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China Insights Consultancy

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# *From* **TRADITION** *To* **PROSPERITY**

*Market Analysis of China's Fried Skewers Industry*

*Jerry Liu*

*03-Dec-2023*

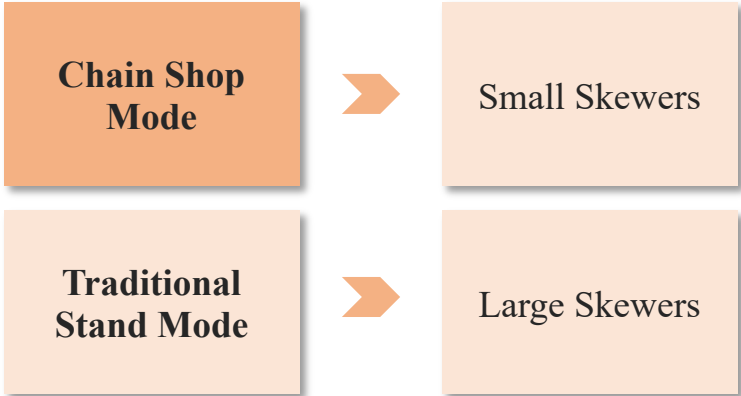
# Introduction of China's Fried Skewers Industry

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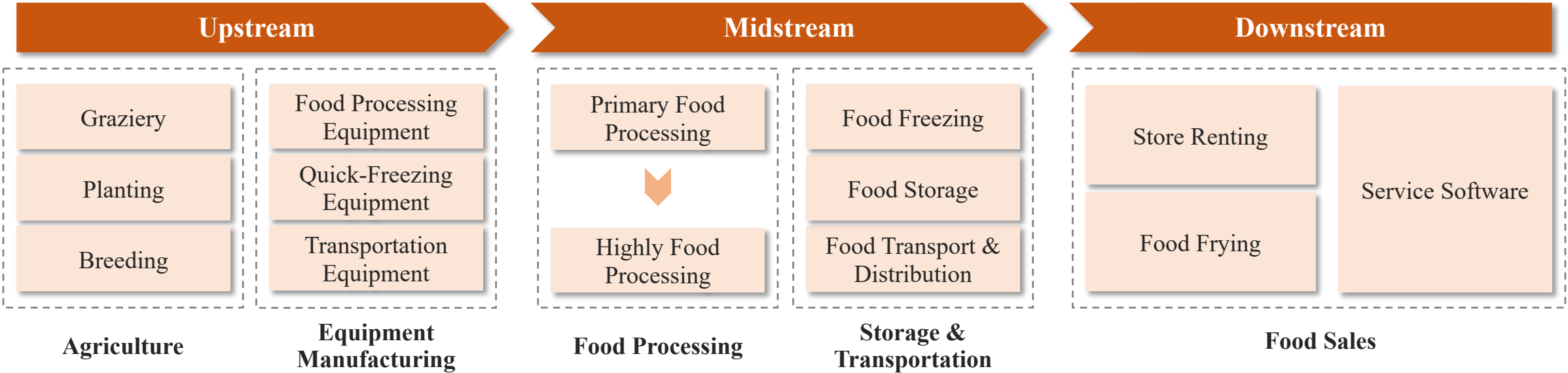
## Core Definition of Fried Skewers

	Fried Skewers 炸串	Barbecue 烧烤	ChuanChuanXiang 串串香
Cooking Method	Fried	Roasted	Boiled
Mouthfeel	Crisp	Chewy	Soft
Product Form	Skewered	Skewered or Whole Food	Skewered

