



Time-Space-Scenario:
Methods and Application in O2O Retail
OAIPL Growth Model



Introduction



Hu Qiugen

Senior vice president and leads the Retail division of ELE.ME

As we look forward to the next three years, we will focus on building an O2O model that is tailored to ELE.ME's unique characteristics. It is primarily an ecological, open platform that integrates multi-end resources within the Alibaba ecosystem, and more importantly, it is consumer-oriented and adept at consumer operations, aligning with a new paradigm of business that fits the "spatiotemporal" scenarios. Over the past few years, we have embraced changes and continued to innovate hand in hand with brand merchants, achieving significant growth. We have realized that O2O has broken the constraints of time and space, leading to a complete transformation of people and goods in the traditional retail landscape. Therefore, we must and will hold ourselves to a finer granularity of products to match consumer demands. From the platform's perspective, we will also strive to continuously create better products and tools to redefine consumer assets across all spatiotemporal scenarios for all brand merchants, enabling them to perform more effectively. Consequently, we have launched an upgraded consumer asset operation model "OAIPL," hoping to help brand merchants expand their operable consumer assets to the greatest extent possible, while also enabling more refined operations of high-value consumers, ultimately achieving sustainable business growth.



Chen Yanfeng

Vice President and leads the Key Account Retailers and Brands division in ELE.ME

Over the past year, we have embarked on an accelerated ascent alongside our brand partners. In the era of "new growth," understanding and serving our target consumers more effectively has become the cornerstone of driving sustained growth. As a platform, we aim to continuously upgrade and iterate our product tools, open up more data and marketing capabilities for our brand merchants, and assist them in managing their business and driving growth more precisely and effectively. Consequently, we have upgraded and launched the "OAIPL" consumer asset operation model. The "O" stands for opportunity groups, representing all the people that brand merchants can reach with their supply. The enhanced model makes all marketing actions more effective and expands the pool of operable consumers. Additionally, we have introduced "spatiotemporal" scenario tags to help our brand partners better understand, portray, and operate in the context of spatiotemporal scenarios for proximity consumers. We possess the capability for open co-creation and strong collaborative strength among teams. We look forward to continuing our journey with our brand merchants in the future, pursuing healthy and sustainable growth together.

Introduction



Ryan Zhou

Managing Director of NielsenIQ China

As China's consumer spending continues to strengthen, understanding consumer needs has become the key to winning the market, with consumers emerging as the core driving force behind brand growth. Facing the increasingly diverse and rapidly changing super consumers, brands are facing new challenges in user operations. While these challenges intensify market competition, they also bring new opportunities. Only by efficiently capturing consumer demands and implementing precise marketing can brands truly win the market.

As a leading instant retail platform in China, Ele.me has summarized a brand-new "OA IPL" consumer asset operation model to assist brands in facing a vast number of users in the instant retail track. By using the OA IPL model, brands can identify the magnitude of the population they can cover and effectively capture, precipitate, and transform users, providing a more efficient growth path for brands.



Cindy Yang

Vice president of E-commerce and Omni-channel business of NielsenIQ

Fast-moving consumer goods (FMCG), as a typical high-frequency repurchasing category, are facing a bottleneck in e-commerce platforms that rely on traffic influx and short-term promotions. The high cost of repeated customer acquisition has prompted platforms and brand merchants to recognize the importance of increasing user penetration and loyalty to drive more frequent repurchases. In today's increasingly youthful online consumer landscape, more convenient instant retail platforms have ushered in good development opportunities. How to efficiently attract customers and retain them has become one of the keys to brand growth.

Ele.me's "OA IPL" consumer asset operation methodology can accurately capture potential customer groups and convert them into actual category interest groups, bringing a new growth space for platforms and brands. On the other hand, through refined operation and based on big data, it identifies user value and shopping behavior preferences, enhances user conversion efficiency and loyalty, and leads to better brand performance.

Brand Leadership Message



Hou Xiaohai

Chairman of the Board, China Resources Beer (Holdings) Co., Ltd.



China Resources Snow Breweries was established in 1993 and has been leading the Chinese beer market in sales for eighteen consecutive years.

Facing the increasingly distinct trends of diversification and quality upgrades, Snow Beer continues to delve into understanding the emerging consumer groups, committed to meeting the desires of middle-to-high-income young white-collar workers and Generation Y/Z for spiritual pleasure and the pursuit of personalization—Snow Beer is actively positioning to enhance the social and personalized attributes of beer, creating consumer scenarios that offer convenient shopping, online home delivery services, high-frequency purchases, and meet temporary needs.

With the rise of instant retail in the lower-tier markets, Ele.me, as a bridge connecting a broader consumer base, can provide consumers with a richer array of consumption scenarios. China Resources Snow adheres to its mission of leading industry development and brewing a better life, continuously accumulating momentum and riding the trend to provide consumers with a high-quality beer experience.

As an important strategic partner of China Resources Snow Beer in the field of instant retail, Ele.me possesses the Alibaba ecosystem, a rich customer base in the alcohol category, and efficient fulfillment capabilities. Looking ahead, Snow Beer will join hands with Ele.me to deepen and refine consumer operations, co-create, and innovate marketing scenarios. Committed to high-quality products and services for a wide range of beer consumers, Snow Beer aims to become a leader in the new world of beer in the instant retail industry.



Jiang Jie

Vice president of Marketing at Mars Wrigley China

MARS WRIGLEY
玛氏箭牌

Facing the rapid shift in consumer purchasing mindsets, brands need to construct a variety of consumer scenarios to meet the diverse needs of different consumers. O2O, with its ability to provide fast and efficient fulfillment in various high-frequency situations such as festivals and everyday life, has become the core battlefield for scenario marketing. Mars Wrigley has always been committed to exploring omni-channel scenarios and precisely reaching consumers. In recent years, we have worked closely with the Ele.me platform to successfully create multiple scenarios, including Valentine's Day and late-night snacks.

Looking ahead, we will further refine consumer scenarios through Ele.me's crowd operation methodology, ensuring that every consumer is provided with personalized and high-quality service experiences. In this way, Mars Wrigley will continue to lead industry trends, continuously explore new growth points, and deepen the connection with consumers in partnership with Ele.me.

Brand prospect



Zhou Fan

Vice President of sales at Kenvue Chii



Kenvue China always sticks to the enterprise tenet of "protecting daily health and contributing to extraordinary power" and be committed to making contribution to the construction of healthy China. Relying on the professional capability of scientific research and all-round matrix of products, we provide high-quality solutions for Chinese consumers in the aspects of personal health care, basic health, skin health and beauty, etc. and continuously guide the development trend of goods. Taking oral health as an example, the mouthwash brand Listerine subordinate to Kenvue has been devoted to improving consumers' quality of oral health, continuously advocated for the approach of defining tooth brushing, dental floss usage and mouth washing as necessary links of oral nursing, helped consumers shape a healthy lifestyle and promoted the development of the subdivided market of mouthwash.

With the new population methodology proposed by Ele.me, we expect that digitalized measures can be taken to contact target groups in a more precise form, and the brand's marketing mode can be innovated to assist the brand and platform to form the second growth curve. Through our insight of the platform's big data conducted recently, we realized cross-border cooperation with catering giants on the platform of Ele.me and successfully reinforced consumers' awareness of oral nursing after meals.

In the future, we will continue cooperating with Ele.me and make contributions to the improvement of the health level nationwide and construction of healthy China while promoting leapfrog development of the industry.



Guo Yunlong

Vice President of Marketing at Shuanghui



As the market's need of personality and diversity becomes stronger day by day, consumers' shopping mode trends to be fragmented and scenario-based, and the way to quickly contact consumers and effectively meet instant needs becomes an important chance for brands to win the market's favor and realize business growth.

Based on the powerful insight of consumers' data and capacity of contractual performance and under the guidance of the prospect of "scientific innovation and synchronous ecological improvement", Ele.me continuously construct a commercial ecology that is open and inclusive, with collaborated co-existence. It provides multi-dimensional cooperative formats like flow resources, IP co-branding, cross-category association, etc. to empower brands' digitalized operation, precisely strengthens brands' consumption scenario infiltration, stimulates consumption demands, realizes efficient transformations and assists brands' growth.

Based on its matrix rich in products, Shuanghui China operates more than 1000 kinds of subordinate products, including, normal-temperature, low-temperature products, Chinese-style products, American-style products, Western-style products, leisure products, catering products. In the future, Shuanghui China will cooperate with Ele.me in a broader scope and aim to provide more high-quality and more convenient services related to meet commodities through joint construction and creation of digital application, scenario-based marketing and other fields.

Contents

Abstract

07

01

PART

Retail Industry Trend in China

08

1.1 Macro Environment of China's Retail Sector

1.2 Revolutionizing O2O Growth in China: The Transformation of "People," "Place," and "Product"

1.3 Challenges Confronting Brand Owners in O2O Operations

02

PART

O2O Reshaping Retail Growth in China

24

03

PART

ELE.ME's O2O Growth Model

27

3.1 Introduction to "OA IPL"

3.2 Three major drivers helping Brand Owners' Grow

Drivers 1: Enlarging the User Base with Innovative Models

Drivers 2: Pinpointing Specific Demographics and Contexts

Drivers 3: Broadening the Spectrum of Traffic Management

Summary

43

Authors

45

Appendix

48

Content abstract

Depending on the "trend" and focusing on the new "power" of O2O

With the stable operation of economic development in the new normal and dividends brought by flows that disappear gradually, retailing industry turns from the pursuit of fast growth to the stage of fine operation. In such as key period of transformation, all participating subjects in the market positively explore new points of growth and breakthroughs.

NielsenIQ conducted in-depth cooperation with Ele.me, combined data of the industry and leading brand operators to have an insight of the general trend and revealed the following core reason explaining why O2O becomes the focus of the market: On the one hand, the small family scale and rational consumption concept make consumers have a stronger demand of fast and small-batch goods supplement, and some plan-based goods are also sold in the channel of O2O gradually. On the other hand, to view in the dimension of time and space, O2O has considerable potential in the aspects of non-local scenes, night, gifts and other new scenarios. At the same time, benefiting from the base of a large amount of users owned by Ele.me in the catering field and Alibaba's ecology, O2O becomes even more considerable in the aspect of population permeation.

Driven by this macroscopic "power", Ele.me cooperates with NielsenIQ to deeply analyze the developmental trend of the industry of O2O and analyze the driving force of growth in multiple dimension, such as humans, goods, sites, etc. Depending on the seamless collaboration of scenario-based marketing and delivery service, O2O shapes consumption experience of "enjoying what you view" and develops a new path considering both quality and efficiency. Moreover, O2O's excavation of new scenarios integrates multi-dimensional elements like time, space, category, etc. into scenario construction, making it available to locate subdivided markets and innovative rules in a more accurate form and empower brands to stimulate business potentials and acquire stabler power of growth.

Acting according to the "trend" and unlocking new scenarios and populations in a digital and intelligent form

In the current stage with O2O becoming more and more important, Ele.me launched an innovative model of all-link consumer asset operation, "OAIPL", and developed complete tools of digital and intelligent operation.

This brand-new model aims to realize effective user transformation, sedimentation and frequency enhancement in three key steps shown as follows:

1. Scenario analysis should be used to accurately penetrate into brands' target users.
2. "OAIPL" methodology should be applied to deepen the interaction between brands and users in specific period and temporal and spatial scenarios, thus realizing effective sedimentation of the population assets.
3. Through the all-round arrangement of the OAIPL system, flow operation in a wider range inside and outside sites can be covered, and intelligent algorithms can be used to deepen interaction with users and effectively improve core users' activity and frequency of procurement.

We hope that the all-link consumer model can provide powerful, digital and intelligent support for brand operators in the field of O2O and help brands realize more accurate and more efficient digital and intelligent user operation in multiple links like marketing promotion, supply coverage, new customer transformation, stock user operation, etc. Through this series of innovative measures, we aim to jointly start a new era of O2O and create a brilliant future with our partners.

01 PART

Retail Industry Trend in China

1.1 Macro Environment of China's Retail Sector

1.2 Revolutionizing O2O Growth in China: The Transformation of "People," "Place," and "Product"

1.3 Challenges Confronting Brand Owners in O2O Operations

1.1 Macroscopic environment and current developmental status of retailing industry

Macro-economy develops steadily

Although there are many challenges brought by multiple factors like rising uncertainty of external environment, insufficient power of global economic recovery, etc., the basic situation of domestic economic development doesn't change. The broad consumer market, relatively steady price level, positive policies and measures promulgated in succession and other favorable conditions significantly support Chinese economy to make it have ideal resilience.

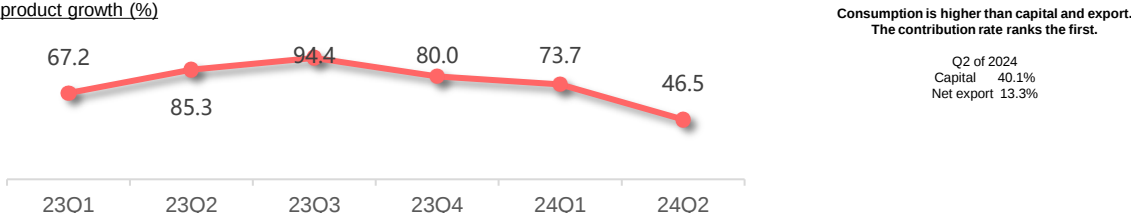


Data source: Year-on-year growth of Chinese GDP, from National Bureau of Statistics; Global GDP growth rate, from data released by World Trade Organization on October 10, 2024

Consumption is the major engine that drives economy to grow steadily, and there is still a space for consumption growth as relevant policies are implemented.

To view from the perspective of the contribution rate of GDP growth. Although the final contribution rate of consumption expenses rose at a slower space in the second quarter of 2024, it is still higher than that of capital and export, and it acts as the major engine of economic resurgence. On the level of national policies, restoration and expansion of consumption are places at an important status. As a series of policies for domestic need expansion and consumption promotion is gradually implemented to exert their effects, consumption scenarios are continuously expanded, which will continuously infuse vitality to consumer market.

Contribution rate of final consumption expenditure to gross domestic product growth (%)



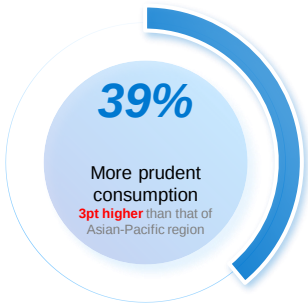
Data source: National Bureau of Statistics

Data shows the following equation: Contribution rate of final consumption expenditure to gross domestic product growth = growth amount of final consumption expenditure/GDP growth amount

Although the view of consumption tends to be prudent, confidence in consumption rises again.

Since multiple pints of pressures are perceived, Chinese consumers become more prudent and tarted. According to NielsenIQ, 39% of Chinese consumers become prudent in consumer habits, which is 3% higher than that of the Asian-Pacific region. At the same time, it can also be observed that consumers' confidence rises again. More consumers have gotten rid of the influence of the events happened in the past three years, and they believe that the financial condition is not influenced. Compared to the Asian-Pacific region, more Chinese consumers maintains the consumption level as before, and they have a stronger sense of security.

