



The Communication and Dissemination of Chinese Characteristic Cuisine in the West: A Case Study on the Logistics Report for Lao Gan Ma from China to Australia

QIAN Yongshi 

School of Business English, Sichuan International Studies University, Chongqing, 400031 P.R. China.

Type of Work: Peer Reviewed.

DOI: <https://dx.doi.org/10.21013/jmss.v18.n3.p1>

Review history: Submitted: July 16, 2022; Revised: August 06, 2022; Accepted: August 15, 2022

How to cite this paper:

Yongshi, Q. (2022). The Communication and Dissemination of Chinese Characteristic Cuisine in the West: A Case Study on the Logistics Report for Lao Gan Ma from China to Australia. *IRA-International Journal of Management & Social Sciences* (ISSN 2455-2267), 18(3), 54-65. DOI: <https://dx.doi.org/10.21013/jmss.v18.n3.p1>

© IRA Academico Research.

This full text of this paper is available under Open Access subject to a [Creative Commons Attribution-NonCommercial 4.0 International License](#) and further subject to a proper citation of its primary publication source.

Disclaimer: The scholarly papers as reviewed and published by IRA Academico Research are the views and opinions of their respective authors and are not the views or opinions of IRA Academico Research. IRA Academico Research disclaims any harm or loss caused due to the published content to any party.

IRA Academico Research is an institutional publisher member of *Publishers International Linking Association Inc. (PILA-CrossRef), USA*. Being an institutional signatory to the *Budapest Open Access Initiative, Hungary*, the content published by IRA Academico Research is available under Open Access. IRA Academico Research is also a registered content provider under *Open Access Initiative Protocol for Metadata Harvesting (OAI-PMH)*.

This paper is peer-reviewed following IRA Academico Research's [Peer Review Program](#).

QIAN Yongshi  [/0000-0001-7156-9577](https://orcid.org/0000-0001-7156-9577)

ABSTRACT

In today's world, globalization has developed well, and it is in a potential and relatively stable state in both its depth and breadth. Building cultural confidence while strengthening cultural communication is an important issue facing every part of the world at present. Furthermore, the path of cultural communication is not limited to the cultural level itself but permeates all aspects of social life. Chinese cuisine has a long history and is well-known all over the world. This paper studies the spread of Chinese cuisine Lao Gan Ma to Australia, aiming to explore its cultural core through the analysis of the trade path of products.

Keywords: cultural communication; Lao Gan Ma; logistics report

1. Introduction

Lao Gan Ma, a must for the kitchen in China's households and the restaurants' chefs, is expanding its market abroad. Some people give credit for this to the increasing number of Chinese students who study abroad.

Whereas it is also because of the communication between the country and abroad. Due to the cutting-edge development of international logistics, shipping oily perishable food abroad is no longer a pipe dream. Delivering products contained in glass bottles is risky. Furthermore, the main requirements for exporting an overseas shipment of products are even more challenging. The security of products themselves, the methods used for shipping, and the expenditure on packaging, warehouse, and external logistics fees need to be carefully thought about. This essay considers how fragile packaged products can be delivered safely from China to Australia. All along the procedure, the risk and security executive, the frame of packaging and transportation will also be explained in the following parts. The issue of warehouse leasing and the HS code will also be explained clearly. Besides, since it is international trade logistics, customs administration, government policies and some other considerations vary. The safety and integrity of the logistics process are the focus.

2. Executive Summary

International Trade Logistics is not as simple as we think to ship a kind of cargo abroad, this practice requires a thorough understanding of international trade, risk management, and international trade laws. The international situation and overall environment is also key perspective in the process. Both the exporter and the importer should be responsible for this mutual agreement of convention, and they should take their duties respectively and accordingly.

The shipment of Lao Gan Ma is from China to Australia, using three layers of packaging with the aid of sundry ways of transportation and sufficient consideration of governmental issues. This international delivery would be a success thanks to the prediction of risks and circumvention of the uncertainties. All the issues related to logistics will be illustrated in detail in this essay.

