

2018 SEMA AUSTRALIA:

Gearheads in High Gear

By Linda Spencer



■ Melbourne, Australia, shop tours included visits to accessory as well as performance distributors and installers. The installers and retailers used the opportunity to explain the differences in platforms and fitment issues between U.S. and Australian products.

Representatives from 22 SEMA-member companies recently traveled to Melbourne, Australia, for the third annual SEMA Australia Business Development Conference. The week-long program in late May included exhibiting at the MotorEx Show, visiting accessory and performance businesses (including installers, retailers and distributors) and briefings with top buyers and U.S. government officials. The 2018 trip Down Under is the newest addition to SEMA's overseas trade missions, which also include programs in the United Arab Emirates and China.

SEMA selects markets for its overseas events based on factors that include a sizable local population with sufficient disposable income to upgrade and personalize their vehicles and an interest in doing so. With only 24 million people, Australia might seem to fall outside those parameters, but it boasts an entrenched car culture and arguably the largest per-capita spending in customizing products in the world, which compensate for its relatively small population.

"I was blown away by what I saw in Australia with the pure passion for cars," said Mark Campbell of COMP Cams, and John Ohradzansky, vice president of sales for Race Winning Brands couldn't agree more.

"Australia is full of gear heads, like in the United States," he said. "It was clear that Australians were crazy about their cars."

SEMA recently conducted a survey regarding the exporting activities of its U.S.-based member manufacturers. The 243 SEMA members who completed the

survey represented nearly 11% of SEMA-member manufacturers located throughout the United States. The number-one country SEMA members looked to for foreign sales was Canada, but the second most important destination in terms of sales for SEMA-member exports was Australia, Europe, Mexico/Central America and the Middle East followed as additional top markets.

This year's U.S. delegation to Australia was the largest to date, with about half traveling there with SEMA for the first time. The delegation was also diverse in terms of products, ranging from truck

2018 SEMA Australia Exhibiting Companies

- aFe Power
- Borla Performance
- COMP Performance Group
- DeatschWerks
- Dee Zee Inc.
- DJS Fabrications
- Edelbrock LLC
- Go Rhino
- Hellwig Products
- Honda Inc.
- Induction Innovations
- Injen Technology
- JE Pistons/K1 Technologies/ProX/Wiseco
- Murray Corp.
- Omix-ADA/SuperLift
- QA1
- Quick Time Performance
- Roadwire
- S&B Filters
- ScanGauge from Linear Logic LLC
- Truck Hero
- Wiring Specialties LLC

accessories and performance products to products for classic cars and off-roading. Upon returning to the United States, virtually all of the participants reported obtaining leads and expecting them to result in sales in the next 12 months.

“There is no shortage of aftermarket enthusiasm in this car market,” said trip participant David Reyna, an international sales representative for DeatschWerks. “From a wide array of Japanese favorites to off-road junkies to a V8 market that keeps up with its brethren in the United States, there is plenty there to keep an aftermarket manufacturer busy.”

Yury Lyalko, president of Wiring Specialties LLC, traveled to Australia for the first time.

“It was clear that the passion and the gearhead mindset is no different there than with U.S. car guys,” he said. “There are slightly different cars in action, but they include everything from Japanese imports to U.S. hot rods and restomods.”

Dean Harvey, internal sales group director for COMP Performance Group, also saw both the enthusiasm and the resulting opportunities for performance manufacturers.

“I was impressed with the enthusiasm and passion for high-performance automobiles and racing that folks have in Australia,” he said. “I knew passion was there before heading over, but being there opened my eyes to just how big it is. The market has room for growth in both racing and street performance.”

Ramon Barrios represented international sales for Go Rhino, which manufactures truck accessories that include grille guards, bull bars and roof racks. He found the site visits a useful way to learn about how product is brought to market in Australia. The SEMA group visited a total of eight shops involved in performance, handling, and accessory modifications for street and racing cars and trucks.

“Visiting stores allowed me to see firsthand the passion that is reflected in the professionalism and the seriousness that each business owner inspires to each client when offering their services,” Barrios said. “It is very satisfying for each one of us who are in the world of accessories that there are these opportunities to be able to offer the best of our products to our customers.”

U.S. products enjoy a positive reception in Australia, as noted by the U.S. manufac-



■ SEMA Chairman of the Board Wade Kawasaki (right) spoke at the opening event of the four-day SEMA Australia trade mission, which was designed to provide participants with a firsthand look at the market. In addition, top Australian buyers briefed the delegation on the Australian distribution system for various product niches and answered questions on everything from trends to exclusive manufacturer-distributor contracts.



