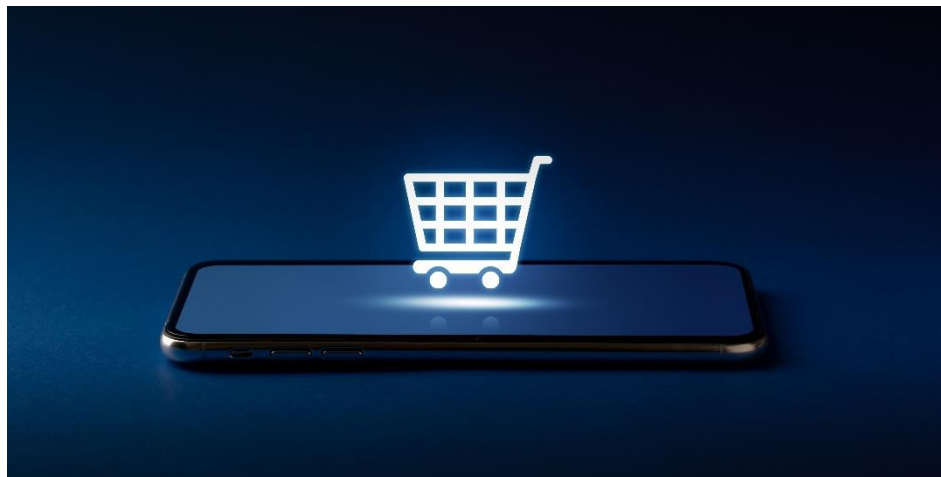


# China Retail & E-commerce Weekly Update



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# I. Sector Review

## Internet & E-commerce

### **Taobao to launch comprehensive membership system integrating Ele.me, Fliggy, and Freshippo**

Taobao is set to launch a new comprehensive membership system that will integrate Alibaba (阿里巴巴) platforms including Ele.me (饿了么), Fliggy (飞猪) and Freshippo (盒马), encompassing across dining, entertainment, clothing, food, housing, and transportation. The Taobao 88VIP user benefits will also be comprehensively upgraded. This is a landmark business move of Alibaba following the integration of Ele.me and Fliggy into its China E-commerce Business Group and its strategic shift from an e-commerce platform to a comprehensive consumption platform. Freshippo officially joined the 88VIP membership system on 4 August. From 4 August to 10 September, all Taobao 88VIP members can receive 90 days of Freshippo X membership benefits for free.<sup>1</sup>

### **JD.com partners with IKEA as official IKEA flagship store goes online**

JD.com (京东) recently announced its partnership with IKEA. The IKEA flagship store opened on JD.com on 8 August. As IKEA's new online touchpoint in the Chinese market, the IKEA flagship store covers 168 categories and over 6,500 products, combined with logistics delivery and membership services to meet the increasingly diverse home shopping needs of Chinese consumers. Currently, Ingka Group (the franchisee of Inter IKEA Group) has established 40 IKEA customer touchpoints in the Chinese mainland (including 37 stores, two experience stores, and one planning studio) as well as 10 Livat shopping centres.<sup>2</sup>

### **Douyin Life Services launches standalone entry point to group purchasing business 'Suixin Tuan'**

Douyin Life Services' (抖音生活服务) group purchasing business 'Suixin Tuan' (随心团) recently gained an independent entry point. Users can access this entry by searching 'Suixin Tuan' within the Douyin app. The Suixin Tuan entry page displays weekly recommended promotional products as well as categories such as afternoon tea and late-night snacks, with some items available for free delivery. It also shows discounts and subsidy activities that run throughout August, which will help drive traffic to Suixin Tuan.<sup>3</sup>

## Supermarkets & Hypermarkets

### Freshippo to shut all X Membership Stores

Freshippo (盒马) will close all of its warehouse-style X Membership stores by the end of August due to business adjustments. The last remaining store, located in Sunland Mall in Shanghai, will cease operations on 31 August, following recent closures in Beijing, Suzhou, and Nanjing on 31 July. Members can continue to enjoy their benefits and place orders online through the Freshippo app and enjoy home delivery services.<sup>4</sup>

### Pangdonglai achieves cumulative sales of 13.386 billion yuan from January to July 2025

Henan retail giant Pangdonglai (胖东来) recently announced its latest operating data. The company's July sales reached 1.666 billion yuan, with cumulative sales from January to July totalling 13.386 billion yuan. In July, Pangdonglai's four major business formats – supermarket, jewellery, department store, and electronics – all achieved monthly sales exceeding 100 million yuan, contributing 932 million yuan, 183 million yuan, 166 million yuan, and 140 million yuan respectively, accounting for 85.27% of total sales in the month. Lifestyle consumption categories apparel and tea followed closely behind, recording sales of 94 million yuan and 74 million yuan respectively.<sup>5</sup>

