

ELEVATING CULINARY EXPERIENCE THROUGH GLOBAL SOURCING AND EDUCATION: A CASE STUDY OF SOURCED

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RESEARCH ARTICLE

Abstract

This article examines Sourced, a subscription-box service that integrates the delivery of premium, regionally sourced food products with educational initiatives focused on the implications of food choices across various categories. We explore how Sourced leverages global sourcing to promote sustainable eating practices and supports small-scale producers, while also providing consumers with educational content that enhances their understanding of different cuisines and what quality means. The study analyzes the impact of Sourced's business model and its potential contributions to a more sustainable global food system. This paper seeks to address the gap of little or no attention given to traditional foods in the Food Subscription business by assessing and highlighting the potential of its business model.

Keywords: Traditional Foods, subscription box, sustainability, education, business, Food Industry.

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INTRODUCTION

Over the past 5 years, the popularity of the food subscription box business has been on the ascendency (Chen et al. 2018). A major driver of this trend was the famous and rather notorious COVID-19 pandemic in 2020, where a lot of startups sprang up in this sector. Not only did the subscription box business gain popularity but also in areas such as medicine, sports, fashion, education and even the engineering sector. In as much as the business model of subscription box is quite lucrative, several renowned brands such as GAP, Sephora, Under Armour and Adidas experience major challenges upon their first entrance in this market (Simeon, 2020). This gives an indication that careful assessment and implementation of a business plan and other vital factors are very necessary for the success of such a business venture, especially around food or food ingredients.

Globally, the importance of traditional food and its ingredients cannot be over emphasized as it plays a vital role in the food industry across various countries. Traditional foods do not only satisfy the nutritional need of consumers but also exhibit the historical background and cultural richness of a place or people in a

geographical area. It is in this regard that several efforts are made to pass down the traditions from generation to generation. Some studies have shown that the production of majority of traditional foods have less environmental impact hence more sustainable than conventional products (Cerutti et al., 2013; Pereira et al., 2019). Patronage of traditional foods, in essence, has a link to rural development and cultural promotion.

However, among the various food products explored in the food subscription box business, traditional foods are the least explored. Little or no attention has been given to exploring traditional food in subscription box business world-wide. Their mode of vending has been reduced to direct sales with quite a few sold through some supermarkets. Introducing traditional foods in the subscription box business can help encourage the effort of local producers, promote cultural significance, cultural exchange and facilitate rural development globally. Traditional food subscription business has a high potential of gaining the interest of consumers in sustainability and also educating them in the culture and historical identity of a people or geographical area.

This paper seeks to address the gap of little or no attention given to traditional foods in the Food Subscription business by assessing and highlighting the potential of its business model. This paper also hints on how including education in this model can be useful in engrafting consumers into different cultures globally.

MATERIAL AND METHOD

PEST and Porter's Five Forcers analysis were done. Understanding the political landscape was crucial for Sourced to navigate tariffs, trade agreements, and food safety regulations effectively. Assessing economic factors like consumer purchasing power, inflation, and unemployment was also essential to tailor pricing strategies, ensuring a subscription model both affordable and appealing across varying markets. By conducting these analyses, Sourced strategically positions itself to meet regulatory demands and adapt to economic conditions, enhancing its viability in the competitive global food subscription industry.

Porter's Five Forcers allows Sourced to identify key challenges and opportunities across competitive rivalry, supplier and buyer power, threats from new entrants, and substitutes. Armed with this insight, Sourced can refine its strategies to enhance market positioning, strengthen defenses against competitors, and capitalize on its unique selling propositions, ensuring sustained success in the global food subscription market.

RESULTS AND DISCUSSIONS

PEST Analysis

Political Factors: Sourced operates in a stable political environment, where regulations on food safety and labeling are consistent and well-defined across markets like the European Union and the USA. These regions share stringent regulatory standards that facilitate a uniform approach to product labeling and safety compliance. The political stability and uniform regulatory environment are advantageous for Sourced as they simplify compliance across different markets. However, bureaucratic complexities in countries like France,

characterized by intricate administrative processes, pose challenges that could potentially slow market entry and expansion efforts.