Current habits of consumption of Chinese consumers



Data source: NielsenIQ, Report of 2024 Mid-term Consumer Prospect, July 2024

Chinese consumers' perception of overall family financial status

91% of Chinese consumers reckon that events happened in the past three years have no influence on the overall financial status of their families.

26pt higher than that in January 2024

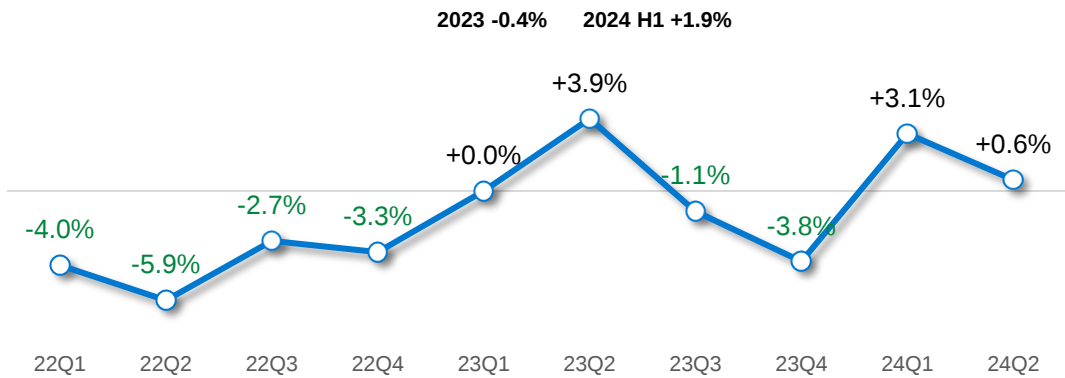
29% Chinese consumers spend money as before. 10pt higher than that of Asian-Pacific region

24% of Chinese consumer have a stronger sense of security in finance than that three years ago. 10pt higher than that of Asian-Pacific region

Fast moving customer goods retailing in China gradually adapts to the new tendency of mild growth. The drop suspends, and a recovery starts.

In the context with a steady growth of macro-economy, consumers' confidence that keeps recovering and enthusiasm for consumption that tends to be conservative, the market of fast moving customer goods retailing gradually adapts to the new tendency of mild growth. With the simulation of positive consumption policies and continuously emerging new rules and new scenes, the market gradually turns from a fluctuant decline to a fluctuant recovery, showing a progressive trend of resurgence.

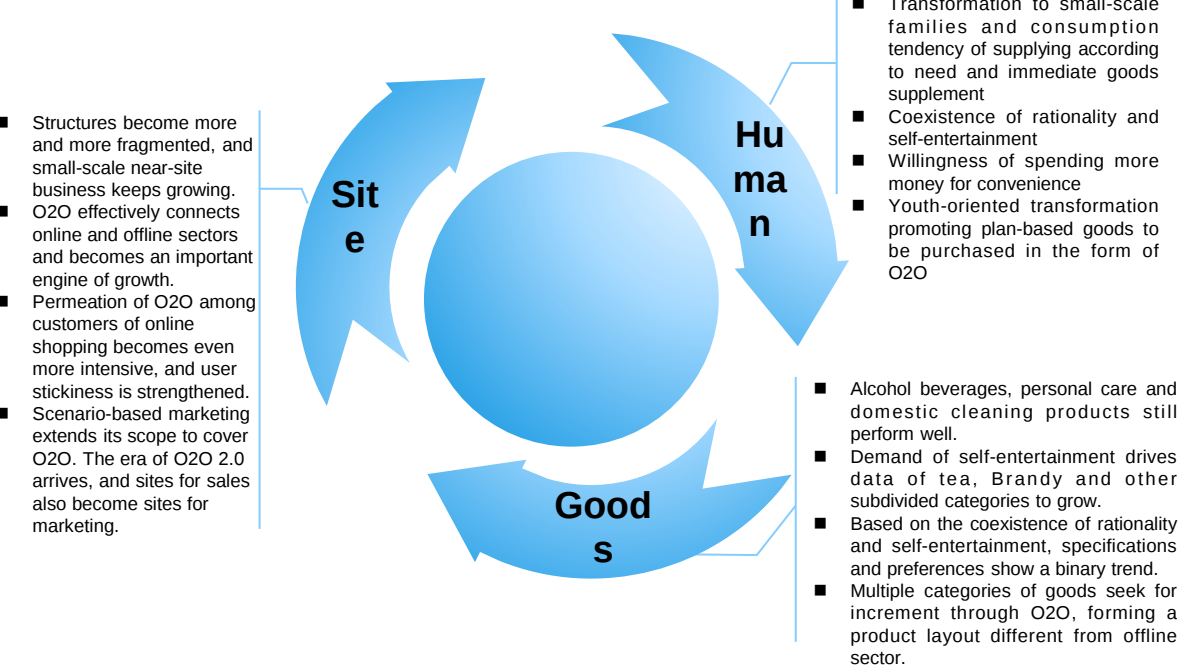
Year-on-year growth rate of omni-channel retail sales of fast moving customer goods



Data source: Research on fast moving customer goods omni-channel retailing conducted by NielsenIQ

1.2 Emergence of O2O driven by profound revolution of humans, goods and sites

A far-reaching revolution of three core elements, "human, goods and site" is happening in the retailing industry of China, and numerous new consumption, new modes and new scenarios are caused therefrom. Under the background of this epoch-making revolution, the pattern of retailing channels will face new development opportunities and fierce competition caused by multi-dimensional and cross-border cooperation. O2O meeting consumers' need of instant enjoyment and service experience upgrading become one of the important engines driving the growth of the retailing industry.

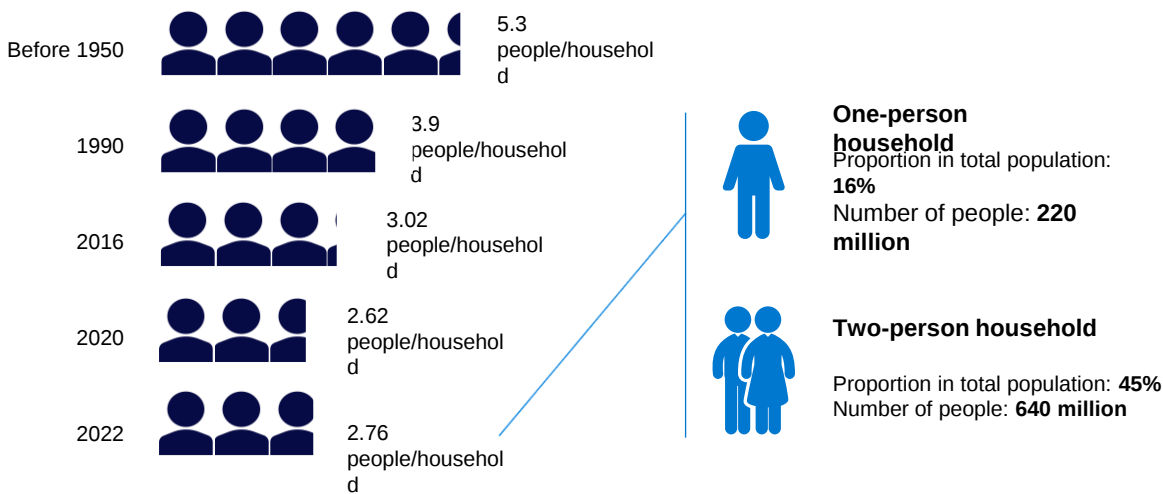


Human: Personalized consumption emerges, and consumers' shopping habits change

The scale of families becomes smaller, which drives consumers to develop a habit of preferring purchasing a smaller volume of goods according to their needs and supplying at any time

To look back to the past decades, the average scale of Chinese families kept dropping, and the trend of turning to family structures with a smaller scale became obvious. Although with the successive introduction of two-child and three-child policies, the average scale of families rebounded in 2022, the bottom line of the number of "three-member families" is still not met, and "three-member families" that were common in the past now are transited to "two-person world" or "living alone".

Average population change trend in China



Data source: Data of the population per household is collected by National Health Commission In terms of the number proportion of one-person households and two-person households in the total population and their respective numbers of people, according to the arrangement and deduction conducted based on the data publicized by National Bureau of Statistics, the number of people is equal to the total person number counted at the end of 2023 multiplied by its proportion in the total population.

Fewer people consume a smaller volume of goods. Domestic shopping shows a trend of purchasing according to needs and supplement at any time.

Since small-scale families have fewer family members, their daily consumption of commonly used fast moving consumer goods is lower correspondingly. If too much food, beverage and other goods are stored, they will not be consumed timely and cause wastes. Therefore, the procurement mode adopted by consumers from small-scale families gradually turns from "one-time and large-volume procurement and storage" to "supplement according to need and waste avoiding", "small-package" purchase based on a suitable volume, and "immediate goods supplement".

Chinese consumers' shopping habits in the past one year



Data source: NielsenIQ, Report of 2024 Mid-term Consumer Prospect, July 2024, Report of Research on the Trend of Online Shoppers in 2024 and data of retailing research

Coexistence of the trends of rational and pragmatic consumption and quality-oriented and self-entertainment consumption

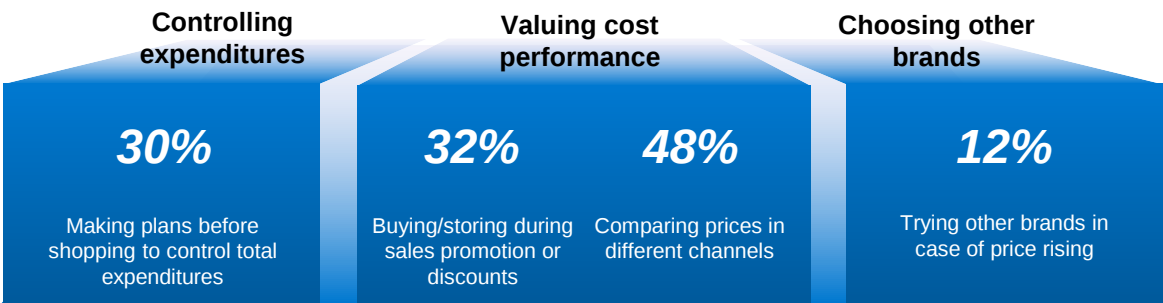


Careful planning for expenditure control

Reviewing rationality of shopping and consumption and seeking for goods worthy of their prices

Since they perceive multiple pressures like economic downturn, job guarantee, etc., some consumers tend to adopt a prudent, rational and meticulous mode of consumption. They control expenditures through shopping plans and attach importance to cost performance while shopping. For example, they buy and store goods during sales promotion or discounts, or compare prices of goods in multiple places to choose a cheaper channel for shopping, etc. When they find the price of goods rises, they will forgive relevant brands and turn to try some new brands with a lower price.

Shopping behavior of Chinese consumers



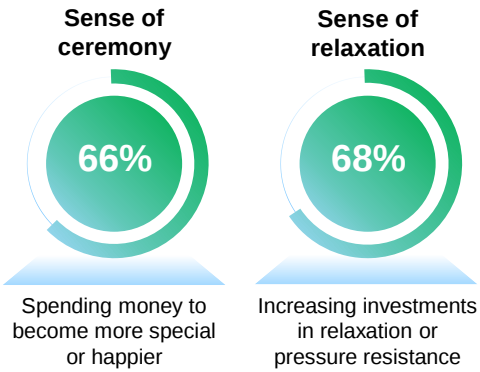
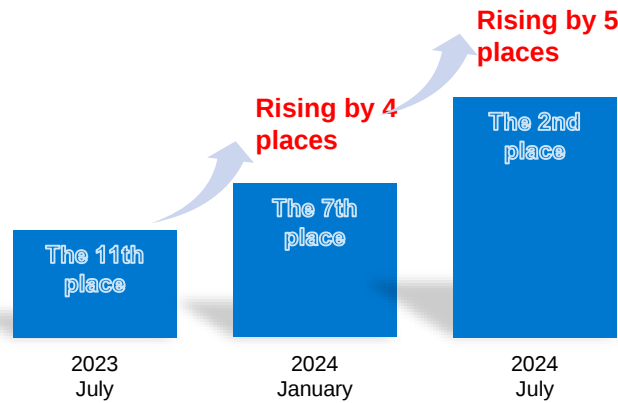
Valuing spiritual satisfaction and pleasure

Focusing on personal and domestic happiness and paying for emotions

At present, consumers not only pursue material satisfaction, but also value spiritual wealth more than ever, and they want to bring emotional values and sense of happiness to themselves and their families. According to the Report of 2024 Mid-term Consumer Prospect compiled by NielsenIQ, "personal/domestic welfare or happiness" is valued by Chinese consumers more than ever, and its place in the rank of "issues attracting the most concerns in the next 6 month" rose from the 11th one year ago to the 2nd. Consumers who are willing to increase their investments in the sense of ceremony and sense of relaxation to obtain emotional values also account for over 60%.

Place changes of "personal/domestic welfare or happiness" among issues attracting the most concerns in the next 6 month

Consumption for self-entertainment
Proportion of Chinese consumers who are the most likely to adopt the following actions

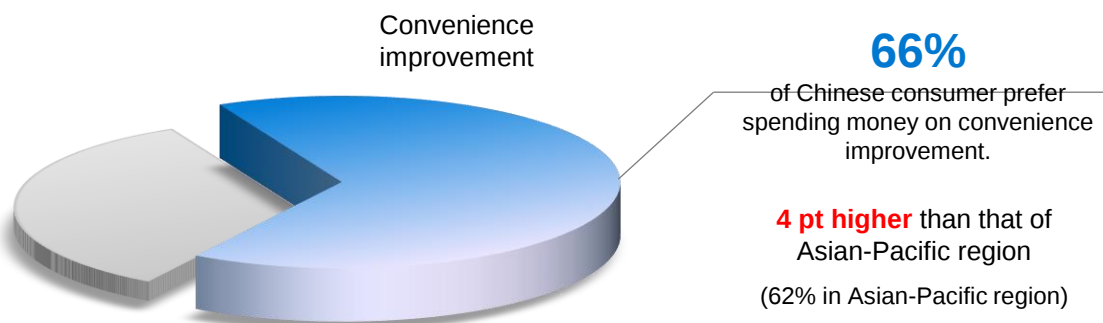


Data source: NielsenIQ, Report of 2024 Mid-term Consumer Prospect, July 2024, Report of Research on the Trend of Online Shoppers in 2024

Consumers are willing to increase consumption for convenience to improve the comfort level and sense of happiness

Out of satisfaction of personal-domestic happiness, consumers prefer services or products that can bring convenience to them during the whole process of shopping, order placing, using delivered goods and after-sales services to improve the comfort level and sense of happiness of their life. According to the Report of 2024 Mid-term Consumer Prospect of NielsenIQ, 66% of Chinese consumers prefer spending money on convenience improvement, and the proportion is 4% higher than that of the Asian-Pacific region.