## Sales Modes & Product Category



## Structure of the Industrial Chain

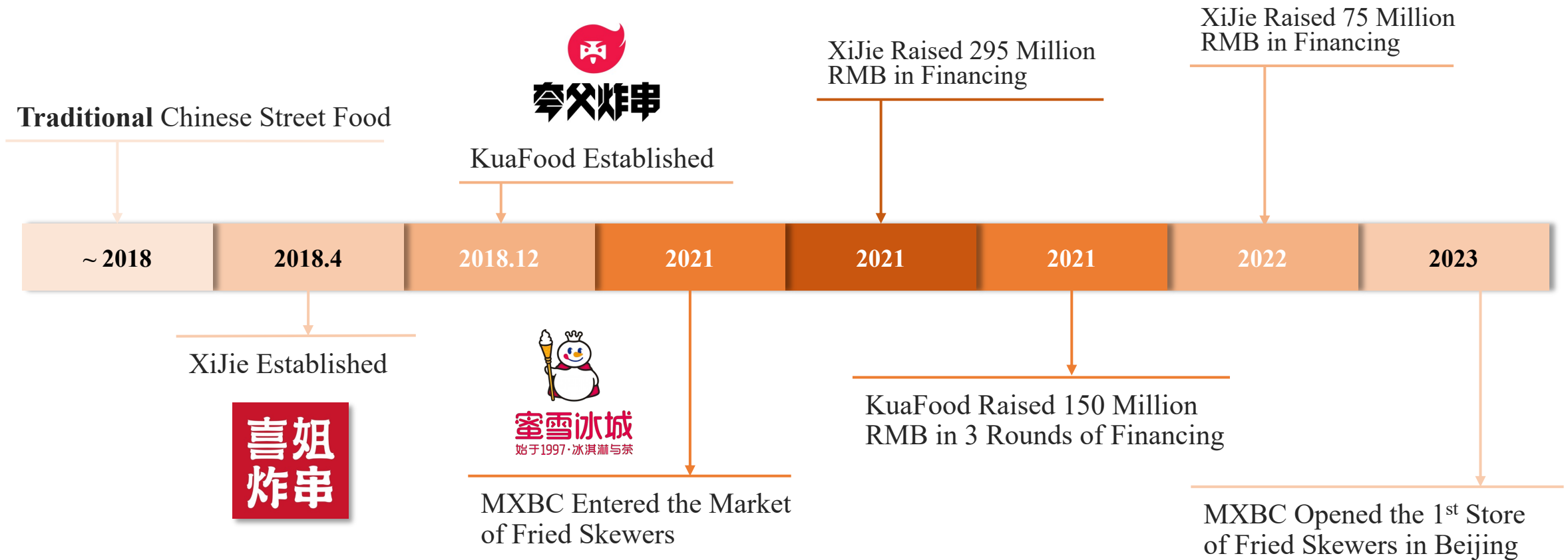


# History of China's Fried Skewers Industry Development

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## Milestones of China's Fried Skewers Industry

