

The world's leading fresh produce conference and networking events



By Chris Komorek

Friday 17th July 2020, 4:46 GMT

Online sales boom during pandemic

Fruitnet Live: China explored how the country's retail sector performed during the global health pandemic



Fruitnet managing director Chris White with senior analyst at IGD, Jiong-Jiong Yu

China wasted no time in implementing strict restrictions in a bid to curb the spread of Covid-19. A flow on effect of this preventative action was consumers turning to online platforms to access fresh produce.

Senior analyst at IGD, Jiong-Jiong Yu (pictured right), told Chris White during Fruitnet Live: China that footfall at physical stores across the country were down significantly during the pandemic, and remained at low levels despite restrictions easing.

"People are still very hesitant to go back to physical stores, with footfall at 50-70 per cent of the normal level," said Yu.

One of the reasons why people may remain hesitant to return, Yu proffered, was because of the ubiquity and convenience m-commerce offers.

"In China there are multiple grocery apps – over 100 to download, including in regional areas – so m-commerce is part of everyday life. We also have a robust home delivery network, which has the

capacity to fulfil deliveries within 30 minutes, which is very relevant to fresh produce," said Yu.

"There is a high penetration of mobile phones and shoppers are engaged with social media, so retailers can dial up promotional elements to capture this online growth."

Una Wang of leading retailer JD.com highlighted the important role community and neighbourhood stores will play in the short-term post Covid-19.

"JD.com's 7Fresh and community stores will strengthen our supply chain offering, and we believe it's important to have different operational formats to remain competitive," said Wang.

Josh Jiao, vice president of Pagoda, said the company's announcement in 2017 to integrate its online and offline services had paid dividends this year.

"In 2019, online sales accounted for 20 per cent of Pagoda's business. This year, we have started seeing an upturn in sales since 1 May, largely thanks our apps and

wechat communities, of which there are over 9,000," explained Jiao.

Yu said the move to online e-commerce is a trend IGD expects to continue, "We have seen new shoppers using online channels for the first time during the pandemic. Online orders placed by those born in the 1960s were four times higher than normal, according to Alibaba. So once people get used to the convenience of online shopping, they'll continue to do it," she said.

Efforts are ongoing to encourage footfall back into physical stores, with night markets during the summer proving popular among consumers. However, Yu believes consumers will continue to opt for the more convenient and quicker solution e-commerce offers.

<http://www.fruitnet.com/americafruit/article/1474/parts-of-san-diego-quarantined-as-psyllid-count-mounts>

© Copyright Market Intelligence Ltd - Fruitnet.com 2014. The copyright on this article and all content published on Market Intelligence Ltd - Fruitnet.com is held by Market Intelligence Ltd - Fruitnet.com Limited, a joint venture between Market Intelligence Limited and Dr Rolf M Wolf Media GmbH. All rights reserved. Neither this article nor any part of it may be reproduced, stored or transmitted in any form, including print-outs, screen grabs and information retrieval systems, without the prior permission of the copyright owners.

FRUITNET.COM

<http://www.fruitnet.com/americafruit/article/1474/parts-of-san-diego-quarantined-as-psyllid-count-mounts>

© Copyright Market Intelligence Ltd - Fruitnet.com 2014. The copyright on this article and all content published on Market Intelligence Ltd - Fruitnet.com is held by Market Intelligence Ltd - Fruitnet.com Limited, a joint venture between Market Intelligence Limited and Dr Rolf M Wolf Media GmbH. All rights reserved. Neither this article nor any part of it may be reproduced, stored or transmitted in any form, including print-outs, screen grabs and information retrieval systems, without the prior permission of the copyright owners.

FRUITNET.COM