

THE PASSIONATE AUSTRALIAN SPECIALTY-EQUIPMENT MARKET

A Good Market With Lots of Potential

By Linda Spencer



A good market with lots of potential" is how participants on the 2017 SEMA Australia trip summed up the Australian market in a post-trip survey. A full 100% of the participants completing the survey reported developing promising business leads that are expected to result in sales.

The four-day Melbourne-based event was filled to capacity, with 20 U.S. manufacturers participating in the second annual spring trip to explore the Australian specialty-equipment market and to meet with pre-vetted buyers from throughout the country. SEMA members were able to learn about the latest developments for their

products—both challenges and opportunities—through a series of briefings with representatives of the U.S. government as well as enthusiast media and a buyer panel. They also had the chance to exhibit at a one-day trade expo and participate in one-on-one meetings with pre-vetted buyers and a tour of customizing shops.

■ The SEMA delegation visited the Vehicle Development Corp., which specializes in converting fullsize pickups to right-hand drive. The company's owner, Darren Waugh (center), spoke to the SEMA delegation about the firm's activities, including the need to test the conversions to meet Australia's exacting vehicle customization regulations.

A common theme in the post-trip reporting was an appreciation of just how passionate Australians are about their vehicles and customization—one of the few countries rising to the levels found in the United States. The delegation was struck by the commonality between the two countries in the way in which pickups, SUVs and musclecars are used for both work and play, and the heavy prevalence of customization was hard to miss.

“The Australian market has proven to be very similar to the U.S. market over the years,” said A.J. Dudon, owner of All-Fit Automotive LLC. “Having visited for the first time, the similarities were blatant to see. The Australian market mixes work vehicles with family life, and Australians enjoy spending money on modifying their vehicles.”

Ryan McDonald and Roger Myers of Custom Autosound Manufacturing said that the same pioneering entrepreneurial spirit and passion for the automotive industry is alive down under.

Large pickups are a popular niche segment in Australia, despite the fact that large trucks cost in the six-figure range as the vehicles must undergo conversion from left- to right-hand drive in Australia, greatly adding to their price. The heavy-duty RAM, though it is converted in Australia, is the first fullsize pickup officially exported to Australia by an overseas vehicle manufacturer. It is rumored that the '18 RAM 1500 may be sold in Australia with the conversion completed in the United States, dropping the price significantly compared with the smaller number of heavier RAM trucks now sold in Australia and customized in that country.

In a growing trend, the Australian vehicle market is increasingly similar to that of the United States in that the pickup and SUV markets are the fastest-growing segments and have now overtaken cars in terms of consumer sales with a 56% combined market share. Australians have also warmly welcomed the Ford Mustang.

“What surprised me was how much Ford has managed to dominate the market with the Mustang GT,” said Kevin Floody, director of international sales for aFe Power.

Statistics back that up, with the Ford Mustang the best-selling sports car worldwide and in Australia, one of the 140 countries in which the iconic American



■ Elizabeth Couch, international economist for the automotive team of the Department of Commerce's International Trade Administration, spoke at the opening briefing of the 2017 SEMA Australia program. “SEMA's Australia event is an efficient way for U.S. companies to assess their company's market potential and to meet or reconnect with targeted Australian buyers,” she said. “Hearing a variety of perspectives—including buyers, media representatives, fellow SEMA members and our commercial specialist from the U.S. Consulate in Sydney—has helped U.S. companies learn more about the Australian market during their trip.”

musclecar is available. While there is talk about the Dodge Challenger being brought into Australia, the Mustang is currently the only musclecar exported to the country. Still, with the strong sales of the Mustang, it appears likely that right-hand-drive Camaros and perhaps Corvettes will also be officially exported to Australia.

The Jeep Wrangler also has a small but passionate niche in Australia, with the JK capturing the hearts of a small but dedicated group of down-under enthusiasts and generating a strong demand for a wide range of interior, exterior and under-hood products to upgrade the beloved vehicles. And the wait there for the JL has officially begun.