3. Product for Export

Lao Gan Ma black bean chilli sauce is a super popular Chinese condiment. Almost every China's family has one bottle of it in the kitchen. After its domestic popularity, as shown in Figure 1, it has been trying to expand its market internationally. Since Lao Gan Ma was available in Indian chain stores, it was advertised as a versatile food that can cope with EVERYTHING, from traditional

Chinese cuisines to Mexican viands. Moreover, different flavours, for instance, oil chilli, hot and spicy bean paste, chilli crisp, etc are all accessible.



Figure 1. Lao Gan Ma’s selling page on Amazon

Retrieved from: [Amazon.com: Lao Gan Ma Black Bean Chilli Sauce, 280g : Chile Sauces : Grocery & Gourmet Food](https://www.amazon.com/Lao-Gan-Ma-Black-Bean-Chilli-Sauce-280g/dp/B000220001)

4. Packaging

There were three layers of packaging, of which both the first and second layers were marked with the merchandise name, and the third layer was a forty-foot container for transportation. Specific markings will also be placed on the containers.

4.1 Packaging as a Security for Products

4.1.1 Primary Packaging

The sauce is oily and made of fermented beans, which can be perishable easily if the cargo cannot be delivered at the right temperature and humidity. The sauce is accommodated with thick glass bottles so that the expiration period can be guaranteed. On the one hand, The speciality of the proprietary glass bottles, strict 160-degree high-temperature steam disinfection before the sauce is bottled, ultraviolet disinfection, assembled in a specific workshop of the same grade of sterile level as the surgical operating room. The bottle mouth has a suitable rubber ring, which greatly reduces the possibility of microbial pollution and greatly ensures the safety of goods transportation. On the other hand, the glass bottle is attainable for reuse, which is much more friendly to the environment and can save producing expenses. The net content per bottle is 280g, and the net weight of each glass bottle is 200g. The final good per bottle is 480g. The look of the primary packaging is explained in Figure 2.



Figure 2. The Original Empty Bottle

Source: Taken by Taobao seller

Primary packaging, together with the developing manufacturing design, drastically curtail the metamorphism of the product itself. What is more, it also bolsters safe delivery during the international supply chain (Forcinio 2016).

4.1.2 Secondary Packaging

The second packaging is occupied with categorizing an exact number of products together into a united entity so that it would be convenient to spot (*Refine Packaging* 2021). As shown in Figure 3, the second layer of packaging is boxes made from cardboard which can contain 24 bottles of Lao Gan Ma. Each bottle is separated by special cardboard, which is cut according to the gear shape to reduce collision and prevent damage to the goods. This layout method can improve the utilization of resources, and they can snap together and are not easy to move. On the other hand, the number is clear, intuitive, and convenient to count.



Figure 3. The Second Packaging of the Product

Source: Taken by a warehouse manager in Shanghai wholesale subsidiary.

4.1.3 Tertiary Packaging

Spatially, it is the last layer of the parcel, and it is created to make sure that the products can be secured in the process of transporting. In this circumstance, we have prepared an entire 40-foot container for shipping, with the length, width, and height at 12.2m, 2.4m, and 2.6m respectively. The maximum load weight of this model container is 26600 kilograms.

The placement arrangement of goods in the container:

Inflatable plastic bags (as shown in Figure 4) will be applied to buffer the interaction around the cargo. Since Lao Gan Ma sauce is at risk of leakage, we cannot put it upside down or sideways but with only two packing options to manipulate to reduce the risks of leaking. Additionally, we would stack the goods and secure them in containers with wooden frames. This can be reduced to a mathematical model. Because the thickness of the fixed wooden strip is fixed, so do not consider the wooden strip first, to the wooden strip and the bottom plate set aside a fixed thickness volume.