Economic Factors: The economic analysis includes consideration of currency usage and overall economic stability. In the EU, the use of a common currency, the Euro, simplifies transactions and pricing strategies. The economic positioning of Sourced's subscription boxes, targeted at consumers with disposable income, is such that the cost represents a minimal portion of an average salary, slightly above the minimum wage. This pricing strategy is viable in markets like France, where there is low poverty and substantial social safety nets for the unemployed. However, the difference in currency and economic conditions in non-Eurozone markets such as the USA necessitates strategic financial planning to accommodate fluctuations in exchange rates and purchasing power.

Social Factors: As already mentioned in the introductory part of this document, there is a growing interest in gourmet and international foods across Europe, indicating a substantial market for Sourced's offerings. European consumers are generally well-informed and care about the quality of food consumed, aligning well with Sourced's educational mission. Healthcare, a significant concern in Europe, influences consumer choices towards healthier and safer food options, which supports Sourced's emphasis on high-quality, ethically sourced products. To effectively cater to these diverse social preferences, Sourced provides clear communication about the contents of their subscription boxes, enhancing customer satisfaction and trust.

Technological Factors: High internet penetration and widespread adoption of e-commerce in Sourced's target markets facilitate online sales and marketing. The company employs these technological advantages to reach a broader audience efficiently. Additionally, the logistics infrastructure in these regions supports efficient distribution, crucial for maintaining the quality and timeliness of perishable food products.

Porter's Five Forces Analysis

Sourced shapes a unique niche in the **competitive rivalry** within the global food and drink subscription market, anticipated to expand to USD 8.16 billion by 2030. Unlike competitors who often provide generic or narrowly focused products, Sourced delivers uniquely curated boxes enhancing its competitive power against North American, Japanese and other global companies (Bokksu, n.d.; Try The World, n.d.). This strategic differentiation, supported by innovative offerings and a robust focus on culinary education, helps Sourced stand out in a crowded market, effectively managing **competitive rivalry** by emphasizing quality, diversity, and educational value in its products. Regarding **supplier power**, Sourced successfully navigates its relationships with a network of small-scale producers known for their unique, traditional products. By maintaining a flexible sourcing strategy and the capability to adapt product offerings swiftly, Sourced mitigates risks associated with supplier bargaining power and potential supply disruptions. This adaptability is crucial in managing **supplier power** and maintaining a stable supply chain. Furthermore, the barriers to market entry are significant due to the special

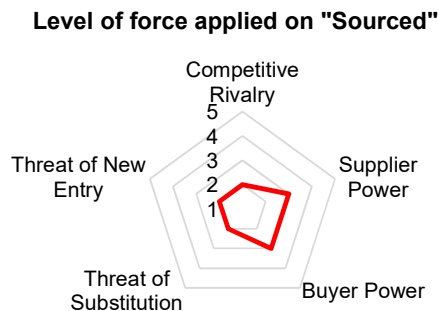


Figure 1. **Figure of Sourced's Porter's 5 Forces**

nature of Sourced's offerings. New entrants face challenges in establishing similar supplier relationships and gaining customer trust, thereby addressing the **threat of new entrants**. Additionally, Sourced's focus on delivering artisanal and culturally rich products with educational content significantly lowers the **threat of substitution**, as these offerings are distinct from the more industrial products typically found in the market. These strategic

elements collectively fortify Sourced's market position against **competitive rivalry**, while effectively managing **supplier power**, **threat of new entrants**, and **threat of substitution**, ensuring the company's growth and sustainability in the competitive landscape of global food subscriptions.

