Analysis of the Impact of Supply Chain Standardization Management on China’s Catering Industry

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Abstract. With the development of China’s social economy, catering service has become a major consumption hot spot for the public. At the same time, external factors such as information technology and consumer demand have also brought new challenges to catering enterprises, which makes China’s catering industry pay attention to supply chain management. The upgrading and transformation of the catering industry’s supply chain have effectively reduced traditional operating costs and expanded the market share. On the contrary, the market gradually eliminates those catering companies that do not pay attention to upgrading and transforming the supply chain. Those catering enterprises who are committed to upgrading the supply chain have gradually found that the role of standardized management is becoming more and more important. From the perspective of standardized management, this paper discusses the impact of supply chain standardized management on China’s catering industry by comparing domestic and foreign standardization.

1 Introduction

In today’s global market, supply chain standardization has become a key strategy for the growth and development of enterprises [1]. In recent years, with the rapid development of China’s economy and improving living standards, people’s demand for the catering industry is also increasing. This puts forward a new high-standard and strict management model for catering supply chain management, which requires catering companies to provide reasonable production arrangements, appropriate staffing, and complete food material safety assurance [2]. However, China's catering industry's current supply chain management faces many problems. With the increasing number of suppliers and customers, the industry barriers in today’s catering industry continue to decrease. At the same time, consumers have higher and higher requirements for food safety and dish taste, which makes the catering industry more and more competitive. In addition, the modern supply chain involves many geographically dispersed suppliers and customers and a variety of products and service types. To develop and grow, catering enterprises must take the road of catering standardization and chain [3]. However, due to the lack of an effective supply chain standardization management system, catering enterprises face many difficulties in procurement, inventory management and distribution. At the same time, there are many problems in the establishment of a standardization system, standardization implementation and standardization improvement of catering enterprises, such as differences in chef skills in stores, lack of quality standards for dishes, differences in raw material quality, inaccurate ingredients, imperfect supply chain standard processes, process differentiation, lack of automation of equipment, and lack of basic data. These problems seriously affect the effect of enterprise standardization operations and need to be solved and optimized urgently. Given this situation, this article systematically discusses the influencing factors of supply chain standardization management in the catering industry by analyzing related literature and comparative research.

With the development of globalization and information technology, logistics and supply chain management have become increasingly important. In the catering industry, the supply chain is a link that must be addressed, directly related to product quality, customer satisfaction and corporate profits. Therefore, managers began to try to combine standardized supply chain management with the catering industry to improve efficiency and quality [4]. Some practitioners and scholars have studied the practice and theory of supply chain standardization management and have achieved some results. Some scholars believe that using standardized supply chain management models can help improve the efficiency of business operations, reduce waste, ensure product quality, and maintain operating income. Some scholars have proposed applying standardized management to the catering supply chain, including quality management, cost control, and supply chain information platform construction. Standardized management can improve the overall efficiency of the supply chain and enable enterprises to better adapt to market changes. Some scholars have discussed the impact of standardized management from the perspective...
of supplier innovation capabilities. This paper analyzes the relationship between standardized management and suppliers’ innovation ability through a questionnaire survey and structural equation model and finds that the innovation ability of catering suppliers is positively affected by standardized management. In general, the current research has concluded the positive impact of standardized management on the catering industry and provided some specific application suggestions. Whether from the enterprise's internal management perspective or the relationship between suppliers and customers, standardized management can help improve efficiency, ensure quality and the enterprise’s comprehensive competitiveness [5].

2 Influencing Factors

2.1 SCM Practice of Chinese and Foreign Catering Industry

2.1.1 Chinese Catering Industry

According to the data of the National Bureau of Statistics of China, the scale of China’s catering industry has entered the forefront of the world, and the average annual income growth rate of catering in the past ten years has exceeded 14% [6]. However, China’s catering industry has faced difficulties such as medium-scale dilemmas and frequent food safety problems. Catering enterprises of different scales and formats will lead to non-standardization of stores due to the backward management of traditional procurement, quality control, logistics management and other supply chains, bringing about rising costs and catering waste. Chinese catering companies seek new momentum toward greening, branding, digitization, and talent training.

China’s catering supply chain enterprises can be divided into three categories. The first category is the upstream extended supply chain enterprises of catering enterprises, which refers to the supply chain brands that have been fissioned from traditional catering enterprises and have central kitchens and product development capabilities. The second category is the B2B Internet e-commerce platform, which uses a lighter business model to cross-border food supply chain services, build a procurement platform, and provide relatively transparent information services for catering companies. The third category is the vertical catering supply chain platform, which has grown upstream of the industry and has strong resource integration capabilities and rich industry experience. The development of mechanization and standardization of these three types of enterprises has improved the level of the supply chain on the one hand. On the other hand, the expansion of the stores of the leading catering companies has been closely linked in multiple regions, and the competition is extremely fierce. The rise of takeaway and single-store catering has stimulated the catering industry to improve operational efficiency, and the increase in the rate of catering mechanization has stimulated the demand for standardization in the catering industry [7].

However, the current supply chain development of China’s catering industry has not yet fully developed, and there are characteristics of back-end optimization and passive management. At the same time, the catering chain is relatively long, the supply chain is relatively scattered, and most catering companies are medium-scale. Under the influence of multiple factors, the traditional operating model of catering enterprises urgently needs to be reformed and reshaped, and the transformation and upgrading of enterprises are imminent. In summary, although the supply chain management of China’s catering industry has developed rapidly, there are mainly the following problems: supplier selection, lack of unified, standardized processes, and poor information sharing. Although in recent years, domestic catering companies have gradually realized that supply and demand have strengthened the promotion and implementation of standardization [8].

