



# Record of oral submission

<b>Matter name</b>	Graco Australia RPM Notification		
<b>ACCC parties</b>	David Hatfield, Gemma Smith, Nick Cooke, Michael Thrower		
<b>TRACKIT No</b>	RN10000461		
<b>Other parties</b>	Paint Access: Daniel Dorofeev UX Law: Doron Shmilovits		
<b>Date</b>	Friday, 26 May 2023		
<b>Time</b>	09:05 am		
<b>Phone to</b> <input type="checkbox"/> <b>Phone from</b> <input type="checkbox"/> <b>Meeting</b> <input checked="" type="checkbox"/> <b>Other</b> <input type="checkbox"/>			

Information was provided about the following issues:

Paint Access is a paint supplier, not a paint manufacturer. They have brick and mortar stores and operate an online store too.

[Redacted text block]

Paint Access is not solely an online retailer – it has shops in St Leonards and Matraville in Sydney. In these stores, consumers come in and speak to staff members and one store has a testing bar where consumers can test equipment including Graco products for education and guidance.

Paint Access also offers technical pump repair and electrical repairs. Paint Access was one of the first stores, online and offline, selling Graco products in Australia. Paint Access is well trained and understands the products inside and out.

[Redacted text block]

[REDACTED]

[REDACTED]

Paint Access has been trained specifically by Graco, and they have visited Paint Access' premises. Paint Access is very particular with its customers and supporting them after the sale.

The 'minimum advertised price' (MAP) policy would allow stores to retain more of the margin and that would be a good way to support everyone. Currently, competitors are all undercutting each other, and it is not sustainable.

Paint sprayers seem straightforward, but they are not.

Paint Access considers it is probably in the top few Graco sellers nationally, [REDACTED].

### **Commercial strategy**

Paint Access is a service-orientated business. There is no business in Australia with better service than Paint Access. Paint Access has a try-before-you-buy program. Any painter or DIY customer can come and try Paint Access' paint sprayers in the warehouse 24/7. This is why margins are very important for Paint Access.

Paint Access is a one-stop shop. Paint Access has the biggest range of paint and paint accessories online and offline.

There is a new technology in the application part of paint sprayers every year. There is around [REDACTED] growth in people buying sprayers each year. Paint Access still sells more paint brushes and accessories relating to paint, but sprayers are becoming more popular.

Online sales make up about [REDACTED] of Paint Access' sales and that is mostly from tradies that have come to a store previously. For the [REDACTED] that come to a Paint Access store, staff spend 40-50 minutes with them to explain how to prime, which tips to use for the intended use, etc. Paint Access educates customers.

For tradies, sprayers are adding value because it is quicker and provides a better finish. They do still buy brush and rollers for the final coat, though.

The service and advice you give to customers is very similar between brands like Graco, Titan and Wagner. For airless sprayers, the valves are exactly the same for every brand. For air-assisted sprayers, Graco products are a little different in that they are maybe a bit easier to maintain.

Ongoing maintenance of paint spraying equipment is important. Customers need to be shown where to lubricate and why. It is very important to educate them and about how to do the troubleshooting – everything is much easier if they have that foundational knowledge.

### **Impact of discounting in the market**

[REDACTED]

[REDACTED]

[REDACTED]

If the MAP policy is introduced, it is beneficial for Paint Access because it is still providing better service than anyone.

If the MAP policy is not introduced, it would not change Paint Access' stocking decisions. Paint Access has [REDACTED] worth of Graco stock.

Overall, Paint Access is providing high levels of service. Paint Access differentiates itself as a service-based company, not a price-based one anymore.

With Graco, you need to provide the best service. Paint Access invests a lot in its staff.

Customers of paint spraying equipment are price sensitive and Paint Access does anything it can to make them happy.