Let us say we fill the entire container with Lao Gan Ma. There are two methods. The first method is to match the length, width, and height of the second layer packaging with the length, width, height and one of the containers. Regardless of the loading capacity of weights, 3808 ($28*8*17$) boxes can be loaded at most by calculating. The second method is to match the length, width, and height of the box with the width and height of the container, that is, to rotate the cargo of the first scheme by 90 degrees horizontally for packing. The result is 3570 ($42*5*17$) cases, which is not as economical as the first option. It may be possible to fill the container as completely as possible without considering the high damp proof board at the bottom and the stable wooden frame. The bottom will be covered with a 10cm damp proof board and the top will be filled with rigid foam to prevent cargo damage and Marine pollution caused by collisions.

The carrying capacity is an essential problem in the actual transportation process, which will affect the center of gravity of the container, thus affecting the stability of transportation. Hardwood strips will be nailed around the piles of goods to fix the goods while strengthening the stability of the container's center of gravity. The maximum container load is fixed. To further ensure the safety of transport. The rest will be filled with a lot of inflatable bags. The volume of the anti-collision filler removed was 2304 boxes ($26*7*16$).



Figure 4. Inflatable Plastic Bags
Retrieved from: Taobao Seller's Homepage

4.2 Packaging as a Method in Advertising

Considering Lao Gan Ma sauce is a new good for Australian consumers, it is of vital priority to illustrate the essence clearly by printing information on primary packaging which abutting joint with consumers directly. Additionally, the first packaging final consumers see should be attractive enough so that they can pay attention to Lao Gan Ma when it is surrounded by several other products.

Figure 5 exhibits what Lao Gan Ma looks like. “Chili Oil With Fermented Soybeans” is written clearly so that the customers can understand what it is at once. Besides, the profile picture of the founder is printed on the bottle, she is not a very beautiful Chinese woman but this photo is attractive enough when competing with other goods, this is also an effective advertising strategy.



Figure 5. The Clear Illustration of the Product
Retrieved from: Seller's Homepage on Taobao

5. Transportation

5.1 Methods of Transportation

This project is not only international work but also domestic work since the producing factory and head office of Lao Gan Ma is located in Guiyang, Guizhou Province, China. It is an inland city on China Mainland. Whereas the harbour is on Zhoushan island, Zhejiang Province, China. The first stage is to carry the products from Guizhou to Zhoushan by land. The picture below entitled Figure 6 is an explanation of these two places.



Figure 6. The Map of China

Retrieved from: 中国地图_中国地图库 (ps123.net)

Note: Pink fluorescent lines connect the beginning and end of domestic land transport

After the arrival at Zhoushan Harbour, we would deliver the container to Port Botany, Australia by ocean shipping. Subsequently, railway transportation is used from Sydney to Newcastle since the ownership of the railroad in Australia is public and the infrastructure is advanced enough for Newcastle to be a considerable coal-producing city and developed coal exporting business. And go back to the land carriage from Newcastle station to Mayfield Industrial Warehouse, Newcastle.

Overall, the entire transportation process is as follows:

- Pre-carriage --- from Guiyang to Zhoushan: Land transportation.
- Main carriage --- from Zhoushan to Sydney: Ocean shipment.
- On-carriage --- from Sydney to Newcastle: Rail transportation.
- “After Carriage” --- from Newcastle Station to the Warehouse (128 Elizabeth St, Carrington NSW 2294): Land delivery

5.2 Incoterms

The latest International Commerce Terms rules, known as Incoterms 2010 were implemented legally on January 1st, 2011. The rule was determined by the amplification by the International Chamber of

Commerce (ICC). Tracing back to former codified practices, this set of rules of delivery was designed specially to promote the apportionment of responsibilities between the exporter and the importer and clearly characterize the obligations of both sides and decline or evade the risks of legal complications. As time went by, significant changes have taken place in the business trade field all over the world. More current issues are needed to be thought about. Incoterms, to some extent, are safeguards for global trade. (Gavrila 2011).

The shipment is from Guiyang, China to Newcastle, Australia. The incoterms will be chosen basically on the inversion of authority. In this case, DAP will be utilized. “DAP” is the abbreviation of “Delivered At Place”, which means that once the seller has delivered the goods to the destination (Mc Grath Warehouse) designated by the buyer by means of transport, the cargo loaded on the means of transport (without unloading) shall be disposed of by the buyer and the shipment shall be completed.

