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Online supermarkets take off in Shanghai

Bien Perez
Apr 22, 2011

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Shanghai's young, affluent shoppers have made the city the busiest location for internet-based supermarket operators on the mainland, according to a new study.

"Online supermarkets are an increasingly important retail channel in Shanghai for drinks, snacks, groceries, personal care items and household cleaning products," said Jonathan Axup, project manager at Shanghai-based DDMA Market Research. "There are six major players in Shanghai: No1 Store, Taobao Supermarket, Lianhua OK Blemall, Auchan, Dahuozhan and Binggo."

A DMMA consumer survey this month found that 25 per cent of people categorised as "white-collar consumers" - those between 25 and 45 years old with a monthly income of more than 6,000 yuan (HK\$7,135) - shop at online supermarkets.

The report found 89 per cent of these shoppers often used No1 Store, while the next most popular destination was Taobao Supermarket.

Axup said No1 Store, which opened its online supermarket in Shanghai in July 2008, was the first such store on the mainland. "It is the only online supermarket to cover all the major cities in China," he said.

Close competitor Taobao Supermarket also started operations in Shanghai in January this year. It is part of Hangzhou-based internet retail giant Taobao, a unit of privately held **Alibaba** (SEHK: [1688](#), [announcements](#), [news](#)) Group. Taobao plans to soon launch online supermarket services in Beijing, Guangzhou, Shenzhen and Hangzhou.

"Our research also found that 10.1 per cent of consumer product sales in Shanghai are made online, compared to 3.3 per cent for the whole of China," Axup said.

Some of the most popular merchandise sold in online supermarkets across the country included soft drinks from Coca-Cola, non-carbonated drinks from Nestle, potato chips from Harbin-based Shanghaojia Foodstuff Industry and personal care and household cleaning products from Procter & Gamble.

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