

MEDIA RELEASE

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GROUP BUYING SITES NEED GREATER REGULATION

The Australian Sporting Goods Association (ASGA) has called for a stricter compliance regime to be established for Group Buying sites after receiving complaints from retailers and consumers.

The ASGA has received complaints from retailers and consumers that original prices for items are being exaggerated by Group Buying sites in order to make the discount offered to consumers look more attractive.

ASGA Executive Director said;

“There is no doubt that consumers are looking for a bargain, and we encourage honest competition in the market place. However, there are examples of Group Buying sites advertising original prices for products well above recommended retail prices in order to paint their advertised price more favourably and trick consumers into thinking they are receiving a greater discount.”

“This practice is unfair on the Australian bricks and mortar and online retailers who demonstrate a level of honesty in their pricing. Consumers are given the false impression that online and bricks and mortar retailers are ripping them off and price gouging when this is not the case.”

The ASGA also wants Group Buying sites to come under greater scrutiny about product descriptions.

“We have had complaints that Group Buying sites provide product descriptions which give consumers the impression that they are buying products which can be compared, like for like, with products available from Australian retailers. Often this is not the case.”

“Group Buying sites often have access to special consignments from overseas and limited product runs not available to Australian retailers. The prices for these goods may be cheaper because often so is the product quality, but the product descriptions make it sound as if consumers are accessing product which is the same as if they purchased it from an Australian bricks and mortar or online retailer,” Kitschke said.

The ASGA wants Group Buying regulation on the agenda for the new Retail Council of Australia and says a lack of leadership by retail associations on this issue is a glaring example of why the representative voice of the council needs to be broader.

“This is just one of the important issues where retail associations like the ARA have no track record of advocacy or thought leadership. They should be ahead of the game on issues like this, protecting the interests of Australian retailers. Instead, they are way behind and the retail community suffers because of their lack of thought leadership on important issues,” Kitschke concluded.

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