



## Why buying capsule machines in China is a losing decision?

### INTRODUCTION

This article is based on real experience however it does not mention names of machines manufacturers. The intention is not to compromise or criticise their business but to pin point their inability to supply and manufacturer machines.

### REALITY

There is hardly any point in arguing that Chinese made capsule machines are of the poorest quality. Even as their experience moves on they still are behind European made machines in a very clear way.

These capsule machines became more popular as patents from main coffee brands expired and therefore anyone with production capability can use them to supply its products: tea and coffee and blends of these.

A capsule machine is more than just a “little box” where coffee comes from: there are certain components and details that are critical. All these usually are missing in a Chinese made machine unless production is owned/ controlled by an experienced European company.

Most of the Chinese machine present as capsule machines are nothing else than copies and bad working units that perform poorly, cost a lot and make you waste your time. Put aside the idea of having a good working machine made in China: even if you achieve this, the terms and conditions are appalling to say the least and professionalism is something totally absent. All these peculiar emails of hotmail, gmail, yahoo, etc. Some web-sites in Chinese or that take 1 hour to load.

We base our comments in the fact that coffee after oil is the most traded commodity, but also in the pro forma invoices that we got from various Chinese manufacturers. Here are some examples:

1. All samples are to be paid for. OK you may think. No VERY wrong because you must add transport, customs clearance and VAT.
2. All are working samples: Ok you may think. No VERY wrong because the only element that may be European made is the pump – all of the rest made in China hardly holds more than 120 serves.
3. We compared an original European made machine with it's copy made in China: the European made one still works after 1222 serves – the Chinese copy failed after 70.
4. Price difference? Here you are really surprised: the European machine with transport included in a full truckload comes at 56 EUR/ unit. The Chinese one, based on a 20' container load, adding transport, customs clearance, VAT and unloading: 68 EUR/unit.

### CHINESE UNCERTAINTY

You never know whom you buy from: a manufacturer, a supplier, a trader, etc. Just ask quotes and you see how many times you get the same machine at different prices from different parties.

We have two examples that we experienced:



Example 1: A supposed Chinese coffee machine manufacturer leader wanted at all costs to get hold of a European made machine of the latest models. They seemed to be professional enough and we order 1 unit: What happened?

1. It was clearly a used machine
2. It had no instructions
3. It had no operation book
4. It came in a box from a former customer
5. It failed due to a cheap part in the water tank – something any European made machine never suffers from

Example 2: We ordered 15 units of a model from another Chinese manufacturer. What happened?

1. Out of 15 only 1 unit was working after 5 days
2. Opening and closing the capsule door was a Herculean task – you needed a body builder
3. The first two tanks of water must be used to clear the taste of plastic – otherwise even the best coffee tastes plastic – really a horrid experience
4. The bags with the rubber feet of the machine came with not enough rubber feet so the machines did not have all the parts
5. Vibration was horrible
6. Water leakage from the main machine body - this was something: 10 units affected
7. Capsule support broke some after 3 times usage only

We made a technical report mentioning and advising. The improvements were made and latter we saw how appreciated our efforts were:

1. The improved machine was OK, tested and did not increase in price: Great we thought!
2. BUT: other people offered us the same machine at 3 USD more in price: So our test in different countries and report was worth just 3 USD more? – Looks like it!
3. Then the pro-forma invoice: a name of a company but an account of an individual as well as a name of an individual....strange to say the least.
4. We chose and paid the transport but we were not delivered the machines! Why we thought...we paid already. Well the payment was in Frankfurt in the Chinese bank but because of a wrong pro-forma details they did not deliver the goods. So we paid twice the transport company to go chasing ghosts.
5. We were shown new models that we were told to be designed in Italy. OK fine we say. What happens? At vending Paris there they are. These models are in the market already. New? Sure probably in China.

After being angry and disappointed we asked the money back and complained to the Chinese embassy. We eagerly wait an answer.

All these models come with CE and some of them TUV certifications. But if they perform so poorly does EU really see it as a benefit for its citizens? Moreover none of these models say or mention any environmental initiative like components made from recycled materials, or packaging, etc.



## CHINESE ATTITUDE

Here's where you really fell like someone is ripping you off:

- Minimum quantities are always considerable: but no certainty if they work.
- Payment is always in advance – but do you know what you get?
- Warranty: no way Chinese understand what this is in Europe.
- Customisation is always possible but a colour can cost 3 USD or more but in Europe just € 0.50...surprised?
- Lead times: never believe these...they are longer.
- Then after they see you are professional and know the industry they tell you that this industry is new and they count on you to help them – why should you? What happens if you are not a professional? You sink your business before it starts.
- It is not the first time we see pictures being taken at trade shows...but from outside. This is rather disgusting.
- Others once they find out you are a professional they stop communication – these are the best ones.
- Others tell you they are angry when you say the deal is terminated: really? Should you buy waste just to keep them happy?
- They tell you the machine fits any capsule providing you pay for the mould for what it is a “standard” capsule – cost? Circa 5.000 USD. So you pay but the mould is theirs to serve other customers that can be your competitors.

## CONCLUSIONS

- (a) Avoid these manufacturers: they become more expensive and more costly to maintain and larger stocks are needed to compensate their lead and transport times
- (b) In their own words, Chinese are in the pre historic times of capsule machines. Don't loose time and do not compromise your business.
- (c) Buy European – you know the CE mark and other certifications are real
- (d) Buy European – no one makes better coffee machines than Europeans
- (e) Buy European – no one has more tradition in making coffee
- (f) Buy European and keep the European jobs f those who work to make our coffee passion accessible
- (g) Buy European and you get the quality you need at the best value for money
- (h) Buy European and avoid costly stock keeping
- (i) Buy European and be sure that you can get spare parts on time