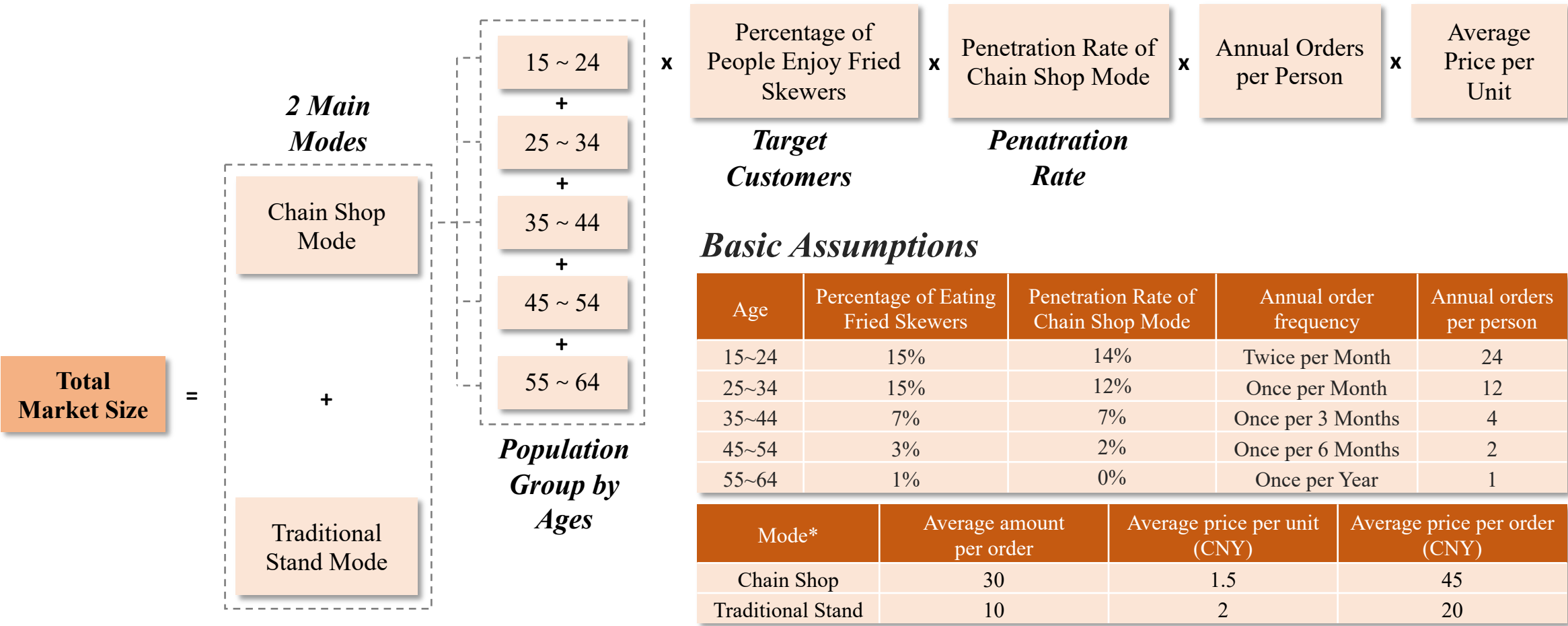


*\*Notes: KuaFood represents “夸父炸串” and XiJie represents “喜姐炸串”*

# Market Sizing Methodology

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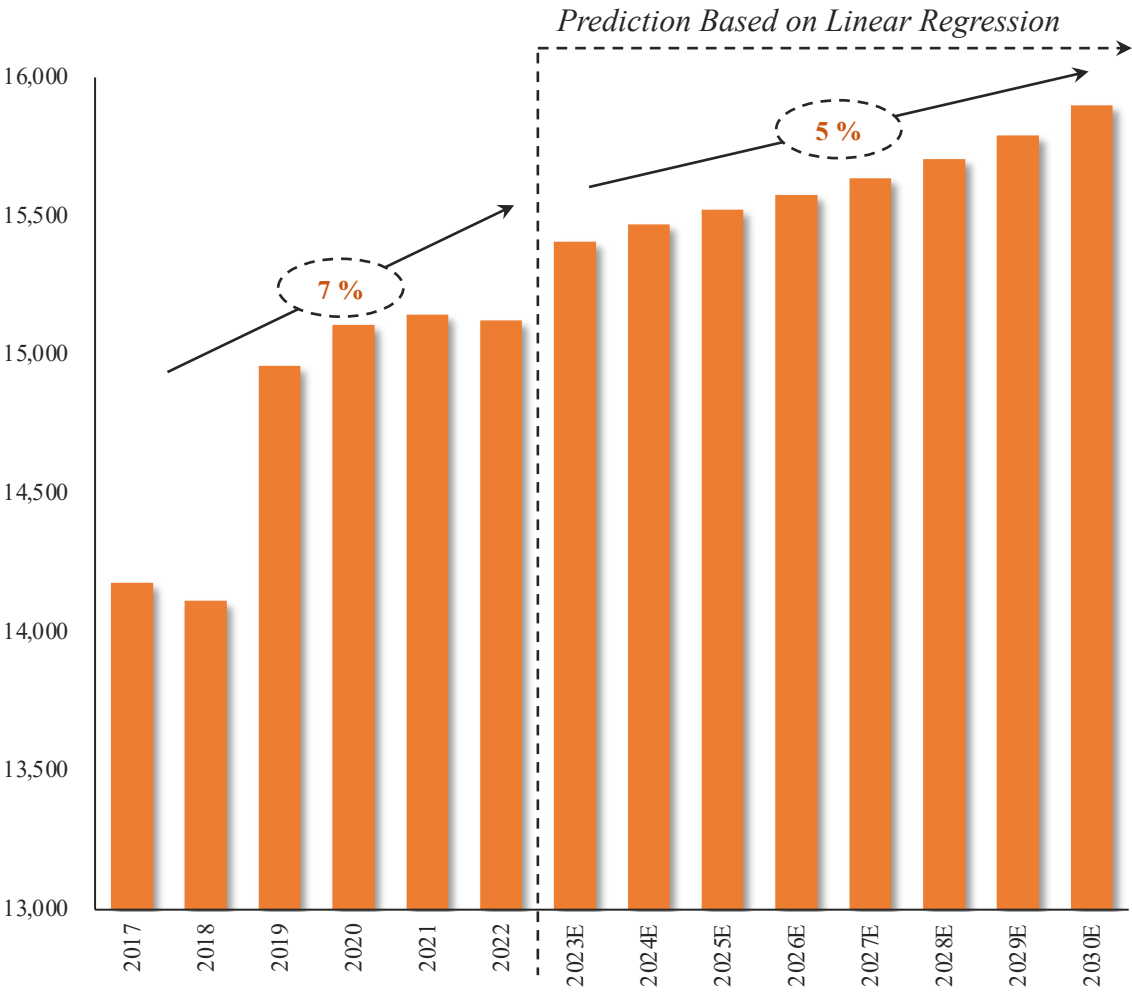
