

GEARHEADS GATHER IN MELBOURNE

U.S. Manufacturers Head to Car-Crazy Australia to Explore Export Opportunities

By Linda Spencer



■ The U.S. delegation visited installer and reseller shops for the Australian program. Pictured is a shop located in the Melbourne suburbs—one that specializes in upfitting Jeep Wranglers.

Some of the reasons included:

- “It’s been a long time since we have focused attention on this market, and we need to rekindle our relationship with our existing distributors to see if any changes are needed.”
- “We want to create a distribution network in Australia by meeting with pre-vetted buyers to find the right fit.”
- “We want to refocus our attention on a market that generated good sales in the past but has declined or been stagnant in recent years.”

In late May, 20 SEMA-member companies ventured to Melbourne, Australia, for the inaugural SEMA Australia Business Development Program. This latest target market for the SEMA overseas development program joined similar programs in China, Russia and the Middle East.

Australia was selected as the fourth overseas market because it met each of the criteria SEMA uses to select promising targets:

- A passion for customizing
- A sizeable pool of potential customers
- Sufficient disposable income to purchase specialty products
- A legal framework for allowing customization

While Australia is nearly the same size geographically as the United States, the population is about the same as that of Texas. There are 17.6 million registered vehicles in Australia (more than 1 million

sold annually, with a record 1,155,408 sold in 2015). Australia’s geographic size but relatively small population helps explain the reliance of Australians on their vehicles. In fact, Australia has the highest vehicle ownership per capita in the world: 747 vehicles per 1,000 residents.

Interest in participating in the 2016 SEMA Australia trip was strong, with the 20 company slots filling up quickly.

Australia differs from the other business-development conference regions in which SEMA organizes programs in that it’s a well-established specialty-equipment market. The association asked participants prior to leaving the United States why they were interested in the Australian market.

2016 SEMA Australia Exhibitors

- Baja Designs
- BOLT Locks by Strattec
- BOOSTane
- Borla Performance Industries Inc.
- Classic Instruments
- Colorbond
- Dee Zee Inc.
- Edelbrock LLC
- Gibson Performance Corp.
- Hellwig Products
- Injen Technology
- Keystone Automotive Operations Inc.
- Kooks Custom Headers Inc.
- Linear Logic LLC
- Pittman Outdoors “AirBedz”
- Rigid Industries LED Lighting
- ROUSH Performance
- Truck Hero Inc.
- Warrior Products
- World Motorsports

INTERNATIONAL

- “Our product line has expanded into new segments, and we want to line up buyers in these individual niches.”
- “We value the rare opportunity to meet with pre-vetted trade buyers all in one venue.
- “We want to understand the market by seeing it firsthand.”
- “A number of Australian buyers have visited our booth at the SEMA Show. We want to sell into this market but want to avoid mistakes as we line up partners to sell our brand.

The program included meetings with pre-vetted buyers; visiting retailers, distributors and installers of performance, styling and off-road products; attending a briefing with the U.S. Department of Commerce; and a session with New Zealander and Australian print and TV enthusiast media. Upon the exhibitors’ return to the United States following the four-day trip, SEMA staff talked with the delegation. The SEMA international staff gathered insights on the Australian specialty-equipment market from the attendees.

Well Established, Passionate Car Culture

The Australian reputation for a love of cars and vehicle customization is true, according to trip participants.

“My guess is that they have more hot rodders in Australia per capita than we do at home in the United States,” exclaimed John McLeod, owner of Classic Instruments.

Added BOOSTane Director of Business Development Anthony Caputo, “The gearheads in the region are as diehard as in the States, and they’re eager to get their hands on performance products.”

“The nice thing is that the Aussies love their vehicles,” said Tom Richardson, president of Warrior Products.

“Performance and individuality are deeply rooted in the Australian automotive culture, and tailoring vehicles to meet individual’s specifications, needs and preferences are a daily occurrence Down Under,” said Jay Crouch, senior design engineer for business development at Injen Technology.



■ SEMA Chairman-Elect Wade Kawasaki welcomed the participants to the first SEMA Australia event.



■ The program began with a briefing by Duncan Archibald, a commercial specialist for the U.S. Department of Commerce. Based in Sydney, Archibald briefed the delegation on Australia’s specialty-equipment market and spent the week with the U.S. participants, who were also accompanied by Liz Couch, international economist with the International Trade Administration’s automotive team out of Washington, D.C. Couch is also SEMA’s primary liaison administering the partnership between SEMA and the U.S. Department of Commerce.



■ Off-road customizer Double Black’s CEO participated on a panel of top buyers on the opening night of the SEMA Australia program.



