

Summary of submission received on a confidential basis¹

- KitchenAid products are iconic and can be very important for a store's reputation. KitchenAid is only available in kitchen stores, not whitegoods stores. It is an important differentiating product for kitchenware retailers. Customers often emphasise how much they love their KitchenAid product.
- The interested party stocks other mixers, however most customers buy KitchenAid. Kenwood products don't appear to offer the same after-sales service as KitchenAid. Other mixers tend not to offer the same quality of product.
- KitchenAid mixers supplied by overseas retailers to Australian consumers are generally poor competitors because they offer limited customer service and cannot match a locally-offered warranty.
- The interested party notes that a couple of years ago when the Australian dollar was appreciating, Peter McInnes was the only supplier to raise its prices at a time when other suppliers were reducing their prices.
- The interested party is concerned that if it could no longer sell KitchenAid products this would have a significant impact on business, not just from the direct loss of KitchenAid sales, but across the rest of the store.
- The interested party notes that most of its premium product suppliers appear to be considering engaging in similar conduct to the notified conduct. Retailers that sell large quantities of products may be pressuring suppliers to restrict internet-based sales. Most suppliers tend to require online retailers to have bricks and mortar stores before they can be supplied.
- The interested party is concerned that there appear to be unsustainable online operators who continually discount KitchenAid products prior to exiting the market, necessitating other online retailers to match these prices in order to remain competitive. The interested party notes that this places unsustainable pressure on margins. If the discounting is at a reasonable level then this results in greater volume of sales, and overall profits may be maintained.
- The interested party notes that Peter McInnes already appears to be limiting supply of the Platinum range of mixers to stores that do not have an online presence (other than Myer).

¹ The ACCC notes that the views expressed in the summary of this submission are the views of the interested party.