

## Summary of submission received on a confidential basis<sup>1</sup>

Online retailing is becoming a standard element of retailing. Customers expect omni-channel retail service provision, this means having a full range of products available online. However, customer service is still important online. Video demonstrations, customer service call centres, and detailed, interactive websites provide customers with the information they need to make purchases. A very high level of customer service can be provided via an online store.

As far as retailing in the future goes, having a product in a physical store but not on an online store is not feasible. Customers expect that all the products stocked in a physical store will be online as well.

There is no substitute for KitchenAid. There is no kitchen mixer that has the customer following and dedication of KitchenAid. Of kitchen mixer sales, KitchenAid makes up the majority of sales by revenue. Kenwood is the next closest competitor but it's not very effective. For instance, Kenwood is trying to tailor its products to look like KitchenAid products, but it is the brand that is essential. Kenwood's Kmix range have been released, but they don't sell like KitchenAid. If KitchenAid products are promoted in some way, there is a big reaction from customers, that isn't true for any other mixer.

Peter McInnes does not like to see retailers discounting KitchenAid Artisan mixers. They never say it directly, but it has been made clear that they think the RRP is the appropriate price point for the Artisan mixer.

There is no clear explanation for Peter McInnes' concerns about discounting. The wholesale price they receive does not change when retailers discount so it should not make a difference to them. One explanation is that some brands like to maintain a premium on their products.

Brand perception and customer service are major priorities for many retailers, but price competition is a reality in this industry; sales will be lost if retailers are not competitive on price.

It is very important to invest in the brands and products that retailers stock. Many retailers consider how best to display and promote the products, as well as training their staff to demonstrate and sell products properly.

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