The incoterm of DAP asks the seller to sign a contract of carriage to pay the bills of the freight incurred in delivering the cargo or at a promised place with the named destination. The shipment comes to an end when the products are placed in the right place with the conforming conveyance. The buyer will then be handed over the cargo for disposal with some critical and necessary notices. In this position, the buyer will then bears all risks and expenses after delivery on the means of transport at the named destination. Its own risk and cost would be obtained by the buyer, the required import permits or other official authorization and go through all customs formalities required for importing the cargo. At this position, goods are received as agreed in the contract, the delivery voucher is accepted and the final gross price is paid.

5.3 Warehouse and Innovative Inventory Management

In China, the very beginning of the supply chain is the factory in Guizhou, the warehouse belongs to Lao Gan Ma corporation, and no external warehouse would be rented. The cargo would be loaded in a freighter once it arrives at Zhoushan Harbour, where there is no need to rent a warehouse.

With the landing in Newcastle, the trucks would come and the workers would unload the cargo with the help of moveable pallets (the pallets are particularly designed according to the actual volume), which are pulled by a mechanism called transmission gear. Each of the pallets can bear the occupation of 6-boxes-cargo and the gears work efficiently.

The mechanism is called The P4 Floor Height Load Leveler, which was designed to cut workers’ enervation due to cargo shifting (*Material Handling Product News* 2019). During the operation, pallets will be put on a lift-able platform which gains energy by hydraulic power one by one until the height reaches its limitation. When loading goods onto pallets, the controller lowers the platform in order that all the boxes can be put neatly at the same elevation and be safe. This is not a promise for the security of the warehouse storing the goods, but also an excellent alternative to reduce labour expenses.

In the warehouse, the cargo would be stacked with a steel framed structure around, this structure is double protection for the piles of boxes in case any of them fall on the ground due to a careless strike. Also, the unexpected dropping may hurt the worker who is just standing beneath the shelf,

unfortunately. Moreover, a picker-to-goods strategy will be applied on account of the fragility and because they are small jars, although labour is troublesome, it can ensure that the delivery quantity is consistent with the customer's requirement.

6. Governmental Regime & Documentation

It has been pointed out that “the process of international logistics (i.e. freight forwarders, non - vessel operator common carriers, export trading companies, customs, customs brokers, and third-party logistics) as goods move across national boundaries. Each trade transaction can even involve up to 25 different parties. As products and information travel through those sides, the potential increases for loss of information, damage to products, and delay in delivery. In addition, companies face many complex barriers, including documentation requirements, transportation modes, information processing, and varying regulations” (Sheuet al.2000).

Legal and integral documents safeguard international business. A key piece of information is that the HS code of Lao Gan Ma chilli sauce is 2103.90. This good is involved in the fourth category and 0% percent of tariff will be levied thanks to the free trade agreement between China and Australia.

Both incoterms and the HS code should be shown clearly on the invoices. We would also attach the statement on the invoice: This merchandise is licensed by China for its ultimate destination [Australia]. Diversion contrary to China law prohibited. Inspection of goods will also be guaranteed by expertise companies, as mentioned before, Phyto-Sanitary Certificate is a must since Lao Gan Ma is a kind of food made of fermented beans. All the documents should be legal both in China and Australia. These requirements are encouraged by the desire to keep the accuracy of necessary data on what is exported from that country (David 2017).

7. Risk and Security Management

The project itself is extremely challenging and many specific hazards exist in operation, which enhances the emphasis on logistics governance. Several logistics leaders have been descanting that implementing systematic management throughout the entire supply chain, which virtually craved the identification of step after step within the clue, guaranteed by contractual enforcement. Nevertheless, building up appropriate intersections under legal arrangements between two sides also be helpful (Cavinato 2004).

