

- 1) The retail sector is a present being out competed by the internet. Competition is now many times higher than ten years ago. Most clothing is outsourced from overseas because the material and labour is cheaper than we can do it here in Australia, so setting up factories overseas makes economic sense.

Service from many sales assistants is poor to say the least, and at times inefficient. We have only a handful of labels that are made here with the majority being in the high end price bracket.

Many major shopping centres have the same clothing stores with the same goods (style and price), differing only in colour. Many customers do not like to look like the next person, and getting value for money is hard, and the cost of petrol being so high it makes it easy to stay at home go on the computer and order from the comforts of your own home.

- 2) Catalogues are distributed free of charge to letterboxes and with most households having access to the internet, looking at either of these to decide on major purposes means more leisure/family time. People are willing to pay extra for this luxury as they do not have to leave the comforts of their home (no extra fuel cost). With the Australian dollar at parity many low to middle income families can now afford better quality merchandise, but still check out the products thoroughly. Many large items can be bought direct from suppliers cutting huge costs from what was the middle man, and these companies pass on the savings. Also many companies now offer free delivery, which is a huge bonus.
- 3) Australian can compare goods like never before with the click of a button, without leaving the office or home. We as a nation have not kept up with these changes like other countries, and larger companies (like Harvey Norman) complaining bitterly makes people vote with their wallets.

Many Australian companies are more concerned with losing local clientele that they have missed the opportunity to tap into the global market, with very little outlay.

- 4) GST does not have such a significant impact in the retail clothing industry. Competition and greed have far more impact than any indirect tax. The example being used has been taken from the 2011 Retail Expo at Darling Harbour where many wholesale cost tops at \$49.00 are marked for retail at \$119.00, so even at half price there is still a massive markup.

One of the most bizarre things about retail is it is often cheaper to replace items rather than have them repaired. With such a cashed up time poor society it is far easier to pay a few dollars extra for a new item then wait for a month to get it repaired from the company.

5) The structural change in the sector is that a revolution of shopping has now happened and shoppers of all incomes are embracing it.

Nowadays, both parents generally work so to make a large financial purchase where both parents have input makes sense to look on the internet together when the kids are asleep, and use the extra time for family pursuits.

Consumers are now better informed than ever and they like it.