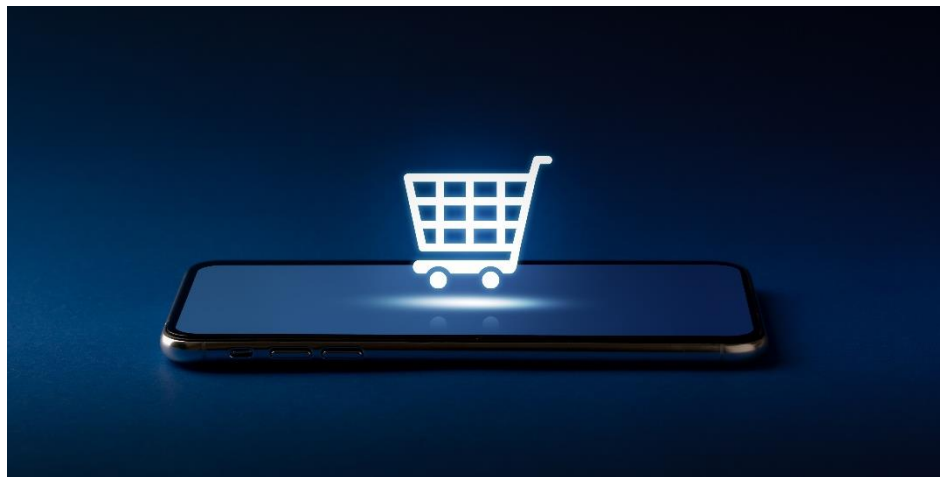


# China Retail & E-commerce Weekly Update



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# I. Sector Review

## Internet & E-commerce

### **JD Food Delivery offers full refund for food delivery orders that are more than 20 min. late**

JD Food Delivery (京东外卖) recently announced in an open letter that it will allocate sufficient orders to delivery riders who were fired by its competitors for taking orders from JD Food Delivery to ensure that their income will not decrease. The company emphasized that it will never force these riders to 'choose one out of two' platforms, encouraging them to accept orders freely from different platforms. JD.com will also offer job opportunities to the spouses of all food delivery riders. It will step up the recruitment of full-time delivery riders, raising the recruitment quota from 50,000 to 100,000 in the next three months. Finally, consumers whose orders are more than 20 minutes late will receive a full refund. JD Food Delivery also announced that its daily order volume surpassed 10 million orders on 22 April, across a total of 166 cities. This milestone comes just one week after JD Food Delivery exceeded five million daily orders on 15 April.<sup>1</sup>

### **Douyin E-commerce: Consumer goods trade-in programme boosts product sales by 158% qoq in 1Q25**

Since the beginning of this year, the consumer goods trade-in programme has stimulated the market, with consumer demand for digital and household goods growing steadily. Douyin E-commerce (抖音电商) data show that in the first quarter of 2025, transaction volume for products within the trade-in programme increased by over 158% compared to the previous quarter. Over 10 million users have claimed national subsidy qualifications on Douyin E-commerce, with nearly 5,000 merchants participating in the programme. Mobile phones, large household appliances, laptops, and everyday electronic devices are the most popular among consumers, all achieving sales growth of over 100% quarter-on-quarter. Mobile phones performed particularly well, with sales increasing more than 30 times compared to the previous quarter, clearly demonstrating how national subsidies are driving consumer demand for device upgrades.<sup>2</sup>

### **Xiaohongshu integrates buyer operations into e-commerce division**

Xiaohongshu's (小红书) e-commerce team recently underwent organizational adjustments, with the buyer operations department being incorporated into the e-commerce team. The original head of buyer operations, Si Gai, has temporarily transferred to the men's clothing team. Sources close to Xiaohongshu suggest that this move does not mean Xiaohongshu is abandoning buyer livestreaming. After the adjustment, buyers will no longer be a separate business unit but integrated into the entire e-commerce merchant service system, and their core purpose is to provide better service to merchants.<sup>3</sup>

## Kuaishou E-commerce pet industry GMV grows 53% yoy in 2024

Kuaishou E-commerce (快手电商) recently released the *2025 Kuaishou E-commerce Pet Industry Report*. The report shows that Kuaishou E-commerce pet industry GMV grew by 53% yoy in 2024. By category, pet supplies GMV increased by 42% yoy, while live pet GMV grew by 110% yoy. As an important industrial hub for Kuaishou's pet industry, Anshan saw its live pet GMV on Kuaishou increase by 84% yoy in 2024.<sup>4</sup>

## Taobao Hourly Delivery rebrands to Taobao Flash Buy

Alibaba (阿里巴巴) is rebranding and upgrading its instant delivery service Taobao Hourly Delivery (淘宝小时达) to Taobao Flash Buy (淘宝闪购). The new service was launched nationwide on 6 May. In the past year, Taobao Hourly Delivery has tested nearly every product category, identifying its core strengths in consumer electronics, fashion, FMCG (mother & baby products), flowers and plants, fresh food, pet supplies, and toys. Over three million stores have now joined the service.<sup>5</sup>

