

Sing Tao Daily - Economic Recession

Title 非常時期施逆襲 Counterattack during critical times

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The pandemic outbreak has shut down many small businesses: some have had to lay off staff, and some have closed for good, but some seized the opportunity to break through. While small businesses in Chinatown are on the edge of survival, among the traditional Chinese restaurants, groceries, and retailers, some managed to break away from the norm and launched “counterattack” during critical times.

### **Online fresh produce retailer breaks away from norm**

Since the pandemic outbreak, data indicated that sales from online fresh produce retailers in U.S. has increased over 9% to a record of \$7.2 billion. It is forecasted the Asian American buying power will reach \$1.6 trillion by 2024.

Established 5 years ago, Weee! broke away from norm, it provides the Asian American community with solution for fresh produce shopping. Today, it has become the biggest Asian fresh produce online retailer in U.S. On August 18<sup>th</sup>, Weee! announced that it has completed C round of funding totaling over \$1,000 million. **(ed note: it just completed a d round of \$315 million)**

Larry Liu is the CEO and cofounder of Weee! He graduated from Shanghai Jiao Tong University and UC Davis, and is the new generation of Chinese. According to Liu, In 2019, Weee! has actualized “2<sup>nd</sup> day delivery” in S.F Bay Area and Seattle, and it expanded to LA in the same year. Within 3 months, it became the first choice of grocery shopping for the Chinese community there.

According to the information provided by its public relation department, Weee! developed its own website front and back ends, WMS, ERP, and driver assignment systems, it also applies machine learning and A.I. algorithm on product recommendation, purchase and logistic. It reduces logistic costs, increases inventory turnover rates, reduces product wastage, and makes prices and services more competitive.

Liu said that in the next 3 years, Weee! will increase the pace of expansion, and delivery areas will include 20 major metropolitans through out U.S. and Canada.

### **Traditional supplier expands to direct group buying**

“Bokchoydeals” has no brick and mortar shop, but with over 2,000 members in five WeChat groups and longtime corporate customers, sales from group buying and direct sales have skyrocketed five-fold.

Bokchoydeals’ owner Wai Ming Ngan said that he has been the supplier for restaurants and supermarkets for 30 years, and business is growing steadily. Early this year, restaurants were closed for a while due to the pandemic, customers were stuck at home under the “Shelter in Place” order, which caused restaurants lost almost 90% of sales.

Ngan said that brick and mortar retail sales gradually diminishing and group buying gains popularity in mainland China inspired him, and he had been planning direct sales model two years ago. “COVID speeded up our paces in online direct sales and group buying.” WeChat groups become the main promotion platform facing the public for Bokchoydeals: 5 smartphones are online daily, with him and other staff members taking care of promotions and replies in 5 WeChat groups.

As direct sales business gained speed, former President Donald Trump ordered to cease dealings with Tencent. Ngan worried the WeChat groups would be affected, and immediately started working on website promotion platform. He and his partners announce daily new items on WeChat groups and website and respond to customer enquires right away.

Ngan understands that Weee!, Ranch 99, and many others have made breakthrough during pandemic through online sales. Ngan, who is a Zhongshan native from China, knows his strengths and weaknesses: he relies on the 30 years’ relationship with suppliers, makes good use of over ten thousand square warehouses’ space and huge cold storage facilities in Bay View district and South San Francisco, and uses the sales pitch “dedicated to provide excellent products at Bokchoydeal’s price.” He said that Cantonese are particularly attentive to their food ingredients, and during pandemic they can’t have gatherings in restaurants, Bokchoydeals provides high quality ingredients that were intended for upscale restaurants in group buying retail prices, which are hard to find in typical supermarkets.

In order to announce latest items on time, he refurbished a corner of his office as a small photo studio. The two flashlights light up the products that are about to hit the market, they also shine the direction for Ngan and his partners.

### **Banquet hall converts to local grocery store**

Online group buying is not for everyone. For residents in Chinatown being constrained by Single Room Occupancy's limitations, receiving parcels could be difficult. Many seniors are also used to pick their produces from the groceries in Chinatown.

After the Chinatown Community Development Center's Free Meal Delivery program ended, the largest Chinese restaurant in Chinatown, New Asia Restaurant, turned into the biggest grocery store in Chinatown.

From restaurant owner to grocery store owner, So Cha Fai said that "right now the priority is survival. When can I go back to my previous profession depends on when the pandemic ends." Compared with the grocery stores along Stockton Street, New Asia Supermarket has bigger space and can satisfy the requirement of social distancing under COVID, it can also provide more product choices for Chinatown residents to experience the convenience of one stop shopping.

So said that "doing business in the community, honesty is the key for long run, we aim to have more sales with minimal profit, and it works for running restaurant and supermarket." Today, Mr. So is not greeting restaurant patrons at the door, but skillfully promoting the latest items on market.