

Monday 5 March 2018

## **AUMAKE LAUNCHES EXPERIENTIAL DAIGOU RETAIL MODEL FOR AUSTRALIAN SUPPLIERS TO CONNECT TO CHINA**

### **Highlights**

- Australian-first experiential retail model for the Chinese market with the opening of 'Daigou Hub' and 'Warehouse Showroom' in Sydney
- Combines state-of-the-art technology with face-to-face interaction for Australian suppliers to engage directly with Chinese consumers
- Retail model developed in consultation with industry and follows recent developments in Chinese market
- AuMake's retail model to be replicated across other capital cities

ASX-listed Australian retailer, AuMake International Limited (AuMake), has today announced another Australian first, with the launch of two experiential daigou and Chinese tourist retail offerings that combine state-of-the-art technology with face-to-face supplier interaction. The innovative new retail concepts, which include a first-of-a-kind 'Daigou Hub' and a 'Warehouse Showroom', form part of the company's strategy to provide multiple channels for Australian suppliers to connect directly with Chinese consumers, via the influential daigou and Chinese tourist markets.

### **Daigou Hub**

The 430 sqm purpose built 'Daigou Hub', which opens on Thursday 8 March, is set in the heart of Sydney's Chinatown. Daigou Hub has been carefully designed to encourage daigou and other visitors, including suppliers, to stay and socialise or work. It includes a presentation space for supplier demonstrations, cafeteria and children's play area, several product display locations and an area specifically designed for daigou to live stream their interaction with Australian suppliers to millions of their customers back in China.

Commenting on the announcement, AuMake's Chairman Keong Chan: "This leading edge initiative has been developed following extensive industry consultation with suppliers and daigou, and closely follows recent developments in the retail market in China, which has seen a move away from a pure online marketing model to an omnichannel model which combines engaging offline experiences for customers, coupled with advanced online functionality," said Mr Chan.

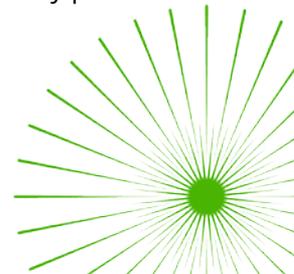
"Livestreaming for instance, is fast becoming a key component of the decision making for consumers in China when they look at the brands and products they are going to purchase. Being able to see, in real time, suppliers demonstrating their Australian product and interacting with their trusted daigou is the next evolution of their increasing desire to understand the origins of the product they are purchasing," he said.

### **Auburn Warehouse Showroom**

A state-of-the-art showroom facility, opened Friday 2 March, at AuMake's headquarters, has been developed to cater specifically for high value Chinese tour groups and large scale daigou. The showroom provides facilities to view and purchase new products and brands, with regular demonstrations by Australian suppliers.

"Visitors can participate in a tour of the expansive warehouse and safely observe the production of UGG Aus /Jumbuck wool products from the public viewing area; that's something that's very appealing to Chinese tourists, it's all about immersing themselves in the experience while they are here and reinforces the authenticity of the product they are purchasing," said Mr Chan.

"The Auburn showroom will also provide centralised and VIP services to large scale daigou who typically purchase in excess of \$15,000 in product per week," he said.



## AuMake's retail model aims to create cut-through for Australian brands to connect with China

"AuMake's retail model is setting a new benchmark for daigou retail marketing in Australia. We are aiming to address the fundamental issue of how to effectively introduce new Australian brands and products to the Chinese market."

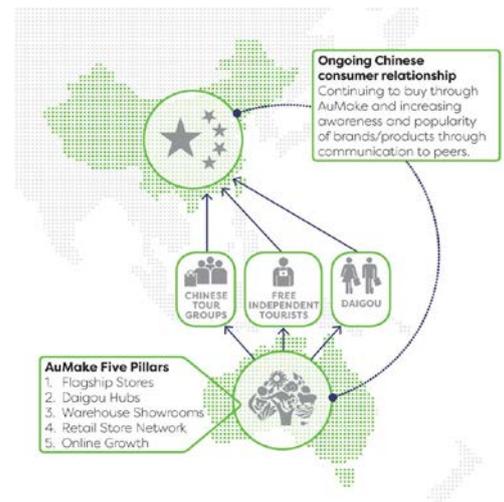
"This model provides an avenue for Australian suppliers to meet the marketing expectations of daigou and Chinese tourists that have progressed significantly from simply putting new brands and products on shelves, that strategy is no longer effective if you're trying to connect with Chinese consumers," Mr Chan said.

AuMake's retail model consists of a five pillar strategy to service key customer segments that directly influence the popularity of Australian products in the Chinese market.

"The opening of the Haymarket Daigou Hub this week is an important milestone in the evolution of AuMake, as it marks the first time that all five pillars will be in operation. The Company will continue to expand in Sydney and replicate the new retail model in capital cities across Australia," Mr Chan said.

## AuMake's five pillar strategy

- **Pillar 1 Flagship Stores:** Service Free Independent Tourists (FIT). Chinese tourists who are typically of a younger generation with high incomes and significant appetite to experience and purchase new products which attract higher profit margins. Flagship stores will be located in high traffic CBD areas.
- **Pillar 2 Daigou Hubs:** Daigou Hubs combine leading edge technology with face-to-face interaction for Australian suppliers to engage directly with daigou.
- **Pillar 3 Warehouse Showrooms:** Service Chinese tour groups and VIP daigou who typically purchase products in bulk and benefit from interactive programs such as observing the production of products and warehouse tours.
- **Pillar 4 Retail Store Network:** Service daigou and Chinese tourists in their local Australian Chinese communities to provide convenience and on-the ground support to other AuMake pillars.
- **Pillar 5 Online Growth:** Leveraging instore foot traffic, provides AuMake with significant growth potential through repeat purchasing from Chinese tourists/daigou once they return home, boosting WeChat sales growth.



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## MEDIA ARE INVITED TO THE LAUNCH OF AUSTRALIA'S FIRST DAIGOU HUB

**When:** From 10.45am, Thursday 8 March 2018

**Where:** Level 1, 209 Thomas Street, Haymarket

**What:** Over 50 Australian suppliers and 150 daigou will be in attendance at the official opening and to tour Australia's first daigou hub. Interviews will be available with AuMake Chairman Keong Chan and Managing Director Joshua Zhou, daigou and suppliers. Media spokespeople from Blackmores, Aromababy and WW Souvenirs Gifts and Homewares will be in attendance.

## MEDIA ENQUIRIES AND TO RSVP EVENT ATTENDANCE

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