

Paint sprayer market

TRADEgear considers there are two main spray painter manufacturers in Australia – Graco and Wagner. Graco is the market leader for the contractor sector.

TRADEgear considers paint sprayers are technical equipment that require explanation about their use and maintenance. However, it considers that Graco and Wagner products are very similar and once you know how to use a paint sprayer, you can use any brand.

Pricing and online sales

TRADEgear noted that there is large volume of online videos which demonstrate how to use paint sprayers, their varied uses and how to maintain sprayers. Ongoing maintenance is a significant issue for all paint spraying equipment.

TRADEgear has not observed a lot of tradespeople showing discounted Graco products on their phones and asking for price matching. Instead, they often quote a price that they get from Dulux and ask for the best price that TRADEgear can offer.

Sales process and services

For TRADEgear a typical sales process involves asking a series of questions to ‘grind down’ to the size of the machine that the tradesperson will need for the type of job and volume of paint used. Tradespeople are most interested in getting the best price, not a demonstration.

Impact of the minimum advertised price (MAP) policy

TRADEgear considers the notified conduct is not really going to impact its business. TRADEgear is not interested in matching heavily discounted prices by other Graco suppliers and [REDACTED]. It also noted that given the structure of the minimum advertised pricing requirements, discounting will continue to happen anyway and retail margins will continue to be tight. TRADEgear generally supports distribution models that support high service levels, such as [REDACTED] approach. They noted that one of the reasons that [REDACTED] distribution policy is effective is that [REDACTED] actively monitors and enforces the service obligations.

TRADEgear considers that based on its experience, it is unclear how effective Graco Australia will be in monitoring the general distributor requirements and proposed MAP under its distributor program.