■ SEMA President and CEO Chris Kersting (right) posed with Malcolm Johnson, CEO of Colorbond, based in Media, Pennsylvania.



■ SEMA co-sponsored a reception with the Australian Automotive Aftermarket Association, bringing together Australian manufacturers, media and distributors with the visiting U.S. delegation. Pictured here is Ron Pedders, second generation of the Australian suspension manufacturer Pedders Suspension, with trip participant Melanie Hellwig White, who represents the fourth generation of her family’s California-based firm, which specializes in load control and sway bars.



■ Car customizer Ziggy Sadler (standing, far left), CEO of Ziggy Design Driven, answered questions during a lively panel discussion featuring three top buyers during the SEMA Australia program.

INTERNATIONAL

Vehicles on the Road

Australia is a strong niche market regarding products for U.S. vehicles that includes the new Mustang, U.S. trucks and classic cars, but SEMA members shouldn't overlook other opportunities. While Australian motorists favor light trucks as much as do consumers in the United States, many of those prevalent in Australia, including the Toyota HiLux and the Ford Ranger, are not sold in the United States.

"I was most surprised by the market share of midsize trucks that we saw," said Jason Mrachina, vice president of sales for Dee Zee Inc. "Most of the trucks that we saw had some level of accessorization, such as steps, light bars and bed protection. It's obvious that Australia is a small but high-margin opportunity for manufacturers with the right applications. The vehicles we saw are unique to Australia. When we return from the trip, we always make a point to connect with SEMA on the dates for measuring sessions on the vehicles that aren't common to the North American market. It's obvious that we have to develop the right applications for the markets we visit."

Also noticing the different vehicles on Australian roads, Troy Hooker of Edelbrock noted that the Ford Mustang and U.S. trucks are entering the Australian market, but he said that even though the potential is very big, the products need to be specific to the market.

McLeod took special note of the Utes (the Australian term for pickup trucks). "They are real cool cars that they have adapted from killer hot rods to full utilitarian work vehicles," he said. "And their love for four-doors simply amazed me."

Legislative/Regulatory Climate

A wide range of vehicle customization is possible with the laws Down Under, but the governmental approval process is more restrictive than in the United States. Getting products approved is therefore more time-consuming and costly. Hooker noted that Australian enthusiasts are passionate about vehicle personalization and upgrades but have to be more mindful than Americans about what customizations are legal.



■ SEMA Board of Directors Chairman-Elect Wade Kawasaki, COO and president of the Coker Group, checked out customized Jeeps during a daylong visit to installers and resellers. "Leveraging SEMA's extremely capable International team and partnering with the U.S. Department of Commerce International Trade Administration to produce the overseas Business Development Programs is one key area where SEMA can deliver on the promise of assisting its members succeed and prosper," said Kawasaki. "Our past venues have been emerging markets but Australia was a more mature market that offered our members an excellent opportunity not only for first-time participants but also for export veterans to gain new market insights and learn how to navigate the complexities and nuances of conducting business globally. The added benefit of having SEMA deliver pre-qualified buyers right to the participants resulted in the ability to immediately gain market knowledge, new distribution and expand their businesses."



■ From left: Paul Grace of *New Zealand Hot Rod* magazine; Al O'Toole of *Australian Street Rodding* magazine; trip participants Melanie Hellwig White of Hellwig Products and John McLeod of Classic Instruments; and Larry O'Toole of *Australian Street Rodding* magazine took part in the breakfast briefing for the visiting U.S. delegation with leading Australian and New Zealander print and broadcast media.



■ Participants had the opportunity to meet with leading editorial print and TV media from Australia and New Zealand. Pictured here are Peter MacGillivray (left), SEMA vice president of communications and events, and Larry O'Toole, founder of *Australian Street Rodding* magazine.



■ The delegation listened to Rob Herrod (second from right, black shirt), founder of Herrod Motorsports, talk about his company and the Australian specialty market. Herrod Motorsports was one of the stops during a daylong trek to installers, retailers and wholesalers that provided SEMA members with a better understanding of the Australian distribution system.

INTERNATIONAL

Positive Perception of U.S. Products

The visiting U.S. manufacturers were well-received by trade buyers.

“The Australian buyers welcomed the U.S. manufacturers with great enthusiasm,” said Sally Goldberg, Truck Hero director of international sales. And McLeod agreed. “The demand for high-quality product appears to be rising, and the desire to fulfill that demand was apparent,” he said.

Said Crouch, “The buyers were over-the-top friendly and very welcoming to us. They were warm, welcoming, and truly into talking about the products we have to offer.”

For more information about SEMA’s 2017 international business development programs, e-mail lindas@sema.org or visit www.sema.org/international.



