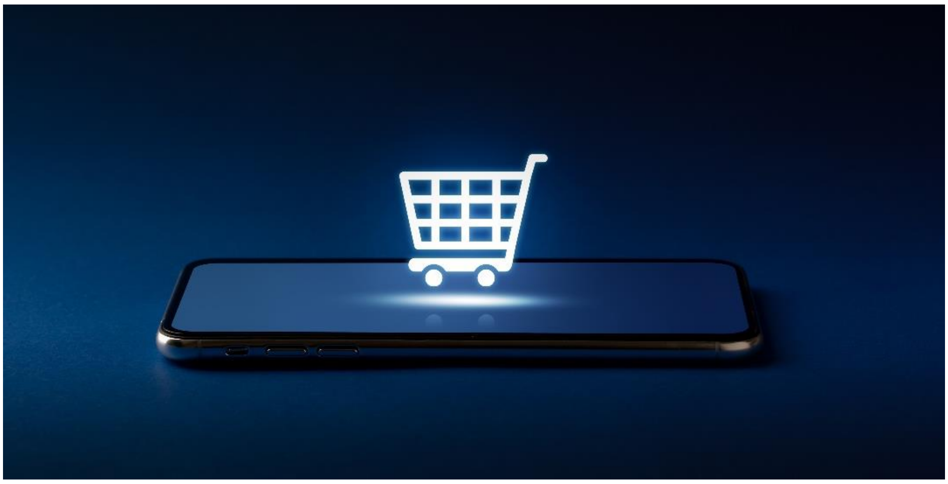
China Retail & E-commerce Weekly Update



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I. Sector Review

Internet & E-commerce

Kuaishou E-commerce 618 report: Search GMV grows over 143% yoy

Kuaishou E-commerce (快手电商) recently released its 618 campaign report. Its traditional shelf-based retail business maintained fast growth, with product card GMV growing over 53% yoy, search GMV growing over 143% yoy, and the number of million-yuan-GMV products in Kuaishou Mall's brand subsidy channel growing over 124% yoy. The content marketplace also flourished, with GMV from short video shopping carts growing over 29% yoy. The number of merchants with GMV exceeding 10 million yuan grew over 43% yoy, while merchants with GMV exceeding 100 million yuan grew over 61% yoy. Small- and medium-sized merchants' GMV grew 30% yoy, and newly onboarded merchants' store efficiency improved over 24% yoy.[1]

Duoduo Maicai tests self-operated warehouses with plans to launch instant delivery service in August

Duoduo Maicai (多多买菜), the grocery delivery unit of Pinduoduo (拼多多), is piloting self-operated warehouses in Shanghai as it prepares to enter the instant delivery market. The service is expected to launch in August, with Shanghai as its initial base before expanding to other cities, offering an instant delivery service similar to JD NOW (京东秒送) and Meituan Instashopping (美团闪购); however, it will not get involved in food delivery. Pinduoduo has said that this move does not represent the company's strategy and direction, and it has no intention of joining the instant retail war. Currently, Duoduo Maicai's trial of instant retail is still in the early stages, and the team has obtained a budget of over 100 million yuan.[2]

Meituan expands instant retail, Xiaoxiang Supermarket to cover all first and second-tier cities

On 23 June, Meituan (美团) announced that it will expand its instant retail business, promoting the upgrade of new retail formats to provide users with more cost-effective products and services. This follows the official launch of its the instant retail brand 'Meituan Instashopping' (美团闪购) and the expansion of Xiaoxiang Supermarket (小象超市) to multiple cities, marking Meituan's another major move to significantly increase investment in instant retail. A Meituan executive stated that Meituan Instashopping business will continue to grow its product categories, work with retail and brand partners to further expand stores and flash warehouses, and optimize experiences in categories such as consumer electronics and home appliances, fresh food, alcoholic beverages, and fast-moving consumer goods.[3]

Taobao Flash Sale and Ele.me's combined daily orders exceed 60 million

On 23 June, less than two months since 'Taobao Flash Sale' went online, the combined daily orders of Taobao Flash Sale and Ele.me have exceeded 60 million. Retail orders have grown 179% yoy, with on-time delivery rate maintained at 96%. Taobao Flash Sale will continue to build consumer enthusiasm while bringing new growth opportunities to small and medium-sized merchants.[4]

JD.com establishes instant delivery tea beverage company in Guangzhou

Miaosong (literally meaning 'deliver in seconds') Tea Beverage (秒送茶饮) Co. Ltd was recently established in Guangzhou, with a registered capital of 100,000 yuan. The company's business scope includes the sale of daily necessities and personal hygiene products, sanitary products and disposable medical supplies sales, among others. Shareholder information shows that the company is wholly owned by Beijing JD Health Co. Ltd (北京京东健康有限公司).[5]

Meituan helps mid-to-low-tier cities' service retail go online as transaction volume CAGR reaches 90% over last three years