Chinese consumers' willingness of spending money on convenience improvement in the future



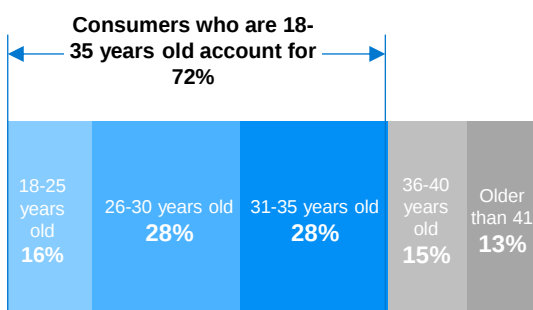
Data source: NielsenIQ, Report of 2024 Mid-term Consumer Prospect, July 2024

Young people who grow up in the era with sufficient resources have weaker awareness of storing goods than that of their predecessors. They are more accustomed to buying what they need, which promotes frequent appearance of plan-based shopping in the field of O2O.

Most young people born in the 1990s and 2000s, the era rich in resources, don't need to worry about clothing and food and make plan for them, which makes them become the generation that is the boldest to consume and the generation having the highest requirement for consumption experience. They pursue experience of convenience and instant satisfaction and become habituated to buying when they need and instant delivery after buying. Therefore, they become the main force of O2O platforms featured by efficient delivery. According to the Report of Research on the Trend of Online Shoppers in 2024 released by NielsenIQ, people younger than 35 years old account for 72% of uses of O2O. According to the data of the platform Ele.me, the number of users of goods for pregnant and lying-in women, infant goods, 3C digital products, etc. rise drastically in 2024, and users of refrigerated fresh milk also become younger and more active. Young consumers prefer more convenient channels of O2O to purchase plan-based commodities.

O2O shoppers become younger. Consumers who are 18-35 years old and born in the 1990s and 2000s are major forces of consumption.

Age distribution of shoppers choosing O2O

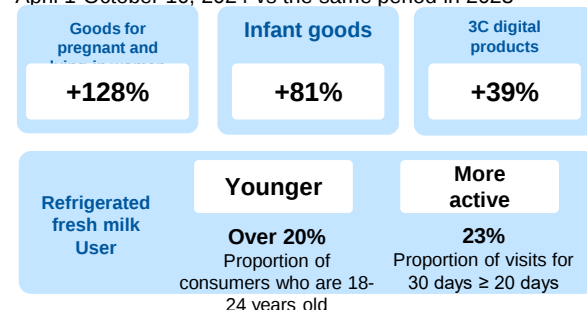


Data source: NielsenIQ, Report of Research on the Trend of Online Shoppers in 2024.

Goods belonging to the category of making plans in advance for procurement Current users start to tend to purchase in the sector of O2O.

Year-on-year growth rate of users of category-based consumption of Ele.me

April 1-October 10, 2024 vs the same period in 2023

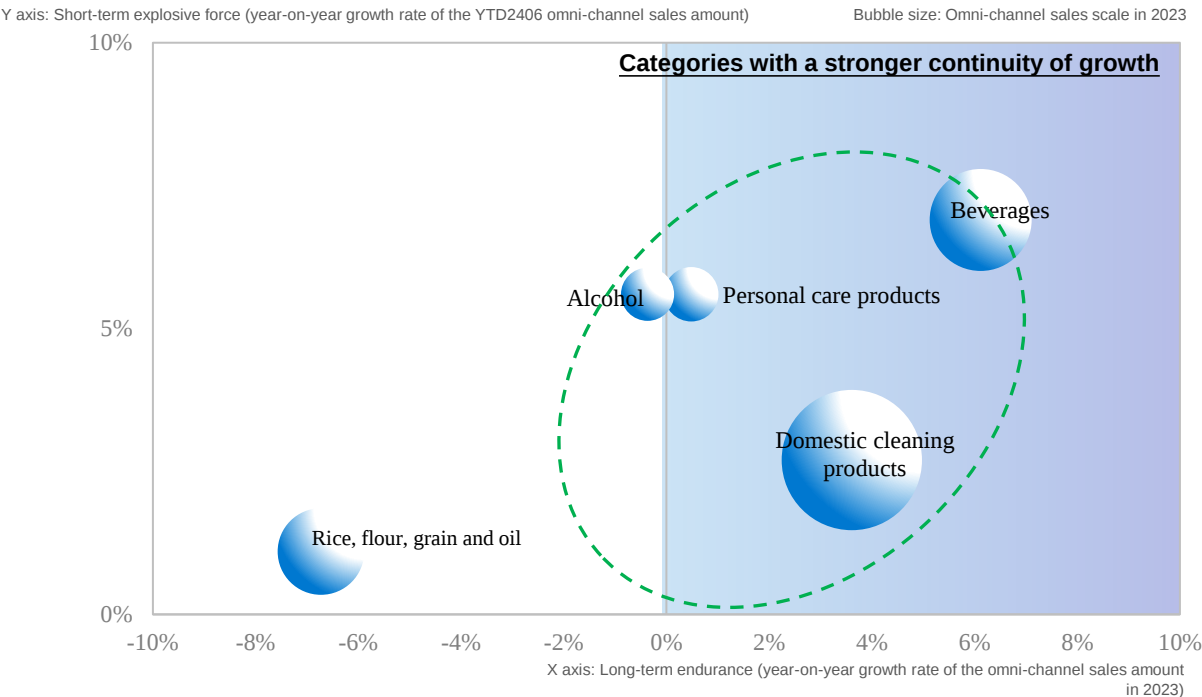


Goods: Advantageous categories grow relatively fast in the context with coexistence of rational consumption and self-entertainment

Fast moving customer goods like alcohol, beverages, personal care and domestic cleaning goods, etc. still perform robustly, showing both long-term and short-term steady growths.

Based on the diversity and complexity of 1.4 billion people in China, the Chinese market of fast moving customer goods is driven by diversified demands. In the situation with the overall and mild restoration of fast moving customer goods, there are still many categories taking quick steps and having eye-catching performance. According to the omni-channel retailing data of NielsenIQ, both long-term endurance and short-term explosive power of beverages, personal care products, alcohol, domestic cleaning products, etc. are continuous in omni-channel growth.

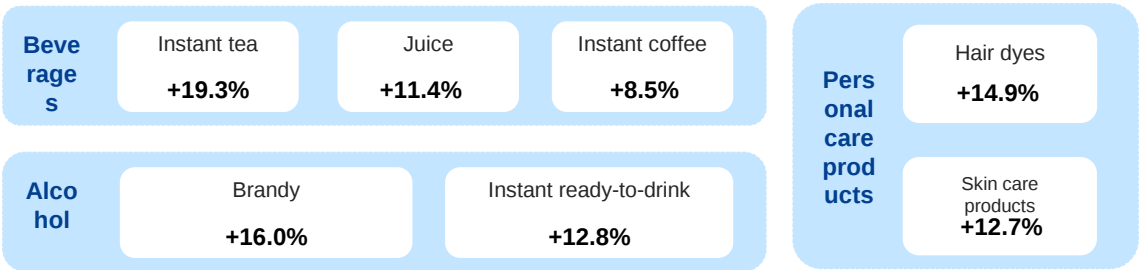
Omni-channel retailing scale and year-on-year growth rate of fast moving customer goods



Subdivided categories guiding growth driven by emotional value of "self-entertainment"

Consumers' inner need of improving their sense of satisfaction and pursuing comfortable experience is a key driving factor that promotes categories to develop quickly. When it comes to specific and subdivided markets, categories with a stronger attribute of self-entertainment and emotional satisfaction show vitality of growth, such as instant tea, juice and instant coffee of the category of beverages, hair dyes and skin care products of the category of personal care and Brandy and instant ready-to-drink in the category of alcohol not only meet fundamental functional needs, but also increase consumers' happy experience on the emotional level.

Omni-channel sales amount growth rate of subdivided categories in 2023 and 2022



Data source: Research on fast moving customer goods omni-channel retailing conducted by NielsenIQ

In the consumption pattern with the coexistence of rationality and self-entertainment, consumers' preference of specifications show a binary trend.

In terms of package specification, consumers show an interesting and binary trend to commodity selection. On the one hand, they pursue cost performance. Consumers prefer commodities with a multi-pack specification for daily goods procurement. On the other hand, as small-scale families gradually become the mainstream, "two-person sharing" and even "one-person enjoyment" become daily phenomena. When rewarding oneself, small packages/mini-versions of goods with an attribute of self-entertainment are highly welcomed.



**Daily fast moving customer goods with high consumption
Multi-package is welcomed by market.**

"Multi-pack" commodities including alcohol, beverages, leisure snacks and daily fast moving customer goods can not only meet the need of consumption in a long period, but also significantly reduce the cost of buying a single pack, and they are ideal choices for consumers to pursue economical concerns. Data shows that "multi-pack" commodities frequently appear in the top list of popular products in the online channel, which shows the strong demand of the market.

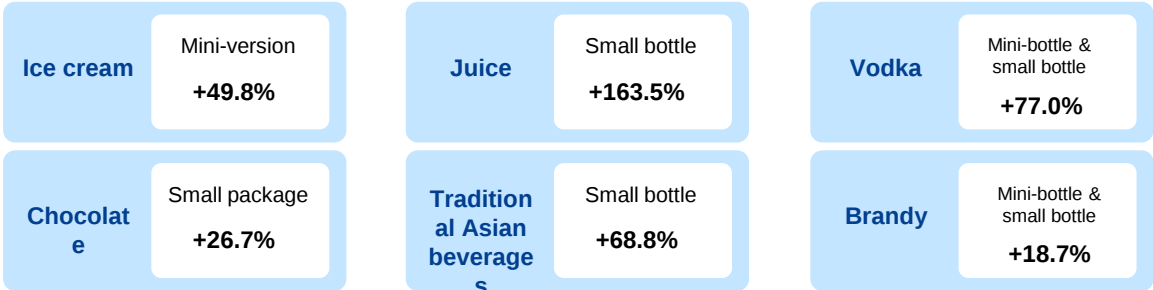
Online channel | Keyword of the "multi-pack" specification of top-level popular products



**Following the trend of small-scale families
Small-package commodities with an attribute of self-entertainment become new favorites of consumption**

Small-scale families require a smaller scale of single-time consumption of commodities, which promotes the consumption habit of "buying a small volume in multiple times and purchasing in accordance with needs" to be deeply and gradually fostered. Small-package commodities not only conform to diversified consumption needs, but also provide convenience and flexibility for consumers. They can be surprises of occasional attempts or routines endowing a sense of ceremony in life, and the concept of the small scale and beauty leads a new consumption trend of pursuing self-satisfaction. Data shows that small-package/mini-package commodities in the categories with an attribute of "self-entertainment" show a trend of quick growth in online channels.

Online channel | year-on-year growth rate of sales amount in 2023 and 2022



Data source: Research on fast moving customer goods online-channel retailing conducted by NielsenIQ

Multiple categories empowers modern offline channels through O2O to find breakthroughs

Consumers not only become accustomed to the modernized and convenient lifestyle, but also continue pursuing the upgrade of convenient experience. Such a need let merchants maintain their enthusiasm for continuously developing the potential of O2O, and categories like alcohol, beverages, dairy products, personal care products, etc. successfully capture business increments in the field of O2O, bringing limit-breaking business opportunities to offline channels.

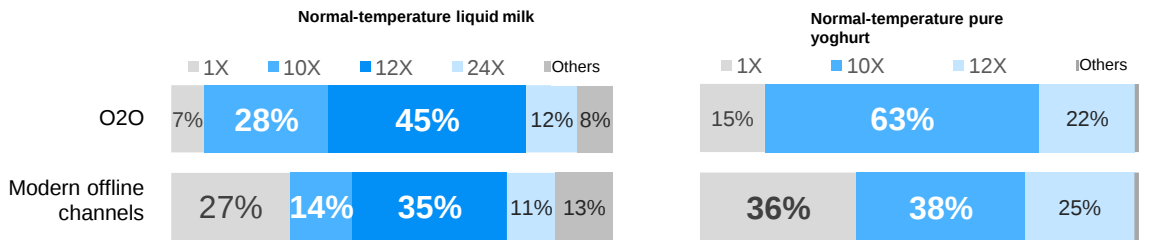
Year-on-year growth rate of categories' sales in 2023 and 2022

	Alcohol	Beverages	Dairy products	Personal care products
O2O	+20.1%	+6.8%	+3.1%	+7.2%
Modern offline channels	-0.2%	+5.9%	-5.0%	-5.2%

Multi-pack specification O2O seizes consumers' need of cost performance through multi-pack commodities to empower the connection between offline commodities and online flows

O2O owns channel-related advantages like instant delivery after purchase, convenience and free from worry, providing shopping experience with better cost performance for consumers. Shopping choices that may be limited by their volumes or weights in physical stores can be accessible due to instant delivery. Taking liquid milk and yoghurt as examples, O2O can constitute a differentiated industrial pattern based on the "multi-pack" specification and offline channels to empower the connection of modern offline channels and online flows.

Modern offline channels and O2O | proportions of different packages and specifications' sales amount in 2023



Large package O2O assists offline channels to amplify visibility and strengthens power of supply, thus fully releasing the growth potential of single-package products of the categories of self-entertainment

Based on its services of instant delivery at any time and any place, O2O captures the business opportunity of the scenarios of one-person drinking or two-person sharing for self-entertainment, which drives the sales amount of single packages, single-package instant drinking versions and large packages to grow fast.