■ Trent Kirby (left) of Baja Designs chatted with Consul General Frankie Reed, U.S. Consulate General in Melbourne. Reed, the highest ranking U.S. government official in Melbourne, stopped by to chat with each of the U.S. exhibitors.



■ Colorbond CEO Malcolm Johnson (left) and Vice President of Sales Zack Johnson (second from left) explored the sales potential the company’s line of automotive interior and exterior coatings.



■ Twenty SEMA-member companies participated in the first SEMA Australia Regional Business Development Program, which included the opportunity to meet with buyers at a daylong exhibition (shown here) and visit specialty-equipment retailers, wholesalers and installers.



■ Josh Abbott (right), international sales manager for Borla Performance Industries, talked with buyers about the firm’s stainless-steel performance exhaust and induction products for domestic and import cars and trucks. “This was SEMA’s and our first time Down Under, and I came back with a very positive experience,” he said. “The accommodations, the event itself and the other activities were top-notch, as always. SEMA also did an amazing job of providing us with a group of hand-selected, relevant and professional contacts who came to see us at the show. The staff also created a great atmosphere during the dinner we had with the buyers, which was a great idea and a very useful event. We learned a great deal about the market specifications of Australia—most importantly, the fact that our counterparts over there share our love, passion and admiration for cars. We are certainly going to do this trip again with SEMA in 2017.”



■ Joey Snyder (middle), sales and marketing manager for Linear Logic LLC, and Ronald DeLong (right), the company’s owner, talked with a variety of trade buyers attending the SEMA Australia program about the firm’s line of ScanGauge products.

INTERNATIONAL



■ Edelbrock Sales Manager Troy Hooker (right) and Event Coordinator Mike Rochon (second from right) were pleased with the buyers attending the SEMA Australia program. "I was able to meet very good quality buyers who were eager to do business," Hooker said.



■ Attendees from Injen Technology included President Ron Delgado (second from right) and Jay Crouch (right), senior design engineer for business development. "This trip with SEMA showed our industry that Australia stands ready to promote growth and prosperity for the automotive aftermarket," Crouch said. "We were met by warm, welcoming and truly interested individuals wanting to learn about our industry and the products we have to offer."



■ Trevor Chick (standing left), director of product and market development for Rigid Industries LED Lighting, and Jim Hillis, the company's vice president of sales, met with buyers.



■ James Pittman (right), president of Pittman Outdoors "AirBedz," demonstrated his product to Australian buyers. AirBedz has been featured on ABC's "Shark Tank" television show. The visiting U.S. delegation met with pre-vetted buyers at a daylong trade-only event.



■ BOOSTane President Ian Lehn (left) and Director of Business Development Anthony Caputo (second from left), discussed the company's high-performance engine additives with a car customizer. "BOOSTane was able to participate in another great SEMA-organized event in Australia this year," Caputo said. "Everyone we met during the Australia business development program gave us great insight and value as we continue expanding our market reach into Australia and New Zealand. We're excited to begin working with a focused group of partners in the area. The gearheads in the region are as diehard as in the States, eager to get their hands on performance products. What started as a grassroots journey for BOOSTane has expanded into a more than 20-country expansion, with SEMA offering guidance every step of the way."



■ Craig Paisley (right), business developer for World Motorsports, discussed the firm's performance titanium wheel lugs with a potential customer.

INTERNATIONAL



■ Jason Mrachina (right) vice president of sales for Dee Zee Inc., met with pre-vetted buyers attending the first SEMA Australia program. "These SEMA trips to smaller markets are a key part of our export strategy going forward," Mrachina said. "It's a cost-effective and easy way to visit existing and potential customers that we would otherwise see only at the SEMA Show Las Vegas. We trust SEMA to help us get started in these markets. By going on the trip, we were able to quickly and cost-effectively evaluate the market opportunities for Australia. I would recommend these types of trips to anyone who is curious about the market potential of a region. They are ideal for companies that have little or no presence in the market, since you will be exposed to a variety of pre-vetted buyers. You also get a sense of the vehicles and preferences of consumers in the market." A common comment by participants was the usefulness of meeting with other SEMA members interested in growing their export business. "The best part of coming home is networking with the other manufacturers who were on the trip," said Mrachina. "It's amazing the contacts that you make on these trips. Some of the most surprising benefits were the result of conversations we had with other SEMA members about current business in North America."



■ Warrior Products President Tom Richardson (right) and Gail Richardson met with buyers and discussed the company's wide array of product for Jeeps, FJ Cruisers, Tacomas and 4x4s. "The buyers we met at the show were very excited about the possibility of having the opportunity to purchase from Warrior directly," Richardson said. "There is potential for sales in Australia even though the market is small. The nice thing is that the Aussies love their autos."



