

Fresh Grocery Retailing - China - 2021

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This report looks at the following areas:

- How often consumers purchase fresh grocery products
- How much consumers spend on fresh grocery products
- What channels consumers select to buy different categories of fresh grocery products
- What reasons drive consumers to purchase fresh groceries online
- Consumers' attitude towards fresh grocery retailing

As a daily necessity, the fresh grocery category enjoys high purchase frequency and stable expenditure. With income growth and improving health awareness, consumers have higher expectations for fresh products in terms of safety and quality. In the long run, the fresh grocery retailing market is expected to grow steadily while facing higher demands from consumers.

Amid increasingly fierce market competition, how to enhance consumer stickiness is a major challenge for different channels. COVID-19 has cultivated a habit of buying fresh food online among consumers. With the advantages of convenience and diverse options, the penetration rate of fresh food ecommerce has continued to increase. However, consumers' core demand in fresh food is freshness, which means offline channels still dominate. As a traditional offline channel, wet markets have become more attractive to young consumers, and they are experimenting with innovative methods to attract more traffic, such as cross-category cooperation with brands. Omnichannel, a model with both online and offline advantages, has seen increased penetration, especially in fresh fruit.

The future opportunities for fresh groceries also lie in the sub-categories. The current penetration rate of semi-finished fresh products is relatively low, but households with kids (over 50%) and high-income consumers (53%) express willingness to pay more for semi-finished products. In addition, fresh pet food, for example providing pet owners with high-quality pet ready meals, is also a category worth attention.



"Continued income growth and a focus on healthy eating will promote the sustainable development of fresh grocery retailing. Amid increasingly fierce market competition, the penetration rate of emerging channels is constantly increasing."

– Binyan Yao, Research Analyst

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