### JD.com launches five discount supermarkets

JD.com (京东) recently announced its expansion into lower-tier markets by opening five discount supermarkets in Hebei and Jiangsu. These stores will target budget-conscious shoppers by offering a wide range of products at discounted prices. The discount supermarket stands out from existing stores by leveraging JD.com's supply chain advantages to operate a large-scale, high-SKU operation model. For example, its first store in Zhuozhou, Hebei, boasts a 5,000-sqm store area and features a selection of over 5,000 value-for-money consumer goods, all priced lower than typical market prices.<sup>6</sup>

### Freshippo to open nearly 100 supermarkets to lift store count to over 500 by March 2026

Freshippo (盒马) plans to open nearly 100 new supermarket stores in over 50 Chinese cities by the end of March next year, with the total number of Freshippo Supermarket outlets expected to exceed 500. Over the past year, Freshippo has shifted focus to concentrate on Freshippo Supermarket stores and community discount stores, while gradually withdrawing from exploratory projects such as X membership stores. Meanwhile, Freshippo Supermarket has been operating at full capacity to expand new stores, opening its first stores in multiple cities including Taizhou, Suzhou, Tianjin, Tangshan, and Suining during the first half of this year.<sup>7</sup>

### **Freshippo expands its health offerings with 40 new low-GI products**

Freshippo (盒马) has launched over 40 private-label low-GI products, covering six major categories including baked goods, snacks, and fruits. These include ready-to-heat staples like sticky bean buns and steamed buns, as well as snacks such as bread and sachima. Low-GI foods have a low glycaemic index, helping to maintain stable blood sugar levels. Currently, all of Freshippo's 40+ products labelled as 'low-GI' have received official certification.<sup>8</sup>

## **Food & Beverage**

### **Yum China's 2Q25 operating profit up by 14% yoy**

On 5 August, Yum China (百胜中国) – the operator of KFC and Pizza Hut in China – published its financial results for the second quarter of 2025. During this period, the company's revenue increased by 4% yoy to reach US\$2.79 billion; its operating profit margin reached 10.9%, while operating profit grew by 14% yoy. As of 30 June 2025, the company operated a total of 16,978 stores, including 12,238 KFC outlets and 3,864 Pizza Hut stores, continuously consolidating its industry-leading position. Notably, Yum China's same-store sales achieved 1% year-on-year growth, with same-store transaction volume achieving year-on-year growth for the 10th consecutive quarter. Delivery sales accounted for 45% of the company's restaurant revenue in the second quarter, up from 38% in the second quarter of last year. As of June, all brands under Yum China had partnered with major third-party delivery platforms.<sup>9</sup>

### **McDonald's plans to open 1,000 new restaurants in China in 2025**

On 7 August, McDonald's held its earnings conference for the second quarter of 2025. During the meeting, McDonald's announced plans to open 2,200 new restaurants globally this year, with 1,000 of those located in China. The goal is to reach a total of 50,000 restaurants globally by 2027.<sup>10</sup>

## **II. Market Overview**

### **MOFCOM: Departure tax refund sales in 1H25 go up by nearly 100% yoy**

On 31 July, Ministry of Commerce (MOFCOM) spokesperson He Yadong stated at a regular press conference that departure tax refund sales nationwide increased by nearly 100% yoy in the first half of this year, with the number of departure tax refund stores exceeding 7,200 – increasing by around 80% since the end of 2024. Since the beginning of this year, the MOFCOM and five other departments have organized a series of 'Shopping in China' campaign. So far, they have held several special events such as the International Consumption Season, Premium Launch Season, and Service Consumption Season.<sup>11</sup>

### III. Market Overview

#### **MOFCOM and nine other departments jointly issue plan for promoting consumption of agricultural products**

The Ministry of Commerce (MOFCOM) and nine other departments recently issued the *Implementation Plan for Promoting Agricultural Product Consumption*, proposing 23 specific measures across nine areas focusing on optimizing supply, innovating circulation, and activating the market. Promoting high-quality development of rural e-commerce is a key component of accelerating the construction of agricultural product circulation systems. Zhang Xiang, First-level Inspector of the Circulation Development Department of the MOFCOM, stated that the MOFCOM has implemented several measures to promote high-quality development of rural e-commerce in recent years, with national online retail sales of agricultural products growing 15.8% yoy in 2024.<sup>12</sup>

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