Modern offline channels and O2O | year-on-year growth rate of single packages' sales amount in 2023

	Offline modern channel	O2O		Offline modern channel	O2O
Instant tea			Beer		
Single package	+26.3%	+35.5%	Single package	-0.4%	+11.0%
- Large package (600-1250ml)	+14.3%	+94.0%	- Single-can large package (650ml+)	+12.0%	+44.3%
- Instant package (400-600ml)	-0.8%	+29.2%	- Single-can instant package (330-650ml)	+1.6%	+18.2%

Data source: Research on fast moving customer goods offline channel and O2O channel retailing conducted by NielsenIQ

Site: The retailing structure of the industry of fast moving customer goods becomes more and more fragmented, and O2O rises

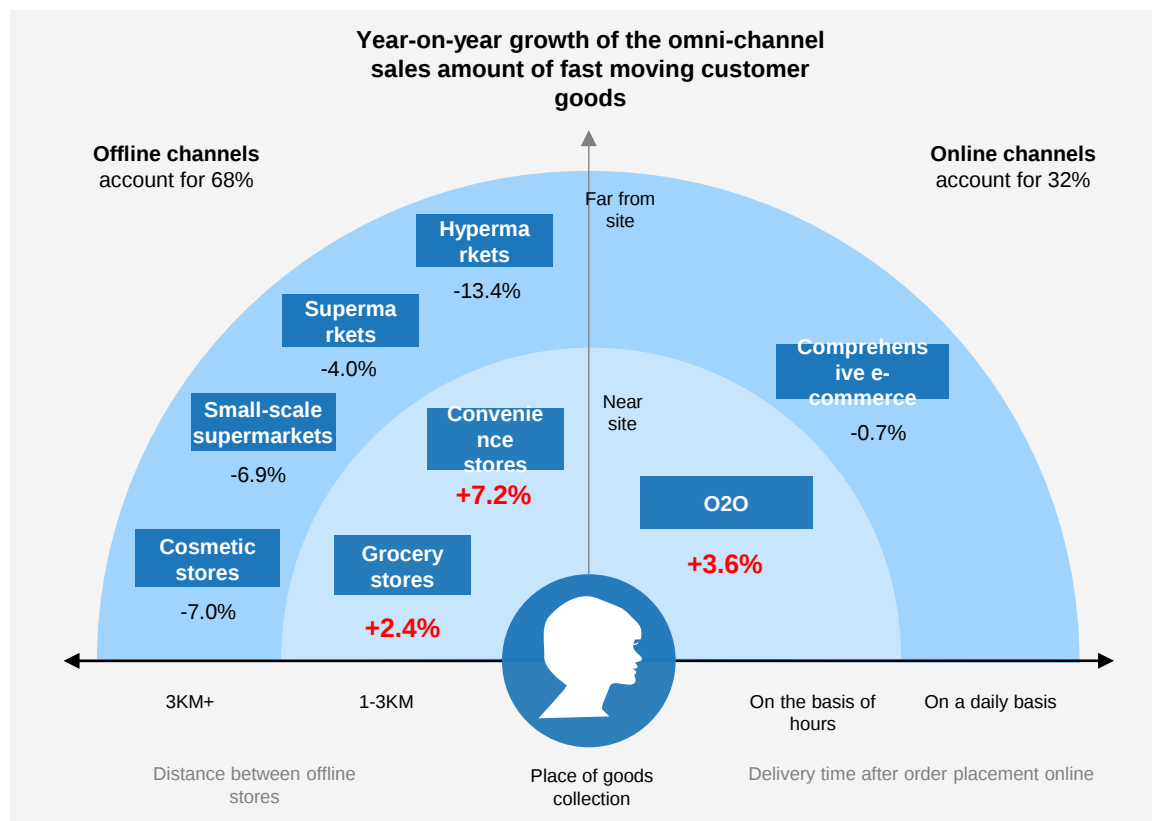
The retailing structure is being differentiated, and offline large-scale retailing business format and comprehensive electronic commerce encounter pressures

Although offline channels contribute 68% of the sales amount of all channels, the market's structure is experiencing differentiation. The sales amounts of traditional hypermarkets and supermarkets drop by 13.4% and 4.0% respectively on a year-on-year basis, which shows that consumers' reliance on these large-scale retailing sites becomes weaker. Furthermore, the comprehensive e-commerce sales amount is slightly lower than the market index on a year-on-year basis, showing a weak tendency of growth.

Small-scale near-site business format and O2O continuously grow and become important engines of growth of fast moving customer goods.

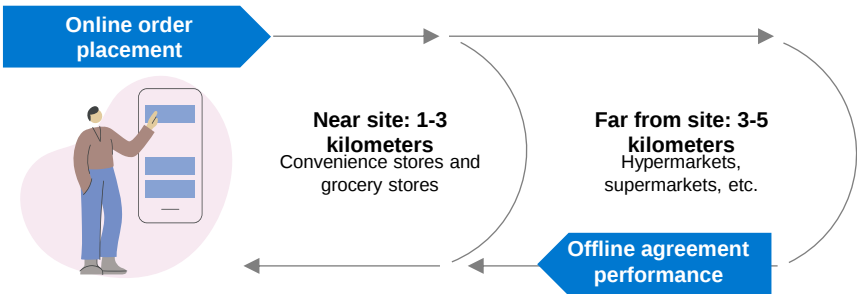
Relatively speaking, sales amounts of convenience stores and grocery stores increase by 7.2% and 2.4% respectively on a year-on-year basis, and the sales amount of O2O increases by 3.6%. Since the retailing channels of these small-scale, near-site and convenient retailing channels can better meet consumers' shopping requirements for daily convenience and immediacy, they show a potential of growth with more significant resilience.

Fast moving customer goods | year-on-year growth rate of sales amount in 2023 and 2022

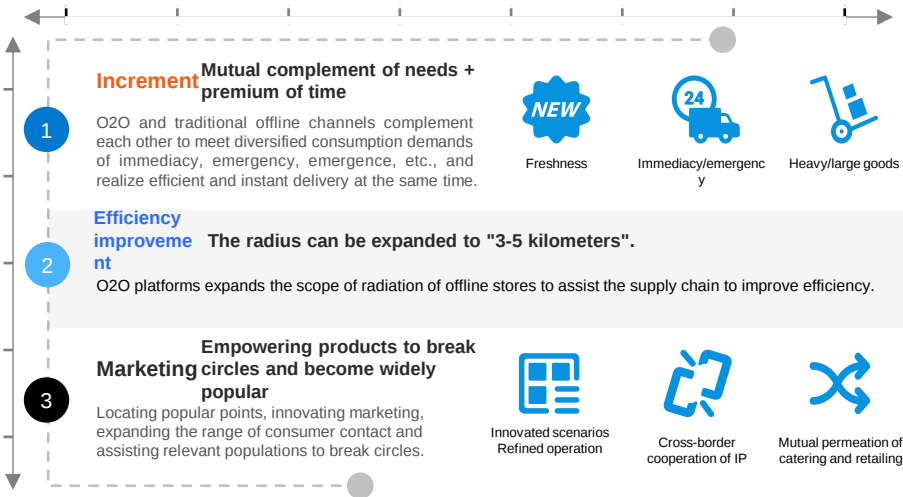


Data source: Omni-channel and O2O channel retailing data of NielsenIQ

O2O can effectively connect online and offline sectors to realize a faster and nearer effect.



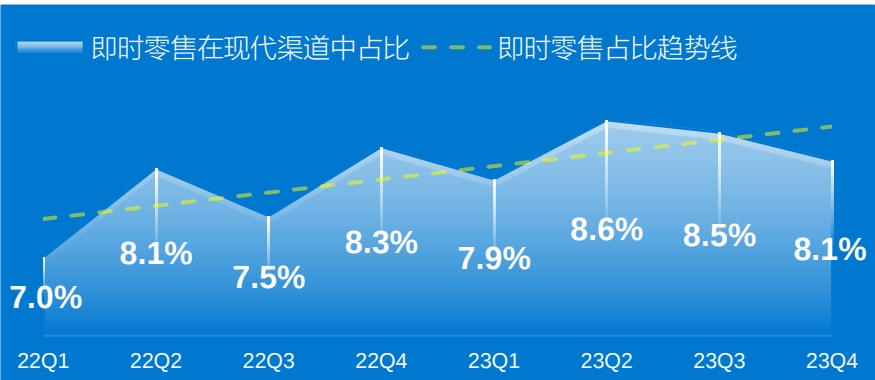
Fragmented contact points make O2O become both a business site that can assist increment and efficiency improvement and a marketing site.



The importance of O2O is lifted significantly.

According to the retailing data of NielsenIQ, the influence of O2O in modern channels was significantly improved in 2023, and its proportion rises significantly. O2O is accelerating the in-depth integration of online and offline channels to release potentials of consumption.

Fast moving customer goods | proportion of the sales amount of O2O platforms in modern channels



2023
8.3%
Compared to 2022
+0.6pt

Data source: Research on omni-channel and O2O-channel retailing of fast moving customer goods conducted by NielsenIQ

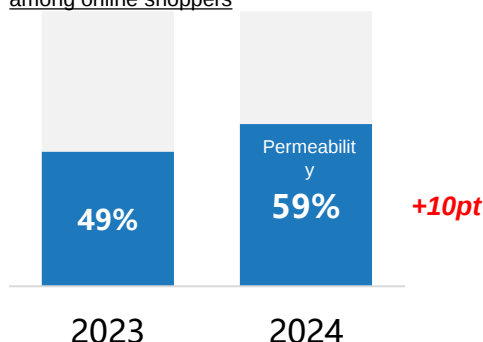
**Permeation of O2O platforms is deepened continuously.
Consumers' habit of shopping on O2O platforms is developed in a faster form.**

More and more online shoppers start to use and rely on O2O platforms.

According to the Report of Research on the Trend of Online Shoppers in 2024 released by NielsenIQ, the permeability of third-party platforms of door-to-door services among online shoppers rose from 49% (2023) to 59% (2024). At the same time, plenty of loyal users who repurchases continuously appeared in the group of O2O consumers, and the proportion of loyal users on third-party platforms of door-to-door services rose from 24% (2023) to 46% (2024). Permeation of platforms is gradually deepened, and the market's scale expands continuously, indicating that O2O platforms can effectively foster new users and maintain users' loyalty through convenient delivery services and high-quality products.

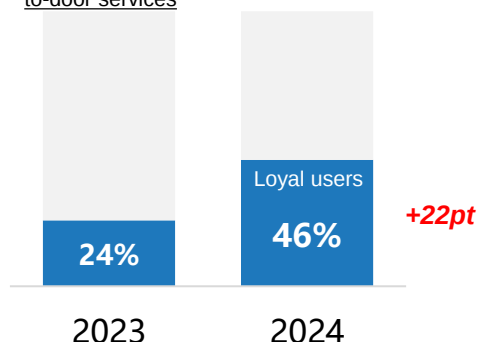
The influence of O2O on online shoppers is gradually deepened.

Permeability of third-party platforms of door-to-door services among online shoppers



Nearly a half of users of O2O platforms is transformed to loyal users

Proportion of loyal users on third-party platforms of door-to-door services

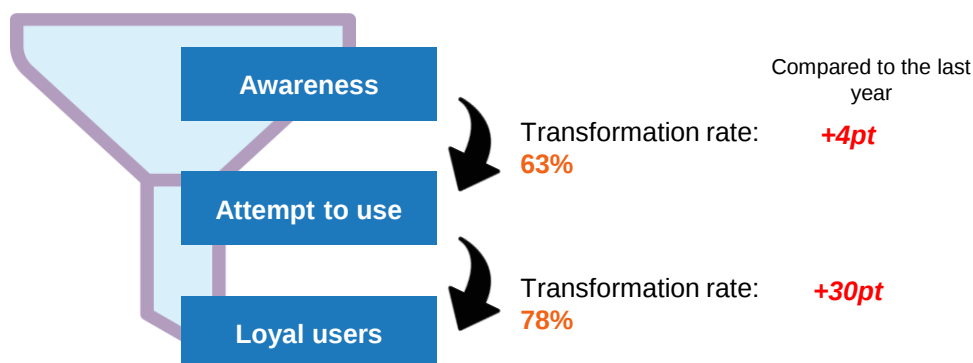


High-quality experience drives user stickiness on O2O platforms to increase

The shopping transformation path of O2O platforms witnesses the smooth transition of users turning from aware, tentative to loyal.

According to the Report of Research on the Trend of Online Shoppers in 2024 released by NielsenIQ, more users turned from the aware stage to the stage of trying using third-party platforms of door-to-door services, with a transition rate rising from 59% to 63%. At the same time, more users became loyal users after trying, with a transition rate rising by 30%, which can be a powerful evidence of the O2O mode's strong attraction to users and efficient transformation. The convenience of taking user experience as the engine to realize one-click order placement and quick delivery makes users' shopping habits be fostered in this mode in an accelerated form.

Transformation rate of users on third-party platforms of door-to-door services



Data source: NielsenIQ, Report of Research on the Trend of Online Shoppers in 2024.

Shopping based on O2O shows a trend of a higher frequency, and the consumption frequency grows year by year.

● The attraction of traditional offline retailing becomes weaker gradually

The monthly average shopping frequency of shoppers in traditional offline channels like hypermarkets and supermarkets show a decline. The shopping frequency of hypermarkets dropped from 4.3 times in 2022-2023 to 3.8 times in 2023-2024, and that of supermarkets also dropped from 4.6 times to 4.4 times. Under the background with consumers' higher and higher requirements for convenience and efficiency, traditional retailing channels are facing more and more challenges.

● Trend of a high frequency of O2O

By contrast, the shopping frequency of O2O rose from 2.9 times in 2022-2023 to 3.0 times in 2023-2024. The continuous growth of users' shopping frequency in the sector of O2O proves that consumer rely on the convenience brought by efficient delivery services more than ever to meet their emotional need of enjoying the current stage. This change can't leave the driving force of multiple factors, such as logistics technology improvement, matched nearby warehouses and intelligent delivery systems, platform popularity, etc. which makes consumers go through the whole process covering shopping and receiving goods in a shorter period.

Monthly average shopping frequency in hypermarkets, supermarkets and O2O channels

Monthly average shopping frequency in channels	2022-2023	2023-2024	
Hypermarkets	4.3	3.8	▼
Supermarkets	4.6	4.4	▼
O2O	2.9	3.0	▲

Data source: NielsenIQ, Report of Research on the Trend of Online Shoppers in 2024.

The need of immediate satisfaction of emotional values drives the collaboration of "O2O plus scenario-based marketing".

Time and distance between "demand stimulation" and "acquisition" can be shortened to the greatest extent.

The requirement for self-entertainment makes consumers more willing to pay for emotional values. To build an emotional link with consumers on a deep level, scenario-based marketing become an important way for brands to effectively deliver products' emotional values and directly touch users' mind.

The trend of the need of living in the current stage makes more and more young people obtain instant and emotional satisfaction through efficient delivery of O2O, and O2O platforms become new domains for brands to exchange emotional values based on scenarios.

Implementing scenario-based marketing on O2O platforms and adding services of punctual delivery and see-and-get can shorten time and distance of the whole link covering consumers' "demand stimulation" and "product fetching", which makes more retailers and brands see new chances of the benign development ranging "from efficiency to quality".



The excavation of new scenarios of O2O brings more opportunities of growth.

O2O integrates time, space, category and other diversified dimensions into scenario creation to anchor subdivided scenarios and innovate unique rules in a more accurate form, help brands lever business growths and gain more certainties.



Data source: Scenario-related data originates from the platform Ele.me.

1.3 Challenges faced by O2O operated by brand operators

Both the necessary omni-channel arrangement in the context of fragmented channels and the growth potential of O2O are driving forces that make brands and merchants regard O2O channels as important fronts of business. To cater to the new trends emerging in the field of O2O in the revolutions of humans, goods and sites, brand operators and retailers also positively explore new growth paths on O2O platforms. Some brand operators and retailers have started the cause as pacesetters to develop diversified and innovative rules, and some brands and retailers remain motionless and witness these emerging matters with a strong interest and full of expectations. How can O2O carry out fine population operation based on scenario-based marketing to actually and effectively help business? After interviewing, observing and summarizing empirical cases, we find that challenges faced by brands and retailers can be summarized as the following three aspects:

Challenge 1

Digital and intelligent challenge of the intuitive presentation of the stereoscopic association among "humans, goods and categories" in temporal and spatial scenarios

- **Layered population operation combined with supply and performance coverage and its digitalized presentation**

Since consumption categories of O2O relatively concentrate on the commodities with characteristics like a high frequency, heavy matters, etc., consumers' shopping mind towards goods other than high-frequency or heavy categories is in the stage of accelerated development. It can't be said that some consumers don't need more convenient shopping experience. Instead, they don't associate their needs of these products with O2O channels at the first time. Therefore, population operation in O2O channels becomes more complex, and simply identifying populations through supply is far from enough. Factors to be considered in more dimensions should be included, and supply and agreement performance coverage should be combined to conduct more scientific group layering and present the result in a more intuitive form.

