

Online Supermarkets in Shanghai: Growing Popularity Among Younger White Collar and Affluent Consumers

25% of white collar consumers in Shanghai have bought drinks, snacks, groceries or personal care products via online supermarkets in the past two weeks.

Online supermarkets are an increasingly important retail channel in Shanghai for drinks, snacks, groceries and personal care products.

Introduction:

The rapid growth of online shopping in Shanghai is beginning to have a significant impact on the retail sales of drinks, groceries, snacks and personal care products as online supermarkets grow in popularity.

A consumer market research study conducted by **DDMA Market Research China** among white collar, high income, key grocery decision makers in Shanghai **revealed that 25% of this high value consumer group** have bought drinks, groceries, personal care items or household products from online supermarkets in the past two weeks.

This consumer market research study was designed to measure the impact of online supermarkets on key FMCG categories and to understand the key drivers and reasons behind the growing popularity of online supermarkets in Shanghai.

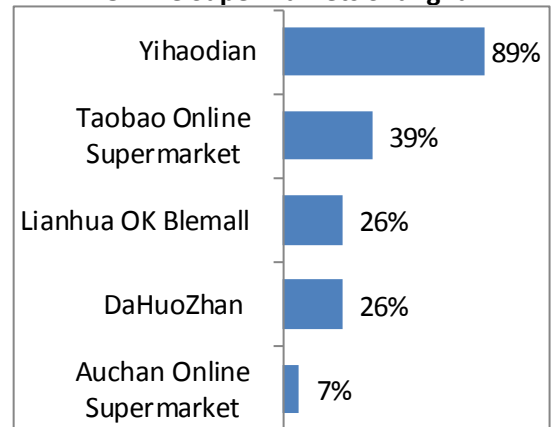
Impact on key drinks categories:

Drinks and beverages was one of the largest categories impacted by the growing popularity of online supermarkets. For example, 22% of consumers surveyed that had bought fruit juice or juice drinks in the past two weeks had done so from online supermarkets. For pre mixed tea and mineral water, almost 20% of consumers that had bought these categories in the past two weeks had bought these products from online supermarkets. Interestingly, the incidence of purchasing grape wine via online supermarkets was also high.

Impact on food, snacks & groceries:

Consumers tend to steer clear of purchasing perishables from online supermarkets, however, confectionary and snacks are popular categories to buy from online supermarkets in Shanghai. Almost 40% of consumers that had bought chocolate or candy in the last two weeks had done so through online supermarkets. However, some of the traditional staples, such as rice and cooking oil, were also purchased through online supermarkets.

**Last Three Month Usage
Online Supermarkets Shanghai**



Base: All Last Three Month Online Supermarket Users.
n=57

Key grocery decision makers Retail Channels shopped in last two Weeks – Shanghai	
	%
Convenience Stores	84%
Local Wet Markets	80%
Hypermarkets	72%
Supermarkets	71%
Local Neighbourhood Stores	28%
<u>Online Supermarkets</u>	<u>25%</u>
Source: DDMA Online Supermarkets Study Shanghai – April 2011 Base: n=133	

*22% of white collar consumers in Shanghai that bought **Fruit Juice** in the past two weeks did so via online supermarkets*

*40% of white collar consumers in Shanghai that bought **Candy or Chocolate** in the past two weeks did so via online supermarkets*

Impact on personal care, skincare, hair care, household goods and baby care product categories:

Online supermarkets are also widely used to buy toothpaste, hair care and other personal care items. Of all white collar consumers that bought hair care products or shampoo in the past two weeks, 23% bought these products from online supermarkets. Online supermarkets were also popular channels for the purchase of baby care products and also for general household items such as cleaning supplies and cleaning agents.

New product launch opportunities:

The qualitative and quantitative module of this study revealed that online supermarkets offered an opportunity for new product launches in Shanghai as many consumers are willing to trial a new brand of beverage, food or personal care product which they have learned about on online supermarket websites.

Understanding the drivers of choice for online supermarkets in Shanghai:

This report also evaluates the performance of the leading online supermarkets in Shanghai and identifies the key drivers and barriers to online supermarket usage in Shanghai.

Categories included in this study

Drinks categories	Food & Grocery categories	Personal & Household categories
<ul style="list-style-type: none"> • Baijiu • Beer • Carbonated Drinks • Coffee – Instant • Coffee – Pre Mix • Grape Wine • International Spirits • Juice Drinks • Milk • Mineral water • Other Dairy Drink • Sports/Functional Drinks • Tea • Tea – Pre Mix • Yellow Wine 	<ul style="list-style-type: none"> • Bread • Cheese/Dairy Products • Cooking Oil • Eggs • Fresh Meat, Chicken, Fish • Fresh Vegetables, Fruit • Frozen Foods in General • Fruit - Canned • Ingredients for Cooking (Spices, Herbs) • Rice • Sauces & Condiments • Snacks - Dried Noodles • Snacks - Potato Chips • Snacks - Candy/Chocolate • Snacks - Dry Crackers 	<ul style="list-style-type: none"> • Baby Care Products • Household Cleaning Items • Personal Care or Skincare Products • Shampoo & Hair Care Products • Toothpaste & Oral Care Products

*25% of white collar consumers in Shanghai that bought **personal care or skincare products** in the past two weeks did so via online supermarkets*

58% of white collar consumers in Shanghai have bought a new brand of beverage, snack or personal care for the first time from online supermarkets

Online sales as a % of total retail sales – Leading Markets	% of Retail Sales
United Kingdom	10.5%
<i>Shanghai</i>	<i>10.1%</i>
European Union	5.9%
USA	4.5%
China	3.3%

Source: DDMA Online Influence Study Shanghai – Feb 2011

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