

[Received by email 27/5/11]

I would like to share my experience of buying bicycle parts and Bikes online compared to here in Australia.

I do a lot of mountain biking and this is a high maintenance sport on the bicycle.

An example is a rear cassette or the bags "cogs" needed replacing. I had the local bike shop fix it at \$160 for the part and labour on top of that. I paid for it then checked online and I could get the same part delivered for about \$70 from the UK. I spoke to the bicycle shop owner and he said that the manufacturer charges him \$140 for the part and that he only made \$20 on the item.

Did the local bike shop retailer lie to me ? or is he just ripping me off ? or was he telling the truth ? Who knows. I took the last one ,I may be wrong .

So how can the "Large" bicycle manufacturer sell the same part in another country for significantly less and still make a profit ?

I have another example.

I purchased a brand bike from a online bicycle store in the UK.

The mountain bike was at least 30-40% cheaper than the equivalent in Australia and that includes paying for delivery, gst , and a international transfer fee.

Oh ,I also got the bike delivered in 5 days from the UK to AUS.

This brand of bike has now been picked up by an Australian wholesaler and now is unable to be purchased online from the online bike shop in the UK.

You guessed it the bikes are now significantly dearer than the online bike shop.

So who wins here. Wholesaler ? Bicycle manufacturer?

Defiantly not the Australian consumer.

There is a few online bicycle store that operate out of AUS and NZ that I also use and they are sometimes competitive on "specials" but that's about it.

General parts are about 20-30% dearer also.

I think if online shopping is hindered by more severe legislation it would be at a detriment to the Australian consumer.

I have kept this general so as to not name any companies concerned but would gladly give more detail to the commission if required.