

Grocery Retailing - China - December 2019

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

This report looks at the following areas:

- The kid factor can be a money spinner
- Group purchase of fresh produce can be a dark horse
- O2O grocery retailers successfully build brand equity



“The grocery retailing market is ready for premiumization. While fresh produce remains a central focus, grabbing children’s attention could be a point of differentiation among the top players. O2O retailers are here to stay and the direct-to-consumer model’s exciting approach towards fresh food retailing is expected to make an impact on the market.”

– Roger Shi, Research Analyst

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Table of Contents

OVERVIEW

- What you need to know
- Covered in this report

EXECUTIVE SUMMARY

- **The market**
Figure 1: Retail value of grocery retailing market, China, 2013–2019
Figure 2: Best- and worst-case forecast of retail value of grocery retailing market, China, 2014–24
- **Companies and brands**
Figure 3: Retail value of top ten brands in grocery retailing, China, 2019
- **The consumer**
- **Brands can differentiate themselves with mini programs/apps**
Figure 4: Brand's satisfaction, by service and attributes
- **Wet markets could be strong competitors to O2O retailers**
Figure 5: Grocery purchase channel
- **Fresh Hema performs well in tier one cities**
Figure 6: Brand frequency, by tier one city consumers
Figure 7: Key drivers of overall satisfaction with Fresh Hema, September 2019
Figure 8: Key drivers of overall satisfaction with Super Species, September 2019
- **Cooking at home is mostly preferred**
Figure 9: Cooking habits
- **Unlocking the kid factor**
Figure 10: Little salespeople at Sam's Club
Figure 11: Little salespeople at Sam's Club 2
Figure 12: Purchase factors, by family structure
- **What we think**

ISSUES AND INSIGHTS

- **The kid factor can be a money spinner**
- **The facts**
- **The implications**
Figure 13: Sam's Club training class for 'little salespeople'
- **Group purchase of fresh produce can be a dark horse**
- **The facts**
- **The implications**
- **O2O grocery retailers successfully build brand equity**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

- The facts
- The implications

THE MARKET – WHAT YOU NEED TO KNOW

- The grocery retailing market's health reflects the overall economy
- The grocery retailing market is a perfect embodiment of market selection
- The road to premiumization has just started in the food sector

MARKET SIZE AND FORECAST

- The grocery retailing market is growing at a constant rate
Figure 14: Retail value of grocery retailing market, China, 2013–2019
- The grocery retailing market is headed for premiumization
Figure 15: Best- and worst-case forecast of retail value of grocery retailing market, China, 2014–24

MARKET FACTORS

- E-commerce companies speed up the maturation of grocery retailing market
- Systematic upgrade of supply chain endorsed by the government is fuelling market progress

MARKET SEGMENTATION

- Food sector is the leader in premiumization
Figure 16: Segmentation growth of retail value from 2013 to 2019

KEY PLAYERS – WHAT YOU NEED TO KNOW

- Yonghui is the dark horse of the market
- Quality product is what consumers want
- Better shopping experience to meet the need for consumption upgrade

MARKET LANDSCAPE

- Yonghui takes the No. 3 spot from Walmart
Figure 17: Retail value of top ten brands in grocery retailing, China, 2018 vs 19

COMPETITIVE STRATEGIES

- Last-mile warehouses help achieve immediate delivery
Figure 18: Snapshot of MissFresh's supply chain

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **Grocerants are on the rise**
- **The rise of private label is saving major players' bottom lines**

Figure 19: Walmart's Great Value product line by sales popularity

WHO'S INNOVATING?

- **Fresh produce purchased through social e-commerce**

Figure 20: WeChat group for buying fresh produce

THE CONSUMER – WHAT YOU NEED TO KNOW

- **Fresh Hema is focused on building a premium brand**
- **Supermarkets/hypermarkets are still irreplaceable**
- **Consumers married with kids are the future drivers of fresh food retailing**

