



Australia's Chinese personal shoppers about more than baby formula

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Personal shoppers - or Daigou in China - are now big business in Australia. The Daigou trade with China is worth \$1 billion a year, and it's about much more than baby formula.

KUMI TAGUCHI, PRESENTER: If you are trying to buy baby formula, you would probably know about the problem caused by the demand for this product in China, which has literally been clearing shelves here.

It doesn't just stop at tins of infant food. Beauty products, supplements, even organic food are all being brought here in Australia and shipped off to buyers desperate for quality, genuine products.

It's big money for those personal shoppers, called 'Daigou' in Chinese. And for Australian businesses, it's estimated to be worth \$1 billion.

Now there are plans to regulate the buying frenzy.

Michael Vincent reports.

(Footage of Cici He driving to a grocery store, talking on smart phone as she enters)

MICHAEL VINCENT, REPORTER: Cici He may look like any regular shopper, but all of this food will be personally packed and sent to clients in China at a handy profit.

CICI HE, DAIGOU SHOPPER: I would like to do this to introduce more good products in Australia, more good brands in Australia to show the Chinese.

MICHAEL VINCENT: For example, all of the food products you want to sell back to China now?

CICI HE: Like the oil we are purchasing: we sell a lot to China right now.

MICHAEL VINCENT: But a lot of organic food?

CICI HE: Oh, yes. Organic food is very famous in China.

MICHAEL VINCENT: Now she's into a whole range of Australian goods. But her business began sharing baby products with other mums in China.

CICI HE: At the beginning we start with the baby formula, because baby formula is very famous in China and everyone thinks Australian baby formula is the best.

MICHAEL VINCENT: A poisoning scare involving Chinese baby formula 10 years ago has driven demand for safe Australian baby formula in ever-increasing amounts.

PRESENTER (Channel Nine News, archive): Perth is experiencing a chronic shortage of infant formula.

PRESENTER (Today, Channel Seven, archive): Many consumers are angry that the supermarkets are

MICHAEL VINCENT: But that has led to shelf clearing in some supermarkets and chemists, because of the Chinese practice of shopping on behalf of other people, called 'Daigou'.

(Smart phone footage of people at supermarket queue)

UNIDENTIFIED PERSON (off-camera): But they are just doing the rounds. They are going through checkout and coming back all over again.

UNIDENTIFIED SHOPPER 1: You can't take video of me.

UNIDENTIFIED SHOPPER 2: You don't have my permission, all right?

MICHAEL VINCENT: Delrissa Marciano is just one mum who has found it harder to get what she needs for her son when Daigou are buying in bulk.

DELRISSA MARCIANO: The guy that was there was just racking up so much formula. It was six cans of Bellamy's, six cans of A2 and four cans of Karicare.

I feel incredibly frustrated just because we have to go through this process when we shouldn't have. Like, formula should just be available at our local chemist, at our local supermarket.

MATTHEW MCDUGALL, DR, AUSTRALIA-CHINA DAIGOU ASSN.: If you turned to current affairs or some of the TV shows, everything you saw was negative. And it seemed to be an unfair characterisation in my mind.

We have got around 70 products on the marketplace now.

MICHAEL VINCENT: Matthew McDougal is a Mandarin-speaking Australian entrepreneur who wants to improve the image of these personal shoppers.

(To Matthew McDougall) What is the obsession, then, with milk powder and baby formula?

MATTHEW MCDUGALL: Well, you have got to think: when a Daigou can make between \$5 and \$10 per-tin profit, it's really understandable why Daigou get into this business.

MICHAEL VINCENT: He is now hoping his association can help regulate practices to keep all sides happy, because the money at stake for Australian business is phenomenal.

MATTHEW MCDUGALL: Oh, we are talking about \$1 billion in cross-border trade: I would be suggesting in the tens of thousands a week.

(Footage of store)

MICHAEL VINCENT: Welcome to a new shop, designed just for Daigou.

(Footage of ribbon-cutting ceremony at store. Staff and customers applaud)

MICHAEL VINCENT: AuMake has burst onto the scene in Sydney. It's a one-stop shop, specifically for Daigou to source, pack and send products to China, instead of going to regular chemists or supermarkets.

KEONG CHAN, AUMAKE: This is our eighth store and we're going to nine in the next month or two.

MICHAEL VINCENT: says meeting the demands of Daigou is key to ensuring Australians continue to get products they need at their local stores.

KEONG CHAN: So what has been happening is that the suppliers: they never knew it was going to be like this.

And really, you are talking about the Chinese market. You are talking about the population of Australia in one city.

And how is it possible for an Australian supplier to supply 100 Australians - if you want to think about it in that context? Because that is what we are talking about and that is why you are finding demand and supply being out of whack.

MICHAEL VINCENT: Big Australian brands have taken notice.

TIM SCOTCHER, BLACKMORES: A lot of our products have been carried in the suitcases, literally, out of the country for some time now. I think the more we understand it, the more we work with it, the more we can then ensure that we then can continue to supply all mums, including obviously our mums in China and our Daigou network, but of course, critically for us is maintaining our supply for Australian mums.

(Footage of women speaking on mobile phones)

MICHAEL VINCENT: At this store opening are lots of women live-streaming on their phones to clients back in China.

TIM SCOTCHER: The Daigou network can have up to 10,000 or more followers.

(Footage of women speaking on mobile phones, themselves photographed by journalists and photographers)

MICHAEL VINCENT: Meet the influencers.

DAIGOU 'INFLUENCER': Twelve thousand, four hundred and twenty-five - er, 28!

MICHAEL VINCENT: Twelve-and-a-half thousand people are following you at the moment?

DAIGOU 'INFLUENCER': Yes, yes.

MICHAEL VINCENT: That is a lot of people.

DAIGOU 'INFLUENCER' (laughs): No, it is not a lot of people. Maybe it is a lot here, because the Chinese time is morning.

MICHAEL VINCENT: Later today it will be more?

DAIGOU 'INFLUENCER': Yeah, yeah. Yeah, some people are still sleeping. I call them: "Wake up, wake up! Look at my show!"

MICHAEL VINCENT: With access to thousands of followers, the Daigou influencers are driving Chinese consumer demand well beyond baby products. Even small players are trying to get a foothold in China, using these new networks.

Melbourne mum Renee Moore founded her own brand of cosmetics. She says it's a big risk launching her products into an unknown market, but Daigou shoppers provide vital marketing data for her business.

RENEE MOORE: So you know, you have got to know your feedback, your customer feedback and know if the product is right to be positioned in that market before you start spending tens of thousands or hundreds of thousands of dollars.

MICHAEL VINCENT: The practice of personal shoppers buying Australian goods and sending them to China is not stopping any time soon. And for some Chinese, money is not a problem.

KEONG CHAN: They have been to New York. They have been to London. They have been to Japan. They have travelled the world. Money is not an issue for them. It is about quality, about getting something genuine that they can trust. They will pay whatever it takes to get that product, because they can afford to.

MICHAEL VINCENT: Australian mums still fear they may be missing out.

DELRISSE MARCIANO: I just want Australian families to be given the opportunity to actually buy food for their children and not have to go through the stress of trying to find formula.

KUMI TAGUCHI: Michael Vincent reporting.

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