7.1 Risks due to the Natural Damage of the Product

Owing to the delicate primary packaging, the giant level of a wobble during the ocean shipment may fetch grievous interaction among bottles and boxes although they are cushioned with foam cushions. These dangers are hard to escape and are hard to be solved for they are natural factors. Making the buffering cushion as thick as possible is not a wise choice, by making use of rubber cushions or any other materials like artificial leather with nano-structure can be pretty helpful in absorbing the unwanted damping.

7.2 Risks due to the Artificial Works

Violent carrier is always a problem. One of the ethics of logistics is trustworthiness in fulfilling commitments to co-workers in the implementation of logistics operations that are interrelated with the

involved two sides of cargo delivery (Pokrovskaya et al. 2019). If the perils are made because of people, the reality of where on earth the damage happens can be difficult to trace back. So that this type of hazard can be avoided, we will insure the shipment by assigning a legal contract to lessen loss if perils happen.

7.3 Risks because of the Pandemic

The COVID-19 pandemic has left a series of serious adverse effects on the world's international business. Especially unemployment in terms of macroeconomics and a continuing climb in logistics costs that have eventually given rise to an increase in business operating costs (Tsai 2021). This has been a problem from the very beginning of 2021 till now. This has caused a troubling issue in main ports all over the world, loads of cargo are congested in the harbours and warehouses, causing an increase in warehouse leasing fees and putting high pressure on Logistics Corporations like UPS, FedEx, A.P. Moller-Maersk Group, etc.

The bottleneck in different ports has been relieved a little bit with the openness of borders in some countries. However, recently the pandemic stages a comeback in China and reported that several parcels tested positive for the coronavirus. In China, domestically, this has caused a panic in public. People put on gloves and bring medicinal alcohol with a concentration of 75% for disinfecting when they go to fetch back their delivered products bought online. Even worse, a new variant of COVID-19 has been found and reported in South Africa, which fetched the “re-close” of boundaries worldwide.

The appropriate prevention policies should be carried out, particularly from Zhoushan to Sydney when ocean carrier cargo. On the one hand, all workers in the supply chain should be tested for nucleic acid. After each loading and unloading of cargo, comprehensive disinfection should be carried out and nucleic acid tests should be sampled after disinfection. Block all the cargo once a positive case is tested and carry on a lockdown in the logistics line.

7.4 Insurance

There are hazardous elements during the whole agenda, and a lot of unexpected affairs might happen and cause severe destruction to the products. These elements can be extreme weather, big catastrophe, power outages, the run-up of coal, etc. None of these unfortunate things is foreseeable. Especially when our business requires a mixture of transportation, we have no better choice than to ensure our cargo by cooperating with insurance companies. Three ways of risk management are No.1 to retain the risk on our own; No.2 to convert the risks to the insurance company; No.3 to adopt a mixed approach of the former two methods. No.3 is the best alternative for this shipment since there are too many stages in the way. This method claims we pay for the loss by ourselves within the bearable limit when unwanted risks happen. And for the part that out of the limit will be compensated by the insurance company. In addition, we would obey the Marine Cargo Insurance Policies by signing up for the Open Cargo Policy, which is valid for all shipments within the effective period. This is a better choice for us compared with the special cargo policy which can be inconvenient when there is more than one freight. By adopting insurance, the financial loss can be saved which can lessen the pressure on us.

8. Summary and Conclusion

The trade line is extending with the coalesce of interrelationships home and abroad. The increase in

International orders stimulates logistics management standardization and accelerates shipping accuracy and speed at the same time.

The existence of the Lao Gan Ma Australian market explains the meaning of cuisine communication. In the meantime, legally valid contracts are required when the carriage contains more than one country. Relative government offices for instance customs and the Ministry of Commerce should intensify supervision of exporting and importing of products.

A complete supply chain with disciplined order, clear management penalties, import and export laws and regulations is of vital seriousness for Lao Gan Ma Corporation. This operation is not only for profit but also a way to introduce Chinese taste to Australian people. Quite a lot of challenges are present when both sides pursue economic but also efficient logistics. Governments in both countries should pay enough effort into the win-win position.

