

# MIS

FINANCIAL REVIEW

## CarbonBlack wheels out new products

Tuesday, 24 June 2008 | The Australian Financial Review  
| Ben Woodhead

Online tyre marketer CarbonBlack TyreXchange is moving to tackle the broader automotive parts market from August after it inked a deal with industry information supplier Advanced Automotive Data Services.

CarbonBlack will feed data on car parts from Advanced Automotive into a redesigned website that managing director Jodi Stanton said would dramatically expand the array of products consumers and car service centres could search for on the exchange.

The redevelopment was in part funded through an investment from private equity firm Nightingale Partners, which has pursued positions in a number of local information technology businesses.

Still in its infancy, CarbonBlack is one of the more recent attempts to establish an online exchange for goods and services; and Ms Stanton maintained it had generated about 5 million sales leads for tyre manufacturers and sellers since its launch a year ago.

"We've completely rebuilt the site to focus on all automotive. Instead of having 7000 different tyres to offer the consumer we now will allow them to look at 900,000 parts on over 7000 vehicles," she said.

"We've just signed an agreement with Advanced Automotive Data Services - they are a supplier of data and software to the after market - and we are launching that in August."

CarbonBlack allows consumers to search for tyres at service providers that the exchange has pre-qualified to be on the site.

The searches generate sales leads and CarbonBlack receives a payment from service providers whenever a prospective customer is sent their way. If CarbonBlack can establish that the lead resulted in a sale, it charges a percentage of the sale instead.

Ms Stanton said the model was partly influenced by Google initiatives such as AdWords, under which the search giant collects a fee whenever a web surfer clicks on an advertisement on its web pages.

In addition to catering to consumers, Ms Stanton said the business was now attempting to establish itself as an intermediary between automotive parts suppliers, in keeping with its original business plan.

"We decided to start with the consumer and we are slowly moving back into our semi-private exchange idea. For example, we allow dealers to trade excess stock and inventory between themselves.

"We're slowly going back and trying to provide a bit of procurement and marketing as well."

One of the next steps in building up its position as an intermediary within the automotive industry would involve broadening its services so CarbonBlack does not simply pick up leads from consumers and pass them onto service centres. It hopes to then connect the service centre to a parts supplier necessary to meet the consumer's needs.

Ms Stanton conceded she was often quizzed on why she was confident CarbonBlack would be successful over the long term when other exchanges - notably Cyberlynx and corProcure - had encountered difficulties.

She said the site offered information on spending patterns that service centres could not readily access elsewhere, increasing its significance to the sector and prospects of longevity.