While niche markets for U.S.-made vehicles are strong and growing, there are many vehicles found on Australian roads that are not sold in the United States. For example, one-ton utes are a very important part of the Australian market, with the Toyota HiLux the most popular model for any vehicle sold in 2016. And Toyota HiLux sales through the first five months of 2017 have already surpassed 17,900 units. The Toyota HiLux and Ford Ranger recently took the number-one and -two slots in terms of overall passenger vehicle sales.

SEMA has imported several of each of these popular utes to the United States through a partnership with the Department of Commerce. Thus, a number of participants on the SEMA Australia trip

already make products specifically designed for those vehicles.

For more information on the 2018 SEMA Australia trip or any of the other SEMA overseas business development programs or resources/events taking place in the United States, contact Linda Spencer at lindas@sema.org or visit www.sema.org/australia.

2017 SEMA Australia Exhibiting Companies

aFe Power
All-Fit Automotive LLC
American Force Wheels
Baja Designs
Borla Performance Industries
Corsa Performance/Volant Performance
Custom Autosound Manufacturing
Dee Zee Inc.
Edelbrock LLC
Fidanza Performance
Hellwig Products
Justice Brothers Inc.
Lund International
Mishimoto
Nitro Gear & Axle
Power Hungry Performance
Rigid Industries LED Lighting
Sparta Evolution
Transamerican Wholesale
Truck Hero Inc.



■ Restoring and upgrading older vehicles is big business in Australia. Participants on the 2017 SEMA Australia trip checked out a fully restored and upgraded classic car.



■ SEMA members toured a shop that specializes in racing and street-performance upgrades. The delegation spent a day visiting shops and talking with shop owners to better understand the distribution system in Australia and further develop ties with leading Melbourne-based retailers, installers and distributors.



■ Ryan McDonald (left), sales manager for Custom Autosound Manufacturing, and Ian Wilson, sales support for Nitro Gear & Axle (second from left), spoke with Neale Burgess, a member of parliament, at a reception that SEMA co-hosted with the Australian Automotive Aftermarket Association.



■ Melbourne-based Double-Black Offroad Owner Bill Barbas (left) discussed suspension and handling upgrade options with Mike Hallmark, marketing and international sales manager for Hellwig Products.



■ A.J. Dudon (right), owner of All-Fit Automotive LLC, said that the Australian market has proven to be very similar to the U.S. market over the years. "Having visited for the first time, the similarities were blatant to see," Dudon said. "The Australian market mixes work vehicles with family life, and Australians enjoy spending money on modifying their vehicles. While many of their automotive laws are strictly enforced, that opens new avenues for All-Fit Automotive to offer products that assist in making modified vehicles road legal. We are confident that this market will be strong for many years to come, and we look forward to our next visit."



■ A panel of Australian enthusiast media, including representatives from print, online and broadcast outlets, provided an overview on likely developments in the specialty-equipment industry and talked one-on-one with participants.



■ Glenn Everitt (left) of the TV show "Man and Machine" exchanged business cards with Yannick Greiner, Truck Hero director of international sales, at a press breakfast with six of the top enthusiast media in the Australian market.



■ Kevin Floody (left), director of international sales for aFe Power, said that he was very impressed with what he saw in the Australian market. "A lot of changes have occurred over the past couple of years, especially with the departure of Ford Australia and Holden," he said. "I was also surprised to see American trucks starting to enter the market. That is great to see, especially for companies such as aFe Power. What also surprised me was how much Ford has managed to dominate the market with the Mustang GT, which is obviously a replacement for the Ford Falcon. Moreover, I couldn't believe how GM/Chevy has not brought in the Camaro nor the Dodge Charger or Challenger. Australia continues to be a great market for U.S. manufacturers."



■ "The SEMA Australia trip was very beneficial to Dee Zee, and we gained a lot of knowledge about the rules and regulations in that market along with developing several buyer contacts," said Matt Guerdet (left), account manager for Dee Zee Inc.



