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Report Name: Faster Cheaper More Convenient The Rise of On-Demand Delivery E-Commerce in China

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Report Highlights:

China’s on-demand delivery e-commerce sector, also known as on-demand retail or instant retail, is reshaping the country’s retail landscape by combining digital convenience with rapid local fulfillment. Delivering products within 30 minutes to two hours, this fast-growing model has achieved remarkable annual growth rates, outpacing overall e-commerce expansion. Valued at $110 billion in 2024, the market is projected to nearly triple by 2030, driven by rising consumer demand for speed and convenience, government support for digital innovation, and significant investments from major platforms like Meituan, Alibaba, and JD. As the sector expands into lower-tier cities and diversifies its product offerings, it presents a critical opportunity for U.S. exporters to reach urban, tech-savvy consumers seeking high-quality, instantly available goods. This report provides key insights into market trends, consumer behavior, and strategic considerations to help U.S. exporters effectively navigate this dynamic channel.

Executive Summary:

On-demand retail has become an increasingly important component of China's e-commerce ecosystem, reshaping how food and beverage products are distributed, priced, and accessed by consumers. Fueled by strong demand for speed, convenience, and price transparency—particularly in large urban markets—on-demand platforms enable rapid product availability while intensifying competition across the supply chain. For U.S. food and beverage exporters, this channel offers new avenues to reach digitally engaged consumers and accelerate market entry, but it also introduces structural challenges related to costs, pricing discipline, and margin sustainability. As on-demand retail continues to expand, understanding its operational dynamics and strategic implications is critical for U.S. agricultural exporters evaluating whether and how this channel can support their long-term objectives in the China market.

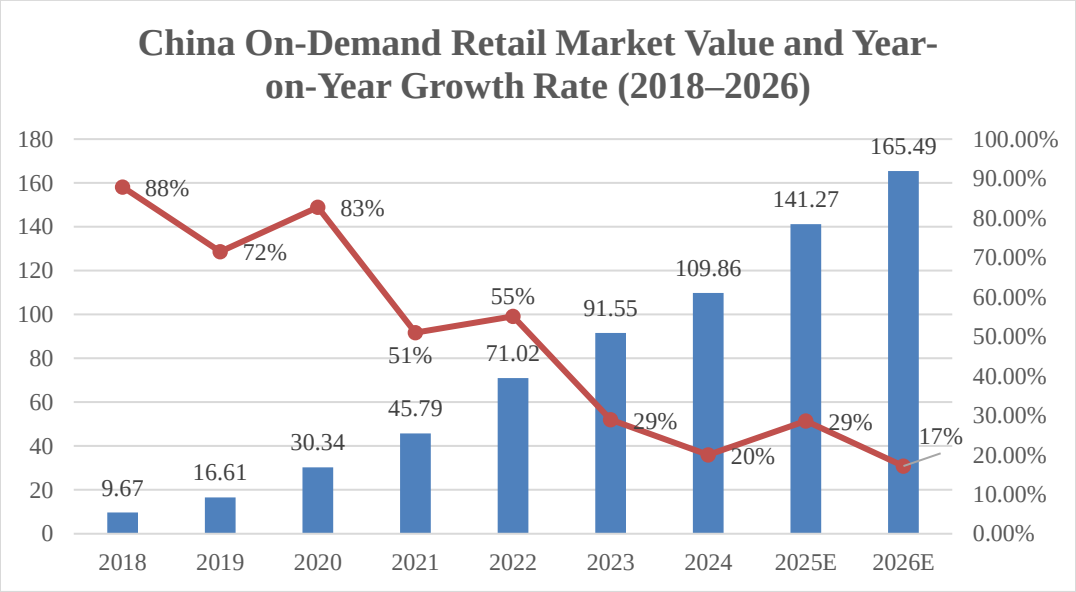
- **Lower barriers and Faster Market Testing:** On-demand platforms reduce the need for extensive physical distribution network, enabling U.S. exporters to introduce products with lower upfront investment. This is particularly beneficial for niche, premium, or innovation-driven categories such as snacks, beverages, specialty alcohol, and health-oriented products. U.S. brands can use these channels to test market response, run targeted promotions, and build awareness among younger, tech-savvy consumers without the traditional bottlenecks of brick-and-mortar retail entry.
- **Profitability Challenges:** While consumers benefit from lower prices and streamlined logistics, distributors and suppliers, including U.S. exporters face thinner profit margins due to competitive pricing, platform fees, and last-mile delivery costs. For lower-priced U.S. products, this may squeeze profitability, but premium or differentiated products with stronger value propositions (e.g., craft alcohol, natural snacks, functional beverages, premium dairy) may still succeed if positioned carefully. As a result, on-demand retail is most suitable for U.S. exporters with either high-margin products or strong branding that can justify price premiums.
- **Pricing Transparency and Brand Control:** On-demand platforms offer visibility and real-time price comparisons, which can help trusted and reputable U.S. brands stand out. However, heavy discounting, flash sales, and dynamic pricing models can also lead to price erosion and consumer confusion. U.S. exporters must work closely with distributors and platform partners to maintain pricing discipline, ensure consistent brand presentation, and avoid the "race to the bottom" that can undermine long-term brand equity.
- **Strategically Cautious Outlook for U.S. Exporters:** U.S. food and beverage exporters should carefully assess whether on-demand retail aligns with their product offerings and business goals. While the model offers access to new markets and consumer segments, exporters must weigh the risks of thinner profit margins and pricing volatility. For premium or niche products, on-demand retail may provide a valuable channel to reach target audiences, but exporters should ensure their pricing strategies and logistics partnerships support long-term sustainability.