COMPETITIVE ANALYSIS – CONSUMER PERSPECTIVES

- **Mini programs/apps the next battlefield for building premium brands**
Figure 21: Brand's satisfaction, by service and attributes
- **Walmart is shifting focus from opening new stores to profit margin per store**
Figure 22: Retail value of Walmart China, 2017-19
Figure 23: Number of stores of Walmart China, 2017-19
- **Walmart should prioritise price point and aftersales service**
Figure 24: Key drivers of overall satisfaction with Walmart, September 2019
- **Yonghui's next step is to deliver more competitive price points**
Figure 25: Retail value of Yonghui, China, 2013-19
Figure 26: Key drivers of overall satisfaction with Yonghui, September 2019
- **Fresh Hema is the leader in satisfying consumers' needs**
Figure 27: Financial snapshot of Fresh Hema's stores
Figure 28: Key drivers of overall satisfaction with Fresh Hema, September 2019
- **Carrefour remains positive on the foreseeable future**
Figure 29: Key drivers of overall satisfaction with Carrefour, September 2019
- **Vanguard and RT-Mart's outdated aftersales services in need of digitalization**
Figure 30: Key drivers of overall satisfaction with Vanguard, September 2019

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

Figure 31: Key drivers of overall satisfaction with RT-Mart, September 2019

PURCHASE CHANNEL

- **O2O retailers and wet markets could become serious competitors and lead market innovation**
Figure 32: Grocery purchase channel
- **Supermarkets/hypermarkets' competitive advantage lies in fresh/frozen food and packaged kitchen produce**
Figure 33: Grocery purchase channel
- **Fresh and frozen ready foods are still mostly offline based**
Figure 34: Purchase channel, fresh and frozen/chilled ready foods
- **Young fresh/frozen food buyers frequent wet markets**
Figure 35: A food stall at Sanyuanli market
Figure 36: The online marketplace of Sanyuanli
Figure 37: Fresh/frozen food buyers in wet markets, by age group
- **O2O retailers still lack core competencies to replace supermarkets/hypermarkets**
Figure 38: Purchase frequency of consumers who have shopped at grocery retailing channels vs those who have not, by categories
- **Comprehensive shopping websites set to dominate the beauty and personal care market across all city tiers**
Figure 39: Purchase channel, beauty and personal care products
Figure 40: Purchase channel, beauty and personal care products by age
- **Food delivery apps are convenient for urgent BPC purchase**
Figure 41: Ele.me beauty and personal care category search results
Figure 42: BPC shoppers on food delivery platforms, by family structure

BRAND FREQUENCY

- **Fresh Hema is gradually dominating the tier one city market**
Figure 43: Brand frequency, by tier one city consumers
Figure 44: Key drivers of overall satisfaction with Fresh Hema, September 2019
Figure 45: Key drivers of overall satisfaction with Super Species, September 2019

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

COOKING HABITS

- **Cooking at home is still the main trend**

Figure 46: Cooking habits

- **Consumers cooking frequently choose not channels but brands**

Figure 47: Fresh/frozen food shopping channels, by cooking frequency

Figure 48: Most visited grocery retailers, by cooking frequency

PURCHASE FACTORS – FRESH FOOD

- **Seeing is believing**

Figure 49: Triggers to purchase fresh food in physical stores

Figure 50: Fresh purchasing in physical stores – TURF analysis, September 2019

- **Efficiency is crucial**

Figure 51: Purchase factors, by generation

- **Engaging children in the family to increase offline foot traffic**

Figure 52: Little salesperson at Sam's club

Figure 53: Little salesperson at Sam's club 2

Figure 54: Purchase factors, by family structure

MEET THE MINTROPOLITANS

- **Physical stores will co-exist with other online channels**

Figure 55: Trigger to purchase fresh food at physical stores, by consumer classification & age

- **Boutique supermarkets are popular among young Mintropolitans**

Figure 56: Purchasing categories of young Mintropolitans at boutique supermarkets

APPENDIX – MARKET SIZE AND FORECAST

Figure 57: Retail value of grocery retailing market, China, 2013-19

APPENDIX – MARKET SEGMENTATION

Figure 58: Spending segments of grocery retailing, China, 2013-19

APPENDIX – METHODOLOGY AND ABBREVIATIONS

- **Methodology**
- **Fan chart forecast**
- **Abbreviations**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

APPENDIX: KEY DRIVER ANALYSIS

- **Methodology**
- **Interpretation of results**

Figure 59: Overall brand satisfaction with supermarket – KEY driver output, September 2019

Figure 60: Overall brand satisfaction with supermarket, September 2019

APPENDIX: TURF ANALYSIS

- **Methodology**

Figure 61: Fresh purchasing in physical stores – TURF Analysis – September 2019

Figure 62: Fresh purchasing in physical stores – TURF Analysis – September 2019

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.