short supply chain (Burt and Wolfley, 2009, Mauleón, 2003, Falguera et al., 2012). Mattas and Tsakiridou (2010) focus on a competitive perishable food industry during the global economic crisis, besides providing healthy and safe food for consumers, may become a factor of stabilizing the economy. Generally, there is growing interest in alternative food systems within the context of environmental and social sustainability (Cleveland et al., 2014).

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