Zhang Tao, head of the Small and Medium Cities Development Department at Meituan's (美团) Service Retail Division, recently revealed that mid-to-low-tier cities represent a huge untapped market for service retail. Over the past year, more than 10,000 chain brands from high-tier cities have accelerated their expansion into lower-tier markets, with the number of new stores opened in mid-to-low-tier cities growing by 66% yoy. Since 2022, Meituan Service Retail has been cultivating 284 mid-to-low-tier cities and nearly 3,000 county-level cities nationwide, connecting two million merchants. The transaction volume has achieved a compound annual growth rate (CAGR) of over 90%, while the number of annual transaction users has grown at a CAGR of over 60%. Upgrades in consumer demand and supply-side innovations reinforce each other, providing major growth momentum for service retail in mid-to-low-tier cities.[6]

Xiaoxiang Supermarket's 2024 GMV reaches nearly 30 billion yuan

Xiaoxiang Supermarket's (小象超市) 2024 GMV reached nearly 30 billion yuan, surpassing Dingdong Maicai (叮咚买菜) (25.5 billion yuan) and approaching that of Pupu Supermarket (朴朴超市) (over 30 billion yuan). Notably, GMV of Xiaoxiang Supermarket has already reached half of Freshippo's (盒马鲜生) GMV (over 59 billion yuan in 2024). Currently, Xiaoxiang Supermarket has expanded to 18 cities nationwide, with a total of over 800 warehouses, and is still in an accelerated expansion phase. Additionally, in April this year, there were reports that Xiaoxiang Supermarket is planning to restart its offline business, exploring possibilities for multi-channel consumer reach.[7]

Supermarkets & Hypermarkets

Yonghui Superstores expects to open one renovated store daily in 3Q25

Yonghui Superstores (永辉超市) recently announced that it expects to complete its goal of renovating 200 stores nationwide by 30 September this year. The upcoming renovations will focus on employees and merchandise, including improving employee skills training and compensation, and strengthening the development of private label products to achieve billion-yuan level sales, in addition to achieving 80% of Pangdonglai's (胖东来) merchandise structure. Recently, Yonghui Superstores has accelerated its renovations – since renovations began last May, Yonghui's 100th renovated store recently opened in mid-June of this year. According to Yonghui's latest announcement, the renovation of the next 100 stores is expected to be completed in the third quarter of this year, with an average of one renovated store opening daily during the third quarter. The total number of renovated stores will reach 126 by end-June.[8]

Retail Logistics

JD Logistics pioneers first open-to-all integrated warehousing and distribution service for instant retail

JD Logistics (京东物流) recently launched the industry's first open-to-all integrated warehousing and distribution service called Miaosong (literally meaning 'deliver in seconds') Warehouse. As the nation's first integrated instant retail warehousing and distribution solution provider open to all industries, JD Logistics adopts an innovative 'shared front warehouse + self-operated delivery' model, creating minute-level instant fulfilment services for merchants, significantly lowering the entry barriers into instant retail. According to reports, a well-known domestic brand has already benefited from this service, with the brand's products achieving delivery in as fast as 15 minutes, which supports the implementation of its new channel strategy and the development of its instant retail operations.[9]

SF Intra-city: Intra-city instant delivery orders double year-on-year in 618 peak period

SF Intra-city (顺丰同城) data show that throughout this year's 618 promotion from 13 May to 22 June, intra-city instant delivery service orders achieved year-over-year growth of over 50%, with peak period growth achieving 100% yoy. Beverages, supermarkets and department stores, and fast food categories saw order volumes double; pharmaceuticals, cosmetics, and maternal and baby products achieved high double-digit growth in order volumes. During the promotion period, SF Intra-city also saw significant growth in orders from Douyin (抖音), Meituan (美团), Ele.me (饿了么), JD NOW (京东秒送), and merchants' proprietary platforms. Additionally, SF Intra-city's 'last mile' delivery orders during the 618 promotion also surged, with daily average order volumes for both pickup and delivery services far exceeding last year's single-day peak values.[10]

Cosmetics

Florasis expands into offline market with first shopping mall location in Shanghai

On 22 June, Chinese beauty brand Florasis (花西子) officially opened its new offline store at Grand Gateway 66 in Shanghai's Xujiahui commercial district, marking the brand's first store in Shanghai and its first shopping mall store nationwide. This store opening marks Florasis' entry into a new phase of integrated online-offline development. Over the next two years, the brand will continue expanding its offline stores and counters in first-tier and new first-tier cities, focusing on growing its presence in shopping malls and department store formats, which will become an important driver for its offline expansion.[11]

Food & Beverage

Tims China's 1Q25 revenue reaches 300 million yuan

On 24 June, chain coffee brand Tim China announced its financial results for the first quarter of 2025. The company's total revenue for this period reached 300.7 million yuan, with system sales of 376.3 million yuan. In the first quarter, company owned and operated stores contributed 17.15 million yuan in adjusted store EBITDA, with an adjusted store EBITDA margin of 6.7%, up 5.9 ppts year-on-year. Tims China currently has 1,024 stores nationwide, including 569 company owned and operated stores and 455 franchise stores, covering 84 cities across the country.[12]

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