- **Enriching associated categories and realizing cross-category operation**

Before scenario-based marketing appears, brands mainly focused on superior categories and categories sharing a close association. However, after scenario-based marketing appears, consumption demands stimulated by scenarios cover a broader range of categories. For example, flowers, mystery boxes or 3C digital products can be presented in the scenario of social gift presenting. Therefore, it is necessary to associate richer categories with more scientific logics to conduct marketing based on scenarios, thus helping brands realize cross-category and cross-circle operation and contact more new populations.

Challenge 2

Challenge of describable "groups and instant scenarios" in the context with multi-dimensional interlaced cooperation

- **Breaking barriers of "indirectness" and identifying users' precise portraits**

O2O means the channel superior to ordinary channels. As far as fine population operation of brand operators is concerned, since channels' ecology is complicated, indirect ways are needed to precisely identify users' portraits, and relevant paths can be zigzag and low-efficiency. To improve accuracy and operational efficiency, brand operators impose higher requirements for connecting links, efficient and convenient acquisition of more precise and specific population portraits, shopping behavior, scenarios and other tags are lifted.

- **Identifying "instant scenarios with true outbreaks of needs"**

Except for logics of the same order that can be used, it is also necessary to include factors to be considered in more dimensions to assist realization of more precise scenario description, thus providing more efficient data supports to decision making. For instance, since the true moment of demand outbreak of add-on items in the same order doesn't come, models considering multiple factors are needed to assist identification and exclusion during population selection and scenario anchoring.

- **Available permeation in true scenarios based on the analysis of population data**

Consumers are more willing to accept premiums in some scenarios like emergency, social gift presenting, foreign place travelling, etc. Scientific population data analysis can help brands precisely identify true scenarios with premiums, which can enable brand operators and retailers to conduct targeted permeation in accordance with needs and provide products and services "fitting consumers' wishes" to promote transformation, thus gaining incomes of premiums and finally leveraging more increments gained based on channels.

- **Challenge of efficient transformation for business growth**

When brand operators conduct scenario-based marketing and population operation, they usually integrate resources of multiple parties to invest in a larger scope, such as a broader media coverage, a larger range of population contact, etc. rather than taking actions in a single channel. However, it is also difficult to smooth links and improve efficiency. For brand operators, cross-channel and efficient connection and coordination make it possible to operate contacted groups for two, three or more times to add opportunities of transformation, which is an ideal way to lower cost and improve efficiency.

02

PART

O2O Reshaping Retail Growth in China

Multi-party cooperation and joint construction of the new ecology of "human-goods-site" of O2O

Continuously optimized distribution system and service capacity of O2O not only bring better shopping experience to consumers and let them develop habits of instant shopping gradually, steadily show a high degree of acceptance and reliance on O2O and transform original emergency scenarios to a daily mode of frequent consumption, but also bring considerable increments to brand operators and retailers and promote them to continuously optimize commodity supply and intensify cooperation of marketing innovation. Consumers' enthusiasm and active participation of brand operators and retailers also stimulate continuous evolution and iteration of platforms' capability in turn, further strengthen users' stickiness and help brands and retailers expand marketing channels.

Based on multi-party cooperation and coordination, O2O has been no longer a simple O2O platform. Instead, it is a stereoscopic scenario based on intertwining time and space originating from efficient distribution services, and it reconstructs a new-type business ecosystem of "human, goods and site".

- **Human is endowed with a new definition:** Population portraits, consumption needs and time and place of satisfaction intersect each other, and it is necessary to delineate in a more subtle form to meet the need of refined operation, thus conducting more complicated segmentation in more dimensions.
- **Revolutionary changes of goods:** Goods are no longer static stocks and become the sum of commodities and services. Planning for customized supply chains for specific populations to meet their functional and emotional needs at specific places at specific time means that powerful strength of intelligent supply chains and strength of swift business opportunity capturing are developed.
- **Instant scenario construction of sites:** Instant demands create a multi-dimensional intersection of time, place, population and demand and create possibility of finer instant scenario division in more dimensions.

■ Places Instant scenario construction

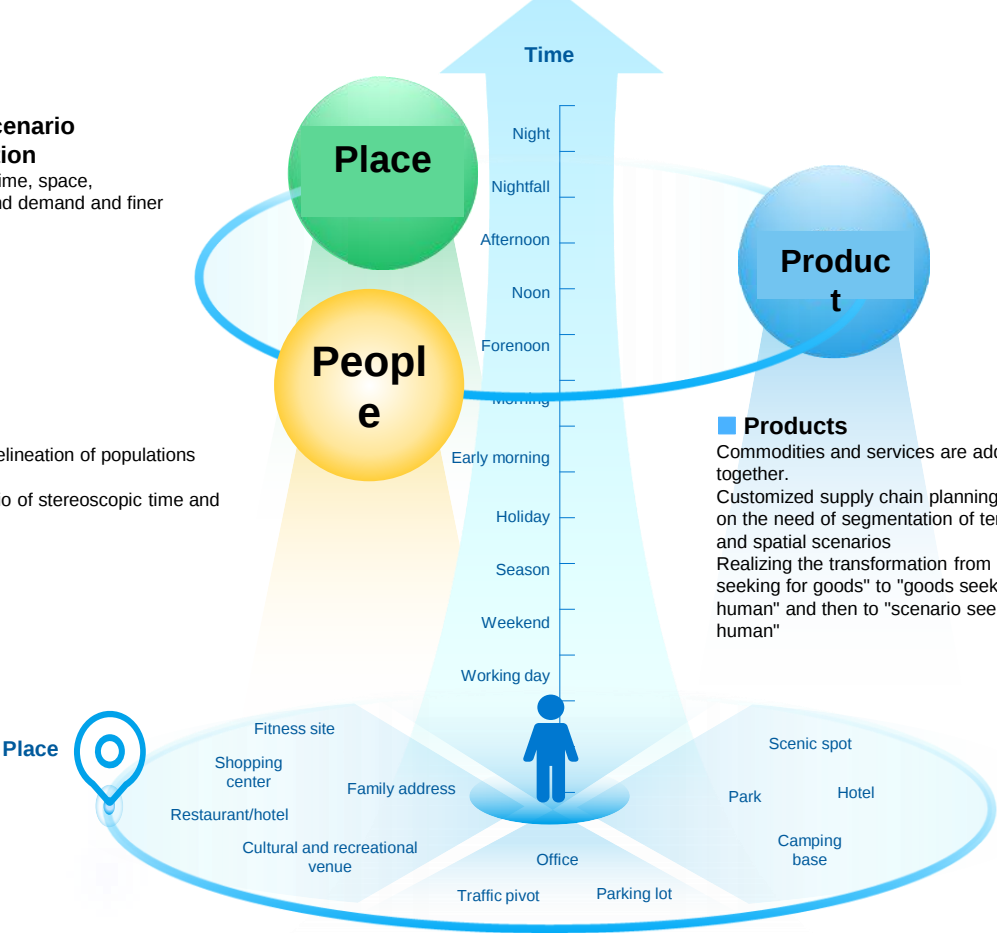
Overlapped time, space, population and demand and finer scenarios

■ People

Meticulous delineation of populations and needs in the scenario of stereoscopic time and space

■ Products

Commodities and services are added together. Customized supply chain planning based on the need of segmentation of temporal and spatial scenarios Realizing the transformation from "human seeking for goods" to "goods seeking for human" and then to "scenario seeking for human"



Words of brand

At present, the most central scenario in the near field is domestic scenario. It is hoped that we can gradually attempt some new scenarios, such as high scenarios and other opportunities to contact new populations.

- Huang Guangxu, director of the Department of Digital Marketing Promotion of Suntory

O2O operational thinking transformed to a refined mode

Reconstruction of O2O brings more possibilities to brands and merchants to engage in marketing integration, border extension, growth planning, etc. Brands and merchants' operational ideas of O2O platforms also expand from bulk stock coverage, new user attraction, platform contractual performance ability, etc. to joint engagement in advantageous resource integration, cross-border IP cooperation, marketing rule innovation, service experience optimization and other modes of fine operation together with platforms.

In temporal and spatial scenarios, digitalization, intelligent transformation, refining and operational transformation of O2O groups involve data technology, market insight, personalized marketing, channel management, etc., which needs platforms, brand operators and retailers to continuously explore and innovate to adapt to the constantly changing market environment and consumers' needs.

"OAIPL" population asset operation methodology by Ele.me IMPLEMENTING FINE POPULATION OPERATION IN ACTUAL ASPECTS

The appearance of the methodology of population asset operation put forward by Ele.me, "OAIPL" can help brand operators and retailers embrace populations to the greatest extent, accurately seize potential customers and scenarios, smooth flows inside and outside sites and bring brand-new spaces of growth to platforms and brands.

Helping brands and retailers grow and develop new groups

With the continuous rise of O2O's permeability among users and user frequency, the market scale of O2O also expands steadily. Facing growth opportunities and developmental potentials of O2O, the new methodology of Ele.me, OAIPL, can help brand operators and retailers effectively expand the scope of potential populations and transform them to brands' consumers through cooperative development of marketing and take the lead to obtain opportunities of increments.

Finer scenarios and population portraits

Implementing fine flow operation in actual aspects and making it become an effective tool of population development

On the one hand, consumers who are influenced by environment become more rational and calculating. On the other hand, with the trend of diversified and fragmented channels, consumers are more accustomed to switch among different channels. The two aspects aggravate competitions and mutual consumption of channels, making leveraging consumers' need and winning increments harder. To effectively avoid involution, brand operators urgently need to effectively separate population portraits in all channels and combine channel advantages and emerging consumption trends to customize scenario-based marketing to cause consumers' resonance.

The new methodology of Ele.me, OAIPL, can help brands explore linkages of time, space and scenario to construct diversified and infinite instant scenarios, cause consumers' resonance, realize high-dimensional improvement turning from human seeking for goods to goods seeking for human and then to scenario seeking for human. At the same time, brand can develop mechanism and capability of fine flow operation, which can help brand operators and retailers strengthen cross-channel collaboration, intercept the nearest flows and make population contacted be operated for two, three or more times. Three factors including clear user portrait separation, multi-dimensional instant scenario extension, refined flow operation of the new methodology developed by Ele.me, OAIPL, can assist brands to realize the transformation from point-to-point resonance to omni-channel sympathetic vibration.

03

PART

ELE.ME's O2O Growth Model

3.1 Introduction to “OAIPL”

3.2 Three major drivers helping Brand Owners' Grow

Drivers 1: Enlarging the User Base with Innovative Models

Drivers 2: Pinpointing Specific Demographics and Contexts

Drivers 3: Broadening the Spectrum of Traffic Management

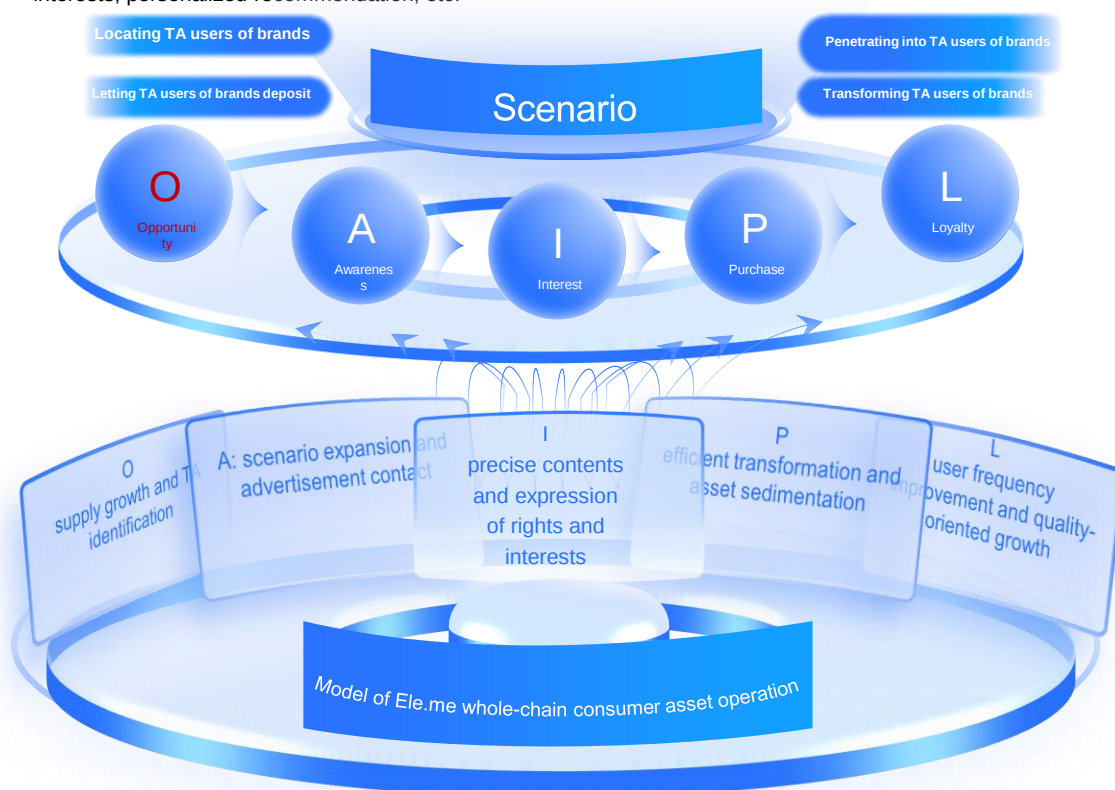
3.1 Comprehensively upgraded O2O growth model of Ele.me: OA IPL

To sum up above contents, in O2O operation, brands face challenges in three aspects, namely digital and intelligent transformation of the stereoscopic association of "human, goods and category" to be intuitively presented in temporal and spatial scenarios, describable "groups and instant scenarios" in the context with multi-dimensional interlaced cooperation and operable populations. Based on these challenges, Ele.me newly upgraded the OA IPL model based on original AIPL to assist brands greatly expand operable population assets and make population operation more digitalized, intelligent and refined.

What is OA IPL>

OA IPL is a model of operable population assets of brands on the platform of Ele.me. The relationship between consumers and brands, which is deepened layer by layer, is presented in all stages to identify the scale of populations that can be covered by brands and delineate layers of populations from a far distance to a close distance, namely "no contact → having awareness → having interest → purchasing → continuously purchasing".

- **O (population of opportunity):** It refers to potential users that are not contacted by brands within the scope covered by brand supply (scope of 3 kilometers) within 15 days.
- **A (population of awareness):** It refers to users who are aware of brands and browse advertisements, stores and commodities of brands within 15 days. Brand-related flows formed based on brands' own influence, power of contact, flow infusion and other resultant forces.
- **I (population of interest):** It refers to users who are interested in brands within 15 days, such as users showing intention of purchase through browsing, clicking or adding commodities to the shopping cart for multiple times.
- **P (population of purchase):** It refers to users who successfully place orders to buy products of brands within 365 days. Brands can guide them to become loyal users through optimizing shopping experience, scenario creation and display, etc.
- **L (population of loyalty):** It refers to core users who buy commodities of brands in more than two days of 365 days, and these users are important contributors of brands' long-term values. Brands strengthen user stickiness and improve users' shopping frequency and affection for brands through membership, exclusive rights and interests, personalized recommendation, etc.