## Meituan Instashopping exceeds one million daily orders in Beijing and Shenzhen

Since mid-April, Meituan's (美团) non-food instant retail services, including Meituan Instashopping (美团闪购) and Xiaoxiang Supermarket (小象超市), have consistently exceeded one million daily orders in both Beijing and Shenzhen. Previous public data showed that Meituan's daily order volume for non-food instant retail has already exceeded 18 million orders. Due to the rapid increase in user stickiness and shopping frequency, Meituan officially launched the Meituan Instashopping brand on 15 April, and sources say this rapid growth indicates that instant retail is gaining popularity in first-tier cities. More consumers in high-tier cities are beginning to make instant retail their primary choice for daily shopping.<sup>6</sup>

## Xianyu launches 'export-to-domestic sales' support plan

Xianyu (闲鱼), the second-hand trading platform under Alibaba (阿里巴巴), announced the launch of its 'export-to-domestic sales' support plan. The initiative introduces four core measures targeting small and medium-sized foreign trade merchants and individual sellers: green channel for Xianyu shop registration, exclusive certification for foreign trade shops, launch of 'foreign trade selection zone' on the homepage, and launch of 'Xianyu foreign trade festival'. These measures aim to help foreign trade enterprises liquidate inventory, open domestic sales channels, and accelerate their transition from export to domestic markets. This move marks an important step in Xianyu's evolution from a C2C second-hand trading platform to a diversified e-commerce ecosystem, joining platforms like JD.com and Pinduoduo in the 'foreign trade to domestic sales' competition.<sup>7</sup>

## Walmart opens global e-commerce office in Chengdu

Walmart recently opened its fourth China office in Chengdu, Sichuan, following those in Shenzhen, Shanghai, and Hangzhou, which is also its first in southwestern China. The move reflects its broader strategy to expand from coastal hubs to inland regions to better serve local exporters, the company said in a statement. The opening of the Chengdu office represents another significant advancement in Walmart Global E-commerce's localization strategy and demonstrates its confidence in the Chinese market. Walmart Global E-commerce will integrate internal and external resources to build local teams that provide one-on-one services to sellers. These services will cover account registration, operations, logistics, advertising, and multi-channel expansion, meeting the needs of cross-border sellers at different development stages. Walmart will also partner with cross-border ecosystem partners to conduct online and offline training activities to serve local seller communities.<sup>8</sup>

## Retail Logistics

### Cainiao signs cooperation agreement with Hong Kong to strengthen international logistics

At the Hong Kong Investment Promotion Conference held in Ningbo, Cainiao Group (菜鸟集团) officially signed a memorandum of cooperation with InvestHK, the Hong Kong SAR Government's investment promotion agency. Cainiao will further deepen its presence in the Hong Kong market, strengthening the express delivery network and operating system between the Chinese mainland and Hong Kong and within Hong Kong to better serve the city's residents. The company will leverage Hong Kong's unique advantages as an international logistics hub to provide efficient, integrated express delivery and supply chain solutions for global cross-border e-commerce and brand enterprises. Additionally, Cainiao will rely on its leading digital technology capabilities to help upgrade Hong Kong's logistics industry with digital and intelligent technologies.<sup>9</sup>

## Supermarkets & Hypermarkets

### Yonghui Superstores' net loss widens to 1.465 billion yuan in 2024

Yonghui Superstores (永辉超市) recently released its 2024 annual report. As of the end of the reporting period, Yonghui Superstores' operating revenue was 67.574 billion yuan, a year-on-year decrease of 14.07%. Net loss attributable to shareholders of the company was 1.465 billion yuan, an increased loss of 136 million yuan compared to the same period last year. Yonghui Superstores stated that the decline in revenue was mainly due to the company's proactive store optimization and strategic and operational model transformation. Yonghui Superstores' online business revenue for the full year of 2024 was 14.6 billion yuan, accounting for 21.7% of operating revenue. The gross profit margin of

goods increased by 0.5 percentage points year-on-year, mainly benefiting from improved product structure and optimized product costs.<sup>10</sup>

### **Yonghui Superstores' fourth Pangdonglai-inspired upgraded store opens in Beijing**

On 18 April, Beijing's fourth Yonghui Superstores (永辉超市) store which was independently redesigned based on the Pangdonglai model opened at Wolong Yuegou Times Plaza in Shunyi. After the renovation, over 60% of the supermarket's products have been replaced, with the restructured product lineup now matching more than 90% of Pangdonglai's product structure. The store removed 7,552 items and restructured 10,931 items, with a new product rate of 62.9%. First and second-tier brands now account for 66.5% of products, Beijing specialty products make up 12.3%, and imported goods make up 20%. With this opening, Yonghui now has 55 renovated stores, with plans to reach 100 stores by mid-year and 200 stores by the end of the year.<sup>11</sup>

### **Freshippo turns first annual profit with plans to open 100 new stores in 2025**

Freshippo (盒马) became profitable for the first time in the fiscal year that ended 31 March 2025. Throughout the fiscal year, Freshippo opened 72 new shops, reaching a total of 430 outlets – surpassing Walmart China. In early March, Freshippo internally circulated its strategic plan for the fiscal year 2025, continuing to focus on expanding the Freshippo format, with plans to open nearly 100 new stores and enter dozens of new cities. Furthermore, the company has adjusted and upgraded nearly half of its stores nationwide, while also restarting its front-end warehouse model with a '1+N' model in collaboration with its store locations.<sup>12</sup>

