



Sales of Roses for Valentine's Day Jump 20-fold for Missfresh as China's E-commerce Flower Market Booms

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BEIJING, Feb. 14, 2022 /PRNewswire/ -- Valentine's Day flower sales increased by five-fold, with purchases of roses increasing by 20-fold, on Missfresh's on-demand online retail platform as more and more consumers across China choose e-commerce to meet their daily needs. [Missfresh Limited](#) ("Missfresh" or the "Company") (NASDAQ: MF), a pioneer in China's neighborhood retail industry, has stepped up to meet the demand among high-value consumers for products such as flowers, with 30% of Missfresh membership users in Beijing and Shanghai purchasing fresh cut flowers in the past month.

According to iiMedia's data from 2017 to 2020, China's e-commerce flower market grew from RMB 23.55 billion (USD 3.7 billion) to RMB 72.06 billion (USD 11.33 billion), with a compound annual growth rate of 32.26%. Naturally, flowers have now become an essential product category to Missfresh's business model, allowing the company to increase revenue during and beyond holidays and festive seasons. On top of roses on Valentine's Day, sales of carnations for Mother's Day, Christmas trees for Christmas, and a range of New Year's Eve flowers during the Spring Festival have all contributed to Missfresh's sales.

Buying flowers is increasingly a routine part of young consumers' regular grocery purchases as they pursue a higher quality of life. To meet this growing demand as it becomes a daily essential among China's young consumers, Missfresh has upgraded its flower offerings to more than 200 SKUs since its flower business was launched in April 2021. "In the past, flowers were only given as gifts, but now they are part of daily life," said Bo Qi, who takes charge of Missfresh's fresh flower business.

Missfresh has also had to solve supply chain challenges that come with the flower business. "Flowers are fragile, have a short shelf life, place high demands on transportation, and have low levels of standardization. The pain point in the flower business lies in the supply chain and cold chain transportation," shared Bo Qi.

The company has increased the scale of its direct procurement from Yunnan, Liaoning, and more locations to meet customer demand, while also improving its supply chain and logistical links as well as shortening transport time. These improvements not only enhance the quality of Missfresh's flowers, but also optimize procurement costs. At present, the gross profit margin of Missfresh's flowers is 26%, which is higher than the overall average for the platform.

Smart supply chain capabilities allow Missfresh to accurately predict the sales of flowers over a certain period of time, and thus accurately determine upstream orders and precise replenishment of its Distributed Mini Warehouses (DMWs) on a daily basis. Together with Missfresh's advanced cold chain transportation and temperature control, these capabilities further reduce the loss of flowers, ensure product quality, and improve the consumers' flower shopping experience. Among Missfresh membership users, the repurchase rate of flowers has reached 40%.

Industry insiders have revealed that for Missfresh, the growth of its flower business is an important means to continuously innovate its business model through its mature DMW system, focus on high-value users, optimize its product structure, and increase revenue. Missfresh's sales data shows that the units per transaction that includes flowers is 25% higher than the platform's overall average.

About Missfresh Limited

Missfresh Limited is an innovator and leader in China's neighborhood retail industry. The Company 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 the "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 36 minutes, on average.

Leveraging its core capabilities, Missfresh launched an 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. Missfresh has 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 businesses digitally.

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

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