3.2 Three major driving engines of OAIPL

Engine 1: Brands' ultimate embrace of uses in the expanded circle assisted by O population

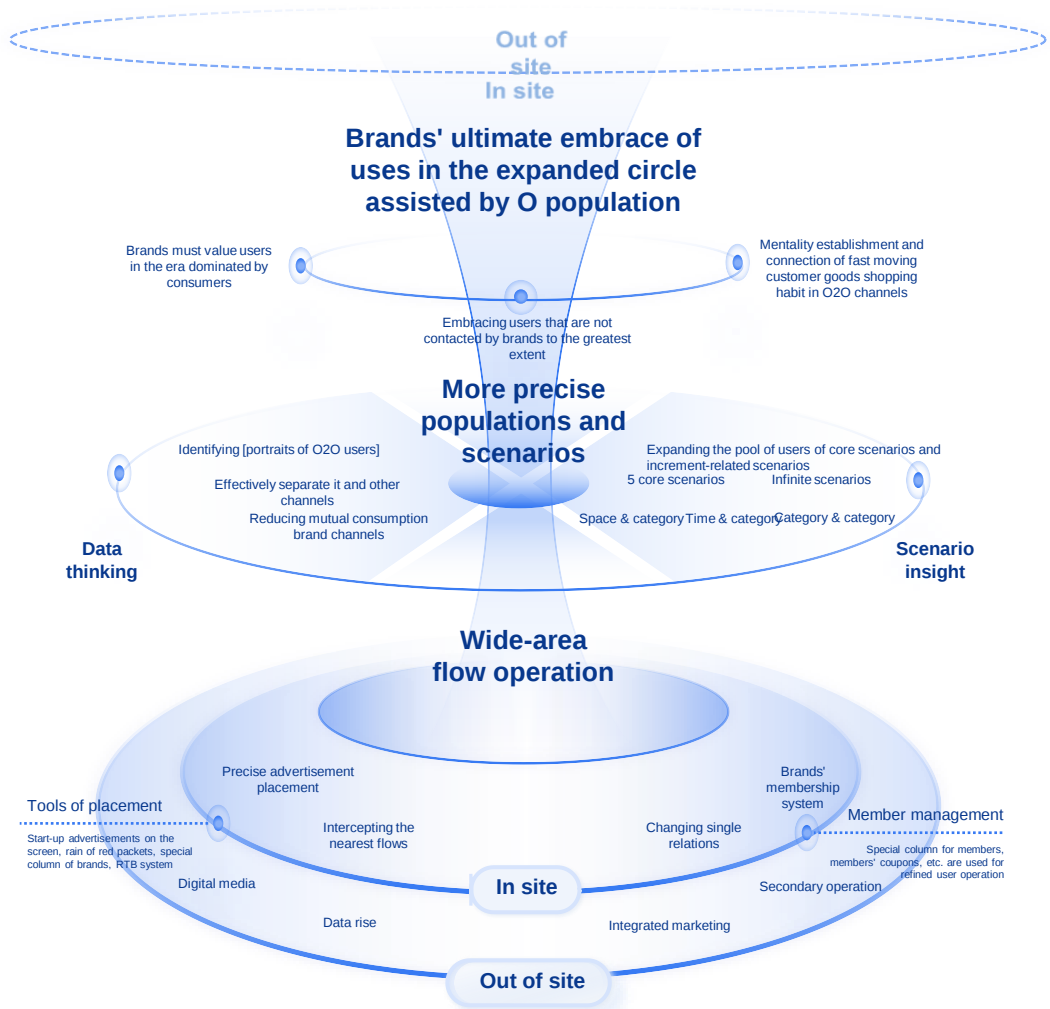
Brand must value users in the era of consumers' dominance. The OAIPL model can be used to circle and select potential users that are not contacted by brands on O2O platforms and enable brands to build up mental connections with those users who are not accustomed to buying fast moving customer goods on retailing platforms and help brands extremely embrace these users that were not contacted before.

Engine 2: More precisely determined population and scenarios

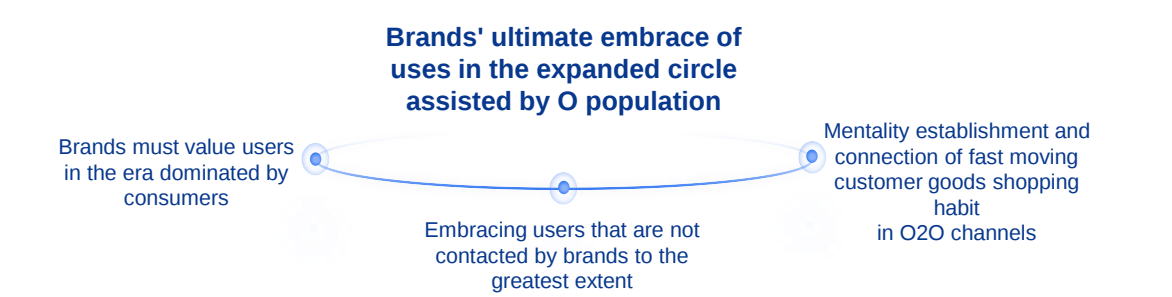
Brands can utilize data thinking of OAIPL to identify O2O users' portraits, effectively separate users in different channels and avoid involution among channels. Through scenario insight and combination of time, space, category and other dimensions, brands can expand core scenarios and increment-related scenarios to contact target groups in a more precise form.

Engine 3: Wide-area flow operation

Brands can carry out refined flow operations in regard to populations in different stages of OAIPL and cover digital media in a wide scope out of sites to attract potential users, which can help brands intercept external flows and draw flows to O2O platform to conduct tracking and transformation. Abundant and diversified advertisements can be placed in sites, and intelligent tagging and circling mechanism can also be adopted to precisely locate users and deepen interactions, thus promoting purchase.



Engine 1: Embracing users in the circle expanded to the greatest extent



Valuing users is a core driving force of brands' successes in the era dominated by consumers.

From past to now, retailing market experiences evolutions developing from "products going first" to "channels going first", and then to "consumers going first". As consumers master more rights of selection, evaluation and understanding, brands must review their orientations, focus on consumer demand satisfaction and provide better shopping experience and scenario-related experience.



One of the key points of fast moving customer goods operation in the field of O2O: Embracing potential users that can be contacted to the greatest extent

Although online channels have been important options of shopping and consumption in online channels in the current market environment, some consumers are still not familiar with or have a little understanding of buying fast moving customer goods on O2O platforms. The mode of O2O has remarkable performance in categories of high-frequency consumption (such as food and alcohol), but it hasn't exerted all advantages in low-frequency and non-heavy categories (such as personal care products). The way to attract more new users becomes a key challenge for personal care brands to expand the market of O2O, and enterprises represented by Procter & Gamble proposed a strategic conception of embracing potential users to the greatest extent.

Words of brand

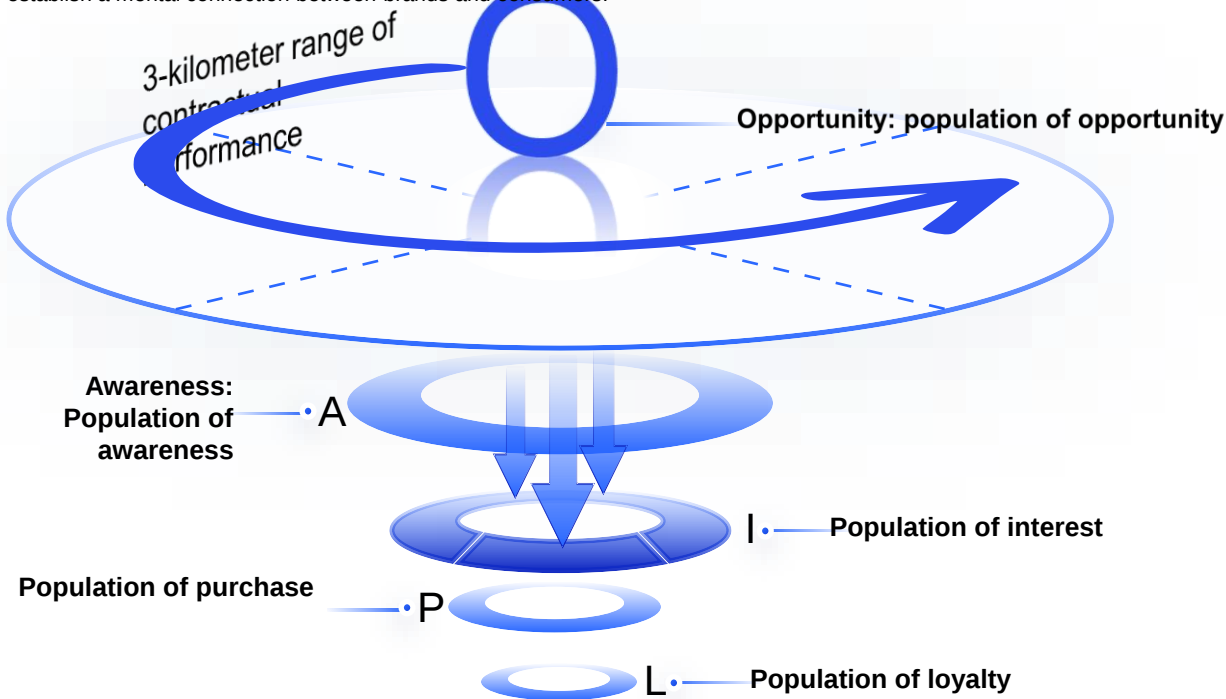
In terms of newly added users, the overall strategy adopted at present suggests embracing some ecology other than fast moving customer goods on platforms extremely, with a hope of attracting users from other categories. Some of these users may never place any order to buy daily products. Therefore, in the aspect of O2O platform user increment, there are many high-quality users that can be excavated.

- Gu Jianxin, general manager of the Department of O2OBusiness of Procter & Gamble

The population of opportunity in the OAIPL model is a powerful force that can seize the nearest flow of brands' expansion.

In the OAIPL model, O (population of opportunity) stands for the starting point and key point of the whole process of user operation, the first stop for brands to contact potential customers and the basis of preposition of the AIPL (awareness, interest, purchase and loyalty) stage. Through accurately identify potential customers in the scope of brands' contractual performance (such as 3 kilometers), brands can take the initiative to contact users at the very beginning and intercept customer flows. In the stage of O, scenario-based insight and personalized recommendation can be used to introduce potential customers who haven't been contacted yet to the horizon of brands, and this process can help brands to expand the pool of users fundamentally. At the same time, potential users involved in the stage of O gradually deposit to the process of stages A (awareness), I (interest) and even L (loyalty) to form an integral chain of user transformation. Ele.me provides population trends in all stages of OAIPL and offers comparison of a brand and top-3 brands in the same category to help the brand identify the gap between it and leading brands.

Taking the category of personal care as an example, brands utilize plenty of data resources to analyze consumers' behavior in depth in the stage with potential customers to accurately find those potential users who haven't contacted personal care products on O2O platforms. These users may show a strong interest in other categories in the field of O2O, such as users who purchase domestic cleaning products in O2O channels. They may be interested in oral cleaning product purchase in O2O channels. Through scenario extension and marketing contact point optimization, brands can take data insight as an entry point, select users who prefer domestic cleaning products, attract these potential users and arouse their interests through contacting them based on highly consistent scenarios and gradually establish a mental connection between brands and consumers.



Example of brands' target populations in various stages of OAIPL



Engine 2-1: Precise population identification



Pain point of O2O population operation: Brand operators act indirectly and hard to seize populations

Words of brand

O2O refers to a channel based on retailers, and information maintenance and promotion mechanism of products rely on retailers' cooperation. Retailers are also given priority in the aspect of new member recruitment and maintenance. When operating populations, brands' acts are a little indirect. However, business growth originates from the distribution of stores with a higher quality, which can let marketing penetrate into more populations and improve transformations layer by layer. It is hoped that the platform can offer more operational tools which are practical and effective for population insight data in the dimensions of brands and products to help brands maintain more users, improve users' values and realize a sustainable and long-lasting growth.

- Jessy Xiong, principal of O2O of Colgate

Expectation of O2O population operation: The platform can offer more digitalized tools to empower distributor and other participants of the link

Words of brand

It is hoped that the platform can complete user-end products, tools and capacity and enhance brands' capability of user maintenance and independent operation. In terms of site, we hope that the platform can make more data available to enable us to learn about business in a more efficient form, and enable distributors in the zone and other participants in the same link master the tendency of their business in a real-time form.

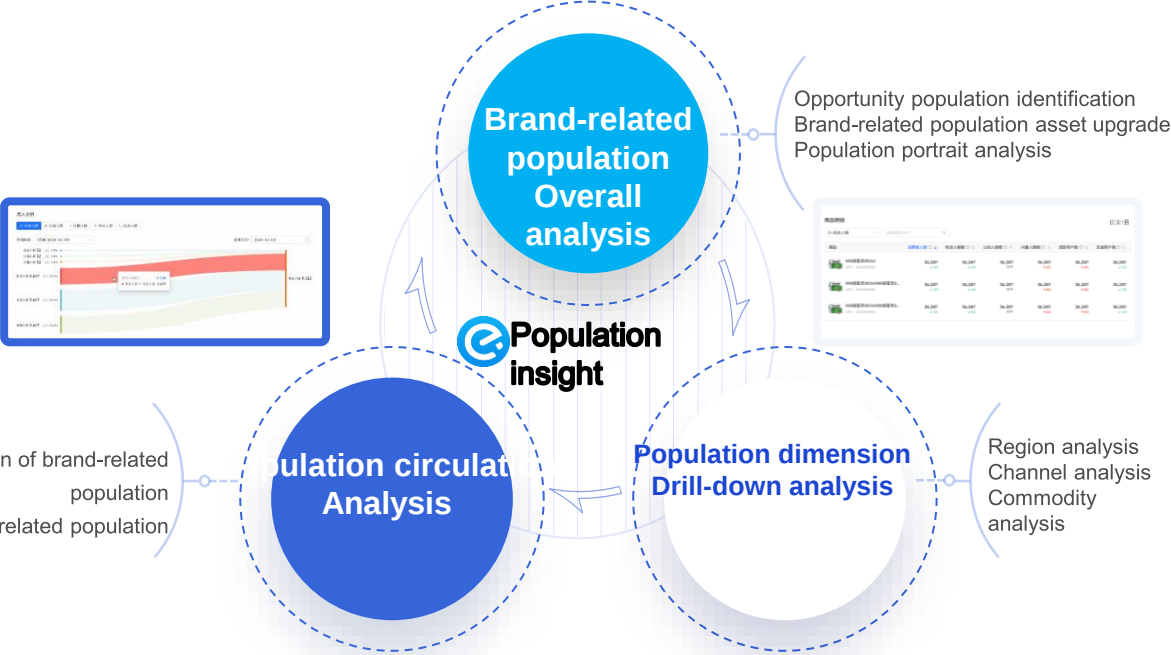
- Luo Jian, director of the Department of Key Customer and Masses Management of Junlebao

Ele.me can provide precise user portraits of O2O, which can overcome the pain point of the difficulty of delineating users' portraits in offline channels

Overall analysis of brand-related populations: Through identifying populations of opportunity, brands can analyze populations that are not contacted within 3 kilometers from their stores of commodity supply. Depending on the insight of the distribution of newly-added contact points and channels of population recycle, brands can capture more potential populations. At the same time, the cross analysis of OAIPL and 9 populations on the platform can be used by brands to have a clear insight of population distribution and further optimize their population asset management.