■ Roger Myers (left), vice president of Custom Autosound Manufacturing, and Ryan McDonald, (center), the company's sales manager, found the Australian market to be a natural extension for American aftermarket automotive manufacturers. "The same pioneering entrepreneurial spirit and passion for the automotive industry is alive down under," McDonald said. "The Australian automotive aftermarket is mature and ready to form new relationships with American manufacturers. Having a chance to meet face-to-face and sign deals in person makes all the difference."



■ Pauline Scully (second from right) and Brennan Scully (right) of Baja Designs were among the 20 U.S. companies exhibiting at the 2017 SEMA Australia event. In addition to being supplied with a turnkey booth, each participant met with enthusiast press and toured customizing shops.



■ Nick Chin (right), director of international business development for American Force Wheels, said that "spending quality time with the frontline of the Australian market (i.e., qualified buyers) was very beneficial in learning their needs and concerns."



■ Joshua Abbott (left), international sales manager for Borla Performance Industries, paused for a picture during the 2017 SEMA Australia trip. The company has participated in both SEMA trips to this market. "The Australian market is undoubtedly growing," noted Abbott. "While most outsiders perceive the aftermarket as only workshops and spare parts stores, the industry is actually broadly based, and we have had the chance to see this during the last SEMA trips Down Under. It encompasses mechanical repair and modification services, manufacturing and re-manufacturing, importing, wholesale, distribution and retail sales for all vehicle parts, accessories, tools, equipment and services. The booming vehicle sales mean growth for our industry, and all of us American manufacturers can and should be able to take advantage of the opportunities presented. Although the market is different from the United States, it is also similar to it in many ways and with the sufficient amount of understanding and effort, it can be developed into one of the largest export targets for the U.S. automotive aftermarket. Borla Performance will continue to invest in this market and will surely be participating in the upcoming SEMA trips as a part of these efforts."



■ Joe Onderko (left), president of TMG Performance Products, Cory Geho (second right) sales manager for Corsa Performance/Volant Performance and Alex Geho (right), product manager for Corsa Performance/Volant Performance, met with a buyer during the trip. "The 2017 SEMA Australia regional business development program was a success for TMG Performance Products," Onderko said. "It exceeded our expectations, and SEMA did a great job of bringing vetted, qualified buyers to the trade show who, coupled with the business visits and government contacts, gave us all the information we need to build a strong and undoubtedly successful strategy for the Australian market."



■ Mike Hallmark (left) participated in the Australia trip as marketing and international sales manager for Hellwig Products. Each exhibitor received a turnkey booth, hotel and meals, with the U.S. government defraying the cost with a grant to each qualified company. "This year's SEMA trip was great for Hellwig Products," said Hallmark. "We were able to strengthen the relationships we started building in 2016. Face-to-face meetings prove to be of more value than email or phone calls. By going to the shops and sitting with customers/potential customers, it allowed us to set a solid foundation to better understand their needs and market. We have been able to develop new products that are specifically designed around the Australian market. These relationships will ensure we are supplying the region with the best possible products for their specific needs."



■ William Cohron (center) owner/engineer at Power Hungry Performance, and Angela Cohron (right), the company's manager, said that SEMA's overseas business development program is a huge benefit to the small manufacturing company. "Outside of SEMA, the opportunity to travel to Australia, meet with local buyers and industry leaders and learn from other U.S. manufacturers simply isn't available to small businesses like ours," Cohron said. "We gained a much greater understanding of import/export laws and regulations while on this trip. We also have been given vital contacts and resources to continue our expansion across Australia. We have recommended these programs to other aftermarket companies we know and hope to attend many more ourselves."



■ Truck Hero was represented on the trip by Yannick Greiner (second from left, standing), director of international sales, Alfonso Elisea (third from right), international sales, and Sally Goldberg (right), director of international sales. "With the aid of the SEMA conference program, Truck Hero has experienced considerable growth in our export business into Australia," Goldberg said. "The 2017 conference is another impressive example of the excellent work SEMA has done to bring the U.S. manufacturers together with the Australian automotive aftermarket. This year, Truck Hero added personnel to our conference team, planning for a busy conference, and we were not disappointed."