■ The U.S. Department of Commerce has been a strong supporter of SEMA's international programs, making available grants for participants to defray the cost of participating and conducting a U.S. government briefing on market developments. Duncan Archibald (right), a commercial specialist based at the U.S. consulate in Sydney and a true car enthusiast, briefed the group before the delegation headed out to visit specialty shops. Liz Couch (second right) of the U.S. Department of Commerce International Trade Administration, is the lead U.S. government contact for the SEMA-U.S. government partnership to help U.S. companies grow their export sales. Couch again traveled with the SEMA delegation on its latest overseas business development program and was available throughout the week to meet individually with trip participants.



■ The delegation visited a number of Australian retailers, installers and wholesalers to see how products are brought to market, as well as the most popular applications and upgrades.

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turers who attended the show.

“They love American brands!” Ohradzansky said. “It was helpful to hear the applications they were building and learn about new sales opportunities.”

Mike Sre, international sales manager for Murray Corp., said that there is a real thirst for American-made parts in the performance market in Australia.

“Price is not a barrier to entry,” he said. “Quality is much more important to the market.”

Sally Goldberg, director of international sales for Truck Hero, sees this demand for U.S. products adding up to increased sales.

“They truly displayed passion for U.S.-made parts and accessories in an ever-expanding and high potential market,” Goldberg noted.

As to the vehicle mix, participants pointed to the Aussies’ love of Jeeps and musclecars. Carter Cayman of S&B Filters was pleased to see the presence of American trucks, including Jeeps.

“With more American trucks going to Australia and the excitement around the Jeep JL, this was perfect timing for S&B Filters to make the trip to Australia,” he said. “By broadening our vehicle coverage and the increase in crossover of vehicles within the Australian market, we anticipate sustainable growth for many years.”

Kevin Floody of aFe Power commented on the popularity of modern musclecars and the success Ford has had with the 2016 introduction of the Mustang as well as the lack of a similar strategy by other U.S. car manufacturers.

“With Mustang being very well established in the market as the V8 replacement to the Ford Falcon, it makes me wonder why Dodge, with its Challenger and Charger, and GM, with the Camaro, have taken so long to try to aggressively enter the market as the alternative to the Holden Commodore,” he said. “Pricing is going to be a challenge for those [other] OEs, since the Mustang arrives from the factory already converted as a right-hand-drive vehicle.”

Representing the U.S. Commercial Service in Sydney, Duncan Archibald provided the group with a useful overview of the Australian specialty-equipment market, including the importance of the truck market in Australia.



■ On participating on the SEMA Business Development Program: “We learned so much about the marketplace,” COMP Performance Group’s Mark Campbell (left) said. “The COMP Performance Group will be able to support the customer better because of what we learned.”



■ Barry Adler (left), president of Quick Time Performance, was one of the SEMA-member exhibitors who had the opportunity to meet one-on-one with buyers from throughout Australia as well as connect with consumers.



■ Representing aFe Power were Justin Schulz (left), mechanical designer; Christian Landel (second left), design engineer; and Kevin Floody (second right), director of international sales. The aFe Power team met with a variety of buyers. “It is amazing to drive around the various major cities in Australia and take notice of the variety of vehicle brands and models that exist,” Floody said. “It doesn’t take long to start realizing what vehicles are more popular than others, as well as which ones are being modified for a variety of reasons. It also doesn’t take long to determine what is missing in the market that can be good opportunities for manufacturers to develop.”

“The biggest growth in the aftermarket sector is in the off-road/4x4 space,” said Archibald.

Australians spend considerable time in the outback and camping. They typically carry large loads or tow boats or camper trailers. Lift kits, winches, roof racks, snorkels, aftermarket wheels and other accessories to improve performance and individualize their vehicles are highly sought after. U.S. aftermarket products enjoy an excellent reputation in the local market and are considered well made, engineered and prestigious.

Popular off-road vehicles include the Toyota HiLux, Land Cruiser and Prado; Ford Ranger; Jeep Wrangler; Isuzu D-Max; Mitsubishi Pajero and Triton; Land Rover; GMH Colorado; and VW Amarok. Mercedes-Benz has just introduced an X-Class 4x4 into the market as well.

Archibald noted that larger U.S. trucks such as the Ford F-Series and RAM are found in Australia but enter the market with left-hand drive. Private companies are converting them to right-hand drive, resulting in a high sales price—around \$150,000 AUD (about \$112,000 USD).

In addition to U.S. vehicles, American companies are increasingly making product for the wide array of the vehicles that are found on Australia’s roads, including European and Japanese vehicles as well as utes (small pickups) that have found additional sales.