## Market Sizing Structure and Assumptions



# Market Size Forecast

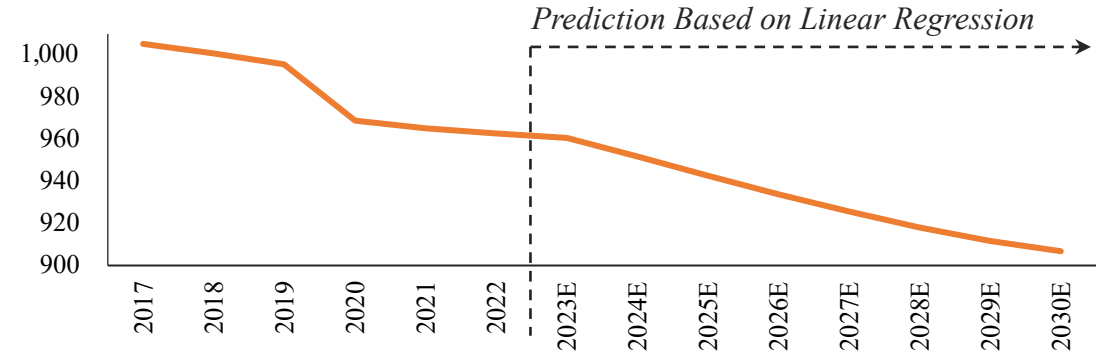
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## Market Size in Time Series (CNY, in Million)



