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**From:** Larry [REDACTED]  
**Sent:** Wednesday, 23 October 2019 6:25 PM  
**To:** Adjudication  
**Subject:** RPN10000454-Weldclass-submission

**Categories:** Submission

Hi Simon

I fully support Weldclass' RPM submission for welding machines, as I see that it removes some key constraints that currently make it difficult for a retailer like myself to offer value and service to our customers.

Welding machines has been a difficult and frustrating category for us to support.

We position ourselves as a welding specialist, backing this up with extensive experience and technical knowledge in this field – something that many other industrial supply / tool retailers don't or can't offer. This allows us to offer superior before and after sales service – such as helping the customer match the correct machine to their application, helping the customer operate and get the best from their machine, assisting them with troubleshooting and training, and offering local, on-site servicing and repairs in the event of warranty issues or malfunction.

As such, you would expect this to give us a competitive edge when it comes to sales of machines. Unfortunately this is not the case in practice.

We believe that we offer very fair pricing on our machines (typically always less than the manufacturers RRP) and our pricing is very competitive when considering the level of service and support that we offer – which of course comes at a cost to us, both before and after the sale. But we constantly struggle to compete against cut-price competitors – including online retailers - for whom machines is "just another product" (not a specialist focus) and who do not offer the level of service that we do. The challenge here is that it is very difficult for customers to see value in the service that we offer "up front". Their assumption is that the machine will be supported to the same level regardless of where they purchase. Even when we have the opportunity to explain that this is not the case, the attraction of a lower price means that we often lose the sale – often after spending time with the customer to help them identify the best machine for their application. Often, it is only when the customer experiences a problem or needs advice – such as difficulty operating their machine or a malfunction – that they understand and appreciate the value in the service that we offer – and that this is worth far more than the price difference on the original purchase.

The effect of this situation is two-fold;

1/ We have to either offer further discount, or forgo the sale. Either way, this reduces the viability and sustainability of this product category. This is a real "catch-22" situation. To be seen as a specialist welding supplier we have to offer machines, but at the same time we can't afford to invest in stock and offer choice to the level that we would like to.

2/ Because we are known as welding specialists, we frequently have end users approaching us regarding problems with a machine they bought elsewhere. Because we are agents/distributors for most common brands, the customer often expects us to provide "complimentary" assistance at little or no cost to them. In many cases the issue is caused because the customer was not sold the right machine for their application in the first place. This is a major frustration for us, we are caught in a situation where our time (& money) is taken up dealing with issues that are not our responsibility and for which we receive no compensation - and on the other hand if we refuse to assist, the customer sees us as being unhelpful and this affects our reputation. Needless to say, we are not a charity and can't incur cost without a return, so we frequently have to turn away these customers.

Ultimately the end-user loses in this situation.

I believe RPM would set a level playing field where;

- a. the end user receives a fair price, but the focus is shifted to “who can offer the best value” in terms of service & support, and this is where our experience and expertise becomes a competitive advantage.
- b. Knowing that we can expect a viable return, we can confidently invest in stock and we are incentivised to support the customer to a high level before and after the sale.
- c. The customer wins because they get choice, availability, advice, and local support.

Regards

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