



Sales of Missfresh's In-house Fresh Food Brand Soared 250% Year-on-year in Q3 2021

November 2, 2021

Missfresh's continued investment in its supply chain and in-house food brand has helped the company achieve a superior shopping experience, better gross margins, and overall competitiveness

BEIJING, Nov. 2, 2021 /PRNewswire/ -- [Missfresh Limited](#) ("Missfresh" or the "Company") (NASDAQ: MF), an innovator and leader in China's neighborhood retail industry, saw sales for its in-house fresh food brand, "Xiang An Xin", jump 250% in the third quarter of 2021, as compared to the same quarter last year. This significant boost in product sales is a result of Missfresh's continued investment in its supply chain, and is also buoyed by the industry trend of in-house branded goods becoming a new growth driver for leading retail players.

Launched in 2016, Xiang An Xin – which refers to high-quality products trusted by customers – offers value-for-money and safe fresh food. The range has grown to comprise more than 200 products such as meat, eggs, vegetables, and baked goods.

Surging Popularity of In-house Brands

In-house brands – also known as private brands, private labels, or store brands – are increasingly favored by consumers for offering great value for their price point and distinct product differentiation. According to the 2021 China Private Brand Industry Development White Paper released by private brand solutions provider Daymon International, China's private brand market grew by 22.7% in 2020, and super-fast-moving consumer goods in this segment jumped more than 12-fold. In particular, the fresh food e-commerce category boasted one of the highest growth rates.

Missfresh created the Xiang An Xin fresh food brand for its on-demand online retail platform as it allows the Company to more closely control and ensure product consistency and quality, achieve higher gross profit margins, enable AI-driven customer-to-manufacturer (C2M) production, and source directly from the products' place of origin wherever possible, eliminating unnecessary middlemen.

Industry insiders agree that in-house brands have made their way to the frontline of the ultra-competitive e-commerce arena because companies are able to increase their gross profit margins of individual products and stabilize the quantity and quality of the product supply. New products are also constantly created by retailers in order to stand out from the competition, thus diversifying options for consumers and avoiding homogeneity.

Case in point: Missfresh fine-tunes its fresh food offerings based on demand and at the same time minimizes food wastage. For example, after discovering customers' preference for pork ribs with cartilage, Missfresh repackaged and listed the alternative cut under the Xiang An Xin brand. The product quickly became one of the platform's top 10 products. Similarly, Missfresh started offering larger portions of Xiang An Xin spare ribs and pork belly to North China-based customers after noting their fondness for meat. This approach gives Missfresh's customers a larger variety of purchasing options at competitive prices.

High-quality Suppliers Are Key to Missfresh's Product Differentiation

Missfresh is committed to continuously enhancing its supply chain, recently announcing that it has expanded its network to include 200 farms and 350 factories and processing facilities across China that directly supply Missfresh with fresh, high-quality goods.

Suppliers of Missfresh's Xiang An Xin products are strictly screened and must be capable of high-level production and management capabilities. For example, Missfresh inked an agreement with Fonterra, a well-known multinational dairy producer, to procure a supply of SQF Excellent-grade certified, high-calcium fresh milk with 125mg of calcium per 100ml for Xiang An Xin after it was found that most fresh milk in China struggled to meet the ideal of 120mg/100ml calcium content for daily nutrition. The high-calcium fresh milk, made possible through the collaboration between Missfresh and Fonterra, was a Golden Star winner at the 2020 China Private Brand Awards.

On top of Xiang An Xin, Missfresh is also working on more in-house brands to improve the platform's shopping experience and gross profit margins. This includes the "Food Wonderland Workshop" range of preserved fruit snacks, and "Made by Missfresh" range of daily necessities such as disposable face masks, cling wrap, and wet tissue.

About Missfresh Limited

Missfresh Limited (NASDAQ: MF) is an innovator and leader in China's neighborhood retail industry. We invented the Distributed Mini Warehouse (DMW) model to operate an integrated online-and-offline on-demand retail business focusing on offering fresh produce and fast-moving consumer goods (FMCGs). Through our "Missfresh" mobile application and Mini Program embedded in third-party social platforms, consumers can easily purchase quality groceries at their fingertips and have the finest products delivered to their doorstep in 37 minutes on average. Leveraging our core capabilities, we launched our intelligent fresh market business in the second half of 2020. This innovative business model is dedicated to standardizing and transforming fresh markets into smart fresh malls. We have also built up a full stack of proprietary technologies that empower a wide range of participants in the neighborhood retail business, such as supermarkets, fresh markets and local retailers, to jumpstart and efficiently operate their business in a digital way across smart omni-channel marketing, smart supply chain management and store-to-home delivery capabilities.

For more information, please visit: <http://ir.Missfresh.cn>

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