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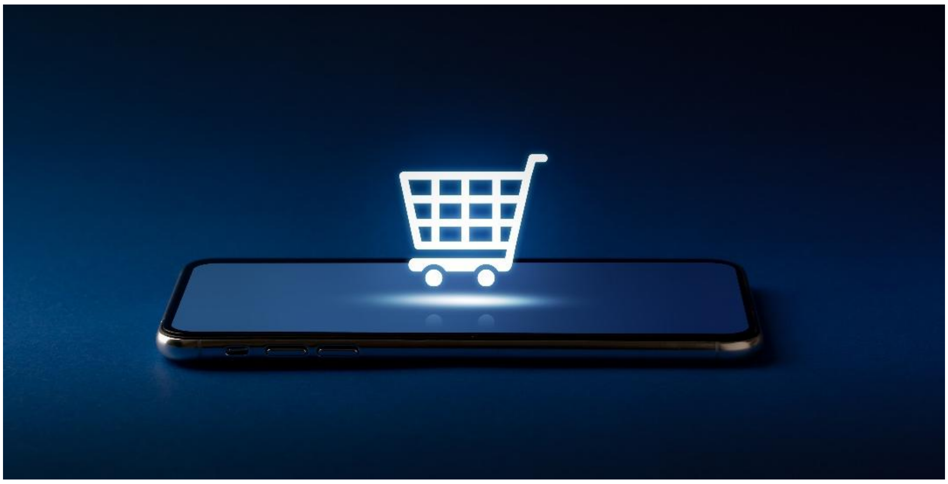
China Retail & E-commerce Weekly Update



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I. Sector Review

Internet & E-commerce

JD.com opens first JD MALL in Hong Kong as total local investment exceeds HK$35 billion

The first JD MALL in Hong Kong has opened in Wan Chai on 18 June. Furthermore, during the 618 promotional period, JD.com's (京东) Kai Bo Food Supermarket (佳宝超市) also officially opened its 100th store in Hong Kong. JD.com's localized services continue to be upgraded, including "no-threshold package shipping for one item" for JD Hong Kong & Macao, and JD Logistics' "delivery and installation in one". JD.com's cumulative investment in Hong Kong has already exceeded HK$35 billion, with its retail, logistics, technology, healthcare and property businesses established and operating in the city. JD.com also announced plans to on-board 1,000 leading local and international brands, open 200 offline retail locations, and support the creation of 10,000 jobs in Hong Kong over the next three years.[1]

Pinduoduo to roll out "Quality Packaging" service

Pinduoduo (拼多多) recently announced the launch of its "Quality Packaging" service, which began on 14 June. Merchants can choose to enable the service, and orders with a dedicated label must follow the platform's unified packaging standards. All packaging material costs are borne by the merchants. The outer packaging must use at least three layers of new rigid corrugated cardboard boxes; the inside must include professional cushioning materials such as bubble wrap and inflatable columns to minimize movement inside the box. Non-compliance will be considered a breach of contract – consumers will receive compensation of 30 yuan per order, and the platform will impose penalties on violating merchants, such as demoting product ranking and restricting cash withdrawals. Currently, the service covers categories of fragile goods like electronics and will gradually expand to more categories in the future.[2]

Taobao Flash kicks off its "Icy Festival" with stores on the platform up by nearly 40% yoy

Taobao Flash (淘宝闪购) recently kicked off its summer "Icy Festival". Through a range of measures such as enhanced red-envelope benefits, expanded category and product supply, and upgraded fulfillment services, it works with millions of offline stores to tap into summertime niche demand. A spokesperson for the business noted that this year's festival has been upgraded in terms of merchant scale, product offerings, and overall customer experience. Taobao Flash data shows that the number of retail stores on the platform is up nearly 40% yoy.[3]

East Buy opens second offline store in Xi'an

East Buy's (东方甄选) first store in Xi'an is under construction and scheduled to open on 15 July. The store is located on South 2nd Ring Road in Xi'an, and it will be East Buy's second offline experience store. On 21 May 21, the company opened its first offline experience store nationwide in Beijing's Zhongguancun area. That day, East Buy said it would further expand its offline footprint, and that experience stores would also be rolled out in cities such as Xi'an and Zhengzhou. The Beijing flagship store has a total of more than 1,500 SKUs, with self-operated products accounting for over 50%. The store also offers fast food, coffee, and a dedicated dining area.[4]

Xianyu launches a "No-Worry Selling" mode to help sellers clear inventory

Xianyu (闲鱼) has recently introduced a "No-Worry Selling" mode for sellers. The programme helps items sell faster by using intelligent pricing recommendations and traffic-weighted support. It provides sellers with a low-barrier, high-efficiency channel for business growth. Xianyu's "No-Worry Selling" mode significantly reduces operating costs. Sellers can apply for "No-Worry Selling" and the platform will generate a customized sales plan for them, including pricing references and recommended timelines. Once the seller confirms the plan and after the items pass platform review, the No-Worry Selling mode is activated immediately. The listings then receive traffic weighting across channels such as the Xianyu app's home page, search results, product pages, and category pages. The "No-Worry Selling" mode also provides dedicated logistics services.[5]

Meituan Delivery to pilot new rules for merchants' 'Store Score'

