

Pfitzner, Laura

From: Lesley [lesley@relishlogan.com.au]
Sent: Friday, 10 August 2012 9:55 PM
To: Adjudication
Subject: Re: Peter McInnes Pty Ltd - Notification N95877

To: The Adjudicator – ACCC
In support of Peter McInnes Pty Ltd - Notification N95877

My husband and I own an independent kitchenware/homewares store in a large shopping centre on the south side of Brisbane, and we proudly stock and sell KitchenAid products. Over the last seven years of owning our business, our sales of KitchenAid products – standmixers in particular – have been severely affected by excessive on-line discounting by internet sellers.

We often spend much time with customers in-store educating them on the product and providing them with all the information to make a purchasing decision, only to be then told by them that they will purchase on-line because of the savings they can make. All retailers understand that the free-market is healthy for competition and price transparency for consumers is advantageous, but the situation as it stands with the pricing being offered on-line is anti-competitive, to bricks and mortar retailers. Many on-line sellers seem to be prepared to sell KitchenAid products almost as a loss leader with virtually no margin left in the sale. It is impossible to compete with in a traditional retail environment, where the importance of maintaining margin, to cover shop rentals, expensive fit-outs and staffing overheads are paramount to survival.

The KitchenAid brand is a highly respected and highly desired brand – this positioning in the marketplace gives impetus to the voracious appetite to stock and heavily discount the brand by some on-line entities.

Public Detriment

If the situation remains un-changed, it is likely that fewer bricks and mortar stores will stock and sell the products, due to the un-viability of doing so. Access by the public to the brand will become more limited, which will affect competitive marketing and selling.

Harm to competition

If this application is successful, fair competition between sellers will find an equilibrium, to the benefit of consumers. As it stands now, competition is severely skewed.

Public Benefit

The public can only benefit if more retailers can successfully stock and range the products in a way that allows sustainable business operation. It is not our understanding that Peter McInnes wants to remove all internet selling of its brand, - rather that it wants to challenge the position that some on-line sellers take in bastardising their brand at any cost, and eroding its presence in the marketplace. They must, as owners of supply into Australia, be able to have the ability to have some input into the future longevity of their product offering. In all our dealings with Peter McInnes over our years in business, we have found them to be highly professional and ethical in all matters surrounding their supply of product, retailer support and customer service.

Yours faithfully
Lesley A Brocker
Proprietor
Relish Home Essentials