“The performance market for Honda is small but growing,” observed Doug Mac-Millan from Hondata. “The recent introduction of the Civic Type R has awakened closet Honda performance enthusiasts. Many now see what can be done for their cars in their market with the addition of many aftermarket products such as Injen intercoolers and intakes made in the United States. Our Australian tuner, Revzone from Melbourne, is now developing calibrations to suit Australian fuel with U.S. performance accessories.”

Lyalko said that his company’s products include complete EFI, chassis and component wiring harnesses with plug-and-play designs for popular Nissan, Toyota, Mazda, BMW and GM applications, and he was surprised how many BMWs he saw in Melbourne.

“Given that vehicles such as the BMWs we saw all over Melbourne are not an entry-level-priced brand, it showed well



■ Johanna Tovar (right) is the director of business development for Induction Innovations. This family-owned, Illinois-based manufacturer of high-performance induction heaters exhibited overseas with SEMA for the first time. The four-day trip included exhibiting at the MotorEx show, briefings with buyers and U.S. government officials posted in the region and networking events.



■ “With more American trucks going to Australia and the excitement around the Jeep JL, this was perfect timing for S&B Filters to make the trip to Australia,” said Cayman Carter (center), owner of S&B Filters. “By broadening our vehicle coverage and the increase in crossover of vehicles with the Australian market, we anticipate sustainable growth for many years.”

for the city and highlighted the presence of disposable income for many,” he said.

He also was impressed with the large number of Holden VVHs or XRRs—the V6 and V8 versions of the Pontiac GTO.

“Those cars were everywhere,” he said, “and so were the utes! What an awesome concept.”

Truck Hero also makes products for utes, which are top sellers in Australia. Indeed, the top three best-selling vehicles in June 2018 were all pickups for the first

time, including the Toyota HiLux, Ford Ranger and Mitsubishi Triton.

“We have products for all applications of Mitsubishi, Toyota, Volkswagen, Ford Ranger T6, Isuzu, D-Max/Colorado and Nissan Navarro,” Goldberg said. “We have taken advantage of the SEMA international vehicle program and have measured a number of the vehicles SEMA imports to the United States. That allowed us easy access to vehicles for which our overseas customers are requesting accessories.”



■ SEMA hosted a networking reception with local buyers. In addition to the 22 SEMA-member companies that traveled from the United States, industry icon Chip Foose (center) was also in attendance. These types of events allow SEMA members to meet with buyers in more formal settings, such as the SEMA section at MotorEx, as well as informal events such as the BBQ held the first day after the Australia show.



■ The SEMA section on the show floor was trade only on the first day and then opened to trade and consumers on the following day. "Truck Hero took full advantage of the well-organized and balanced SEMA Australia Conference," said Truck Hero Director of International Sales Sally Goldberg. "Combining the SEMA Australia conference with the MotorEx show allowed Truck Hero's international sales team to leverage our 4x4 and off-road competencies not only with our traditional distributor base but also with retail and end consumers."



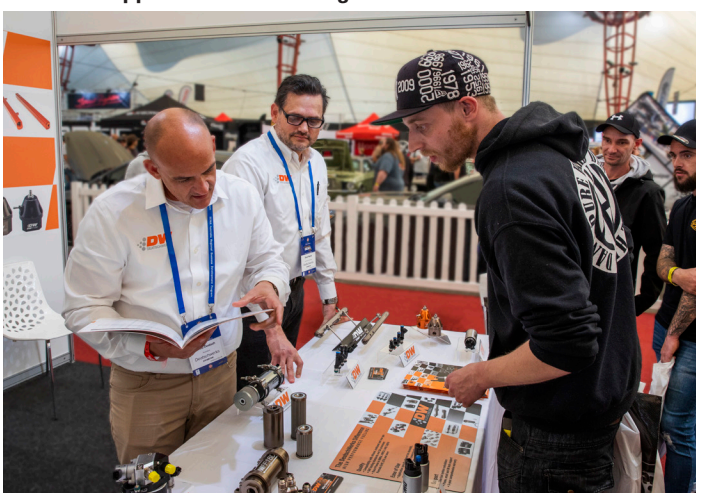
■ This was the first time SEMA exhibited at the MotorEx show, and the show was well received by the SEMA exhibitors as well as buyers. It was clear that Australians are crazy about their cars. "There were lot of off-road vehicles with a lot of customizations and friendly people who love cars," said Zach McGregor, COO of California-based DJS Fabrications. "We saw everything from racing to off-road vehicles everywhere."