Meituan Delivery (美团外卖) recently announced that it will pilot a new set of rules for merchants' "Store Score" in multiple cities. The update adds two food-safety indicators: "store authenticity verification" and "back-of-house environment verification". Together, these two indicators account for 20% of the total score. The update is scheduled to go live in late June and will be gradually rolled out nationwide. The store score remains capped at 100 points, calculated using weighted scoring across four major dimensions – qualifications, business operations, information, and service – with nine indicators in total. In addition, Meituan will remove any duplicate indicators related to responses to negative reviews, responses to online messages/contact attempts, and failure to accept orders.[6]

Youzan's mini program connects to WeChat's AI ecosystem, serving e-commerce, retail, and local service merchants

Youzan (有赞) has recently integrated its mini program with WeChat's AI ecosystem, one of the first companies to participate in internal testing for this service. Through Youzan's mini program, merchants can connect to WeChat AI and provide consumers with various intelligent service experiences. It covers many merchant types, including e-commerce, retail, and local services, helping merchants achieve intelligent operations within the WeChat ecosystem. Youzan's AI agents have accumulated more than 36 million calls, helping merchants save about one million workdays of operational resources. This integration represents an important step in Youzan's AI capabilities moving from "effective" to "available everywhere", enabling merchants to improve operational efficiency and drive performance growth.[7]

New products launched during Tmall 618 event that exceeds 10 million yuan in sales up by 60% yoy

Tmall (天猫) data shows that the number of new products that were launched after the start of 618 event and generated over 10 million yuan in sales surpassed the prior year by 60%. Among the top 100 best-selling items in the first phase of the event, new products accounted for one-third. New product booms have appeared across a wider variety of categories. In last year's 618 event, million-yuan new products mainly fell into 26 categories; this year, the number has doubled to 53 categories. The top 10 new products by sales before the event concentrated in three areas: consumer electronics, alcoholic beverages, and home improvement; this year, the top 10 new products span seven categories, including major and small home appliances, health products, automobiles, toys and trendy collectibles, consumer electronics, and fast-moving consumer goods. Tmall's data for the first phase of the 618 event also indicates that the fastest-growing numbers of million-yuan new products grew the fastest in fast-moving consumer goods, apparel, sports and outdoor products, small home appliances, and toys and trendy collectibles.[8]

Department Stores & Shopping Mall

Shanghai's second-largest shopping mall to open on 30 June

Shanghai PRISMA XinJia Center recently announced that it will open on 30 June. With a gross floor area of 360,000 sqm, this "all-inclusive lifestyle" flagship commercial complex will be the largest mall in Pudong area and the second largest in Shanghai. The PRISMA XinJia Center integrates transportation, retail, leisure, art, and other lifestyle functions, positioning itself as an "all-inclusive lifestyle" destination rather than a consumption-only traditional shopping mall. The project has brought in more than 200 brands, with over 90% being first stores in the Pudong area, concept stores, and flagship stores.[9]

Food & Beverage

Subway China plans to open 350 new stores in 2026

Subway China CEO Zhu Fuqiang recently announced that the company plans to open 350 new stores in 2026, the highest number of new store openings since the brand entered China 31 years ago. As of 5 June 2026, Subway China had exceeded 1,200 stores, with 320 opened in 2025. The number of new openings over the past two years has surpassed the total for the previous 28 years combined. The company plans to open more than 50 new locations in Beijing, making it one of the fastest-growing cities nationwide for the brand. Earlier this year, Shanghai Fu-Rui-Shi Corporate Development Co., Ltd, the master franchisee of Subway China, completed a substantial increase in registered capital. Registered capital was raised from US$58 million to US$93 million, and the additional funding will be mainly used for store expansion and digital upgrades.

Oatly executives in China explore a buyout of China business

The management team of Swedish oat milk giant Oatly Group's Greater China business has recently been considering a management buyout, with ongoing negotiations now entering a substantive stage. If the deal is completed, Oatly's China would shift from being a wholly owned subsidiary of the headquarters to an independent company controlled by a locally managed team, enabling fully localized operations. An insider said that the potential acquirer is actively pushing the deal forward, with the goal of closing the deal within 2026. However, the insider also emphasized that discussions among the parties remain ongoing and uncertain, and the parties may not necessarily reach a formal agreement. [10]

II. Policy Spotlight

Two government departments support major e-commerce platforms in establishing special zones for famous consumer products

On 11 June, the General Office of the Ministry of Industry and Information Technology and the General Office of the State Administration for Market Regulation issued a notice on the implementation of the 2026 “Foodie Season” food quality improvement and demand expansion initiative. The notice encourages enriching food consumption scenarios and creating diversified and integrated new consumption models. In line with the trend of consumption upgrade and the consumption characteristics of important holidays and seasons, themed consumption activities should be carried out to build a diversified consumption model of “online + offline” and “experience + service”. Business districts, scenic spots, and characteristic streets are encouraged to create “food consumption scenarios” that integrate elements such as catering experiences, cultural displays, and leisure and entertainment to enhance engagement, create new consumption scenarios and trends, and develop interest-based consumption and the experience economy. Support should be given to major e-commerce platforms in establishing special zones for famous Chinese consumer products and promoting their omnichannel promotion.[11]

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