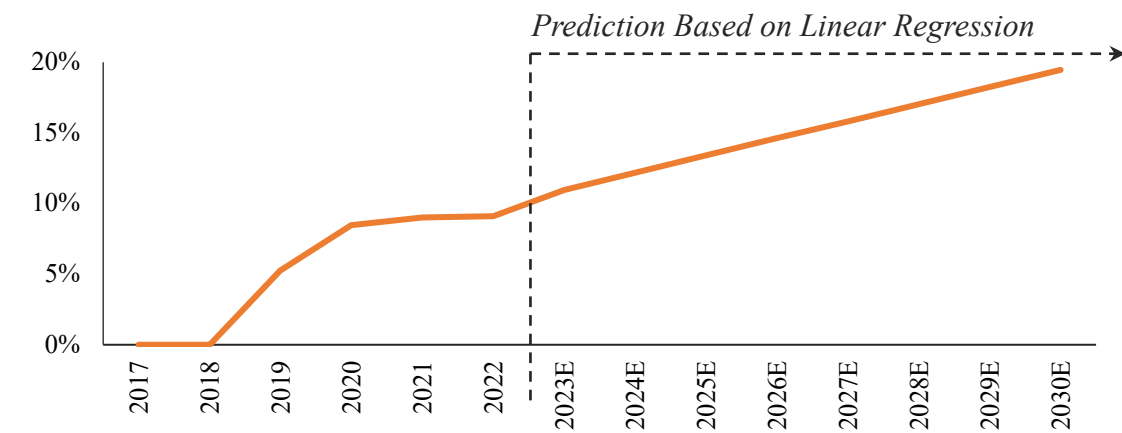
## Key Variables

### Population aged 15-64 (in Million)



Source: National Bureau of Statistics

### Fraction of Stores Owned by Company\*



Source: TianYanCha.com

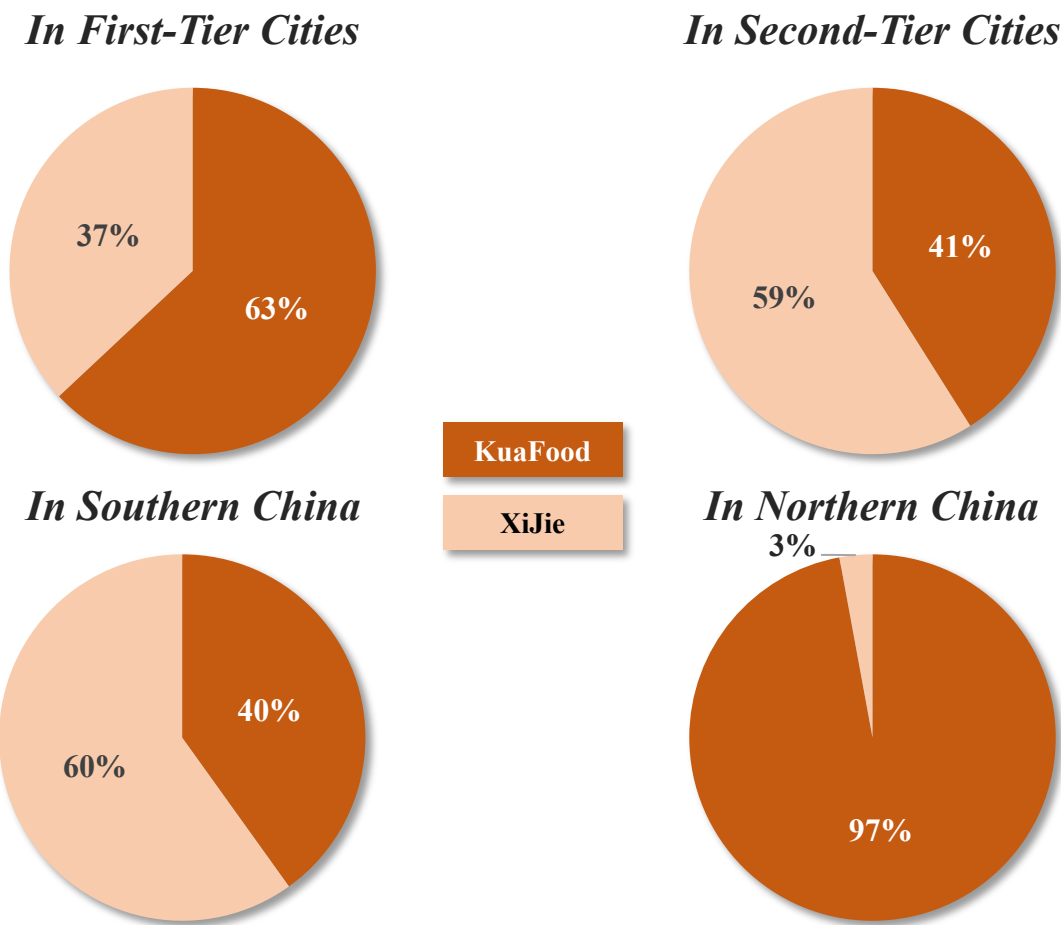
*\*Notes: Fraction of Stores Owned by Company is regarded as Percentage of people choose Chain Shop Mode approximately.*