2.1.2 Foreign Catering Industry

In contrast, thanks to the higher overall development level of the commercial economy, the supply chain management of the foreign catering chain industry started earlier, and the method system is more mature. The catering industry in developed countries has achieved a high standardization in supply chain management. Foreign catering companies pay attention to supplier evaluation and selection, production process control, raw material traceability, etc., and improve supply chain efficiency and product quality by introducing advanced technology and standardized methods. Taking Starbucks as an example, the company chooses inventory management as the supply chain management model. In its decision-making and operation process, the market forecast of the sales department is the fundamental basis for the management department to adjust the inventory structure.

In contrast, the purchasing department is responsible for the information docking with the supplier. Under the cooperation between departments, the time for product delivery from the supplier to the Starbucks warehouse is controlled within 2 weeks. The key problem that China’s catering chain enterprises should solve is skillfully applying the existing supply chain management methods to themselves. It should be noted that in Starbucks’ supply chain management process, efficient information decision-making and transmission are the basic guarantees to support the continuous and effective operation of the supply chain [9].

2.2 Comparison of Supply Chain Standardization Management in the Chinese and Foreign Catering Industry

In the foreign catering industry, supply chain standardization management has attracted more and
more attention. Many international brands, including McDonald’s, KFC, Starbucks, etc., have established relatively complete supply chain management systems, and traditional restaurants have also joined this trend. In February 2021, China published a supply chain-related standard, which clarified the definition of catering supply chain and catering supply chain management, determined the basic model of catering supply chain management and key performance indicators of the catering supply chain, and standardized the operation and management of catering supply chain.

But in contrast, the domestic catering industry supply chain standardization management there are still having many shortcomings, mainly in the following aspects:

Supplier management and process optimization: Compared with foreign catering companies, most Chinese catering companies need a complete procurement plan and logistics inventory management system, resulting in uncontrollable procurement costs, excessive inventory accumulation and difficulty digesting. At the same time, it will be difficult to promote the degree of standardization due to the inconsistency of procurement, quality control, and chef level, which will bring about rising costs and inconsistent customer experience, which makes it difficult for the catering industry to achieve stable and high-quality expansion.

Food safety: The domestic catering industry needs a mature animal product quality and safety traceability and supply chain management system and sometimes can only rely on private regulatory agencies to ensure food safety. In addition, China’s food and beverage consumption demand is great, and demand changes quickly, with taste and regional differences; At the same time, consumers’ attention to food safety is gradually increasing, which makes catering enterprises’ requirements for all aspects from food ingredients to processing continue to increase [10]. In contrast, small and medium-sized catering enterprises have weak traceability of purchasing food ingredients, large price fluctuations, irregular procurement processes, and certain food safety risks.

Informatization construction: Compared with foreign countries, China’s catering industry supply chain management system involves an intermediate link. China’s catering industry has always belonged to the traditional industry, and the degree of digitalization is generally low. Although Meituan, Hungry and other APPs have become more popular, the upstream and midstream of the catering industry supply chain have not completed the relevant information construction, and the standardization development is slow.

2.3 Comparison Effect of Standardization

A simple comparison of the above aspects shows that China’s catering industry still needs further efforts to improve the standardized management of the supply chain. The effect of supply chain standardization in the foreign catering industry is reflected in improving the supply chain's reliability, predictability and transparency and reducing costs and risks. However, due to the relatively low level of standardization, China’s catering industry faces challenges such as unstable supply and hidden food safety hazards.

3 Suggestions

3.1 Promote the development and implementation of standards

China’s catering industry needs to strengthen the formulation and promotion of supply chain standards, form a unified industry standard, and carry out effective implementation and supervision. Although China’s standard for the catering industry supply chain was released in 2021, it has not yet been perfected. Subsequent improvement of standards can bring all processes and indicators into the scope of control and ensure that the quality of catering supply meets the standards and stability through standardized and indexed process requirements. At the same time, the supervision of standardization after the formulation and implementation of standards can also help discover potential problems and defects, correct them in time, and improve end consumer satisfaction.

3.2 Improve the level of supply chain informatization and standardization

Through the introduction of advanced information technology and data management systems, the timely sharing and tracking of supply chain information is realized, and the coordination and control of all links in the supply chain are strengthened [11]. The supply chain of catering businesses usually involves multiple links, such as purchase, selection, processing, and distribution. Each link requires coordination and cooperation. However, the feasibility could be higher due to participants’ limitations and geographical factors. And suppose the information level of the supply chain is improved. In that case, all links follow the same standard process, and information sharing and resource coordination are strengthened, which is conducive to shortening the resource allocation time and the efficiency of supply chain operations.

3.3 Reduce costs through standardized supply chain management

Supply chain standardization management can standardize supplier selection, procurement process, inventory management and other links, avoid waste and duplication of labor, and reduce the cash flow risk. In addition, strengthen the management of suppliers through process control, performance appraisal and other measures to further promote cost reduction [12].
3.4 Improve transparency

In the Internet age, consumers are paying more and more attention to the social value of the "food economy" and have put forward higher requirements for food safety and transparency. The process is simplified, Kanbanized, and disclosed to customers and related stakeholders through the advantages of a standardized data collection and analysis management system. Maintain the consumer’s right to know and shopping experience [13].

4 Conclusion

Based on the above content, supply chain standardization management is crucial in improving enterprise efficiency, commodity quality and reliability, reducing procurement costs and increasing brand value. By comparing with foreign supply chain standardization management, it is found that there are still many problems in China. We should strengthen the research on supply chain standardization, continuously improve the competitiveness of enterprises, and hope that in the future, we can continuously improve the catering industry standards and build relevant standardization systems to promote its standardization development.

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