■ Kooks Headers & Exhaust representatives Jack Tese (left), international business development, and Chris Clark (second from left), director of sales & marketing, discussed their line of headers and exhaust systems for late-model musclecars and trucks with potential customers. "The Australia program is a must for companies that are beginning or continuing development in Australia and/or New Zealand," Tess said. "Rarely do you get the opportunity in a country that large to have preselected buyers in one place and in several different settings for a few days. The program allows you to connect with the market through players in the industry and firsthand experiences."



■ Baja Designs Operations Manager Trent Kirby (second right) and Sales Representative Heather Kirby (second left) also attended the Australia program. "SEMA Australia provided Baja Designs with direct connections to the automotive industry, which would be impossible to capture through any other outlet," Trent said. "The amount of knowledge we took back with us regarding lighting applications, how enthusiasts make purchases and their current lighting needs provided Baja Designs with a competitive advantage while allowing us to invest in the market with confidence. We look forward to attending next year."



■ Kyle Wickenheiser (right), manager of global business development for Keystone Automotive Operations Inc., represented one of the 20 SEMA-member companies that participated in the exploratory visit to Australia to meet with pre-vetted buyers and explore the potential for U.S. products.



■ Truck Hero Inc. representatives Alfonso Elisea (right), international sales, and Sally Goldberg (seated), director of international sales, met with a trade buyer attending the SEMA Australia event. Goldberg noted the positive perception of U.S. products. “The Australian buyers welcomed the U.S. manufacturers with great enthusiasm,” she said. “The demand for high-quality product appears to be rising, and the desire to fulfill that demand was apparent.”



■ Gibson Performance Corporation’s Shawn Gibson (right), vice president, and Rory Connell (center), vice president of sales, discussed the company’s performance exhaust and headers for street, off-road and marine. “Although Australia is a developed country, there is a huge opportunity for American manufacturers due to the lack of sufficient aftermarket parts distributors in the country,” Connell said.



■ Attending the program (from left) were Erika Garcia of BOLT Locks by STRATTEC, Josh Abbott of Borla Performance, and Kyle Wickenheiser of Keystone Automotive Operations.



■ ROUSH Performance representatives (from left) Tim Wheeler, vice president of global sales, Tim Schultz, sales director, and Gary Jurick, president, talked with many buyers lined up to learn about the firm’s performance products that fit Ford, GM, Chevy and Dodge vehicles. ROUSH is one of a growing number of SEMA-member companies that have participated in multiple overseas business-development programs. ROUSH has participated in the China and Middle East programs in addition to this first trip to Australia.



■ Hellwig Products was represented by Mike Hallmark (right), West Coast international sales manager, and Melanie Hellwig White (second from right), vice president. The company manufactures suspension load- and sway-control products for trucks, SUVs, muscle cars and RVs. "Buyers in the market were really excited to have us there, and we had great turnouts at our events," White said. "We walked away with great leads."



■ Erika Garcia (center), sales manager of BOLT Locks by STRATTEC, joined 19 other exhibitors in gathering buyer leads that they were planning to follow up when they returned to the United States.



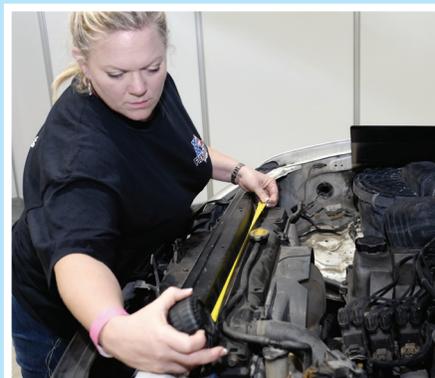
■ John McLeod (left), owner of Classic Instruments, discussed his company's extensive line of aftermarket automotive gauges and instrumentation products. "I really believe that our first SEMA business development program was an excellent start to building a solid foundation for relationships with businesses from the United States and Australia."

SELL TO THE MIDDLE EAST

MEET TOP BUYERS FROM THROUGHOUT THE REGION

Turnkey package includes booth space, measuring session featuring local accessory-friendly vehicles, meals and hotel accommodations.

March 28 – April 1, 2017 • Abu Dhabi, UAE



Registration Opens in November
www.SEMA.org/MiddleEast

Contact Linda Spencer at lindas@sema.org for more information.

The 2017 SEMA Middle East Business Development Conference will be held at the Custom Show Emirates.



California STEP
 Exporting made easier for California small businesses.



Los Angeles Area Chamber of Commerce