China's On-Demand Delivery E-Commerce Sector: A Rapidly Growing Mode

China's on-demand delivery e-commerce sector, also referred to as on-demand retail or instant retail, is s a fast-evolving business model that integrates online platforms, local retail stores or warehouses, and rapid logistics networks to meet consumers' immediate purchasing needs. This model enables delivery of products within 30 minutes to two hours after an order is placed, combining digital convenience with local fulfillment efficiency.

Since 2020, the sector has expanded rapidly, with annual growth averaging nearly 50 percent between 2020 and 2022, followed by steady increases of over 20 percent in both 2023 and 2024, well above the overall e-commerce growth rate. By 2024, China's on-demand retail market was valued at approximately $110 billion [1] and is projected to nearly triple by 2030.

Figure 1: Tracking Market Expansion and Growth Dynamics Over Nine Years



Data Source: On-demand Retail Industry Report 2024, Chinese Academy of International Trade and Economic Cooperation.

This momentum is driven by consumers' rising expectations for speed and convenience, as well as government policies supporting domestic consumption and digital innovation. Major e-commerce platforms such as Meituan, Alibaba, and JD.com have made substantial investments in on-demand retail. In 2025, competitions among these platforms intensified as they expanded coverage across more cities and product categories, introducing new logistics partnerships and rolled out extensive coupon and discount campaigns to boost user engagement and order frequency.

Today, consumers can purchase groceries, beverages, freshly prepared foods, and household essentials through on-demand platforms, with delivery often completed within minutes or hours. This model is

[1] *This report uses an exchange rate of approximately 7.1 RMB to 1 USD.*

reshaping shopping habits, enhancing supply chain efficiency and accelerating the digital transformation of China's retail landscape. As this channel expands across product categories, it is becoming an increasingly important avenue for both domestic and imported food and beverage products. For U.S. exporters, on-demand retail offers a rapidly growing platform to reach urban, digitally engaged consumers seeking high-quality, trusted, and instantly available products.

Key Players and Market Expansion

Meituan, one of China's leading on-demand retail platforms, has played a pivotal role in the sector's growth. Initially renowned for meal delivery, Meituan has expanded its offerings to include groceries, medicines, flowers, cakes, and other daily necessities—effectively meeting consumer demand for "almost everything" within minutes or hours. Operating as an open platform, Meituan connects millions of third-party retailers, restaurants, and local merchants with consumers, while also offering self-operated products.

