



## Missfresh's Retail Cloud Services Enabled Up To 20X Increase in Major Traditional Retailers' Online Sales

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BEIJING, May 24, 2022 /PRNewswire/ -- [Missfresh Limited's](#) ("Missfresh" or the "Company") (NASDAQ: MF) most recent data reveals that its retail partners have seen up to a 20 times increase in their online orders since using Missfresh's Retail Cloud services to digitalize and modernize their businesses.

Shandong Quanfuyuan Commercial Group, a retail enterprise with numerous supermarket outlets spread across East China's Shandong province, looked to Missfresh, a pioneer in China's neighborhood retail industry, to provide customized solutions to challenges such as boosting their new customer conversion rate, encouraging repurchases from existing customers, and improving community operations and customer support processes.

Following Missfresh's integration of specific Retail Cloud services with Shandong Quanfuyuan Commercial Group's operations, the company's supermarkets saw its online orders increase by 20 times; its online order volume of a single store eclipsed the total previous online order volume of all Shandong Quanfuyuan Commercial Group's stores; and its average purchase basket size increased by 30%.

### Increasing online sales through traditional offline retail expertise

Shandong Quanfuyuan Commercial Group is just one of many major supermarket operators and small- to medium-sized traditional retailers Missfresh has partnered with to digitalize their retail operations and more successfully cater to consumers' increasing preference for online shopping. Missfresh also works with Dongtai Huadong International Trade in Jiangsu and Jihuasheng in Taizhou, Zhejiang. With Missfresh's Retail Cloud tools, these three supermarkets' online sales have achieved double-digit growth in the past month.

In particular, Dongtai Huadong International Trade's average daily online order volume has increased from 200 orders to 400-500 orders, while the supermarkets' GMV has increased from RMB13,000 (US\$1,954) per store to more than RMB30,000 (US\$4,510). Jihuasheng's home order volume also increased by 100%.

Zhang Refeng, chairman of Dongtai Huadong International Trade, said: "Missfresh is able to understand the logic and processes behind traditional offline retail operations, including the best way to digitalize the purchasing process to provide a better consumer experience. This results in software and tools that integrate well into the retail operations workflow."

With a new online operations system built with the help of Missfresh's Retail Cloud, Dongtai Huadong International Trade has since been able to track its influx of new customers, real-time order rate, and other data to observe that its stores' repurchase rate has steadily increased to 20% and online sales have increased significantly. After the first quarter of working with Missfresh, Dongtai Huadong International Trade also saw an 85% surge in new customers and eight times increase for online sales.

Using precise big data analysis to identify the needs of residents in local communities, Missfresh helped retail partners to identify ways to improve retail services for specific customer groups such as the elderly. Pointing out consumers' challenges – such as elderly customers' difficulty in carrying bulky household commodities such as rice, flour, and oil – enabled retail partners to address specific customer needs more effectively.

With Missfresh's Retail Cloud, traditional retailers are also able to continuously track new customers' purchasing behavior to understand their consumption preferences, and, using that data, accurately recommend consumers' preferred products.

### Empowering brick-and-mortar retailers during Covid-19

During the Covid-19 pandemic, small- to medium-sized traditional retailers – who have a combined market share of 80% in the neighborhood retail industry – suffered drastically from reduced consumer foot traffic, struggled to keep up with consumer demands for multiple retail channels (including online), and lacked a diverse range of purchasing options that would offer a better consumer experience.

Recognizing this sector as a trillion-dollar "blue ocean" market with a built-in customer base, Missfresh stepped up to help brick-and-mortar retailers digitalize and modernize with the launch of the Company's Retail Cloud services, comprising a suite of proprietary SaaS tools and AI-driven capabilities, such as smart omnichannel marketing, smart supply chain management, and smart store-to-door delivery. The Retail Cloud services draw from Missfresh's wealth of experience in managing and innovating with online retail operations as well as establishing high-quality supply chain processes.

"Tapping into Missfresh's Retail Cloud allows traditional retailers to look at data and gain valuable insights that would help with making a breakthrough in their online operations," said Yu Ming, manager for Missfresh's Retail Cloud services.

Notably, the Covid-19 pandemic expedited the online shopping sector's growth – especially for the neighborhood retail industry, which comprises fresh groceries and fast-moving consumer goods (FMCG) – and pushed the offline retail industry to bolster their business with online operations to survive, and even thrive. According to iResearch, the neighborhood retail cloud market is poised to grow rapidly in tandem with the accelerated growth of online retail, jumping from RMB207.7 billion (US\$32.7 billion) in 2020 to RMB2.2 trillion (US\$346.2 billion) by 2025.

iResearch also forecasts that the neighborhood retail market – will increase from RMB11.9 trillion (US\$1.79 trillion) in 2020 to RMB15.7 trillion (US\$2.36 trillion) in 2025, and the online penetration rate will increase from 20.9% in 2020 to 45.5% in 2025. The market size of online neighborhood retail is expected to reach RMB7.2 trillion (US\$1.08 trillion) in 2025.

To date, Missfresh's Retail Cloud business has already partnered with more than 50 leading regional retailers in central, eastern, and northern China

to provide them with integrated online-to-offline retail solutions and upgrade retailers' online capacity. The Retail Cloud is Missfresh's third growth driver on top of its on-demand Distributed Mini Warehouses (DMWs) and Intelligent Fresh Markets (IFMs).

#### **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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Yang Xu, +86-18201322819, xuyang@missfresh.cn