

# CANVAS8



*Can collaborative consumption beat price discrimination?*  
Daniel Foster, Creative Commons (2014) ©

CASE STUDY 22 Sep 14

## SHOPANDBOX: GET A LOCAL PRICE FROM ANYWHERE IN THE WORLD

Australian shoppers pay up to 35% more than their international counterparts for items from retailers like Topshop, Gap and IKEA. In response, ShopandBox gives the power back to consumers. But do people really want the hassle of dealing with a third party when ordering online?

Location **Australia**

### Scope

While the global online marketplace has undergone significant innovation and transformation over the last decade, it's still plagued by two key issues; price discrimination and product availability. [1] ShopandBox claims to solve both these issues simultaneously by allowing customers to shop from literally any online or brick-and-mortar store across nine countries, choosing exactly what they want to buy and how much they want to pay for it.

With a focus on the frustrated Australian consumer who is subject to arbitrarily higher prices at the hands of international retailers, ShopandBox hopes to alleviate the high costs associated with Australian commerce by placing the power back to consumers, and connecting the world at the same time. But do people really want the added hassle of dealing with a third party when ordering online?

----

With an upbringing that saw him regularly travel between the UK, Malaysia, Australia and Singapore, founder Xin-Lung Tai became increasingly frustrated at variation in product availability between countries and the vastly different price-points the same items can demand in different locations. [2] Coupled with the high cost of living in Australia, Tai saw the chance to alleviate consumer frustration by connecting shoppers around the world and shifting the power back to the hands of consumers. [3]

Essentially a modified peer-to-peer shopping service, ShopandBox allows anyone to 'shop like a local' by letting them buy items that are either unavailable in their home country or considerably more expensive there than elsewhere in the world. This is achieved through the assistance of in-country personal shoppers, or Boxers, who are matched with customers and assist with research, purchasing and delivery of each order. [1]

“

*Transparency is definitely our central value. We're there to stop any funny business that may occur, and pre-certify all the Boxers to ensure a transparent and seamless shopping experience*

*Xin-Lung Tai, founder of ShopandBox*

“We've got a great deal with DHL, and can now offer shipping savings of up to 70% in comparison national postal services,” says Tai. “This means that we can offer even better service to our customers and get their purchases to them as quick as possible.” [3] In addition to the items ordered and shipping costs, shoppers are required to pay a small service fee reflecting the cost of the item ordered (around 10-14%) which is then split between ShopandBox and the Boxer. [2]

Transparency is the number one priority of the brand, and everything from the pricing of items, communication between shoppers and Boxers and even the service fees is visible to all parties on a centralised message board on the ShopandBox website. [2] “Transparency is definitely our central value,” says Tai. “We connect you to the Boxer, who then goes on to deal with you directly, helping with research, purchasing, consolidation and shipping. We're there to stop any funny business that may occur, and pre-certify all the Boxers to ensure a transparent and seamless shopping experience.” [3]



Savvy Australians often use UK websites to get a better deal, but retailers are wising up  
MIKI Yoshihito, Creative Commons (2010) ©

### Context

The population of Australia and Asian nations like Singapore definitely plays a factor in limitations on stock availability. With less customers to sell to, many brands find the consumer market too small to feasibly expand south of the equator. [3] This results in high-density countries often receiving stock that their lower populated neighbours won't ever see.

"The Nexus phone was a huge win for us," says Tai. "You could only buy the phone in a Google store, so while customers in Japan could head down to the store to pick one up, customers in Singapore and Malaysia were simply unable to get their hands on one. Through ShopandBox we were able to connect these different consumers and ship the phones to them often within a 24 hour turnaround." [3]

“

*While customers in Japan could head down to the store to pick [a Nexus] up, customers in Singapore and Malaysia were simply unable to get their hands on one*

*Xin-Lang Tai, founder of ShopandBox*

And the launch of the iPhone 6 is set to be another big hit for the start-up, with China banning the new smartphone over concerns regarding privacy. [4] Whilst thousands of consumers line up ahead of any Apple launch, the release in Australia drew a slightly savvier crowd, with many individuals purchasing extra phones to sell over eBay at inflated prices, essentially rendering their personal purchase free. [5]

One buyer, 15-year-old Frank Dixon, was offered an additional \$800 AUD by punters further back in the queue in return for the latest handset. "My dad and I were popping out to get some food and were asked loads of times by Chinese individuals in the queue behind us if we would buy them extra phones for their family back home," says Dixon. "The phone retails for \$1,200 AUD and they offered me \$2,000 AUD for any additional handset." [5]