E-commerce giants JD.com and Alibaba have also entered the on-demand retail space. Initially focusing on self-operated offline stores such as Seven Fresh and Hema, their reach was limited by store locations. In 2025, both platforms made substantial investments to compete with Meituan, expanding their networks to attract third-party retailers, restaurants, and other supply partners.

Traditional retail chains have embraced on-demand delivery services to meet growing consumer expectations for instant fulfillment. Walmart China and Sam's Club, for example, have integrated online ordering with their store networks and local logistics, enabling rapid delivery of groceries and daily necessities—often within an hour. This approach allows retailers to meet immediate consumer demand while maintaining convenience and service quality.

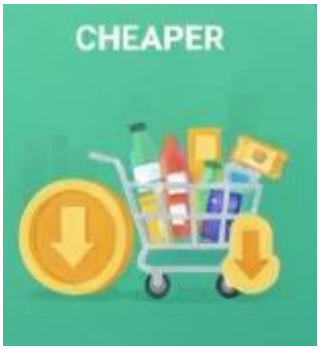
Smaller family-owned stores are also benefiting from this trend by joining platforms like Meituan, Alibaba, or JD as third-party merchants. These platforms provide the necessary delivery infrastructure, enabling small retailers to expand their reach and meet instant consumer demand.

The Rise of On-Demand Retail: From Niche to Mainstream

The COVID-19 pandemic rapidly shifted consumer behavior toward online shopping, creating a large and lasting user base for grocery e-commerce and laying the foundation for today's on-demand retail boom. Government policy has been instrumental in accelerating this shift. During the pandemic, authorities designated delivery services and e-commerce logistics as "essential services," enabling the rapid rollout of contactless delivery, subsidies for community-level distribution, and fast-track approvals for new fulfillment facilities. Since China's reopening in 2023, national and local governments have

continued to promote consumption and digital infrastructure development through investments in smart logistics parks, grants and tax incentives for warehousing and cold-chain upgrades, and stricter standards for delivery rider safety and data management. These measures have lowered operating costs, strengthened last-mile logistics, and encouraged platforms to expand beyond major metropolitan areas. Supported by this policy environment, leading players have invested heavily in building denser fulfillment networks and expanding service coverage into lower-tier and rural regions. What began as a crisis-driven solution has evolved into a mainstream retail channel—reshaping consumer expectations for faster, cheaper, and more convenient shopping across China.

On-demand platforms leverage local store networks, advanced logistics, and real-time tracking to fulfill orders in minutes or hours. From last-minute groceries to spontaneous meal cravings, rapid fulfillment satisfies urgent consumer needs, giving on-demand services a clear advantage over traditional retail. With both major retail chains like Sam's Club and small family-owned grocery stores offering on-demand delivery within an hour, consumers have come to expect their orders to arrive almost immediately



To stay competitive, major platforms have introduced coupons and subsidies, often making on-demand delivery cheaper than in-store shopping. When factoring in time savings and reduced travel costs, these services offer even greater value. In today's cautious economic climate, consumers are buying more selectively and focusing on immediate needs rather than bulk purchases. This balance of affordability and convenience drives repeat orders and strengthens customer loyalty.

Consumers can shop anytime, anywhere, with a few taps on their smartphone, bypassing store hours, queues, and stock limitations. Integrated digital tools allow instant comparisons, reviews, and payment, while home delivery eliminates the need to travel. This convenience is particularly valuable for busy urban lifestyles or unplanned situations: a last-minute picnic, an unexpected social visit, a sick family member, late-night needs, or urgent occasions requiring items such as flowers or alcohol.

