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Missfresh with Wangjia Market Management to expand across china

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Missfresh Limited an innovator in Chinaâ??s neighborhood retail industry, has partnered with Nanchangâ??s Wangjia Market Management in Jiangxi Province to expand its Intelligent Fresh Market business to 20 cities across China. This partnership will enable Missfreshâ??s Intelligent Fresh Market business to continue to rapidly grow into a mature business unit and further diversify its position in Chinaâ??s US$1.9 trillion neighborhood retail market.



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The two companies will operate Intelligent Fresh Markets together in Yingtan and Shangrao, two cities in Chinaâ??s Jiangxi province, transforming and digitalizing what were previously traditional local fresh markets, thereby improving access to quality fresh food, increasing local consumersâ?? well-being and boosting economic activity for local merchants.

Missfreshâ??s Intelligent Fresh Market business was launched in the latter half of 2020 and has already been quickly implemented in cities across the country including Qingdao, Changshu, Huangshan, Hefei and Yunfu. Missfresh has continued to expand its Intelligent Fresh Market business thanks to the companyâ??s expertise in Distributed Mini Warehouses and experience in running dozens of Intelligent Fresh Markets. Missfresh reconstructs and optimizes the layout of traditional fresh markets to improve the business mix and expand the service scope, as well as providing merchants with SaaS tools that help them with online payment, marketing, CRM, and omni-channel support. These value-added tools enable merchants to convert and manage offline private traffic to online platforms and increase monetization.

Traditional markets are Chinaâ??s largest fresh food retail channel and one of the most important entry points for community retailers in cities across the country. However, they lag behind in terms of food safety oversight, emergency safeguards, hygiene, hardware facilities and digitized management, placing them out of step with the demands of the contemporary retail industry.

To meet the growing demands of consumers and to continue to keep up with technological advancements, digitalization has already become a trend in traditional fresh markets across China. According to iResearch, the overall penetration rate of Intelligent Fresh Markets in China will rapidly grow from 0.4% in 2020 to 14.6% by 2025, while the scale of these markets will skyrocket from US$2.166 billion (RMB13.8 billion) to US$94.2 billion (RMB600.4 billion) over the same period. Given these trends, Missfresh is poised to become a leading market entrant with its extensive experience.

Missfresh Founder, President and CEO Xu Zheng said during Missfreshâ??s Q3 2021 Earnings Conference Call that the Intelligent Fresh Market business is another of the companyâ??s major business strategies. Xu added that this will become a mainstream consumption channel among consumers in Chinaâ??s third and fourth tier or small- and medium-sized cities. Intelligent Fresh Markets will provide a better consumption and shopping experience to consumers and increase revenue and profit for merchants through upgrades to operations, digital empowerment and private domain operations.

Recognizing this trend, the Intelligent Fresh Market business has also received official support from Chinaâ??s government. In May this year, the *Notice on Further Strengthening the Construction of Agricultural Product Supply Chains* released by the Ministry of Finance and Ministry of Commerce mentioned developing intelligent farmersâ?? markets and supporting markets in the installation of equipment and facilities such as electronic scales and information management systems. In July, 11 ministries including the General Office of the Ministry of Commerce distributed the *Guidelines on Building Convenient 15 Minutes Urban Living Circles*, which noted that fresh markets and distributed mini warehousing are basic support businesses that deserve priority.

Based on this foundation, traditional markets will usher in a wave of digital remodeling in China, and Missfreshâ??s Intelligent Fresh Market business is set to become an important growth engine, bringing new direction to the development of the entire industry.