# Competition Analysis

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## Market Shares in the Duopoly Market



## Comparison of Different Companies

Dimensions	KuaFood 夸父炸串	XiJie 喜姐炸串	MXBC 蜜雪冰城
Target Cities	Prefer First-Tier City	Prefer Second-Tier City	Zhengzhou Beijing
Target Territory	Northern China	Southern China	Not Specified
Competitive Advantages	Digital System	Scale Effect Financing	Umbrella-Brand Strategy*
Average Price per Unit	1~2	1~2	0.5~1
Amount of Stores (in 1st and 2nd Tier Cities)	895	895	3

Source: Dianping.com

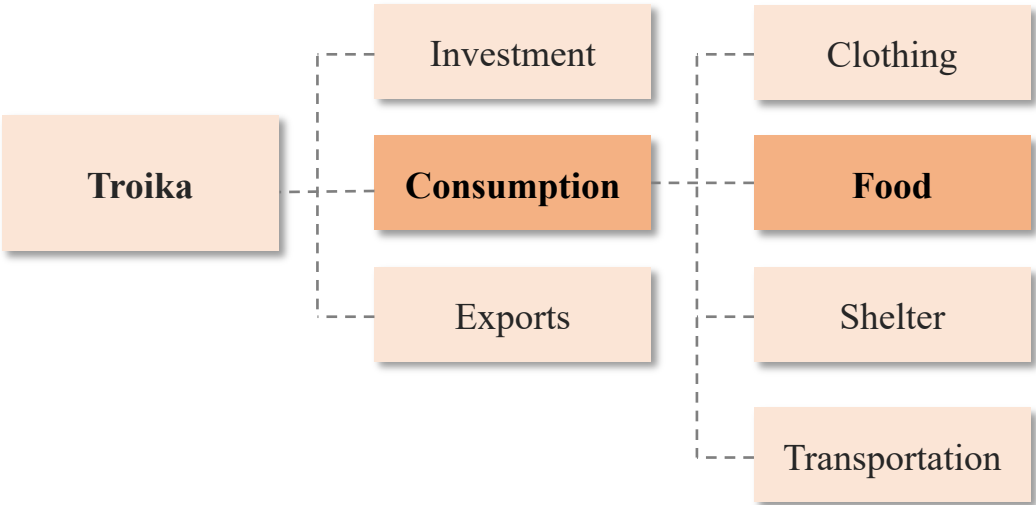
Source: Dianping.com

*\*Notes: The advantage of the umbrella-brand strategy is it can give full play to the effect of famous brands, which is conducive to the expansion of products to different markets.*