Analysis of population circulation: Population circulation analysis can help brands learn about target populations' destinations and sources. Through analyzing directions of population flows, brands can make clear OAIPL stages in which brands lose users, which can improve brands' efficiency of user operation. At the same time, brands can also identify users' sources in different OAIPL stages, thus optimizing contact strategies for different sources.

Drill-down analysis of populations in multiple dimensions: Brands can analyze and locate core zones of populations' sources through regional analysis in the drill-down analysis in the dimension of population. They can determine top-10 core channels through channel analysis and determine core commodities that users prefer through commodity analysis, thus helping brands fully excavate opportunities of regions, channels and popular commodities.



Engine 2-2: Precise scenario identification



Expectation 1 of O2O scenario operation: Getting rid of the growth driven by promotion and fostering consumers' mind of scenario-based needs

Words of brand

“ We always advocate and support healthy and sustainable development of the company's O2O. At present, involution in the market of O2O is severe, and promotion activities with substantial discounts are organized constantly. Although low-price promotion can attract consumers, it is not helpful to cultivate consumers' loyalty. Therefore, we prefer draw our focus on scenario-based operation, let products continuously contact consumers in different scenarios and reinforce consumers' awareness of brands, thus forming a long-term, sustainable and healthy consumption chain. ”

- Wang Yifeng, principal of O2O of Qiaqia

Expectation 2 of O2O scenario operation: Platforms building a stage for multiple parties' performance: Scenario-based marketing is a game with multiple players. As the party of resource integration, platforms should cooperate with multiple participants to optimize scenario-based marketing and supply

Words of brand

“ Scenario-based marketing is a multi-player game focusing on consumers' needs, involving four participants, namely brand operators, platform operators, retailers and other brands consistent with the scenario concerned. All parties should join hands to interact with consumers and help consumers foster habits continuously. When new supplies appear, the business scale of a single brand is small, which can hardly attract attentions, requiring platforms to support, find the said suppliers, integrate multiple brands and jointly improve the coverage rate. ”

- Lisa principal of O2O market of Mondelez

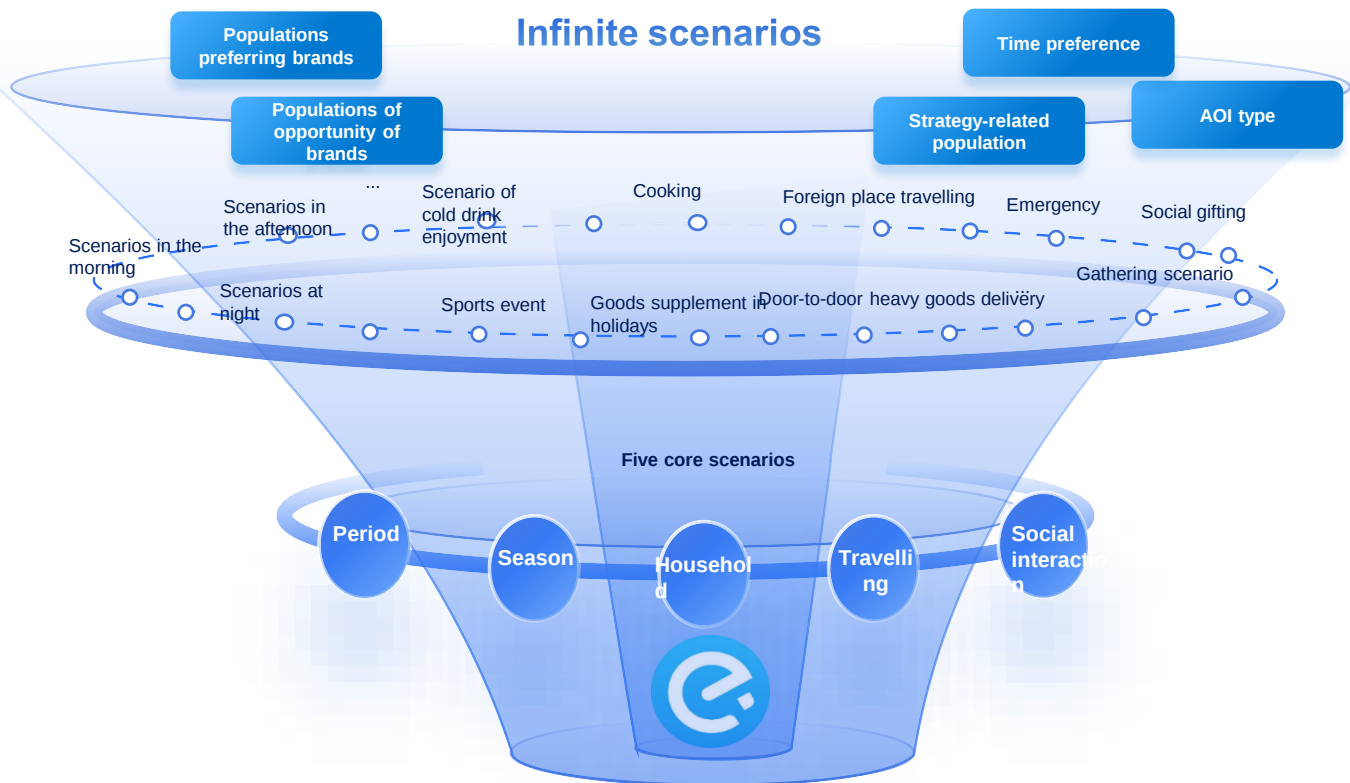
Refined scenario: Infinite scenarios helping brands locate target users

Scenario refers to the specific context in which users use Ele.me. Based on the elements like space, time, user behavior, scenario that can be identified and operated can be delineated.

According to multiple combinations and arrangements of behavioral elements, scenarios can be infinite. Ele.me offers 5 basic and core scenarios to effectively cover users' diversified demands and living scenarios and help brands precisely contact different consumption nodes.

No matter cooking, ingredient purchase and door-to-door heavy matter delivery in domestic scenarios or non-local tourism and emergency in travelling scenarios, Ele.me can empower brands to build up an in-depth connection between brands and users through scenario-based strategies.

Moreover, the platform also covers rich scenarios like seasons, social gifting, etc., which can help brands flexibly cope with consumers' demand of emotional consumption and social demand during festivals, further improve users' stickiness and realize the coordination of quality and efficiency. In these scenarios, brands can conduct more precise marketing deployment in accordance with time, place and category to ensure that they can cover every key contact point of consumers. At the same time, Ele.me platform also hold an attitude of openness to positively cooperate with brands to create richer scenarios and more diversified rules.



Precise marketing: Data board of scenario insight

Scenario insight of brands

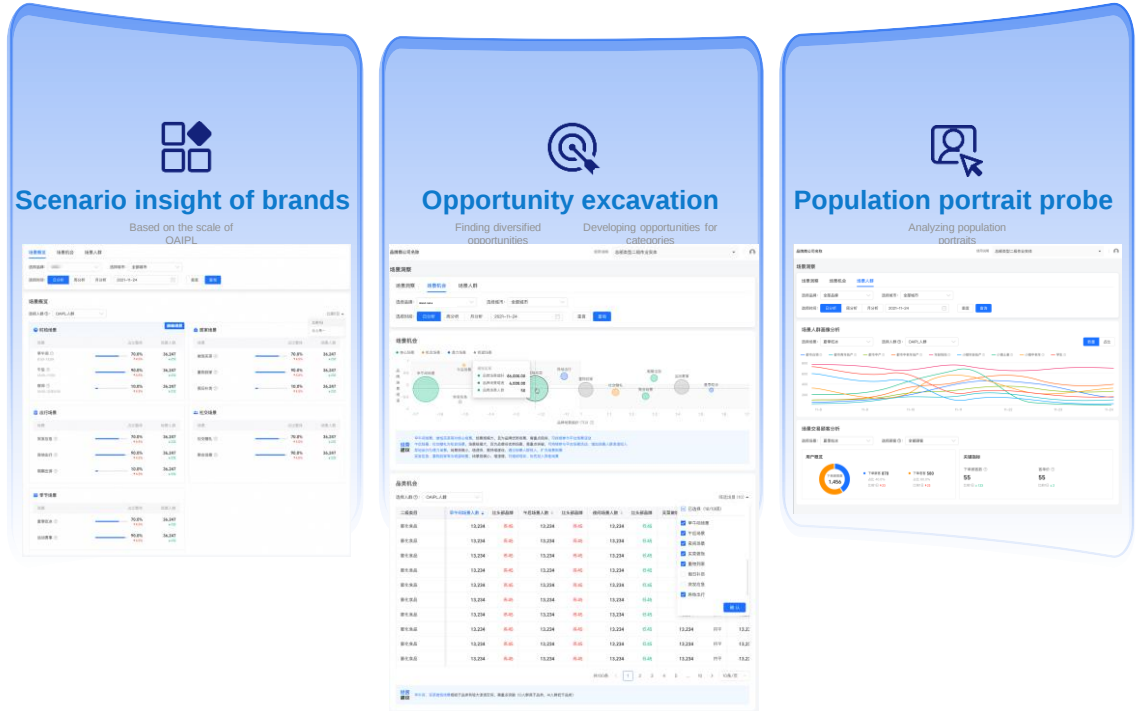
A concise and large screen of data display is adopted to help brands identify the scale of populations that can be maintained and operated and tendencies of changes in different scenarios at a glance, and brands can mark strategy-related scenarios to intensively focus on them.

Opportunity excavation

Based on the analysis of brands preference of scenarios and scenarios' growth speed, it is available to help brands quickly determine their core scenarios, opportunity-related scenarios, potential scenarios and scenarios of prospects and find scenarios fitting themselves based on different time, spaces and categories. Furthermore, brands can enter OAIPL populations downwards to excavate scenarios and opportunities suitable for populations in different stages and brands' own advantages and disadvantages in comparison to leading brands in the said scenarios, thus locating blue-ocean scenarios.

Population portrait probe

It is available to continuously track fluctuations of scales and proportions of population portraits of brands in different time cycles, different scenarios and OAIPL stages of populations (such as white-collar workers in cities, young mothers, students, rich people in towns, etc.) to help brand operators accurately determine major users in different scenarios. In the part of the analysis of customers of scenario-based transactions, an overview and key indicators of trading users are provided as a whole, showing the number of users placing orders in different periods, unit price, proportions of new and regular customers and other data to help brands evaluate the rate of user transformation and overall sales amount and assist brands to find key points of operation optimization and improve the efficiency of new customer invitation and customer maintenance.



Excavating more spatial scenarios to stimulate consumption needs of categories

Focusing on living spatial scenario transformation of consumers and creating marketing scenarios conforming to categories

In non-local scenarios, consumers' preferences of goods related to glasses, cosmetics and sex toys deserve a focus. Consumers prefer purchasing these instantly accessible and cheap products that have a small size and easy to be forgotten at their destination instantly to meet their consumption demands of emergency during travelling.

In local scenarios, consumers' needs of storing pet articles and products of personal care become significant before holidays and travels to foreign places. As pet-keeping people become more and more, consumers are accustomed to buying plenty of pet articles before travelling to guarantee pets' daily needs during the travelling period. Moreover, the strong emphasize of personal health drives partial consumers to prepare personal care and cleaning products before travelling. Through having an insight of consumption in different spatial environments, brands can meet users' needs in different scenarios.

Specific spaces can create new consumption scenarios for different categories.

Scenarios of business gifting that happen in business sites and residences show an obvious preference of wines and imported alcohol. Due to consumption downgrading, consumers in spaces like KTV or office buildings prefer buying wines and imported alcohol with better cost performance online. These products can not only meet their gifting needs, but also save money for them.

When attending parties in school, teachers and students of higher learning institutions prefer choosing fruit beer, ready-to-drink, Vodka and Rum to enrich their recreational life. Compared to traditional liquor, younger groups are more willing to boldly try fruit beer, ready-to-drink and western alcohol. Through having an insight of these demands generated in specific spatial scenarios, brands can design marketing events in a more precise form to effectively capture scenario-related opportunities and create more spaces of growth for brands through continuously reinforcing consumers' emotional needs of products in the scenario concerned.

Local area 	Non-local 	Corporate 
Pet article (114) Personal care and cleaning product (112)	Article related glasses (189) Cosmetics (184) Sex toy (144)	Chinese liquor (145) Tequila (309) Waxberry wine (303)
Scenarios of goods storing before holidays and non-local travels	Emergency scenarios during travelling	Gathering scenario
Business residence 	Hospital 	Hospital 
Wine (110) Imported alcohol (109)	Fruit (141) Flower (104)	Personal care and cleaning product (164) Domestic and daily product (177) Clothing, shoes and bag (231)
Scenarios of business and gifting	Scenarios of visit and consolation	Scenarios of emergency during hospitalization
School 	School 	School 
Drug (118)	Office stationery (104) Leisure snack (114) Fruit (162)	Fruit beer (148) Ready-to-drink (136) Vodka (293) Rum (228)
Emergency scenarios	Scenarios of goods storing before entering school	Gathering scenario

Remarks: The data in brackets is TGI value. TGI = [proportion of orders placed in one category in one scenario/proportion of orders placed in all categories in the same scenario] * standard figure 100. When TGI is higher than 100, it is indicated that obvious advantages is owned.

[Time and category] Utter release of featured scenarios

Capturing consumption scenarios based on time in multiple dimensions and excavating opportunities for more categories

Capturing and meeting needs of emotional consumption in specific festival scenarios

During Chinese Valentine's Day, Valentine's Day and other specific festivals, consumers show stronger willingness of purchasing commodities that can meet their emotional needs. Chocolate, flower and other categories contain a meaning of wonderful love, which makes them welcomed by lovers. In addition, cosmetics, toys, garage kits and other products that may not cause faults as gifts also become popular choices in the scenarios of holidays. Moreover, alcohol, high-end meat, aquatic products and domestic decoration products are also favored by consumers in the atmosphere of holidays. Compared to having meals outside home and standing in line to wait at some popular restaurants, buying ingredients through O2O and personally preparing food together at home also becomes one of ideal choices for lovers to spend wonderful holidays together. Through having an insight of these scenarios of holidays, brands can excavate and accurately determine users' emotional needs during holidays.

O2O platforms have inborn catering advantages, and brands can take advantage of them to bind catering scenarios and expand consumption scenarios

Ele.me platform has a significant leap of flows during catering periods, and brand operators can make use of this law to combined commodities' characteristics to create new consumption chances in different catering periods. For example, condiments become major points of demands before meals. Due to their pursuit of delicacies, consumers usually buy needed condiments before meals to restore rich tastes of food to the greatest extent.

However, mouthwash become popular a category after meals. Due to consumers' emphasis of personal hygiene and respect to others, mouthwash can meet consumers' instant need of fresh breath after eating hot pot and other food with a strong taste.