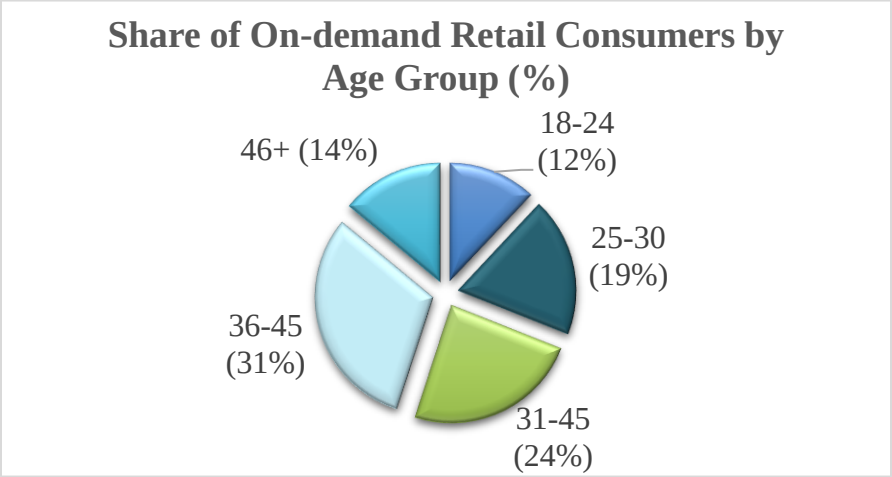
The ability of on-demand retail to span such diverse product categories underscores its growing importance in China's e-commerce landscape. By addressing both spontaneous and planned purchasing needs, the sector has positioned itself as a comprehensive solution for modern consumers seeking speed, convenience, and quality.

Consumer Profile and Regionalization

Consumers in their 30s and 40s have emerged as the mainstream users of on-demand delivery services. According to a public announcement by Meituan, in 2021, consumers aged 21 to 35 accounted for 72.5 percent of all users, highlighting the dominance of younger, tech-savvy shoppers at the time. Over the

past few years, however, the age distribution has become more balanced. The 31 to 45 age group now represents the largest share at 55 percent, reflecting the growing adoption of on-demand services among slightly older, more established consumers. This shift suggests that convenience-driven shopping is no longer limited to digital-native youth but has become a practical solution for busy professionals, young parents, and urban households seeking to save time and effort in their daily routines.

Figure 2: Share of On-demand Retail Consumers by Age Group (%) in 2024



Data Source: On-demand Retail Industry Report 2024, Chinese Academy of International Trade and Economic Cooperation.

Growth Dynamics Across City Tiers

On-demand retail in China remains heavily concentrated in higher-tier cities, which continue to dominate overall market activity. In 2023, the top ten cities by transaction volume—Beijing, Chongqing, Shanghai, Chengdu, Guangzhou, Shenzhen, Dongguan, Tianjin, Hangzhou, and Wuhan—demonstrated the sector's reliance on regions with stronger purchasing power, higher consumption frequency, and a greater willingness to pay for convenience. These urban centers also benefit from mature logistics and distribution networks that enable the rapid fulfillment and seamless service experiences central to the on-demand model.

At the same time, lower-tier and county-level markets are emerging as a vital growth frontier. In 2023, county areas contributed around 23 percent of total on-demand retail transactions, with penetration continuing to rise across new first-, second-, and third-tier cities. As delivery infrastructure extends, these markets are set to provide substantial expansion opportunities for platforms seeking to reach new demographics and offset the maturing growth of higher-tier cities.

Category Trends in On-demand Retail

On-demand retail now spans nearly all product categories with snack foods, alcoholic beverages, soft drinks, fresh produce, bath items, and daily household essentials leading in demand. Industry data show that the top-selling food items include snack foods, alcoholic beverages, soft drinks, fresh produce, dairy products, meat, poultry and eggs, grains, and edible oils. Each category reflects different consumption motivations and delivery expectations, highlighting the diverse ways consumers rely on instant retail to meet every day needs.

Demand for snack foods, alcohol, and beverages is typically spontaneous and entertainment- driven—often tied to social gatherings, leisure time, or late-night cravings—making instant delivery particularly appealing. Fresh produce, dairy, and meat products, by contrast, are essential daily necessities that require freshness and timely replenishment, prompting consumers to rely on quick delivery to maintain quality and convenience. Meanwhile, grains, edible oils and soft drinks are heavy and bulky staples that consumers prefer to have delivered directly to their homes, reducing the physical burden of in-store shopping.