# Market Driver Analysis

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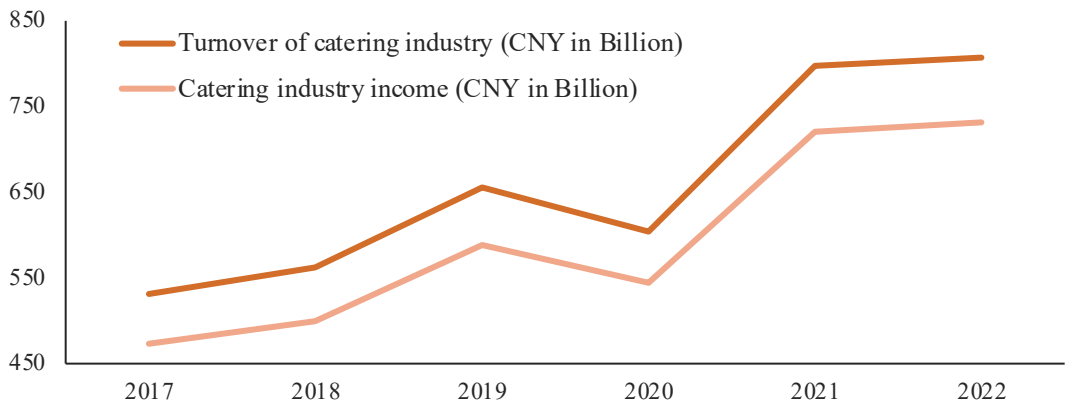
## Macro Perspective



## Micro Perspective

	<b>Barriers to Entry</b>	Low cost input in China's Fried Skewers market
	<b>Product Differentiation</b>	The difference of products between competitors are tiny
	<b>Margin Advantage</b>	With the help of Digital Systems, company can reduce the cost
	<b>Potential Market</b>	China's sinking market is vast, but lower price would be crucial
	<b>Dominant Market Share</b>	The market is a duopoly now, but the customer stickiness is low

## Revenue in Catering industry



Source: National Bureau of Statistics

# Development Direction & Investment Advice

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## Environmental, Social, and Governance

### Self-Sufficient Food Cart



### Waste Cooking Oil

**3 Liter**

Source: Ogilvy

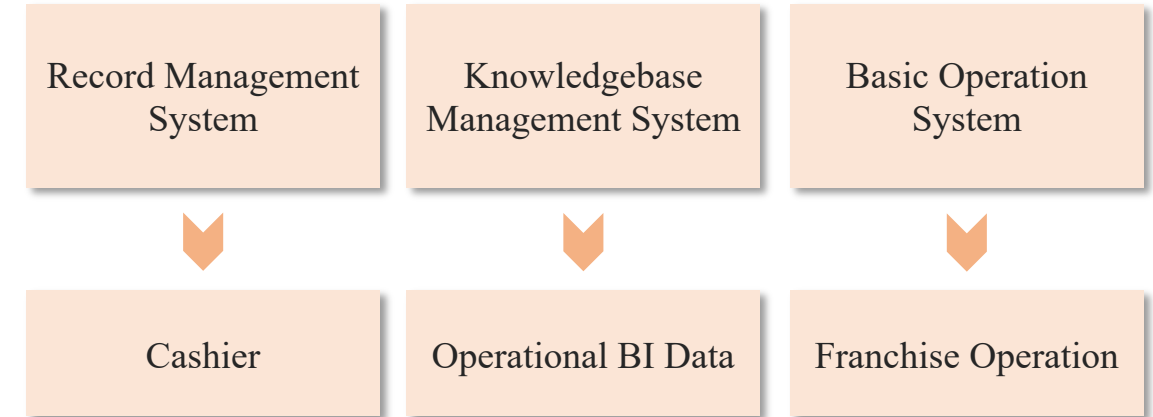
### Electric Power

**11 Hours**



## Technology & Digital Transformation

### KuaFood Digitalization System



Source: KuaFood Official Website

### Investment Advice

- The market still has the potential to expand. KuaFood and XiJie are recommended for strong market power. KuaFood is highly favored for its digital transformation.

### Risk Warning

- People's pursuit of a healthy lifestyle;
- The trend of an aging population;
- A decline in consumption due to the recession.

*\*Notes: Investment Advice is merely private opinions and not on behalf of any institution's advice.*





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# THANKS

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## Appendix: References

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*\*Notes: For more information, please refer to the documents submitted together with this file.*