Coffee, liquid milk, tea and leisure snacks are preferences of consumers during after tea. Compared to food bring a strong sense of satiety, these products can not only refresh consumers, but also make their leisure time in the afternoon full of a sense of ceremony.

During the period of midnight snacks, consumers' need of carbonate beverages, leisure snacks, cold drink and food, low-temperature yoghurt and fresh milk, sports beverages, beer and barbecues become more significant than ever. Diversified leisure time, fitness, gathering and other activities at night deepen consumers' preferences of these products. Through fine division of periods, brands can plan for product marketing in a targeted form, which can not only bring better scenario-based experience to users, but also improve purchase rate.

Chinese Valentine's Day and May 20 	Chinese Valentine's Day and May 20th 	Chinese Valentine's Day and May 20 	Mid-autumn Festival and Dragon Boat Festival 
Chocolate and flowers Cosmetics Toys/garage kits	Sex toys	Alcohol High-end meat/aquatic products Domestic decoration products	Rice and edible oil Convenient food Maternal and infant products
Scenarios of gifting during dates	Scenarios of sexual life	Scenarios of celebration at home	Gifting scenarios
Before meal 	After meal 	Afternoon tea 	Midnight snacks 
Condiment	Mouthwash	Coffee Liquid milk Tea and leisure snacks	Beverages and leisure snacks Cold food and cold drink Low-temperature yoghurt and fresh milk and fresh food Sports beverages Beer and barbecues
Scenarios of extra meals	Scenarios of refreshment after meals	Scenarios of energy supplement and relaxation	Scenarios of indulgent meals
Summer 	Summer 	Summer 	Summer 
Pesticides and incense Pesticide sprays	Sunscreen cream Sanitizers	Low-temperature yoghurt and fresh milk Sports beverages Cold food and cold drink	Beer and barbecues Sports beverages
Scenarios of sunstroke prevention and pest prevention	Scenarios of travelling in midsummer	Scenarios of summer heat relieving through cold drinks	Scenarios of sports events

[Time and category] Scenarios of Chinese Valentine's Day and chocolate presentation

Ele.me, Dove and Chinese Valentine's Day are combined with the category of flowers to strengthen scenarios of social gifting. The platform's broad exposure paths and recommendation outside the site are matched to drive Dove's order number to exceed the peak in the history.

+115%

Orders of Dove exceeding the peak in the history

+159%

Growth of the scale of populations in the **scenarios of social gifting** of the whole brand of Dove

+81%

Month-to-month growth of Dove's flows
The value of flows exceeds the peak of the year



Anchoring scenarios of social gifting
Marketing on Chinese Valentine's Day

Shaping scenarios associated with categories
Chocolate and flowers

Content-based marketing and recommendation outside the site leading to a win-win result of the brand and sales

[Time and category] After-meal case and mouthwash, gathering scenarios

Ele.me, Listerine and Haidilao: Catering and retailing brands cooperate to conduct marketing and dig deep into marketing based on the scenario after eating hot pot to realize integration of scenario, marketing and dealing.

Catering and retailing constructing new scenarios
Gathering scenario + after-meal cleaning

Integrated marketing combined with order-based sample gifting to construct a pool of new customer flow

Entering the private domain of catering deeply to expand the border of retailing brands



Operational effect

+134%

The month-to-month growth of Kenvue's sales amount during the cooperation between Listerine and Haidilao

+87%

The growth of the scale of populations in the **gathering scenario** of the whole brand during the event

+75%

The month-to-month growth of the new customer number during the cooperation between Listerine and Haidilao

[Time and category] Scenarios of summer time and cold drink

Ele.me, Heineken and Family Mart match beer with icy cup to detonate summer. Offline pop-up activities that promote products powerfully, matched with coldness guarantee services for timely delivery create new experience of cold drink enjoyment scenarios in summer. Both brands' scenario permeability and population grow.



Scenarios of cold drink enjoyment in summer

Channels cooperating with icy cup to detonate the combination of instant consumption experience in summer

Offline pop-up event in midsummer New gathering experience for drinking companions

Celebrities recommending specially mixed cold drink and integration of brand, marketing and trading

+70%

The continuously growth of the number of users in the **scenario of cold drink** enjoyment after the event
The growth of the value in comparison to that before the event

Million level

Cold drink enjoyment scenarios of the whole brand
Growth of the scale of populations

[Time, space and category] Scenarios of daily products, May Day and National Day and non-local travelling

Procter & Gamble digs deep into the scenarios of non-local travelling in a long term to provide relaxed experience of light travelling and purchase based on needs for consumers, together with communication inside and outside the site to gain both topic discussion and sales amount.

Digging deep into the scenario of non-local travelling in the whole year
Developing mentality in a long-term and cyclic form

Creating added values for users
Launching peripheral gift, big blue handbag, to deepen travelling scenarios

Diversified communication modes outside the site of the brand
Advertisement placement at traffic pivots



+46%

The month-to-month growth of GMV during the event

+69%

The growth of the scale of populations in the scenarios of **non-local travelling** of the brand during the event

+104%

The month-to-month growth of GMV during the event hosted by sub-brand Crest

Engine 3: Wide-area flow operation



Pain point of O2O flow operation: Advertisement placement in stores is precise, but the number of target consumers is relatively small, and it is hard for the sector inside the site to undertake flows coming from the sector outside the site.

Words of brand

Current points of placement mainly concentrate on the sector inside stores, and consumers have a strong need of order placement. Therefore, the transformation rate is high. However, in the stage before consumers' entry of stores, we can hardly influence their behavior based on the current points of advertising. In addition, tools used to connect the brand's external media placement and guide contacted populations to O2O platforms for secondary operation are still insufficient.

- Jessy Xiong, principal of O2O of Colgate

From external to internal sectors of the site, Ele.me assists brands to contact marketing tools owned by Ele.me in a more precise form in a wider scop in the whole chain of OA IPL, and multiple contact points inside and outside the site are covered to realize brands' coverage of users in the whole chain of OA IPL.

Through accurate short messages and other measures, Ele.me can help brands realize user recall out of the site. Brands can also rely on plenty of marketing tools like start-up advertisements on the screen, spotlight Plus, selected flow card, rain of red packets, etc. to further deepen users' understanding of brands and stimulate their behavior of consumption inside the site. For shopping consumers who are in the stage of "purchasing", Ele.me adopts tools like retailing channel recommendation, red packet rain in channels, popular product pop-up window in channels, etc. to take the initiative to recommend products to users and improve brands' exposure. For searching-type consumers, Ele.me adopts tools like special columns of brands, special columns of categories and prior display after store searching to help brands precisely contact consumers with a clear demand, lift their ranks and exposure after retrieval and further improve transformation rate.



Summary

Summary

Postscript and summary

In the general environment with positive signals released by macro-economy and a mild and promising prospect of consumption, the ecology of retailing business is nurturing new chances in the static and deep flow. The trend of diversified and fine needs of consumers becomes significant. In particular, driven by tendency of small-scale families, the pursuit of a convenient, flexible and efficient consumption mode gradually becomes a new trend. In terms of consumption concepts, both consumers pursuing emotional self-entertainment and those who pursue rationality and pragmatism tend to choose items worth their prices, and they pursue both quality and convenience.

The concept of "goods" evolves silently and develops towards the direction of personalization and lead a new trend of product and service innovation in the consumption pattern with both rationality and self-entertainment. The concept of "site" is also constructed anew. Based on the fragmented and near-site structure of retailing in all channels, O2O becomes an important engine of growth in the market.

O2O not only deepens the instant connection between consumers and commodities, but also brings brand-new possibilities on the level of scenario-based marketing. Based on the special and stereoscopic scenario with time and space intertwining each other deriving from efficient distribution services, a new-type system with a business ecology of "human, goods and site" is reshaped in the field of O2O, and more complicated dimensions derive from it, nurturing infinite possibilities of scenario subdivision.

To grasp changes and challenges of the new era of O2O, Ele.me's population asset operation strategy, "OAIPL" comes out in response to the situation, with a purpose of locating the password of user operation for brand operators in a more precise form. As the core pivot of the theory "OAIPL", "O" greatly expand brands' operable population assets. Depending on digitalized and intelligent tools, it tactfully associates commodities with potential users and realizes precise matching between populations and scenarios. This mode subverts the traditional mode of "human seeking for goods" and turns to an active mode of "goods seeking for human" and evolves as a higher mode of "scenario seeking for human" to precisely capture potential and diversified demands to meet consumers' personalized expectations, thus constructing an association between brands and consumers.

Standing on the vast edge of revolution in the digitalized era full of opportunities and challenges, we sincerely hope that all brand partners can join hands with the strategy "OAIPL" proposed by Ele.me, take innovation as a plow and guide brands and consumers to step in a new golden era of O2O that is more harmonious and compact together.

Authors

Authors

Steering committee:

Name	Post
Hu Qiugen	Senior vice president of Ele.me and head of City-wide Retailing Business Center
Jiang Bin	Senior vice president of Ele.me and principal of the Center of Operational Planning
Chen Yanfeng	Vice president and head of Retailing Brand Center and supermarket & convenience store industry of Ele.me
Guo Li	Vice president of Ele.me and principal of market brands and public relations
Zhou Lingqing	Managing director of NielsenIQ China
Yang Ying	Vice president of NielsenIQ China

Compilation team:

- Team of brand operation marketing of Ele.me
- Team of brand operation commercialization of Ele.me
- Team of data operation of products operated by brand of Ele.me
- Team of e-commerce and omni-channel business of NielsenIQ:

Name	Post
Yang Fan	Vice director of e-commerce and omni-channel business
Zhuang Qiaohong	Vice director of e-commerce and omni-channel business
Cao Wan	Vice director of e-commerce and omni-channel business
Tang Yiting	Manager of e-commerce and omni-channel business
Ye Zilin	Senior analyst of e-commerce and omni-channel business

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Appendix

Appendix

Description of the retailing data offered by NielsenIQ

1. Scope of category research

8 first-class categories are covered, including personal care products, domestic cleaning products, grain, oil, rice and flour, leisure snacks, beverages, dairy products, alcohol and maternal and infant products, and subdivided categories are shown as follows:

Categories	Beverages	Dairy products	Leisure snacks	Grain, oil, rice and flour	Alcohol	Family cleaning products	Personal care products	Maternal and infant products
Subdivided categories	Packaged water	Liquid milk	Biscuit	Packaged rice	Brandy	Domestic detergents	Adult diapers	Feeders
	Juice	Yoghurt/sour-taste milk	Crispy snacks	Instant noodles	Instant ready-to-drink	Insecticides/agents of electronic mosquito repellent devices	Knife rests/blades	Pacifiers
	Soda beverages	Child/adult milk powder	Nuts and fried food	Soy sauces/oyster sauces	Liqueur	Dishwashing liquid	Hair conditioners	Breast pumps
	Instant coffee	Instant soy milk	Chocolate	Wheat food	Beer	Laundry detergents	Skin care products	Goat milk powder
	Instant coffee	Cheeses	Chewing gums	Small-package edible oil	Wine	Disinfectants/laundry auxiliary products	Instant facial masks	Infant milk powder
	Baked and ground coffee	Soy milk powder	Lollipops	Packaged flour	Vodka	Batteries	Nourishing water after facial washing	Infant diapers
	Coffee mates		Pie	Instant porridge	Whiskey	Air fresheners	Tissues	Infant food
	Functional beverages		Candies	Quick-freeze desserts		Anti-bite and cure products	Hair dyes	Infant talcum powder
	Instant tea		Jelly food	Meat-flavor condiments and clear soup		Clothing softeners	Wet tissues	Infant nourishment
	Traditional Asian beverages			Chinese flour		Shoe polishes	Mouthwash	Yogurt melts
	Tea powder						Hygiene articles	
	Malted milk						Toilet paper	
	Concentrated juice						Shampoos	
							Facial cleansers	
							Soaps/bath foams	
							Toothpastes	
							Toothbrushes	
							Condoms	
							Lip pomades	
							Body odor fresheners	
							Hair styling products	

2. Definition of regional coverage

The scope geographically covered by offline channels researched by NielsenIQ in regard to retailing:

- Including: All cities and towns of 20 provinces and 4 autonomous regions, Hohhot, Yinchuan, Lanzhou and Urumqi.
- Excluding: Seven provinces/autonomous regions (Inner Mongolia, Qinghai, Ningxia, Gansu, Xinjiang, Tibet and Hainan). Excluding rural areas.

3. Introduction to indicators of the retailing research of NielsenIQ

Research scope

NielsenIQ retailing research indicator business provides professional market insights, with contents including product sales driving, market share, distribution, promotion effect, pricing and other information of the market. Business covers more than 80 countries and regions. Based on the information collected from codes scanned on products in stores and true data collected by professional personnel in stores, NielsenIQ can provide statistical information covering industries like food, domestic articles, health care and beauty products candies and beverages, and it is committed to meeting business needs including enterprises' strategy formulation brand management, competition tendency tracking, etc.

Data scope

►Offline channels:

Covering regions with over 95% of the total retailing amount in China, and modern channels, traditional channels and others are subdivided

Modern channels: Hypermarkets, large-scale supermarkets, small-scale supermarkets and convenience stores

Traditional channels: Grocery stores, traditional stores, ice cream and beverage stores and daily article stores

Other channels: Cosmetic stores and stores of maternal and infant products

Data granularity: Categories, manufacturers, brands, subdivided categories and single products

►Online channels:

Covering over 90% of the total sales amount of e-commerce in China, collected by stable crawling technology and leading e-commerce ePOS data. Online channels are subdivided.

B2C: The retailing mode in which enterprises' sales activities are consumer-oriented.

C2C: The retailing mode in which individuals' sales activities are consumer-oriented.

Data granularity: Categories, manufacturers, brands and subdivided categories

►O2O (O2O) channels:

O2O data covers about 80% of modern FMCG channels and about 80% of non-modern channels, and it geographically covers 20 provinces and 4 municipalities. Based on the cooperation with over 40 retailers, authentic O2O data sets are provided to summarize data of retailers and data captured on third-party webpages.

Data granularity: Categories, manufacturers, brands, subdivided categories and single products

Indicators and interpretations

Sales amount/volume growth: Year-on-year sales amount/volume growth:



About Ele.me

Founded in a university in Shanghai in 2008, Ele.me initially intended to provide richer and more convenient catering services for urban young people, and now it has developed and been an instant e-commerce platform of trading agreement performance of catering, fast moving customer goods, daily articles, medicines, etc. (all matters delivered to homes). It is committed to providing instant e-commerce services of "relaxed order placement and punctual delivery". At present, services offered by Ele.me have covered over 300 prefecture cities and over 2700 districts and counties in China, with over 400 million active users registered in each year.



About NielsenIQ

NielsenIQ (NIQ) is the world's leading consumer intelligence company, delivering the most complete understanding of consumer buying behavior and revealing new pathways to growth.

NIQ combined with GfK in 2023, bringing together the two industry leaders with unparalleled global reach. Today NIQ has operations in 95+ countries representing 97% of the world's GDP.

With a holistic retail read and the most comprehensive consumer insights—delivered with advanced analytics through state-of-the-art platforms—NIQ delivers the Full View™.