Supply Chain Analysis

Sourced stands out in the global food subscription market through its commitment to ethical sourcing and sustainability. The company prioritizes partnerships with producers who employ sustainable methods of cultivation and manufacturing, such as organic farming and energy-efficient technologies. It also selects its suppliers depending on their ethical standards such as fair labor practices, transparency and impact on their community.

In the European market, Sourced leverages on the EU CAP Network to connect with producers. Great results in boosting businesses from the cooperation of small producers have been seen in the Rumanian and Swedish markets (European Network for Rural Development, 2020; European Network for Rural Development, 2021). Therefore, Sourced's approach can amplify the impact on small producers by integrating them into a more extensive market ecosystem.

Additionally, the EU has frameworks for foodstuffs and businesses certifications which allows Sourced to more easily choose its partners as those that are certified as BIO, Fair Trade, Marine Stewardship, Rainforest Alliance, RSPCA Assured, among others.

Outside of Europe, Sourced strategically utilizes a network of specialists on agricultural products and food of origin that have been gathered from all over the world. This is thanks to the realization of the Master Food Identity, which has been ongoing for 15 years by the moment of writing this paper. This way Source can build long-term relationships with suppliers worldwide, providing them with stable income and support.

Moreover, producers linked to Sourced can relate to multiple professionals that could train them on techniques to improve their practices, enhance quality or any other area of interest.

CONCLUSIONS

Implications for Global Food Distribution:

Sourced's model is poised to influence larger trends by fostering a deeper appreciation for global cuisines, inclining a shift towards more adventurous and informed eating habits.

Educational Contributions:

Provision of rich, informative content about the origins, cultural significance, and preparation methods of the products in subscription box empowers consumers to make informed choices and also promotes a broader understanding of global culinary diversity

Sustainability Impact:

By prioritizing local suppliers and helping them keep to sustainable production practices, Sourced supports environmental management and responsible sourcing.

The existence of the EU CAP Network highlights also the importance of promoting greater cooperation on marketing, sales, and distribution given by the European Union in agricultural business.

Future Directions: Sourced has a lot of opportunities in expanding its educational content to include virtual cooking classes or partnerships with savvy kitchen experts. In addition, exploring new markets and widening its base of suppliers to embrace even more different and underrepresented food cultures could make it the market leader in the global food subscriptions industry.

Conclusion FROM PEST analysis, supplemented by insights from the CAGE framework, forms a critical component of Sourced's strategic planning for international expansion. By meticulously analyzing these factors, Sourced ensures that their business model is robust, adaptable, and sensitive to the intricate dynamics of new markets. This comprehensive approach not only supports Sourced's operational efficiency but also aligns with its mission to deliver exceptional educational and culinary experiences globally. To mitigate the political challenges, strategies to standardize and adapt logistics, preparation, and

packaging processes need to be developed. This will ensure efficiency and regulatory compliance across markets. Economic factors like inflation and unemployment rates are also considered, especially when planning expansion into markets with less economic stability than Europe or the USA. Sourced continuously evaluates its technological strategies to ensure they align with advancements in e-commerce and logistics technologies, maintaining competitive delivery times and customer service standards. To supplement the PEST Analysis a deep CAGE Framework (Distance Analysis) can be done highlighting the importance of adapting to cultural differences, especially as Sourced plans expansion beyond Europe and USA. That way, the business model takes into account the cultural openness to new trends of more pragmatic regions like South America.

Broader Implications: Reflection on the potential for Sourced-like models to contribute to more sustainable and culturally aware food consumption globally.

ACKNOWLEDGMENTS

We wish to share our sincere gratitude to the Erasmus Mundus Joint Master Degree Programme consortium for Food Identity. Specially acknowledging L'Ecole Supérieure des agricultures, Angers-France and the University of Agricultural Sciences and Veterinary Medicine of Cluj-Napoca-Romania for their immense support throughout this research. We also want to appreciate the efforts of fellow colleagues or their camaraderie and the stimulating discussions that have enriched my research experience. Their feedback and suggestions have been greatly appreciated.

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