

SE **Business**
HD **Australia Post pushes the envelope in China trade**

BY Christine Long

WC 796 words

PD 28 July 2014

SN The Age

SC AGEE

ED First

PG 26

LA English

CY © 2014 Copyright John Fairfax Holdings Limited.

LP

MY SMALL **BUSINESS**

Got your eye on exporting to **China**? A new tie-in between Australia Post and Alibaba **Group's** third-party platform, Tmall Global, can offer small businesses an easy way to dip a toe in the water.

TD

Currently, the **group's** Tmall.com platform carries stores for Australian brands, such as Penfolds wines, Bellamy's Organic baby food and JeansWest clothing, with in-country **operations**.

What this new tie-in offers is a way to sell directly to **Chinese** consumers without having a **Chinese** entity, according to an Alibaba spokeswoman. "They wouldn't need to have stock in **China**. They wouldn't need to have local staff, for example. They can do everything from within Australia."

"They should probably still have some **Chinese**-speaking staff within Australia but they don't need to have them on the ground in **China**."

The new development is ideally suited to businesses that have a strong "made in Australia affiliation" but are not necessarily a well-known **brand** in the **Chinese** market.

An Australia Post spokeswoman says the types of products under consideration for **sale** via its Tmall Global store include food, clothing, footwear, health supplements, baby and maternity wear, skincare products, ornaments and stamps.

The lure of the **Chinese** market is already showing up in trade statistics. Australia's goods and services exports to **China** exceeded \$100 **billion** for the first time in 2013, according to Australian Bureau of Statistics figures released in May.

And when Austrade surveyed 1600 businesses about their export intentions this year, 74 per cent were planning to expand into two or more markets in the next two years and **China** was among the top three.

But exporting to **China** takes plenty of homework and cultural awareness. A lack of information about local culture, **business** practices and local regulations were the most frequently reported barriers, according to the Austrade survey.

Aromababy, natural and organic baby skincare products, made its first foray into Asia two decades ago, exporting to South Korea.

It's only more recently that its strong presence in **Hong Kong** has opened the door to the **Chinese** market.

"We've got quite a long relationship with major retailers in **Hong Kong** such as Mothercare and some of the other major players in the nursery industry," says founder Catherine Cervasio. "I think it was just

through them seeing our products in the **Hong Kong** market over the last decade that they approached us."

But doing **business** with **China** is a different ball game. "Even though Shanghai, for example, is a buzzing international hub it's not like **Hong Kong**. It's more **Chinese**."

"In fact, often when I'm travelling there I'm the only Caucasian person, let alone a woman." **Business** meetings often involve elaborate dinners, with numerous toasts.

Her advice for others? "It's important to choose a distribution partner that suits your **business** ethos and longer-term goals rather than choosing the **company** that promises the most pay or promises volume."

She suggests accessing information provided by Austrade and the Export Council. "Really do your homework and learn about the market and look at it as something that's an adjunct to your **business**, not a means to a quick growth strategy."

"If you learn a little bit about their country and their culture and a few words of the local language it can really be a lovely way to interact with them rather than just going there and trying to sell product."

Scott Longbottom is the owner of Farmer's Leap, a family winery in Padthaway, South Australia, that has been exporting to **China** since 2008.

What's made it work for them? Face time. "The key ingredient for success is to physically go to **China**," he says. "More than once."

"For us making those trips over in the early days to understand culture and how people work in **China** was incredibly beneficial. We also hired an external consultant who's been doing **business** in **China** for 30 years."

Not that it's been entirely easy. They didn't have the **brand** clout of a Penfolds or a Henschke and **Chinese** legislation proved a time-consuming hurdle.

"While the central government legislates how **wine** can be imported, each province can have quite different interpretation of how this legislation should be enacted," Longbottom says.

"Fortunately, people identified we're a genuine family who care about the **wine**; **Chinese** consumers are really wary of fakes and will go to lengths to verify a story."

Some **gold** medals at the **Hong Kong Wine** Show helped, too. "We've since gone on to build an almost cult-like following in certain pockets of **China**," Longbottom says.

CO	auspst : Australia Post
IN	i7901 : Postal Service icargo : Freight/Cargo Transport itsp : Transportation/Shipping
RE	china : China austr : Australia hkong : Hong Kong apacz : Asia Pacific asiaz : Asia ausnz : Australia/Oceania bric : BRIC Countries chinaz : Greater China devgcoz : Emerging Market Countries dvpcoz : Developing Economies easiaz : Eastern Asia
PUB	Fairfax Media Management Pty Limited
AN	Document AGEE000020140727ea7s0002l