But the situation with price discrepancy does seem somewhat more sinister. While the Australian consumer has welcomed the influx of international brands, many are outraged to learn that the exact same items are considerably cheaper in other outlets. In a survey conducted by Fairfax Media, it was found that Australian shoppers are paying up to 35% more than their counterparts for produce from international retailers like Topshop, Gap, ASOS and IKEA. [6]

Savvy shoppers often head to the UK counterpart website to take advantage of discounts available, but more and more brands are employing geo-blocking software and forcing customers to shop from a dedicated Australian site where prices are higher. [6] "Large companies do this to ensure Australian shoppers pay a great deal more than consumers in the US and Britain," says Choice spokesperson Tom Godfrey. [6]

“ *Large companies do this to ensure Australian shoppers pay a great deal more than consumers in the US and Britain*

*Tom Godfrey, Choice spokesperson*

Regardless of whether these price discrepancies are a result of real financial pressures on international brands or a simple attempt to take advantage in a country where consumers have begrudgingly come to accept higher prices, it's clear that Australians are craving ways to overcome the high cost of living.

Aussie consumers are avid users of e-commerce, with online sales growing at 20-30% annually since 2009. [7] Coupled with a no-tax threshold of a sizeable \$1,000 AUD on imported goods, customers can order from elsewhere with fewer downsides. [6] In fact, over 70% of Australians who shop online do so from overseas websites. [7]



Australian shoppers are often frustrated by how high prices are compared to other countries  
Victoriano Izquierdo (2012) ©

### Insights and opportunities

ShopandBox works within the hugely popular framework of the 'sharing economy' – peer-to-peer platforms that link consumers to one another and promote a sharing between neighbours and communities, as we move towards 'access' instead of ownership. [8][9] It developed from an attempt to scrimp and save, making use of every possible source of income – but collaborative consumption has now grown and morphed into a huge marketplace with a global worth estimated at over \$26 billion worldwide. [10]

Melbourne is the home of Australia's sharing economy, boasting a huge variety of schemes from space and food sharing to ParkatmyHouse, an initiative that lets people rent out their driveway to weary commuters. [8][11] Melbourne City Council has embraced the trend by developing new initiatives that encourage citizens to share resources between neighbours. [8]

“ *Consumers don't want to be stuck in one market, they want to be able to do their own research and make their own decisions*

*Xin-Lung Tai, founder of ShopandBox*

"I believe the collaborative revolution that's happening will be as big as the industrial revolution," says sharing economy specialist Rachel Botsman. "We used to swap, we used to trade, we used to rent and we used to barter. Now these village squares, though technology, are becoming

like a global village. It's much easier for these behaviours to exist on a scale that's never existed before." [9]

Whilst the colonisation process left Australia distant, it appears that through collective consumption schemes these outposts are reconnecting, morphing into a global community connected through the internet. And with Australian shoppers becoming increasingly frustrated as international brands seem to be taking them for a financial ride, it's likely that they'll welcome the transparency and personal interaction required when shopping with ShopandBox.

"You could definitely say that the world is becoming a global village," says Tai. "Consumers don't want to be stuck in one market, they want to be able to do their own research and make their own decisions. They don't want to be limited by traditional international boundaries." [3]

[shopandbox.com](http://shopandbox.com)

**Skye-Maree Dixon** is a trend analyst with a background in social psychology. She splits her time between London and her home town of Melbourne, Australia, consulting on consumer engagement and strategy for clients who include Melbourne School of Fashion, Musq Cosmetics and Fairley Jewellery.

#### Related behaviour

[Collaborative Living](#): Connected communities creating change.

[Informed Consumerism](#): Wanting to know more about what you're consuming.

[Inside Track](#): Being in the know and ahead of the crowd.

#### Sources

1. '[This startup allows you to buy anything from a cross 9 countries at a far cheaper price](#)', Tech in Asia (August 2014)
2. '[Shopandbox allows you to shop anytime, anywhere around the globe without limits](#)', Singapore Business Review (August 2014)
3. Interview with Xin-Lung Tai conducted by author
4. '[Apple's iPhone6 debut in China delayed by regulators](#)', *Financial Times* (September 2014)
5. Interview with Frank Dixon conducted by author
6. '[Australian shoppers get stung by international retailers charging higher prices](#)', *The Sydney Morning Herald* (February 2014)
7. '[Three out of four internet users shop online](#)', Australian Bureau of Statistics (February 2014)
8. '[The sharing economy](#)', *The Age* (March 2014)
9. '[Airbnb, Uber proving a hit as Australians turn to 'sharing economy' to make extra money](#)', ABC News (August 2014)
10. '[Rent your digs, your Dior and your dog](#)', Canvas8 (May 2014)
11. '[Sharing economy booming in Australia](#)', *The Straits Times* (July 2014)