■ "This year's SEMA trip to Australia not only met but actually exceeded our expectations," said Joshua Abbott (left), international sales manager for Borla Performance Industries. "We have had the chance to meet essentially all of our existing dealers and picked up a few promising new prospects as well. And while it seems that the doors have closed on the Australian car manufacturing industry, probably forever, the aftermarket segment is booming and is as strong and enthusiastic as it's ever been. There is naturally a substantial amount of work to be done over the next years to strengthen our position in the market, but the future looks very promising, and we are excited to be part of this SEMA team and to be able to capitalize on the opportunities in the region."



■ Dean Harvey (second right), COMP Performance Group internal sales group director, and Mark Campbell (right), COMP sales, participated on the SEMA Business Development trip, which included exhibiting at MotorEx, visiting specialty-equipment shops, and briefings with top buyers and U.S. government officials.



■ DeatschWerks was represented at the conference by David Deatsch (left), president, and David Reyna (second left), international sales. "There is no shortage of aftermarket enthusiasm in this car market," said Reyna.



■ “The 2018 SEMA Australia trip was a great success for Dee Zee,” said Matt Guerdet (right), the company’s account manager. “The crowds at the show demonstrated how passionate Australians are about their vehicles and customizing them. During the show, we met so many enthusiasts that were eager to share their passion for their vehicles and talk about the custom options they have installed and the accessories they are still looking for.”



■ Representing Edelbrock were Terry Peddicord (back left), product line director for superchargers, and Nick Purciello, (back right), product line manager.



■ Mike Hallmark (second right), marketing and international sales manager for Hellwig Products. Each exhibitor received a turnkey 3x3-m. booth at the MotorEx show. On the first day, the SEMA section was trade only. On the second day of the show, the section was open to both consumers and trade.



■ Jay Crouch (far left), director of global business development for Injen Technology. The Pomona, California-based company, which manufactures high-performance air intake systems, performance intercoolers and other performance for sport compacts, trucks, Jeeps, SUVs and modern-day musclecars has attended a number of the SEMA overseas trips. Next up for Injen is the SEMA China trip.



■ Zach McGregor (left), COO of DJS Fabrications shows a buyer their extensive line of shop tools. This is the first time California-based DJS Fabrications has traveled on a SEMA overseas business development program.



■ “I was very impressed with the automotive market in Australia,” said Ramon Barrios (right), international sales director for Go Rhino. “I never knew that this market was so passionate about accessories and how they customize their cars to express and reflect at the same time who owns them.”



■ “Australia has had a love for V8s and hot rods for a long time,” commented Doug MacMillan (left), co-founder of Hondata Inc. “The performance market for Honda is small but growing. The recent introduction of the Civic Type R has awakened closet Honda performance enthusiasts. Many now see what can be done for their cars in their market with the addition of many aftermarket products such as Injen intercoolers and intakes made in the United States. Our Australian tuner, Revzone from Melbourne, is now developing calibrations to suit Australian fuel with U.S. performance accessories.”



■ Representing JE Pistons/K1 Technologies/ProX/Wiseco were Sean Crawford (back middle), vice president of marketing and business development, and John Ohradzansky (right), sales. “We were pleasantly surprised with all the activity we had at our booth,” Ohradzansky said. “The Australians were very excited to talk with us. The energy level was high, and it was a great event for us.”



■ “There is real thirst for American-made parts in the performance market in Australia,” said Mike Sre (right), international sales manager for Murray Corp. “Price is not a barrier to entry, as quality is much more important to the market.”



■ “Hats off to SEMA for combining SEMA Australia with the MotorEx Show,” said John Marsh (right), new-business manager for Roadwire Automotive Innovations. “We had the opportunity to network with vetted buyers and government officials while studying what is popular in the current late-model market. Seeing Australian classic hot rods was a highlight for me. They all had blowers!”



■ Representing QA1 were Dave Kass (back left), customer service manager, and Dan Voight (back middle) motorsport sales manager. This Minnesota-based company met throughout the show with buyers interested in their high-performance carbon-fiber driveshafts, suspension and rod-end products.



■ “It was really great to see so many unique modifications to vehicles in Australia that we don’t see in the U.S.,” said Joey Snyder (center), sales and marketing manager for ScanGauge from Linear Logic. “The enthusiasm from attendees at the MotorEx show was incredible.”



■ “We were very impressed by the high level of enthusiasm and knowledge shown by the Aussie customers,” commented Sally Goldberg (left), director of international sales for Truck Hero.



■ Wiring Specialties LLC representatives Yury Lyalko (left) president, and Vadim Belegorodsky (second left), vice president of product development, didn’t have high expectations, considering that MotorEx was their first show in Australia. “Quickly after walking the show and talking to a few of the exhibitors and attendees, it was clear that the passion and the gearhead mindset is no different from that of U.S. car guys,” Lyalko said. “We look forward to growing our presence in the Australian market.”