9. Recommendation

The particularity of goods and the comprehensive transportation mode bring risks and challenges to the whole mode of transportation. By utilizing cutting-edge technologies, cargo delivery can be more accessible. Secondly, China and Australia have different food safety tests, which is an invisible barrier in trade, this can be solved by taking sufficient tests and getting certificates to prove their health. In the third place, the packaging should be recyclable and environmentally friendly to reduce the potential risks of pollution. In this particular period, international trade logistics is facing various risks, by applying new methods and strategies the process can work as smoothly as before. In addition, more advanced production technologies should be introduced into the supply chain. For example, the second layer of packaging uses thermal printing technology to prevent rain or sea water from washing the labels off the boxes. It can also be used in conjunction with new mechanical engineering techniques for loading and unloading, improving the use of transfer plates and thereby reducing Labour, which is very useful in novel coronavirus environments.

Trade partners should cooperate well to break down the business barriers by all means to establish a more robust and stable meaning of international trade. Proper management and logistics in line with the production and operation rules can promote international trade to a new level and create a successful and win-win situation.

References

- [1]. Cavinato, J. L. (2004). Supply chain logistics risks. *International Journal of Physical Distribution & Logistics Management*, 34(5), 383-387. <https://doi.org/10.1108/09600030410545427>
- [2]. Chen, C., Yang, J., & Findlay, C. (2008). Measuring the effect of food safety standards on china's agricultural exports. *Review of World Economics*, 144(1), 83-106. <https://doi.org/10.1007/s10290-008-0138-z>
- [3]. David, P. A. (2017). *International logistics: The management of international trade operations* (5th ed.). Cicero Books.
- [4]. Forcinio, H. (2016). Protecting parenterals in primary packaging: Primary packaging and manufacturing technologies minimize product/package interaction, protect quality, support safe travel through the supply chain, and enhance performance at point of use. *Pharmaceutical Technology*

Europe, 28(10), 34.

- [5]. Gavrilă, S. P., & Rosu, A. (2011). The implications of the modernization of international transactions: INCOTERMS 2010. *The International Conference " The European Integration - Realities and Perspectives"*, 6(1), 713-718.
- [6]. Nollet, Leo M. L., 1948, Toldrá, F., Hui, Y. H. (Yiu H.), & Ebook Central - Academic Complete ANZ Edition. (2007; 2008). *Advances in food diagnostics* (1st ed.). Blackwell Pub.
- [7]. Pokrovskaya, O., Reshetko, N., Kirpicheva, M., Lipatov, A., & Mustafin, D. (2019). The study of logistics risks in optimizing the company's transportation process. IOP Conference Series. *Materials Science and Engineering*, 698(6), 66060. <https://doi.org/10.1088/1757-899X/698/6/066060>
- [8]. Reduce fatigue in manual pallet loading, unloading with leveler. (2019). *Material Handling Product News*, 41(1), 22.
- [9]. Sheu, C., Lee, L., & Niehoff, B. (2006). A voluntary logistics security program and international supply chain partnership. *Supply Chain Management*, 11(4), 363-374. <https://doi.org/10.1108/13598540610671815>
- [10]. Sullivan, B. (2010). Logistics insurance need not be a gamble. *Supply Chain Europe*, 19(1), 42.
- [11]. Tsai, C., Ho, T., Lin, J., Tu, C., & Chang, C. (2021). *Model for evaluating outsourcing logistics companies in the COVID-19 pandemic*. *Logistics*, 5(3), 64. <https://doi.org/10.3390/logistics5030064>
- [12]. The 3 Levels of Packaging: Primary, Secondary and Tertiary Packaging (refinepackaging.com)
- [13]. What's next - food, beverage & non-food products: Laoganma sauces now available in India. (2017). *Progressive Grocer India*. Delhi: Athena Information Solutions Pvt. Ltd.
- [14]. Web:<http://ezproxy.newcastle.edu.au/login?url=https://www.proquest.com/magazines/whats-next-food-beverage-amp-non-products/docview/1915932218/>
-