

## Fresh Grocery Retailing - China - August 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

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“Spending per family will keep increasing, leading to a healthy growth rate for fresh grocery retailing industry. Online retailers, as the growing sector, will have to provide values that are more than just convenience for consumers. Younger demographics are pragmatist utilizing both online and offline channels to get the best deal, which gives well-funded omni-channel retailers the edge in the near future.”

– Roger Shi, Research Analyst

This report looks at the following areas:

With COVID-19's home quarantine policy compelling consumers into spending more money on fresh grocery purchase, it also gives consumers the opportunity to ensure increasing penetration of the online segment. With the consumer price index scoring a record high, the fresh grocery retailing market in 2020 boasts a 9.5% year-on-year increase.

As the market in 2020 is unusual given the current pandemic situation, the increasing spend per household will drive the fresh grocery retailing market with a CAGR of 7.6% in 2020-25 while the number of households remains at a 0.5% stable growth year-on-year. In the meantime, online retailer's growth has slowed in recent years.

Although many online fresh grocery channels are getting publicity and more active client bases, consumer's underlying motivation to purchase offline fresh groceries has not wavered post-COVID-19, and the area of improvement for online retailers are offline retailer's strong suits. On the contrary, traditional wet markets are actively innovating to retain younger clients.

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### The Market – What You Need to Know

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- Pricing is not the top concern for online fresh grocery shopping
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