## **Apparel & Sports**

### **Anta Group reaches 30% sustainable products**

Anta Group (安踏集团) recently released its 2024 ESG report, sharing its practices and achievements in sustainable development across green product innovation, carbon transformation and green supply chain co-construction. In 2024, over 30% of its products were sustainable, with 26 certified carbon-neutral; proportion of sustainable packaging rose to 36%. The company's MSCI ESG rating also jumped three levels to reach an 'A' rating within two years. It is also the first Chinese footwear and apparel company to be selected for the Dow Jones Best-in-Class Emerging Markets Index.<sup>13</sup>

## Food & Beverage

### **Luckin Coffee's 1Q25 GAAP operating income reaches 737 million yuan with 1757 net store openings**

Luckin Coffee (瑞幸咖啡) recently released its financial results for the first quarter of 2025. During this period, the company's total net revenue increased by 41.2% yoy to 8.865 billion yuan. GMV reached 10.35 billion yuan; GAAP operating income was RMB737.2 million, as the GAAP operating margin rebounded to 8.3% from negative 1.0% in the same quarter last year. In terms of store operations, Luckin Coffee's market penetration has steadily increased, with 1,757 new store openings in the first quarter. As of the end of the first quarter in 2025, Luckin Coffee had a total of 24,097 stores worldwide, an increase of 7.9% from the previous quarter.<sup>14</sup>

### **Starbucks China's net income increases by 5% yoy in fiscal second quarter**

On 30 April, Starbucks China released its financial results for its fiscal second quarter ended 30 March 2025. Starbucks China achieved a growth resurgence during this period, with operating income reaching US\$739.7 million, a year-on-year increase of 5%. All key financial indicators in the Chinese market performed well, with operating income, same-store transaction volume, and company profit margins all achieving year-on-year growth and same-store sales continued to improve significantly. The financial report shows that as of the end of the second quarter, the total number of Starbucks stores in China reached 7,758, covering more than 1,000 county-level markets.<sup>15</sup>

### **Yum China's 1Q25 overall operating profit margin increases to 13.4% yoy**

Yum China (百胜中国) has released its financial results for the first quarter of 2025. The company's overall operating profit margin rose to 13.4% for the quarter, with same-store transaction volume achieving year-on-year growth for nine consecutive quarters. In the first quarter, Yum China opened 247 net new stores; as of the end of March, the company's total number of stores nationwide reached 16,642, putting it in a leading position in the food service industry. Furthermore, KFC's system sales increased by 3% yoy in the first quarter. KPro Coffee added 300 new stores in the first quarter and plans to exceed 1,500 stores by the end of 2025. Pizza Hut's system sales increased by 2% yoy, with profit margin improving by nearly 2 percentage points year-on-year and same-store transaction volume increasing by 17% yoy. As of the end of March, the total number of KFC and Pizza Hut members exceeded 540 million.<sup>16</sup>

### Starbucks Delivers is now available on JD NOW

Starbucks China recently announced that its delivery service, 'Starbucks Delivers', is now available on the JD NOW (京东秒送) platform, becoming the first brand to integrate its membership system with the JD NOW platform. Starbucks has also launched new experiences with JD.com, including more customized experiences, a dedicated ordering interface, and the launch of the 'Black Coffee Challenge'. When Starbucks Rewards members place orders on JD NOW, they can earn the same rewards and services as other sales channels.<sup>17</sup>

## Miscellaneous

### Suning.com opens stores in 26 new cities and upgrades 46 stores

Suning.com (苏宁易购) is accelerating its retail format innovation with the 'first-launch economy' as its entry point, focusing on building new consumer landmarks featuring 'new scenarios, new experiences, and one-stop home shopping'. From 18 April through the May Day holiday period, Suning.com opened and upgrade 46 stores across 26 cities. Among these, two Suning Max super experience stores – located at Zhonglou, Beijing and Xinjiekou Nanjing – will both open on 30 April.<sup>18</sup>

## II. Market Overview

### Fresh food e-commerce market scale exceeds 700 billion yuan in 2024, user base reaches 577 million

On 21 April, the 100EC E-commerce Research Centre published the fifth edition of its annual *China Fresh Food E-commerce Market Report*. In 2024, the transaction scale of fresh food e-commerce reached 736.79 billion yuan, representing a year-on-year increase of 14.67%. This shows a slight slowdown compared to the 14.7% growth in 2023. This indicates the industry is still in a growth period, but competition and cost pressures may be limiting the growth rate. In 2024, the penetration rate of the fresh food e-commerce industry reached 14.9%, while the industry's user base grew to 577 million, a 12.47% year-on-year increase. This reflects consumers' growing acceptance of fresh food e-commerce. The number of fresh food e-commerce enterprises in 2024 reached 26,568, up 0.95% yoy.<sup>19</sup>



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