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# my business

Abraham Hatoum

## BEST PRACTICE CUSTOMER SERVICE

## EXPORT REVIEW

How smart small businesses  
are winning international acclaim

## STITCHING UP THE MARKET

Abraham Hatoum has international ambitions  
for his unique franchised tailoring chain, LookSmart

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# Re-inventing the wheel

An online automotive marketplace for tyres and other products is proving sufficiently successful to replicate in the US.

**LAST YEAR** an online service linking tyre buyers with sellers was launched, not by industry heavyweights, but by a woman who was fed-up with the poor service she received when shopping around for tyres.

Jodi Stanton developed the online business — the CarbonBlack TyreXchange — that she is now expanding to provide a larger suite of services.

"Buying tyres is the only aspect of aftermarket in which customers play a part by shopping around for the product. So that was our entry point for creating CarbonBlack," she said, adding that "More people can and should make better informed decisions about the sort of tyres they need, especially given their importance in vehicle safety.

"We had a mind-set of working with dealers and wanted a tool. We needed to see what we could offer in the 'non-genuine' space of the automotive industry."

Calling it a "high risk project," the 18-month preparation for the interactive website included market research around the changing profiles of the highest value tyre buyers and resellers.

Launched last year and now covering all metropolitan areas, CarbonBlack TyreXchange contains information on tyre safety, dealer and product reviews; education and general advocacy; and advice from top industry experts.

Tyre buyers can research tyre brands and models and then submit tyre details and wait for dealer bids. After comparing offers and selecting the best deal, they visit the chosen dealer to get the tyres fitted. "With tyre suppliers competing for business online, the service is doing the hard work connecting buyers with sellers,"

Stanton said, and that saves customers mileage and petrol.

"We're not doing anything different, just introducing a new service that we hope makes the motor industry more efficient," Stanton explained. "We provide a low cost solution to an industry that has lagged behind in technology. We're new and hip and attracting people who are into new ways of marketing."

Advertisers have a choice of low-cost daily fee or fee-per-lead. "It's a tough industry and many in the automotive industry are struggling. Many also fear the internet but the \$1 per lead [not unlike Google AdWords and pay-per-click] appeals to them. Now we are servicing our early adopters and providing the results of behavioral research."

Market intelligence on customer spending patterns benefits manufacturers and suppliers, who gain a channel to drive dealer incentive programs and can influence consumer purchasing decisions as well as target consumers based on the car they drive.

Listing hundreds of tyre retailers and generating millions of leads for them from thousands of customers, carbonblack.com.au is starting to gain market traction. To help drive it forward Stanton has just signed an "anchor client".

### Adding services

Big changes are imminent with the broadening of services in conjunction with automotive spare parts database Advanced Automotive Data Service (AADS) that will bridge the gap between service centres and parts suppliers: connecting them online to 900,000 parts across 7800 vehicles. Auto parts suppliers will be able to trade excess stock via the website.

"Some dealers spend ages on the phone each day calling around for parts and others sell excess stock between them, we now assist [by providing an online channel] saving them hours each day. Data is the key to it all," Stanton explained.

The comprehensive industry service being offered required a complete rebuild of the site. "Facilitating connections between suppliers and service centres: that was an ugly IT solution!" Stanton commented. "Three times now we have rebuilt the site. My marketing team is at the height of the social online market; they live and breathe the stuff. Building blocks are the latest and greatest in internet marketing. They are built on a solid platform. And we have built our solutions for the longer term."

Another key to development is industry involvement. Much of Stanton's day is spent meeting automotive suppliers and dealers and major [online] shopping sites to drive traffic. "Forming alliance partnerships... they are the whole thing. My sales team also dedicate time to creating relationships in the market. And we have gained trust and reliability.

"On the upside our services are valued by the market but on the downside, dealers have seen the underbelly as we develop more services. But we had to create relations."

She maintains CarbonBlack is not trading on any toes and that the opposite is true. "We bring a different expertise, our own specialty to the industry: marketing and technology. So far all discussions with motor industry associations have been positive. Maybe we can provide more ►



*CarbonBlack is the name of Jodi Stanton's online business that provides a portal to the retail automotive industry, connecting customers with suppliers and dealerships with each other.*

partnerships, as they see us as providing new services for their members, and industry groups want to provide more value-added services.

"Luckily for us we have generated a lot of media interest. Our next big push may be marketing on radio, maybe TV. But that is expensive and we need to keep our costs efficient. After all we are specialists in marketing ROI!"

Between them the CarbonBlack team has more than two decades' experience in search engine advertising and direct marketing and six decades in the automotive industry. On the advisory board are some big players in digital strategy, and Permission2market, the entity established to own and operate CarbonBlack TyreXchange, has attracted private equity investors.

## On the move

Replicating CarbonBlack in the US is very much on the cards. "I'm from the US and understand the market better," Stanton remarked. "The US is very regional – and enormous – so a roll-out has to be planned and strategic; knowing what and when to move. One online player is doing very well over there, but shunning 37,000 automotive dealers – however, we are a champion of the independent. At the end of the day it helps them have a presence without much cost."

The US-born Stanton cut her business teeth on Wall St, but a decade ago quit the rat-race to pursue an unlikely undertaking. "I wanted to see the world but had no money. So along with 42 other cyclists, I set off from California on a very long trip.

"I was the only cyclist to complete the two year, 43,000 kilometre journey around

the world, and the last third of that was on my own. Back in New York I realised materialism wasn't for me. I wanted to keep travelling and feel like I was still overseas, so I returned to Australia."

That epic chapter also helps explain why Stanton becomes a little defensive addressing people who incorrectly assume she knows little about tyres. "In Turkey my bike wheels were ruined and I was literally building and fixing tyres using whatever materials I could get hold of. The villages were small and primitive and I really had to improvise. So yes, I do know a fair bit about the nature of tyres!" ●

For more information visit:  
<http://www.carbonblack.com.au/>

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