Sector Snapshot: Alcohol

China’s on-demand alcohol retail market is experiencing rapid growth, driven by shifting consumer behavior and the convenience of instant delivery. While traditional alcohol sales declined in 2025 due to restrictions on official banquets and consumption among public employees, on-demand platforms emerged as the primary engine of growth. The market, valued at $2.8 billion in 2023, is projected to grow to $8.4–$12.6 billion by 2030, achieving a compound annual growth rate (CAGR) of 10–17

percent. This growth presents significant opportunities for U.S. exporters to expand their presence in China's evolving alcohol market. Key category-level developments include:

- **Explosive Growth in Chinese Traditional Liquor:** Sales of traditional Chinese liquor saw remarkable growth during the 2025 annual 618 mid-year e-commerce promotion, with sales increases of more than 70 times compared to previous periods. This surge was driven by leading liquor brands offering unprecedented discounts through on-demand retail platforms in an effort to revitalize their business amid challenging market conditions.
- **Beer Dominates the Market:** Beer holds the largest share of on-demand alcohol retail in China, driven by its broad consumer base and diverse product offerings. According to Meituan's data, the on-demand retail value of Budweiser China reached $183 million in 2024, while Carlsberg China and Tsingtao Beer recorded $1.41 million each.
- **Brands Lead the Way:** Well-known brands with transparent pricing perform best in this sector. On platforms like Meituan's Waima Liquor and Alibaba's Hema Store, top wine sellers include globally recognized brands such as Penfolds and Lafite, alongside private-label products sourced directly by the platforms. These offerings appeal to consumers seeking reliability and consistency in their purchases.

Key Trends in On-Demand Alcohol Retail

- **The alcohol segment within on-demand retail reflects a polarized market,** with significant growth at both ends of the price spectrum. Alcohol priced below 100 RMB (approximately $14) appeals to price-sensitive consumers, while products above 1,000 RMB (approximately $140) attract affluent buyers who prioritize authenticity, quality, and verified sourcing. Reliable delivery channels and official brand authorization are essential for building trust among high-end consumers. To succeed, brands must cater to both value-driven and premium segments, leveraging tailored strategies to meet diverse consumer needs.
- **Young consumers are driving alcohol sales** in the on-demand retail space, particularly for night-time consumption during social gatherings, casual get-togethers, or at-home relaxation. Their willingness to explore novel and imported products presents a unique opportunity for U.S. exporters to engage with this demographic through interactive marketing and product innovation.
- **Female consumers are reshaping the market** with their preference for fruit-flavored drinks, low-alcohol options, and DIY cocktail kits that emphasize creativity and personalization. These trends have prompted brands to innovate, introducing products that cater to experiential consumption and at-home leisure. U.S. exporters can draw inspiration from these preferences to develop targeted offerings that resonate with this growing segment.

Conclusion

China’s on-demand delivery e-commerce sector has transformed from a niche service into a mainstream driver of retail innovation, reshaping consumer habits and redefining supply chain efficiency. With its ability to deliver products within minutes or hours, this model has become a cornerstone of modern consumption, offering unparalleled convenience and speed. Supported by government policies, technological advancements, and strategic investments from major platforms, the sector continues to expand across city tiers and product categories, creating new opportunities for domestic and international businesses alike.

Despite this growth, traditional brick-and-mortar stores remain relevant for occasions requiring personalized recommendations, tasting experiences, and trusted guidance, such as weddings, formal banquets, and corporate gifting. Economic headwinds and government restrictions on alcohol consumption among government employees further highlight the need for a balanced approach that integrates diversified channels. Combining on-demand retail with in-person tasting opportunities, such as store events or pop-up experiences, could bridge this gap and enhance consumer confidence while maintaining convenience.

For U.S. exporters, on-demand retail represents a dynamic and rapidly growing channel to reach China’s urban, tech-savvy consumers who prioritize quality, trust, and immediacy. The sector’s evolution into lower-tier cities and its integration of diverse product categories—including imported food, beverages, and alcohol—highlight its potential as a key platform for market entry and growth. However, success in this competitive landscape requires tailored strategies that highlights product provenance, health benefits, craftsmanship, or sustainability, delivered through compelling storytelling and visual content. By aligning offerings with evolving consumer preferences and approaching the channel with strategic caution, U.S. exporters can capture sustainable value in China’s on-demand retail market.

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